

A Project Report on  
“MOTILAL OSWAL FINANCIAL SERVICE LTD”

Project submitted to  
University of Mumbai for partial completion of the degree of  
Bachelor of management studies  
Under the faculty of commerce



Submitted by  
MR. ATUL VIJAY PANDEY  
ROLL NO: - 576

Under the Guidance of  
Professor: - VAISHALI BEHERE



**UTTARI BHARTI SABHA'S  
RAMANAND ARYA D.A.V COLLEGE OF COMMERCE &  
SCIENCE  
DATAR COLONY, BHANDUP (EAST)  
(2019-2020)**

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(2019-2020)**

**Ramanand Arya D.A.V. College**

**Bhandup (East) Mumbai – 400042**

**CERTIFICATE**

This is to certify that Mr **ATUL VIJAY PANDEY** has worked and duly completed his Project Work for the degree of Bachelor of management studies under the Faculty of Commerce in the subject of **FINANCIAL SERVICE SECTOR** and his project is entitled, “**A DETAILED REPORT ON MOTILAL OSWAL FINANCIAL SERVICE LTD**” under my supervision.

I further certify that the entire work has been done by the learner under my guidance and that no part of it has been submitted previously for any Degree or Diploma of any University.

It is his own work and facts reported by his personal findings and investigations.

**Co-Ordinator:**

MS.CHANDRAKALA SHRIVASTAVA

**Principal:**

DR. AJAY M. BHAMARE

**Project Guide/Internal Examiner:**

**Examiner:**

PROF: - VAISHALI BEHERE

**External**

## ***Declaration by learner***

I, the undersigned Mr **ATUL VIJAY PANDEY** here by, declare that the work embodied in this project work titled “**A DETAILED REPORT ON MOTILAL OSWAL FINANCIAL SERVICE LTD**”, forms my own contribution to the research work carried out under the guidance of **Prof. VAISHALI BEHERE** is a result of my own research work and has not been previously submitted to any of this University for any of this Degree to this or any of this University.

Whom so ever reference has been made to previous works of this, it has been clearly indicated as such and included in the bibliography.

I, here by further declare that all information of this document has been obtained and presented in accordance with academic rules and ethical conduct.

ATUL .V. PANDEY

**Certified by**

Prof. VAISHALI BEHERE

## *Acknowledgment*

To list who all have helped me is difficult because they are so numerous and the depth is so enormous.

I would like to acknowledge the following as being idealistic channels and fresh dimensions in the completion of this project.

I take this opportunity to thank the **University of Mumbai** for giving me chance to do this project.

I would like to thank my **Principal, Dr. Ajay M. Bhamare** for providing the necessary facilities required for completion of this project.

I take this opportunity to thank our **Coordinator Ms. Chandrakala Shrivastava**, for his moral support and guidance.

I would also like to express my sincere gratitude towards my project guide **Prof. vaishali behere** whose guidance and care made the project successful.

I would like to thank my **College Library**, for having provided various reference books and magazines related to my project.

Lastly, I would like to thank each and every person who directly or indirectly helped me in the completion of the project especially **my Parents and Peers** who supported me throughout my project.

## INTERNSHIP CERTIFICATE



**MOTILAL OSWAL**  
Investment Services

Date: 4<sup>th</sup> August 2019

### TO WHOM IT MAY CONCERN

Mr Atul Vijay Pandey has been associated with MOTILAL OSWAL FINANCIAL SERVICES LTD, as an intern for a period of 3 months from 1<sup>st</sup> May 2019 to 31<sup>st</sup> July for creating awareness about investing in Financial Markets and handling marketing activities for the company.

Mr Atul Vijay Pandey is highly enthusiastic and a team player. He has completed the project on time to our satisfaction.

We wish him success in future.

With Regards,

Authorized signatory

A handwritten signature in black ink, appearing to read 'Maya' or similar, written over a horizontal line.

Mumbai



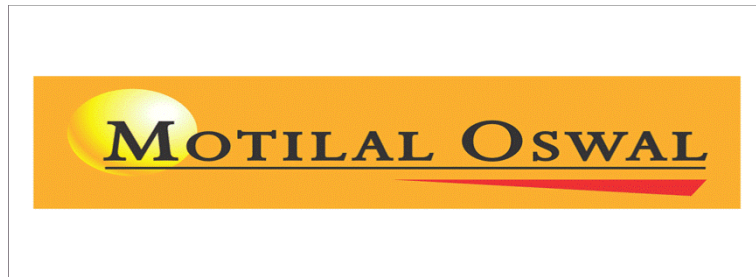
Corporate office : 5<sup>th</sup> Floor, Flora Point, Mulund (West), Near Mulund College of Commerce, Mumbai – 400080

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## CHAPTER 1 : EXECUTIVE SUMMARY





## **Executive Summary**

Motilal Oswal Securities Limited is a stock broking firm which produces large variety of financial products and services to satisfy its customers. It provides services to following clients such as: broker, sub-brokers, individual investors etc. I have done my internship in finance department of the company as referral associate. The period for my internship was from 1<sup>st</sup> May to 31<sup>st</sup> July.

I have performed various tasks related to follow up with the executives. Dealing with distribution of variety of financial products for various clients. Through this internship, I have learnt how to manage tasks/projects and learn how to carry myself in a professional environment. This internship gave me a lot of experience and insight in the working class. It helped me in enhancing my communication skills as well as gain ample amount of knowledge in the field of stock market.

## **CHAPTER 2 : INTRODUCTION ON THE COMPANY**

## **Introduction :**

Motilal Oswal Financial Services (MOFSL) was founded in 1987 by -

Mr. Motilal Oswal



and Mr. Ramdeo Agrawal



In just three years Motilal Oswal became members of on The Bombay Stock Exchange (BSE). The company started offering derivatives products and advisory services on both BSE as well as NSE in year 2001. In 2006 the company entered private equity and investment banking. In the same year, Motilal Oswal group acquired South Indian brokerage firm – Peninsular Capital Markets The company tied up with State Bank of India and Punjab National Bank in 2006 and 2007 to offer online trading to its customers.

2008 saw the company create One of India's largest Equity dealing and advisory rooms, spread over 26,000 sq ft (2,400 m2) in Malad, Mumbai.



In January 2010, Motilal Oswal Financial Services (through its subsidiary Motilal Oswal Securities Ltd.) received the final certificate of registration approval from Securities and Exchange Board of India (SEBI) to set up a mutual fund business in the country. MOAMC(motilal oswal assets management company) is a 100% subsidiary of Motilal Oswal Securities Limited.

It provides investment management and advisory services to investors based within and outside India and having portfolio management services business, ETFs and mutual funds.

Motilal Oswal Asset Management Company Ltd, one of the fastest growing asset management Companies in India and has recently crossed the \$1 billion in equity assets under management (AUM) mark in June 2015.

Aspire Home Finance Corporation Limited (AHFCL) is a professionally managed housing finance company. AHFCL is a subsidiary of Motilal Oswal Securities Limited (MOSL) which is a part of Motilal Oswal Financial Services Limited (MOFSL).

Motilal oswal has been awarded 6-time winner of Best Performing Equity Broker (National) by UTI-CNBC TV18 Financial Advisor Awards

It has 30 years of wealth creation expertise driven by the philosophy of Solid Research, Solid Advice.

