



**STUDY ON COMPARATIVE ANALYSIS ON ACTIVITIES OF STOCK  
BROKERS WITH SPECIAL REFERENCE TO INTEGRATED  
ENTERPRISES (INDIA) LIMITED, KARAIKUDI.**

by

**S.RAJA RAMACHANDRAN**  
Reg. No. 1120400066

Under the guidance of

**Dr.V.R.Nedunchezian**  
Professor

A PROJECT REPORT  
submitted

In partial fulfillment of the requirements  
for the award of the degree

of

**MASTER OF BUSINESS ADMINISTRATION**

**Kumaraguru College of Technology**  
(An autonomous institution affiliated to Anna University, Coimbatore)  
**Coimbatore - 641 047**

**September, 2012**



## BONAFIDE CERTIFICATE

Certified that this project report titled “**Study On Comparative Analysis On Activities Of Stock-brokers With Special Reference To Integrated Enterprises (India) Limited**” is the bonafide work of **Mr.Raja Ramachandran S, Reg no: 1120400066** who carried out the project under my supervision. Certified further, that to the best of my knowledge the work reported herein does not form part of any other project report or dissertation on the basis of which a degree or award was conferred on an earlier occasion on this or any other candidate.

Faculty Guide

**Dr.V.R.Nedunchezian**

**Professor**

**KCTBS**

Director

**Dr.Vijila Kennedy**

**KCTBS**

Submitted for the Project Viva-Voce examination held on \_\_\_\_\_

Internal Examiner

External Examiner

## DECLARATION

I affirm that the project work titled “**Study On Comparative Analysis On Activities Of Stock-brokers With Special Reference To Integrated Enterprises (India) Limited, karaikudi**” being submitted in partial fulfillment for the award of Master of Business Administration is the original work carried out by me. It has not found the party other project work submitted for award of any degree or diploma, either in this or any other university.

Signature of the Candidate

**Raja Ramachandran S**

**Register No: 1120400066**

I certify that the declaration made above by the candidate is true.

Signature of the Guide

**Dr.V.R.Nedunchezian**

**Professor.**

**KCT Business School**

## ACKNOWLEDGEMENT

I express my sincere gratitude to our beloved Chairman **Arutchelvar Dr. N.Mahalingam and Management** for the prime guiding spirit of Kumaraguru college of Technology.

I take this opportunity to extend my sincere thanks to **Dr.Vijila Kennedy**, Director, KCT Business School, for her dynamic spirit in cheering up our project student project efforts.

I wish to express deep sense of obligation to my guide **Dr.V.R.Nedunchezian**, Professor, KCT Business School, for his guidance, support and constant source of inspiration during this project.

I wish to express deep sense of obligation to my Project coordinator **Miss.S.Sangeetha**, Assistant Professor (SRG), KCT Business School, for her guidance, support and constant source of inspiration during this project

I thank **Mr.Prakash**, Branch Manager **Integrated Enterprises (India) Limited, karaikudi**, for his valuable guidance throughout my project.

## TABLE OF CONTENTS

<b>S.NO</b>	<b>PARTICULARS</b>	<b>PAGE NO.</b>
	<b>LIST OF TABLES</b>	
	<b>LIST OF CHARTS</b>	
	<b>ABSTRACT</b>	
<b>1</b>	<b>INTRODUCTION</b>	<b>1</b>
	<b>1.1 ABOUT THE STOCK MARKET</b>	<b>1</b>
	<b>1.2 INDUSTRY PROFILE</b>	<b>6</b>
	<b>1.3 TYPE OF STOCKBROKING COMPANIES</b>	<b>7</b>
	<b>1.4 STOCK EXCHANGE</b>	<b>9</b>
	<b>1.5 COMPANY PROFILE</b>	<b>25</b>
	<b>1.6 OBJECTIVE OF THE STUDY</b>	<b>33</b>
<b>2</b>	<b>REVIEW OF LITERATURE</b>	<b>34</b>
<b>3</b>	<b>RESEARCH METHODOLOGY</b>	<b>39</b>
	<b>3.1 TYPES OF RESEARCH</b>	<b>39</b>
	<b>3.2 SOURCE OF DATA COLLECTION</b>	<b>40</b>
	<b>3.3 SURVEY METHOD</b>	<b>40</b>
<b>4</b>	<b>DATA ANALYSIS AND INTERPRETATION</b>	<b>41</b>
<b>5</b>	<b>FINDINGS, SUGGESTIONS AND CONCLUSION</b>	<b>65</b>
	<b>5.1 FINDINGS</b>	<b>65</b>
	<b>5.2 SUGGESTIONS</b>	<b>65</b>
	<b>5.3 CONCLUSIONS</b>	<b>66</b>
	<b>BIBLIOGRAPHY</b>	<b>67</b>

## LIST OF TABLES

<b>TABLE NUMBER</b>	<b>PARTICULARS</b>	<b>PAGE NUMBER</b>
<b>4.1</b>	<b>Table showing the number of years the company is in field</b>	<b>41</b>
<b>4.2</b>	<b>Table showing number of cities the company is available in India</b>	<b>43</b>
<b>4.3</b>	<b>Table showing number of branches the company is available in India</b>	<b>45</b>
<b>4.4</b>	<b>Table showing number of employees working in Karaikudi branch.</b>	<b>47</b>
<b>4.5</b>	<b>Table showing number of customers in karaikudi branch</b>	<b>49</b>
<b>4.6</b>	<b>Table showing number of customers using online trading in karaikudi branch</b>	<b>51</b>
<b>4.7</b>	<b>Table showing average number of traders per day</b>	<b>53</b>
<b>4.8</b>	<b>Table showing average number of trades done per day</b>	<b>55</b>
<b>4.9</b>	<b>Table showing time required to open the demat account</b>	<b>57</b>
<b>4.10</b>	<b>Table showing the annual turnover of the company.</b>	<b>59</b>

<b>4.11</b>	<b>Table showing brokerage of the firms</b>	<b>61</b>
<b>4.12</b>	<b>Table showing the payment duration</b>	<b>63</b>
<b>4.13</b>	<b>Table showing payment mode</b>	<b>64</b>
<b>4.14</b>	<b>Table showing other services</b>	<b>64</b>

## LIST OF CHARTS

<b>CHART NUMBER</b>	<b>PARTICULARS</b>	<b>PAGE NUMBER</b>
4.1	Chart showing the number of years the company is in field	42
4.2	Chart showing number of cities the company is available in India	44
4.3	Chart showing number of branches the company is available in India	46
4.4	Chart showing number of employees working in Karaikudi branch.	48
4.5	Chart showing number of customers in karaikudi branch	50
4.6	Chart showing number of customers using online trading in karaikudi branch	52
4.7	Chart showing average number of traders per day	54
4.8	Chart showing average number of trades done per day	56
4.9	Chart showing time required to open the demat account	58
4.10	Chart showing the annual turnover of the company.	60
4.11	Chart showing the brokerage of the company	62

## CHAPTER 1

### INTRODUCTION

#### 1.1 INTRODUCTION OF STOCK MARKET

A stock, also referred to as a share, is commonly a share of ownership in a corporation. In British English, the word stock has another completely different meaning in finance, referring to a bond. It can also be used more widely to refer to all kinds of marketable securities. Where a share of ownership is meant the word share is usually used in British English

##### **Ownership**

The owners and financial backers of a company may want additional capital to invest in new projects within the company. If they were to sell the company it would represent a loss of control over the company. Alternatively, by selling shares, they can sell part or all of the company to many part-owners. The purchase of one share entitles the owner of that share to literally share in the ownership of the company, including the right to a fraction of the assets of the company, a fraction of the decision-making power, and potentially a fraction of the profits, which the company may issue as dividends. However, the original owners of the company often still have control of the company, and can use the money paid for the shares to grow the company.

In the common case, where there are thousands of shareholders, it is impractical to have all of them making the daily decisions required in the running of a company. Thus, the shareholders will use their shares as votes in the election of members of the board of directors of the company. However, the choices are usually nominated by insiders or the board of the directors themselves, which over time has led to most of the top executives being on each other's boards. Each share constitutes one vote (except in a co-operative society where every member gets one vote regardless of the number of shares they hold). Thus, if one

shareholder owns more than half the shares, they can out-vote everyone else, and thus have control of the company.

### **Shareholder rights**

Although owning 51% of shares does mean that you own 51% of the company and that you have 51% of the votes, the company is considered a legal person, thus it owns all its assets, (buildings, equipment, materials etc) itself. A shareholder has no right to these without the company's permission, even if that shareholder owns almost all the shares. This is important in areas such as insurance, which must be in the name of the company not the main shareholder.

In most countries, including the United States, boards of directors and company managers have a fiduciary responsibility to run the company in the interests of its stockholders. Nonetheless, as Martin Whitman writes:

Even though the board of directors run the company, the shareholder has some impact on the company's policy, as the shareholders elect the board of directors. Each shareholder has a percentage of votes equal to the percentage of shares he owns. So as long as the shareholders agree that the management (agent) are performing poorly they can elect a new board of directors which can then hire a new management team.

Owning shares does not mean responsibility for liabilities. If a company goes broke and has to default on loans, the shareholders are not liable in any way. However, all money obtained by converting assets into cash will be used to repay loans, so that shareholders cannot receive any money until creditors have been paid.

### **Means of financing**

Financing a company through the sale of stock in a company is known as equity financing. It can be through preference shares, bank loans etc. Alternatively debt financing (for example issuing bonds, debentures) can be done to avoid giving up shares of ownership of the company.

**Trading**

Shares of stock are usually traded on a stock exchange, where people and organizations may buy and sell shares in a wide range of companies. A given company will usually only trade its shares in one market, and it is said to be quoted, or listed, on that stock exchange.

However, some large, multinational corporations are listed on more than one exchange. They are referred to as inter-listed shares.

**Buying**

There are various methods of buying and financing stocks. The most common means is through a stock broker. Whether they are a full service or discount broker, they are all doing one thing – arranging the transfer of stock from a seller to a buyer. Most of the trades are actually done through brokers listed with a stock exchange such as the New York Stock Exchange.

There are many different stock brokers to choose from such as full service brokers or discount brokers. The full service brokers usually charge more per trade, but give investment advice or more personal service; the discount brokers offer little or no investment advice but charge less for trades. Another type of broker would be a bank or credit union that may have a deal set up with either a full service or discount broker.

There are other ways of buying stock besides through a broker. One way is directly from the company itself. If at least one share is owned, most companies will allow the purchase of shares directly from the company through their investor's relations departments. However, the initial share of stock in the company will have to be obtained through a regular stock broker. Another way to buy stock in companies is through Direct Public Offerings which are usually sold by the company itself. A direct public offering is an initial public offering a company in which the stock is purchased directly from the company, usually without the aid of brokers.

When it comes to financing a purchase of stocks there are two ways: purchasing stock with money that is currently in the buyers ownership or by buying stock on margin. Buying stock on margin means buying stock with money borrowed against the stocks in the same account. These stocks, collateral, guarantee that the buyer can repay the loan; otherwise, the stockbroker has the right to sell the stocks (collateral) to repay the borrowed money. He can sell if the share price drops below the margin requirement, at least 50 percent of the value of the stocks in the account. Buying on margin works the same way as borrowing money to buy a car or a house using the car or house as collateral. Moreover, borrowing is not free; the broker usually charges you 8-10 percent interest.

## **Selling**

Selling stock in a company goes through many of the same procedures as buying stock. Generally, the investor wants to buy low and sell high, if not in that order; however, this is not how it always ends up. Sometimes, the investor will cut their losses and claim a loss.

As with buying a stock, there is a transaction fee for the broker's efforts in arranging the transfer of stock from a seller to a buyer. This fee can be high or low depending on if it is a full service or discount broker.

After the transaction has been made, the seller is then entitled to all of the money. An important part of selling is keeping track of the earnings. It is important to remember that upon selling the stock, in jurisdictions that have them, capital gains taxes will have to be paid on the additional proceeds, if any, that are in excess of the cost basis.

## **Technology's on Trading**

Stock trading has evolved tremendously. Since the very first Initial Public Offering (IPO) in the 13th century, owning shares of a company has been a very attractive incentive. Even though the origins of stock trading go back to the 13th century, the market as we know it today did not catch on strongly until the late 1800s.

Co-production between technology and society has led the push for effective and efficient ways of trading. Technology has allowed the stock market to grow tremendously, and all the while society has encouraged the growth. Within seconds of an order for a stock, the transaction can now take place. Most of the recent advancements with the trading have been due to the Internet. The Internet has allowed online trading. In contrast to the past where only those who could afford the expensive stock brokers, anyone who wishes to be active in the stock market can now do so at a very low cost per transaction. Trading can even be done through Computer-Mediated Communication (CMC) use of mobile devices such as hand computers and cellular phones. These advances in technology have made day trading possible.

