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SUMMARY OF THE PROJECT

Summer internship programs provide an opportunity to apply the concepts learnt in real-life situation. I am doing my project and OJT in IL&FS Investsmart Ltd from last 2 and half months. This is a broking company where customer can buy and sell the shares online. This company is having three products i.e. Smart invest, Smart trade and Smart start.

ABOUT OJT:

In company our ojt is to sell 10 demat accounts per month but due to sebi restrictions we are not opening any fresh accounts. We are calling existing customers for demo and convincing them for trade, solving their problems like they received ID, password or any other quarries.

ABOUT PROJECT: My project title is “A study of consumer perception towards online share trading with special reference to IL&FS Investsmart securities Ltd. For this I am collecting information by primary and also secondary data.

Primary Data: Observation, Face to face interview

Secondary Data: Internet source, Newspapers, Company Broachers.

s The main objective of the project is to know some additions to improve the quality of service and to increase the comfort level of customers. This is all about my company, OJT and pro

CHAPTER - I

INTRODUCTION

INTRODUCTION

Perception is the process through which a person forms an opinion about the various stimuli he receives from his sensory organs. In marketing, perception is concerned with understanding how the consumer views a product or service. The five senses of a person help him in this process. The marketer uses various props to stimulate the consumer, that is, through the use of colors, sound, touch, taste, or smell, to observe the product.

The marketer must distinguish his message from the competitor's message. This is when Just Noticeable difference (JND) comes to their aid. JND is the minimum difference that the consumer can detect between two stimuli he receives. It helps the consumer to distinguish changes in prices among purchase alternatives. Marketers thus use stimuli to grab customers' attention and most often these efforts are clearly visible and known to the customer.

Marketers make use of perception to formulate marketing strategies. The marketers use a perceptual map, wherein they find out the attributes or the characteristics that the consumer associates with the product and they create the product accordingly. Thus, development of a brand or the logo of the product, packaging of the product, etc., have to be made keeping the consumer's perception in mind.

Online trading is a new and upcoming phenomenon, which is now become a popular means of trading due to convenience of use. It is a sea change that has been brought about in equity markets. With E - trading sites now sprouting all over the place, even small retail investors with sum as low as Rs.5000 to invest, now have the ability to buy stocks directly from the stock market even in odd lots at a fee that even large brokers didn't match for their institutional clients until recently.

Thanks to dematerialization of stocks, one can now buy even one share of any stock at a cost that can be as low as 0.05% of the trade value. E – trading also does away with the tedium of having to physically tender cheques for every purchase and deposit cheques received for every sale. The payments gateway lined up by these sites also ensures that the transfer of funds between your bank and the brokerage account is done online.

Using the net, investors now have access to the latest news from diverse sources and online market commentary for free. The democratization of information has empowered investors to choose and adopt a trading and investing style best suited to their risk returns, aspirations and skill levels. What is crucial how ever is how the investors shift through these tons of information and use it for their benefit.

CHAPTER - II

RESEARCH DESIGN

STATEMENT OF THE PROBLEM:

“A study of consumer perception towards online share trading with special reference to IL&FS Investsmart Ltd.,”

This study has been undertaken to analyze the awareness of the general public towards online investing in general, and the quality of services provided by IL&FS Investsmart Ltd.

Investment is the employment of funds with the aim of achieving additional income or growth in value. The essential quality of an investment is that involves “waiting” for a reward. It involves the commitment of resources, which have been saved or put away from current consumption in the hope that some benefits will accrue in the future.

There are various ways in which one can invest in a market. One method is through a broker. Choosing a broker is very important to get desired and safe return on investment. IL&FS Investsmart Ltd. Offers ranges of services depending on different people investing needs. It offers a service to trade without going to terminal, which is also called as “online trading”. It also provides to the customers the facility to trade through offline by means of phone. IL&FS Investsmart provides services such as

personalized recommendations, depositary services, online trading In equities and derivatives and margin based trading.

OBJECTIVES OF THE STUDY :

-  To analyze the quality of services provided by IL&FS investmart
-  To trace out the other avenues where the people invest their money
-  To know the comfort level of investors in respect of security concern in IL&FS online trading
-  To suggest some additions to improve the quality of service and to increase the comfort level of customers.
-  To know the perception of the general public about online investing.

LIMITATIONS:

-  The study is restricted only to Bangalore city.
-  The is gathered through interaction with limited respondents (100 only) which includes the customers of IL&FS who trade online
-  The suggestions are based on the assumption that the information Provided by the respondents is not biased.

METHODOLOGY:

The objective of the present study has been accomplished by conducting a systematic market research. Market research is the systematic design, collection, analysis, and reporting of the data and findings that are relevant different market situations facing

the company. The market research process that will be adopted in the present study will consist of the following stages.

1. Defining the problem and research objective

The research objective states what information is needed to solve the problem. The objective of the research is to know consumer perception towards online share trading with special reference to IL&FS Investsmart Ltd.,”

2. Developing the research plan:

Once the problem is identified, the next step is to prepare a plan for getting the information needed for the research. The present study will adopt the exploratory approach where in there is a need to gather large amount of information before making a conclusion. If required, the descriptive and causal approaches may also be used.

3. Collection and source of data:

Here in this project the methods used for collecting information regarding the plans are –



Primary method



Secondary method

Primary method

It is the direct method of collecting information. Primary data are generated in an investigation according to the needs of the problem in hand. Here some of the information has been collected directly from the Company Guide by asking him about the conventional and traditional plans.

Secondary method

This is the method, in which data is collected through some other external sources. Secondary data can be defined as the data collected by some one else for purposes other

than solving the problem. In this method I have collected the information from internet (logo and some information about the company and about the plans), Newspapers, Company Broachers.

SAMPLING PLAN: Sampling unit – Bangalore

Sampling size -100

CHAPTER – III

INDUSTRY PROFILE

INDUSTRY PROFILE

BACK GROUND TO THE STOCK EXCHANGE:

Stock exchange: A stock exchange is an organized place or market where listed securities are traded. The securities contracts Regulation Act, The Securities Contract Regulation Act, 1956 defines it as “an Association” Organization or body of individuals, whether incorporated or not established for the purpose of assisting, regulation and controlling business in buying, selling and dealing in securities. The working of stock exchange in India is regulated by the Securities Contracts (Regulation) rule 1957 & Exchange of India Act 1992 (SEBI Act). The main objective of the Act is to establish unitary control over all the stock exchanges by the Central Government with a view to making them really helpful for the economic development of the country. A stock exchange, organized market for the trading of stocks and bonds (see bond; stock). Such markets were originally open to all, but at present only members of the owning association may buy and sell directly. Members, or stock brokers, buy and sell for themselves or for others, charging commissions for their services. A stock may be bought

or sold only if it is listed on an exchange, and it may not be listed unless it meets certain requirements set by the exchange's board of governors. There are stock exchanges in all important financial centers of the world;

By providing a centralized, ready market for the exchange of securities, stock exchanges greatly facilitate the financing of business through flotation of stocks and bonds. However, speculation in stocks can sometimes accentuate the instability of an economy. The reality of the Great Depression was emphasized by the stock market crash in 1929. The interstate sale of securities and certain stock exchange practices in the United States are regulated by federal laws administered by the Securities and Exchange Commission. Today, a large percentage of stocks are traded through such over-the-counter organizations as NASDAQ (National Association of Securities Dealers Automatic Quotations) and its European equivalent, Nasdaq Europe (formerly Easdaq). Through these organizations, many securities not listed on a major stock exchange may be traded by dealers using computer and telecommunications technology; in 1994, NASDAQ, on which many computer and other high-technology stocks are traded, surpassed the NYSE in annual share volume. After the deregulation of the British securities market in 1986, the London Stock Exchange saw a decline in business due to a new computerized market similar to NASDAQ.

The Stock Exchange is regulated by the following agencies –

- ❖ Stock Exchange division, department of economic affairs, Ministry of finance.
- ❖ Securities & Exchange Board Of India

INTRODUCTION TO ONLINE TRADING:

The Internet revolution has been changing the fundamentals of our society. It shapes the way we communicate and the way we do business. It brings us closer and closer to vital sources of information. It provides us with means to directly interact with service-oriented computer systems tailored to our specific needs; therefore, we can serve ourselves better by making our own decisions. This prevailing shift of the business paradigm is reshaping the financial industry and transforming the way people invest.

What is online trading?

Online trading allows you to buy and sell shares on the exchange through Internet. It is truly powerful medium to be in direct control of your investments.

The Internet revolution has been changing the fundamentals of our society. It shapes the way we communicate and the way we do business. It brings us closer and closer to vital sources of information. It provides us with means to directly interact with service-oriented computer systems tailored to our specific needs; therefore, we can serve ourselves better by making our own decisions.

Why should we invest online?

To day investors can use revolutionary internet client technology to buy and sell nearly any where, any time.

Online investing - the term used to conjure up images of risk-taking individuals hunched over home computers, navigating mysterious byways of the stock market. But

no longer...online investing has reached mainstream proportions. With Internet transmission times of less than a second to anywhere in the world, dealing over the Internet is faster. So anyone not yet surfing the tidal wave of online investing might well ask, "What's in it for me? What are the advantages of online investing?" Online trading allows you to buy and sell shares on the exchange through Internet. It is truly powerful medium to be in direct control of your investments.

ADVANTAGES OF ONLINE INVESTING:

1. **Easy access to information and research:** Internet brokerage houses offer easily accessible company information, investment advice, counseling on how to profitably invest and better manage an investor's portfolio and verify the various portfolios and verify the various tips got from various sources.
2. **Markets on the Desktop:** Investors do not have to go to take the trouble of going to the stock exchange or to his brokers office, the investor has got all the requires on his desktop.
3. **Portfolio Management:** Investors can track their portfolio performance, that is , it is faring in the market. If the portfolio is not performing well investors can get advice on restructuring it.
4. **Best Price:** Online trading has resulted in phenomenal reduction in the transaction cost for the investor as online trading ensures a matching of buying and selling orders within an ENC without the intervention of market markers or traditional stock exchanges.

