

A Study of Investment Management and its Impact Future Benefits

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Abstract: *Investment is a term with several closely related meanings in finance and economics. It refers to the accumulation of some kind of asset in hopes of getting a future return from it. Investment objectives will almost always change for every investor throughout their lives. Capital appreciation might be more important for the young; meanwhile a person entering the golden years might place a greater emphasis on providing income. Whatever the objective, knowing what investment options are out there is extremely important. All investment whether in shares, debentures or deposits involves risk Return .Share value may go down depending upon the performance of the company, the industry, state of capital markets and the economy. While risk cannot be eliminated, skillful management can minimize risk. investment help to reduce risk through diversification and professional management.*

Keywords: Investment.

I. INTRODUCTION

The first introduction of a INVESTMENT in India occurred in 1963, when the Government of India launched Unit Trust of India (UTI). Until 1987, UTI enjoyed a monopoly in the Indian INVESTMENT market. Then a host of other government-controlled Indian financial companies came up with their own funds. These included State Bank of India, Canara Bank, and Punjab National Bank. This market was made open to private players in 1993, as a result of the historic constitutional amendments brought forward by the then Congress-led government under the existing regime of Liberalization, Privatization and Globalization (LPG). The first private sector fund to operate in India was Kothari Pioneer, which later merged with Franklin Templeton

1.1 Problem Statement

To study the borrower stops paying interest or principal on a loan, the lender will lose money. Such a loan is known as Non-Performing Asset (NPA).

II. LITERATURE REVIEW

Perception of Investors towards the Investment Pattern on Different Investment Avenues - A Review MANIKANDAN. A Research Associate, School of Social Sciences and Languages, Department of Commerce, VIT University, Vellore, India. Dr. MUTHUMEENAKSHI M Assistant Professor, School of Social Sciences and Languages, Department of Commerce, VIT University, Vellore, India *Corresponding Author: MANIKANDAN A Research Associate School of Social Sciences and Languages Department of Commerce VIT University, Vellore, India Tel: 77273532017 Email: mani46go@gmail.com Visit for more related articles at Journal of Internet Banking and Commerce Abstract In India, usually all investment avenues professed risky by the investors. The main features of investments are security of principal amount, liquidity, income stability, approval and easy transferability. Investment avenues are available such as shares, bank, companies, gold and silver, real estate, life insurance, postal savings and so on. The required level of returns and the risk tolerance decided the choice of the investor. The investment may be differ choices from national savings certificates, provident fund, INVESTMENT schemes, insurance schemes, chit funds, bank fixed deposits, and company fixed deposits, company shares, bonds /debentures, government securities, postal savings schemes and real estate. It would be concluded that in this fast affecting world, we save get extra money. Added risk directs to more profit. For the example total liquidity, income stability a variety of shares, bank companies, gold and silver, real estate, life insurance postal etc., but, most of the people preferred bank deposit by the cause of

more respondents invested for purchasing home and long-term growth but, most of the investors could not aware to investing their money in INVESTMENT and shares. More of debate and confusions in the investment pattern, investment avenues. Therefore, in this paper, the researcher wants to check the earlier research work based on investors among the investment avenues to get an idea about the investment pattern.

2.1 OBJECTIVES OF PAPER

- To study investors view towards Imperial Money Investment.
- To study investment awareness about various Investment available.
- To study the impact of agent in selecting the right Investment.
- To study the interest in lumpsum/ STP Investment.
- To study there decision will actual market growth Investor feel.

2.2 SIGNIFICANCE OF RESEARCH

Investment research is an endless process of gaining and applying new knowledge for the purpose of sustaining an edge over other investors and thus generating sizeable returns. A question arises that how do you get that edge over most other investors? The simple answer to that is by investing loads of time, effort, and focus that most other investors don't bother with. Like with most achievements in life, those who are willing to invest mountains of time and effort on an activity are few and far in between and that is what carves the wedge of performance between experts and everyone else.

