

ORGANIZATION STUDY REPORT ON STOCK HOLDING CORPORATION OF INDIA LIMITED

Submitted by

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4AL21BA091

Submitted to

**VISVESVARAYA TECHNOLOGICAL UNIVERSITY, BELAGAVI**

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

MASTER OF BUSINESS ADMINISTRATION

Under the guidance of

INTERNAL GUIDE

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of India limited, Karkala



P G DEPARTMENT OF BUSINESS ADMINISTRATION

ALVA'S INSTITUTE OF ENGINEERING & TECHNOLOGY

SHOBHAVANA CAMPUS MIJAR, MOODBIDRI



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CIN : U67190MH1986GOI040506

Date: 19/11/2022

INTERNSHIP CERTIFICATE

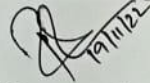
This is to certify that Ms **Stephy Saldanha, USN 4AL21BA091**
a student of Alva's Institute of Engineering & Technology Moodabidre has
successfully completed her internship in **Stock Holding Corporation of
India Ltd** in the field of Finance from 20th Oct, 2022 to 19th Nov 2022 under
the guidance of Mr Naveen.

Her internship include **DP Operations and Trading activities** and process
related to Depository service.

During the period of her internship program with us, she had been exposed to
different processes and was found diligent, hardworking and inquisitive.

We wish her every success in her life and career.

For StockHolding Corporation of India Limited


19/11/22



Mr. Naveen - Branch Manager - Karkala

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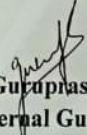
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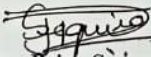
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CERTIFICATE


This is to certify that **STEPHY SALDANHA** bearing USN **4AL21BA091**, is a bonafide student of Master of Business Administration program of the Institute (2021-23) affiliated to Visvesvaraya Technological University, Belagavi.

The Internship report on "**STOCK HOLDING CORPORATION OF INDIA LTD., KARKALA**" is prepared by her under the guidance of **Mr. Guruprasad Pai**, Assistant Professor, PG Department of Business Administration in partial fulfillment of the requirements for the award of the degree of Master of Business Administration, Visvesvaraya Technological University, Belagavi, Karnataka.


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DECLARATION

I **Stephy Saldanha** hereby declare that this Organization Study conducted at **Stock Holding Corporation Of India Limited** is record of independent work carried out by me under the guidance of **Mr. Guruprasad Pai, Asst. Professor, P G Department of Business Administration, Alva's Institute of Engineering & Technology, Mijar** and external assistance by **Mr. Naveen Branch Manager, Stock Holding Corporation Of India Limited.**

I also declare that the organization study is towards the partial of the university regulation for the award of degree of **Master of Business Administration** by **Visvesvaraya Technological University, Belagavi.**

I have undergone an organization study for a period of four weeks. I further declare that this organization study is based on the original study undertaken by me and not been submitted for the award of any degree from any other University/Institution.

Place: Mijar

Date:

Signature of student

DISCLAIMER

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Place: Mijar

Date:

Signature of student

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I am very much grateful to Dr. Peter Fernandes, Principal, Alva's Institute of Engineering and Technology, Mijar.

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EXECUTIVE SUMMARY

The main objective or purpose of the study is to know Stock Holding Corporation of India Limited in more depth. Based in Mumbai, Maharashtra, Stock Holding Corporation of India Limited (SHCIL) is an Indian custodian and depository participant. It is a subsidiary of IFCI and was founded in 1986 as a public limited company.

This report shows clear picture of the company. This executive summary is short detailed information about the whole report of the company. At the beginning I have gathered information about stock market and financial service industry, industry structure, competitive position, government policies affecting the industry, growth opportunity, market size and trend. And next coming to the chapter 2 organization profile of Stock Holding Corporation of India Limited which includes background, nature of business, what are its vision, mission, quality policies, work flow model of the company, product and service profile, ownership pattern which shows the share holding pattern of the company, achievements that company have made and what is the future growth and prospects of the company all these information's are collected.

Later I have collected information regarding the porter's 5 force model, McKinsey's 7s model of the company and SWOT analysis of the company that is what the strength, weakness, threats and opportunities of the company. And at the last analysis of financial statements which shows the 5 years financial statement of the company all these are collected through secondary sources.

CHAPTER 1

INTRODUCTION ABOUT ORGANIZATION AND INDUSTRY

1.1 Introduction to the study:

Organizational study is a systematic study of how an organization success with the help of employee and various departments in the competitive world. Organization is a set of people working together for the accomplishment of common objectives. The main purpose of the organization is to attain certain predetermined goals. Whenever people interact in an organization many factors come into role many controversies will rise in the organization, the organizational study helps to know how the controversies is reduced.

Organizational study is not only about the study of an organization but also to learn the roles and functions of an individual department in an organization. This study is based on different aspects and dimensions of different departments of the company.

The organization study is undertaken for four weeks. The main purpose of this study is to know how an organization works and to gain experience and expose ourselves to corporate policies, ethics, culture, practices, procedures and policies of the company.

Objectives/Purpose

- To gain knowledge about the business organization.
- To gain knowledge with the different departments in the organization and their functioning.
- To understand how the key business processes and carried out in the organization.
- To relate theory part with practical.
- To understand the organization structure or hierarchy of the company.

1.2 Industry Profile

1.2.1 Stock Market and Financial Service Industry:

Since 1990, the Indian financial services business has witnessed a transformation. Commercial banks and other financial organizations dominated the area prior to its formation, meeting the financial demands of the Indian industry. It was only after the economic liberalization that the financial services sector gained some prominence.

Now this sector has developed into an industry. In fact, one of the world's largest industries today is the financial service industry. Financial service is an essential segment of financial systems. A modern economy is built on financial services.

Financial service refers to the mobilization and allocation of savings. It encompasses all activities involved in the conversion of savings to investment. These organizations includes banks, credit card companies, insurance companies, consumer finance companies, stock brokers, investment funds and some government sponsored enterprises. Financial services may be defined as the products and services offered by financial institutions for the facilitation of various financial transactions and other related activities.

In India financial services industries have two regulatory bodies. They are

- Reserve bank of India: the reserve bank of India is India's central bank and regulatory body responsible for the rules and regulation of the Indian banking system. Government of India owns a ownership of RBI. It is responsible for managing the issue and supply of the Indian rupee. The firms allows the rules and regulations of RBI are NBFC's foreign banks set up in India etc.
- Security exchange board of India: SEBI was establishes on 12 April 1988. The securities and exchange board of India is the regulatory body of securities and commodity market in India. The SEBI held the ownership of Ministry of Finance, government of India. It's headquarter is located in Mumbai Maharashtra.

The different types of securities are traded in the market. Investing in the security market is not an easy task in the volatile nature market. As the stock market is kept on changing and the investor have not a knowledge and time to collect the necessary information regarding the securities and there is a need of consultancy company which will help the investor to invest their money in the various securities in the market. The investor can get the information regarding the investment in following in two main markets

- Primary market

The primary market is the market where the securities are sold for the first time in the market. The example for primary market is Initial Public offer (IPO). As the securities

are traded first time in the market, the investor does not have much information so the investment in the primary market may involve high risk.

- Secondary market

In the secondary market the investor can buy and sell the securities which they are owned. It is a market where securities are traded in the market by the investors. In this market the investor can easily buy and sell the securities without interfere of the issuer company.

1.2.2 Stock Exchange

The stock exchange is a exchange where brokers and traders can buy and sell the securities. The securities are like shares debentures bonds and other financial instruments. It provides a platform to buy and sell the securities which is listed in the market. The companies share prices are affected by demand and supply bases.

In India there are two main Equity exchanges. They are

Bombay Stock Exchange

Bombay stock exchange is a Asia's first stock exchange established in the year 1975 in Mumbai. It is a world's quickest stock trade with a normal exchange speed of 6 microseconds. BSE has a brought evaluation in the Indian corporate sector by providing the platform to raise the fund from past 141 years. BSE is a first stock exchange in India and second stock exchange in the world to acquire an ISO standard 9001:2000 certification. It has won the award of T genius awards 2017 in the category 'data centre excellence' for setup of the India INX data centre by CORE (centre of recognition and excellence). On 7th June 2021 BSE has reached the record milestone of over 7crore registered users. Rs 1,18,083.15 crore (\$ 15.36 billion) have been raised at BSE since April 2019. BSE has a largest number of listed companies in the world.

National Stock Exchange Board of India

National stock exchange is a youngest and is established in 1992. It was the first exchange to provide investors a completely automated screen-based trading system to encourage easy trading. The Securities Contract Regulations Act required the NSE to

register as a stock exchange in 1993. It got an award of NSE declared world's largest derivatives exchange 2019 by WFE NSE achieves 200th SME listing milestone.

1.2.3 Securities and Exchange Board of India

The Securities and Exchange Board of India is the Indian government's regulating authority for the securities and commodity markets. It is owned by the Ministry of Finance. It was founded as an executive body on April 12, 1988, and was given statutory powers on January 30, 1992, by the SEBI Act 1992.

Powers and functions of SEBI

Powers:

- Quasi-judicial powers: In cases of frauds and unethical practices pertaining to the securities market, SEBI India has the power to pass judgements.
- Quasi executive powers: SEBI has the power to examine the Book of Accounts and other vital documents to identify or gather evidence against violations. If it discovers rule breakers, the regulatory body has the authority to take legal action against them, enforce the regulations, and render judgments.
- Quasi legislative powers: To protect the interest of investors, the authoritative body has been entrusted with the power to formulate suitable rules and regulations. Such rules tend to encompass the listing obligations, insider trading regulations and essentials disclosure requirements. The body develops such rules and regulations in order to eliminate securities market malpractices.

Functions:

- To protect the interests of Indian investors in the securities market.
- To promote the development and hassle free functioning of the securities market.
- To regulate the business operations of the securities market.

- To serve as a platform for portfolio managers, bankers, stockbrokers, investment advisers, merchant bankers, registrars, share transfer agents and other people.
- To regulate the tasks entrusted on depositors, credit rating agencies, custodians of securities, foreign portfolio investors and other participants.
- To educate investors about securities markets and their intermediaries.
- To prohibit fraudulent and unfair trade practices within the securities market and related to it.
- To monitor the procedure of company take overs and acquisition of shares.
- To keep the securities market efficient and up to date all the time through proper research and development tactics.

1.2.4 Industry structure:

Companies in the financial services sector provide a range of financial services, including mortgage brokers, fund transfers, retirement planning, and investment services.

The two main types of financial institutions are

- Depository institutions such as commercial banks, saving institutions, and credit unions.
- Non-depository institutions such as pension funds, insurance companies, brokerage firms, investment banks, and stock exchanges.

1.2.5 Competitive position:

The financial services industry is highly competitive. There are numerous different kinds of financial services businesses, each of which provides a unique set of goods or services. To keep ahead of the competition, financial services organizations must continuously innovate and offer new goods and services. They must also be able to provide excellent customer services and support in order to retain and attract new customers.

The competitiveness of financial services is influenced by a variety of factors. One is the existence of several financial institutions, which gives customers a variety of options. Another is the industry's high level of automation and technological advancement, which has lowered the cost of providing financial services. The financial services sector is also heavily regulated, which has levelled the playing field for all players. The financial services sector is always evolving and changing. This implies that individuals who are eager to learn and adapt will always have new chances. But it also implies that there are significant risks involved.

The financial services sector is heavily regulated to safeguard consumers and make sure that companies are conducting themselves honestly. Laws and rules that must be followed, as well as industry-wide self-regulation, are both examples of this regulation. Companies that provide financial services must adhere to a number of rules, including those that concern consumer protection, anti-money laundering, and financial stability.