The company has 10,00,000 customers with Rs. 69,561 Cr. plus depository assets with PAN India coverage across 2,200+ locations in over 500+ cities also it provides its customers with :

- 15 min, 100% paperless trading and demat account
- Instant day account activation on receipt of application
- Dedicated customer service team with a 6-hour query resolution TAT
- Customer centric Risk Management System and real-time payouts

**Motilal oswal is involved in variety of businesses -**

1. Private equity
2. Assets management
3. Wealth management
4. Investment banking

## **Organisation culture -**

“Motilal oswal” is an independent Share Broking and financial advisory firm focused on managing individuals’ investments. It is redefined with a goal to build a financial planning firm offering sound, independent financial advice & highest level of service.

Advisors are trained, qualified & certified by various financial regulatory authorities like SEBI, IRDA, AMFI, AFP & well experienced in helping individuals & families to create, grow and preserve wealth.

Motilal oswal has advised unbiased & conflict-free advice and counsel on client investments to help the client reach client personal & wealth goals. They started operations in the year 1987 by the name of “Motilal oswal”. With an objective of being a full service brokerage house and to provide comprehensive advisory services to its clients, which would enable managing complete financial planning needs

The client can invest into Equities, Deposits, Mutual Funds including Tax Savings Schemes and various other products at the click of a button. And because all client investments are at one place it is much easier to manage. Client Relationship Managers will assist and guide the client in taking the first step.

## APPLICATIONS USED BY CUSTOMERS –

### 1. MO INVESTOR – TRUSTED INVESTMENT SOFTWARE

#### Key Benefits :

- Get Single view of your financial health from Comprehensive Portfolio Snapshot
- Get Quote page with complete information about the company searched by you
- Feature Rich Mutual Fund page with snapshot of your holdings , ongoing SIP's and Maturing SIP's & much more
- Use ACE (Advise on Combination of Equities) offering you Algo based investment strategy with exclusive basket of growth oriented stocks
- Robo Wealth 24\*7 wealth manager that provides you with right asset allocation as per your identified risk profile
- Optimised place order page for quick order placement & bulk order functionality to execute multiple orders in one go
- MO genie the 24 x 7 chat bot for your instant query resolution



### **Simplified and Feature Rich Mutual Fund selection:**

- The mutual fund section provides additional tools and information for an enhanced investment experience
- Get a snapshot of your holdings, ongoing SIP's & maturing SIP's
- Access tools like fund scanners and fund comparison have been incorporated to help you in making the right choice of investment

### **Stock Scanners :**

- The stock scanner tool will help in identify stocks that match your strategy
- Assists in making an informed investment decisions
- Provide the top rated scrips based on pre-defined criteria's like year's top performers, top revenue companies, highest yielding stocks to name a few

### **Comprehensive portfolio snapshot and analysis :**

- Get single view of your financial health from holdings, asset and sector allocation along with short term and long term gain/loss
- View detailed personalized insights on your portfolio, review its negative and positive points
- Get alternatives that can improve your financial well-being



## 2. MO TRADER - TRUSTED TRADING SOFTWARE :

POWER PLATFORM FOR ADVANCED TRADERS

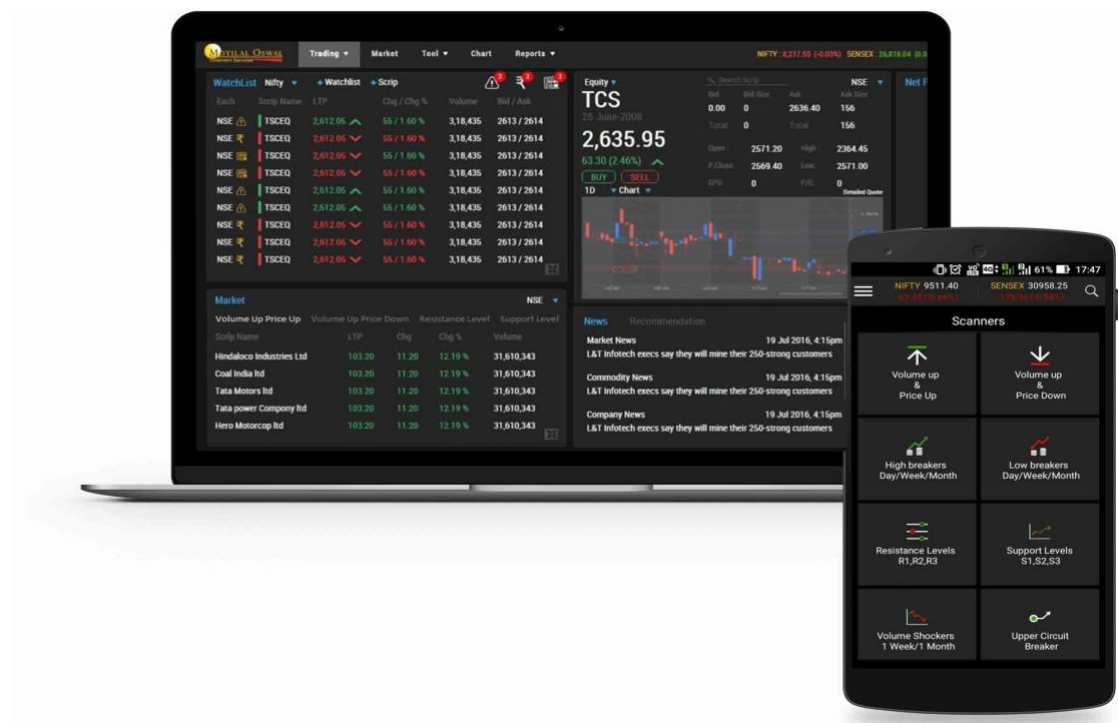
### Key Benefits :

- My wallet provides Single view snapshot of your orders, positions and limits
- Get Quote page with complete information about the company searched by you
- Market screeners help you spot the trending stocks
- Algo based products like Trade guide signal, Option Writer, Option Decoder
- Execute multiple order from single click through bulk order functionality
- Real time charts with historical data
- Set and manage alerts on stock through My Alerts feature



## Market Screeners :

- Help you identify trending stocks in a particular category
- There are up to 20 screeners (i.e. categories) available
- Identify the stocks which suit your strategy
- Get option to Buy, Sell and add stocks in your watch list from Screeners itself



## Watchlist :

- Create and view 4 multi asset watch lists
- Add up to 50 scrips in a single watchlist
- Switch to different watchlist with just one tap
- Directly place orders by swiping on the desired scrip name

### 3. Trading In Stock Market Via Desktop

#### Key Benefits :

- Super-fast trading execution with 1-second rate refresh
- Advanced charting tools and tick-by-tick action watch
- Technology enabled Leverage to enable you to get up-to 20 times your margin \*
- Solid Research based recommendations ranging from Hours-Days-Weeks-Months-Years
- Trade guide signal - New generation trend guiding tool to auto-generate buy/sell ideas
- Access to over 30,000 research reports across all asset classes in a single click

