

## **A STUDY ON ANALYSIS OF SELECTED MERCHANT BANKS SERVICES WITH SPECIAL REFERENCE TO BANGALORE**

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**Abstract**—This research is conducted to gain the understanding of merchant banking in India by having an outlook of its emergence and scope as well as its operations in the country. A well organised questionnaire has been utilised to know the perception of people and the services availed by the selected merchant banks. This paper provides details of the services provided by selected merchant banks like ICICI, SBI, BOI, BAJAJ CAPTIAL, KOTAK MAHINDRA, and others. The paper finds details based on the income levels of the respondents; it is also observed as to which bank provides better services. In addition, it also studies about the knowledge of the respondents on investments and merchant banks in India.

**Keywords**—*Debentures, Foreign Banks, Investments, Merchant Banks, Services.*

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### **INTRODUCTION**

The conventional start of the trader banking administrations in India started in 1967 when the Federal Reserve Bank of India gave permit to the Grind lays Bank. The Grind lays Bank was occupied with capital issue the board and it offered assorted monetary sorts of assistance to the arising a part of business visionaries, particularly those having an area with the small and medium undertaking area. In India, a typical hierarchical found out of dealer investors to figure is as divisions of Indian and Foreign banks and financial organizations, auxiliary organizations found out by brokers like SBI, Canada Bank, Punjab commercial bank, Bank of India, then forth a couple of firms are likewise coordinated by monetary and specialized experts and experts. In India Important purposes behind the event of dealer banks has been advancement exercises during the state, applying overabundance interest on the wellsprings of asset for truly growing businesses and exchange, along these lines leaving an extending hole complete between the organic market of undetectable assets. All monetary organizations had encountered oblige of assets to fulfil truly expanding needs for requests for reserves outline corporate area undertakings. In such conditions corporate area had the simple option to advantage of the capital market administration for meeting their drawn-out monetary prerequisite through capital issue useful offers and debentures. Developing interest for reserves put specialise in capital market that enthused business banks, share specialists and monetary consultancy firms to travel into the sector of dealer banking and offer the developing capital market.

### **STATEMENT OF THE PROBLEM**

This examination expects to put on some information supported the perception and knowledge of the respondents on merchant banks, investments and thus the services provided by the chosen 6 merchant banks in India.

### **NEED OF THE STUDY**

Amidst the swift changes sweeping the financial world, Merchant Banking has emerged as a crucial financial advisory package. Merchant banking could also be a service-oriented function that transfers capital from people who own to people who can use it. This examination provides details about the numerous services provided by merchant banks in India.

### **OBJECTIVES OF THE STUDY**

- It familiarizes with the various services provided by Merchant Bankers.
- To find out the growth potential of the Merchant Banking public & private sector companies.

## LIMITATION

- The study is based on secondary data. So, the limitations of secondary data may also creep in and have an impact on the present study also.
- The study considers data of only limited duration of time.
- Study is based on sample of 6 Merchant Bankers; hence it does not depict the overall pictures of merchant Banking in Indian.

## LITERATURE REVIEW

**Waghmare Shivaji (2015):** Globalization made whole Indian economy open which features a multiple role within the financial services. Now a day's government open the door of investment within the area of insurance and bank. which give competitive environment for present player? Merchant banking is an innovative term introduced by full-service bank. The necessity for the merchant banking is pronounced by banking commission (1972). Merchant banking offer fee-based and non-fee-based services like loan syndication, underwriting, project promotion, advisory to small and medium savers. In India merchant banking work under SEBI.

**Dr. Jyoti Lahoti (2016):** Merchant banking is service provided by financial organization which helps within the economic development of the country. Merchant banking provides various services like portfolio management, loan syndication, and issue management. Merchant banking may be a combination of consultancy services and banking. It helps within the business unit. It also helps to extend the fund and to expand the business.