1.2.6 Government policies affecting the industry:

Government policies affect the financial service industry in many ways, but the specific impact depends on the nature of policies. The Securities and Exchange Commission (SEC) regulates the securities markets and is tasked with protecting investor against mismanagement and fraud. These kinds of rules need to promote additional investment and support the stability of financial services providers. The SEC had lowered the major investment banks' net capital requirements, allowing them to carry a lot more debt than they had equity.

1.2.7 Growth opportunities:

- Rising income is driving the demand for financial services across income brackets.
- Investment corpus in Indian insurance sector might rise to US\$ 1 trillion by 2025.
- With >2,100 fintechs operating currently, India is positioned to become one of the largest digital markets with rapid expansion of mobile and internet.
- India benefits from a large cross-utilization of channels to expand reach of financial services.

- Emerging digital gold investment options.
- In the Union Budget 2022-23 India announced plans for a central bank digital currency (CBDC) which will be known as Digital Rupee.
- The government has approved 100% FDI for insurance intermediaries and increased FDI limit in the insurance sector to 74% from 49% under the Union Budget 2021-22.
- Credit insurance and investment penetration is rising in rural areas.
- HNWI participation is growing in the wealth management segment.
- Lower mutual fund penetration of 5-6% reflects latent growth opportunities.

1.2.8 Market size and trend:

AUM managed by the mutual fund sector was Rs. 37.75 trillion (US\$ 474.87 billion) as of July 2022, and there were 135.6 million total accounts. Systematic Investment Plans (SIP) brought in Rs. 48,565 crore (US\$ 6.10 billion) to India's mutual fund schemes. By the end of December 2021, equity mutual funds had received a net inflow of Rs. 22.16 trillion (US\$ 294.15 billion).

The insurance sector is a significant part of India's financial sector. The insurance sector has been rapidly growing. In FY22, life insurance company first-year premiums totaled \$40.1 billion USD. Non-life insurance premiums reached Rs. 36,680.69 crore (US\$ 4.68 billion) in FY23 (through May 2022).

Additionally, the country's largest stock market, Bombay Stock Exchange (BSE), will establish a joint venture with Ebix Inc. to create a strong insurance distribution network through a brand-new distribution exchange platform. In FY22, 127 initial public offerings raised \$14.55 billion dollars (IPOs). By FY22, there were 2,012 companies listed on the NSE, up from 135 in 1995.

The National Stock Exchange of India Ltd. (NSE), a derivatives trade association, reported that in 2020, based on the volume of contracts transacted, it became the largest derivatives exchange in the world. According to statistics compiled by the World Federation of Exchanges (WFE) for CY2020, the NSE was rated fourth globally in terms of the quantity of trades in cash equities.

1.3 Introduction to the Company:

Stock holding Corporation of India Limited is an Indian custodian and depository participant, based in Navi Mumbai, Maharashtra. SHCIL was established in 1986 as a public limited company and is a subsidiary of IFCI. It is also responsible for e stamping system around India. They have evolved steadily to be a financial powerhouse offering a suite of offerings which help to ease the financial planning needs of individuals. They cover the short term savings, investments in the stock market, personal and family needs, long term security, easy loans, retirement plans and even protection for life and valuables. They have pioneered demat services in India and their e stamping service has made payment of government dues hassle free. As India's premier custodian, they offer a comprehensive spread of custodial services that allow both Indian Institutional Investors and Foreign Portfolio Investors to invest in India with confidence. Stockholding has a pan India network of more than 200 branches, spread across 150 plus cities and towns. Stockholding acts as a Central record Keeping Agency for collection of stamp duty in 19 States and Union Territories on pan India basis. Stockholding is one of the largest Professional clearing members of the country.

Type: Public Sector undertaking

Industry: Stock market and financial services

Founded: 1986, Mumbai

Headquarters: Mumbai, Maharashtra, India

Area served: Custodial services, Depository Services, E stamping

Key People: Shri Manoj Mittal (Non-Executive Chairman), Shri Ramesh NGS (MD & CEO), Shri Vinay E. Purohit (Chief Financial Officer), Shri Shashikant L Nayak (Company Secretary)

Services: Depository participant, Stockbroker, Derivatives, Mutual funds, Demat account, E stamping.

CHAPTER 2
ORGANIZATION PROFILE

2.1 Back ground:

Based in Mumbai, Maharashtra, Stock Holding Corporation of India Limited (SHCIL) is an Indian custodian and depository participant. It is a subsidiary of IFCI and was founded in 1986 as a public limited company. Along with nationalized banks, it is also permitted to distribute and receive 2020 Government of India Savings and Relief Bonds as an Agency Bank by the Reserve Bank of India. It is a Indian non-government company. It's a public limited company and classified as company limited by share.

2.2 Nature of business:

Leading financial institutions and banks including LIC, GIC, IFCI, Ltd., SU-UTI, NIA, NIC, UIC, and TOICL hold their equity capital. Since its inception, they have slowly grown into a financial powerhouse with a variety of services that make it easier for people to meet their financial planning goals. It covers short term savings, investments in the stock market, personal and family needs, long term security, easy loans, retirement plans and even protection for life and valuables. They brought a wide range of financial goods and services to aid in the expansion of enterprises. It provides simplifying depository participation, raising capital, protecting assets and life, managing documents, imparting training and bringing exciting schemes for employees. They have pioneered Demat services in India and their e-stamping services has made payment of government dues hassle free. The company allows the Indians and foreigners to invest in Indian market.

- Trusted by over 5+ crore customers in India and abroad.
- Wide network of 200+ branches and growing.
- Premier custodian of India.
- Pioneer of Demat Services
- AUC of over rs.38 lakh crores.
- Winner of ET IVONIC brands of India.

The company is having three subsidiaries

1. Stock Holding Services Limited:

SSL is a wholly owned subsidiary of Stock Holding Corporation of India Limited and it is a SEBI registered corporate stock broker and a broking

arm of StockHolding. SSL is providing safe and reliable services to all its retail and institutional clients across length and breadth of the country.

Product and Services offered by SSL

- Broking
- Mutual fund.

2. StockHolding Document Management Services Limited:

At StockHolding Document Management Services (SDMS), we specialize on providing Secure Storage Solutions for Physical Documents through our robust Document Management Solutions, Digitization Services, Record Management solutions and Digital Repositories. They have been managing highly challenging projects for corporate and public sector organizations.

3. StockHolding Securities IFSC Limited:

India now offers an offshore market (International Financial Service centre or IFSC) based at Gift SEZ (IFSC Zone) City, Gandhinagar, Gujarat. The IFSC has two international exchanges trading for 22 hours a day and settling transaction in USD currency. The international exchanges currently offer equity, currency and commodity derivatives on a single platform. Besides some global debt insurances are also listed on the exchanges. In the near future various new products including the depositary receipts would be available to all eligible investors at IFSC.

2.3 Vision, mission, quality policy:

2.3.1 Vision:

“To emerge as a partner of choice in bringing delight to customer experience in financial and IT solution services”

2.3.2 Mission:

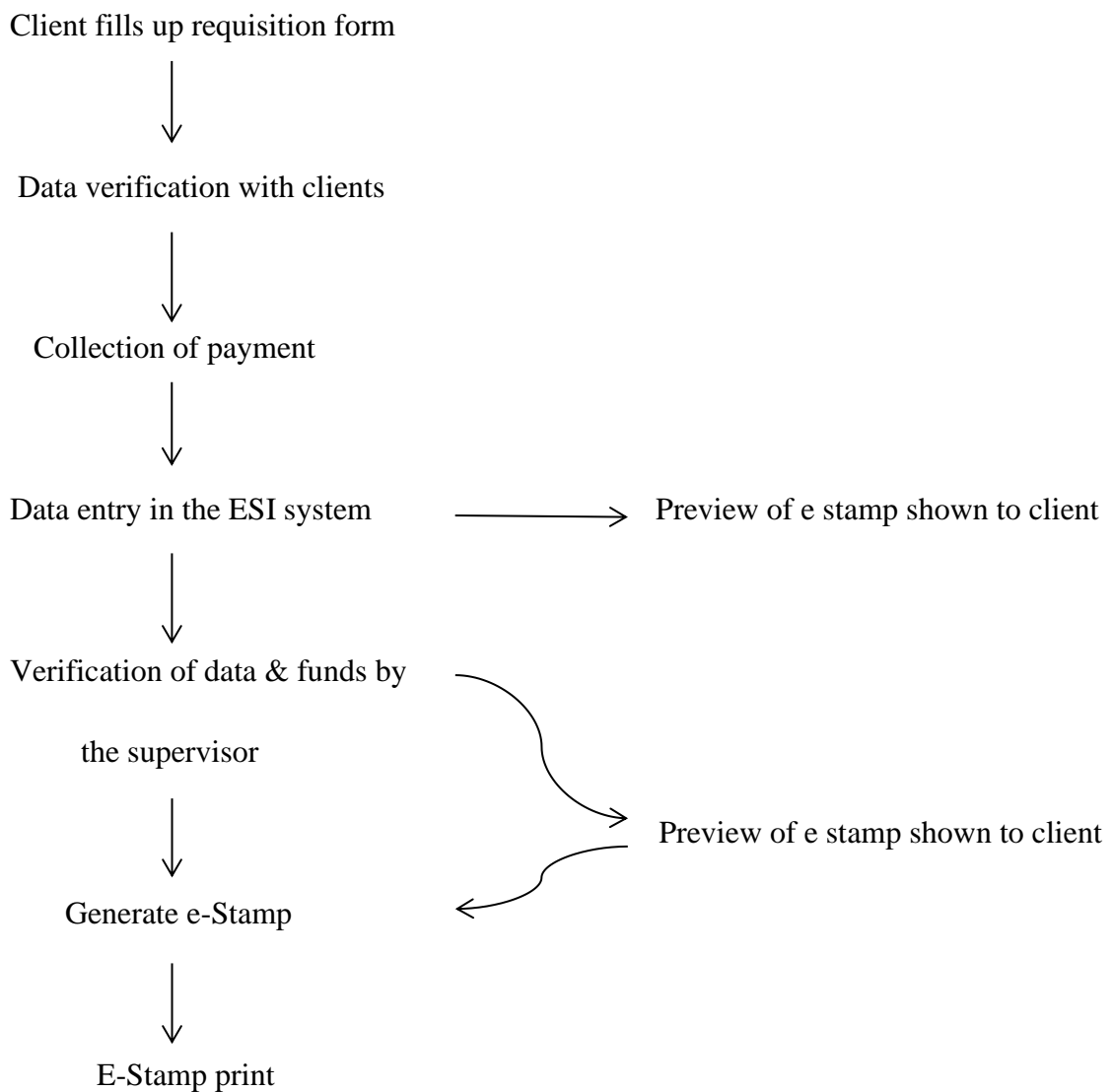
“To be a world-class ‘technology driven’ and ‘client focused’ market leader in financial and technical services”

