Summer Internship Report

On

"Study on investment pattern and preference of retail investors"

April 2021- May 2022

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Submitted to: Prof. Jayesh Aagja

Batch: MBA – FT (2020-2022)

Institute of Management, Nirma University

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Report Details

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Purpose of the Report:	To provide information regarding the investment pattern and preference of retail investors for the company during the summer internship
Prepared for:	Institute of Management, Nirma University
Submitted to:	Prof. Jayesh Aagja

Acknowledgement

To start with, I would like to thank Corporate Relations Cell, Institute of Management, Nirma University for granting permission to pursue internship from The Capital Box. I also owe my sincere thanks to Prof. Jayesh Aagja, Faculty Mentor, who has been a constant support during the internship period.

Continuing on the same line, I would like to extend my gratitude to The Capital Box for allowing me to pursue this internship. I shall be short of words in expressing my gratitude and appreciation to the efforts and dedication of my mentor Mr. Siddhant Kewaliya who not only spearheaded the project but have been a consistent motivator during the entire period of internship. It is their knowledge and vibrance wrapped in a bold and dynamic attitude that gave me an entirely new perspective to approach things. They have shared their knowledge and have been a constant source of help. Along with them, the entire The Capital Box team deserve due regards for sparing their valuable time whenever I was in need.

I extend my due respect and reverence to Mr. Love Sehrawat, and Mr. Siddhant Kewaliya to have spared their precious time and for providing me with an opportunity to present my project to them and share their valuable insights on the same.

Executive Summary

The key objective of the project is to define the preference of investors towards different investment avenues, public awareness & preference of mutual funds, and find out the intent and objectives of the investment. As most investors want to make investments that will yield high returns in a short period of time while minimising the risk of losing money. This is why many people are always on the lookout for high-yielding investment opportunities that will allow them to double their money in a short period of time with little or no risk. In fact, risk and return are inextricably linked, i.e., the higher the risk, the higher the return, and vice versa. When choosing an investment strategy, it's important to match one's risk profile to the product's risks. Some investments have a high-risk profile but have the ability to deliver higher returns over time than other asset groups, while others have a low risk profile but have lower returns. Information pertaining to the factors affecting the choice of mutual funds and the most preferred mutual funds schemes, life insurance and health insurance, purpose of investment etc was studied by going through real life examples by dealing with clients of different type with different financial background.

The protection of the principal sum, liquidity, income stability, and appreciation are the most important aspects of an investment. Fixed deposits, government securities, corporate bonds, insurance plans, real estate, commodities, shares and mutual funds, gold, and post office schemes such as KVP and NSC are only some of the investment options available. Depending on their risk tolerance, both investors invest their excess funds in the aforementioned avenues.

The golden rule of investment management is "no benefit without pain." More risks result in higher income. Investors cannot eliminate risk, but they can reduce it by investing their capital in a variety of secure investments in order to earn a fair profit. Investors invest their excess cash in the aforementioned routes, depending on their risk tolerance.

The importance of investing in one's life cannot be overstated. Despite the fact that India's youth make up the majority of the population, there is a lack of understanding of investment opportunities and their value. In addition, India was afflicted by the COVID 19 epidemic in March 2020. It had an influence all around the world, and every industry was affected. Most investors seek to make investments that will yield large returns in a short period of time while minimising the danger of losing money.

Table of Content

PART A

1.1. About the company

1. Company Details

The Capital Box was founded in July 14, 2016, their core value has been integrity since then. “The Capital Box” design personal solutions to protect our clients’ unique lifestyles and offer lasting peace of mind. The company strive to build long-lasting relationship with clients through attention to detail and commitment to superior service. They provide consulting services, financial products and risk management strategies to individuals, families and businesses, specializing in niche market and portfolios with complex needs.

2. Vision and Mission

Their vision as a firm is basically focusing on helping others achieve financial goals, as well as understanding of each client’s unique purpose, mission, and values. They strive to empower clients by offering education, tools and resources aimed at facilitating clear communication and bringing definition to their ambitions and objectives. Each client has different ideas about what makes life great. They take the burden out of managing the financial details so clients can enjoy life’s journey and live out their unique purpose. Their mission is to help individuals, families, and small businesses embrace the responsibilities of living their goals and dreams by designing, implementing, and monitoring financial strategies consistent with their core values.

Source: The Capital Box

The Capital Box belongs to the industry related to ‘Financial Consulting Industry’. The industry helps in

1. Investing principles and strategies
2. Retirement investing and distribution strategies
3. Estate conservation issues
4. Risk management analysis

3. <u>The Companies Product and Services</u>

PRODUCT BY THE CAPITAL BOX

1. Taxation Consultation
2. Business Tax Consultation
3. Personal Funds Consultation
4. Insurance Consultation
5. Mutual Funds
6. SIP's

SERVICES BY THE CAPITAL BOX

The Company Provides the service as follows

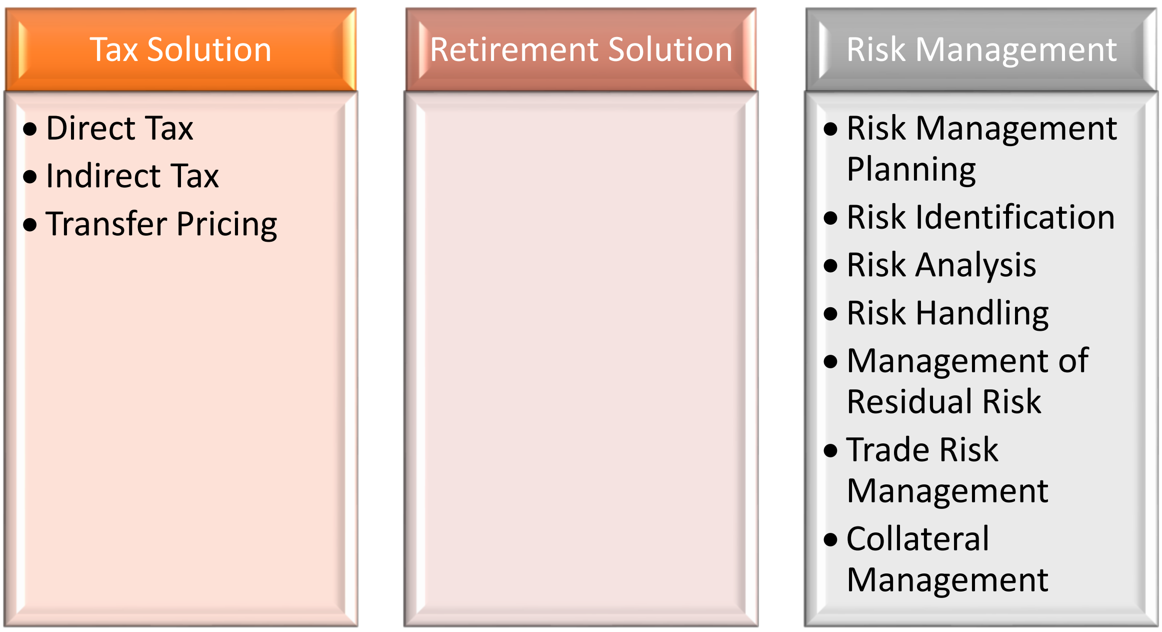
1. Tax Solutions:

