

A STUDY ON VARIOUS INVESTMENT AVENUES IN TNSC BANK LTD CHENNAI

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ABSTRACT

Investment is to distribute money in the expectation of some benefit in the future. Today investor has a wide array of investment avenues and he can choose the one that suits his preference. The various investment available for investors are bank deposits, bonds, post office saving scheme etc. This study basically focuses on the various investment avenues available in the TNSC bank for the investor and the bank. The object of the study is to identify the various investment avenues available in the bank. The scope of the study is to know the deviation which happened in the financial performance so that the positive aspects will be improved and the adverse situation will be disappeared.

The research design followed for the study is Analytical Research design. Analytical research is a specific type of research that involves critical thinking skills and the evaluation of facts and information relative to the research being conducted. The financial tools used in this study are Ratio Analysis, Return on Investment, Trend Analysis, Comparative Balance Sheet. The investment made by the bank are money at call and short notice, mutual funds. The investment available in the bank are fixed deposit, recurring deposit, cash certificate.

It is concluded that the investment made by the bank in call money is the best investment of the bank among the various investments. The investment made by the public in cash certificate is the best investment for the bank.

INTRODUCTION

In general, to invest is to distribute money in the expectation of some benefit in the future. For example, investment in durable goods, in real estate by the service industry in factories for manufacturing, in product development, and in research and development. However, this article focuses specifically on investment in financial assets. In finance, the benefit from investment is called a return. The return may consist of a profit from the sale of property or an investment, or investment income including dividends, interests, rental income etc., or a combination of the two. The projected economic return is the appropriately discounted value of the future returns investor generally expects higher returns from riskier investments. When we make a low risk investment, the return is also generally low. Investors, particularly novices, are often advised to adopt a particular investment strategy and diversify their portfolio. Diversification has the statistical effect of reducing overall risk.

Today's investor has a wide array of investment avenues and he can choose the one that suits his preferences. Following are the various asset classes that the investor can choose from, Equity, Debentures, Bonds or Fixed Income Securities, Money Market Instruments, Non-marketable Financial Assets Real Estate, Precious Objects, Insurance Policies, Mutual Funds, Pension Fund.

STEPS OR PROCESS OF SELECTING INVESTMENT ALTERNATIVES

- Investment alternatives with their attributes:
- Analysis and selection of assets in a portfolio:
- Allocation of funds by portfolio theory of diversification:

COMPANY PROFILE



Tamil Nadu State Apex Cooperative Bank Ltd commenced its business on 26.11.1905. It was subsequently changed into a District Central Co-operative Bank during July 1920. At present, the Bank is functioning at Chennai with 47 branches, an Extension Counter and H.O. TNSC Bank is guiding the District. TNSC Bank is a member of the Deposit Insurance and Credit Guarantee Corporation (DICGC) and is an insured coop. bank as per DICGC Act. TNSC Bank has got a privilege of having its share capital by the Government of Tamil Nadu. TNSC Bank has been under close supervision and monitoring of the higher financing agencies, viz., RBI, NABARD.

The Mission of the Bank is to mobilize resources, provide banking products and other professionalized services to the people, strengthen the affiliates, provide vibrant leadership to the co-operative banking system, achieve sustained growth and ultimately to attain prime position in the banking industry.

NEED FOR THE STUDY

The basic purpose of the study is to know about different investment avenues available for an investment in TNSC Bank. This study is made to compare different investment alternatives and find out which one is the best investment. This study is also made to find out investment made by the bank that leads to an increase in Return on Investment. It is needed to find out the fluctuations of investment made by the bank and investors pave way to conclude about the financial position of the TNSC bank.

OBJECTIVES OF THE STUDY

Primary objectives:

To identify the various investment avenues available in TNSC Bank.

Secondary Objectives:

- To compare different investment made by the bank and identify the profitable investment
- To know about various investments made by the investors and identify their return on investments.
- To find out the fluctuations of the investments of the various years made from 2014 to 2018
- To identify and compare the investment fluctuations on reserve made from 2014 to 2018.
- To identify the different types of deposits in the bank and find out the best one.
- To provide remedial measures to improve the investment which is the least profitable one.

SCOPE OF THE STUDY

This study was mainly planned to understand the various investment made by the bank. This study is conducted to know the deviation which happened in the financial performance so that the positive aspects will be improved and the adverse situation will be disappeared. The findings of the study present a comparison between selected investment avenues. It helps to evaluate the management which will be helpful to make the investment decision to boost the performance of the bank which results in achieving the goals of the bank.

REVIEW OF LITERATURE

P. Neelakantan et.al (2011) : International Journal of Management and Commerce Innovations ISSN 2348-7585 (Online) Vol. 3, Issue 1, pp: (717-722), In their article entitled “Impact of Risk analysis in selection of investment avenues- A study on Debt Market Investors” suggested that investment in Debt Market instruments as become an imperative choice of the investors with the objectives of return optimization. Uncertainty of expected returns is a vital part of the investment option in debt market.

Gaurav Chhabra, Ankesh Mundra (2014):‘Understanding the Investment Behaviour’ – Shiv Shakti International Journal in Multidisciplinary and Academic Research Vol. 03, pp –1 –8. The study state that there are various invest options available with the investors. In olden time because of non availability of banking system investors use to keep hard cash, like gold and silver ornament , precious stones etc as savings. Now investment are made through bank, insurance policies, mutual funds , pension funds, collective investment schemes, investment clubs.