2.3.3 Quality policy:

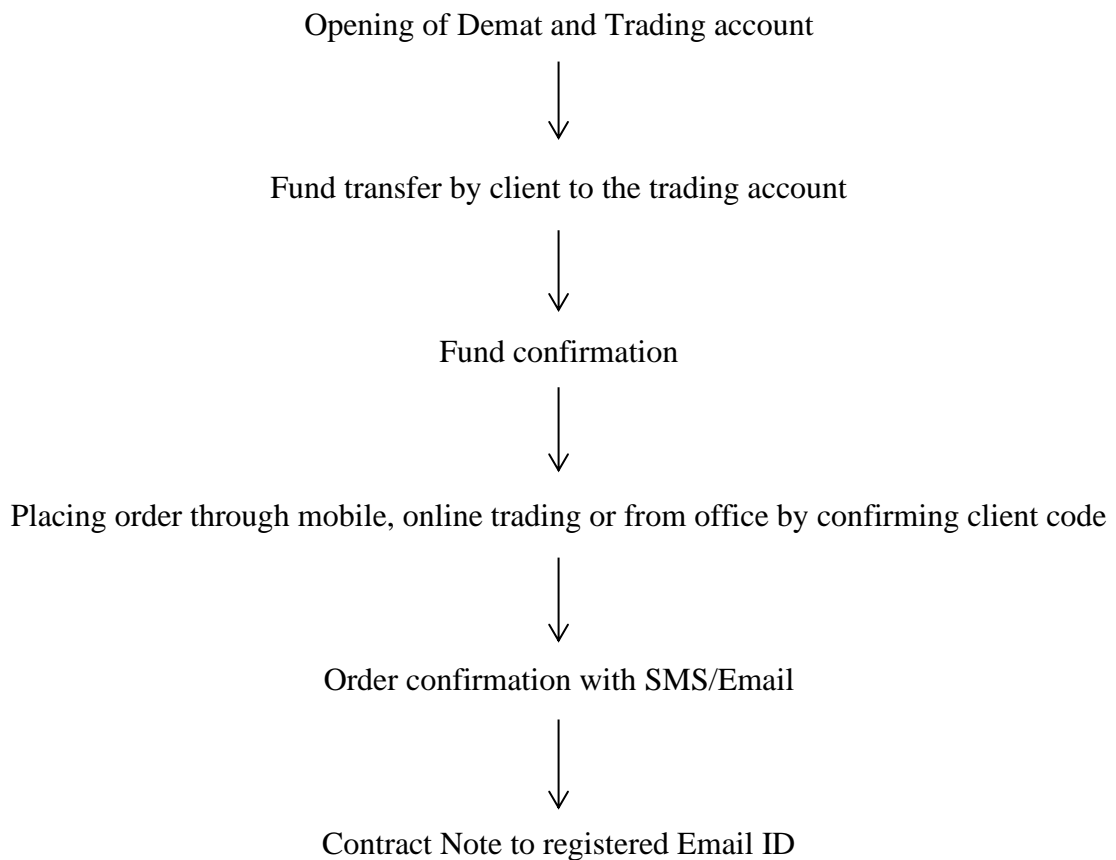
- Safety and Efficiency of operations are a hallmark of SHCIL.
- Professionalism and Integrity
- Customer first
- Relationship building
- Commitment to Quality irrespective of asset size.

2.4 Work flow model:

Work flow model for e-stamping:



Work flow model for Demat and trading account:



The first step is to opening of demat and trading account. Demat accounts can be opened both online and offline. Online demat is based on adhar and OTP, while offline demat is done by filling out forms at the branch. The next stage is for the client to send funds to the trading account. The funds can be transferred by NEFT or by cheque entry. NEFT transactions should be made from the registered bank account. The client can place an order using the mobile app or by calling the dealer. The dealer will place the order after validating the client code. Order confirmation will be sent to the client through SMS and email. Client will receive Contract Note by end of the day order to the registered Email ID.

2.5 Product/ service profile:

Retail segment:

Stock holding is your one-stop destination catering all your financial needs. Depository services, sub-broking services, distribution of wide range of financial products and auxiliary services are offered to clients in the retail segments.

Depository participant services:

Retail, HNI, Corporate, and Institutional customers of Stockholding can access demat account services on both NSDL and CDSL. Stockholding is also empanelled as a Comtrack participant with national commodity and derivatives exchanges (NCDEX) to hold commodities in dematerialized form.

Broking services:

Stockholding offers broking services in cash, derivatives and currency segments through its subsidiary stock holding Services limited (SSL). It is known for providing speedy, safe, reliable and affordable broking services to retail, HNI, Corporate and Institutional customers. Online broking and broking through mobile phones is also available, over and above trade over phone through centralized dealing room (CDR) at Mahape.

Professional clearing member (PCM):

In the derivatives market, StockHolding serves as a custodian and a qualified clearing member. In terms of Clearing, Settlement, Collateral & Risk Management, StockHolding has advanced internal back office systems and practices to meet the needs of diverse companies in this market.

Loan against securities:

For meeting contingencies and needs of personal nature, StockHoding helps clients get loans against shares. StockHoding has tie-ups with Tata capital and Bajaj Finance and reputed loan finance institutions at most competitive interest rates. StockHoding also assists in documentation and processing to speed up the process to ensure easy and hassle free experience to clients.

Third party products:**Investment products:**

- Mutual funds, fixed deposits & NCDs
- Tax free bonds of PSUs, Capital Gain Bonds, Inflation Indexed Bonds, Government of India bonds
- Initial public offers

National pension scheme (NPS):

- NPS is a superior retirement planning and tax saving scheme from GOI regulated by PFRDA
- StockHolding provides full spectrum of NPS services to all citizens as PFRDA authorized point of presence (POP). NPS offers subscribers the choice to invest in corporate bonds, government securities or equity.
- Corporate employees can save tax over and above section 80 C by joining NPS Corporate model

Government of India (GOI) bonds:

RBI has designated StockHolding as one of the Agency Banks for Investors to pen bond ledger accounts and hold GOI bonds in dematerialized form. These bonds are absolutely safe and an attractive investment option in volatile market situation. Interest is taxable under IT Act 1961. Exempt from Wealth Tax under Wealth Tax Act 1957. StockHolding also offers the Government of India Sovereign Gold Bonds.

Insurance:

StockHolding is Corporate agent (Composite) approved by insurance regulatory and development authority of India (IRDAI).

- StockHolding solicits insurance policies of 3 major life insurance companies, 3 general insurance companies and 3 health insurance companies.
- Majority of StockHolding employees are IRDAI certified professionals for insurance solicitation and customer servicing.

Distribution of Bullion:

StockHoding provides bullion coins minted by MPIPL India's first and only refinery to have LBMA accreditation. We offer a comprehensive bouquet of precious metals for all consumers for investment, gifting, collectibles and awards.

E-Stamping:

StockHoding has been authorized by the Ministry of Finance, Government of India to act as a sole Central Record-keeping Agency (CRA) to design and implement an electronic method of stamp duty collection.

- e-Stamping is a web-based solution for payment and collection of non-judicial stamp duty.
- StockHoding has implemented e-Court Fee and e-Registration Fee systems for collection of non-judicial stamp duty.
- e-Stamping has been implemented in 21 states and union territories.

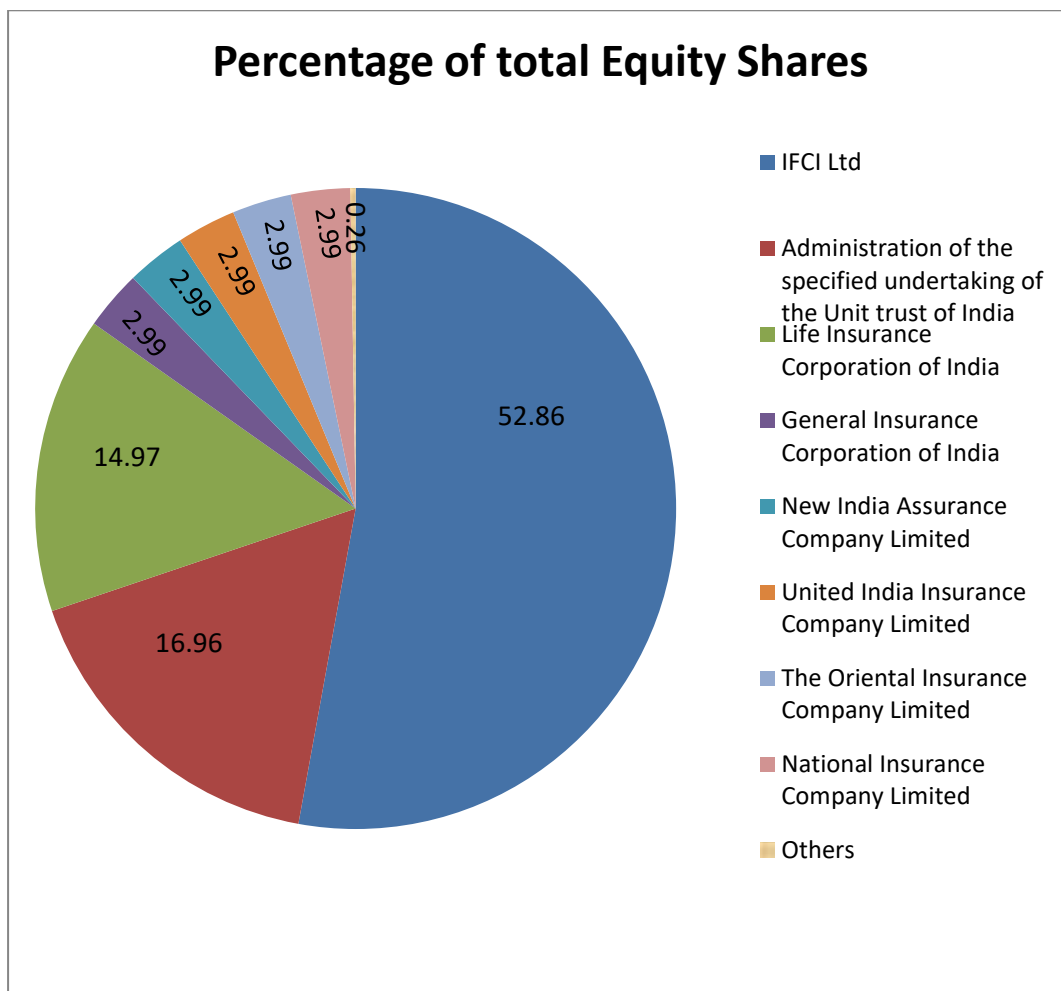
Investment Advisory Services:

The Services provided by StockHoding include market insight, covering overview of all markets, comprehensive newsletter covering the daily news, an analysis of quarterly results of select top companies and mutual fund reports. Monthly Reports on NPS with returns of all Pension Fund Managers is also published.

2.6 Ownership pattern:

Sl. No	Equity shareholders	Percentage of total equity shares
1	IFCI ltd	52.86
2	Administrator of the specified undertaking of the Unit trust of India	16.96
3	Life Insurance Corporation of India	14.97
4	General Insurance Corporation of India	2.99
5	New India Assurance Company Limited	2.99
6	United India Insurance Company Limited	2.99
7	The Oriental Insurance Company Limited	2.99

8	National Insurance Company Limited	2.99
9	Others	0.26



2.7 Achievements /Awards:

- Stock Holding Corporation of India ltd awarded for best custodian – business excellence.
- Stock Holding Corporation of India ltd awarded for top performer-highest asset value and top performer in Active Accounts.
- Stock holding corporation of India ltd has been selected as brand of the year emerging no.1 process research and evaluators ibrand360
- Stock holding wins the prestigious NSDL star performer award for the seventh consecutive year for the highest assets under custody.