- Direct Tax
- Indirect Tax
- Transfer Pricing

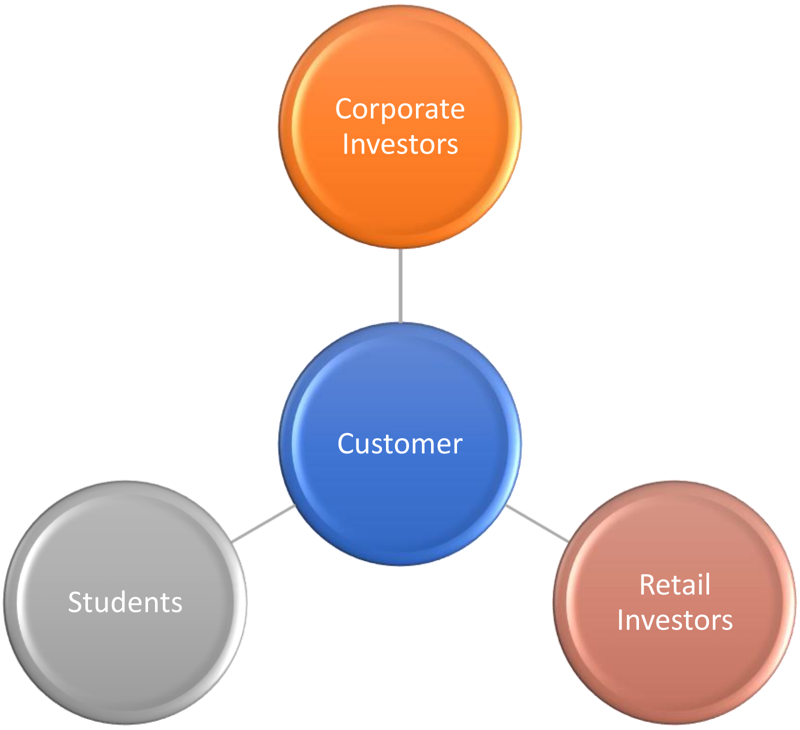
2. Retirement Solutions

3. Risk Management:

- Risk Management Planning
- Risk Identification
- Risk Analysis
- Risk Handling
- Management of Residual Risk
- Trade Risk Management
- Collateral Management



4. Customers



The Capital Box has three categories of customers:

- Retail investors – The company provides investment consultation to individuals who are interested in investing in different asset classes and need advice on the same. They also trade and invest on behalf of these individual investors.
- Corporate investors – The company also helps major corporates in investment decisions. They guide and provide consultation to them in matters relating to which assets are the best to invest in, how to grow their returns etc.
- Students from B-Schools – The company provides live project and summer internship opportunities in various fields to students from various prestigious B-schools in the country. They train these young minds to conduct research activities which are original and genuine. In this way the students get learning opportunities in their field of choice.

5. Market Competition

There are a lot of other firms with a similar business model as that of The Capital Box. These include Management Consultancy Services, Everest Business Advisory India Pvt Ltd., The Taplow Group, Actuate Business Consultancy Pvt Ltd. etc. among others. All of them provide investment consultation to clients as well as training and learning opportunities to students. These companies provide tutorials, certification courses, workshops, webinars, live project as well as internship opportunities. All of this helps in making students ready for the corporate world. The practical hands-on experience gathered by the students through these companies help them to further grow in their careers in the future.

6. Financial Performance

The Capital Box is a company operating in the Finance space. It generates revenue through consultation services provided investors (individuals as well as corporates). The consultation is provided in matters of avenues of investment amid the different asset class available. The company also trades and invests on behalf of their clients. Apart from this, the company also generates revenue by offering live projects to students from various B-schools across the country. These young minds need learning opportunities and The Capital Box helps in training them in research activities in various fields available. However, the exact turnover and profitability data was not disclosed by the company. They truly think that it all begins with a thorough understanding of your specific objectives. They mix objective counsel and experience-led execution to bring the common vision to life with this clarity. We provide complete peace of mind to all of our customers. Describe peace of mind as a strong sense of control that comes from knowing your financial strategy is built on a foundation of rising self-awareness and understanding. They feel our clients have the best chance of achieving their objectives at this important point — the junction of proactive preparation and peace of mind.

1.2. About the Industry

FINANCE SECTOR

The finance sector is a segment of the economy that includes a variety of businesses and institutions that provide financial services to both commercial and retail consumers. This industry includes a variety of businesses such as banks, investment firms, and real estate firms. This industry generates money by providing loans, mortgages, and interest to a variety of business and retail consumers. Furthermore, any country's economy is primarily dependent on its financial sector; if this sector is strong, the economy will be strong; if this sector is weak, the economy will be weak.

FINANCIAL SECTOR IN INDIA

Capital markets, insurance, NBFCs, commercial banks, co-operatives, and other minor financial enterprises make up India's finance sector. The Reserve Bank of India, which regulates financial services, has permitted online payment merchants to operate in this area. However, India's financial sector is primarily a banking sector, with commercial banks accounting for 64 percent of the financial industry's total assets. The financial sector is a sector of the economy made up of businesses and institutions that provide financial services to both commercial and retail consumers. A significant element of this industry generates mortgage and loan income, which appreciates in value as interest rates fall. The financial sector's efficiency is crucial to the economy's overall health.

MARKET SIZE

- 12 public and 22 private sector banks, 46 foreign banks, 56 regional rural banks, 1485 urban cooperative banks, and 96000 rural cooperative banks make up the banking sector. There were 209,282 ATMs in total as of November 2020. The total assets of public sector banks were Rs. 107.83 billion rupees
- As of January 2021, the mutual fund industry was worth Rs 32.29 lakh crores.
- In 2019, the Systematic Investment Plan will be worth Rs. 81,453 crores.
- By the end of December 2019, equity mutual funds will have a market capitalization of Rs. 8.04 trillion.
- There are 24 life insurance industries and 34 non-life insurance firms in the insurance industry. In 2020, the overall market size is estimated to reach USD 280 billion. In FY20,

total penetration was 3.76 percent, including 2.82 percent of life insurance and 0.94 percent of non-life insurance, insurance is a word that has a lot of In FY20, premium collection totalled Rs 2.59 lakh crore.

- The mutual fund sector managed Rs. 3,237,985 crore (US$ 444.11 billion) in AUM as of April 2021. In FY21, systematic investment plans (SIP) brought in Rs. 96,080 crore (US$ 13.12 billion) to India's mutual fund schemes. By the end of December 2019, equity mutual funds had had a net inflow of Rs. 8.04 trillion (US$ 114.06 billion).
- The Reserve Bank of India announced the launch of its Innovation Hub in November 2020. This programme would develop an environment to facilitate access to financial services and goods, as well as to foster financial inclusion. The Reserve Bank's Innovation Hub aims to boost financial sector innovation by using technology and establishing an atmosphere that encourages it.