Juwairiya P. (2014): Systematic investment plan – The way to invest in Mutual funds’ – Juwairiya P. P., Sai Om Journal of Commerce and Management- Vol. 01, pp- 1- An economic activity which attract people from walks of life is called investment. Investor face problem in choosing Investment Avenue from different options available. Systematic investment plan is a tool to create asset by depositing a small portion of money every month for a period.

S. Prasanna Kumar (2014):Investment Pattern of Select Investors in Chennai City’ – IJAMBU Volume 2,pp - 177 -180. Investment and saving are different things. Investment means saving with a hop that provides benefit in future. Investment options are available like Bank deposits , fixed deposit,etc. Respondent of the study shows that majority of persons select deposit as a mode of investments.

RESEARCH METHODOLOGY

The research design followed for the study is Analytical research design. Analytical research is a specific

Particulars	2014	2015	2016	2017	2018
Net Income	10911348935.13	10386888889.46	10051611213.74	9607790917.68	9205709427.84
Total Asset	145122840177.39	133776071171.65	144013144635.56	165142635262.86	135048831625.15
ROA	7.518698588	7.764384765	6.979648447	5.817874289	6.816578357

type of research that involves critical thinking skills and the evaluation of facts and information relative to the research being conducted. Financial tools used for this study is Ratio Analysis, Return on Investment ,Trend Analysis, Comparative Balance sheet .

DATA ANALYSIS

Table -1 Table Showing Return On Asset Ratio of TNSC Bank Ltd for the financial year 2014 to 2018

LIMITATIONS OF THE STUDY

- The quantitative aspects have been taken into account whereas qualitative aspects haven't considered.
- Obtaining information from the office staff during the working hours was inconvenient
- Time constraint is limited for getting information from the staff during working hours.
- Employee is delaying in providing some confidential information.

Interpretation:

It is inferred that the Return on Asset is increasing from 2014 to 2015 and then it is in decreasing from 2016 to 2017 and then it is increased in 2018.

Table -2 Table showing Trend Percentage of Investment for the financial years 2014-2018

Interpretation:

Particulars	2014	2015	2016	2017	2018
Investment	29421375311.00	31544657347.00	36321934359.00	36321934359.00	32343210606.00
Trend %	100	107.2168008	123.4542368	123.4542368	109.9309949

The Trend analysis shows that the investments are increasing from 2014 to 2017 at 16 % then it is in decreased in 2018 at 13%

Table -3 Table showing Return on Investment Of TNSC Bank for the financial years 2014-2018

Interpretation:

Particulars	2014	2015	2016	2017	2018
Net Profit	543087247	689379636	733625329	781074853	128965896
Total Investment	29421375311	28310414738	31544657347	36321934359	32343210606
ROI	1.845893477	2.43507431	2.32567221	2.150421961	3.98741789

It is inferred that the Return on Investment of the bank is increasing at 1% from 2014 to 2018.

Table -4 Table showing Trend Percentage of Money at call and short notice for the financial years 2014-2018

Particulars	2014	2015	2016	2017	2018
Money At Call and Short notice	4715882110.86	750000000.00	11679172553.21	23989662474.77	8815777749.96
Trend %	100	15.90370544	247.6561602	508.6993676	186.9380435

Interpretation:

The Trend analysis shows that the Money at call and short notice are Decreasing from 2014 to 2015 and then it is increasing in 2016 and 2017. From 2017 it is in a decreasing trend.

Table -5 Table showing Trend Percentage of Deposit and Other accounts for the financial years 2014-2018

particulars	2014	2015	2016	2017	2018
Deposits and other accounts	95073289372	77677865683	82123711475	90903206431	83055431011
Trend%	100	81.70314312	86.37937324	95.6138228	87.3593746

Interpretation:

The Trend analysis shows that the Deposit and other accounts are Decreasing from 2014 to 2015 and then it is increasing in 2016 and 2017. From 2017 it is in a decreasing trend.

SUGGESTIONS

- The bank can increase the rate of interest for deposits so that the investors will invest more.
- The bank can increase their investment so that their return on investment will increase.
- The excess amount in reserves and surplus can be used for investments
- The bank can concentrate on their investments so that the fluctuations of investments can be reduced.
- The bank can create more awareness about deposit and cash certificate so that the public can invest more.

CONCLUSION

Investment is to distribute money in the expectation of some benefit in the future. Today investor has a wide array of investment avenues and he can choose the one that suits his preference. The various investment available for investors are bank deposits, bonds, post office saving scheme etc. Investment is the application of money for earning more money

It can be concluded that the investment available in the TNSC banks is fixed deposit , recurring deposit and cash certificate. The various investments made by the bank are money at call and short notice, mutual funds. The return on investment is gradually increased from 2014 to 2018.

The bank can increase their investment so that it can increase their return on investment which leads to increase their profits. The bank has to create advertisement to the public about the various deposits and other facilities offered by the bank so that it can attract more customers for investment. This study shows fluctuations of investment made by the bank and the investor paves way to conclude about the financial position of the TNSC bank. The findings of the study present a comparison between the selected investment avenues.

The investment made by the bank in call money is the best investment of the bank among the various investments. The investment made by the public in cash certificate is the best investment in the bank. This study helps to evaluate the management which will be helpful to make the investment decision to boost the performance of the bank which result in achieving the goals of the bank.

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