

Patrician College of Arts & Science

Department of Corporate Secretaryship

SECURITIES LAW AND PRACTICES

CYA5B

ODD SEMESTER

Presented By
MS SUNITHA JOHN



INTRODUCTION

Financial services refer to services provided by the finance industry. The finance industry encompasses a broad range of organizations that deal with the management of money. Among these organizations are banks, credit card companies, insurance companies, consumer finance companies, stock brokerages, investment funds and some government sponsored enterprises.



Financial services

The products and services offered by institutions like banks of various kinds for the facilitation of various financial transactions and other related activities in the world of finance like loans, insurance, credit cards, investment opportunities and money management as well as providing information on the stock market and other issues like market trends .

TYPES OF FINANCIAL SERVICES

Banking services

Issuance of checkbooks

Provide personal loans, commercial loans

ATMs

Foreign exchange services

Currency Exchange

Foreign Currency Banking

Wire transfer

Investment services

Asset management

Hedge fund management

Insurance

Insurance brokerage

Reinsurance

Functions of financial services

- Facilitating transactions (exchange of goods and services) in the economy.
 - Mobilizing savings
 - Allocating capital funds
 - Monitoring managers (so that the funds allocated will be spent as envisaged).
 - Transforming risk
-

Characteristics and Features of Financial Services

- **Customer-Specific**
 - **Intangibility**
 - **Tendency to Perish**
 - **Market Dynamics**
-

Scope of Financial Services

- Financial services cover a wide range of activities. They can be broadly classified into two, namely:
 - i. Traditional. Activities
 - ii. Modern activities.
-

Traditional Activities

- financial intermediaries have been rendering a wide range of services encompassing both capital and money market activities. They can be grouped under two heads, viz.
 1. Fund based activities and
 2. Non-fund based activities.
-

Fund based activities

- Underwriting or investment in shares, debentures, bonds, etc. of new issues (primary market activities).
 - Dealing in secondary market activities.
 - Participating in money market instruments like commercial
 - Papers, certificate of deposits, treasury bills, discounting of bills etc.
 - Involving in equipment leasing, hire purchase, venture capital, seed capital,
 - Dealing in foreign exchange market activities. Non fund based activities
-

Non fund based activities

This can be called 'fee based' activity

- Managing the capital issue — i.e. management of pre-issue and post-issue activities relating to the capital issue in accordance with the SEBI guidelines and thus enabling the promoters to market their issue.
 - Making arrangements for the placement of capital and debt instruments with investment institutions.
 - Arrangement of funds from financial institutions for the clients' project cost or his working capital requirements.
 - Assisting in the process of getting all Government and other clearances.
-

Modern Activities

- Rendering project advisory services
- Guiding corporate customers in capital restructuring.
- Acting as trustees to the debenture holders
- Structuring the financial collaborations / joint ventures
- Rehabilitating and restructuring sick companies

contnd...

-
- Hedging of risks due to exchange rate risk, interest rate risk, economic risk, and political risk by using swaps and other derivative products.
 - Managing In- portfolio of large Public Sector Corporations
 - Undertaking risk management services like insurance services, buy-back options etc
 - Promoting credit rating agencies
 - Undertaking services relating to the capital market, such as
1) Clearing services, 2) Registration and transfers, 3) Safe custody of securities, 4) Collection of income on securities.
-

Types of Financial Services

- Financial leasing services including equipment leasing and hire-purchase by a body corporate
 - Credit card services
 - Merchant banking services
 - Securities and foreign exchange (forex) broking
 - Asset management including portfolio management, all forms of fund management, pension fund management, custodial depository and trust services, but does not include cash management
 - Advisory and other auxiliary financial services including investment and portfolio research and advice, advice on mergers and acquisition and advice on corporate restructuring and strategy
 - Provision and transfer of information and data processing
-

Importance of Financial Services

- It serves as the bridge that people need to take better control of their finances and make better investments.
 - The financial services offered by a financial planner or a bank institution can help people manage their money much better.
 - It offer clients the opportunity to understand their goals and better plan for them
-

Thankyou...!



Thank you

<https://www.patriciancollege.ac.in/>