**Dr. Singh and Dr. Saxena (2017):** Merchant banking consists of wide selection of monetary activities and financial organization acquirer called "Accept and issue house". Because merchant banking acting as broker and principle. Merchant banking features a long- term approach concerned with each investment opportunity and provides right advice to every client of the corporate. Merchant banking may be a service provided by many financial institutions to extend growth of corporate sector which reflect into Indian economy. Merchant banking may be a combination of consultancy services and banking.

**CS Gowtham (2017):** Merchant banking issue share, debentures, loan to their clients. This finance is employed for brand spanking new business or to expand the business, to switch the business. Merchant banking not only provides finance but also provide right path with reference to SEBI. Shreyas B.S: Merchant banking contains wide selection of monetary activities. acquirer is named "Accepting and issuing house" Merchant banking is rapidly growing in Indian economy. The SEBI which provides overall view of present and past. Merchant banking is oldest within the primary market and its bright future in coming years.

## METHODOLOGY

The present analysis is exploratory in nature. the info for this research has been collected through self-Administration. thanks to time limitation and different constraints direct personal interview study technique is employed. A structured form was farmed because it consumes less time length and is incredibly necessary from the purpose of read of data, easier to tabulate and interpret. a lot of ever respondents favor to provide direct answer.

### Data Collection:

Data collection is the process to gather information about the relevant topic research, Data Collection usually takes place early in an improvement project, and is often formalized through data collection plan which often contains the following activity:

- Pre collection activity on goals, target data, definitions and methods.
- Collection of Data.
- Presenting findings involving some form of sorting analysis.

For accomplishing the objective of this study, both Primary and Secondary data have been used.

### Classification of data

#### Primary Data:

The study is largely based on the primary data which has been collected through the structured Questionnaire Method.

#### Questionnaire:

The study is basically supported the first information that has been collected through the structured form technique.

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Questionnaire: The data has been collected by administering a structured schedule of queries. The queries are typically framed by 5-point Likert Scale. For this study purpose form technique is employed to gather the first information. This form is self-administrated form, and it is divided into 2 sections – Section A and Section B.

- Section A consist of the questions regarding Personal Information. For E.g., Name, Age, Gender, Qualification, Marital Status, Occupation.
- Section B consist of the questions which fulfil the research objectives.

**Secondary Data:**

This type of information has already been collected by somebody else and has already competent applied math method. Sources of assortment of Secondary information

- Internet, Journal, News Papers, Books

**Sample Design:**

The complete study of all items in the population is known as a census inquiry. Sample is a group of few items, which represents the population is or universe from where it is taken. The size of sample is 30 respondents.

**Sampling Size:**

The sample size of the study was 30. The responses were captured from respondents on a 5-point Likert scale.

**Sampling Technique:**

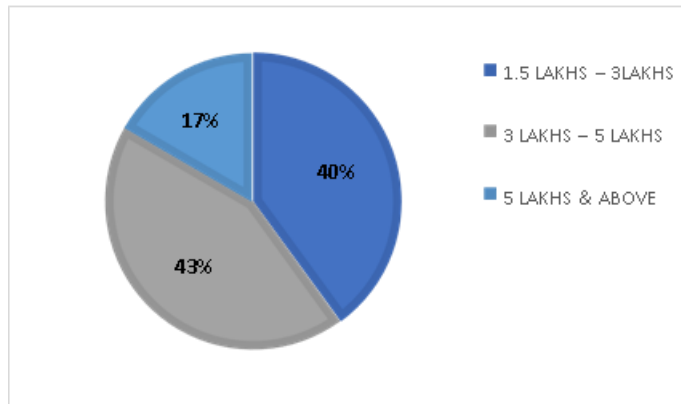
The sampling method was Judgment Sampling (only those respondents were chosen who had some knowledge about merchant banking).