The stock market has grown so that some argue that it represents a country's economy. This growth has been enjoyed largely to the credibility and reputation that the stock market has earned.

### **Types of shares**

There are several types of shares, including common stock, preferred stock, treasury stock, and dual class shares. Preferred stock, sometimes called preference shares, have priority over common stock in the distribution of dividends and assets, and sometime have enhanced voting rights such as the ability to veto mergers or acquisition or the right of first refusal when new shares are issued (i.e. the holder of the preferred stock can buy as much as they want before the stock is offered to others). A dual class equity structure has several classes of shares (for example Class A, Class B, and Class C) each with its own advantages and disadvantages. Treasury stock are shares that have been bought back from the public.

### **Derivatives**

A stock option is the right (or obligation) to buy or sell stock in the future at a fixed price. Stock options are often part of the package of executive compensation offered to key executives. Some companies extend stock options to all (or nearly all) of their employees. This was especially true during the dot-com boom of the mid- to late- 1990s, in which the major compensation of many

employees was in the increase in value of the stock options they held, rather than their wages or salary. Some employees at dot-com companies became millionaires on their stock options. This is still a major method of compensation for CEOs.

The theory behind granting stock options to executives and employees of a corporation is that, since their financial fortunes are tied to the stock price of the company, they will be motivated to increase the value of the stock over time.

## 1.2 INDUSTRY PROFILE

The Indian retail brokerage industry consists of companies that primarily act as agents for the buying and selling of securities (e.g. stocks, shares, and similar financial instruments) on a commission or transaction fee or Brokerage basis.

An agent that charges a fee or commission for executing buys and sell orders submitted by an investor. The firm that acts as an agent for a customer, charge the customer the commission for its service. Roles similar to that of a stockbroker include investment advisor, financial advisor and probably many others. A stockbroker may or may not be also an investment advisor.

A **stockbroker** is a regulated professional broker who buys and sells shares and other securities through market makers or Agency Only Firms on behalf of investors.

Typically, a broker who receives an order from a customer will communicate with a company employee located at a particular exchange, who will **execute the order** at the exchange and report details of the transaction to the broker. Customers typically keep their securities in an account with the broker. Brokers charge customers **commissions** for conducting transactions and **fees** for maintaining their accounts.

Some of the main characteristics of the brokerage industry include growth in e-broking, decline in brokerage fees and growing derivative market and many more.

There are several national as well as local players in stock trading services which are providing various services to their customers like online trading, portfolio management system, stock broking etc.

They are helping the investors to take decision about where to invest because there is lots of Investment Avenue available with investors. Some of them are as follows working at the national level.

### **1.3 TYPES OF STOCK BROKING COMPANIES:**

- **5Paisa.com** - Online trading, live stock quotes and market research
- **Integrated enterprises** - Stock broking, portfolio management investment banking services IT return, online trading, live stock quotes, research, insurance etc.
- **Sharekhan** - Stock broking, portfolio management, online trading, live quotes, etc.
- **Stockholding** - Stock broking, portfolio management, online trading, etc.
- **Motilal Oswal Securities** - Online trading, live BSE and NSE quotes
- **Anagram Capital** - Stock broking, portfolio management and investment banking services
- **Angel Broking** - Stock-Broking and Wealth Management services
- **Advani Share Brokers** - Share broking and market research services
- **Anand Rathi Securities** - Portfolio management, corporate finance, equity & fixed income brokerage services
- **Brescon Group** - Advisory and broking services

- **CIL Securities** - Stock broking & merchant banking services
- **CRN India** - Trends of stock market, trading tips, chat etc
- **Churiwala Securities** - Stock trading, quotes and market analysis
- **DSP Merrill Lynch** - Investment banking and brokerage services
- **Dalmia Securities** - Stock broking & depository services
- **Equity Trade** - Stock trading, company news & market research
- **Gandhi Securities** - Stock broking and investment services
- **Gogia Capital Services** - Stock broking and market analysis
- **Hasmukh Lalbhai** - Stock trading services
- **Idafa Investments** - Stock broking services
- **India Info line Securities** - Stock broking, portfolio management and investment banking services
- **India Market Access** - Offers stock broking, portfolio management and investment banking services
- **Investsmart India** - Personal finance advisory & online brokerage services
- **Kisan Ratilal Choksey Shares** - Stock broking and e-trading services
- **Kotak Securities** - Brokerage services & retail distributor of financial securities
- **Manubhai Mangaldas Securities** - Stock broking and market analysis
- **Moneypore** - Investment and broking services
- **Navia Markets** - Stock broking, IPO and mutual funds services
- **Parag Parikh** - Stock broking and portfolio management

- **Parsoli Corporation** - Investment management & stock trading services
- **Pratibhuti Viniyog** - Stock broking services
- **Prudential** - Investment management services
- **Quantum Securities** - Offers broking and portfolio management services.
- **Religare Enterprises Limited** - Stock broking services and diversified financial services group with in multiple international locations
- **Sivan Securities** - offers services related investment banking & stock broking with a focus on South India.

Lots of brokerage companies are moving towards consolidation with the smaller ones becoming either franchisee for the larger brokers or closing operations. There is an increasing demand for online trading due to consumer's growing preference for Internet as compared to approaching the brokers.

New forms of trading including T+2 settlement system, dematerialization etc. are strengthening the retail brokerage market and attracting foreign companies to enter the Indian industry Various alternative forms of investment including fixed deposits with banks and post offices etc act as substitutes to retail broking products and services.

#### **1.4 Stock exchange**

A **stock exchange** is an entity which provides "trading" facilities for stock brokers and traders, to trade stocks and other securities.

Stock Exchanges are an organized marketplace, either corporation or mutual organization, where members of the organization gather to trade company stocks or other securities.

Stock exchanges also provide facilities for the issue and redemption of securities as well as other financial instruments and capital events including the payment of income and dividends.

The securities traded on a stock exchange include: shares issued by companies, unit trusts, derivatives, pooled investment products and bonds. To be able to trade a security on a certain stock exchange, it has to be listed there. Usually there is a central location at least for recordkeeping, but trade is less and less linked to such a physical place, as modern markets are electronic networks, which gives them advantages of speed and cost of transactions. Trade on an exchange is by members only. The initial offering of stocks and bonds to investors is by definition done in the primary market and subsequent trading is done in the secondary market.

A stock exchange is often the most important component of a stock market. Supply and demand in stock markets is driven by various factors which, as in all free markets, affect the price of stocks.

There is usually no compulsion to issue stock via the stock exchange itself, nor must stock be subsequently traded on the exchange. Such trading is said to be off exchange or over-the-counter. This is the usual way that derivatives and bonds are traded. Increasingly, stock exchanges are part of a global market for securities.

## **MAJOR STOCK EXCHANGES IN INDIA:**

**Two major Stock Exchanges from India, which is –**

- 1. Bombay Stock Exchange**
  - 2. National Stock Exchange**
- **List of Stock Exchanges In India**
    1. Bombay Stock Exchange(**BSE**)
    2. National Stock Exchange(**NSE**)
    3. Regional stock exchange.

There are many other regional stock exchanges, which are Ahmedabad»Bangalore» Bhubaneswar» Calcutta» Cochin »Coimbatore» Delhi» Guwahati» Hyderabad» Jaipur» Ludhiana» Madhya Pradesh» Madras» Magadha» Mangalore» Meerut» OTC Exchange Of India» Pune» Saurashtra Kutch» Uttar Pradesh» Vadodara etc.

### **Bombay Stock Exchange (BSE)**

Established in 1875, BSE Ltd. (formerly known as Bombay Stock Exchange Ltd.), is Asia's first Stock Exchange and one of India's leading exchange groups. Over the past 137 years, BSE has facilitated the growth of the Indian corporate sector by providing it an efficient capital-raising platform. Popularly known as BSE, the bourse was established as "**The Native share & Stock Brokers Association**".

BSE is a corporatized and demutualised entity, with a broad shareholder-base which includes two leading global exchanges, Deutsche Bourse and Singapore Exchange as strategic partners. BSE provides an efficient and transparent market for trading in equity, debt instruments, derivatives, mutual funds. It also has a platform for trading in equities of small-and-medium enterprises (SME). Around 5000 companies are listed on BSE making it world's No. 1 exchange in terms of listed members. The companies listed on BSE Ltd command a total market capitalization of USD Trillion 1.06 as of May 15, 2012. BSE Ltd is world's fifth most active exchange in terms of number of transactions handled through its electronic trading system. It is also one of the world's leading exchanges (5th largest in May 2012) for Index options trading (Source: World Federation of Exchanges).

BSE also provides a host of other services to capital market participants including risk management, clearing, settlement, market data services and education. It has a global reach with customers around the world and a nation-wide presence. BSE systems and processes are designed to safeguard market integrity, drive the growth of the Indian capital market and stimulate innovation and competition across all market segments. BSE is the first exchange in India and second in the world to obtain an ISO 9001:2000 certification. It is also the first Exchange in the

country and second in the world to receive Information Security Management System Standard BS 7799-2-2002 certification for its On-Line trading System (BOLT).

It operates one of the most respected capital market educational institutes in the country (the BSE Institute Ltd.). BSE also provides depository services through its Central Depository Services Ltd.(CDSL) arm.

BSE's popular equity index - the SENSEX - is India's most widely tracked stock market benchmark index. It is traded internationally on the EUREX as well as leading exchanges of the BRICS nations (Brazil, Russia, China and South Africa).

#### **The BSE On-line Trading (BOLT):**

BSE On-line Trading (BOLT) facilitates on-line screen based trading in securities. BOLT is currently operating in 25,000 Trader Workstations located across over 359 cities in India.

#### **Heritage**

BSE Ltd, the first ever stock exchange in Asia established in 1875 and the first in the country to be granted permanent recognition under the Securities Contract Regulation Act, 1956, has had an interesting rise to prominence over the past 137 years.

While BSE Ltd is now synonymous with Dalal Street, it was not always so. The first venue of the earliest stock broker meetings in the 1850s was in rather natural environs - under banyan trees - in front of the Town Hall, where Horniman Circle is now situated. A decade later, the brokers moved their venue to another set of foliage, this time under banyan trees at the junction of Meadows Street and what is now called Mahatma Gandhi Road. As the number of brokers increased, they had to shift from place to place, but they always overflowed to the streets. At last, in 1874, the brokers found a permanent place, and one that they could, quite literally, call their own. The new place was, aptly, called Dalal Street (Brokers' Street).

The journey of BSE Ltd. is as eventful and interesting as the history of India's

securities market. In fact, as India's biggest bourse in terms of listed companies and market capitalisation, almost every leading corporate in India has sourced BSE Ltd. services in raising capital and is listed with BSE Ltd.

Even in terms of an orderly growth, much before the actual legislations were enacted, BSE Ltd. had formulated a comprehensive set of Rules and Regulations for the securities market. It had also laid down best practices which were adopted subsequently by 23 stock exchanges which were set up after India gained its independence.

BSE Ltd., as a institutional brand, has been and is synonymous with the capital market in India. Its SENSEX is the benchmark equity index that reflects the health of the Indian economy.

#### **Indices of BSE:**

1. Sensex
2. BSE 100(This covers Banking Sector)
3. BSE 200(This covers Capital goods)
4. BSE 500(This covers Consumer goods)
5. BSE mid-cap index
6. BSE small-cap index

**BSE mid-cap** index covers the FMCG sector and **BSE small-cap** index covers the IT, Metal, Oil & gas, Power industry, PSUs, etc. BSE disseminates information on the Price-Earnings Ratio, the Price to Book Value Ratio and the Dividend Yield Percentage on day-to-day basis of all its major indices.

The values of all BSE indices are updated every 15 seconds during market hours and displayed through the BOLT system, BSE website and news wire agencies.

All BSE Indices are reviewed periodically by the BSE Index Committee. This Committee which comprises eminent independent finance professionals frames the broad policy guidelines for the development and maintenance of all

BSE indices. The BSE Index Cell carries out the day-to-day maintenance of all indices and conducts research on development of new indices.

**VISION:**

The vision of the Bombay Stock Exchange is -

**"Emerge as the premier Indian stock exchange with best-in-class global practice in technology, products innovation and customer service."**

**Brand Identity**



Bombay Stock Exchange has now adopted only its initials as the new name (BSE), positioning itself better position as a national multi-asset financial infrastructure institution. BSE's strategic shift in approach, attitude and business focus is reflected in its new tag line- **"Experience the new"**. With renewed zeal and focus on new business opportunities, product and service innovation, upgrades in technology, increased investor and member focus, BSE is always pushing the envelope on all fronts.