Action	Charts	Radar	Exch	Scrip Code	Short Name	Full Name	Buy Rate	Buy Qty	Sell Rate	Sell Qty	LTP	LTQ
				NSEFO	48725 NIFTY	NIFTY 30-J...	549.90	600	1260.90	75	0.00	0
				NSEFO	38016 NIFTY	NIFTY 30-J...	951.85	75	955.00	300	958.00	75
				NSEFO	48733 NIFTY	NIFTY 30-J...	631.55	600	1360.25	75	0.00	0
				NSEFO	35198 NIFTY	NIFTY 30-J...	673.70	600	1409.90	75	0.00	0
				NSEFO	48749 NIFTY	NIFTY 30-J...	716.65	600	1459.75	75	0.00	0
				NSEFO	38744 NIFTY	NIFTY 30-J...	760.35	600	1509.45	75	0.00	0
				NSEFO	48779 NIFTY	NIFTY 30-J...	804.85	600	1559.35	75	0.00	0
				NSEFO	38485 NIFTY	NIFTY 30-J...	849.85	600	1609.05	75	0.00	0
				NSEFO	40810 NIFTY	NIFTY 30-J...	895.50	600	1658.80	75	0.00	0
				NSEFO	39358 NIFTY	NIFTY 30-J...	941.60	600	1708.50	75	0.00	0
				NSEFO	43098 NIFTY	NIFTY 30-J...	988.25	600	1758.15	75	0.00	0
				NSEFO	41482 NIFTY	NIFTY 30-J...	1396.85	6450	1474.05	4500	1751.00	75
				NSEFO	45719 NIFTY	NIFTY 30-J...	1130.40	600	1906.90	75	0.00	0
				NSEFO	38988 NIFTY	NIFTY 30-J...	1226.55	600	2005.85	75	0.00	0
				NSEFO	61453 NIFTY	NIFTY 30-J...	1323.80	600	2104.70	75	0.00	0
				NSEFO	39105 NIFTY	NIFTY 30-J...	1421.60	600	2203.40	75	0.00	0

ALERT: EURINR INTRADAY BUY CALL EXIT 5 LOTS (75.565)

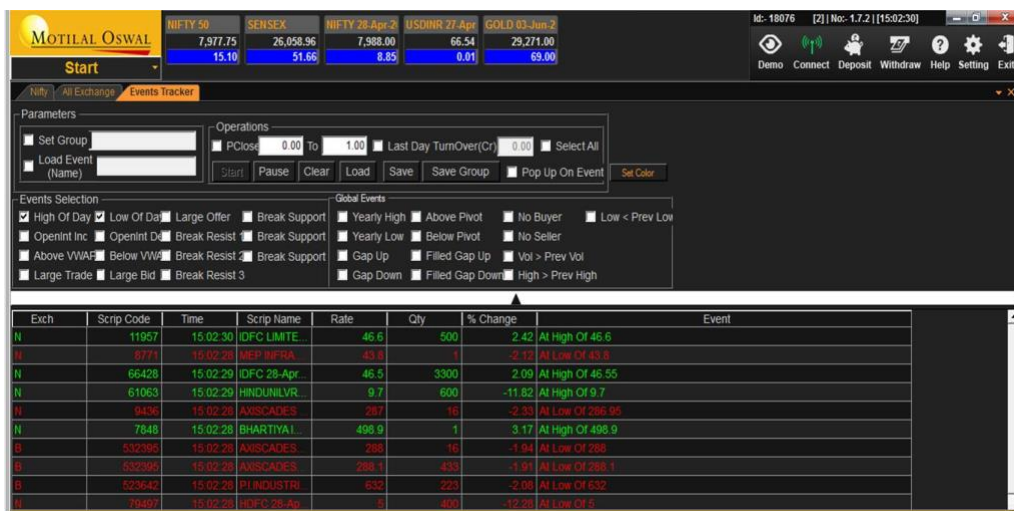
## Advanced Charting Tools :

Enjoy a variety of charting options with the Desktop application that provides more than 40 technical indicators in a single scrip. Also get access to a range of customizable indicators like Moving Averages, Bollinger Band, Triple Exponential Moving Average, etc. to aid you in technical analysis.



## Trade Guide Signal :

a new generation trend guiding tool to auto-generate buy/sell ideas based on pre-defined technical rules. Also get real time SMS 's when Entry/Exit signal is generated to ensure you never miss an opportunity.



### **Tick-by-Tick Action Watch :**

Desktop Application alerts you when a scrip or a group of scrips are available cheaper than the spot rate which help you make instant trading decisions. It also allows you to set customized conditions that help you track the stocks along with giving real-time spread calculations of stocks.

### **4.Smart Watch Stock Trading App :**

The Motilal Oswal smart watch App is India 's first Smart Watch App, and the fastest and most convenient way for you to stay on top of all vital information associated with your investments. This app enables you to be updated with notifications and alerts on latest market statistics, positions/limits updates right from their wrists. It provides you with real-time trading alerts when you 're on the move, in a meeting, on the treadmill, in a movie or grabbing lunch.



## **Key Features**

- Notifications- Get instant notifications on all important market updates
- Market Update- Get instant info on global indices, market top gainers & losers
- My Portfolio- Know your portfolio's net worth across asset classes
- Position update - Know your mark to market & open positions
- Available Margins - Check your margin in both cash & commodities segment

## **Other Departments**

Motilal oswal ,Mumbai has following departments:

- Sales Department
- Dealing Department
- Operations
- Back-Office
- Risk management services

## **Sales Department**

- Sales department has a team of around 10 Sales executives and 1 Assistant Unit Manager.
- Sales executives go to the market, hunt for the clients, fixes up a meeting with the interested clients and explains the company, its products and services.
- Unit manager keeps a track of the whole sales team. Guides them on how to pitch in to new client or existing client.

### **Lead Management Services :**

The Lead Management System is designed to help the sales team in:

- Organizing and tracking of all leads received by them
- Arranging and scheduling appointments and reminders
- Maintaining records for all the conversations (meetings, telecom, e-mails) with prospective clients
- Capturing and calculating productivity and incentives

### **Add new leads**

The system works on the principle that “No lead received by any employee should go unattended”. That’s why it is obligatory that any lead should be entered in LMS. As soon as a lead is entered in the system, it goes into the pending leads pool of the executives.

### **Follow up:**

All follow ups done on a prospective clients are captured once the date is entered using system.

This helps the users in checking history of the meetings with a particular lead. It’s a useful reference tool for the user.

### **Sales calls: The Funnel Effect**

- All leads do not get converted to meetings. Based on the data entered by the Sales Executives, it is found that only 50% of the prospective clients agree to a meeting.

The balance 50% takes the details and dropouts.

- Active leads are the ones wherein the prospective clients has to agree to meet the Sales Executives. This shows that they are they are interested to know the details of the products and services and hence, the chances of conversion are better.
- Based on data entered by the Sales Executives, it has been found out that only 5 out of 75 active leads have been closed. The rest 70 either dropout or want to take some more time.

### **Dealings department**

- Dealing department has a dedicated team of sector specific fundamental research analysts, technical analysts and commodity advisors.
- There are around 15 investment advisors (IA's) with 1 assistant manager.
- Every investment advisor has a large number of clients. If any client wants to trade online then he has PC and mobile software. But if a client wants to trade offline then, he can trade at any point of time through these investment advisors.
- Investment Advisor give the following calls:
  - ✓ Long term fundamental calls



- ✓ Short term calls

- ✓ Intraday calls

- ✓ BTST calls

- There is a single terminal for all the three markets i.e., equity, commodity and currency.

It is good because every person can have complete knowledge about every market and

also the clients can have a good relation with their IA or RM because

their account is completely held by a single person.