**RESEARCH PLAN:**

Data Source	Primary Data & Secondary Data
Research Approach	Survey
Research Instrument	Questionnaire
Method of Contact	E mails
Sample Size	30 Respondents

**DATA ANALYSIS AND INTERPRETATION**

**1. The annual income of the respondents**

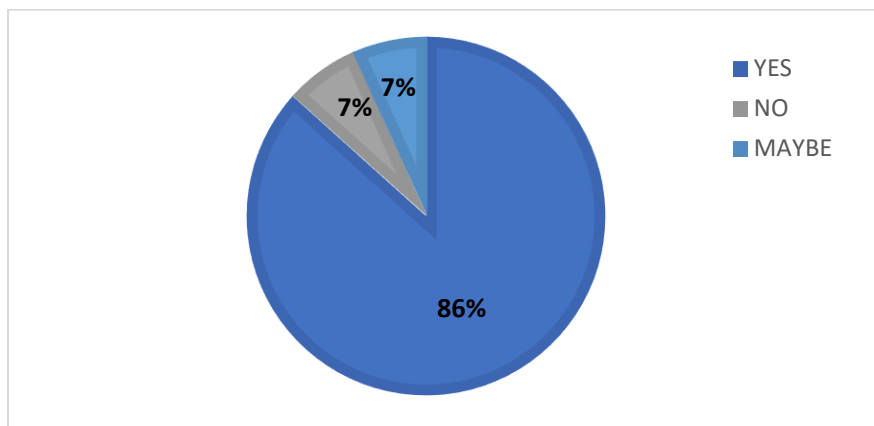


**Null hypothesis** = the annual income of the respondents is in the range of 1.5 to 3 lakhs.

**Alternative hypothesis** = the income of the respondents are 3 lakhs to 5 lakhs.

Based on the survey conducted it is observed that the income of respondents ranging from 3 lakhs to 5 lakhs is more (i.e., 43.33%). **Hence the null hypothesis is rejected.**

**2. Do respondents do savings for passive income?**

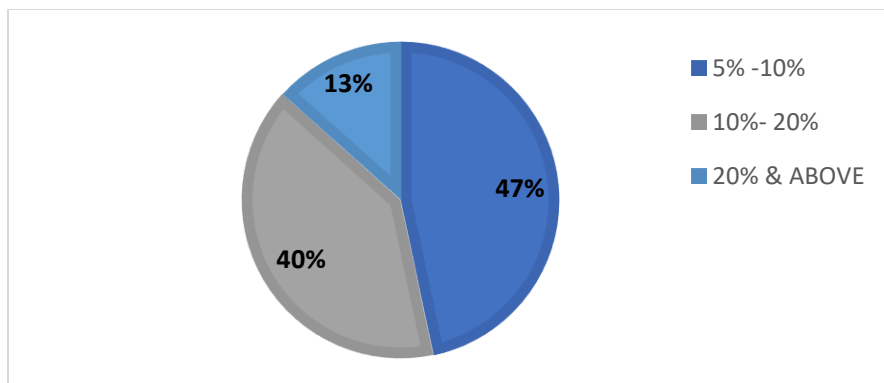


**Null hypothesis** = the respondents save for passive income

**Alternative hypothesis** = the respondents do not save for passive income

Based on the survey conducted it is observed that most of the respondents like to save for passive income (i.e., 86.67%). **Hence the null hypothesis is accepted.**

**3. What % of respondent’s income do they save for investing**

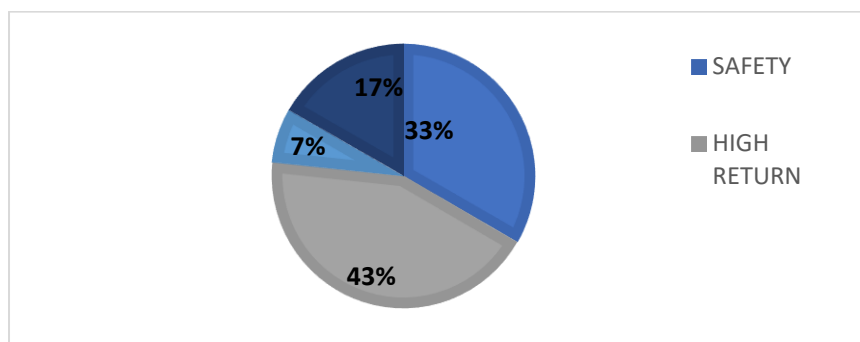


The above chart depicts that the 46.67% of the respondents save 5 – 10% of their income to invest, 40% of the respondents save 10 – 20% they save and 13% of them save 20% and above.