The ambition is to continually improve and adopt new and better ways of conducting our business. As the first stock exchange in Asia and the pioneer of securities transaction business, BSE prides itself on being at the forefront of bringing innovations to the Indian capital markets while creating diverse investment opportunities for the

investor community in India throughout its long history. BSE continues to undertake several initiatives to build on its strong brand, legacy and market position to create value for its stakeholders and the financial system.

### **Awards & Recognitions:**

As a pioneering financial institution in the Indian capital market, BSE has won several awards and recognitions that acknowledge the work done and progress made.

- The Golden Peacock Global CSR Award for its initiatives in Corporate Social Responsibility
- BSE has won NASSCOM - CNBC-TV18's IT User Awards, 2010 in Financial Services category
- BSE has won Skoch Virtual Corporation 2010 Award in the BSE StAR MF category
- Responsibility Award (CSR), by the World Council of Corporate Governance
- Annual Reports and Accounts of BSE have been awarded the ICAI awards for excellence in financial reporting for four consecutive years from 2006 onwards
- Human Resource Management at BSE has won the Asia - Pacific HRM awards for its efforts in employer branding through talent management at work, health management at work and excellence in HR through technology

### **Achievements:**

At par with international standards, BSE Ltd. has been a pioneer in several areas over the decades and has many firsts and key achievements to its credit. BSE is the first exchange in India to

- Launch a special platform for trading in SME securities
- Introduce Equity Derivatives
- Launch a Free Float Index - SENSEX
- Launch Exchange Enabled Internet Trading Platform



## **National Stock Exchange (NSE)**

The National Stock Exchange (NSE) is India's leading stock exchange covering various cities and towns across the country. NSE was set up by leading institutions to provide a modern, fully automated screen-based trading system with national reach. The Exchange has brought about unparalleled transparency, speed & efficiency, safety and market integrity. It has set up facilities that serve as a model for the securities industry in terms of systems, practices and procedures.

NSE has played a catalytic role in reforming the Indian securities market in terms of microstructure, market practices and trading volumes. The market today uses state-of-art information technology to provide an efficient and transparent trading, clearing and settlement mechanism, and has witnessed several innovations in products & services viz. demutualisation of stock exchange governance, screen based trading, compression of settlement cycles, dematerialisation and electronic transfer of securities, securities lending and borrowing, professionalisation of trading members, fine-tuned risk management systems, emergence of clearing corporations to assume counterparty risks, market of debt and derivative instruments and intensive use of information technology.

## **History of N.S.E**

Capital market reforms in India and the launch of the Securities and Exchange Board of India (SEBI) accelerated the incorporation of the second Indian stock exchange called the National Stock Exchange (NSE) in 1992. After a few years of operations, the NSE has become the largest stock exchange in India.

Three segments of the NSE trading platform were established one after another. The Wholesale Debt Market (WDM) commenced operations in June 1994 and the Capital Market (CM) segment was opened at the end of 1994. Finally, the

Futures and Options segment began operating in 2000. Today the NSE takes the 14th position in the top 40 futures exchanges in the world.

In 1996, the National Stock Exchange of India launched S&P CNX Nifty and CNX Junior Indices that make up 100 most liquid stocks in India. CNX Nifty is a diversified index of 50 stocks from 25 different economy sectors. The Indices are owned and managed by India Index Services and Products Ltd (IISL) that has a consulting and licensing agreement with Standard & Poor's.

In 1998, the National Stock Exchange of India launched its web-site and was the first exchange in India that started trading stock on the Internet in 2000. The NSE has also proved its leadership in the Indian financial market by gaining many awards such as 'Best IT Usage Award' by Computer Society in India (in 1996 and 1997) and CHIP Web Award by CHIP magazine (1999).

### **Indices of N.S.E**

NSE also set up as index services firm known as India Index Services & Products Limited (IISL) and has launched several stock indices, including:

- S&P CNX Nifty(Standard & Poor's CRISIL NSE Index)
- CNX Nifty Junior
- CNX 100 (= S&P CNX Nifty + CNX Nifty Junior)
- S&P CNX 500 (= CNX 100 + 400 major players across 72 industries)
- CNX Midcap (introduced on 18 July 2005 replacing CNX Midcap 200)

### **Purpose:**

Committed to improve the financial well-being of people.

### **Vision:**

To continue to be a leader, establish global presence, facilitate the financial well being of people.

**Values:**

NSE is committed to the following core values :

- Integrity
- Customer focussed culture
- Trust, respect and care for the individual
- Passion for excellence
- Teamwork

**Logo:**

The logo of the NSE symbolises a single nationwide securities trading facility ensuring equal and fair access to investors, trading members and issuers all over the country. The initials of the Exchange viz., N, S and E have been etched on the logo and are distinctly visible. The logo symbolises use of state of the art information technology and satellite connectivity to bring about the change within the securities industry. The logo symbolises vibrancy and unleashing of creative energy to constantly bring about change through innovation.

**Awards & Recognitions:**

**NSCCL Rated “CCR AAA” for fourth consecutive year - 28th Dec 2011.**

For fourth consecutive year CRISIL has assigned its highest corporate credit rating of ‘CCR AAA’ to the National Securities Clearing Corporation Ltd (NSCCL). 'CCR

AAA' rating indicates highest degree of strength with regard to honouring debt obligations. As per CRISIL the rating reflects NSCCL's status as Clearing Corporation for NSE. The rating also factors in NSCCL's rigorous risk management controls and adequate settlement guarantee cover.

CRISIL has further stated that NSCCL's risk management system is comprehensive, and is regularly upgraded to pre-empt market failures. The company addresses risks in clearing and settlement with its stringent norms for selection of members, robust margining system, and risk-based position limits and surveillance mechanism.

### **NSE and NSCCL receive Asian Banker awards**

NSE has been awarded 'The Asian Banker Financial Derivative Exchange of the Year Award' NSCCL has been awarded 'The Asian Banker Clearing House of the Year Award'**NSE awarded 'Derivative Exchange of the Year'**

The award recognizes best practice, quality service and innovation in derivatives and risk management in the Asia-Pacific region. The winning institutions are those that, over the past year, have responded best in the needs of their clients, both on the asset and liability side, along with the end-users that have demonstrated outstanding trading and risk management strategies.

'Asia Risk' is the only publication dedicated solely to the business of financial risk management and the derivatives market in the Asia-Pacific region since 1995

### **Products:**

#### **Equities**

- Equities
- Indices
- Mutual Funds
- Exchange Traded Funds

- Initial Public Offerings
- Security Lending and Borrowing Scheme

### **Derivatives**

- Equity Derivatives
- Currency Derivatives
- Interest Rate Futures

### **Debt**

- Retail Debt Market
- Wholesale Debt Market
- Corporate Bonds

## **Business Growth**

- Capital Market
- Future & options
- Wholesale Debt Segment.
- Retail Debt Segment.

Currently, NSE has the following major segments of the capital market:

- Equity
- Futures and Options
- Retail Debt Market
- Wholesale Debt Market
- Currency futures

NSE became the first stock exchange to get approval for Interest rate futures as recommended by SEBI-RBI committee, on 31 August,2009, a futures contract based on 7% 10 Year GOI bond (NOTIONAL) was launched with quarterly maturities.

### **Hours:**

NSE's normal trading sessions are conducted from 9:00 am India Time to 3:30 pm India Time on all days of the week except Saturdays, Sundays and Official Holidays declared by the Exchange (or by the Government of India) in advance.

The exchange in association with BSE (Bombay Stock Exchange Ltd.) thinking to revise its timings from 9.00 am India Time till 5.00 pm India Time.

However, on Dec 17, 2009, after strong protests from brokers, the Exchange decided to postpone the change in trading hours till Jan 04, 2010.

**NSE new market timing from Jan 04, 2010 is 9:00 am till 3:30 pm India Time.**

### **Trading Technology:**

Across the globe, developments in information, communication and network technologies have created paradigm shifts in the securities market operations. Technology has enabled organisations to build new sources of competitive advantage, bring about innovations in products and services, and to provide for new business opportunities. Stock exchanges all over the world have realised the potential of IT and have moved over to electronic trading systems, which are cheaper, have wider reach and provide a better mechanism for trade and post trade execution.

NSE believes that technology will continue to provide the necessary impetus for the organisation to retain its competitive edge and ensure timeliness and satisfaction in customer service. In recognition of the fact that technology will continue to redefine the shape of the securities industry, NSE stresses on

innovation and sustained investment in technology to remain ahead of competition. NSE's IT set-up is the largest by any company in India. It uses satellite communication technology to energise participation from around 200 cities spread all over the country. In the recent past, capacity enhancement measures were taken up in regard to the trading systems so as to effectively meet the requirements of increased users and associated trading loads. With upgradation of trading hardware, NSE today can handle up to 15 million trades per day in Capital Market segment. In order to capitalise on in-house expertise in technology, NSE set up a separate company, NSE Infotech Services Ltd. which provides a platform for taking up all IT related assignments of NSE.

NEAT is a state-of-the-art client server based application. At the server end, all trading information is stored in an in-memory database to achieve minimum response time and maximum system availability for users. The trading server software runs on OpenVOS based fault tolerant STRATUS main frame computer hosted on the Intel Platform while the client software runs on Microsoft Windows Platform. Between the NEAT client and server there is another layer called the Trading Access Point (TAP). TAP facilitates IT Infrastructure consolidation and routes the orders and trades between Client and Server in an optimized protocol. Each trading member trades on the NSE with other members through a PC located in the trading member's office. The trading members on the various market segments such as CM, F&O, WDM, Currency Derivatives, SLBM, MF and IPO are linked to the central computer at the NSE through dedicated leased lines and VSAT terminals. The telecommunications network is the backbone of the automated trading system has been upgraded to use the more popular and modern IP Protocol which was using X.25 protocol earlier. NSE is one of the largest interactive VSAT based stock exchanges in the world. Today it supports more than 2500 VSATs and 3000 leased lines across the country. The NSE-network is the largest private wide area network in the country and the first extended C- Band VSAT network in the world. Currently more than 10000 users are trading on the real time-online NSE application.

The Exchange uses powerful UNIX servers, procured from HP for the back office processing. The latest software platforms like ORACLE RDBMS, SQL/ORACLE FORMS Front - Ends, etc. have been used for the Exchange applications. The

Exchange currently manages its data centre operations, system and database administration, design and development of in-house systems and design and implementation of telecommunication solutions. There are over 500 server class computer systems which include non-stop fault-tolerant Stratus servers and high end UNIX servers, operational under one roof to support the NSE applications. This coupled with the nationwide VSAT network makes NSE the country's largest Information Technology user.

In an ongoing effort to improve NSE's infrastructure, a corporate network has been implemented, connecting all the offices at Mumbai, Delhi, Calcutta and Chennai. This corporate network enables speedy inter-office communications and data and voice connectivity between offices.

NSE has its online presence at [www.nseindia.com](http://www.nseindia.com). The website displays its live stock quotes which are updated online and corporate announcements. The website has been designed to cater to the needs of Investors, Members, Issuers and other market participants.

NSE today allows members to provide internet trading facility to their clients through the use of NOW (NSE on web), a shared web infrastructure.

### **More about our Trading Technology**

- Computer to Computer Link (CTCL)
- Internet Trading
- WAP Trading

**NSE - Corporate Office**

National Stock Exchange of India Ltd.

Exchange Plaza,

Plot no. C/1, G Block,

Bandra-Kurla Complex

Bandra (E)

Mumbai - 400 051.

Tel No: (022) 26598100 - 8114

Fax No: (022) 26598120

**NSE Group:**

- National Securities Clearing Corporation Ltd. (NSCCL)
- National Securities Depository Ltd. (NSDL)
- India Index Services & Products Ltd. (IISL)
- NSE.ITLtd.
- DotEx International Limited

**1.5 Stock Market**

A **stock market** or **equity market** is a public entity (a loose network of economic transactions, not a physical facility or discrete entity) for the trading of company stock (shares) and derivatives at an agreed price; these are securities listed on a stock exchange as well as those only traded privately.

The size of the world stock market was estimated at about \$36.6 trillion at the beginning of October 2008. The *total* world derivatives market has been estimated at about \$791 trillion face or nominal value, 11 times the size of the entire world economy. The value of the derivatives market, because it is stated in terms of notional values, cannot be directly compared to a stock or a fixed income security,

which traditionally refers to an actual value. Moreover, the vast majority of derivatives 'cancel' each other out (i.e., a derivative 'bet' on an event occurring is offset by a comparable derivative 'bet' on the event *not* occurring). Many such relatively illiquid securities are valued as marked to model, rather than an actual market price.