**Back office :**

- The task of back office department is to have a proper communication system between the regional office with its sub offices and also between the regional office and head office.

- There are two types of operation department. They take care of the following heads:

- ✓ Finance/cash

- ✓ KYC

- Finance department takes into consideration all the requirements while any pay in/out are made. It keeps into account the requirements of the bank that are tied up with the respected branch.

- KYC department takes into consideration all the documentation part of the clients and all the other details of the client. These details are kept confidential and are never disclosed to any employee of the firm, the details are only communicated to the head office.

## **RMS department**

- RMS department helps the clients in avoiding some of the risks like credit risk, interest rate risk, liquidity risk and re-investment risk on debt investments and other fixed income securities.
- They use derivative instruments like index futures, stock futures, and options contracts, warrants, convertible securities, swap agreements or any other derivative instruments along with the help of new advance trading systems for the purpose of hedging and portfolio balancing, as permitted under the regulations and guidelines.
- RMS department uses Stop loss and other schemes to avoid the risk associated with trading volumes, liquidity and settlement systems in equity and settlement systems in equity and debt markets.

### **Trading Procedure on a Stock Exchange:**

#### **The Trading procedure involves the following steps:**

##### **1. Selection of a broker:**

The buying and selling of securities can only be done through SEBI registered brokers who are members of the Stock Exchange. The broker can be an individual, partnership firms or corporate bodies. So the first step is to select a broker who will buy/sell securities on behalf of the investor or speculator.

## **2. Opening Demat Account with Depository:**

Demat (Dematerialized) account refer to an account which an Indian citizen must open with the depository participant (banks or stock brokers) to trade in listed securities in electronic form. Second step in trading procedure is to open a Demat account.

The securities are held in the electronic form by a depository. Depository is an institution or an organization which holds securities (e.g. Shares, Debentures, Bonds, Mutual (Funds, etc.) At present in India there are two depositories: NSDL (National Securities Depository Ltd.) and CDSL (Central Depository Services Ltd.) There is no direct contact between depository and investor. Depository interacts with investors through depository participants only.

Depository participant will maintain securities account balances of investor and intimate investor about the status of their holdings from time to time.

## **3. Placing the Order:**

After opening the Demat Account, the investor can place the order. The order can be placed to the broker either (DP) personally or through phone, email, etc. Investor must place the order very clearly specifying the range of price at which securities can be bought or sold. e.g. “Buy 100 equity shares of Reliance for not more than Rs 500 per share.”

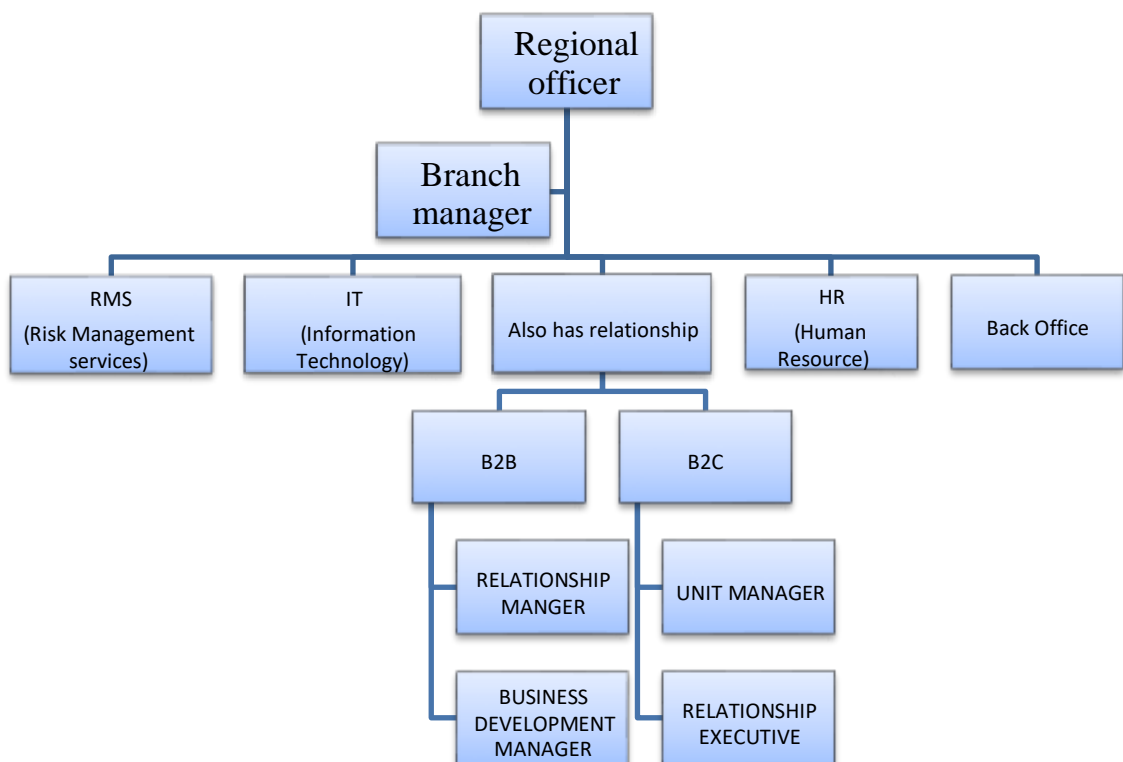
## **4. Executing the Order:**

As per the Instructions of the investor, the broker executes the order i.e. he buys or sells the securities. Broker prepares a contract note for the order executed. The contract note contains the name and the price of securities, name of parties and brokerage (commission) charged by him. Contract note is signed by the broker.

## 5. Settlement:

This means actual transfer of securities. This is the last stage in the trading of securities done by the broker on behalf of their clients. There can be two types of settlement.

## Organizational Structure



## Products & Advisory

### PRODUCTS -

1. DERIVATIVES
2. COMMODITY
3. CURRENCY
4. MUTUAL FUND

## 5. FIXED DEPOSITS AND BONDS

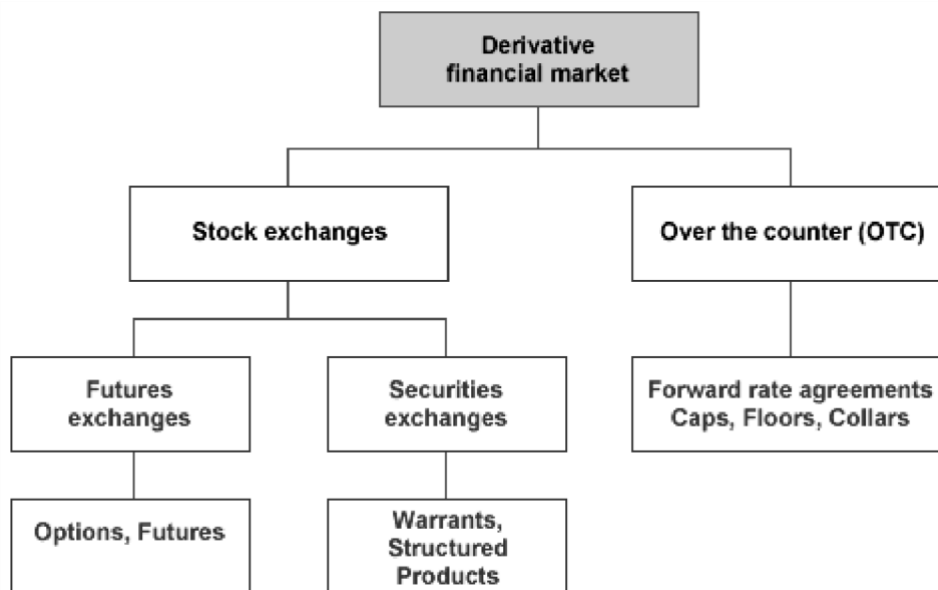
## 6. IPO'S

### ADVISORY -

1. PORTFOLIO EVALUATION SERVICE
2. FINANCIAL PLANNING SERVICE

### Products -

**1. Derivatives** – A derivative is a contract between two or more parties whose value is based on an agreed-upon underlying financial asset (like a security) or set of assets (like an index).



