



# Investment Banking

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**Abstract :** An investment bank is a combination of two investment terms and a bank. This field to jointly engage in the business of buying and selling business securities. They bought those collateral involving the provision of counseling to various interested institutions in securing securities such as private equity fund, mutual fund, hedge fund etc. investment banks also regulate corporate categories during consolidation and acquisition (M& A). it also assists the public sector while investing. Creates a portfolio of investment and invest in those areas that produce high ROI. This paper introduces operations and scope of banking investment in India

**IndexTerms – Investment Banking, Ipo, Bank, Axis**

## I. INTRODUCTION

Investment bank refers to banks where banks provide investment services govt., companies and institutions by providing record and integration and acquisition and counseling services. The investment bank acts as a mediator between investors as well company. Investment banking is a special part of the operations of aid banks individuals or organizations raise money and provide financial consultation services to them. They act as intermediaries between security providers and investors and help new firms move community. They act as intermediaries between security providers and investors and help new firms to go public. They may buy all available stock at a reasonable price by their experts and then resell it to publicly or sell shares on behalf of the issuer and take a commission on each share.

## 2. Review of Literature

According to **GLORIA HAMILTON** Generally investment banks collects large amount of funds in form of deposits and invest in those or the sectors where the demand or capital requirement is high.. As per the market condition , hopefully it gives maximum returns to their investors. The difference between those rates is the income of the investment banks. One of the profit earning sources of investment bank is foreign exchange market. The main job of investment banks is to advise corporations about funds and raising money. Some do this by selling the company's equity and others do so by offering advice about debt issues.

According to **MARK KY MARK** He majorly focused on the investors section ,he talked from the view point of investors , it is very difficult for them to compare which investment would be beneficial. . Unfortunately, after the financial crisis of 2008 and the global crisis of 2009, investors are becoming more cautious towards investments, especially in high-risk financial products.

According to **HEENA KOTHARI** She focused on the youth section for the investment .If the younger generation would start investing from today time then they will be able to save more for the future. Facts revealed in this study highlight the perception of varied age group investors who desire to invest in different avenues which give high returns and growth prospect.

According to **RAJARAJEN VANJEKO** the upcoming market condition shows the positive response towards the investment bankingIt also shows that investor's future preferences, his major area of study is the rural sector where huge amount of development is needed. The growth of the economy is dependent on the growth of the rural market in the country. Timely and affordable financial support helps people sustain and grow their livelihoods because Lack of financial help stunts the growth of many rural micro-enterprises and force people to migrate to urban areas in search for a job.

### 3. Research Objectives

- To Understand about Investment Banking
- To See how Investment Banking Function.
- To find out the challenges in Investment Banking

### 4. Research Methodology

Corporates are usually busy in their daily routines. so the market research and study work is done by the investment banks ,it do research on behalf of the corporates . This research helps provide a rating to company help investor to take a decision of investment. Research reports tell whether to buy, sell or to hold the base on a rating of a company. Through this one can know worthiness of the company. Research is done by analyzing and comparing various report and performance report of the company.

### 5. Role of investment banking

Investment banks hire investment banks that help organizations, governments, and other groups plan and manage large-scale projects, saving their customers time and money by identifying work-related risks before the client moves forward. In theory, investment banks should be experts with their finger's pulse of the current investment climate. Businesses and institutions turn to investment banks for advice on how to better plan for banks to improve their development and investment, using their expertise, and adapting their recommendations to the current economic climate.

### 6.Functions of Investment Banking-

#### IPOs

The most important role of investment banking is to make IPOs ,means Initial Public Offering .In this function investment banks make different portfolio of all the securities and then sell it to the public Investment bank helps a company to set everything and list IPO in exchange. IPO is one of the major investment banking functions. This bank in return charges commission from.

#### Merger and Acquisitions

The investment banking plays a very important role for the corporate sector at the time of acquiring or merging with any firm to another one ,the owner don't know the actual worth of that firm and also the future benefit of that firms so at that time, Investment Banking helps them to find out it. One important role in M&A is a valuation of a company. The bank calculates the actual value of a company. Investment bank builds their strategy for M&A of two companies The investment bank also does financial provisioning for a company as for M&A company will need lots of funds. It helps a company in raising.

#### Merchant Banking

All the investors need consultancy and advisory services nefor investing the funds into any sector so the investment also plays a role of merchant to all the investors.it provides them various services like portfolio management, Raising finance for a client.Broker in Stock exchange,assistance to the govt sector,managing public issue of the company,handling the small entepurs and the firms.

#### Challenges

1)Increasing complexity of reporting and responding to new and evolving regulation with focus on data optimisation

The evolving demand for reporting compliance including governance outlined in BCBS 239 & Pillar 3 poses new challenges to all banks. This increases the pressure on data optimisation through accuracy, timelines & granularity of risk & financial reporting requirements.

#### 2)Cyber Security

Number of cases of digital theft from Banks through bypassing risk controls within Swift. Swift processes \$6tn transfers daily with 11 000 members. EBA to stress test financial institutions to assess vulnerability to hackers & Swift to implement "two factor" authentication.

### 3) Lack of Capital Resources

Today the global economy is facing tremendous recessions & financial depressions, thanks to the global pandemic of the Covid-19 that had adverse effects on the economy. As a result, most individuals & companies aren't that much interested in investing their money. Rather they are preferring retaining their money for a while instead of investing it in the short run. This is leading to a lack of capital resources for the investment banking sector to allocate to their customers efficiently that further leads to reduced business opportunities for the investment bankers.

#### 4) Retaining New Talents

Young professionals are much more attracted to alternative sectors such as technology or startups even after getting assured of good pay & quick career promotions by the companies. The investment banking industry is introducing new policy measures, for example, fast promotion to induce new employees, but today's youth is seeking to work in a flexible industry with a proper work-life balance. The investment banker needs to do longer shifts & suffer through tight deadlines. Thus, sourcing and retaining talented minds has become a huge challenge for this industry. However, banking companies are figuring out new ways of attracting & retaining talented minds in their company.

#### 7. Conclusion

Investment banks has a big scope for investment banking in India .It is one of the most demanded sector these days .Investment banking is truly a great career option that is becoming more popular due to increases in the rate of FDI in India .Investment banking is a kind of rewarding job with rewards n monetary terms as well as personal and career growth .It is a fast paced job along with good scope of learning .Investment Banking gives you a pathways to bigger career like entrepreneurship, wealth management and venture capital. At last I want conclude my paper with this conclusion that there is a great scope of investment banks in nearby future .moreover youth's participation is also plays a big role in it ,investment banks also provide funds for the rural development on easy

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