5. **Liquidity:** The liquidity options available for investors have been considerably stretched as the online trading offers 24 hour trading facilities.

6. **Audit trail:** online trading has imparted greater transparency which is subject to scrutiny, by providing an audit trail for an investor right at his desk, which earlier, used to stop at his brokers trading terminal. The integrated electronic chain, starting with the order-Placement- clearing and settlement function and ending with the credit to the depository an account of the investor is largely a transparent process.

7. **Benefit of Saving:** Individual investors can save a lot more through online trading as the cost per trade while trading online is less.

8. **Variety:** Individual invest in variety of products, unlike earlier when investor brought bonds, mutual funds and stocks for long term basis and sat on term. Now individuals can invest in stocks, stock options, mutual funds, individual, government, corporate, municipal bonds, various types of IRA account mortgages and even insurance

DISADVANTAGES OF ONLINE INVESTING:

A few of the possible disadvantages of online trading can be noted as follows:

1. **Speedy Net Connection:** One of the most important requirements for investor while trading online is the need for fast internet connection as time is of essence while trading. This has not yet been well established in India.

2. **Guidance:** Individuals are restricted to first hand guidance; the individual is the one to make their own decision, online trading doesn't help investors while decision making as a broker can.

3. **Crashes:** If the network crashes, there will be problems and delays due to large influx to traffic and rapid online trading criteria.

INDIAN STOCK MARKET OVERVIEW

With over 21 million shareholders, India has a third largest investor base in the world after USA and Japan. Over 9000 companies are listed on stock exchange, which are serviced by approximately 7500 stockbrokers. The Indian capital market is significant in terms of the degree of development, volume of trading and its tremendous growth.

There are 23 recognized stock exchanges in Indian including the over the counter exchange of India (OTCEI), for small and new companies. The Bombay Stock Exchange (BSE) and The National Stock Exchange of India Ltd. (NSE) are the preliminary exchanges in India. However, the BSE and NSE have established themselves as the two leading exchanges and also for about 80% of the equity volume traded in India. The NSE and BSE are Equal in size in terms of daily traded volumes.

NSE was set up as a model exchange to provide nation wide services to investors. NSE, which in its recent past has accounted for the largest trading volumes has fully automated based system that operates in the wholesale debt market segments as well as capital market segments.

BSE is one of the oldest stock exchange in the world, accounts for the largest number of listed companies and has started a screen based training system with introduction of the Bombay Online Trading System.

Both the exchanges have a different settlement cycle. The primary index of BSE is BSE index (Sensex) comprising thirty stocks. NSE has the S and P NSE 50 Index (Nifty), which consist of 50 stocks. The markets are closed on Saturdays and Sundays, both the exchanges have switched over from the open outcry trading system to a fully automated computerized mode of trading known as BOLT (BSE online trading) and NEAT (National Exchange Automated Trading) system. It facilitates more those efficient processing automated order matching, faster execution of trades and transparency. The script traded on the BSE have been classified in to “A”, “B1”, “B2”, “C”, “ F”, & “Z” groups. The ‘A’ group of shares represents those, which are highly liquid, Market capitalization of greater than 200 crores. The ‘B1’ group of shares represents moderate liquidity, ‘B2’ group of shares represent low liquidity, The ‘C’ group of shares convey the odd lot securities in “A”, “B1”, “B2”, groups and rights renunciation. The ‘F’ group of shares represents the debt market (Fixed income Securities) segment. The ‘Z’ group of shares represents default or blacklisted companies. The key regulator governing stock exchange, brokers, Depositors, Depository Participants, Mutual Funds, FII’s and other participants in Indian primary and secondary market is the SEBI which has issued a detailed guidelines for capital issue, disclosure by public company’s and investor protection.

CHAPTER - IV

COMPANY PROFILE

COMPANY PROFILE

IL&FS Investsmart Ltd. was set up with the objective of becoming one of the leading full services brokerage house in the country with a strong expertise in web-based technology as well as strengths in physical distribution.

IL&FS Investsmart Limited is an initiative in the field of Financial Services started by Infrastructure Leasing & Financial Services (IL&FS), an institution known for its innovative and pioneering initiatives in the areas of Infrastructure, Corporate Finance and Investment Banking. IIL was set up in October 1997 and it began its retail operations in September 1998. IIL reflects the commitment of IL&FS to bring its financial expertise within the reach of the discerning investor.

Today with a presence in more than 65 cities across India through more than 175 outlets, IIL has become one of the most prominent players in the Financial Services Industry with service offerings across all the categories.

Retail Business:

The Retail Business Division at IIL is involved in dealing with a range of products, which include Equity Investments, Commodity Trading, Fixed Income products, Mutual Funds, as well as Insurance & Home Loans Advisory services. In addition it also offers allied services to facilitate the investment process. Custodial and Depository services are offered through the IL&FS Depository Services

The other important business units at IIL include the Institutional Equity Broking, Project Syndication, Merchant Banking & Institutional Debt Broking Divisions.

Institutional Equity Business:

Institutional Equity Business (IEB) thrives on strong relationships it has built among domestic mutual funds, banks, financial institutions, insurance companies and private sector funds over the past few years. IEB also has well-developed relationships among corporates, leveraged from its institutional pedigree. Efficient execution, quality research and high degree of compliance with stock exchange regulations and ethical business standards back IEB's services to institutional investors through IPO's, Equities, Derivatives and Mutual Funds. IEB is well positioned to offer support to the complete range of investment banking services to corporates.

Project Syndication:

The Project Syndication division has been inherited from IL&FS. The syndication desk has so far worked on Debt Syndication of various large Infrastructure Projects in the country. The mandate includes Debt structuring of highly complex and difficult projects.

Project Syndication focuses on the role of an Arranger of Project and Structured loans. While fund mobilization services are provided across various areas, infrastructure sectors remain key focus area for syndication activity. The services under Project Syndication include project loan syndication, structured debt syndication and debt restructuring. The syndication business thrives on its extensive contact base and strong relationships developed over the years with Banks and Financial Institutions.

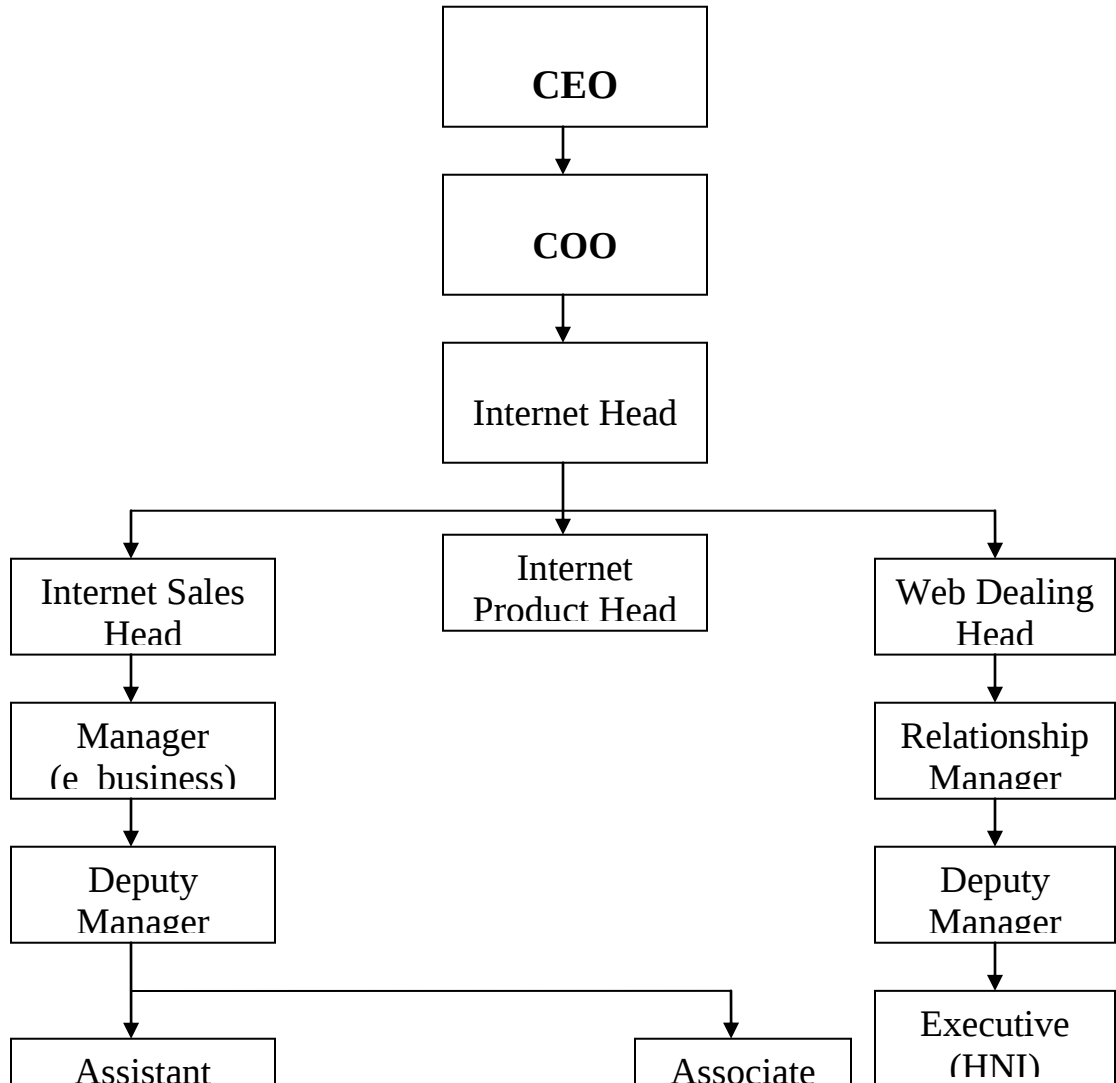
Merchant Banking:

The Merchant Banking division offers a complete range of services, which includes management of IPO's, rights issues; buy back offers, open offers, and private placements of equity. Its extensive contact base and strong relationships developed with Venture Capital Funds and Private Equity Funds for equity placements, contributes to an effective delivery platform for its clients.