### FUTURES -

Through Motilal oswal, the client can now trade in index and stock futures on the NSE. In futures trading, the client take buy/sell positions in index or stock(s) contracts having a longer contract period of up to 3 months. Trading in FUTURES is simple! If, during the course of the contract life, the price moves in client favour (i.e. rises in case the client have a buy position or falls in case the client have a sell position), the client make a profit presently only

selected stocks, which meet the criteria on liquidity and volume, have been enabled for futures trading. Calculate Index and Know client Margin are tools to help the client in calculating client margin requirements and also the index & stock price movements

## **OPTIONS –**

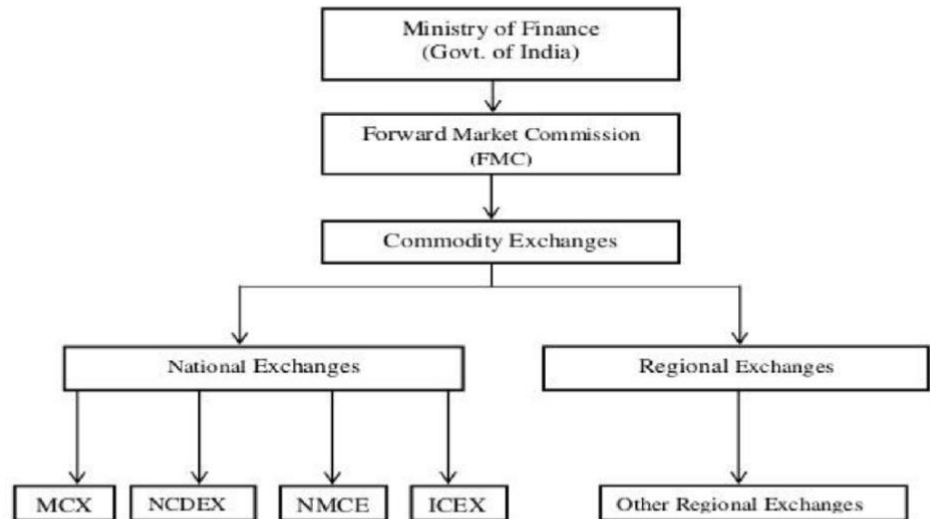
An option is a contract, which gives the buyer the right to buy or sell shares at a specific price, on or before a specific date. For this, the buyer has to pay to the seller some money, which is called premium. There is no obligation on the buyer to complete the transaction if the price is not favourable to him. To take the buy/sell position on index/stock options, the client have to place certain % of order value as margin. With options trading, the client can leverage on client trading limit by taking buy/sell positions much more than what the client could have taken in cash segment. The Buyer of a Call Option has the Right but not the Obligation to Purchase the Underlying Asset at the specified strike price by paying a premium whereas the Seller of the Call has the obligation of selling the Underlying Asset at the specified Strike price. The Buyer of a Put Option has the Right but not the Obligation to Sell the Underlying Asset at the specified strike price by paying a premium whereas the Seller of the Put has the obligation of buying the Underlying

Asset at the specified Strike price

By paying lesser amount of premium, the client can create positions under OPTIONS and take advantage of more trading opportunities.

## 2. Commodity -

### STRUCTURE OF COMMODITY MARKET IN INDIA



Commodity Futures are one of the most active forms of investment trading today. Some Investors choose to engage solely in Commodity futures as a means of generating revenue from an investment portfolio.

Commodity can be defined as any kind of movable property other than actionable claims, money and securities. It is a physical substance, such as food, grains, and metals, which is interchangeable with another product of the same type, and which investors buy or sell, usually through futures contracts. The price of the commodity is subject to supply and demand.

Commodity a good diversifier to reduce the volatility of returns in a portfolio, given that Commodity have been a very little or negative correlation with other asset classes such as equities. Understanding investment needs are not the same for every person, their team offers a personalized approach with custom made strategies suitable for individual trading needs.

### **3. Currency -**

Motilal oswal offers the client a simple and convenient way to trade and hedge client currency risk in four pair of Currencies- Dollar, Euro, Pound and Japanese Yen against Indian Rupee.

By offering the client the choice of trading in different asset class of Currencies we offer the client the opportunity to diversify client portfolio.

#### **FEW ADVANTAGES OF THIS MARKET-**

Trading hours of 09:00 am to 05:00 pm provide more trading opportunities

Trade in prominent currencies like US Dollar, EURO, Pound, Yen against Indian Rupee.

No Counterparty Default risk due to settlement guarantee by regulated clearing house

Low Taxation (No STT and CTT)

Daily Cash Settlement in INR via MTM (Mark to Market)

### **4. Mutual fund -**

Mutual funds are ideal for investors who want to invest in various kinds of schemes with different investment objectives but do not have sufficient time and expertise to pick winning stocks. Mutual funds give you the advantage of professional management, lower transaction costs, and diversification, liquidity and tax benefits.



Motilal oswal offers the client a simple and convenient way to invest and manage client personal finance with over 2000 funds approximately. By offering client the choice of the various funds they partner with, they offer client the opportunity to diversify their portfolio. Since the process of selecting the right mutual fund may feel complex and tedious, their experts have researched the funds and using certain criterion have created a choice of funds. Client may choose to invest in the choice of funds suggested by their experts or may build client own portfolio.

## **5. Fixed deposit and Bonds -**

### **Corporate Fixed Deposits**

They offer a range of Corporate Fixed Deposits varying in tenures, interest rates & institutions to suit one's investment needs. The deposit schemes have been specially chosen from high-safety options to ensure that client enjoy the twin benefits of returns and protection.

### **Why opt for Corporate Fixed Deposits?**

- If client risk appetite is low, fixed deposits are perfect for the client. Since most of the instruments are rated, corporate fixed deposits have a very high safety level
- Attractive returns at interest rates higher than bank's Fixed Deposits
- Higher Interest rates for senior citizens
- High liquidity; most of these issuers offer 75% of the investment amount as loan @ 2% over the interest rate on the deposit, as well as a pre-mature withdrawal
- Potential to earn compounding interest on client money by reinvesting the principal amount along with the interest earned
- Flexible tenure – there are various tenures ranging from 1 to 7 years

- The client can choose interest frequency; most issuers offer monthly, quarterly, bi annual and annual cumulative deposits
- The client get direct ECS credit facility for interest payments or advance interest warrants for the year issued by most issuers

## **Bonds -**

Bond refers to a security issued by a company, financial institution or government which offers regular or fixed payment of interest in return on the amount borrowed money for a certain period of time.