The finance sector in India can be divided into three major parts which are as follows:

1. Banking Sector

2. Insurance Sector

3. Financial Services

1. Banking Sector

There are 12 public sector banks, 22 private banks, 46 foreign banks, 56 regional rural banks, 1485 urban cooperative banks, and 96000 rural cooperative banks in India's banking system. The Reserve Bank of India regulates all of these financial institutions. According to them, India's banking industry is in bad shape is it is adequately capitalised and well controlled. Because of its strong banking and insurance sectors, India is now one of the most vibrant economies in the world. The insurance industry has reacted positively to the loosening of foreign investment laws, with many corporations announcing plans to boost their holdings in joint ventures with Indian enterprises. Over the next few quarters, there could be a slew of joint venture agreements involving global companies. Indian banking industry has recently witnessed the roll out of innovative banking models like payments and small finance banks. RBI’s new measures may go a long way in helping the restructuring of the domestic banking industry.

The digital payments system in India has evolved the most among 25 countries with India's Immediate Payment Service (IMPS) being the only system at level five in the Faster Payments Innovation Index (FPII)

- Market Sector
  - As of November 2020, India had 209282 ATMs.
  - Public sector bank assets were Rs. 107.83 lakh crore in FY20.
  - Bank credit expanded at a CAGR of 3.57 percent to USD 1698.97 billion in FY20.
  - Deposits expanded at a CAGR of 13.93 percent to USD 1.93 trillion in FY20.
- Development
  - As of February 2021, the number of bank accounts opened under the Pradhan Mantri Jan Dhan Yojna totaled 41.93 crores, with a deposit of USD 23.07 billion.
  - In November 2020, WhatsApp launched its UPI (Unified Payments Interface) after receiving approval from the National Payments Corporation of India.
  - The government would disinvest from IDBI bank and privatise two public sector banks, according to the Union Budget for 2021-22.
  - The government has completed the process of efficiently consolidating the public sector banks to eight.

2. Insurance Sector

There are 57 insurance companies in India's insurance industry. There are 24 life insurance companies and 34 non-life insurance companies. Life Insurance Corporation (LIC) is the only public corporation among life insurers. In the non-life insurance segment, there are six public sector insurers. Aside from this, the General Insurance Corporation of India is the only national re-in. LIC – Life Insurance Corporation of India is the largest public firm in India, with 24 life insurance companies and 34 non-life insurance businesses. Life insurers account for about two-thirds of total insurance business, while non-life insurers account for six public firms. GIC - General Insurance Corporation of India is a public reinsurance company. SEBI regulates this industry.

- Market Size
  - By 2020, India's insurance sector will be worth USD 280 billion.
  - Between 2019 and 2023, it is predicted to grow at a CAGR of 5.3 percent.

- In general insurance and health insurance, private enterprises hold 48.03 percent of the market share. In the insurance industry, they have a 33.78 percent stake in the life insurance segment in FY20.
- Life insurance companies' new premium in FY21 is USD 31.9 billion.

- Government Initiatives
  - The FDI – Foreign Direct investment has been allowed to 74 percent instead of 49 percent
  - In union budget of 2021-22, Finance Minister has announced the IPO of LIC. It has the potential to generate Rs. 100000 crores through IPO
  - Under the Union Budget, USD 2.20 billion has been allotted for Crop Insurance

3. Financial Services

Commercial banks, NBFCs, pension funds, and mutual funds are all part of this industry. There is also a substantial increase in the number of new firms entering the market. The Reserve Bank of India and the government have made a number of steps and measures to guarantee that these companies, such as MSMEs, have access to finance. Due to demand factors (increasing discretionary incomes, personalised financial solutions, etc.) and supply drivers, India's diversified and comprehensive financial services business is quickly expanding (new service providers in existing markets, new financial solutions and products, etc.). Several significant subsegments make up the Indian financial services business.

- Market Size
  - The mutual fund industry has USD 438.27 billion in assets under management
  - The inflow through SIP and equity mutual funds is USD 11.7 billion and USD 114.06 billion, respectively
  - The number of companies listed on the NSE and BSE, two stock exchanges, in FY20 was 1795 and 5377, respectively
  - The inflow from IPO, Offer of Sale, and other market issuances was Rs. 1.76 lakh crore in 2020.
- Road Side
  - By 2028, India is predicted to be the fourth largest private wealth market in the world.

    - The Association of Mutual Funds in India (AMFI) aims to increase the AUM to USD 1.47 trillion.
    - The mobile wallet business is expected to develop at a CAGR of 150 percent to USD 4.4 billion by 2020 billion by the year 2022.
    - During the same time period, the transaction will total USD 492.6 billion.
- Advantages in India
    - Growing Demand: People's incomes are gradually rising, and more people are drawn to these services. The RBI's financial inclusion push has broadened the possibility for engaging people in semi-urban and rural areas.
    - Financial services expansion through innovation such as digital gold investment options, infra loan financing, and channel cross-utilization.
- Scope of Growth
- Because India has the world's fastest expanding wealth management sector, the number of super HNWIs (High Net Worth Individuals) would increase by 73 percent by 2024, from 5968 to 10354.
- Investor protection: Regulators are enacting new rules and amending existing ones to safeguard investors.
- Innovation and brand creation are also contributing to the development and expansion of the financial services market.

CONSUTANCY SECTOR

The consultant sector dates back to the late 1800s, when the first consultation firm was established. However, internationalisation began in the early 1960s, when American companies sought to extend their presence in Europe in order to bring their expertise and experience to bear on European organisations. Strategy consulting, operations consulting, IT consulting, HR consulting, financial advisory, and management consulting are the six key domains that make up the consultant sector. Management consulting is provided by business consultants to assist firms in improving their performance and efficiency. These individuals examine organisations and develop solutions while also assisting firms in achieving their objectives. When business owners require assistance, perspective, or a catalyst for change in their organisations, they might consider employing business consultants.

Consultancy Sector in India

There are currently 6000 consulting firms in India's major cities. With 25.7 percent, Delhi is in first place, followed by Mumbai (25.5 percent), Chennai (12.1 percent), and Kolkata (9.1 percent). According to the data published by the Associated Chambers of Commerce and Industry in India, the annual growth is calculated at a CAGR of 30% yearly to become an economy of 27000 crore rupees by 2020. Not only in terms of size, but also in terms of service offerings, the Indian consulting business has grown significantly. Customers in India have been clamouring for specialised consulting services in recent years, resulting in the possibility for a significant number of consultants to assist organisations with their expert knowledge base and resources. According to statistics from The Associated Chambers of Commerce and Business of India, the industry is expected to develop at a compound annual growth rate of 30 percent to become a Rs 27,000 crores industry by 2020.

- According to projections, more than 220000 individuals will be working in more than 10000 consulting businesses across the country in the next three years.
- Because of professional expertise, high acceptability, a low-cost structure, and a concentrated strategy, this sector is flourishing in India.

Market Segment

- Strategy Consulting: The main focus is on the establishment of company or business unit strategies.
- Management Consulting: This type of consulting concentrates on organisational issues.

- Operations Consulting: This type of consulting is primarily concerned with operational functions and excellence.
- HR Consulting: a service that focuses on Human Capital issues.
- Financial Advisory: This service is focused on corporate finance and actuarial services.
- IT Consulting: It focuses on strengthening an organization's technology features.

1.3 Company Analysis

1. Growth Story

Integrity has been a basic principle of The Capital Box since the day they were created on July 14, 2016. At "The Capital Box," they create personalised solutions to safeguard our clients' unique lifestyles and provide long-term peace of mind. They seek to establish long-term relationships with clients by paying close attention to detail and providing exceptional service. They specialise in niche markets and portfolios with complicated needs, providing unrivalled consulting services, financial products, and risk management techniques to individuals, families, and enterprises.