Debt Broking Division:

The Debt division has an active presence in the secondary and primary debt placement markets. It deals in various products including Govt. Securities, Treasury Bills, Bonds and Debentures, State guaranteed papers and Commercial papers. It has strong relationship with Institutional clients like Banks, Primary Dealers, Mutual Funds, Provident Funds and Corporates. Debt-on-Net address all Fixed Income participants with attendant advantages of Speed, Transparency and lower costs in the primary Market. It also offers one of its kinds, complex and robust investment valuation tools, in addition to value research and information on the debt and money markets in India.

ORGANIZATION STRUCTURE



IL&FS Depository Services:

Dematerialization and trading in the Demat mode is a safer and faster alternative to the physical existence of securities. Demat as a parallel solution offers freedom from delays, thefts, forgeries, settlement risk and paper work. This system offers works through Depository Participants (DPS), who offers Demat services and the securities are held in the electronic form for the investor directly by the depository.

IL&FS Investsmart DS offer dematerialization services to individual and corporate investors. It has a team of professional and least technological expertise dedicated to it's demat departments, apart from a national network of franchise making of services quick, Convenient and efficient. A person who has an account with IL&FS Investsmart is benefited in following ways:

Freedom of Information:

The Internet can provide a new sense of control over financial future. The amount of investment information available online is truly astounding. It's one of the best aspects

of being a wired investor. For the first time in history, any individual with an Internet connection can:

- ☞ Know the price of any stock at any time.
- ☞ Review the price history of any stock in chart format.
- ☞ Follow market events in-depth.
- ☞ Receive a wealth of free commentary and analysis about stock markets and the global economy.
- ☞ Conduct extensive financial research on any company.
- ☞ Talk with other investors around the world.
- ☞ At Investsmart customers can get real-time stock quotes, daily roundups of the stock market, expert commentary, and a deep commodity of fellow investors.

Control of Money:

One of the great appeals of using an Investsmart Online account is the fact that the account belongs to the customers, and is under their direct control. When they want to buy or sell stock, they no longer need to call their brokers on the phone; hope that the broker is in the office to place their order; possibly argue with the broker about the order; and hope that the transaction is executed instantly.

Ensures Best Price For Investors:

Investsmart specialize in the technique that offers the best price for the buy and sell orders of the investors and traders. Also due to the high level of transparency with regard to display of information relating to the specific stocks and company profiles, customers will be able to get the best quote for their orders.

Offers Great Transparency:

Online trading offers the customers, great transparency by providing them with an audit trail. This involves a complete integrated electronic chain starting from order placement, to clearing and settlement and finally ending with a credit into their depository account. All these stages are subject to inspection, thus bringing in transparency into the system.

Enables Hassle Free Trading:

Online trading integrates the customer's bank account, their trading account and their demat accounts, which leads to easy and paperless trading for them.

Allow Instant Trade Execution:

Investsmart online customer will be able to execute the entire trading transaction, right from logging on to the site, to the execution and settlement of customer's bank account, in a very short period of time.

Provides A Level Playing Field:

Trading on the net, gives even the smallest retail investor access to information that earlier was available only to the big trades. This provides a level playing field for all investors in the securities market.

Reduce The Settlement Risk:

This method of trading reduces the settlement risk for the investor, as in this case all short sell orders are squared off at the specified cut-off time and not allowed to be carried forward.

Live Financial News & Analysis:

As the clients of Investsmart online, customers are given free access to streaming news to give them the latest financial information as it occurs.

Online Help Desk:

Customers can contact the Tele Trading Executives from the Tele Trading team during and after market hours. Any questions they might have will be addressed quickly and their trading ideas and strategies can be discussed with them.

Instant Order Trade Confirmation:

Every trade is conformed immediately and clients will receive an on-screen conformation following every trade with full details for their records. This avoids costly errors that would have been discovered when it is too late.

Integrated Accounts:

Client's Bank, Depository and online account are integrated for his convenience. As an Investsmart online client he has the choice of opening a bank account upto 5 different bank.

Provides A Level Playing Field:

Investsmart online works hard to keep customers accounts and personal information secure. From updated security technology to advanced fraud prevention measures, the company has the people and tools in place to provide a strong defense against electronic scams and fraud.

PRODUCTS PROFILE OF IL&FS INVESTSMART

Products/Services:

IL&FS Investsmart offers three of products for clients who want to trade online. They are:

- ◆ Smart invest
- ◆ Smart trade
- ◆ Smart start

Smart Invest:

This account is a browser-based system designed for customers who transact occasionally. It is ideal for investors who believe in the buy and hold approach towards investment in equities.

Smart Invests capability as a browser-based trading platform gives you the benefit of real time streaming data with the flexibility of trading on any Internet capable system. With access to both the NSE and BSE, the customer is in the driver's seat when routing your order to the best price on either of the exchanges. Smart Invests sophisticated yet easy to use point and click order entry interface allows you to react more quickly to the Markets and make better decisions.

Features:

- ☞ Instant Loading
- ☞ Works behind a proxy
- ☞ Live streaming quotes
- ☞ Multiple watch lists
- ☞ Single order form for Cash and FnO
- ☞ NSE and BSE Access
- ☞ Point and click order entry
- ☞ Hot key functions

Benefits:**Instant Loading:**

The browser- based applet system allows you to instant access to client's account with no wait time, unlike other system that takes a few minutes to load.

Works behind a proxy:

This platform can be accessed on any internet-enabled network. They can be accessed even from your work place.

Live streaming quotes:

Keeps an eye on the stocks of customer's choice with streaming real time quotes and customizable market data. Color-coded price changes help them to spot trends and in turn help the customer to react faster

Multiple watch lists :

The new watch list option allows the customer to create up to 10 groups of watch list with each group accommodating 15 scripts. Each watches the customers according to their choice of scripts can personalize list.

NSE and BSE Access:

Flexibility of trading on both NSE and BSE via a single screen. Single order form for Cash and FnO Single order form offers the customers the convenience of transacting in various segments of the market without having to switch between multiple windows.

Point and click order entry:

Makes order entry quick and simple with a click on the security, the same gets inserted on the order form in the trade screen.

Hot key functions:

Using a single keystroke (hotkey) function the customer can achieve important task very similar to a broker's terminal. Accessing important reports is also one keystroke away.

Market depth window:

It gives an immediate “at a glance” information about the stock they are following. The view provides the best 5 bids and offers quotes and the outstanding order quantities.

Smart Trade:

This account is an EXE based desktop software designed for active traders who transact frequently to capture favorable short-term price movements. The platform offers active traders the tools they need to make critical decisions with confidence. Smart Trade is designed and built from the ground up to address the needs of active traders. Smart Trade makes the most of state of the art technology to deliver power, speed and reliability. Through an easy to use interface, users re provided with the same tools and advantages that the professionals enjoy.

Features:

-  Fully customizable display
-  Dynamic charts with Indicators
-  EOD Charts
-  Real- Time market data
-  Advanced alert capabilities
-  Live order status

- ☞ Track your orders real time
- ☞ Real time position updates
- ☞ Dynamic buying power
- ☞ Derivative chain

Benefits: Fully customizable display:

The save desktop option allows the clients to save their created trade screen layout, so the next time they access the application the created layout is not lost.

Dynamic charts with Indicators:

Provides the clients a wealth of charting capabilities and timing indicators, which allow them to go right into the action with real time daily charts, and intra-day charts. Watch price movements by minutes, days or weeks.

EOD Charts:

Smart Trade puts up to 5 years of in depth history at their command with the power to instantly back-test any trading strategy they design, before risking one rupee of their trading capital.

Real- Time market data:

Get real time market data from both NSE and BSE, similar to what a professional broker gets

Advanced alert capabilities:

Alert window allows the customer to be free from watching every tick. Users can be notified once a security has reached the set parameters. Multiple securities can be monitored using the set parameters. These alerts can be triggered both visually and audibly.

Live order status:

Tracking all their orders re made easy through the order status screen. Further drill down into all details pertaining to an order is available in the order detail sub report.

Real time position updates:

All their positions are updated automatically and instantly. The need of refresh button is avoided.

Dynamic buying power:

It reflects their credits and debits instantly on every trade execution. No need to refresh each statement to know their latest buying limits.

Derivative chain:

This feature provides with a list of all derivative contracts available for the selected security. To view derivative prices of a security just right click on the symbol and click on derivative chain.

Lock terminal option:

If the system is unattended, this function locks the trading platform for the customers and can be accessed again only on providing the proper login details.

Message window docking:

This feature enables the customers to receive trading messages, intra day trading calls and messages from both the exchanges flashed real time onto their screens.

SMART START:

SmartStart is a powerful browser based trading system for those who are relatively new to online investing. A unique integrated account, which integrates your banking, broking, and demat accounts. A comprehensive trading service, which SmartStart trading platform allows you the flexibility allows you to invest in equities and derivatives. SmartStart trading platform allows you the flexibility of trading on any Internet capable system, with access to both the NSE and BSE.