The stocks are listed and traded on stock exchanges which are entities of a corporation or mutual organization specialized in the business of bringing buyers and sellers of the organizations to a listing of stocks and securities together. The largest stock market in the United States, by market capitalization, is the New York Stock Exchange (NYSE). In Canada, the largest stock market is the Toronto Stock Exchange. Major European examples of stock exchanges include the Amsterdam Stock Exchange, London Stock Exchange, Paris Bourse, and the Deutsche Börse (Frankfurt Stock Exchange). In Africa, examples include Nigerian Stock Exchange, JSE Limited, etc. Asian examples include the Singapore Exchange, the Tokyo Stock Exchange, the Hong Kong Stock Exchange, the Shanghai Stock Exchange, and the Bombay Stock Exchange. In Latin America, there are such exchanges as the BM&F Bovespa and the BMV.

Market participants include individual retail investors, institutional investors such as mutual funds, banks, insurance companies and hedge funds, and also publicly traded corporations trading in their own shares. Some studies have suggested that institutional investors and corporations trading in their own shares generally receive higher risk-adjusted returns than retail investors.

Stock market refers to a market place where investors can buy and sell stocks. The price at which each buying and selling transaction takes is determined by the market forces (i.e. demand and supply for a particular stock).

### 1.6 Company Profile

<b>Name of the company</b>	<b>Integrated Enterprises (India) Limited.</b>
<b>Established year</b>	<b>1973</b>
<b>Board of Directors</b>	<b>Shri. N. Gopaldaswamy Shri. S. Balasubramanian Shri. V Sriram Shri. V Krishnan</b>
<b>Regd. Office</b>	<b>5A,5<sup>th</sup> floor kences tower 1,Ramakrishna Street,T.Nagar Chennai 600 017.</b>
<b>Admin.Office</b>	<b>15 I floor Modern house Dr.V.B.Gandhi marg (forbes street) fort Mumbai 400 023.</b>
<b>Website</b>	<a href="http://www.integratedindia.in">www.integratedindia.in</a>
<b>Offices(Network)</b>	<b>110 branches in more than 75 cities</b>
<b>Company logo</b>	 The logo for Integrated Investments Simplified features a green square icon with a white stylized building or tower. To the right of the icon, the word "Integrated" is written in a large, bold, dark grey font. Below "Integrated", the text "since 1974" is written in a smaller, lighter grey font, and "Investments Simplified" is written in a dark grey font at the bottom.

**Integrated Enterprises (India) Limited** is a Company with best practices and over 3 decades of experience in Financial Services. The company was promoted as a Private Limited Company in the year 1973 and was later converted as a Public Limited Company in the year 1991. The company has evolved itself from different market cycles by winning the trust of the investment community and handling their needs. The company has expanded its horizon by foraying into corporate and tax services to become an Integrated Financial Services provider.

- STA approved by Our services include distribution of financial products - Mutual Funds, IPOs, Fixed Deposits, Bonds, Insurance and Post office Schemes. Integrated also provides demat services and has built a strong customer base of more than 2 lac demat account holders. Our processing services include PAN, TAN applications, e-TDS returns. We undertake merchant banking activities and also act as share transfer agent and registrar to an issue.
- Our core competence lies in reaching out to all prospective investors and satisfying their financial needs by providing them with the best product that suits them. We achieve this with the help of well-experienced manpower with vast domain knowledge and varied skill sets.
- Integrated Enterprises provide innovative and tailored solutions to all financial needs of its customers.
- 36 years of experience as Total Financial Solutions Provider.
  
- Wide spectrum of products and services to cater to the diversified needs of investors
- Serving over 6 lac investor families
- Investors have the facility of choosing all services under one roof
- Wide network of more than 100 branches across the country
- State-of-the-Art infrastructure is being used to provide effective service to the clients
- Highly competent workforce with professional knowledge and expertise
- Largest Depository Participant in India with a strong customer base of more than 2 lakh demat account holders

- More than 40 lakh PAN applications have been made through us
- Category 1 Merchant Banker approved by SEBI
- Category 1 Registrar & SEBI with more than 200 major clientele.

**Vision:**

A fully diversified financial services company providing quality service to corporates and retail investors with absolute integrity.

**Mission:**

Mission is to become “A TOTAL FINANCIAL PROVIDER” to retail investors.

**Values:**

Integrated has grown over the last decades based on a foundation of core values and vision. This has been our vantage point in building a strong customer relationship and reaching new heights in the future.

**Integrity:**

We are trustworthy of customers and provide high quality services to their utmost satisfaction. We follow an honest and ethical approach in all our dealings with the customers.

**Commitment:**

We have a strong commitment to serve our customers. We understand individual customer needs and make them choose the right product that suits them.

**Customer Focus:**

We are driven by our customers. We provide them with outstanding service by catering to all their financial needs under one roof. We continuously strive to understand and exceed customer expectations and ensure long-term satisfaction.

**Work Force:**

Our people are our greatest strengths. We have a well-managed workforce who have domain knowledge and are expertise in their field of operation.

**Team Work:**

Our efforts are based on teamwork and collaboration. We create a work culture that is conducive to innovative ideas and thoughts. We achieve our goals through efficient teamwork, partnership and joint effort. We work towards a unified approach in providing financial solutions to all investors.

**Board of Directors:**

Shri. N. Gopaldaswamy B.E

Shri. S. Balasubramanian B.Sc, FCA, CAIIB, AICWA

Shri. V Sriram

Shri. V Krishnan

**TABLE A Shriram Insight:**

Name of the Company	Shriram Insight Share Brokers limited
Company Established	1995
Number of Cities the company is available	80
Number of Branches In India	5000
Number of employees in karaikudi	2
Number of Customers in karaikudi	50
Number of customers using online trading in karaikudi	10
Average number of traders per day	15
Average number of trades done per day	30
Number of scripts transacted	70
How many index it is traded	20

Time required to open demat account	5 days
Payment duration for the trading done	Pay in: T+1 days Pay out:T+3 days
Payment mode	Cheque or Online transfer
Brokerage charged	Intraday:0.05 Delivery:0.50 Online: same as above
Annual turnover of the company	70000000
Schemes available	Classic Account: Rs:750 Trade tiger Rs: 1000 Dial n Trade
Account opening charges	Rs: NIL for first year Rs:300 from second year onwards.
Link with banks	ICICI, HDFC, AXIS etc
Annual maintenance charge	Nil
Highly traded share	Reliance, ICICI, TATA steel
Other facilities provided	Mutual Funds

**TABLE B STOCKHOLDING:**

Name of the Company	Stockholding Corporation of india Limited
Company Established	1986
Number of Cities the company is available	21
Number of Branches In India	227
Number of employees in karaikudi	2
Number of Customers in karaikudi	1000
Number of customers using online trading in karaikudi	15
Average number of traders per day	20
Average number of trades done per day	100
Number of scripts transacted	15-25
How many index it is traded	All index
Time required to open demat account	2 days

Payment duration for the trading done	T+2 days
Payment mode	Cheque
Brokerage charged	Intraday:0.1 Delivery:0.5 Online: same as above
Annual turnover of the company	50000000
Schemes available	11
Account opening charges	Depends upon the scheme 100-3800
Link with banks	ICICI, AXIS
Annual maintenance charge	Depend upon the scheme 100-1300
Highly traded share	Depends upon the price movement It varies everyday
Other facilities provided	Mutual Funds, Bonds, Loan against share, western union, Educational loan.

**TABLE C Motilal oswal**

Name of the Company	Motilal Oswal
Company Established	1987
Number of Cities the company is available	548
Number of Branches In India	1565
Number of employees in karaikudi	3
Number of Customers in karaikudi	400
Number of customers using online trading in karaikudi	10-20
Average number of traders per day	10
Average number of trades done per day	200
Number of scripts transacted	30-40
How many index it is traded	All index
Time required to open demat account	3 to 5 days
Payment duration for the trading done	T+2 days

Payment mode	ECS, Cheque to those who not updated details such as IFSC code.
Brokerage charged	Intraday:0.02 Delivery:0.5 Online: same as above
Annual turnover of the company	20000000-30000000
Schemes available	
Account opening charges	300
Link with banks	ICICI, AXIS, etc
Annual maintenance charge	300
Highly traded share	United spirits, Reliance Industries, SBI
Other facilities provided	Mutual Funds, Bonds, Commodities trading

## 1.8 OBJECTIVE OF THE STUDY

1. To know about the stock brokers and share market.
2. To study about the competitive position of Integrated in Competitive Market.
3. To study about the effectiveness & efficiency of Integrated in relation to its competitors.
4. To study about the various services provided.
5. To study about the need of improvement in existing Trading system.
6. To know about the online trading facilities in Integrated.
7. To know about the brokerage plans and schemes available.
8. To compare the different stock broking firms and find out the areas to be improved in Integrated enterprises.

## CHAPTER 2 REVIEW OF LITERATURE

Verma, K. K.<sup>1</sup> Tiwari, Prakash<sup>2</sup> Investment is one of the key components for growth and developments of any country. There are various ways of investments by the individual like buying securities or other monetary or paper (financial) assets in the money markets or capital markets, or in fairly liquid real assets, such as Gold as an investment, real estate etc. Types of financial investments include shares and other equity investments and bonds. The present conditions of Indian economy influence the people to invest in the stock market. Many brokerage houses have come into the existence in recent years to facilitate the individual for trading and investment. Every broking company is providing the good services and facility to their customers and also trying to attract more investor by different promotional schemes time to time. Keeping this particular in the mind the study tries to explore and evaluate the customers' expectation towards brokers or broking companies. The study is based on survey and a structured questionnaire has been used to collect the data from the target population. The different item to evaluate the services offered and facility provided by the brokers are extracted from the past research and related literature.

Source: Pranjana: The Journal of Management Awareness; Jan-Jun2009, Vol. 12 Issue 1,

Stock markets are characterised by wide fluctuations in returns relative to the mean return. This results in the power of many statistical tests of market efficiency being weak. A natural consequence is that the statistical evidence is frequently insufficient to reject the null hypothesis that the market is efficient. In this paper, a

theoretical model of brokers' forecasts is developed, which enables brokers to identify those shares which will outperform a general market portfolio.

Source: Economic Journal; Sep88, Vol. 98 Issue 392,

The author discusses the pros and cons of buying stock in Wall Street brokerages. According to the Securities Industry Association, 2003 will likely be the most profitable year ever for securities firms, with total earnings topping \$22.5 billion, up from just under \$7 billion last year. Brokerage stocks are typically the first winners in a bull market--after all, they collect all the fees and commissions when investors start buying again. Now investors in these firms face two big questions: Will the market rally continue? And is the boom fully reflected in brokers' share prices? The first question may be an imponderable. As to the second, it's fair to say that financials are still on the cheap side, if no longer extraordinary buys. The key number to look at with these firms is their price-to-book-value ratio, or their share price relative to the value of their assets minus liabilities. There are some risks, though. For a start, one reason Wall Street firms are so profitable right now is that they've just come off a period of painful cost cutting. Investors should put less weight on the windfalls of the past year and focus on firms that have the most to gain from merger-and-acquisition and underwriting activity, both of which are just starting to pick up again.

Source: Money; Jan2004, Vol. 33 Issue 1

Assesses the performance and challenges facing stockbroking firms in Australia. Factors affecting profit margins of stockbrokers; Ways of measuring the performance of stockbrokers and discount brokers; Discounted services offered by full-service firms to their institutional clients; Market share of brokers; Mergers between the broking houses.

Source: BRW; 6/16/2005, Vol. 27 Issue 23

This article reports that the softening property/casualty market has growth implications for brokers in 2007. Competition for market share remains fierce, and many of the brokers are implementing cost-saving initiatives to try to offset the pricing declines and, in some cases, to make investments back into their companies. Arthur J. Gallagher & Co. leads the pack with a 10.7% increase in revenues to \$1.52 billion. Results from the fourth quarter of 2007, however, are more indicative of current market conditions, analysts say

Source: Business Insurance; 2/18/2008, Vol. 42 Issue 7

The article talks about the things to consider when engaging intermediaries to help raise investment capital. One issue is that any intermediary offering shares in a private company should probably be registered with the U.S. Securities and Exchange Commission as a broker-dealer, qualified to sell such shares, and then only to others who qualify to invest in private offerings under SEC income-and-net-worth requirements. The practical implications of using an intermediary are also explained.

Source: BusinessWeek Online; 7/26/2007,

Analyzes the relationship between brokers and investors in Australia. Factors affecting the relationship include high brokerage rates, questionable research and recommendations that prove wrong; Increase in direct share ownership; Roots of distrust between brokers and investors; Increased popularity of discount and online brokers.

Source: Personal Investment; Dec98, Vol. 16 Issue 11

Reports on the contributions of stock brokers to the increase in the value of National Association of Securities Dealers Automated Quotations (NASDAQ) trades in 1999 based on a dollar-weighted average. Total number of NASDAQ-listed shares traded by stock brokers; Companies who made significant contributions to the increase in the value of NASDAQ trades.