They are firm believers that it all begins with a clear understanding of your individual objectives. They prefer to combine objective counsel and experience-led execution to bring the group goal to life when they have this clarity. Give each client complete peace of mind. They define peace of mind as a strong sense of control that comes from knowing your financial strategy is founded on a foundation of increased self-awareness and understanding. It feels like their clients have the best chance of achieving their objectives at this important point — the junction of proactive preparation and peace of mind. The Capital Box now for the purpose of research activities, needed research analysts. They realized that they could train their own researchers and data analysts by providing them adequate training. Thus, they started providing live projects to students of various B-schools. This helps the students in gaining knowledge from real life problems through hands-on experience.

Apart from this, the company started trading from themselves and their clients. These clients included individual as well as corporate investors. The company provides consultation services to them as well for investing in various asset classes.

Today, after five years the company is a prominent player in its sector. Its experiential learning platform through live projects and internships provided to students is one of the best provided in the industry. For the time to come, the company aims to reach great heights.

2. Company's Culture

The atmosphere at the company is really relaxed. Everyone is free to express themselves, whether they are co-founders, workers, or interns. Original ideas are accepted and valued, which motivates employees to work more. It is easy to extrapolate that the company's and everyone's learning mindset is what has helped the company grow in the past and will help it grow in the future.

In addition, the organisation is continually looking for new ways to expand. This is seen in its willingness to take risks. The company's operations are not limited to financial markets, but also extend beyond them. All asset classes, including equities markets, commodities markets, currencies and cross currencies, as well as crypto-currency, are studied by the firm. Everyone in the company is encouraged to think outside the box in order to find answers to questions raised during study.

1.4. Future Outlook

Consumers have become more demanding of virtual experiences in recent years as digital technologies have advanced. The pandemic has only increased the demand for easy access to financial goods, services, and information, as well as the demand for stress-free banking. Major technological advancements will drive the future of banking, and it will change dramatically. In recent years, the rise of digital players in the financial sphere has made it easier for the average person to obtain finances. Fintech has risen to prominence as the most effective lending channel, revolutionising traditional banking and the end-to-end client process. It has uncovered a variety of chances for tapping into a large and diverse database of clients, allowing for a strong digital foundation. Consumers have become more discerning when it comes to digital interactions. The necessity for easy access to banking products, services, and information has only grown as a result of the pandemic. Given that most customers are now comfortable using online channels, personalisation and customization supplied through digital offers may potentially affect conventional 'customer loyalty' for physical proximity of branch. New Strategies Adopted New Products launched: Products like Criti – Care, Health Super saver, Health Advantage by different companies which covers various diseases with great costing. Insurance companies are making strategic partnerships with small finance banks so that reach to new customers can be increased. Mergers and Acquisitions: Mergers and Acquisitions are taking place for strengthening the position of companies in the market. For example – Axis bank and subsidiaries has brought 12.99% stake in Max Life Insurance so that Axis bank can strengthen its position. Recent Developments like Agriculture Insurance Company of India collaborated with Gramcover to enhance rural insurance in India.

PART- B

Nature of the Project: Research Based Project

Project Title: A study on investment pattern and preference of retail investors

2.1 Introduction

Nature of the project

The project provided by The Capital Box is to understand the investment patterns and preferences of the retail investors as the customer put their finance, which is collected through premium from the customer, is invested for better returns. Thus, for this project the main aim was to collect the information regarding the investment pattern of retail investor. The nature of this project is not the gap of information or problem solving but just to do the analysis of the investment. Due to this kind of nature, the methods like surveys, questionnaire does not help much. Because large number of people do not know whether they know how their premium is invested by the insurance provider in the market. Investing is an essential part of a person's life. Despite the fact that India's youth make up the majority of the population, there is a lack of understanding of investment opportunities and their value. In addition, India was afflicted by the COVID 19 epidemic in March 2020. It had an influence all around the world, and every industry was affected. The phrase investment refers to the process of converting money or cash into future returns or claiming future profits as a return. Investment is a tool for claiming a profit and putting money aside for the future. Stock exchanges are now one of the most popular places for investors to invest in stocks, bonds, and other securities. Investment decisions have gotten riskier, and more new entrants have entered the financial markets with enticing investment offers.

Objective of the Study

The key objective of the project is to define the preference of investors towards different investment avenues, public awareness & preference of mutual funds, and find out the intent and objectives of the investment. Most investors seek to make investments that will generate big returns in a short period of time while reducing the danger of losing money. This is why many people are continually looking for high-yielding investment possibilities that will allow them to double their money in a short period of time while posing little or no risk. Danger and return are intrinsically linked; the greater the risk, the greater the reward, and vice versa. It's critical to match one's risk profile to the hazards of the product while adopting an investment plan. Some investments have a higher risk profile but can produce higher long-term returns than other asset classes, while others have a lower risk profile but lower returns. Information on the variables influencing mutual fund selection and the most popular mutual fund schemes, life and health insurance, investment objectives, and so on was investigated using real-world examples from working with clients of various types and financial backgrounds. It was shown that the vast majority of investors are satisfied with their mutual fund investments. In addition to mutual funds, insurance and housing investments are popular ways to save money on taxes. There have been suggestions to increase mutual fund investments, particularly low-risk schemes such as debt funds and cash funds, as well as highlighting the tax benefits to investors.

Utility of the Study

The golden rule of investment management is "no benefit without pain." More risks result in higher income. Investors cannot eliminate risk, but they can reduce it by investing their capital in a variety of secure investments in order to earn a fair profit. The most significant features of an investment are the protection of the principal sum, liquidity, income stability, and appreciation. Fixed deposits, government securities, corporate bonds, insurance plans, real estate, commodities, shares and mutual funds, gold, and post office schemes like KVP and NSC are just a few of the investment alternatives. Both investors invest their excess cash in the aforementioned routes, depending on their risk tolerance. The importance of investing in one's life cannot be overstated. Despite the fact that India's youth make up the majority of the population, there is a lack of understanding of investment opportunities and their value. In addition, India was afflicted by the COVID 19 epidemic in March 2020. It had an influence all around the world, and every industry was affected. Most investors seek to make investments that will yield large returns in a short period of time while minimising the danger of losing money. This is why many people are always on the search for high-yielding investment opportunities that will allow them to double their money in a short period of time with little or no risk. In truth, danger and return are inextricably linked and go hand in hand; the larger the risk, the higher the return. Even after retirement, we all have to cover the basic living expenses. The goal of retirement planning is to keep this nightmare from becoming a reality. After retirement, few people receive pensions or gratuities, and even for those that do, the amount is usually insufficient to meet all of their needs.\

2.2 Methodology

Approach

Due to its nature, the approach for this project would be between quantitative and qualitative. Because some part of it lays on the quantitative method of data collection while some data is qualitative in nature. As the study is mainly related to know the investment patterns of the retail investors on different products which are present in the market. The potentiality of the income of the customer and reducing the risk of the investment made by the customer on the product, where each security in the market had been analysed through the earnings over others. The descriptive research where through surveys and through one-on-one conversation with the customer about the products and their income and other things which effect the decision of an investor. Whereas the secondary information was collected for analyses.