Features:

- ☞ Trade on NSE & BSE
- ☞ Simple order entry for Equity & Derivatives
- ☞ Fully Customizable display
- ☞ User friendly Get Quote screen
- ☞ Track your orders real-time
- ☞ Integrated Accounts (Bank. Demat & Trading)
- ☞ Live order status
- ☞ Track your orders real-time
- ☞ Back office access
- ☞ Works behind a Proxy

SWOT ANALYSIS:

Strengths:

- ☞ Trading and demat facility in one same package
- ☞ Excellent research reports.
- ☞ Charging less brokerage compared to its main competitors
- ☞ Excellent online terminal.
- ☞ Customized online trading products like Smart Invest and Smart Trade

Weakness:

- ☞ Ineffective utilization of promotional activities.
- ☞ Lack of cashing on brand name.

Opportunities:

- ☞ People should be explained about the benefits of IL & FS Investsmart online products.
- ☞ Should use various promotional tools to increase and expand its market Share.
- ☞ With the present bullish situation in the stock market, more and more people are looking at the option of stock markets. Supported with a strong Information Technology industry online trading has good prospects in future. IL & FS Investsmart by providing better products can garner a good part of the market share.

Threats:

- ☞ Entry of new players in the field of online trading.
- ☞ Cut throat competition in terms of brokerage charges.

CHAPTER - V

DATA ANALYSIS AND INTERPRETATION

DATA ANALYSIS AND INTERPRETATION

Table: 1

Showing the gender of the respondents:

Gender	No. Of respondents	Percentage
--------	--------------------	------------

Males	73	73
Females	27	27
Total	100	100

Analysis: 73% of the respondents are males and remaining 27% belongs to females.

Inference: This shows that most of the investors are males.

Graph: 1

Showing the gender of the respondents

Showing the gender of the respondents

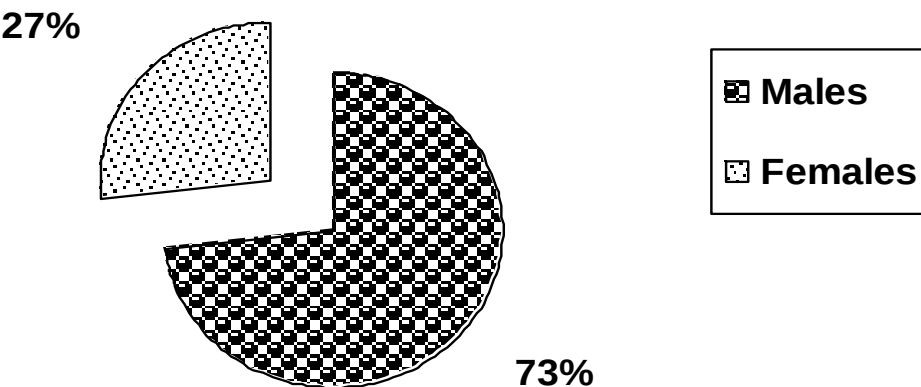


Table: 2

Showing the age group of the respondents

Age group	No. of Respondents	Percentage
-----------	--------------------	------------

20-25	15	15
25-30	16	16
30-35	23	23
35 and above	46	46
Total	100	100

Analysis: 15% of the respondents belong to the age group of 20-25, 16% belongs to the age group of 25-30, 23% belongs to the age group of 30-35 and most of the respondents belong to 35 and above that is 46%.

Inference: This shows that most of the respondents belong to the 35 and above age group.

Graph: 2

Showing the age group of the respondents

Showing the age group of the respondents

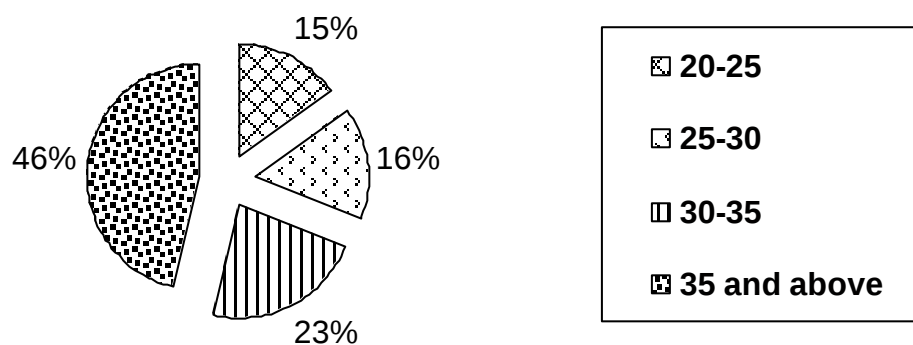


Table: 3

Showing whether the respondent have invested in the stock market

Particulars	No. of respondents	Percentage
-------------	--------------------	------------

Yes	85	85
No	15	15
Total	100	100

Analysis: 85% of the respondents have invested in the stock market and 15% have not invested in the stock market.

Inference: This shows that the most of the respondents have invested in the stock market.

Graph: 3

Showing whether the respondent have invested in the stock market

Whether the respondents have invested in the stock market

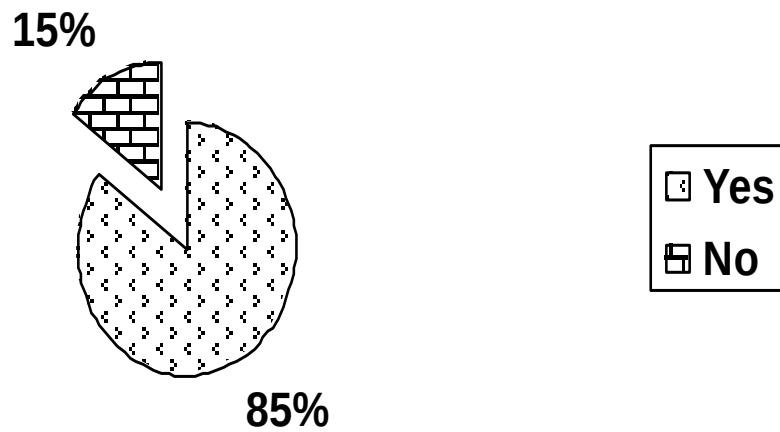


Table: 4

Showing the reason for not investing in the stock market.

Reasons	No. of respondents	Percentage
Risk & volatile	42	42
No Fixed Return	27	27
Lack of awareness	16	16
Not interested	15	15
Total	100	100

Analysis: 42% of the respondents have not invested in the stock market because of the risk involved, 27% because of no fixed returns, 16% because of lack of awareness, and 15% as they are not interested.

Inference: This shows that most of the respondents have not invested in the stock market because of the risk involved.

Graph: 4

Showing the reason for not investing in the stock market.

Rasons for not investing in the stock market

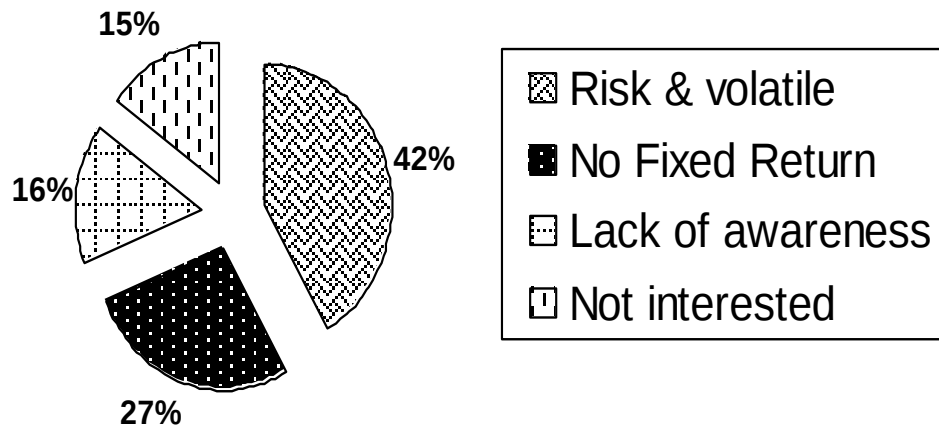


Table: 5

Showing the other avenues where the respondents have invested

Avenues	No. of respondents	Percentage
Bank deposit	24	24
Real estate	26	26
Chit funds	07	07
Insurance	36	36
Post office	05	05
Others	02	02
Total	100	100

Analysis: 24% of the respondents have deposited in banks, 26% have invested in real estate, 7% in chit funds, 36% in insurance, 5% in post office and 2% in others.

Inference: This shows that most of the respondents have invested in insurance other than investing in the stock market.

Graph: 5

Showing the other avenues where the respondents have invested

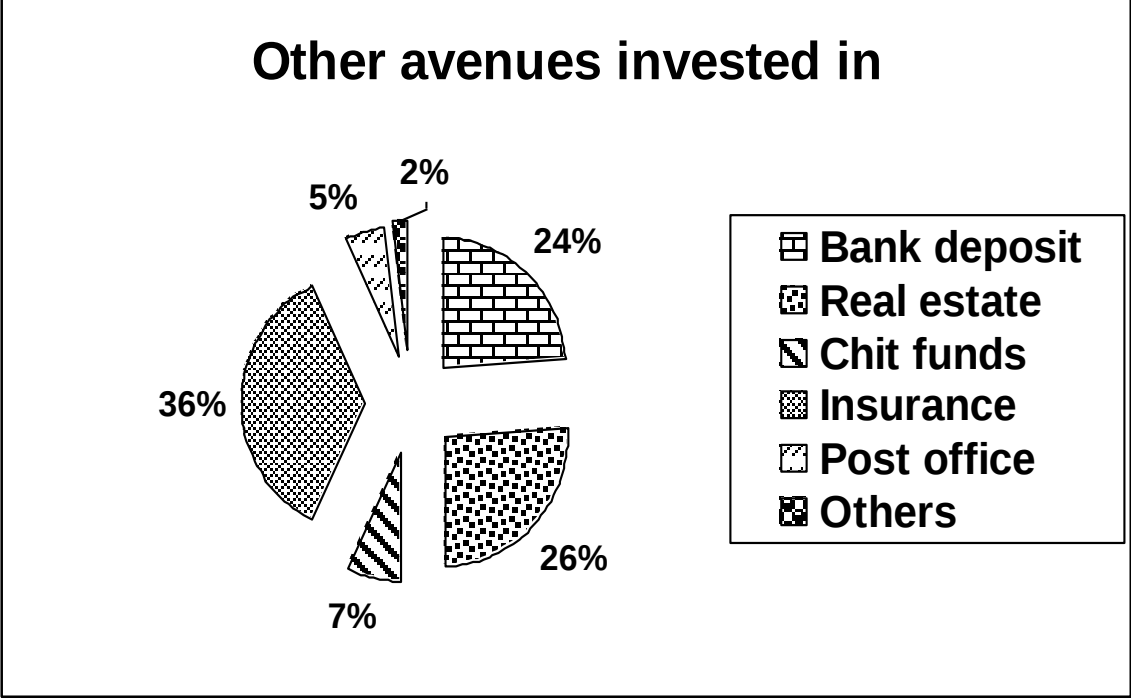


Table: 6

Showing the sources of awareness about IL&fs

Source	No. of Customers	Percentage
Newspaper	22	22
Internet	22	22
Friends or relatives	39	39
Promotional campaigns	09	09
Others	08	08
Total	100	100