Thus by purchasing a bond, an investor loans money for a fixed period of time at a predetermined interest rate. While the interest is paid to the bond holder at regular intervals, the principal amount is repaid at a later date, known as the maturity date. While both bonds and stocks are securities, the principle difference between the two is that bond holders are lenders, while stockholders are the owners of the organization. Another difference is that bonds usually have a defined term, or maturity, after which the bond is redeemed, whereas stocks may be outstanding indefinitely.

Customer also has the option of recurring interest along with Principal i.e Cumulative Interest. Thus a bond is like a loan: the issuer is the borrower (debtor), the holder is the lender (creditor), and the coupon is the interest. Bonds provide the borrower with external funds to finance long-term investments, or, in the case of government bonds, to finance current expenditure. Bonds must be repaid at fixed intervals over a period of time.

## **6. IPOs -**

An initial public offering (IPO) refers to the process of offering shares of a private corporation to the public in a new stock issuance. Public share issuance allows a company to raise capital from public investors. The transition from a private to a public company can be an important time for private investors to fully realize gains from their investment as it typically includes share premiums for current private investors. Meanwhile, it also allows public investors to participate in the offering.

## **ADVISORY -**

### **1. PORTFOLIO EVALUATION SERVICES -**

- **Align Client Portfolio** - Client Investment Portfolio lives and breathes every moment, & while it chases client's life goals, it also needs a health check by an expert.
  
- **Why should the client subscribe to their service?**

Investing in stock markets is risky and that makes it even more important that the client are aware of the risks that portfolio carries. Buying of a stock or a Mutual Fund is typically done based on the research at that point of time. Rarely do we look at the impact of buying an individual stock on the overall portfolio at the time of purchase. We also tend to forget to review their portfolio and individual investment in the light of recent changes – economic and / or market. In order to maintain a healthy portfolio, we must review their investments on regular basis to ensure that the risk are well calibrated and free from biases.

Motilal oswal Portfolio Evaluation Service (PES) is designed to give the client a onetime assessment of client investment portfolio experts. The

evaluation identifies potential risks evaluates them against potential returns and recommends strategies to sharpen the portfolio better.

Their Portfolio Evaluation Services are designed to put client portfolio under a scanner to identify the key risks and recommend changes to make it more efficient.

➤ **What can the client expect from the service?**

Their Portfolio Evaluation Service offers the client an in-depth analysis of all the investments in client portfolio with respect to returns, associated risks and diversification. It also helps the client identify where adjustments need to be made, so that the client can stay on track to meet client financial goals.

➤ **Their Portfolio Evaluation Report provides the client with the following:**

- Risk & Return analysis of client overall equity and debt portfolio.
- Mean Variance Analysis and Optimization for the Portfolio.
- Marginal Risk Contribution and Draw-down Risk Analysis.
- Consolidated and independent Research view on Stock and Mutual Funds Portfolio.
- Recommendations on exits and re-investments in the portfolio.

## **2 . FINANCIAL PLANNING SERVICES :**

Their Financial Planning Services are designed to help the client take the right decisions while the client invest. Here is how a Financial Plan is really the answer for the client to feel secure about client investment journey.

### **➤ Initial Step**

Once the client subscribe, their advisory will spend time with the client understanding client financial situations, client life goals, client current investments and risk perception. Why do we need to profile the client? Client financial plan should reflect client goals, aspirations and what the client want to do with money. That is why it is important for their planners to spend time with the client to truly understand the client. Know why financial planning is important.

### **➤ Investment Preparation**

Client plan is prepared with great care by their expert team of financial planners and requires considerable effort to be made. Financial planning at its core helps to match client assets with client liabilities (client goals) in a way that the client take calculated risks. We look at over 2.5 million investment paths while preparing client plan. This is all to ensure that the client get an advice that is just right for the client.

## **CHAPTER 3 . STATEMENT AND OBJECTIVES**

## ➤ **MISSION**

“To be and remain Their Client’s Most Trusted Advisor”

Client’s mission is what they seek to accomplish every day.

## ➤ **VISION**

“To Be Acknowledged for Delivering a Superior set of Successful Investment Solutions and Exceptional Customer Service”

Their vision emphasizes that Clients do business where they are welcome and stay where they are appreciated.

## **Objectives**

- Creating an attractive, safe, competitive, transparent and credible investment environment.
- Developing processes, methods, and systems for trading securities in the stock market according to the latest international standards.
- Developing and delivering an outstanding service to the related parties.
- Disseminating trading information to the largest possible number of traders and interested parties.
- Enhance the public awareness of all segments of society, while devoting especial attention to traders of securities.

## Learning Objectives

- Identify and define the common or unique business terminology used at the worksite
- Apply finance concepts to problems and issues within industry
- Produce high quality documents utilizing Word, Excel, Access or PowerPoint
- Analyse any legal obligations, principles, and rules associated with the organization
- Identify and analyse a target market
- Identify and report on issues affecting diversity
- Apply client personal selling philosophy and report on the results and insights gained.
- Analyse how prices, output levels, and profits are determined
- To measure the risk available in the market, taking into consideration the Nifty 50 stocks
- To look deep into the fundamentals of the company as well as the concerned industry
- To measure the risk/reward value of the investors' assets class choices

The professional internship is intended to provide a learning opportunity for students to: apply their knowledge and skills acquired in the classroom to a professional context; understand what skills are transferable to new contexts; identify and understand the practices and protocols of the particular company and industry in which they are working; successfully reflect on the quality of the contribution they have made to the organization; refine and reassess their own career goals as a result of the experience.

Learn the new technology or apply existing knowledge in new ways; create work based on the needs/aesthetic/customer of employer; gain new skills and experience with new media or other tools that will build client resume or portfolio.

Learn professional skills by participating in a professional work environment; observe and gain understanding of office hierarchies and be able to define effective and efficient practices; develop a mentoring relationship and a professional



network; accomplish tasks or participate in projects that will showcase client skills and also be utilized in resume and portfolio building; observe professional etiquette including dress code and proper methods of communication

- Gain an understanding of the process used by the firm to examine the investment goals of the client.
- Gain insight into security analysis methods used by the firm.
- Learn to use the proprietary software used by the firm to analyze the investment needs of the client.
- Gain an understanding of the investment databases used by the investment firm.
- Gain knowledge about the various investment products offered by the firm.
- Develop skills needed in communicating with customers regarding their investment accounts.
- Understand the various rules and regulations pertaining to the sales of the investment products.

## **STRATEGIES OF THE COMPANY**

### **SOLID RESEARCH -**

- Motilal oswal has received India's Best Market Analyst Award for IT & FMCG sector by Zee Business
- It has given 30,000+ research reports across 260+ companies and 21+ sectors
- Dedicated large cap, mid cap & technical research teams.
- Daily, weekly, monthly, quarterly & yearly reports across asset class

### **SOLID ADVICE -**

- Advice across Equity, Derivatives, Commodity, Currency and Mutual Funds
- Available across all devices - Mobile, Tablet, Desktop and Web
- Customized actionable strategies to suit investment styles & risk profiles
- Advanced tools & strategies for various time horizons ranging from hours, days, weeks months and years

### **SOLID TECHNOLOGY -**

- Powerful, fast & secure technology across all platforms - Mobile, Tablet, Desktop and Web
- Trade, Invest, Track, Review through a single login
- Award winning Research & Solid Advice across all asset classes
- LIVE streaming quotes and technical charts to help you make the right decision

## **PRODUCTS & SERVICES -**

- It provides One-stop financial superstore to get access to a range of products & services
- Option to trade across exchanges - BSE, NSE, NCDEX, MCX, MSEI
- All products backed by their customized solid research & advice
- Robust trading platforms, highly skilled dedicated advisors and Call & Trade desk.