Source of Data

The Data was collected through information gathered from the customers and the data available on the internet. The source of this data is secondary as it is freely available for general public. The correctness of data can be assumed as this has to be submitted before SEBI –The Securities and Exchange Board of India.

Method of Collection

The method of collecting data was through various methods like informal interviews, surveys, group discussions etc which helped in understanding the retails investors pattern in which they tend to go forward in the sector. Other method of collection of data was from the publicly available sources like JSTOR, Google Scholar, EBSCO Business Source Ultimate, SEBI Website and different insurance companies Website and their Annual Reports for the latest available financial year.

2.3 Context of the Industry Problem

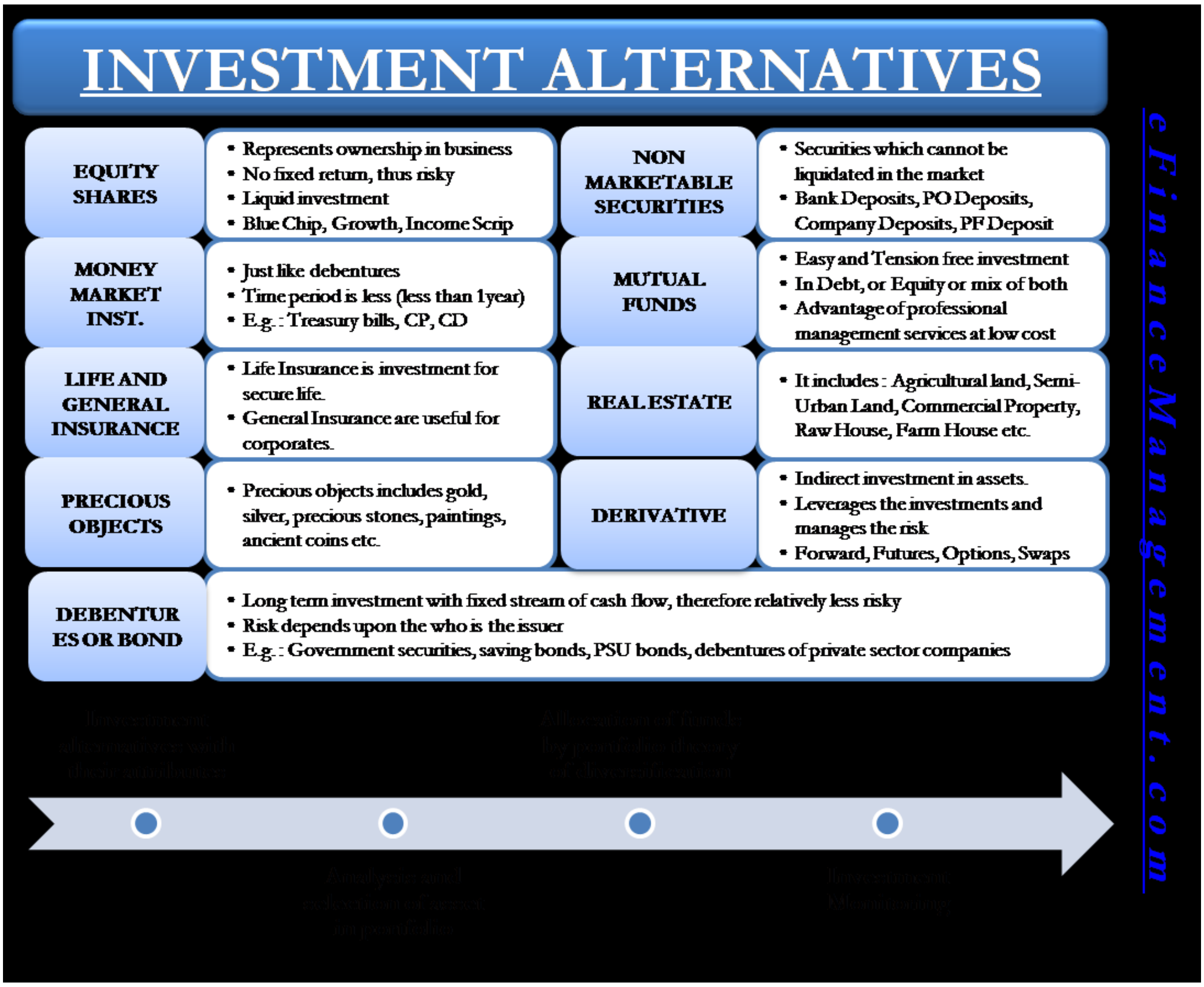
In normal day life, the retail investors are not well aware of the stock market. They either do not have the required time or the required expertise. The lack of study of the market forces before investing results in losses. All the above problems will be solved through this report. The report is completely unbiased and has been completed from data taken from authentic and reliable sources. The in-depth sector analysis will help them to make proper investments. The investors gain an insight into the consultancy sector, healthcare and various product which are being offered in this sector and understand the various stocks in these sectors. The drop in investments can be attributed to a variety of factors, including supply chain issues, land acquisition issues, a lack of environmental and other clearances, a lack of promoter interests, strict labour regulations, and other regulatory constraints, to name a few. According to a CMIE poll, the primary reason is a shortage of cash. Learning to invest is an important aspect of any long-term financial strategy. You will eventually reach a financial plateau if you do not have it. Many people, however, do not invest because they believe it is risky or because they do not understand it. The following are some of the difficulties that first-time investors face and how to overcome them.

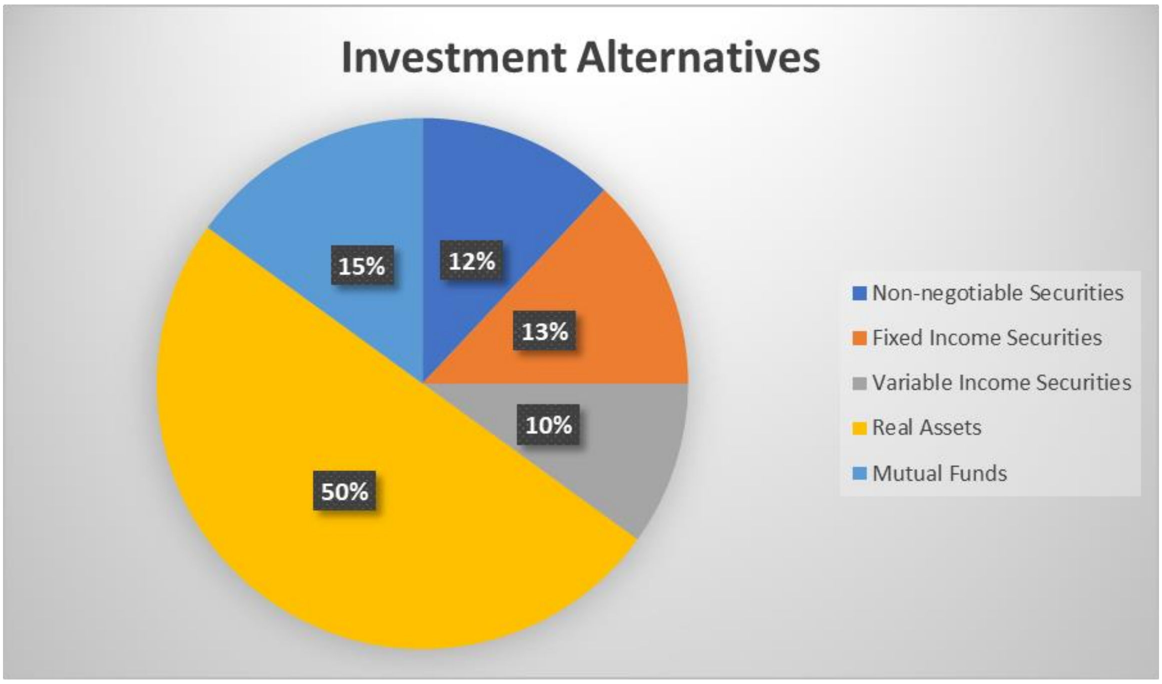
A. Information Overload
B. Unknown Risks
C. Limited Funds
D. Bad Timing
E. Not getting any meaningful help.