Analysis: 22% of the customers came to know about IL&FS through newspaper, 22% through internet, 39% through Friends and relatives, 9% through promotional campaigns and 8% through other sources.

Inference: This shows the most of the customers came to know about IL&FS through their relatives and friends.

Graph: 6

Showing the sources of awareness about IL&FS.

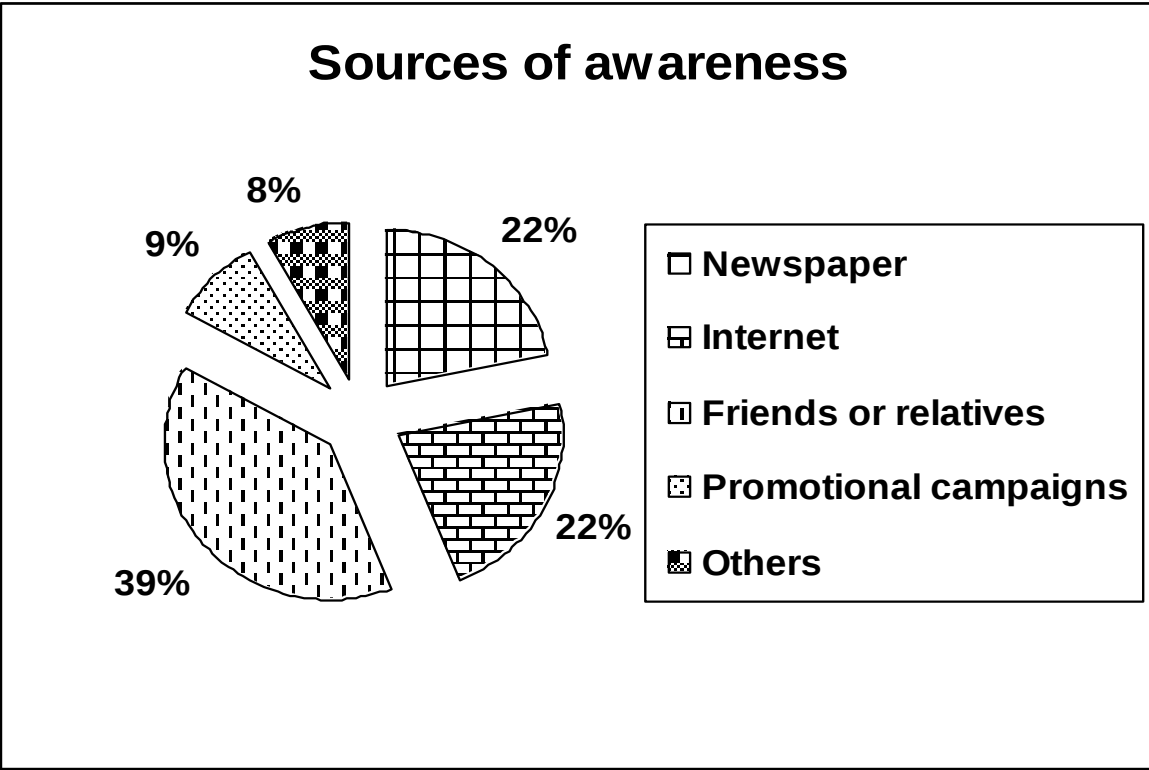


Table: 7

Showing where in the stock market the respondents have invested

Alternatives	No. or Respondents	Percentage
Shares	52	52
Mutual Funds	21	21
Portfolio	11	11
Others	16	16
Total	100	100

Analysis: 52% of the respondents have invested in shares, 21% mutual funds, 11% Portfolio and 16% in others.

Inference: These shows most of the respondents have invested in shares.

Graph: 7

Showing where in the stock market the respondents have invested

Alternatives the respondents have invested in

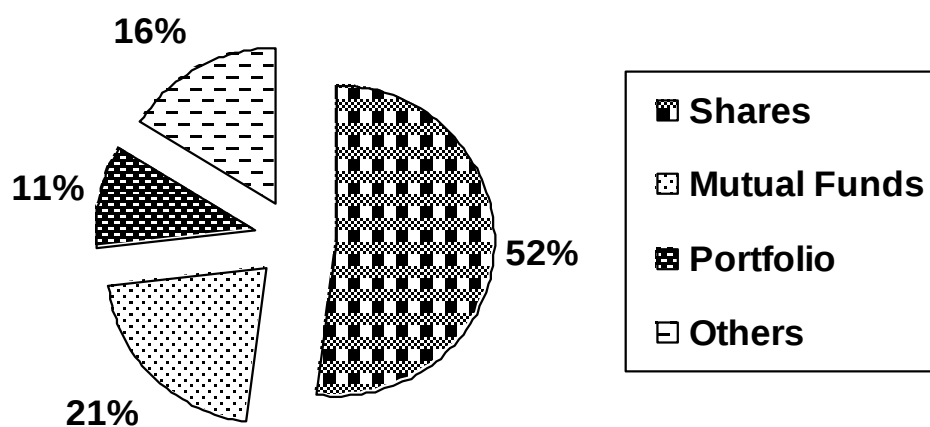


Table: 8

Showing the reasons for investing in the stock market

Reasons	No. of respondents	Percentage
Future Security	21	21
Tax	53	53
Profits	24	24
Others	02	2
Total	100	100

Analysis: 21% of the respondents have invested for future security, 53% for tax benefits, 24% for profits and 2% for other reasons.

Inference: This shows the most of the respondents have invested for tax benefits.

Graph: 8

Showing the reason for investing in the stock market

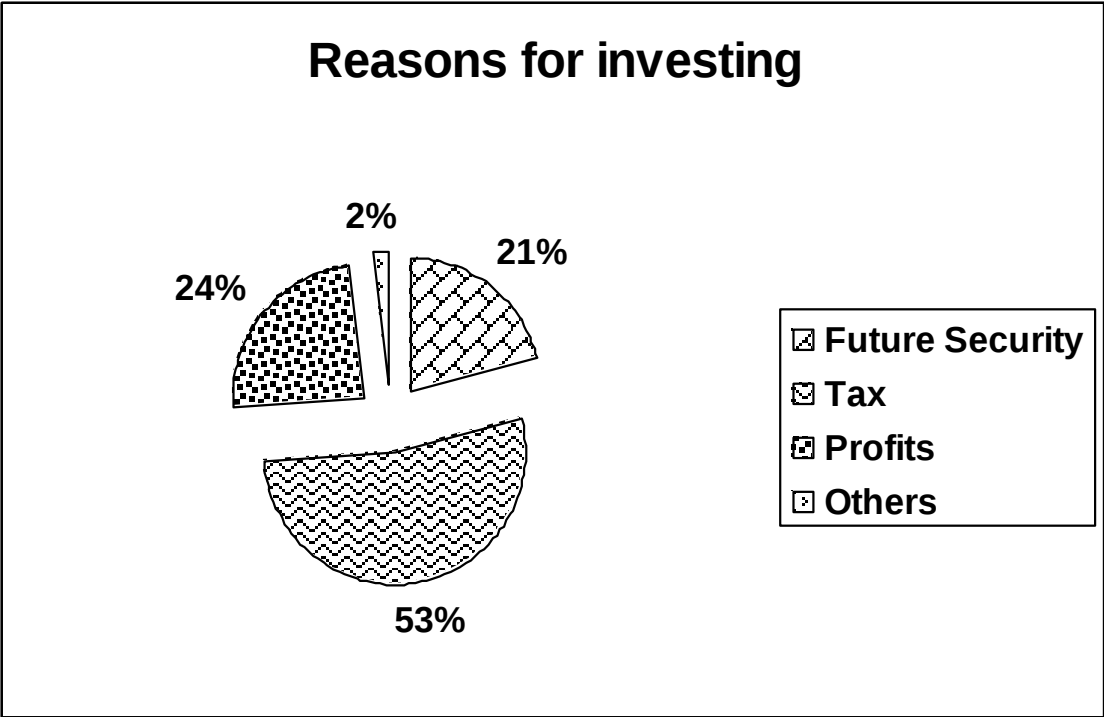


Table: 9

Showing the mode of trading

Modes	No. of respondents	Percentage
Online	77	77
Offline	23	23
Total	100	100

Analysis: 77% of the respondents have trade online and 23% trade offline.