- Company has received India's Most Trusted Company Award in Mumbai, presented by International Brand Consulting Corporation, USA.
- First Asian company to be bestowed with the prestigious 'Smithsonian Award' for 'Visionary use of IT'
- Computer Society of India Award National IT Award for 'Best IT Usage'
- Accreditations received from Global Custodian for three consecutive years as 'Market Outperformer & Category Outperformer'
- Prestigious Rising Brand of Asia 2017.
- NSDL TOP Performer Award for Highest Assets under Custody.
- Category Outperformer and Market Outperformer by Global Custodian India Domestic survey 2017
- Prestigious Rising Brand of Asia ERTC Media
- Largest depository service provider in terms of Highest Assets value under Custody by NSDL
- Global custodian category Outperformer and market Outperformer by Indian Domestic Survey 2017
- Best NPS Service Provider by PFRDA
- 9 awards as Best POP for providing NPS Services by PFRDA
- 5 awards for NPS Campaigns by PFRDA
- The Iconic Indigenous Brand of India – Economic times
- Best Custodian 2018 – Association of International Wealth Management of India (AIWMI)

2.8 Future growth and prospects:

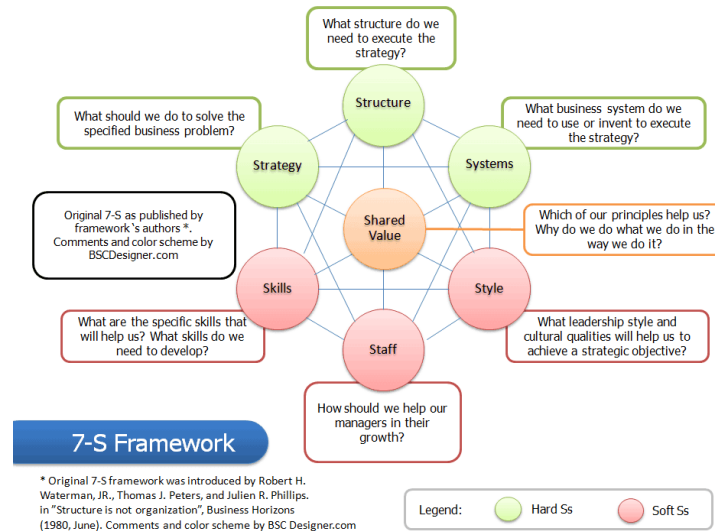
Stock Holding Corporation of India limited became one of the biggest depository participants in the nation as well as the leading custodian. SHCIL also diversified into other service areas such as broking in financial services, digitalization and storage of documents, and e-stamping. SHCIL wants to develop its position as a market leader in financial and technical services with a focus on the client and world class technology. SHCIL is committed to providing quality and personalized services to all its customers with a motto of service. Only 10 crore people of India's 139.30 crore population are covered with demat accounts. The younger generation is more drawn to investments. As a result, SHCIL has several opportunities.

CHAPTER 3
MCKINSEY'S 7S FRAMEWORK AND PORTER'S 5 FORCE MODEL WITH
SPECIAL REFERENCE TO ORGANIZATION UNDER STUDY

3.1 MCKINSEY'S 7S FRAMEWORK:

The McKinsey's 7S Model is a concept used to describe an internal evaluation tool for Business. The seven key elements of the model are strategy, structure, systems, style, staff, skills and shared values. The seven key components are divided as a hard components and soft components. The hard components consists of systems, strategy and structure where as soft components consists of shared values, staff, style and skills.

The primary tenet of model which was created in early 1980s by Thomas Peter and Robert Waterman, two consultants working at McKinsey and Company the consulting firm, the basic premises of model is that there are seven elements in an organization that must be aligned if it is to succeed.



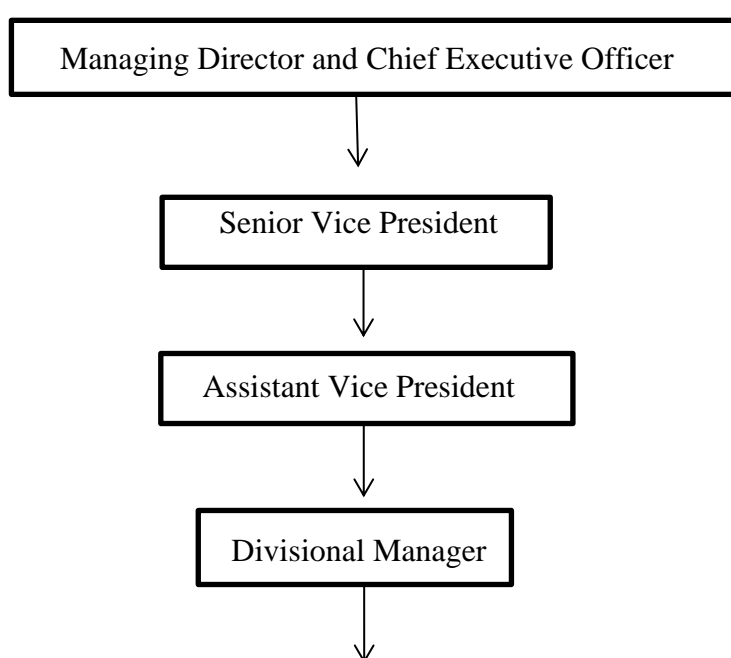
Strategy:

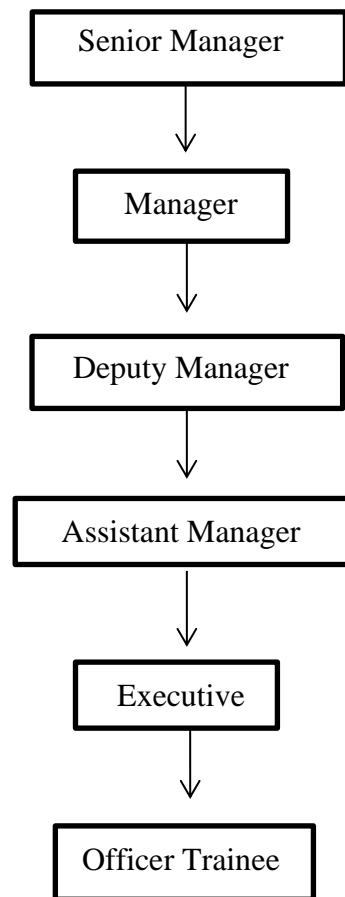
Stockholding Corporation of India Ltd is India's largest depository participant which is established in 1986 as a public limited company. Stockholding has a pan India network of 200 plus branches spread across more than 150 cities/ towns. Safety and efficiency of operations is a hallmark of Stockholding. Stockholding with its new ideas and strategies are enhancing their product line with a view to cope up with a competition in the market and increase revenue thereon. They are providing the ease for operation of accounts to the clients while developing the passion to serve the customers. World class technology with a well-integrated paper and electronic systems, highly qualified experienced and dedicated professionals, expertise in

running processes utilizing digital signatures, in house capability to address all IT needs including multi-level security, regular audits by both internal external auditors and regulators ensuring compliance, constant review and benchmarking of processes adherence to global best practices, full confidentiality of business operations which makes them stand out as a differentiator.

The corporation has increased the use of social media to engage and retain prospective and current customers. To promote equity culture and increase financial literacy, their explainer videos were shared digitally with various organizations and customers. The corporation also rolled out exclusive campaigns across various television business channels to cater to the business community. Advertising campaigns were also organized in conventional print and radio channels in specific regions to connect with the local customer base across India and create awareness of its e service in Government business. To encourage digital transactions in Government service offerings and payments to Government towards e stamping/ e court fees/ e registration fees, the corporation rolled out campaigns digitally in the business newspapers thus ensuring seamless collection of stamp duty. Corporation as a part of its strategies to service Foreign Investors has entered into various strategic tie-ups / understanding with various professional entities.

Structure:





Stockholding Corporation of India adopted line organization structure. The authority flows from top level manager (Board of Directors). They follow centralized power of authority. All the necessary decision regarding operations was taken by the board of directors.

Systems:

Stock Holding Corporation of India Ltd has clear and well-defined mechanisms in place to ensure that business activities are managed successfully and that conflicts or disputes do not arise. It used some technique to choose people, such as an aptitude test, face-to-face interview, and offer letter. It employs the SIM module for attendance, with employees required to login in the morning. Monthly information system (MIS) report and profitability report that aids in tracking the organization's success. Training on Information Security Awareness is arranged for employees, to emphasize the importance of information security. The Corporation has put in place a

robust Rewards and Recognition plan to incentives employees to excel in their performance.

Style:

The leadership style of Stock Holding Corporation of India Ltd is autocratic. In this form of leadership, the top level makes the decisions, and the subordinates must obey them. Subordinates are also cooperative in making decisions. This type of leadership ensures in faster decision making.

Staff:

There are 2000 plus employees are working in Stock Holding Corporation Of India Ltd. The Corporation is committed to creating a healthy, secure and employee-friendly organization culture, which ensures the growth and prosperity of all its stakeholders. The recruitment policy is designed to hire the right people who will contribute to success of the Corporation. Emphasis was led on developing competencies and reskilling and up skilling employees so that they can perform efficiently and effectively in today's highly changing, digitized and competitive environment. Employees are encouraged to acquire the necessary regulatory and compliance certifications conducted by NISM, BSE, NSE, AMFI, IRDA, MCX, etc. as well as certifications relating to Investment & Retirement Advisory, Certified Financial Planner, etc. which will help them to upgrade / update their knowledge / skills. Training on Information Security Awareness is arranged for employees, to emphasize the importance of information security. The Corporation has put in place a robust Rewards and Recognition plan to incentives employees to excel in their performance. In order to foster community spirit and inclusivity, programmes, celebrations and competitions were conducted on various platforms, during Foundation Day, Diwali, New Year, Women's Day, etc. An online communique 'Namaste' is circulated on the Corporation's intranet platform, through which new recruits are welcomed, good performers are recognized and exemplary service appreciated.

The employment practices performed by SHCIL are providing fair and equal recruitment, employment and advancement opportunities, No discrimination on the basis of race, caste, color, age, sex, disability and socio economic status, Gender

diversity initiative to maintain and improve the male : female ratio which stands at a robust 65:35, Committing to promote a safe and conducive work environment for employees, Providing on health and safety, appropriate healthcare benefits and medical cover to all its employees, Conducting regular health checkup for employees above 40 years, Zero tolerance for sexual harassment, Organizing well-structured training programs for job specific and personal development of the employees and other raining programs.

Skills:

- Employees are encouraged to acquire the necessary regulatory and compliance certifications conducted by NISM, BSE, NSE, AMFI, IRDA, MCX, etc. as well as certifications relating to Investment & Retirement Advisory, Certified Financial Planner, etc. which will help them to upgrade / update their knowledge / skills.
- Knowledge about other financial products like IPO, bonds, debentures.
- Strong in handling queries writing reports and making presentations.
- Problem solving skills accuracy and attention to detail.
- Designing and customizing technological system and platforms to improve customer experience.
- Functional knowledge of capital market will be an advantage.
- Familiarity with industry practices especially depository participant functions.
- Analytical skills to verify the data.
- Aware of current regulations, circular relevant to depository and stock exchanges and possess the skills to sets to understand the impact of the regulatory changes.
- Knowledge about securities market.