Source:Pensions & Investments; 2/21/2000, Vol. 28 Issue 4

Reports on efforts by brokers to get clients to buy variable annuities, mutual-fund B shares, and brokerage firms' in-house mutual funds, ranked among Wall Street's more dubious offerings. Investigations by regulators into the sale of this trio of investments; Difference between stock-fund A and B shares; Reasons that unscrupulous brokers tend to favor B shares; Disadvantages of purchasing variable annuities, including high annual expenses and surrender charges; Discussion of in-house mutual funds.

Source: Wall Street Journal - Eastern Edition; 7/14/2004, Vol. 244 Issue 9,

This study is done with reference of S.S.KANTILAL ISHWARLAL SECURITIES & INVESTORS Pvt. Ltd. (SSKI), the present study “to review the on-line trading procedure” a case study of SSKI Ltd. As the exchange has changed its trading style from outcry to on-line (screen based) on 20 February 1997.

This study is To know the online screen based trading system adopted by SHAREKHAN and about its communication facilities. The appropriate configuration to set the network, which would link the sharekhan to individual / members.

Article by Richa S. Tiwary, Ph.D., MLS, and article concerns securities trading on the Internet or Online Trading. This method of trading evolved as technological advances changed the way in which investment products are bought and sold. With the advance of technology, securities trading in general became more automated. Moreover, as the Internet expanded, it became a marketplace for a variety of consumer goods which led to the creation of an electronic securities trading market. In the beginning, discount brokerage firms developed software that enabled customers to buy and sell securities online. Today, online trading continues to evolve as brokerage firms and other financial institutions are offering more traditional investment services while providing other financial services as well. This article is an overview of the evolution of online trading and includes a discussion of new trends in this ever-growing field of securities trading.

Sales and Marketing Structure in Brokerage At Reliance Money By Laxmikant

Singh. This study is conducted to know about the to know the various functions which are conducted for day-to-day operations in RELIANCE MONEY. To know the various products and services rendered to its customers. To find and try to bridge the gap between the expectations and experiences of the customers in case of dissatisfaction. To know how the branch functions in terms of sales and operations.

S.A. Bashir Ahmad Faculty of Business Management, Universiti Teknologi MARA  
This paper aimed to identify the vital factors that have contributed to the growth of the Ar-Rahnu which is known to be Islamic pawn broking system popularly known to be one of the dominant pawn brokers in Malaysia. Specifically, this study examines the factors influencing the customer acceptance towards Islamic pawn broking offered by MAIDAM in the state of Terengganu. Several identifiable variables were selected concerning storage charge, service quality, locality and management in measuring its contribution to the acceptance of customer towards Ar-Rahnu MAIDAM. Using questionnaire as research instrument, 330 sets of questionnaires had been distributed to the customer at Ar-Rahnu MAIDAM Dungun. The sample was analyzed through convenience and quota sampling method from the total customer of Ar-Rahnu Maidam Dungun. The result of the investigation demonstrated that all the identifiable constructs were substantial to very strong and significantly correlated with the customer acceptance towards pawn broking offered by Ar-Rahnu MAIDAM Dungun. The findings are symmetrical with the hypotheses formulated based on the previous studies and useful as one of the tools to strengthen the pawn broking system in Malaysia.

SOURCE: INTERDISCIPLINARY JOURNAL OF CONTEMPORARY RESEARCH  
IN BUSINESS FEBRUARY 2012 VOL 3, NO 10

## **CHAPTER 3**

### **RESEARCH METHODOLOGY**

#### **3.1 TYPES OF RESEARCH**

On the basis of theoretical study a research has many types. All of these are distributed on the nature of research.

##### **Descriptive Research:-**

Descriptive research includes surveys and fact finding enquires of different kinds. The major purpose of descriptive research is description of the state of affairs as it exists at present. Researcher has no control over the variables of this type of research.

##### **SAMPLING UNITS**

Sampling unit may be a geographical one, such as state, district, village etc. The researcher will have to decide one or more of such units that he has to select for his study.

In my research study karaikudi is the sampling unit.

##### **SIZE OF SAMPLE**

“This refers to the number of items to be selected from the universe to constitute a sample”. In this research we have selected five stock broking companies.

We study the stock broker companies related to security & commodity market like Integrated, Shriram Insight, Sharekhan, Stockholding, Motilal Oswal for the appropriate collection of the information.

### **3.2 SOURCES OF DATA COLLECTION**

While deciding about the method of data collection to be used for the study the researcher should keep to types of data.

1. Primary
2. Secondary Data.

We use in our research primary data, as well as secondary data. Primary means collected a fresh, and the first time data and secondary means which are already available like annual report, magazines, websites etc.

### **3.3 Survey Method:**

Survey refers to the method of securing information concerning phenomena under study from all or selected number of respondents of the concerned area. In a survey the investigator examines those phenomena which exist in the universe independent of his action. We used the Scheduling Method.

#### **Scheduling:**

In this method the enumerators along with schedules, go to respondents, put to them the questions from the Performa in the order the questions are listed and recorded the replies in the space meant for the same in the Performa.

**CHAPTER 4**  
**DATA ANALYSIS AND INTERPRETATION**

**TABLE 4.1**

This table shows the number of years the company is in business.

NAME OF THE COMPANY	NUMBER OF YEARS THE COMPANY IS BEING OPERATED.
INTEGRATED ENTERPRISES	38
SHAREKHAN	82
SHRIRAM INSIGHT	17
STOCKHOLDING	26
MOTILOL OSWAL	25

Source: Secondary Data.

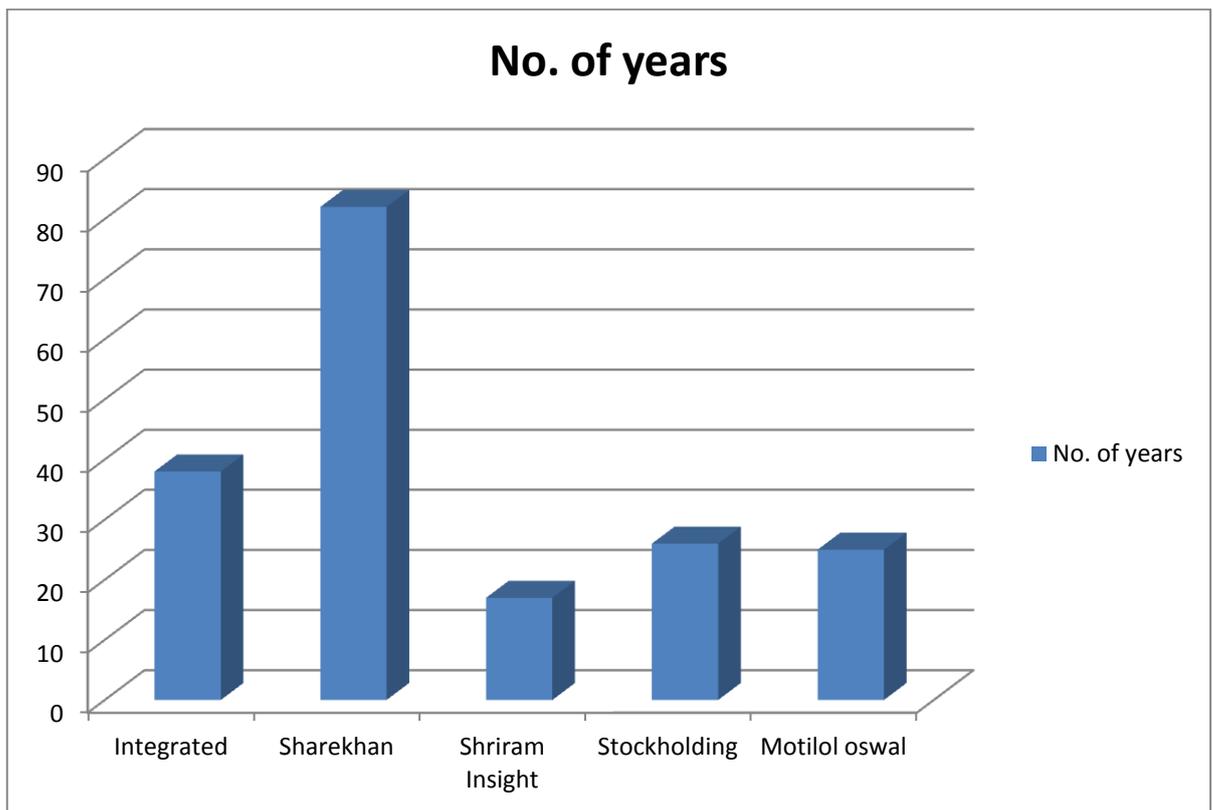
**INTERPRETATION:**

It is observed that Sharekhan is in the field for a long period nearly for 80 years and next to it is the Integrated enterprises, it is in the field for nearly 38 years. The Shriram, Stockholding & Motilol oswal ranges from 15-26 years.

Sharekhan is being the oldest player in the list with nearly 80 years in the business.

CHART 4.1: Number of years the company is in business

This chart shows the percentage analysis of the companies number of years in business.



Source:SecondaryData.

**TABLE: 4.2**

This table shows the number of cities the company is present.

<b>NAME OF THE COMPANY</b>	<b>NUMBER OF CITIES</b>
INTEGRATED ENTERPRISES	75
SHAREKHAN	450
SHRIRAM INSIGHT	80
STOCKHOLDING	21
MOTILOL OSWAL	548

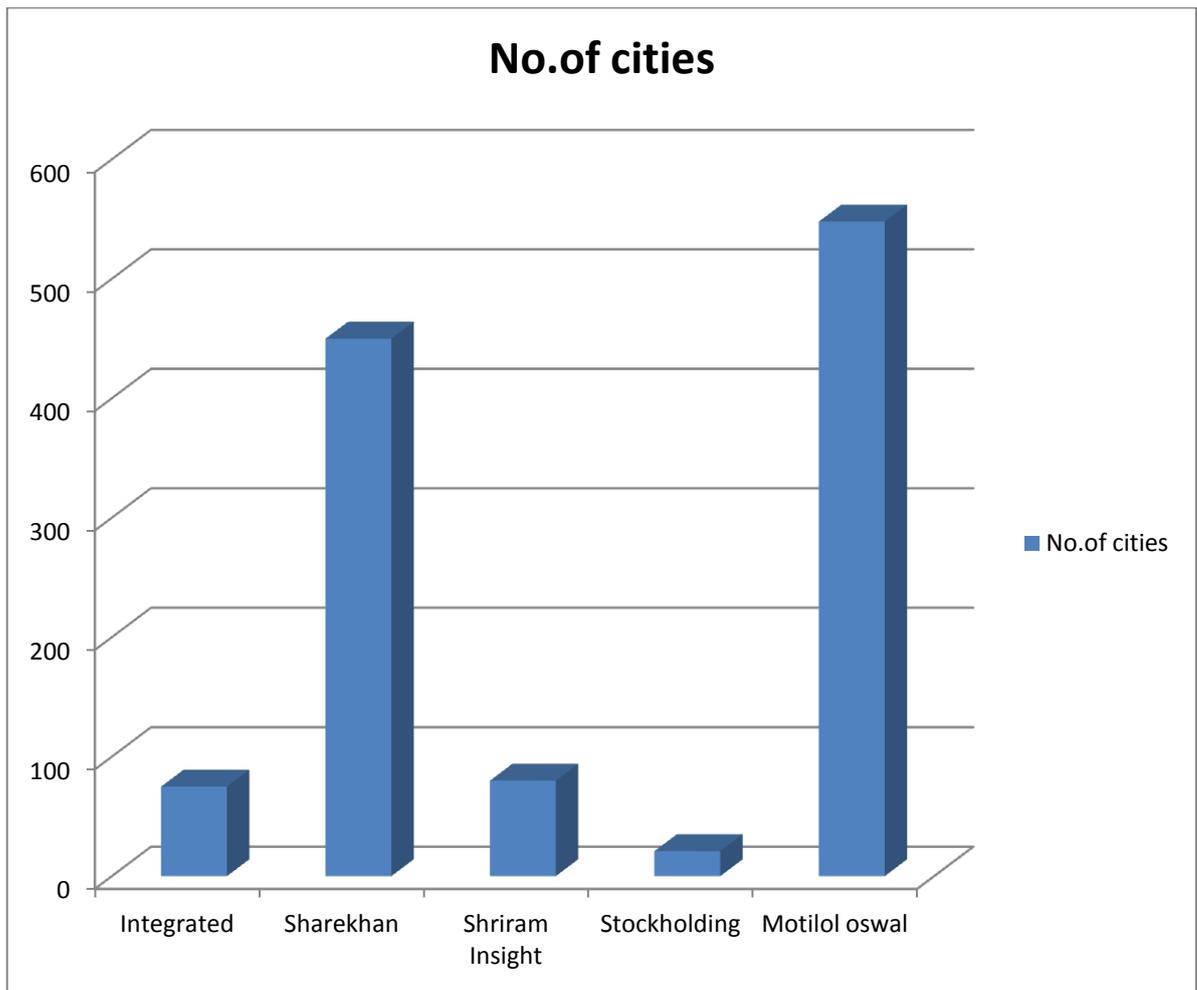
Source: Secondary Data.