Inference: This shows that most of the respondents trade online

Graph: 9

Showing the mode of trading

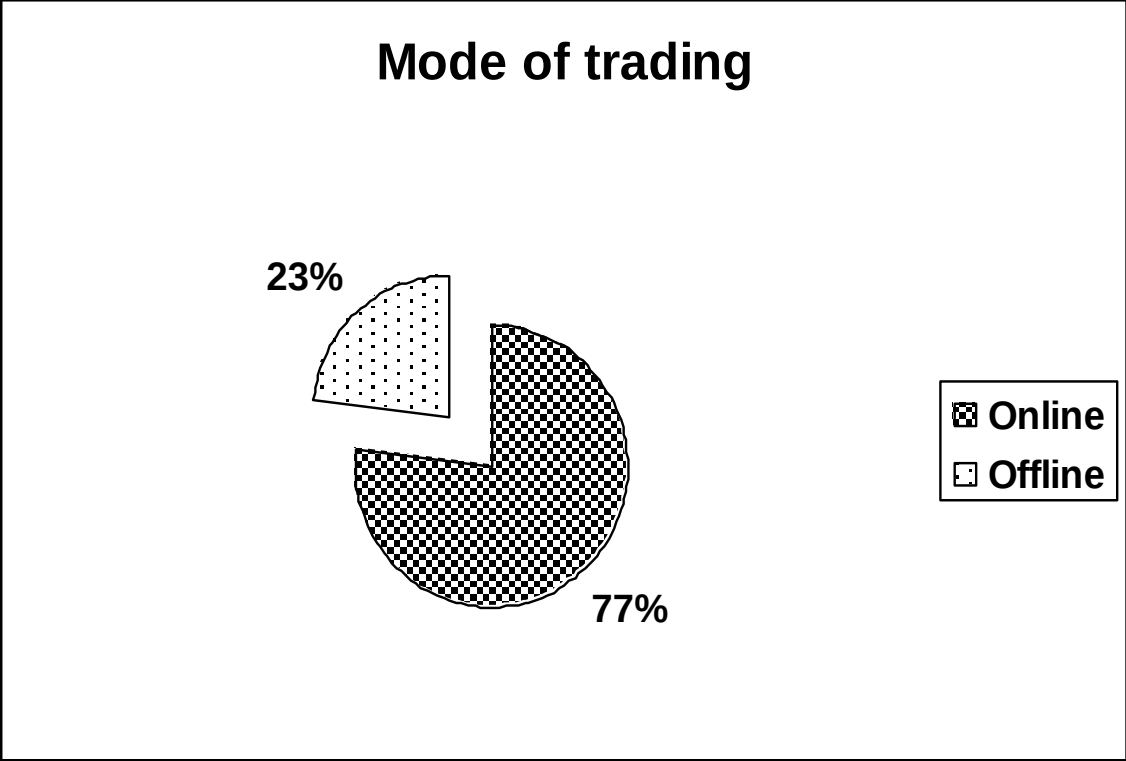


Table: 10

Showing whether the customers felt secured to trade online

Particulars	No. of respondents	Percentage
Yes	79	79
No	21	21
Total	100	100

Analysis: 85% of the customers felt secured to trade online and 15% felt unsecured to trade online

Inference: This shows that most of the customers of IL&FS felt secured to trade online.

Graph: 10

Showing whether the customers felt secured to trade online

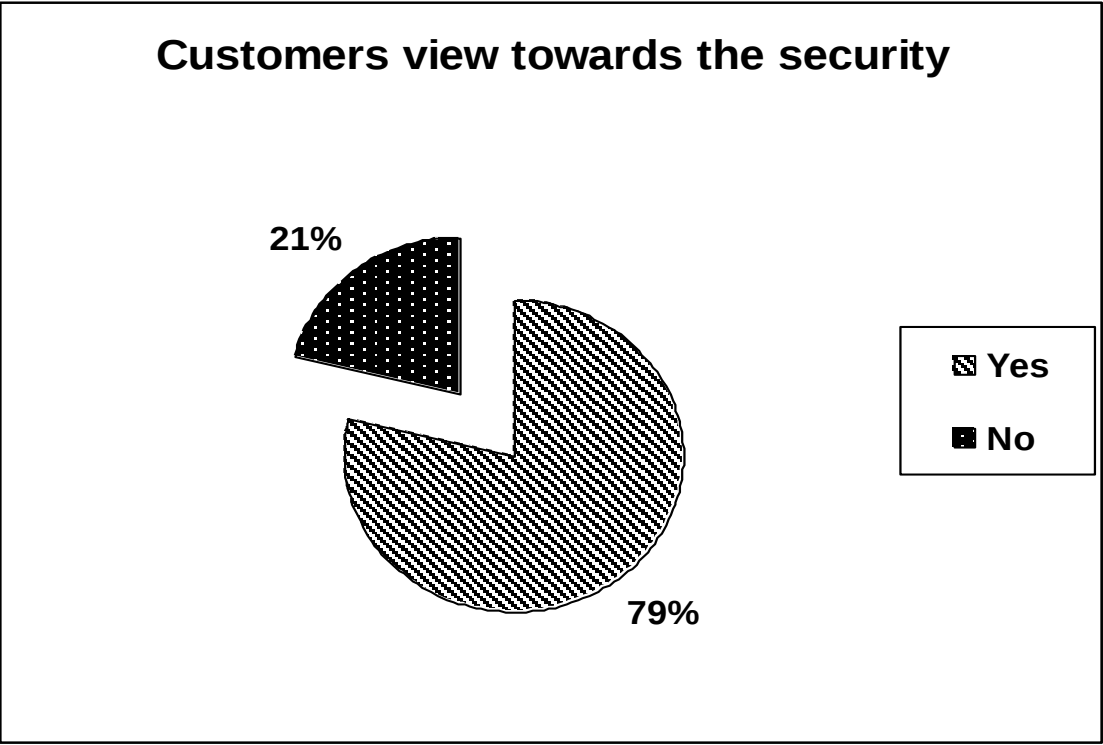


Table: 11

Showing the factor that the respondents feel important for trading

Factors	No. of respondents	Percentage
Brokerage	56	56
Trading terminal	27	27
Service	17	17
Total	100	100

Analysis: 56% of the respondents feel that brokerage is the most important factor for trading, 27% feel that trading terminal is most important and 17% feel that service is the most important factor for trading

Inference: This shows that most of the respondents feel brokerage is the most important factor for trading.

Graph: 11

Showing the factor that the respondents feel important for trading

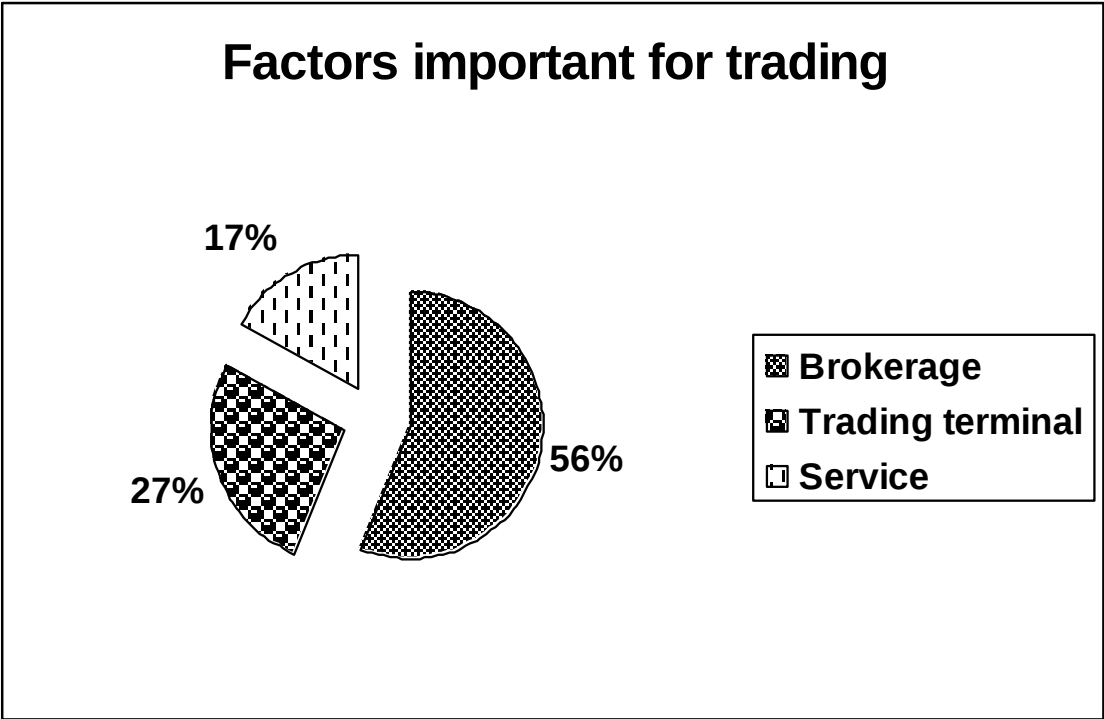


Table: 12

Showing the securities preferred to trade in by the respondents

Securities	No. of respondents	Percentage
IT	51	51
Bank	23	23
Steel	17	17
Others	09	9
Total	100	100

Analysis: 51% of the respondents prefer to trade in the IT sector, 23% in the Banking sector, 17% Steel sector and 9% in other sectors.

Inference: This shows that majority of the respondents prefer to trade in the IT sector.