Investment is the sacrifice of certain present value for rewards which are uncertain in the future. It can be said that these decisions are not just rational but also continuous =. Instead of keeping the savings idle one may want to save in such a way that they will get return on it in the future, which is the basic concern of this sector. The various investment avenues can be Equity, Bonds, Life Insurance, Bank Deposits, Term Insurance etc. The study's major goal is to determine how investors feel about various investment options such as fixed deposits, post-office schemes, bonds / debentures, stock market, mutual funds, and insurance. According to the report, mutual funds are the most popular investment option, followed by life insurance and fixed deposits. When it comes to risk appetite, investors believe mutual funds pose a moderate risk. The report also suggests that the main motive for investing in mutual funds is to get greater and more consistent returns.

2.4 Presentation of Data

Shares, debentures or bonds, money market instruments, mutual funds, life insurance, real estate, precious items, derivatives, and non-marketable securities are examples of several investment routes and alternatives. All are classified according to their risk, return, period, and other characteristics.





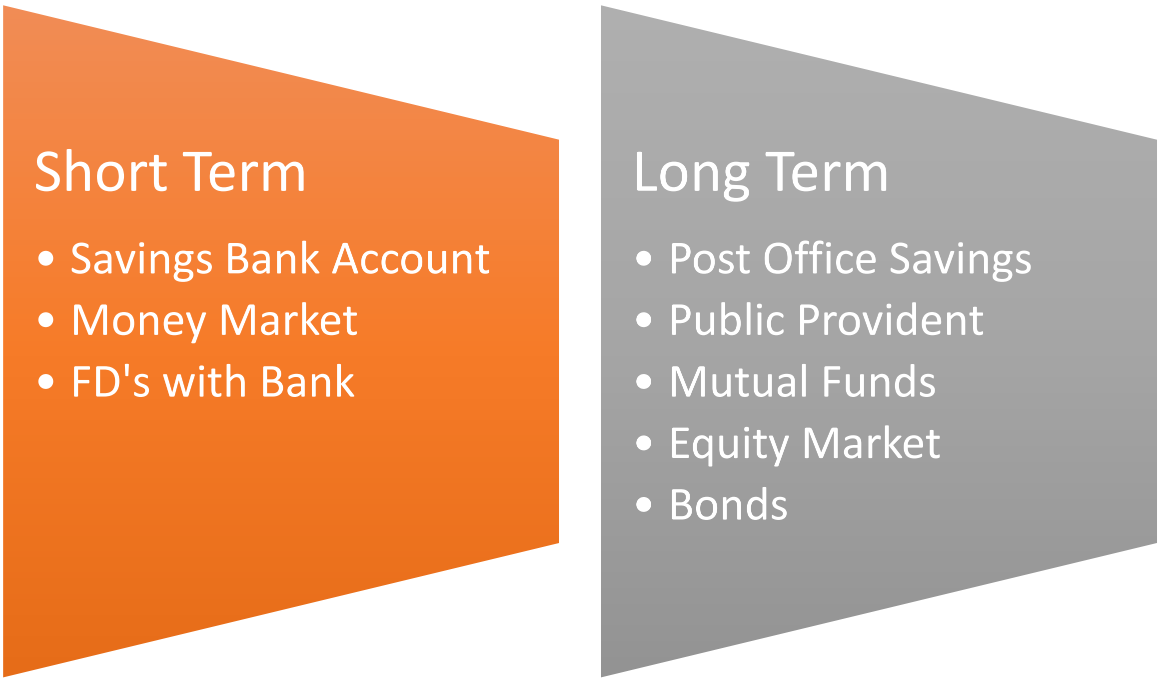
Investment Options are of two types

A. Short Term

Short-term investments, also known as marketable securities or temporary investments, are financial investments that can easily be converted to cash, typically within 5 years. Many short-term investments are sold or converted to cash after a period of only 3-12 months. Short-term investments may also refer specifically to financial assets—of a similar kind, but with a few additional requirements—that are owned by a company. Recorded in a separate account, and listed in the current assets section of the corporate balance sheet, short-term investments in this context are investments that a company has made that are expected to be converted into cash within one year. CDs, money market accounts, high-yield savings accounts, government bonds, and Treasury bills are all examples of short-term investments. Although short-term investments have lower rates of return, they are very liquid and allow investors to withdraw funds immediately if necessary. A short-term investment's purpose, for both firms and individual or institutional investors, is to protect capital while simultaneously earning a return comparable to a Treasury bill index fund or another comparable benchmark.

B. Long Term

On the asset side of a company's balance sheet, a long-term investment account represents the company's investments, which include stocks, bonds, real estate, and cash. Long-term investments are assets that a corporation plans to keep for at least a year. The long-term investment account differs significantly from the short-term investment account in that short-term investments will almost certainly be sold, whereas long-term investments will likely not be sold for years, if ever. Long-term investing entails accepting a certain level of risk in exchange for possibly bigger returns, as well as the ability to remain patient for a longer length of time. It also implies that you have enough cash on hand to commit to a specific sum over an extended period of time. Long term is one of those words that has become so common in finance that defining its exact meaning has become tricky. People are routinely advised to "invest for the long term" by the media, yet assessing whether an investment is long term is highly subjective.