**INTERPRETATION:**

Motilol is present across all over the country it is present in more than 548 cities and next to it is the Sharekhan limited which is located nearly around 450 cities and the other companies are located in less than 100 cities.

Motilol oswal is been located in nearly 548 cities Which tops the list. Integtraed should increase its presence to cover all part of the country.

**Chart 4.2** The number of cities the company is available



Source: Secondary Data.

**TABLE 4.3:** Number of branches all over India

NAME OF THE COMPANY	NUMBER OF BRANCHES
INTEGRATED ENTERPRISES	110
SHAREKHAN	3500
SHRIRAM INSIGHT	5000
STOCKHOLDING	227
MOTILOL OSWAL	1565

Source: Secondary Data.

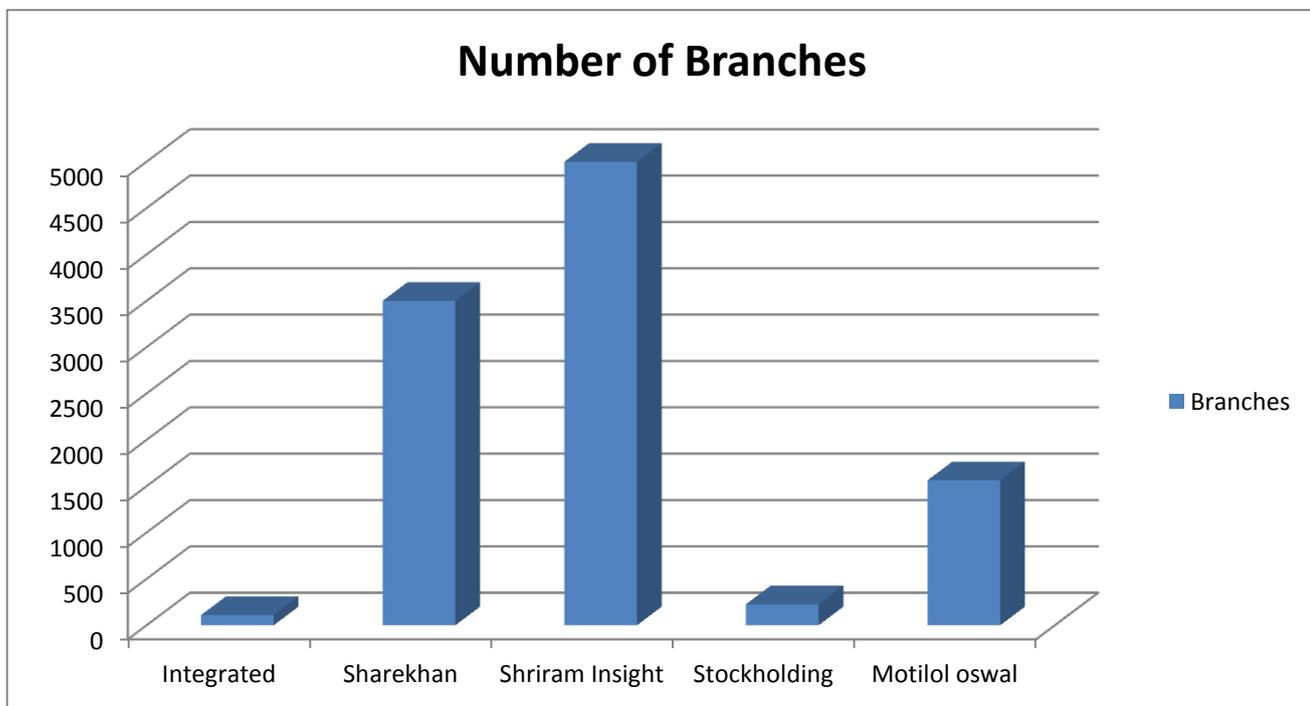
**INTERPRETATION:**

Shriram Insight has nearly 5000 branches all over India. Integrated enterprises have very less number of branches in the list.

Integrated Enterprises should increase its number of branches. So that it can increase the volume of trades done and it can increase its turnover and customers will be more.

**Chart 4.3:**

It shows the number of branches available in India.



Source: Secondary Data.

**TABLE:4.4** Number of employees working in Karaikudi branch.

NAME OF THE COMPANY	NUMBER OF EMPLOYEES
INTEGRATED ENTERPRISES	8
SHAREKHAN	2
SHRIRAM INSIGHT	2
STOCKHOLDING	2
MOTILOL OSWAL	3

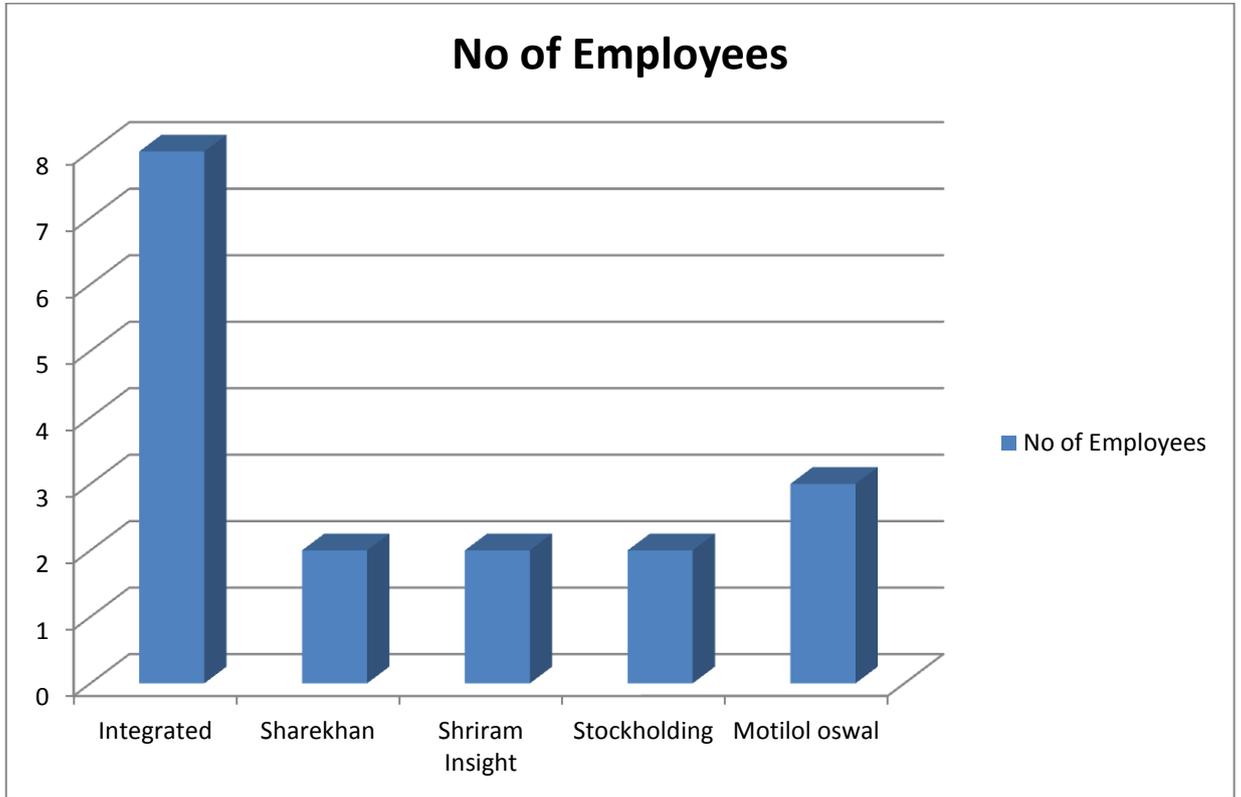
Source: Primary Data.

**INTERPRETATION:**

Integrated enterprises have the highest number of workers when compared with others which is having only 2 to 3 employees.

Due to its massive customer base it has many employees.

**Chart 4.4:** Number of Employees working in karaikudi.



**Table : 4.5:**Number of customers in karaikudi.

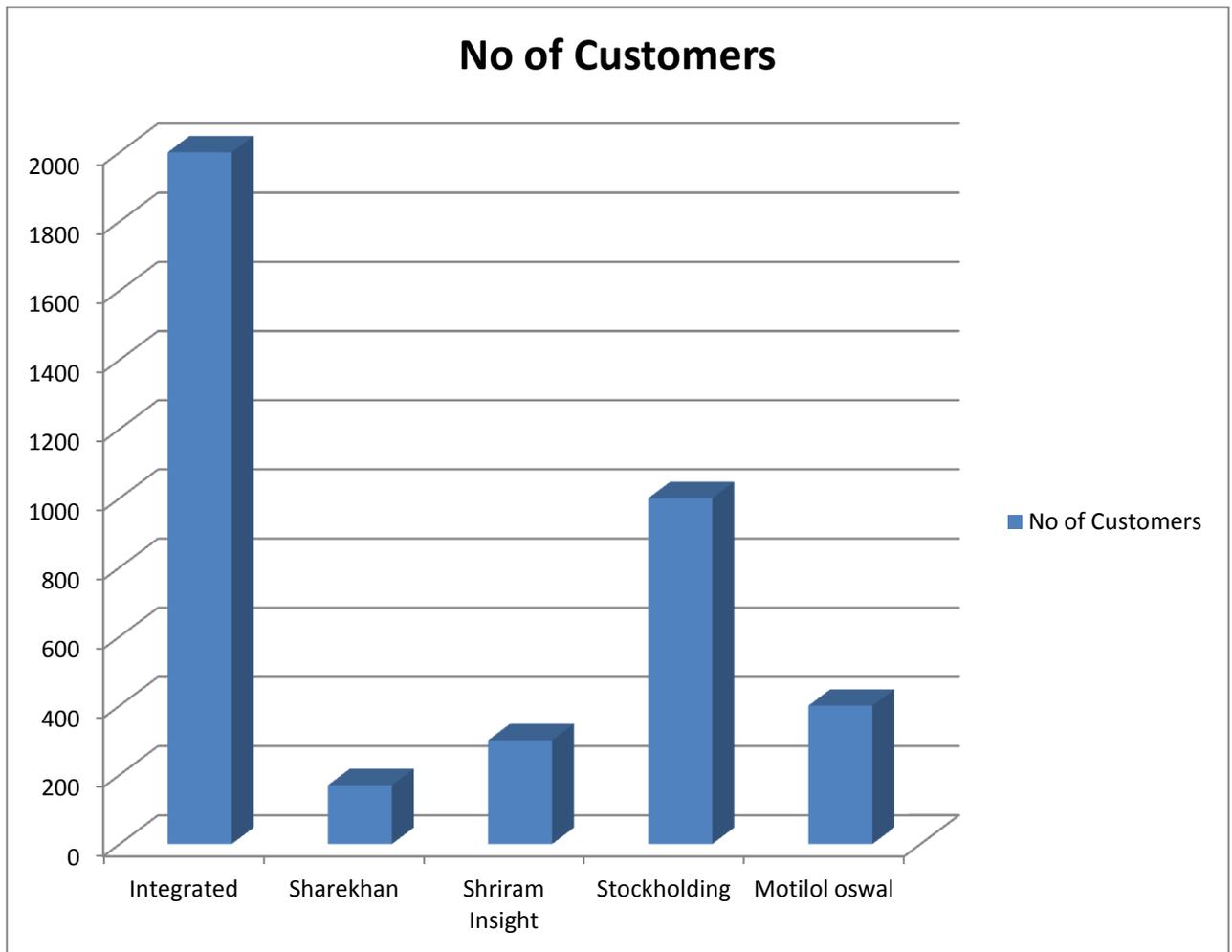
NAME OF THE COMPANY	NUMBER OF CUSTOMERS
INTEGRATED ENTERPRISES	2000
SHAREKHAN	170
SHRIRAM INSIGHT	300
STOCKHOLDING	1000
MOTILOL OSWAL	400

Source: Primary Data

**INTERPRETATION:**

Integrated have a great customer basis. It has nearly 2000 customers. And the stock Holding has 1000. whereas others vary from 150 to 450.

Integrated has a good customer strength. And many customers in karaikudi prefer Integrated.