Shared Values:

The values guide the company in managing the economic, social, political and environmental and governance challenges of its operations. StockHolding's approach

towards protecting the environment involves identifying opportunities for improvement in areas of emissions, energy, water and waste management. They also assess environmental risks and aim to minimize them for positive climate change and transitioning to a low carbon economy. They believe in adhering to workplace policies in letter and spirit. To ensure a safe and nurturing workplace, they have instituted a Code of Conduct which defines good corporate practices, professional code of conduct and management practices that promote a culture of integrity and ethics, diversity and inclusivity, prevention of sexual harassment, employee pay & training, customer relationships, etc. They also actively engage with the community through CSR initiatives, stakeholder engagement, etc. towards creating value for marginalized communities in the country. A good corporate governance model is characterized by true financial and accounting transparency and full and honest financial reporting. Their Board members exercise genuine fiduciary responsibility towards its stakeholders and avoid conflicts of interests when exercising their roles. They also aim to ensure diversity and inclusiveness among the board of directors and at the executive management level. The other values in SHCIL are safety, commitment to quality, customer first, provide people with accurate understandable information, Regularly reviewing service levels and capturing feedback from customers, abiding with Customer Privacy with respect to data and combating cybercrime and data theft.

3.2 PORTER'S FIVE FORCE MODEL:

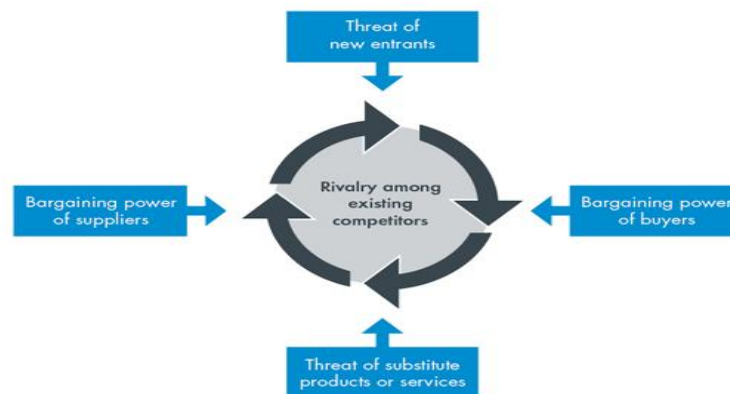
Porter's Five Forces is a model that identifies and analyses five competitive forces that shape every industry and helps determine an industry's weaknesses and strengths. Five Forces analysis is frequently used to identify an industry's structure to determine corporate strategy. Porter's model can be applied to any segment of the economy to understand the level of competition within the industry and enhance a company's long-term profitability. The Five Forces model is named after Harvard Business School professor, Michael E. Porter.

Understanding Porter's Five Forces:

Porter's Five Forces is a business analysis model that helps to explain why various industries are able to sustain different levels of profitability. The model was published in Michael E. Porter's book, "Competitive Strategy: Techniques for analyzing Industries and Competitors" in 1980. The Five Forces model is widely used to analyze the industry structure of a company as well as its corporate strategy. Porter identified five undeniable forces that play a part in shaping every market and industry in the world, with some caveats. The five forces are frequently used to measure competition intensity, attractiveness, and profitability of an industry or market.

Porter's five forces are:

- Rivalry among Existing Competitors.
- Threat of New Entrants.
- Bargaining Power of suppliers.
- Bargaining Power of buyers.
- Threat of substitute products and services



Rivalry among existing competitors:

Competitive rivalry is a measure of the extent to which existing enterprises compete with one another. Stock Holding Corporation of India Ltd have the position of market leader from 1986 about 36 years of goodwill. The rivalry among existing competitors is high for SHCIL. The major competitors are HDFC securities, ICICI direct, AXIS bank, Kotak securities, Angel broking, Zerodha, GROW. It is a government organization being a subsidiary of IFCI. Safety and Efficiency of operations are a hallmark of SHCIL. The SHCIL faces highest

competition because the brokerage charge is more when compare to other competitors.

SHCIL build several strategies to tackle the existing competitors. That is by building a sustainable differentiation, by building scale so that it can compete better, by collaborating with competitors to increase the market size rather than just competing for small market.

Threat of new entrants:

The threat of new entrance refers to the entry of new competitors into the market, which promotes intense competition and reduces firm profits. Stock Holding Corporation of India Ltd is created a brand image in market along with 36 years of goodwill in market so they can easily differentiate themselves from new entered companies in market. To start a corporation one need huge capital for technology up-gradation and skilled manpower. This corporation requires huge capital to make the services user friendly which in turn requires capital to employ skilled manpower. This technology could be one of entry barriers. Obtaining a license is a time-consuming task for a stock brokerage firm. It should comply with the regulation of the governing bodies like SEBI, NSDL etc. It needs to have some kind of financial background and expertise. Thus regulators constraints could be an entry barrier. Also the most important thing which helps the already established firms is 'TRUST' which is very difficult for new companies to imitate. The 'REACH' to the customers is key factor in the industry. A new entrant will need time to build such a large network. So the threat from new entrants is low.

SHCIL build several strategies to tackle the threat from new entrants. That is by innovating new products and services. New services not only bring new customers to the corporation but also give old customers a reason to buy SHCIL services and also by building capacities and spending money on research and developments.

Bargaining power of suppliers:

One of the five forces that affect the level of competition in a sector is the negotiating power of suppliers. The existence of powerful suppliers diminishes an industry's profit potential. Suppliers boost competition by threatening to raise prices or lower the quality of their goods and services. As a result, they impair

profitability in industries where corporations are unable to recuperate cost increases through price increases. NSDL and CDSL are the regulatory bodies for depository participants like SHCIL. These regulatory bodies have got an upper hand as the bargaining power stock broking houses like SHCIL would be less. NSE and BSE are playgrounds where common investors trade through stock broking houses, for which they have to take permission from NSE/BSE. NSE and BSE are under the purview of SEBI, that's why stock broking houses have low bargaining power.

Bargaining power of buyers:

Bargaining power of buyer is the pressure created by the customers on company. Buyers are often demanding a lot. They want to buy the best offerings available by paying the minimum prices as possible. Buyers in India have variety of choices, everyone's choices is different from one another. If there will be no substitute in the market the bargaining power of customer also increases. So the Stock Holding Corporation Of India Limited provides the best quality of services to their customers. The bargaining power of buyers is high for SHCIL.

SHCIL build several strategies to tackle the bargaining power of buyers. That is by building a large base of customers. This will help in reduce the bargaining power of buyers and also by rapidly innovating new products.

Threat of substitute products and services:

Substitute products and services means alternate goods and services which are used in replacement of main product. The existence of substitute good or service will definitely affect the profitability of the business. Here substitutes for Stock Holding Corporation Of India Limited are such as instruments which can be used instead of investing in shares. The instruments like bank FD, RD, PPF, bonds are the substitutes. If the use of these instruments increases this may be disadvantages to SHCIL. The threat of substitute products and services is moderate.

SHCIL build several strategies to tackle the threat of substitute products and services. That is by understanding the core need of the customers rather than what the customers is buying and by increasing the switching cost for the customers.

CHAPTER 4
SWOT ANALYSIS

4.1 SWOT ANALYSIS:

SWOT Analysis is a simple but useful framework for analyzing your organization's strengths, weaknesses, opportunities and threats. It helps you to build on what you do well, to address what you're lacking, to minimize risks and to take the greater possible advantage of chances for success.



Strengths:

1. Wide coverage throughout the country: It provides service to retail clients through its over 200 branches and in 141 cities all over India. It is trusted by over 5+ crore customers in India and abroad.
2. Promoted by major financial institutions: SHCIL is promoted by all major financial institutions in India. They are IFCI Ltd, Administrator of the specified undertaking of the Unit trust of India, Life Insurance Corporation of India, General Insurance Corporation of India, New India Assurance Company Limited, United India Insurance Company Limited, The Oriental Insurance Company Limited, National Insurance Company Limited.
3. Well diversified products and services: Company has well diversified services comprising capital market related services (broking and depository, professional clearing, custodial services and distribution of financial products), e stamping and document management. While SHCIL has a diversified array of offerings, commission and brokerage and depository participant services have remained its key revenue drivers over the years.
4. It is the member of both National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL).

5. Experience: Stockholding is the oldest organization in custodian business all over India and it has excellent management to handle workloads and provides the best of services to its customers.
6. Largest depository participant.

Weakness:

1. Expensive: It is expensive because separate account has to be opened according to holdings.
2. The clients are not provided with incentives or motivations, which would encourage them to make timely payment.
3. Less investment in advertising: SHCIL has less advertisement compared to its main competitors. The competitors are providing banking services and other related services to the customers.

Opportunities:

1. Target the rural and sub urban zones: It has growing structure of its branch network but still rural and urban areas are not covered in the process. Therefore it has become necessary to give attention to rural and sub urban zones.
2. Market to young minds to get future customers: Nowadays the young minds are more drawn to investments. Most youths have ignored the stock market because they lack the right information. So it is necessary to provide the right knowledge to them in order to get the future customers.
3. It can extend its branches all over the world: The SHCIL already established 200 branches all over India. So it can have more number of branches in order to fulfill the requirement of clients.
4. New products: Adding new products or service to current offerings can drives the company to higher level of success.

Threats:

1. Competition from financial organization
2. The number of competition is increasing at a higher rate. Their charges are also low when compared to the charges of SHCIL. The nearest competitors are banks providing DP services along with their regular services.

3. The company does not charge any amount for closing the account. Since the retaining the customer is very important and most of the customers will not think of closing the account at time of opening the account the company can charge some for closure.
4. The discounts and offers given by other DP's when compared to offers of SHCIL are leading to reduction in the number of clients.
5. Fluctuating market condition affect the business: SHCIL's operations are largely linked to the inherently volatile capital markets and its revenue profile and profitability remain vulnerable to market performance. Revenues from depository operations and professional clearing services depend on the volume of transactions undertaken by the respective trading members.

CHAPTER 5
ANALYSIS OF FINANCIAL STATEMENTS

Financial statements is the written records which provide the complete information about the financial position, performance of the company to make the good decision to earn more profit in the future days. Financial statement of the company includes balance sheet, income statement, cash flow statement and statement of shareholder's equity. This statement not only helps the company for economic decision but also to know the performance of the company for the outsiders like investors, banks, publics and etc.

5.1 BALANCE SHEET ANALYSIS OF STOCK HOLDING CORPORATION OF INDIA LIMITED

Balance Sheet (rs. in Lakh) 5 years:

This balance sheet includes all the asset, liabilities, capitals, debt etc. of the company. The 5 year balance sheet of the company easy to compare in which year the company was doing really well.