Graph: 12

Showing the securities preferred to trade in by the respondents

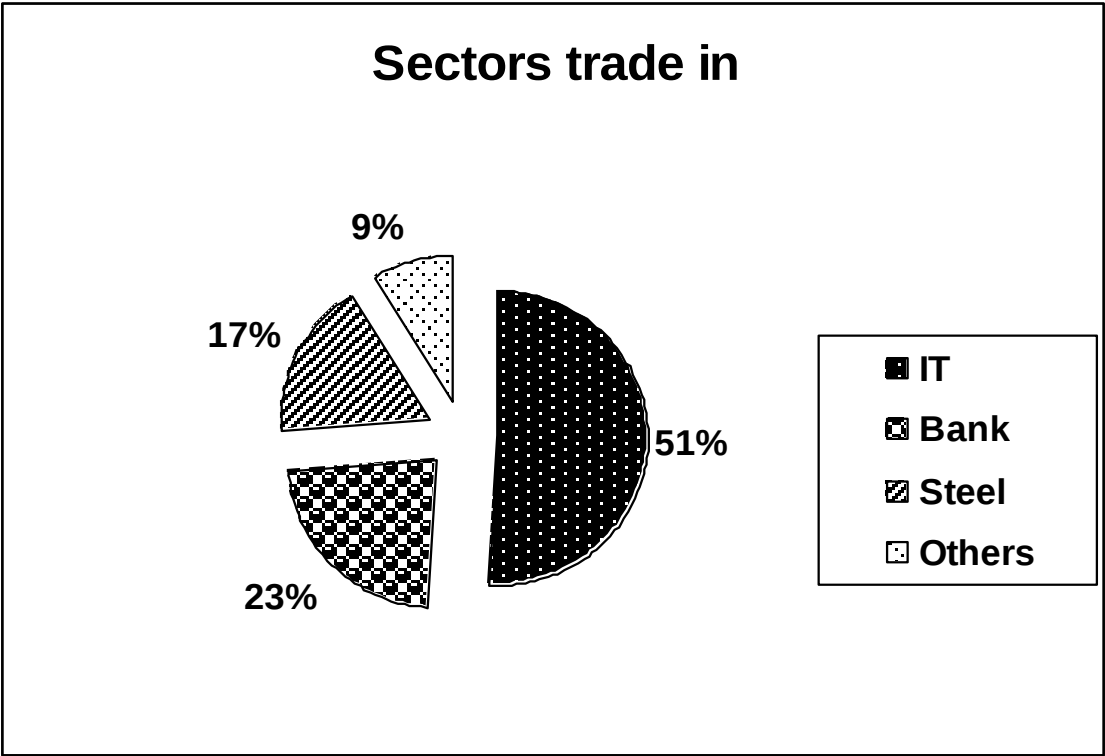


Table: 13

Showing the preferred period of investment by the respondents

Period	No. of respondents	Percentage
Long term	27	27
Medium term	54	54
Short term	19	19
Total	100	100

Analysis: 27% of the respondents prefer to invest for a long term, 54% for a medium term, and 19 % for short term

Inference: This shows that half of the respondents prefer to invest for Medium period

Graph: 13

Showing the preferred period for investment by the respondents

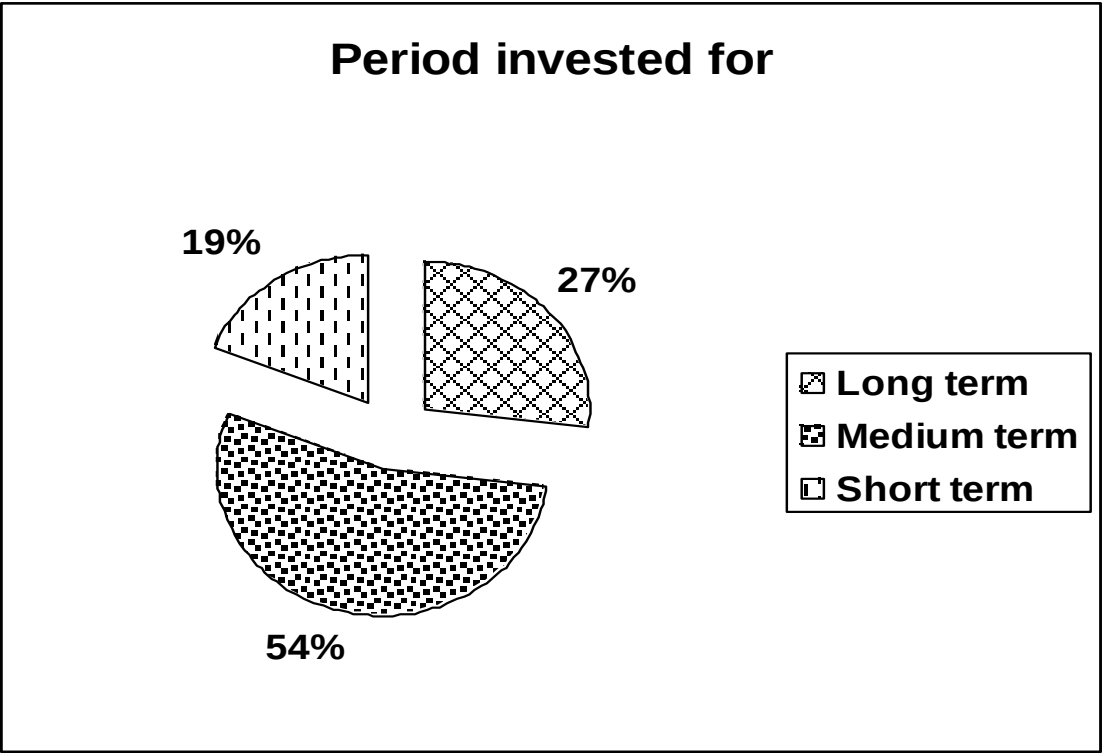


Table: 14

Showing the satisfaction level of the customers with the services provided by the IL&FS

Satisfaction level	No. of Respondents	Percentage
Good	62	62
Average	23	23
Poor	15	15
Total	100	100

Analysis: 62% of the customers are very satisfied with the services provided by IL&FS, 23% finds its satisfactory and 15% finds its poor.

Inference: This shows that majority of the customers of IL&FS are happy with its services.

Graph: 14

Showing the satisfaction level of the customers with the services provided by IL&FS.

Satisfaction level with the service

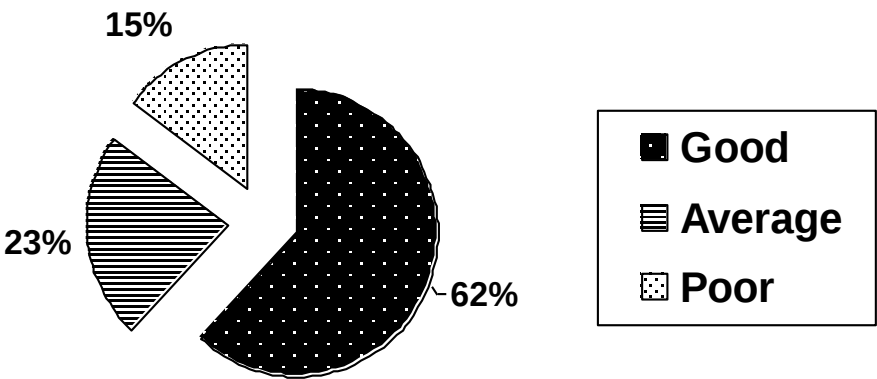


Table: 15

Showing whether the customers of IL&FS are getting proper service in time.

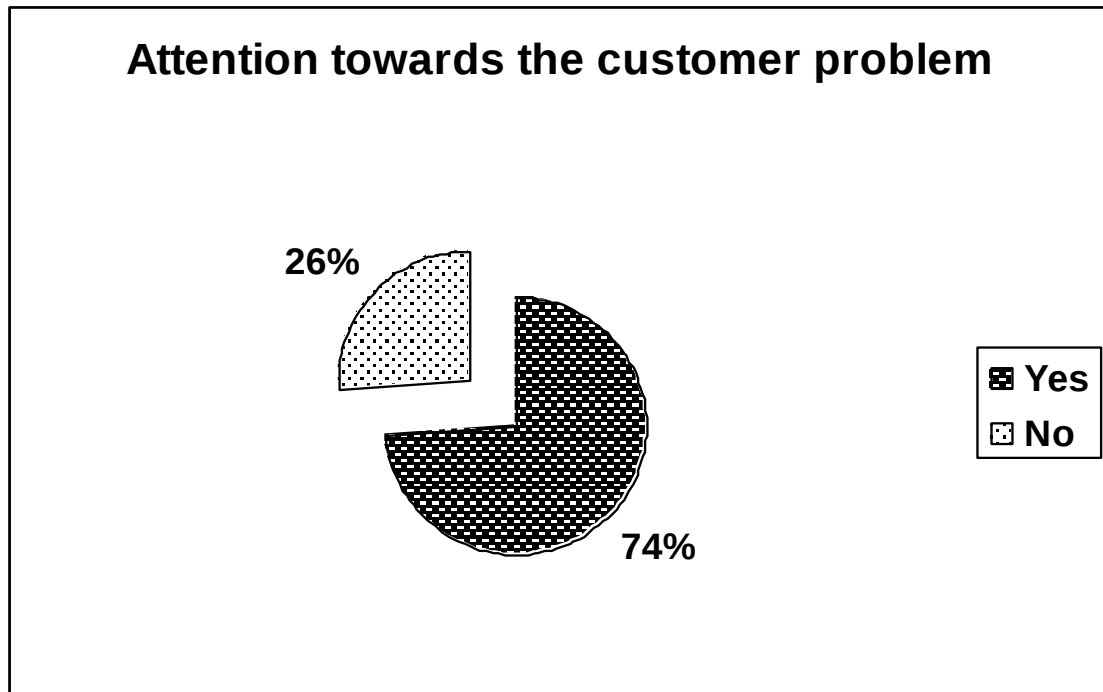
Particulars	No. of respondents	Percentage
Yes	74	74
No	26	26
Total	100	100

Analysis: 74% of the customers of IL&FS were attended to their problems in time and 26% of customers problems were not attended in time.