**CHART 4.5: NUMBER OF CUSTOMERS IN KARAIKUDI.**

**TABLE 4.6** : Number of customers using online trading in karaikudi.

NAME OF THE COMPANY	NUMBER OF CUSTOMERS USING ONLINE TRADING
INTEGRATED ENTERPRISES	25
SHAREKHAN	30
SHRIRAM INSIGHT	10
STOCKHOLDING	15
MOTILOL OSWAL	10

Source: Primary Data

**INTERPRETATION:**

Sharekhan has more number of users for online trading. It has nearly 30 customers. And integrated have nearly 25 customers.

Since sharekhan has a strong online trading platform it have many online trading customers. Integrated should develop its online trading platform to increase the number of customers.

**CHART 4.6:** Number of customers using online trading in karaikudi.



**TABLE 4.7:** AVERAGE NUMBER OF TRADERS PER DAY IN KARAIKUDI.

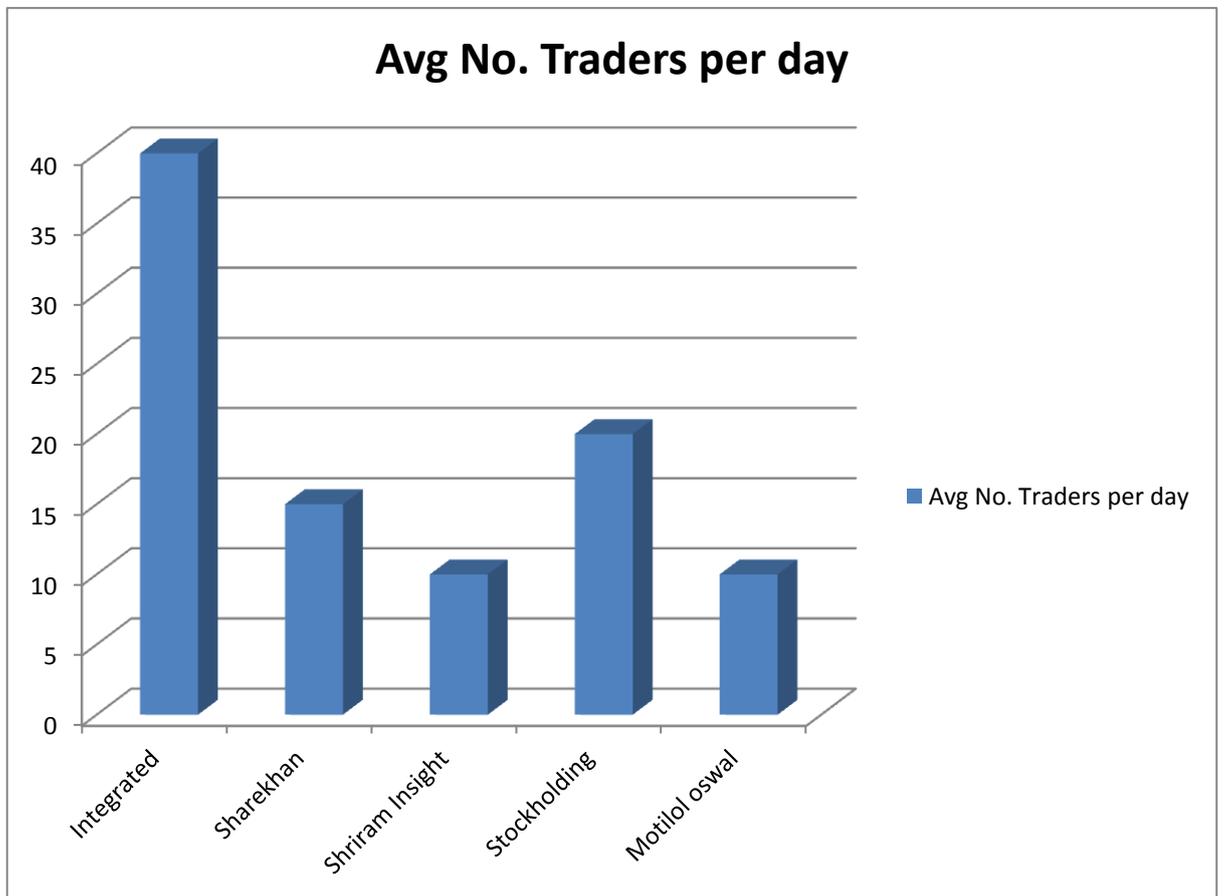
NAME OF THE COMPANY	AVERAGE NUMBER OF TRADERS PER DAY.
INTEGRATED ENTERPRISES	40
SHAREKHAN	15
SHRIRAM INSIGHT	10
STOCKHOLDING	20
MOTILOL OSWAL	10

Source: Primary Data

**INTERPRETATION:**

At Integrated the average number of traders per day is 40. Whereas in other companies it ranges from 10 to 20.

Customers prefer Integrated the most so the average traders per day is high compared to others.

**CHART 4. 7: AVERAGE NUMBER OF TRADERS PER DAY IN KARAIKUDI.**

**TABLE 4.8:** AVERAGE NUMBER OF TRADERS PER DAY IN KARAIKUDI.

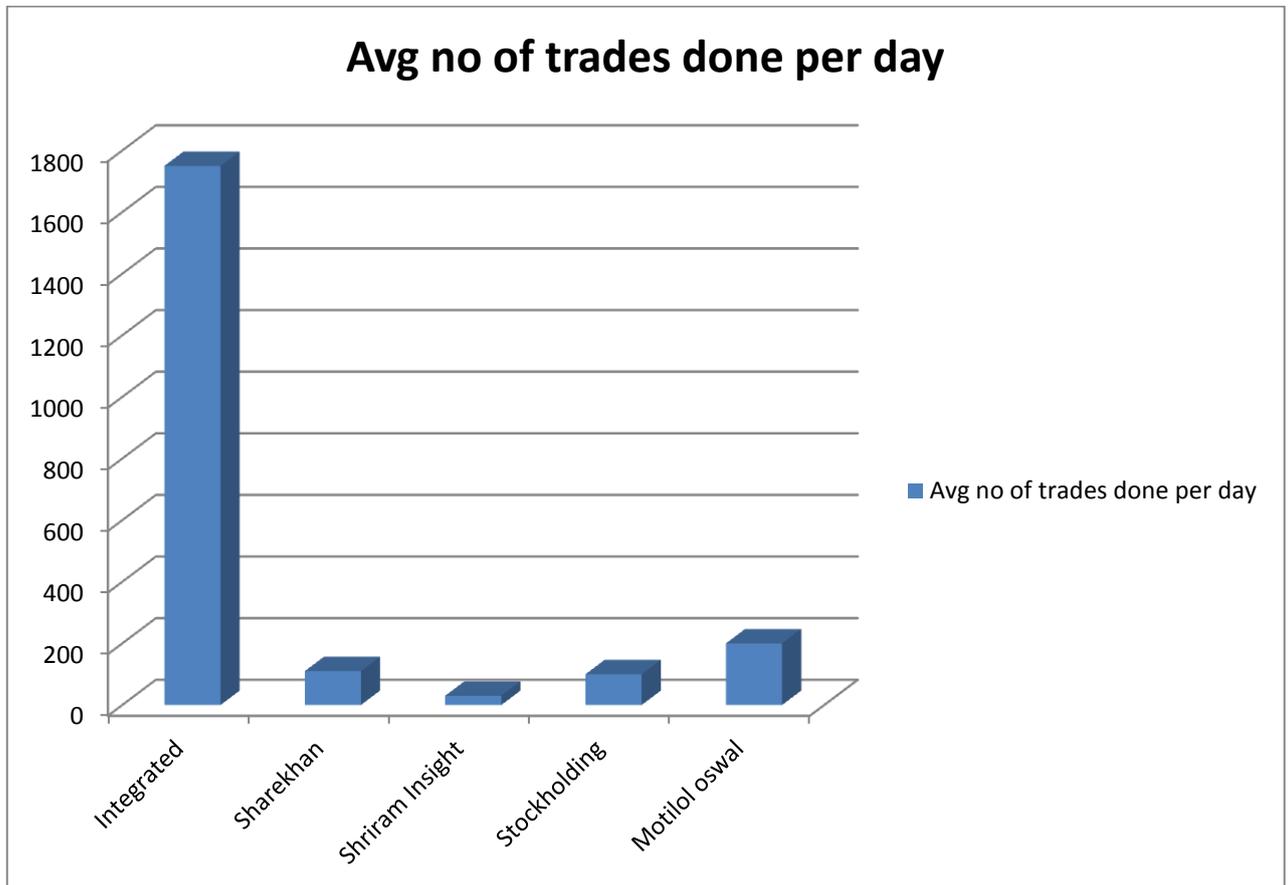
NAME OF THE COMPANY	AVERAGE NUMBER OF TRADES DONE PER DAY.
INTEGRATED ENTERPRISES	1750
SHAREKHAN	110
SHRIRAM INSIGHT	30
STOCKHOLDING	100
MOTILOL OSWAL	200

Source: Primary Data

**INTERPRETATION:**

At Integrated the average number of trades done per day is 1750. Whereas in other companies it ranges from 30 to 200.

At Integrated the average trades done per day is very high compared to others.

**CHART4. 8: AVERAGE NUMBER OF TRADES DONE PER DAY IN KARAIKUDI.**

**TABLE 4. 9: TIME REQUIRED TO OPEN THE DEMAT ACCOUNT.**

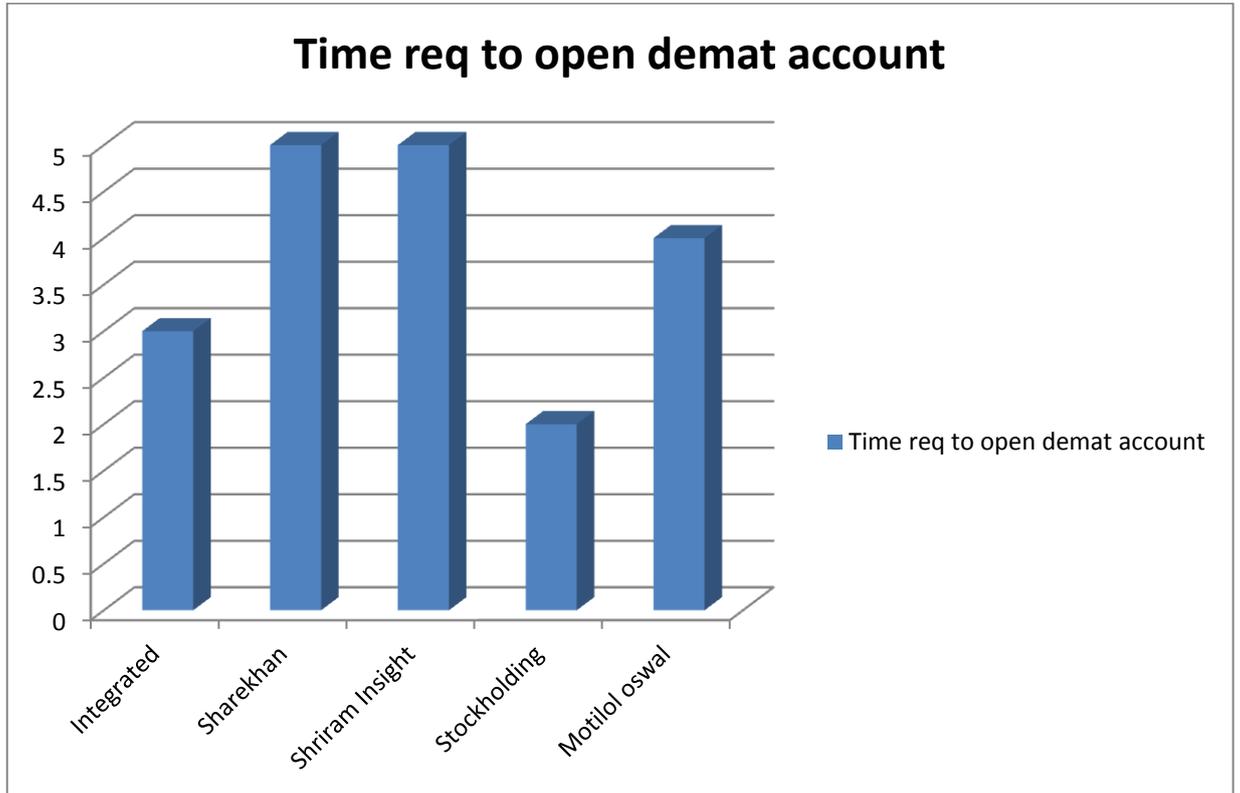
NAME OF THE COMPANY	TIME REQUIRED TO OPEN THE DEMAT ACCOUNT.
INTEGRATED ENTERPRISES	3
SHAREKHAN	5
SHRIRAM INSIGHT	5
STOCKHOLDING	2
MOTILOL OSWAL	4

Source: Primary Data

**INTERPRETATION:**

It takes just two days to open a account with Stockholding and 3 days with Integrated. And others take nearly 4 to 5 days.