## **OPERATIONAL EFFICIENCY -**

- India's first broker to offer 15 min, 100% paperless trading and demat account
- Instant day account activation on receipt of application
- Dedicated customer service team with a 6-hour query resolution TAT
- Customer centric Risk Management System and real-time payouts

**CHAPTER 4. ROLE IN THE ORGANISATION DURING  
INTERNSHIP**

## **DETAILS OF THE INTERNSHIP**

This summer internship programme was of 3 months. Motilal oswal Securities Pvt. Ltd. posted full time internship details on Internshala app, Interntheory website and also Linked.in. On 27<sup>th</sup> April 2019 I walked in to the interview in Mulund West branch and cleared interview and started internship on 1<sup>st</sup> May 2019.

Though it was full time unpaid internship programme, people were excited to work with the company as, they have reputation in field of financial services and a big brand name .Most of the interns were MBA students, PGDM students and very few were undergraduates including me.

Speaking about internship programme, those three months period seemed to be very fruitful to me. During these three months I learned a lot more of things in finance, especially stock market .

At time of online application they mentioned that, selected interns will work on following during the internship:

1. Make presentation on company analysis
2. Research analysis
3. Making new Business Partners
4. Franchising
5. Open D-materialization account
6. Work on given projects

Breaking the myths :

It's a myth, that sets a fear in minds of ordinary people that, stock market is gambling. This statement is completely wrong. I too was of same faith but, when i really got to know about how does the market works it became crystal clear to me that its not at all gambling, it's a company's overall study. It is the company's balance sheet, ratios, cash flow statement and profit and loss account that shows the net position/worth of the company whereas management reflects the future of the company.

**Following are the things I did during my internship :**

### **1. Make presentation on company analysis**

Once the internship was started we were made to even sit for few lectures. Those lectures were regarding IPO, depository, scams, settlement cycle (T+2), intraday trade, futures and options, manipulation, Multi Commodity Exchange, NCDEX and also currency market. Meanwhile, we were given activity of making a power-point presentation on a specific market leader of a particular sector. for example- INFOSYS or TCS from IT sector, JET AIRWAYS or INDIGO AIRLINES from AVIATION sector, or AXIS BANK or any other bank from banking sector, TATA MOTORS or EICHER MOTORS from automobile sector and other companies from other sectors.

### **2. Research analysis**

The analysis of qualitative research involves aiming to uncover and / or understand the big picture - by using the data to describe the phenomenon and what this means. Both qualitative and quantitative analysis involves labelling and coding all of the data in order that similarities and differences can be recognized. We were taught research analysis from their expertise. We use to get information of a particular company from sources such as BSE website, NSE website or Moneycontrol website.

### 3. Making new Business Partners

We were assisted to build clients and new business partners. For this we were also taught how to deal with customers, how to convince them for giving them franchise of the company. We were taught to offer franchise to the future business partners. The company had a great franchise plan to offer sub-brokership.

### 4. Franchising



**Franchising** is the practice of the right to use a firm's business model and brand for a prescribed period of time. The word "franchise" is of Anglo-French derivation—from *franc*, meaning free—and is used both as a noun and as a (transitive) verb. For the franchisor, the franchise is an alternative to building "chain stores" to distribute goods that avoids the investments and liability of a chain. The franchisor's success depends on the success of the franchisees. The franchisee is said to have a greater incentive than a direct employee because they have a direct stake in the business.

Motilal oswal having legacy of more than 30 years in share broking business. They have gained high credibility through their customers trust and value in their services and products.

This credibility of more than 30 years extends to the client. When one join hands with them.

Partnership doesn't merely meaning shaking hands but also the guidance of a friend and advice of a mentor.

While franchising can be a costly method because in franchising one has to make one's own arrangement for space of the office, and the expenses such as rent and electricity has to be borne by the client. To people who find this method expensive the company also has a option called as remisership.

In remisership the client can make use of the space of the existing motilal oswal office and he/she does not have to pay the rent nor the electricity bill or any of the other expenses which arises while running the business.

The only difference between the franchise and the remisership is the profit sharing ratio. In the franshise business the client can have the profit sharing ratio of 70:30 Where the client can keep 70% of the profit and the 30% is kept by the company. And in case of remisership the profit sharing ratio is 40:60 or in some cases 45:55 Where 40%-45% of the profit is given to the client and 55%-60% of the profit is taken by the company.

Franchise or remisership is good for those people who want to become an entrepreneur and have their own business and want to be their own boss.

### **5. Open D-materialization and Trading account**

A Demat account (short for Dematerialized account) is an account to hold financial securities (equity or debt) in electronic form. In India Demat accounts are maintained by two depository organisations, NSDL (National Securities Depository Limited) and CDSL (Central Depository Services Limited). A Depository Participant (DP), such as a bank, acts as an intermediary between the investor and the depository.

Access to the Dematerialized account requires an internet password and a transaction password. Transfers or purchases of securities can then be initiated. Purchases and sales of securities on the Dematerialized account are automatically made once transactions are confirmed and completed.



## MOTIVE OF DEMAT ACCOUNT :

India adopted the Demat account for electronic storing, wherein shares and securities are represented and maintained electronically, thus eliminating the troubles associated with paper shares. After the introduction of the depository system by the Depository Act of 1996, the process for sales, purchases and transfers of shares became significantly easier and most of the risks associated with paper certificates were mitigated.

## BENEFITS OF DEMAT SYSTEM :

- Easy and convenient way to hold securities
- Safer than paper-shares (earlier risks associated with physical certificates such as bad delivery, fake securities, delays, thefts etc. are mostly eliminated)
- Reduced paperwork for transfer of securities
- Reduced transaction cost
- No "odd lot" problem: even one share can be sold
- Change in address recorded with a Depository participant (DP) gets registered with all companies in which investor holds securities eliminating the need to correspond with each of them separately.
- Transmission of securities is done by DP, eliminating the need for notifying companies.
- Automatic credit into Demat account for shares arising out of bonus/split, consolidation/merger, etc.
- A single Demat account can hold investments in both equity and debt instruments.
- Traders can work from anywhere (e.g. even from home).

## FEES INVOLVED:

There are four major charges usually levied on a Demat account: account opening fee, annual maintenance fee, custodian fee and transaction fee. Charges for all fees vary from DP to DP.

## DOCUMENTS REQUIRED FOR DEMAT ACCOUNT:

To open a Demat account you have to provide documents which fulfill the requirements of KYC (Know Your Customer) norms. A contract with a stockbroker does not have to be signed. Generally the documents are:

- PAN (compulsory)
- Bank statement (last 3 months)
- Address proof
- Income Tax Return
- Two colour photos
- Bank crossed cheque (If required)
- KYC details
- Aadhar Card

A trading account is used to place buy or sell orders in the stock market. The demat account is used as a bank where shares bought are deposited in, and where shares sold are taken from. Trading account with Motilal oswal Securities helps the client trade seamlessly in the stock market.