Particulars	2022	2021	2020	2019	2018
ASSETS					
I. Non-Current Assets					
a) Property, Plant and Equipment	16,494	16,293	16,313	14,228	14,067
b) Capital Work-In-Progress	1,151	889	428	121	219
c) Intangible Assets	437	121	234	207	333
d) Intangible Assets under development	411	2	1	6	-
e) Right of Use Assets	4,135	4,271	4,532	-	-
f) Financial Assets					
(i) Investments	4,81,793	2,52,035	1,98,518	2,10,611	2,12,389
(ii) Loans	54	10,719	14,492	7,883	7,600
(iii) Other Financial Assets	30,269	48,598	33,814	34,165	34,235
g) Non-Current Tax Assets (net)	4,774	3,203	7,515	5,403	3,892
h) Other Non-current Assets	627	446	826	2,362	912

Total Non-Current Assets	5,40,145	3,36,577	2,76,673	2,74,986	2,73,647
II Current Assets					
a) Inventories			-		-
Stock in Trade/Stock In Transit	-	2			
b) Financial Assets					
(i) Investments	2,584	1,238	3,220	4,153	2,045
(ii) Trade Receivables	21,220	11,774	9,282	14,440	9,844
(iii) Cash and Cash Equivalents	70,943	58,838	43,149	26,494	25,060
(iv) Bank balances other than Cash and Cash Equivalents	42,128	11,681	6,105	3,485	124
v) Loans	378	3,771	1,224	2,195	6,425
(vi) Other Financial Assets	49,181	1,22,259	68,485	60,588	40,153
c) Other Current Assets	5,284	3,049	2,777	2,318	2,784
Total Current Assets	1,91,718	2,12,612	1,34,242	1,13,673	86,435
TOTAL ASSETS	7,31,863	5,49,189	4,10,915	3,88,659	3,60,082
EQUITY AND LIABILITIES					
I EQUITY					
a) Equity Share Capital	2,105	2,105	2,105	2,105	2,105
b) Other Equity	4,57,366	2,69,260	2,24,996	2,32,042	2,29,440
Total Equity	4,59,471	2,71,365	2,27,101	2,34,147	2,31,545
LIABILITIES					
II Non-Current Liabilities					
a) Financial Liabilities					
Right of Use Lease Liabilities	3,089	3,779	3,723		
b) Provisions	3,857	3,634	3,405	3,862	4,075
c) Deferred Tax Liabilities (net)	1,05,891	54,323	41,977	44,355	44,281
d) Other Non-Current Liabilities	2,326	2,275	2,189	2,084	1,970

Total Non-Current Liabilities	1,15,163	64,011	51,294	50,301	50,326
III Current Liabilities					
a) Financial Liabilities					
(i) Borrowings	2,513	2,010	2,419	1,424	909
(ii) Right of Use Liabilities	1,621	1,132	1,355		
(iii) Trade Payables		40,953	33,157	22,584	15,708
Total outstanding dues of micro enterprises and small enterprises	87				
Total outstanding dues of creditors other than micro enterprises and small enterprises	30,090				
(iv) Other Financial Liabilities	81,070	1,37,616	73,707	63,814	44,743
b) Other Current Liabilities	40,961	31,643	21,352	16,046	16,003
c) Provisions	160	459	530	343	848
d) Current tax liabilities(Net)	727				
Total Current Liabilities	1,57,229	2,13,813	1,32,520	1,04,211	78,211
TOTAL LIABILITIES	7,31,863	5,49,189	4,10,915	3,88,659	3,60,082

5.2 INCOME STATEMENT ANALYSIS OF STOCK HOLDING CORPORATION OF INDIA LIMITED (rs. in lakh)

Income statement of Stock Holding Corporation Of India Limited shows revenue and the expenses incurred by the company during the last 5 years. This shows how the company is performing for the last 5 years.

Particulars	2022	2021	2020	2019	2018
I INCOME:					
Income from Operations	56,433	45,238	37,645	36,043	40,633
Other Income	13,195	7,824	8,720	8,967	9,478
TOTAL INCOME	69,628	53,062	46,365	45,010	50,111
II EXPENSES:					
Cost of Goods Sold	1,039	2,140			2,295
Purchase of Stock-in-Trade		2	1,328	1,436	

Change in Stock-in-Trade		(2)			
Employee Benefit Expenses	19,188	17,394	15,310	14,905	15,695
Finance Costs	668	793	708	160	55
Sub Brokerage Expenses	1,271	929	164	19	
Depreciation and Amortization Expenses	2,040	2,028	2,485	2,471	2,289
Depreciation on Right of Use Assets	1,895	1,883	1,788		
Other Expenses	25,113	19,861	22,922	23,527	21,409
TOTAL EXPENSES	51,214	45,028	44,705	42,518	41,743
III PROFIT BEFORE TAX (I – II)	18,414	8,034	1,660	2,492	8,368
IV EXCEPTIONAL ITEMS	285	(237)	396	166	
V PROFIT BEFORE TAX AND AFTER EXCEPTIONAL ITEMS FOR THE YEAR ENDED (III – IV)	18,129	8,271	1,264	2,326	
VI TAX EXPENSE					
- Current Tax	3,328	1,631	232	333	1,299
- Income Tax adjustment for earlier years		27	(113)	(17)	(8)
- Deferred Tax	(30)	293	(399)	(881)	(285)
	3,298	1,951	(280)	(565)	1,006
VII PROFIT FOR THE YEAR ENDED (V – VI)	14,831	6,320	1,544	2,891	7,362

5.3 CASH FLOW STATEMENT OF STOCK HOLDING CORPORATION OF INDIA LIMITED (rs. in lakh)

Cash flow shows that how the Stock Holding Corporation Of India Limited manages the cash inflows and outflows during the last 5 years. It shows how the cash is generated or used by the company in the given period.

Cash Flow From	2022	2021	2020	2019	2018
Profit before Tax after exceptional Item	18,129	8,271	1,660	2,492	8,368
Operating activities	13,612	32,949	11,026	(167)	(45,055)

Investing activities	2,005	(15,087)	5,743	2,882	9,284
Financing activities	(5,366)	(2,173)	(115)	(1,281)	(2,463)
Net Cash Flow	10,251	15,689	16,654	1,434	(38,234)
Cash and cash equivalents (Opening Balance)	60,692	43,149	26,494	25,060	63,294
Cash and cash equivalents (Closing Balance)	70,943	58,838	43,148	26,494	25,060

5.4 RATIO ANALYSIS OF STOCK HOLDING CORPORATION OF INDIA LTD:

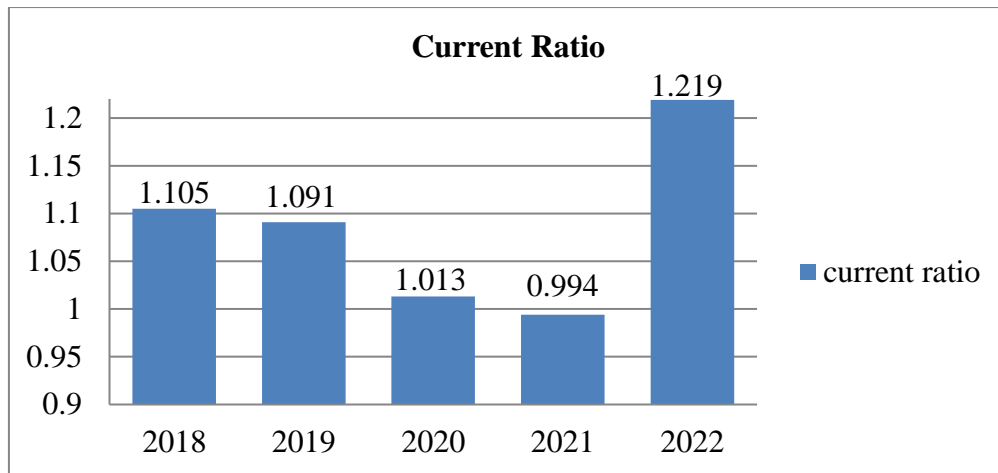
Ratio analysis is calculating financial performance of the company, its financial position, liquidity, profitability, risk, solvency, proper utilization of the resources by studying the financial statement of the company like balance sheet and income statement.

- **Liquidity Ratio:** Liquidity ratio is the tool which is used to examine the ability of the company to pay its short-term loans. It shows the richness of the company.

5.4.1 Current Ratio: The current ratio determines a company's capacity to pay the short-term debt that is due within a year. The weight of total current assets compared to total current liabilities is taken into account in the ratio.

$$\text{Current Ratio} = \text{Current Assets} / \text{Current Liability}$$

Year	2018	2019	2020	2021	2022
Total Current Assets	86,435	1,13,673	1,34,242	2,12,612	1,91,718
Total Current Liabilities	78,211	1,04,211	1,32,520	2,13,813	1,57,229
Current Ratio	1.105	1.091	1.013	0.994	1.219

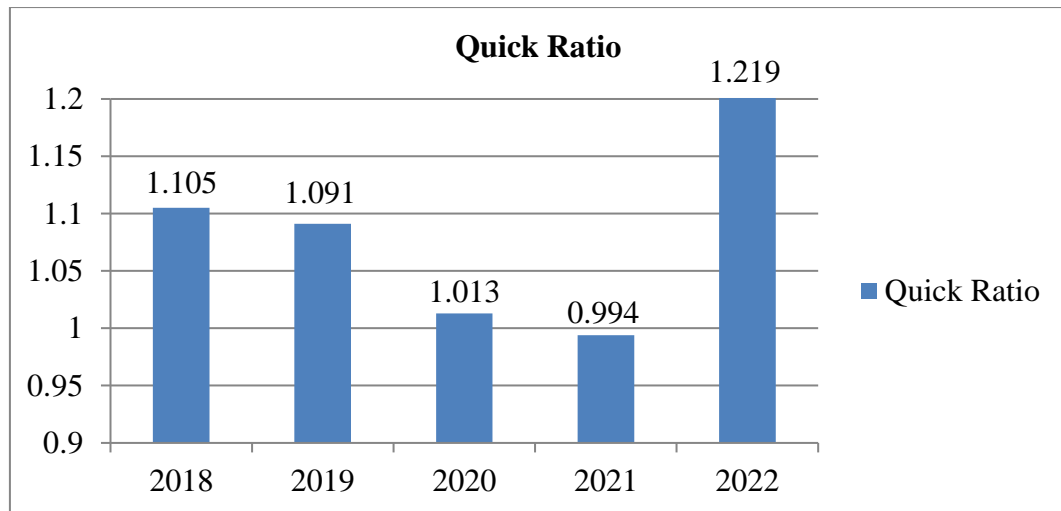


Analysis: The above table and graph shows the current ratio of the firm, when comparing to the five years of ratio 2022 is having the highest ratio of 1.219 which is very good sign for the firm, where the liquidity position of the firm increased to a good extent. The standard current ratio is 2:1 which says that current assets should be always twice of that current liability.

5.4.2 Quick Ratio: The quick ratio assesses a company's capacity to fulfill its short-term obligations by looking at its ability to quickly convert its assets into cash. Cash, marketable securities and accounts receivables are the assets. Because they may be easily convertible into cash, these assets are referred to as quick assets.

$$\text{Quick Ratio} = \frac{\text{Current Assets} - \text{Inventory}}{\text{Current Liabilities}}$$

Year	2018	2019	2020	2021	2022
Quick Ratio	1.105	1.091	1.013	0.994	1.219

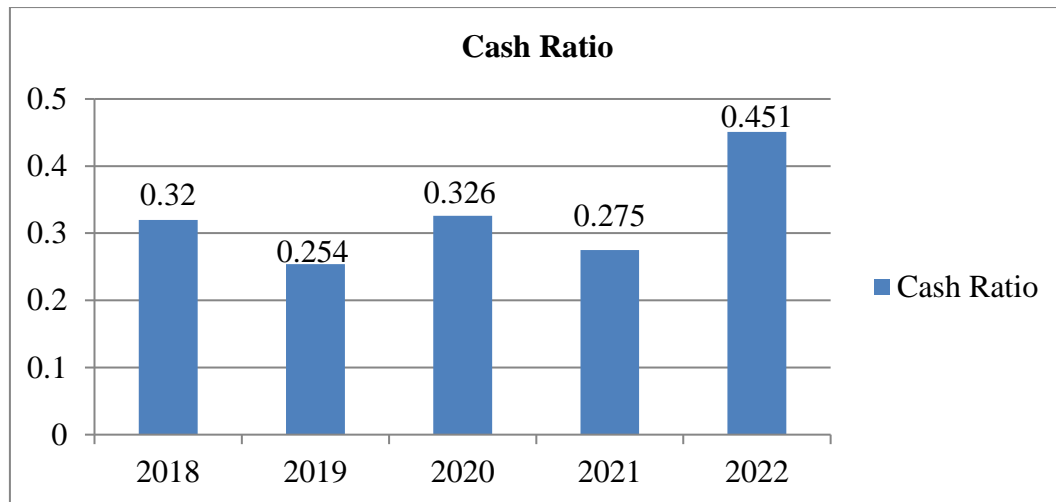


Analysis: The above table and graph shows the quick ratio of the firm, when comparing the five years of ratio 2022 is having the highest ratio of 1.219 which is an indication that the firm is liquid and has the ability to meet its current or liquid liabilities in time. The ideal ratio is 1:1. It is generally thought that if quick assets are equal to current liabilities then the company may be able to meet its short term obligations.