Integrated can make it still more faster so that it can have an advantage over Stockholding.

**CHART 4. 9: TIME REQUIRED TO OPEN THE DEMAT ACCOUNT**

**TABLE 4.10: ANNUAL TURNOVER OF THE COMPANY IN KARAIKUDI**

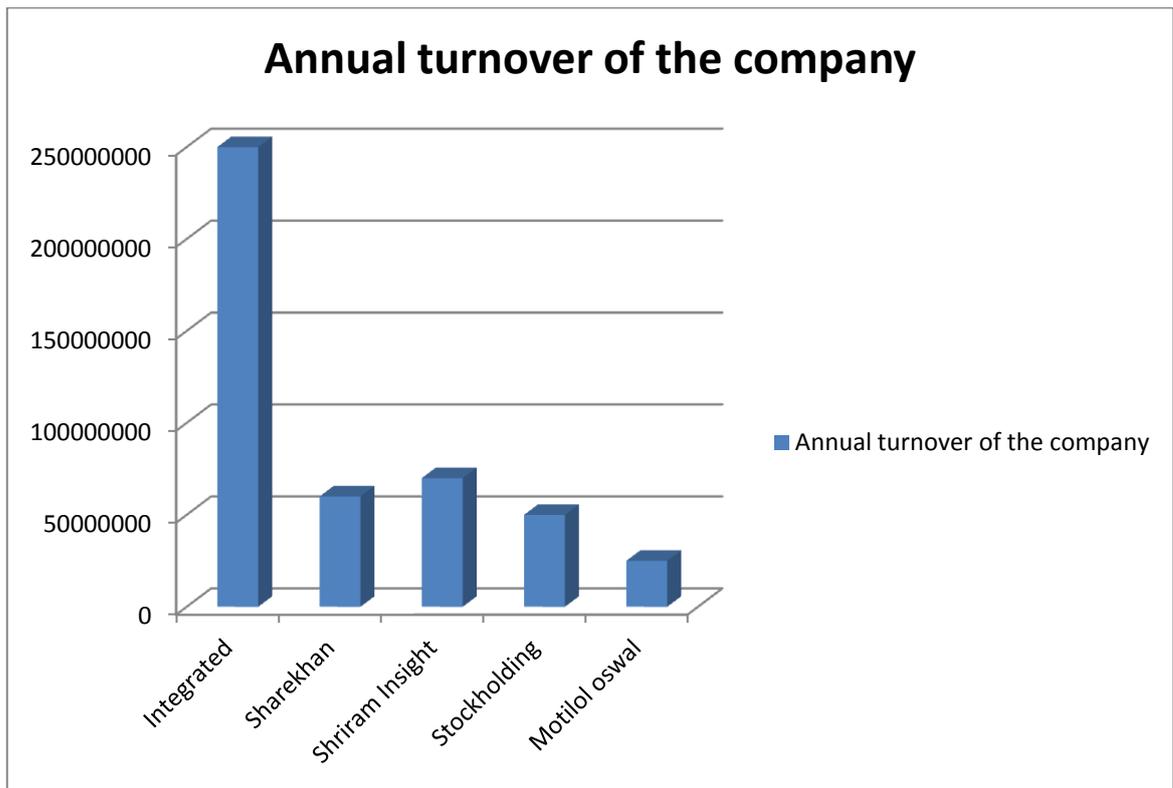
NAME OF THE COMPANY	ANNUAL TURNOVER IN Rs
INTEGRATED ENTERPRISES	250000000
SHAREKHAN	60000000
SHRIRAM INSIGHT	70000000
STOCKHOLDING	50000000
MOTILOL OSWAL	25000000

Source: Primary Data

**INTERPRETATION:**

The annual turnover of Integrated is very high when compared with the other broking firms. Since the average number of trades done per day and average number of traders are high in Integrated.

Integrated leads in the turnover in karaikudi.

**Chart 4.10 : ANNUAL TURNOVER OF THE COMPANY IN KARAIKUDI**

**Table 4.11:** Brokerage of the firms.

NAME OF THE COMPANY	Brokerage for intraday	Brokerage on delivery
INTEGRATED ENTERPRISES	0.1	0.5
SHAREKHAN	0.03	0.3
SHRIRAM INSIGHT	0.05	0.5
STOCKHOLDING	0.1	0.5
MOTILOL OSWAL	0.02	0.5

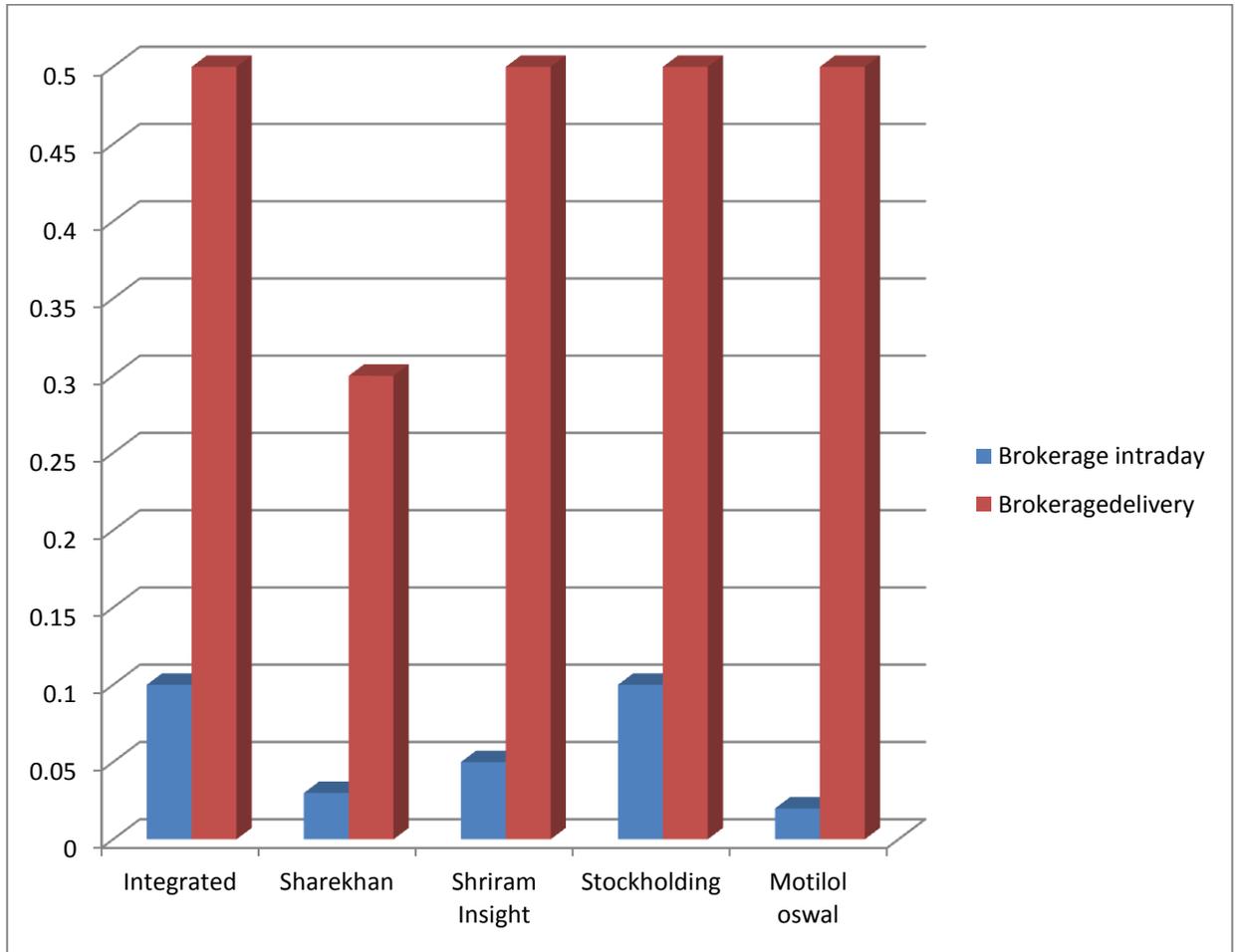
Source: Primary Data

**Note: FOR ONLINE TRADDING ALSO IT'S THE SAME.**

**INTERPRETATION:**

Motilol oswal has the lowest brokerage for the Intraday and Sharekhan has the lowest brokerage for delivery

Integrated should cut down its brokerage charge for both Intraday and Delivery also.

**CHART 4.11: Brokerage of the firms**

**NOTE: But the brokerage in general varies from customer to customer.**

**TABLE:4.12 Payment Duration:**

<b>Company name</b>	<b>Payment Duration</b>
Integrated	T+2 days
Sharekhan	Depends Upon the available credit the trade can be done
Shriram Insight	Pay In:T+1 day Pay out: T+3 days
Stockholding	T+2 days
Motilal oswal	T+2 days

**Table 4.13 Payment Mode:**

<b>Company Name</b>	<b>Payment Mode</b>
Integrated	Cheque
Sharekhan	Buyer: Cheque Broker: According to customer wish(NET/RTGS/Fund transfer)
Shriram Insight	cheque and online transfer
Stockholding	Cheque
Motilal oswal	ECS & Cheque

**Table 4.14 Other Services:**

<b>Company Name Services</b>	<b>Integrated</b>	<b>Sharekhan</b>	<b>Insight</b>	<b>Stockholding</b>
Mutual funds	yes	Yes	Yes	yes
Bonds	Yes	Yes	No	yes
PAN card application	Yes	No	No	No
Commodities trading	Yes	Yes	No	No
IT return	yes	No	No	No

## CHAPTER 5

### FINDINGS SUGGESTIONS AND CONCLUSION

#### 5.1 FINDINGS:

- Integrated has very few branches all over India  
Only 110 branches is available all over India.
- It has a strong customer strength in the areas it is located.  
It has nearly 2000 customers in karaikudi which is very high when compared to other broking firms.
- It has enough number of employees  
Number of employees in karaikudi is 8.
- It has to develop it online trading platform.
- Average number of traders per day is good.  
Average number of traders per day is 40 which is high when compared to other broking firms.
- Average number of trades or volume of trades done is also good.  
Average number of trades done per day is 1750 which is very high when compared to others.
- The turnover of the company is high compared to others.  
Integrated turnover is 25 crore which is very high when compared to others.
- Its brokerage charge is high when compared to others.  
The brokerage charged by integrated is high when compared with other broking firms.

#### 5.2 SUGGESTIONS:

- The number of branches can be increased.
- Many sub-Brokers and franchise can be opened.
- Online trading platform can be more user friendly.
- The brokerage charge should be reduced.

### **5.3 CONCLUSION:**

On the basis of the study its found that Integrated has advantages and as well as Disadvantages when compared to other stock broking firms. It should reduce its brokerage and introduce new schemes to attract the customers. And it has many added advantage of having many other services which all the other firm do not have. It has a good research team to give great investment tips through emails &SMS. Integrated enterprises have an advantage over all the other stock broking companies and it have to concentrate more on its online trading platform and increase its number of branches.

### **QUESTIONNARIE:**

Name of the company :

Place :

1. When the company was started?
2. In how many cities the company is available?
3. How many branches are there?
4. Number of employees working in the company ?
5. Number of customers?
6. Number of customers using online trading?
7. Average number of traders per day?
8. Average number of trades done per day?
9. How many scripts are transacted?
10. How many index it is traded?

11. Time required to open demat account?
12. What is the payment duration for the trading done?
13. What is the payment mode?
14. What is brokerage charged?
15. What is the annual turnover of the company?
  
16. How many accounts are available?
17. What is the account opening charge?
18. Link with banks (tie-up)?
19. What is the annual maintenance charge?
20. Which is the highly traded share?
21. What are the other services & facilities provided by you?
  - Mutual funds :
  - Bonds :
  - Pan card :
  - Commodities trading:
  - It return:

## **BIBLIOGRAPHY**

### **Books:**

FINANCIAL MANAGEMENT..

### **Magazines:**

INTEGRATED MONTHLY RESEARCH MAGAZINE  
VALUELINE (SHAREKHAN MONTHLY RESEARCH MAGAZINE)

**Internet:**

<http://WWW.MONEYCONTROL.COM>

[www.integratedenterprises.com](http://www.integratedenterprises.com)

[WWW.SHAREKHAN LTD.COM](http://WWW.SHAREKHAN LTD.COM)

[WWW.shriraminsight.COM](http://WWW.shriraminsight.COM)

[WWW.stockholding.COM](http://WWW.stockholding.COM)

[www.motiloloswal.com](http://www.motiloloswal.com)

[WWW.NSEINDIA.COM](http://WWW.NSEINDIA.COM)

[WWW.BSEINDIA.COM](http://WWW.BSEINDIA.COM)