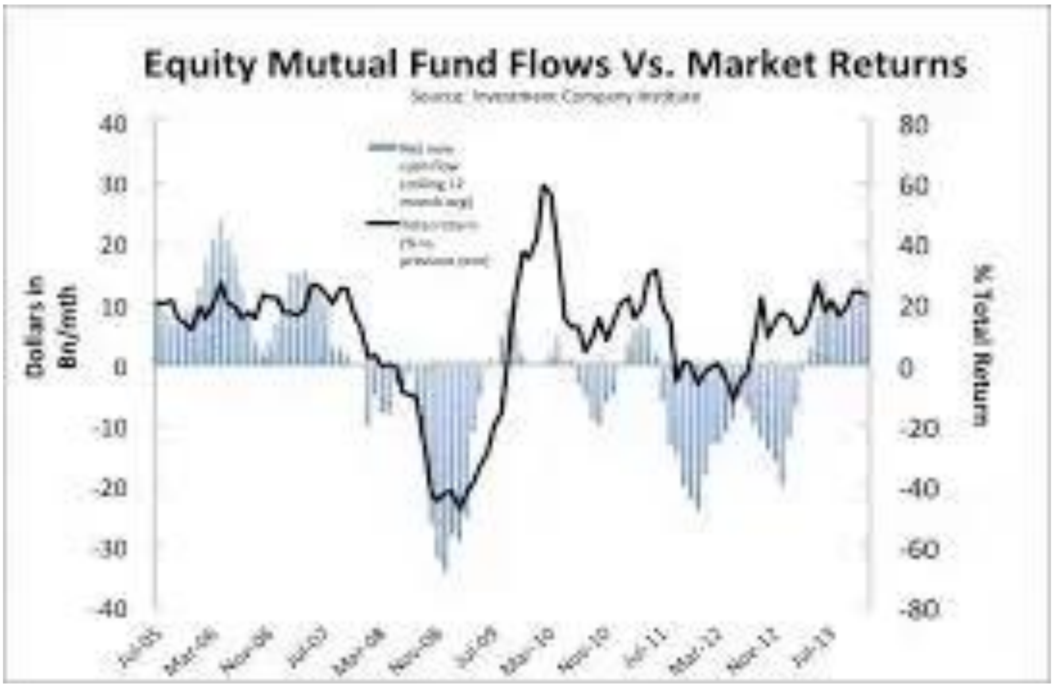


Long term Investment plan options are

Best Long Term Investment Plans	
PPF	Offers tax benefits under Sec 80C of Income Tax Act. It comes with a maturity period of 15 years & more.
Mutual Funds	Offers various investment options like debt, equity, hybrid, etc., for all kinds of investors.
POSS	Offers moderate rate of interest & tax benefits under Sec 80C of Income Tax Act.
Bonds	They offer fixed interest rate on investments. Can be a good option for long term plans.
Gold	Makes a great investment as a hedge against inflation. There are many gold options that offer various benefits than physical gold.
FDs	It's a risk-free investment & offers a decent rate of interest. One can invest for max period of 10 years.

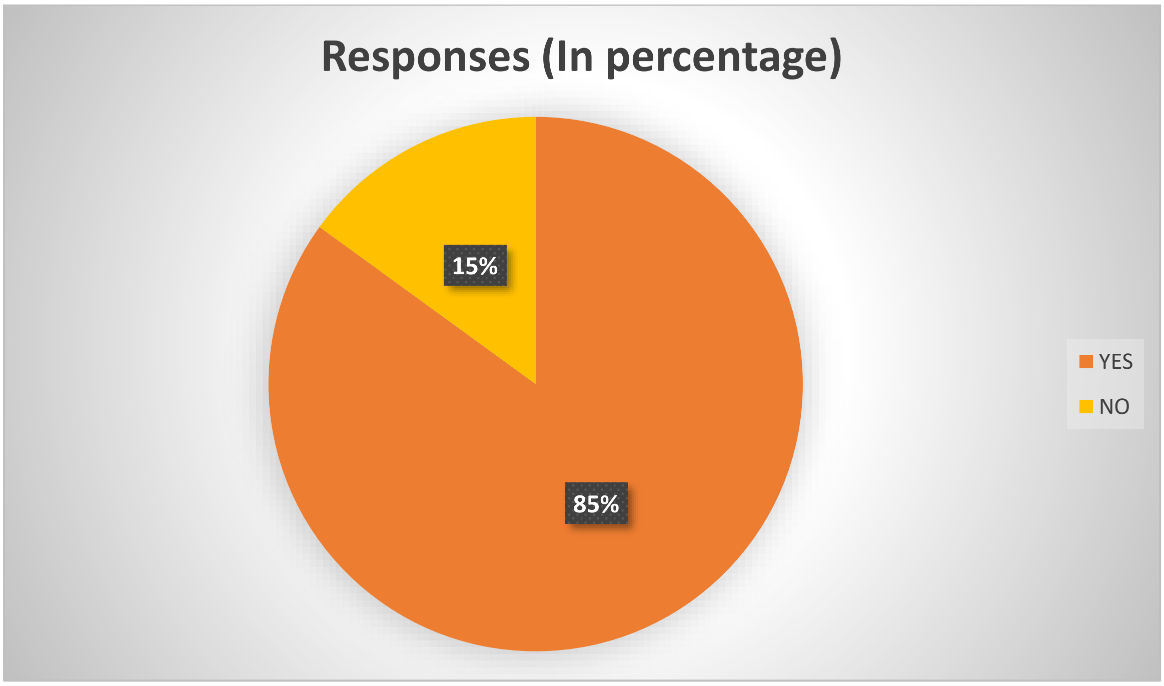
Short term Investment plans option are

As a country's per capita income rises, so will the number of retail investors, because at any given level of inequality, this will increase incomes and surpluses in the hands of the wealthy. Among those in the middle and upper-middle income brackets, from which Retail investors are likely to show up.



Responses collected from Informal Interviews

These are the responses collected whether or not majority of investors have already invested in some products or not which are already existing in the market.



2.5 Analysis and Discussion

Investors in the retail sector have a distinct personality.

Age, education, occupation, family size, gender, marital status, sources of income, investing experience, retail investors' residence, investment expertise, and investment patterns are all included in the retail investors behavioural profile.

Age of the respondent: The age of the respondents (retail investors) is one of the most crucial factors in understanding their perspectives on specific situations. In the retail industry, age is a significant factor. Investors who want to know how mature they are when it comes to various financial products investments.

Investor gender profile: One of the most important aspects influencing retail investor behaviour is the gender of the respondents. They both act differently toward each other, according to the sex distribution financial investment in accordance with their beliefs and investment behaviour.

Respondents' occupations: People's or individuals' personalities, as well as their investment habits, are influenced by their occupations. A person's quality of life is also influenced by his or her employment and the revenues he or she creates or receives from it. An investor's occupations also socialise him in a certain way, which represents their style of conduct and level of comprehension. A person's quality of life is also influenced by his or her employment and the revenues he or she creates or receives from it. An investor's occupations also socialise him in a specific way, which reflects their patterns of conduct and level of comprehension. It is being concluded that variable occupation and data pertaining to occupation since a person's response to an issue may be influenced by the type of profession in which he or she is involved.

Respondents' earnings: Earnings are a significant factor in determining an individual's economic stability. For investors, income is a reliable stream of income that draws them in different types of financial investments.

Residence of respondents: Residence is an important characteristic that reveals a person's background and also predicts an investor's future investment prospects in various financial markets. The value of an investment is determined by the standard of life of the investor.

Work starting age: Work starting age is a decision made by investors in relation to their investment plans, and it has a significant impact on their perspective and experience, which helps them gain command over the market investment.

Investor experience: Investor experience plays a critical part in their investments. Returns and risks on investments are heavily influenced by an investor's experience. The more experience you have, the better. The more money an investor has, the more he or she can invest in various financial instruments. He or she makes an investment and receives a return on it.

Type of investor: Type of Investor classifies investors into two categories: hereditary (family background) investors and fresh investors. Who is investing their money to take advantage of new opportunities in the market? Market based on their potential and requirements.

Category of Investors: The term "category of investors" refers to the division of different investors who put their money into investments based on their ability or capability to meet their goals targets.

Marriage is one of the most significant social institutions, and it has seen many transformations. The marital status of a person can also influence their perceptions and attitudes since the marriage may make the individuals a little more responsible and developed in their comprehension of and responses to the inquiries made.