5.4.3 Cash Ratio: The cash ratio is the measurement of a company's liquidity. It particularly determines the proportion of current liabilities to total cash and cash equivalents held by a corporation. The indicator accesses a company's capacity to pay off its short-term debt with cash or resources that can be converted into cash quickly, including easily marketable securities.

$$\text{Cash Ratio} = \text{Cash} + \text{Cash Equivalents} / \text{Total Current Liabilities}$$

Year	Cash + Cash Equivalents	Total Current Liabilities	Cash Ratio
2018	25,060	78,211	0.320
2019	26,494	1,04,211	0.254
2020	43,149	1,32,520	0.326
2021	58,838	2,13,813	0.275
2022	70,943	1,57,229	0.451



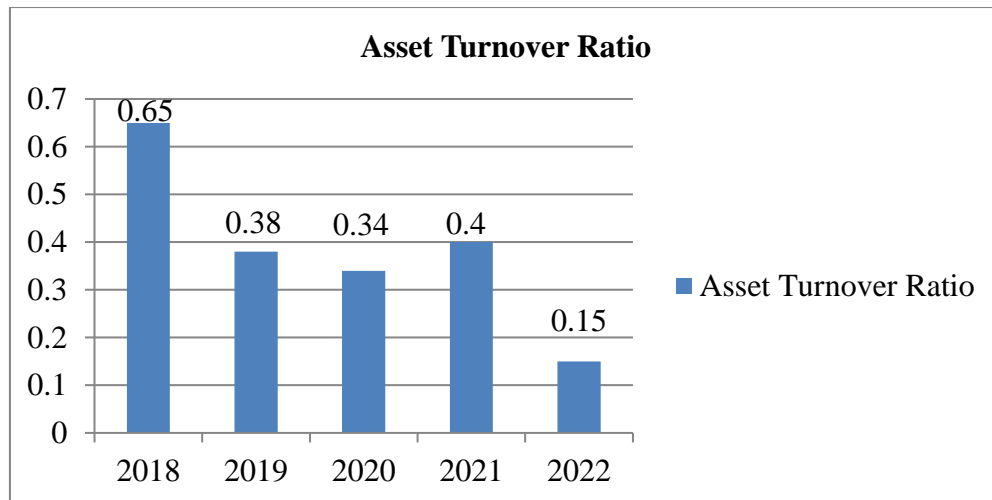
Analysis: The above table and graph shows the cash ratio of the firm, when comparing the 5 years of ratio 2022 is having the highest ratio of 0.451 which is less than ideal ratio i.e., 1 so the company does not have sufficient cash to meet its obligations but the cash position of the firm increased to a good extent.

- **Turnover Ratio:** The turnover ratio is the percentage of mutual fund holdings which have been replaced in a fiscal year.

5.4.4 Asset Turnover Ratio: The asset turnover ratio measures the efficiency of a company's assets in generating revenue or sales. It compares the number of sales to its total assets as an annualized percentage.

$$\text{Asset Turnover Ratio} = \text{Sales} / \text{Total Assets}$$

Year	2018	2019	2020	2021	2022
Sales	2,338	1,490	1,384	2,216	1,075
Total assets	3,60,082	3,88,659	4,10,915	5,49,189	7,31,863
Asset turnover ratio	0.65	0.38	0.34	0.40	0.15

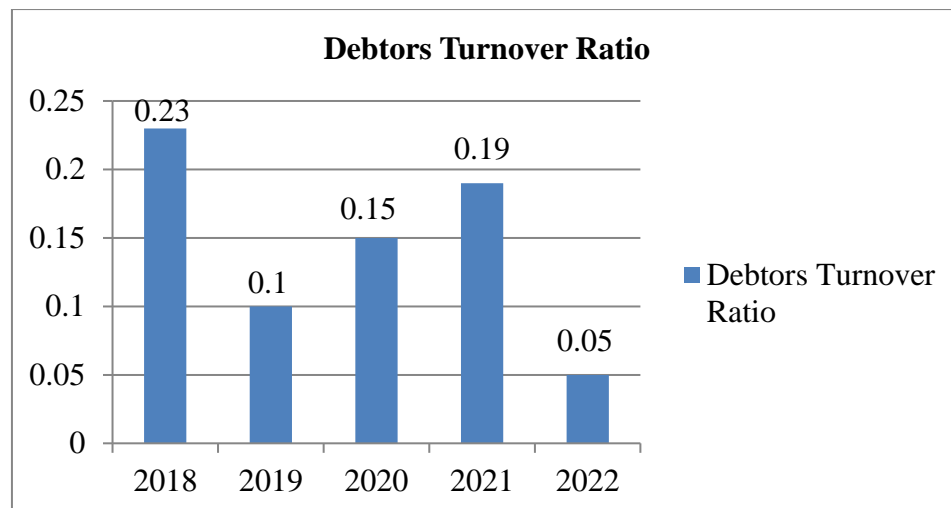


Analysis: The above table and graph shows the asset turnover ratio of the firm, when comparing the 5 years ratio, 2018 is having the highest ratio of 0.65. The highest ratio shows the highest net income of the firm. The higher ratio shows how the firm is more effective in managing its assets to produce greater amount of net income.

5.4.5 Debtors Turnover Ratio: Debtors Turnover Ratio indicates the number of times average debtors have been converted into cash during a year. This is also referred to as the efficiency ratio which measures the company's ability to collect revenue.

$$\text{Debtors Turnover Ratio} = \text{Credit Sales} / \text{Average Debtors}$$

Year	2018	2019	2020	2021	2022
Credit sales	2,338	1,490	1,384	2,216	1,075
Average debtors	9,844	14,440	9,282	11,774	21,220
Debtors turnover ratio	0.23	0.10	0.15	0.19	0.05



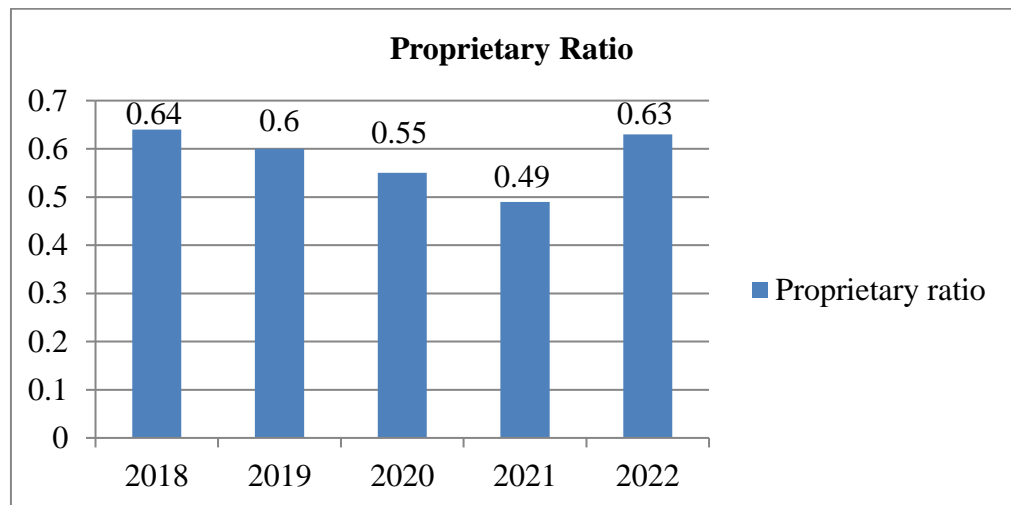
Analysis: The above table and graph shows the debtors turnover of the firm, when comparing the 5 years of ratio 2018 is having the highest ratio of 0.23. The higher value of debtors turnover the more efficient is the management of debtors or more liquid are the debtors.

- **Solvency Ratio:** A solvency ratio is a key metric used to measure an enterprise's ability to meet its long-term debt obligations and is used often by prospective business lenders. A solvency ratio indicates whether a company's cash flow is sufficient to meet its long-term liabilities and thus is a measure of its financial health.

5.4.6 Proprietary Ratio: A proprietary ratio is a type of solvency ratio that is useful for determining the amount or contribution of shareholders or proprietors towards the total assets of the business.

$$\text{Proprietary Ratio} = \text{Shareholder's Fund} / \text{Total Assets}$$

Year	2018	2019	2020	2021	2022
Shareholder's Fund	2,31,545	2,34,147	2,27,101	2,71,365	4,59,471
Total assets	3,60,082	3,88,659	4,10,915	5,49,189	7,31,863
Proprietary Ratio	0.64	0.60	0.55	0.49	0.63



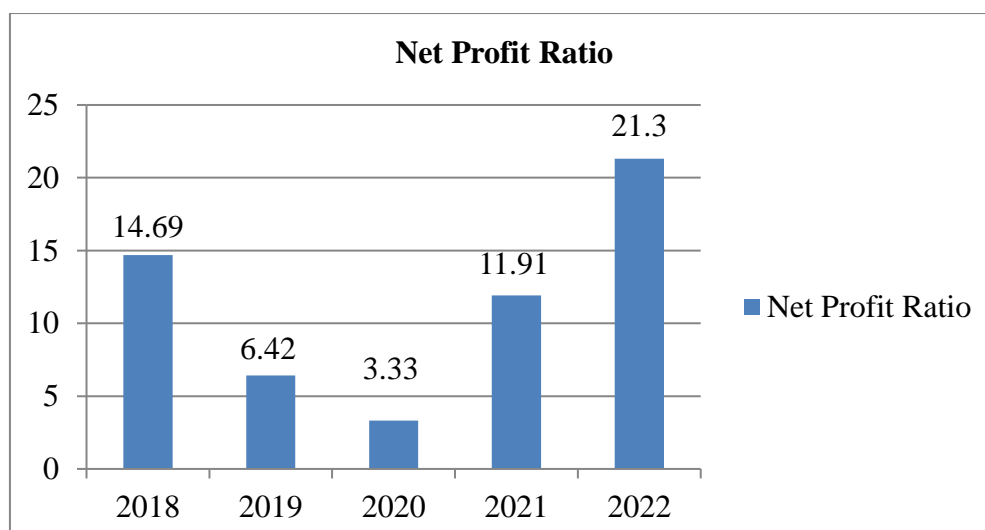
Analysis: The above table and graph shows the proprietary ratio of the company, when comparing the 5 years of ratio 2018 is having the highest ratio of 0.64 which shows a high proprietary ratio indicates that a business is in a strong position and provides relief to creditors, while low proprietary ratio shows the dependence of the company on debt facing in order to run its business.

- **Profitability Ratio:** Ratio that shows the firm's ability to measure the overall efficiency of the firm in generating returns for its stakeholders.