But some would argue that this belief flies in the face of an often-heard statement that most expert investment managers do not outperform their respective benchmarks. What is often a missed or overlooked fact in this statement is that a great majority of fund managers, all over the world, are subscribers of macro and securities research from a handful of large research house

It doesn't take extension of much logic to infer that if your input is the same than your results should more or less be similar. Of course there are fund managers that have their own full internal research capability which helps them make independent and objective decisions but these are not in the majority. Employing experienced and qualified research analysts is an expensive undertaking and the real benefits from a research team are extracted the longer they have worked together – easier said than done. Those in the minority who conduct their own research with complete independence place themselves in a stronger position to deliver performance on a sustainable basis - assuming they know what they are doing.

To generate excess returns our belief is that you must do your own research (all of it) and think and act independently. Caveat – this does not exclude seeking external views and/or opposing arguments.

2.3 HYPOTHESIS

H1 : IMPERIAL MONEY INVESTMENT is the best investment & growth of asset.

H2 : Investor prefer agent over direct purchase due to lack of knowledge & documentation.

H0 : Investor do not prefer agent over direct purchase due to lack of knowledge & documentation

2.4 RESEARCH METHODS

Method of data collection

Primary data collection sources:

Conduct interviews, survey and observations.

Secondary data collection sources:

Secondary data is collected from ICICI bank and SBI bank's offices, libraries, magazines, newspapers, earlier related studies, etc. Various reports published by RBI related to banking have been considered for understanding the problems of marketing of services by the bank.

Sampling Technique:

Simple Random Sampling Method

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Sample Size:

5 years data

Instrument of Data Collection:

Questionnaires based on close ended questions, multiple choice and likert scale.

Statistical Technique:

one sample t- test used to compare the dependency in the hypothesis.

III. ANALYSIS AND INTERPRETATION

RESULTS

Findings and Interpretation of the results.

The given below is the Primary Analysis i.e. one variable analysis of the questionnaire.

1. The age profile

INTERPRETATION :- From the above table it was noted that 16-25 Years of age group constituted 50% of the total respondents, 26-35 Years of age group constituted to 24% of the total respondents, 36-45 Years of age group constituted only 24% of the total respondents, and 46 years and above age groups also constituted on 2% of the total respondents.

2. Showing gender profile ANALYSIS:

From the above table it was noted that 60% of the respondents fall in to the category of Male and 40% of the respondents fall into the category of Female.

Interpretation:

Out of the 91 People Govt. Employee, 93 People Professional Pvt. Firm Employee, 23

People Self Employed, 7 People Business Person, 11 Person Agriculturist, 25 People Others

Interpretation:

Out of the 12 People income Below Rs. 1 Lakh, 23 people income Between 1 Lakh to 2 Lakh, 92 People Between 2 Lakh to 3 Lakh, 95 people Between 3 Lakh to 4 Lakh, 12 people Between 4 Lakh to 5 Lakh, 16 people Above Rs. 5 Lakh.

IV. CONCLUSION, DISCUSSIONS, IMPLICATIONS AND FUTURE RESEARCH

4.1 Conclusion

Because non-performing assets are a direct reflection of asset quality, assessing them may be beneficial in overall credit management for any bank. However, managing non-performing assets is a daunting undertaking. NPA is a virus that stifles the banking industry's expansion. Unlike public sector banks, which are major lenders to sluggish sectors like electricity and agriculture, which suffer the brunt of economic slackening, private sector banks are attentive in credit assessment, loan recovery, and risk management, and therefore can restrict bad loans. Private sector banks are more likely to lend to middle-class customers who are committed to repaying their loans honestly and on time. Banks should follow the credit assessment procedure, adequate paperwork, frequent loan monitoring, and internal risk reporting mechanism. Moreover, it could be suggested that banks must focus on the borrower's credibility before sanctioning loans to them and strict procedures should be followed before lending to the customers so as to be safer in terms of quality assets. Internal audits and the bank's corporate governance structure aid in understanding the consequences of a risk management system failure.