Conclusion

1. Because people in these age groups remain active in financial investments, the age of the respondents in the 20 to 40 age group, 40 to 60 age group, and 60 and above age group was investigated to learn about the behaviour of retail investors in India. Because people in these age groups remain active in financial investments, age is an important factor that influences the behaviour of individual investors and the investigating ability. According to the research, young responders or investors between the ages of 20 and 40 prefer to invest in various financial assets and take greater risks than the rest of the age groups.
2. According to certain study and interviews, 58.7% of male respondents and 41.3 percent of female respondents were analysed in terms of gender. According to the study, male respondents invest more than female respondents, as seen by the greater percentage of male respondents. As a result, it may be deduced that male respondents make the majority of investing decisions.
3. According to the educational backgrounds of the respondents in the study, 51.3 percent have college level education, 30.7 percent have school education, 15.0 percent have professional education, and 3.0 percent have other educational qualifications such as doctorate, etc. As a result, the study shows that the respondents who are doing more

investment have college level education, followed by school education, professional education, and other educational qualifications such as doctorate, etc.

4. In terms of respondents' attitudes toward investing, Professional's account for 30.3 percent of respondents, businessmen for 29.7%, salaried workers for 28.3%, and others, such as lawyers and doctors, for 11.7 percent. One of the most important deciding elements in an investor's decision to invest is their occupation. People invest regardless of their career, and according to the report, the majority of investors are professionals, followed by those who own a business category, as well as by salaried.
5. When it comes to investing possibilities, the majority of respondents (investors) have put their money into stocks (34.7%), followed by real estate (20.3%), gold and silver (10%), and gold and silver (10%) 12.3%, 11.7 percent for mutual funds, 11.0 percent for fixed deposits, and debentures/bonds, which received 10.0 percent of responses.
6. As far as the beginning of working age in investment is concerned, 63.0 percent of those aged 20 to 30 years, 30.0 percent of those aged 15 to 19, and 7.0 percent of those aged under 15 years. It is evident from the context that the percentage of people aged 20 to 30 years old is larger when we look at the data check the age at which you can start working. As a result, it is evident that the investment is worthwhile. Investor maturity is required for making decisions.
7. Recent developments as of February 2021, the number of bank accounts established under the Pradhan Mantri Jan Dhan Yojna was 41.93 crores, with USD 23.07 billion in deposits. After gaining clearance from the National Payments Corporation of India (NPCI), WhatsApp launched its UPI - Unified Payments Interface in November 2020. The government would disinvest from IDBI bank and privatise two public sector banks, according to the Union Budget for 2021-22. The government completed the process of merging the public sector banks into eight.
8. This study also found that the majority of investors own a home and are more interested in investing. The home of retail investors is one of the innovative aspects that encourages investors to participate in investments. In terms of the respondents' investing experience, the study found that investors with more experience are better able to make investment decisions since experience matters in the investment.

Inferences

In relation to investment judgments based on the behaviour of retail investors. Age, gender, marital status, educational qualification, income, residence, experience, type of investor, and inclinations towards investment choices, level of risk and returns, post-investment satisfaction, future investment, and information sources were all examined in the study.

1. According to the report, the older age group (20-40) has a significant impact on investing.
2. In terms of gender, male investors were shown to be more capable of investing than female investors.
3. In terms of educational background, the study shows that those with a higher educational degree and more experience are better able to invest and make excellent decisions in the financial sector.
4. The investor's occupation is one of the deciding variables in their investment behaviour; yet, people were observed investing regardless of their occupation in this study as evidenced by the report, the majority of the investors who. Do they invest as professionals?
5. According to the findings of the current study, income should be considered as a basic necessity when making investment decisions, and the investable amount is determined by the investors' income that individuals with stable wages were shown to be more productive investments.
6. This study also discovered that the majority of investors own a home and are more interested in investing in their own home. The residence of retail investors is one of the new variables that this investigation discovered enables investors to participate in investments.
7. According to the current study, the younger generation is more interested in investing because everyone has a future, although some of them are putting money aside for the years ahead.
8. In terms of the respondents' investing experience, the study found that investors with more experience are better able to make investment decisions because experience is important in the investment.

Managerial Implication

1. Before entering the investment world, investors must gain a thorough understanding of financial investments. Thus, the sector should provide knowledge so as to provide thorough understanding of the investments.
2. Investors should put their money or assets into less dangerous financial investments such as mutual funds, debentures, real estate, gold, and silver because these alternatives to other financial investments have the lowest risk. The Companies should know what the investor might think before any such kind of pattern being made so as to make sure proper arrangements are being made for the patterns to be followed.
3. Investors must make it a habit to invest their savings as early as possible in their lives. The companies as they know that investors should be tapped as and when they start earning, they should make sure to get the investor.
4. Investors should review a variety of sources of information since they can learn about current market rates when they obtain the facts. Variety of products should be available by the company for the investment decision.
5. Because gold coins have no wastages, retail investors can choose between gold bars and gold coins.
6. Banks, unlike the post office, offer savings plans so that investors can properly save their money in bank schemes such as savings deposits, fixed deposits, and so on.

3. Learnings

The Capital Box acts as a consultant for its clients, and as a result, they have demonstrated numerous methods and instruments for investing so that the customer's needs can be met with an amount that varies from customer to customer.

1. After learning about the several types of insurance for investments, the company has sought advice from family and friends. The Capital Box held classes from March 3rd to March 12th to illustrate and explain various facets of these initiatives. I learnt about three insurance products that I can market to a potential customer. After learning the instruments of insurance for the investments, the company has asked for the lead from the relatives and friends. From May 3rd to May 12th the classes for illustrating and making us understand various aspects of these schemes were arranged by The Capital Box where the batch learned about 3 Insurance Products which can be pitched to the prospective customer. The time frame for 7 days was given to each of the student and further extended for 5 days so that more and more leads can be generated. For this purpose, each student had to arrange 5-6 meet with various people we know. The students were requested to get active by providing the lead for these investment opportunities.
   Each student was given a seven-day time period, which was then extended for another five days in order to produce more leads. Each student had to set up 5-6 meetings with persons they knew for this purpose. The students were asked to become involved by taking the lead on these projects investing possibilities.

2. Following the completion of this assignment, more illustration was begun. After the 28th of March, classes were provided to help students comprehend the equity share market, including the IPO and secondary market. They provided the pupils four days after the IPO lessons ended on June 2nd so that they could collect their certificates a potential consumer interested in investing in these high-risk markets.

Following the opening of De-mat accounts, the corporation will instruct the group on intra-day transactions, stock purchases and sells, and portfolio management. Further illustration started as new Product was being explained to the students. After 10th June, classes for understanding the new product which was completely different from the other products. The time frame for 7 days was given to each of the student and further extended for 5 days so that more and more leads can be generated. For this purpose, each student had to arrange 5-6 meet with various people we know. The students were requested to get active by providing the lead for these investment opportunities. I began staying in touch with the market by learning how macro and micro news affects it. I also grasped the market psychology underlying each move. Any analyst must read the financial news on a regular basis in order to be informed about what is going on in this field throughout the world. After I started the internship, I began to devote more time to it. Key responsibilities given by the company**,** to work under the supervision of senior finance personnel. To read and understand the financial processes and procedures of the company and work accordingly. Gain knowledge about the Financial Products like Mutual Funds, Life Insurance, Health Insurance and equity. Interview clients, review their fiscal situations to understand their Financial Positions and suggest tools to assist in meeting financial goals.

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