## **DESIGNATION: FINANCE INTERN**

The post for which I was being recruited was FINANCE INTERN-Referral Associate. Employee referral is an internal recruitment method employed by organizations to identify potential candidates from their existing employees' social networks. An employee referral scheme encourages a company's existing employees to select and recruit the suitable candidates from their social networks.

## **DEPARTMENT: FINANCE AND MARKETING DEPARTMENT:**

Securities, commodities, and financial services interns connect buyers and sellers in financial markets. They sell securities to individuals, advice companies in search of investors, and conduct trades.

### **Duties of Securities, Commodities, and Financial Services Interns:**

Securities, commodities, and financial services interns typically do the following:

- Contact prospective clients to present information and explain available services
- Offer advice on the purchase or sale of particular securities
- Monitor financial markets and the performance of individual securities
- Analyse company finances to provide recommendations for public offerings, mergers, and acquisitions
- Evaluate cost and revenue of agreements

Securities, commodities, and financial services interns deal with a wide range of products and clients. Agents spend much of the day interacting with people, whether selling stock to an individual or discussing the status of a merger deal with a company executive. The work is usually stressful because agents deal with large amounts of money and have time constraints.

A security or commodity can be traded in two ways: electronically or in an auction-style setting on the floor of an exchange market. Markets such as the National Association of Securities Dealers Automated Quotation system (NASDAQ) use vast computer networks rather than human traders to match buyers and sellers. Others, such as the New York Stock Exchange (NYSE), rely on floor brokers to complete transactions.

The following are examples of types of securities, commodities, and financial services sales agents:

Brokers sell securities and commodities directly to individual clients. They advise people on appropriate investments based on the client's needs and financial ability. The people they advise may have very different levels of expertise in financial matters.

Finding clients is a large part of a broker's job. They must create their own client base by calling from a list of potential clients. Some agents network by joining social groups, and others may rely on referrals from satisfied clients.

Investment bankers connect businesses that need money to finance their operations or expansion plans with investors who are interested in providing that funding. This process is called underwriting, and it is the main function of investment banks. The banks first sell their advisory services to help companies issue new stocks or bonds, and then the banks sell the issued securities to investors.

Some of the most important services that investment bankers provide are initial public offerings (IPOs), and mergers and acquisitions. An IPO is the process by which a company becomes open for public investment by issuing its first stock. Investment bankers must estimate how much the company is worth and ensure that it meets the legal requirements to become publicly traded.

Investment bankers also connect companies in mergers (when two companies join together) and acquisitions (when one company buys another).

Investment bankers provide advice throughout the process to ensure that the transaction goes smoothly.

Investment banking interns and traders carry out buy-and-sell orders for stocks, bonds, and commodities from clients and make trades on behalf of the firm itself. Investment banks primarily employ these workers, although some work for commercial banks, hedge funds, and private equity groups. Because markets fluctuate so much, trading is a split-second decision making process. Slight changes in the price of a trade can greatly affect its profitability, making the trader's decision extremely important.

Floor brokers work directly on the floor—a large room where trading is done—of a securities or commodities exchange. After a trader places an order for a security, floor brokers negotiate the price, make the sale, and forward the purchase price to the trader.

Financial services interns consult on a wide variety of banking, securities, insurance, and related services to individuals and businesses, often catering the services to meet the client's financial needs. They contact potential clients to explain their services, which may include the handling of checking accounts, loans, certificates of deposit, individual retirement accounts, credit cards, and estate and retirement planning.

#### **Achievements:-**

**Analytical skills:** To judge the profitability of potential deals, securities, commodities, and financial services interns must have strong analytical skills. This includes computer programming skills which they use to analyse financial products.

**Customer-service skills:** Securities, commodities, and financial services interns must be persuasive and make clients feel comfortable with the agent's recommendations. Also it becomes very important to handle the customers when a mistake has been made on our part for example while placing the order for buying the stock at a price of 100 if by mistake we purchase the stock at 101 or 102 the client can get angry in such situation we were thought to remain calm and make sure that we don't lose the customer because as it said that the customer is god be it in any business.

**Decision making skills:** Investment banking traders must make split-second decisions, with large sums of money at stake.

**Detail oriented:** Investment bankers must pay close attention to the details of initial public offerings and mergers and acquisitions because small changes can have large consequences.

**Initiative:** Securities, commodities, and financial services interns must create their own client base by making "cold" sales calls to people to whom they have not been referred and to people not expecting the call. Although it is difficult at first to call random people to sell the products and services it becomes a routine after a time as we get used to it.

**Math skills:** Securities, commodities, and financial services interns need to be familiar with mathematical tools, including investment formulas. Also they need to be quick with calculations as being a part of finance team you have to be good with numbers.

## **CHAPTER 5. CHALLENGES**

## **CHALLENGES FACED BY ME DURING MY INTERNSHIP PERIOD**

- The biggest challenge that I faced in my job was lack of experience .The process required to have a lot of information about the actual working of stock market which was a very difficult task to me as i was just having bookish knowledge.
- The second challenge which I faced was the long working hours. Since I was just a college student I was not used to working 8-10 hours a day. I worked 6 days in a week and Sunday was the only holiday. Moreover, if there were less number of leads, then I had work more than working hours.
- The third challenge I faced was difficulty in handling some clients. Some clients are not easy to handle, they are not convinced easily and proper pampering is needed. While some clients have different attitude, different perception towards broking firms.
- I was afraid to ask questions regarding the work given to me during the start period of internship.
- I was given more of busy work and less “real” work than I anticipated.
- I did not get along well with my boss right away.
- I was uncomfortable at first to ask doubts about my work.
- The long working hours were very tiring.
- I had to work extra time to complete targets.
- Not enough feedback was given about my work.

### **Shortcomings :**

- Less feedback.
- Long working hours.
- Very less data was provided.
- No practical knowledge of sales work.



**Timings :**

- Timings were fixed throughout the internship period.
- But we were supposed to work beyond work hours in case less leads were generated.
- Timings was 11 to 7.
- When not enough leads were generated, I used to work for 2 more hours.

## **CHAPTER 6. CONCLUSION**

### **My Experience:**

- 1. Positive approach:** I experienced the working culture and worked for certain hour which was quite difficult as I was new to this thing.
- 2. Experienced positive complexity:** There was a healthy competition between my colleagues.
- 3. Great assistance:** The mentor helped a lot in their work, he gave us proper suggestion, knowledge, and taught us how the process work.
- 4. Drawback:** Travelling was a bit of a task due to heavy traffic in the peak hours.
- 5. Improvised confidence level:** Gained a lot of confidence while finding correct information.
- 6. Value addition:** Gained a lot of corporate values and behaviour for the same.
- 7. Positive experience:** It was all in all a very great learning from the office culture.

### **Learnings:**

- It helped me gain patience.
- It helped me made more comfortable with my colleagues.
- Helped me in enhancing my communication skills.
- How to interact with customers
- Customers negotiating power
- Objection handling

- Learn how to alter the schemes according to the choices of the customer

### **Suggestions and Recommendations:-**

- The management of the sales force should be improved.
- There was lack of communication between superior and subordinates
- Projects were more challenging than expected.
- Proper feedback should be provided to the interns about the work

### **Conclusion:-**

- This internship gave me a lot of experience and insight in the working class.
- This internship has been an excellent and rewarding experience. I have been able to meet and network with so many people that I am sure it will help me with opportunities in the future.

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