4.2 Discussions

The global economy recovered from the impact of the pandemic during calendar year 2021. Growth in global gross domestic product (GDP) improved to 6.1% during calendar year 2021 compared to a decline of 3.1% in calendar year 2020. However, global economies continued to be impacted by intermittent surges in infections and emergence of Covid-19 variants. The supply chain disruptions that had originated during the pandemic continued to impact economic activity and global merchandise trade slowed down towards the later part of the year after recovering from the pandemic. Global crude oil and commodity prices increased during the year. Rising inflation in developed and

emerging economies induced monetary policy tightening by central banks in several economies, including the US Federal Reserve. The economic environment was further impacted by geo-political tensions following the Russia-Ukraine war that started in February 2022, leading to a sharp increase in crude oil prices and inflation, and volatility in financial markets. These developments and the re-imposition of restrictions in parts of China following a surge in Covid-19 cases had created a challenging environment for global growth in the later part of fiscal 2022.

4.3 Implications

These are NPAs with an extended period of non-payment. With this class, banks are forced to accept that the loan will never be repaid and the entire amount of the loan must be written off completely.

4.4 Future Research

Methodology is the systematic, theoretical analysis of the methods applied to a field of study, or the theoretical analysis of the body of methods and principles associated with a branch of knowledge. My research methodology requires gathering relevant data from the annual reports of PNB and compiling data in order to critically analyze the Total Advances, Net Profit, Gross NPA, Net NPA of PNB and arrive at a more complete understanding about performance of PNB. The study uses the annual reports of Punjab National Bank for the period of six years from 2006-07 to 2011-12. The data has been analyzed by using tables and coefficient of correlation. Table is used to compare total advances, gross NPA, net NPA & profits of PNB. By using the coefficient of correlation we want to determine whether there is any relation between Net Profits and Net NPA of PNB or not.

4.5 Findings

The gross non-performing assets and advances are showing growing trend and it indicates that the bank is required special attention to be given to issue the loans and collections.

The gross non-performing assets to gross advances ratio is increasing year by year. Then the ICICI bank required more attention to manage their non-performing assets.

The gross non-performing assets to total assets ratio is decreasing. It means the ICICI bank is regularly reducing the gross non-performing assets from the last five year in the study period of last ten year.

Then ICICI bank required additional care to collect the non-performing assets. The net advances are regularly increasing year by year.

The net non-performing assets to net advances ratio is increasing year by year. Then the ICICI bank required more attention to manage their non-performing assets. Any increase in the percentage of net non-performing assets to net advances ratio has a negative impact on the profitability of the banks which leads to the poor performance of the banks.

The net non-performing assets to total assets ratio is decreasing. It means the ICICI bank is regularly reducing the net non-performing assets from the last five year in the study period of last ten year.

The provision ratio was significantly higher in ICICI bank and ICICI bank have made better provisions for their gross non-performing assets in the study period.

The Shareholder's Risk Ratio is increased. This is not a good for the ICICI bank. Then the ICICI commercial bank has to take appropriate actions to reduce the risk ratio. This can be disturbing the cost of share, goodwill, and the competitive market.

The ICICI bank's sector-wise, industry loans sector higher in banks non-performing assets. The personal loans are very low in non-performing assets in banks. The both agriculture and services sector are occupies similar share in non-performing assets in bank.

V. RECOMMENDATION & SUGGESTION

1. Banks should try and regain from those borrowers who are deliberately not repaying the loan amount even though they are capable. Banks should use coercion on such borrowers.

2. The banks should force the borrowers to at least make interest payment if they cannot repay the principal amount. Even after recovering interest amount the account will still be considered as a non-performing asset, but the interest amount will help the bank to some extent.

The banks must maintain provisions to meet uncertainties and sufficient cash balances with RBI to avoid losses. Taking the aid of Lok Adalat to recover the loans will also do.

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