**Null hypothesis** = the respondents save 5%-10% of their income for investments.

**Alternative hypothesis** = the respondents save 10%-20% of their income for investments. Based on the survey conducted it is observed that most of the respondents (i.e., 46.6%) save 5 to 10% of their savings. **Hence the null hypothesis is accepted.**

**4. Factors preferred by respondents while investing.**

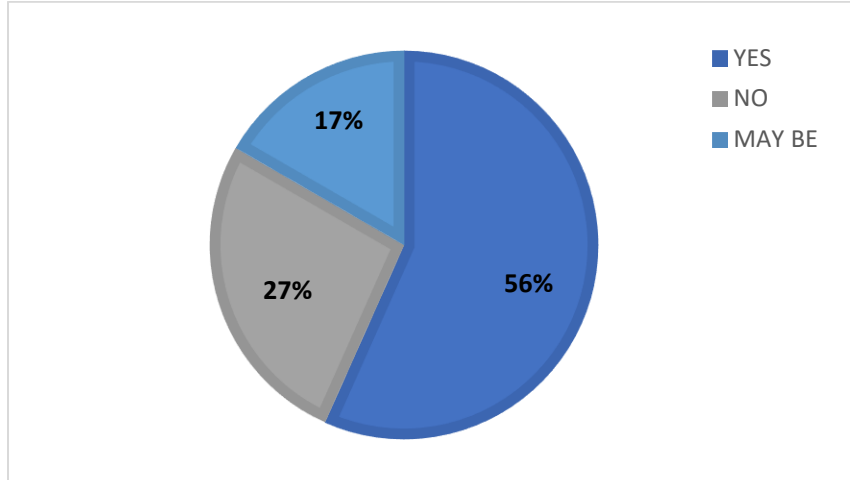


**Null hypothesis** = the respondents prefer safety while investing

**Alternative hypothesis** = the respondents prefer high returns while investing

Based on the survey conducted it is observed that most of the respondents (i.e., 46.6%). prefer higher returns over safety, liquidity, and risks. **Hence the null hypothesis is rejected.**

**5. If the respondents take any advice before investing**

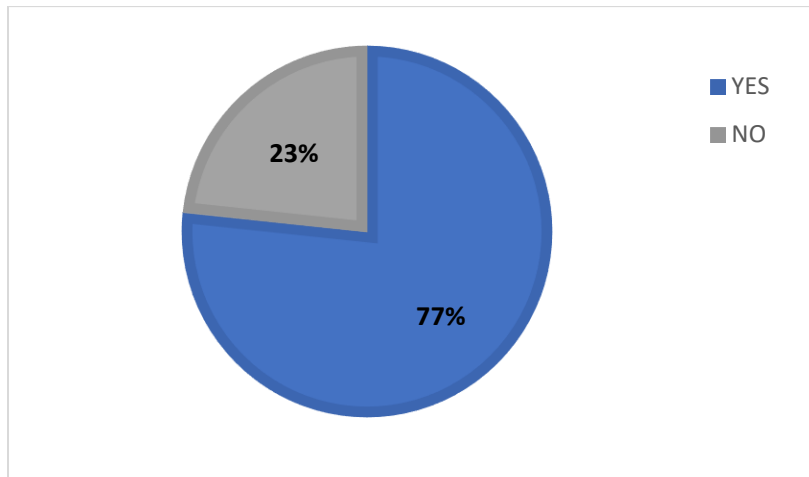


**Null hypothesis** = the respondents prefer taking advice before investing.

**Alternative hypothesis** = the respondents do not take any advice before investing

Based on the survey conducted it is observed that most of the respondents (i.e., 56.67%). prefer taking advice before investing. **Hence the null hypothesis is accepted.**