Inference: This shows that most of the customers of IL&FS problems were attended in time

Graph: 15

Showing whether the customers of IL&FS problems were attended in time



CHAPTER - VI

SUMMARY OF FINDINGS,

CONCLUSIONS AND

RECOMMENDATIONS

FINDINGS

- The study show that most of the respondents belong to 35 and above that is 46%, 23% belongs to the age group of 30-35, 16% belongs to the age group of 25-30 and 15% of the respondents belong to the age group of 20-25.
- The study show that 85% of the respondents have invested in the stock market and 15% have not invested in the stock market.
- The study shows that 42% of the respondents have not invested in the stock market because of the risk involved, 27% because of no fixed returns, and 16% as they are not interested, 15% because of lack of awareness.
- The respondents have the following preferences to invest in, other then investing in stock, 36% in insurance, 26% have invested in real estate, 24% of the respondents have deposited in banks, 5% in post office, 7% in chit funds, and 2% in others.
- The customer sources of awareness of IL&FS are found to be 39% through Friends and relatives, 22% newspaper, 22% through Internet, 9% through promotional campaigns and 8% through other sources.
- With in the stock market, most of the respondents have invested in shares 52%, 21% mutual funds, 16% in others and 11% Portfolio.
- The study shows that most of the respondents invest in the stock market for tax benefits 53%, future security 21%, for profits 24% and for other reasons 2%.
- The study shows most of the respondents 77% are aware of online share trading.
- The study shows that 85% of the customers felt secured to trade online and 15% felt unsecured to trade online.
- From the above study found that brokerage is the most important factor for trading 56%, trading terminal 27% and service 17%.

- The study shows that most of the respondents prefer to invest in the IT sector 51%, Banking sector 23%, Steel sector 17% and in other sectors 9%.
- The preferred period of investment by the most of the respondents is 54% for a medium term, 27% long term, and 19% for short term.
- Most of the customers 62% are happy with the product service of IL&FS, a part 23% finds its satisfactory and 15% finds its poor.
- The problems of the customers 74% were attended when required where as some of the customers 26% were not attended to their problems on time.

RECOMMANDATIONS AND SUGGESTIONS

- The company should take measures such as providing its customers with hand books, weekly journals, and if possible should also conduct small sessions on online share trading so that the customers will have a better understanding of different aspects of share trading.
- The company should tap the right places for its growth. There is a great education about the stock market in news papers, colleges, media which is increasing the awareness about the stock market to the individual's and as a result of this no. of people who trade is also increasing which is healthy sign for a company like IL&FS investsamrt online to grow.
- The company should effectively utilize its opportunity when it comes to promotional activities.
- In order to grow in today's fast moving world and with large number of competitors in the market the company should provide more online services such as fundamental research, commodities trading, transaction queries, easy mail, branch locator, notices to demat customers, direct alerts, registration for customer sessions, trading guide, process section, quick lessons, share shops, trading holidays, password quarries, and commodity futures and warrants to its customers.
- The company should make efforts to keep in touch with all its customers and cater to their needs and problems as few of them are found to be neglected.

CONCLUSION

- Online Share trading is now becoming a popular means of trading due to the convenience of use.
- There are many avenues available in the market for the people invest their money. Most of the people invest in Insurance, real estate, post office, Chit funds, Bank deposits and other avenues such as Bonds/Debenture and the bullion market because of low risk, high returns and tax benefits.
- Since most of the information about IL&FS is given on the website, only people who trade online are aware of its services. The others are not aware of its services as they trade online.
- The products and services provided by IL&FS are good. Therefore, Majority of the customers are happy with products and services. People who have availed the services provided by IL&FS have done so as they were benefited and found it convenient to trade further.
- The company has tried its level best to attend to all its customers' problems and quarries but still there are few customers who have been neglected.
- Most of the customers are aware of the issues and measures to prevent unwanted intrusions and therefore find it secure to trade online. However, a few of them do not find it safe to trade online as they think the development of technology is an ongoing process and security requirement only increases with time.
- People do not prefer to invest in the stock market as they think that involves a lot of risk and is volatile, has no fixed returns, or they are not aware of the stock market or not interested to invest in it.
- Keeping in mind the risk involved and also time constraint, within the stock market most of them prefer to invest in shares because of the returns they get in the run

and the flexibility to trade. Others prefer to invest in mutual funds because of tax benefits and the sharing of risks; portfolios are they prefer to trade in selected securities only.

- People invest in the stock market mostly for tax benefits, future security and profits.
- Brokerage is the most important factor considered for trading due to the enormous competition in the market with many companies cropping up in the online trading field.
- IT sector is the fastest growing sector and many companies in this sector are famous. Therefore, most of the people invest in it.
- People prefer to invest for a medium term, as they are sure of getting what they expect, whereas there is lot of risk involved in investing for long term. Some of them invest for a short term, as their aim mainly is to achieve profits.
- IL&FS is slowly growing in the market and therefore the customers came to know about the company through newspapers, internet, friends/relatives, promotional campaigns and other sources such as the radio, television etc.

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BIBLIOGRAPHY AND REFERENCES

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ON THE JOB TRAINING

TITLE – The below given are my OJT titles.

1.	OPENING OF DEMAT ACCOUNTS
2.	GETTING SIGNATURES ON NOVATION AGREEMENT
3.	GIVING DEMOS TO THE CUSTOMERS
4.	TELECALLING
5.	FEEDING CUSTOMER DATABASE INTO THE SYSTEM
6.	FILLING NOVATION FORMS OF CLIENTS
7.	SELLING MUTUAL FUNDS

OBJECTIVES OF THE OJT:

The main objective of the OJT is to fill the gap between theoretical and practical knowledge.

- To do the process of marketing and to find the prospective customers for investing in the mutual funds.
- To enhance the communication skills of management for designing a future career.
- To study the corporate culture.
- To study about the customers and their perception in market.
- It explores the experience of the fieldwork.
- How to handle different situations and to work under different work pressures.

STRATEGY:

- First understanding the needs of the potential customers
- Taking the appointments from customers
- Explaining about product
- Taking the feedback from the customers.

ACTIVITY: As of now the work assigned to us is to call the existing customers and to enquire about:

- Whether they have received their Login I.D. and password.
- Are they facing any difficulty in Trading?
- If the customer doesn't know how to do trading on online then we have to give the demo and ask them to trade.

- If the customers don't have link with the banks, which our company is linked, we have to ask them margin cheques and collect them from their place.
- Bringing of novation agreement.
- Entering the customer's database in to the system.
- Selling of Mutual Funds

TASKS AND TARGETS:

Targets:

- To open 10 demat accounts per month.
- Doing the process of novation agreement minimum 15 per week on average Rs.500 to 1000/-
- Generating revenue by making the existing customers/clients to trade.
- To do the Tele-marketing and fixing the appointments at least 10 per day from the given leads.
- To sell mutual funds worth of Rs. 5 lakhs within 20 days.
- Doing lead generation for minimum 15 customers per day.

Tasks:

- Calling to the customers and fixing the appointments for the Mutual funds.
- Getting own leads.
- Explaining about the product in brief and convincing them.

ACHIEVEMENTS:

- Given demo to 2 people both started trading.
- One of the customers purchased 3,000 worth of shares after giving demo.
- Sold 50,000 worth of mutual funds with in the given time
- Entered 1000 customers' database in system.
- Brought 6 Novation agreements from customers in a week.
- Called 200 plus customers for all the things
- Fixed appointments for Novation, Demos and Mutual funds.
- Got an incentive of Rs. 1000/- for doing a great job in the novation agreement process.

LIMITATIONS:

- Sometimes companies don't allow us inside the premises due to work pressure.
- Sometimes it is difficult to convince the customers due to their pre-conceived notion.
- Unavoidable circumstances which are beyond control like SEBI regulations, Policy changes, which lead to the slow down of the account opening process.

ANNEXURES

QUESTIONNAIRE

Respected Sir/Mam,

I, SATISH S PATIL the student of AL-AMEEN Institute of Management studies, Bangalore am undertaking a project on “consumer perception towards online share trading with special reference to IL&FS Investsmart Ltd”. It is a part of MBA Curriculum. I request you to spare your valuable time and provide the information. I ensure that information furnished by you is used for academic purpose only.

1. Name :
2. Gender :
3. Age : 20-25 ☐ 25-30 ☐
 30- 35 ☐ 35 & above ☐
4. Occupation : Profession/Service ☐ Business ☐
 House wife ☐ others ☐
5. Contact Number :
6. Have you invested in the stock Market?
Yes ☐ NO ☐
If No, Why?
 Risk / Volatile ☐ No fixed return ☐
 Lack of awareness ☐ Not interested ☐
If Yes:
7. Which other avenues have you invested in?
Bank Deposits ☐ Real Estate ☐ Chit Funds ☐
Insurance ☐ Post Office ☐ Others ☐

8. How Did You come to Know about IL&FS?

News Paper ☐ Internet ☐ Friends/Relatives ☐
Promotional Campaigns ☐ others ☐

9. Where have you invested?

Shares ☐ Mutual Funds ☐ Portfolio ☐ Others ☐

10. Reason for investing in the Stock Market?

Future Security ☐ Tax ☐ High return ☐ Others ☐

11. Mode Of Trading you are into

Online Trading ☐ Offline trading ☐

12. Do you feel secure to Trade Online?

Yes ☐ No ☐

13. Factor you feel important for trading?

Brokerage ☐ Trading terminal ☐ Service ☐

14. Which Sector will you prefer to invest?

IT ☐ Bank ☐ Steel ☐ Others ☐

15. You would prefer to invest in the market for:

Long Term ☐ Medium Term ☐ Short Term ☐

16. Your satisfaction level with the services provided by IL&FS

Good ☐ Average ☐ Poor ☐

17. Are your problems attended by IL&FS when required?

Yes ☐ No ☐

18. Additional features do you want to have in our online product?

1) _____

2) _____

3) _____

、

Place:

Date:

THANK YOU