5.4.7 Net Profit Ratio: Net profit ratio is a profitability ratio that measures the company's profits to the total amount of money brought into the business.

$$\text{Net Profit Ratio} = \text{Net Profit} / \text{Sales} * 100$$

Year	2018	2019	2020	2021	2022
Net Profit	7,362	2,891	1,544	6,320	14,831
Sales	50,111	45,010	46,365	53,062	69,628
Net Profit Ratio	14.69	6.42	3.33	11.91	21.30

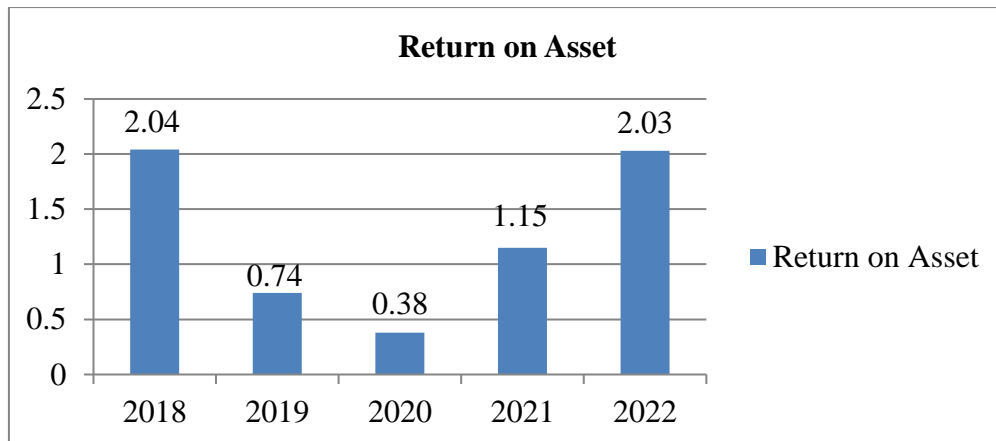


Analysis: The above table and graph shows the net profit ratio of the firm, when comparing the 5 years of ratio 2022 is having the highest ratio of 21.30 which shows the earning profit of the firm is high. A high percentage means that the firm did well in managing its expenses. The company has lowest net profit ratio in the year 2020 i.e. 3.33%.

5.4.8 Return on Assets Ratio: The return on total assets ratio is obtaining by dividing a company's earnings after tax by its total assets. This profitability indicator helps you determine how your company generates its earnings and how you compare to your competitors.

$$\text{Return on Assets Ratio} = \text{Net Profit} / \text{Total Assets} * 100$$

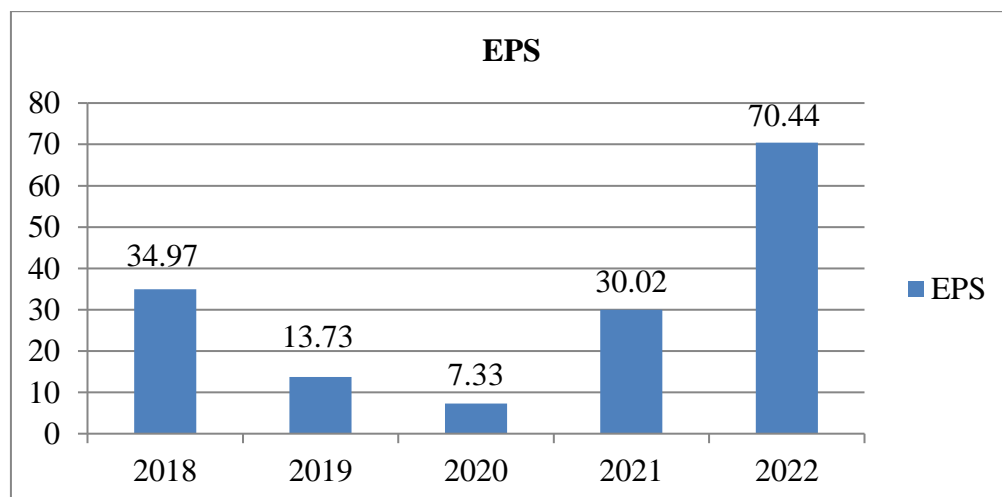
Year	2018	2019	2020	2021	2022
Net profit	7,362	2,891	1,544	6,320	14,831
Total assets	3,60,082	3,88,659	4,10,915	5,49,189	7,31,863
Return on assets	2.04	0.74	0.38	1.15	2.03



Analysis: The above table and graph shows the return on asset ratio of the firm, when compared to 5 years of ratio 2018 is having the highest ratio of 2.04. The higher ratio is the higher the net income for the firm. The higher ratio shows how the firm is more effective in managing its assets to produce greater amounts of net income. Compare to the previous years the position of ratio is increasing.

5.4.9 EPS:

Year	2018	2019	2020	2021	2022
EPS	34.97	13.73	7.33	30.02	70.44



Analysis: The above table and graph shows the earnings per share of the firm, when comparing 5 years of ratio 2022 is having the highest ratio of 70.44 which shows the higher EPS, higher EPS is always better than a lower ratio because this means the firm is more profitable and the firm has more profits to distribute to its shareholders.

CHAPTER 6
LEARNING EXPERIENCE

LEARNING EXPERIENCE

I have done my organization study report on Stock Holding Corporation of India Limited. It was an amazing learning experience, great work for students. This internship gives a unique experience and gave me a good opportunity to learn and explore myself and also to understand a various aspects of the company. This Organization Study has allowed me to enlarge my knowledge, and gave me a platform to understand about the realistic industrial situation. The report had a purpose of gaining experience in the realistic world, to get organizations detail knowledge on the job responsibilities, to compare with the real scenario with the lessons learnt in college, to fulfill the requirement of the MBA program.

Through Organizational Study, I got to experience a lot of new things as in how an organization function works. I also learnt about the working conditions, different problems that occur and also how they tackle all problems.

Conclusion:

The organization study on Stock Holding Corporation of India Limited was very effective in achieving the specific objectives for which this organization study was conducted. It assisted in familiarizing with the organization structure and its working. The study served to improving the practical knowledge. The study was useful as it assisted to gain confidence and awareness.

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ANNEXURE

BALANCE SHEET:

Particulars	2022	2021	2020	2019	2018
ASSETS					
I. Non-Current Assets					
a) Property, Plant and Equipment	16,494	16,293	16,313	14,228	14,067
b) Capital Work-In-Progress	1,151	889	428	121	219
c) Intangible Assets	437	121	234	207	333
d) Intangible Assets under development	411	2	1	6	-
e) Right of Use Assets	4,135	4,271	4,532	-	-
f) Financial Assets					
(i) Investments	4,81,793	2,52,035	1,98,518	2,10,611	2,12,389
(ii) Loans	54	10,719	14,492	7,883	7,600
(iii) Other Financial Assets	30,269	48,598	33,814	34,165	34,235
g) Non-Current Tax Assets (net)	4,774	3,203	7,515	5,403	3,892
h) Other Non-current Assets	627	446	826	2,362	912
Total Non-Current Assets	5,40,145	3,36,577	2,76,673	2,74,986	2,73,647
II Current Assets					
a) Inventories			-		-
Stock in Trade/Stock In Transit	-	2			
b) Financial Assets					
(i) Investments	2,584	1,238	3,220	4,153	2,045
(ii) Trade Receivables	21,220	11,774	9,282	14,440	9,844
(iii) Cash and Cash Equivalents	70,943	58,838	43,149	26,494	25,060

(iv) Bank balances other than Cash and Cash Equivalents	42,128	11,681	6,105	3,485	124
v) Loans	378	3,771	1,224	2,195	6,425
(vi) Other Financial Assets	49,181	1,22,259	68,485	60,588	40,153
c) Other Current Assets	5,284	3,049	2,777	2,318	2,784
Total Current Assets	1,91,718	2,12,612	1,34,242	1,13,673	86,435
TOTAL ASSETS	7,31,863	5,49,189	4,10,915	3,88,659	3,60,082
EQUITY AND LIABILITIES					
I EQUITY					
a) Equity Share Capital	2,105	2,105	2,105	2,105	2,105
b) Other Equity	4,57,366	2,69,260	2,24,996	2,32,042	2,29,440
Total Equity	4,59,471	2,71,365	2,27,101	2,34,147	2,31,545
LIABILITIES					
II Non-Current Liabilities					
a) Financial Liabilities					
Right of Use Lease Liabilities	3,089	3,779	3,723		
b) Provisions	3,857	3,634	3,405	3,862	4,075
c) Deferred Tax Liabilities (net)	1,05,891	54,323	41,977	44,355	44,281
d) Other Non-Current Liabilities	2,326	2,275	2,189	2,084	1,970
Total Non-Current Liabilities	1,15,163	64,011	51,294	50,301	50,326
III Current Liabilities					
a) Financial Liabilities					
(i) Borrowings	2,513	2,010	2,419	1,424	909
(ii) Right of Use Liabilities	1,621	1,132	1,355		
(iii) Trade Payables		40,953	33,157	22,584	15,708
Total outstanding dues of micro enterprises and small enterprises	87				
Total outstanding dues of creditors other than micro	30,090				

enterprises and small enterprises					
(iv) Other Financial Liabilities	81,070	1,37,616	73,707	63,814	44,743
b) Other Current Liabilities	40,961	31,643	21,352	16,046	16,003
c) Provisions	160	459	530	343	848
d) Current tax liabilities (Net)	727				
Total Current Liabilities	1,57,229	2,13,813	1,32,520	1,04,211	78,211
TOTAL LIABILITIES	7,31,863	5,49,189	4,10,915	3,88,659	3,60,082

INCOME STATEMENT ANALYSIS:

Particulars	2022	2021	2020	2019	2018
I INCOME:					
Income from Operations	56,433	45,238	37,645	36,043	40,633
Other Income	13,195	7,824	8,720	8,967	9,478
TOTAL INCOME	69,628	53,062	46,365	45,010	50,111
II EXPENSES:					
Cost of Goods Sold	1,039	2,140			2,295
Purchase of Stock-in-Trade		2	1,328	1,436	
Change in Stock-in-Trade		(2)			
Employee Benefit Expenses	19,188	17,394	15,310	14,905	15,695
Finance Costs	668	793	708	160	55
Sub Brokerage Expenses	1,271	929	164	19	
Depreciation and Amortization Expenses	2,040	2,028	2,485	2,471	2,289
Depreciation on Right of Use Assets	1,895	1,883	1,788		
Other Expenses	25,113	19,861	22,922	23,527	21,409
TOTAL EXPENSES	51,214	45,028	44,705	42,518	41,743
III PROFIT BEFORE TAX (I – II)	18,414	8,034	1,660	2,492	8,368
IV EXCEPTIONAL ITEMS	285	(237)	396	166	
V PROFIT BEFORE TAX AND AFTER EXCEPTIONAL ITEMS FOR THE YEAR ENDED (III – IV)	18,129	8,271	1,264	2,326	

VI TAX EXPENSE					
- Current Tax	3,328	1,631	232	333	1,299
- Income Tax adjustment for earlier years		27	(113)	(17)	(8)
- Deferred Tax	(30)	293	(399)	(881)	(285)
	3,298	1,951	(280)	(565)	1,006
VII PROFIT FOR THE YEAR ENDED (V – VI)	14,831	6,320	1,544	2,891	7,362

CASH FLOW STATEMENT:

Cash Flow From	2022	2021	2020	2019	2018
Profit before Tax after exceptional Item	18,129	8,271	1,660	2,492	8,368
Operating activities	13,612	32,949	11,026	(167)	(45,055)
Investing activities	2,005	(15,087)	5,743	2,882	9,284
Financing activities	(5,366)	(2,173)	(115)	(1,281)	(2,463)
Net Cash Flow	10,251	15,689	16,654	1,434	(38,234)
Cash and cash equivalents (Opening Balance)	60,692	43,149	26,494	25,060	63,294
Cash and cash equivalents (Closing Balance)	70,943	58,838	43,148	26,494	25,060