**6. If the respondents are aware about merchant banking**

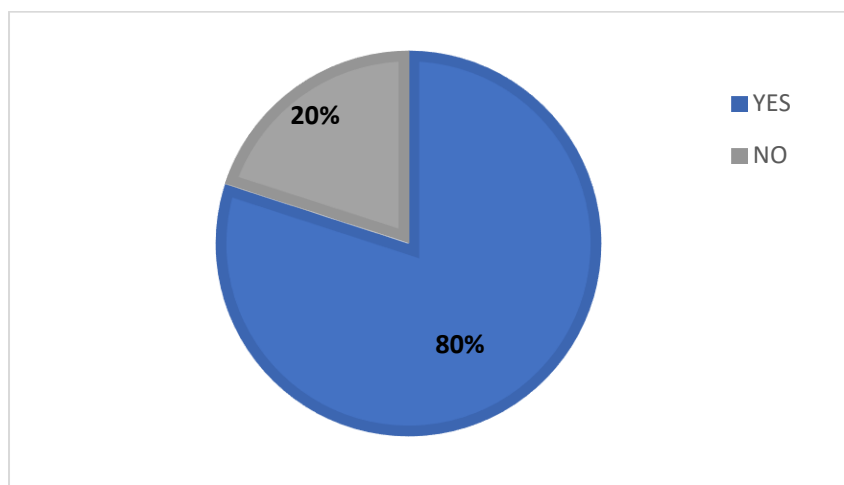


**Null hypothesis** = the respondents are not aware about merchant banking

**Alternative hypothesis** = the respondents are aware about merchant banking

Based on the survey conducted it is observed that most of the respondents (i.e., 76.67%) are aware about merchant banking. **Hence the null hypothesis is rejected.**

### 7. The respondents are satisfied with the services provided by their banks



**Null hypothesis** = the respondents are not happy with the services provided by their banks

**Alternative hypothesis** = the respondents are happy with the services by their banks

Based on the survey conducted it is observed that most of the respondents (i.e.,80%) are happy with the services provided by their banks. **Hence the null hypothesis is rejected.**

#### FINDINGS

- Respondents are interesting in saving their annual income for the passive income which they will use it in the future in their retirement for the independence on the others.
- Respondents founds that fixed deposits type of savings is better than mutual fund because mutual fund is riskier as compare to fixed deposit.
- Respondents wants to invest in the fixed deposits because it is safer than mutual fund.
- Respondents observe that fixed consume time than mutual fund for the better return.

#### RECOMMENDATIONS

- Merchant banker should advertise as much as possible for the awareness among the public and inform them about the investment option.
- Merchant banker ought to educate the investors concerning the chance management and correct coming up with for the investment.
- They must conjointly give technical, money & social control services & facilitate the corporate to line up a memoir.
- The assistance should be provided for the equity support through loan support to supplement this may be extended.
- It is better for merchant banks to bring professionalism in their merchant banking functions. This will enable merchant bankers to gain excellence in their performance.
- A very large number of merchant bankers make it difficult for SEBI to monitor them. It is better to evolve and implement sound and sensible eligibility criteria for people to quality as merchant banks.
- Merchant banks do engage in extending leasing and hire purchase services to their corporate clients and generate revenue in the form of the lease rentals and hire purchase instalments.

#### CONCLUSION

The Merchant Banking industry in India which started with large foreign banks and firms and were then adopted by Indian Commercial Banks and firms as well, have faced various challenges over the years. This study provides details on the profile of select Merchant Banks in India belonging to public and private sectors, to find out the growth potential of the Merchant Banking public & private sector companies, the respondents prefer investing in passive income, and it is also observed that not much of the respondents are aware about the service availed by merchant bank.

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