IJARASEM

ISSN: 2395-7852

International Journal of Advanced Research in Arts, Science, Engineering & Management (IJARASEM)

Volume 11, Issue 2, March 2024

INTERNATIONAL STANDARD SERIAL NUMBER INDIA

IMPACT FACTOR: 7.583

International Journal of Advanced Research in Arts, Science, Engineering & Management (IJARASEM)

| ISSN: 2395-7852 | www.ijarasem.com | Impact Factor: 7.583 | Bimonthly, Peer Reviewed & Referred Journal|

| Volume 11, Issue 2, March 2024 |

A Study on the Portfolio Management of Punjab National Bank

Anurag Gupta, Dr. Praveen Kumar Sharma

MBA Student, Amity University, Lucknow, India

Assistant Professor, Amity Business School, Amity University, Lucknow, India

ABSTRACT: Banks play an important and crucial role in contributing to the economic development of a country. They are unquestionably the lifeblood of modern commerce and have control over a large portion of the money supply. All individualized deposits find their way to lending activities through a bank, making it a crucial financial intermediary. The marketing of new deposit and advance schemes is another key function of a bank. Operational efficiency, service quality and managerial effectiveness are key areas when evaluating the performance of a bank. The financial performance can be comprehensively defined by the bank's profitability position, service quality, customer satisfaction, and other relevant aspects. Profitability is a significant measure that reflects the efficiency of a bank in deploying its total resources to maximize net profits. Therefore, profitability serves as an indicator of the extent to which asset utilization and managerial effectiveness are optimally utilized within the bank. The Indian banking system is currently facing an array of daunting challenges. In this challenging environment, a comprehensive study was conducted to measure the financial performance of one of India's largest public sector banks, Punjab National Bank. This study heavily relies on secondary data, utilizing different ratios. The study revealed that the selected bank exhibited satisfactory performance in terms of growth rate and financial efficiency. However, a weak profitability position was observed during the study period.

KEYWORDS: Public Sector Bank, Punjab National Bank, Return on Assets, Return on Equity, Net Profit Margin.

I. INTRODUCTION

A good bank is not only the financial heart of the community but also a helping hand in every possible manner to improve the economic condition of the society. Banks are a fundamentally key component of the financial system and are also active players in financial markets. The essential role of a bank is to connect those who have capital (investors or depositors), to those who seek capital (individuals or firms). Banks have control over a large part of the supply of money in circulation. Through their influence over the volume of bank money, they can influence the nature and character of production in any country. Economic development is a dynamic and continuous process which highly depends upon the extent of mobilization of resources, investment, and operational efficiency of various segments i.e. trade, industrial development, and agriculture of the economy. Thus, in a modern economy like India, banks have become a part and parcel of all economic activities.

Portfolio Management- A Brief Review

Portfolio control refers to the technique of choosing the most satisfactory funding equipment for an investor in terms of lowest risk and maximum returns possible. It's miles an art of coping managing the investments of an individual so that he can earn maximum returns inside a desired investment horizon. Any another definition of portfolio control states it as a process of coping managing investments of an individual under the guidance of expert portfolio managers. An investment portfolio in simple terms refers to a collection of different investment devices and tools like stocks, mutual price range, stocks, cash, bonds, policies, and many others. Based totally on the profits, budget, and investment horizon of the investor.

In India, Portfolio manipulate remains in its infancy. Barring a few Indian banks, and distant places banks and UTI, no other business enterprise had expert Portfolio manage till 1987. After the fulfilment of Mutual price variety in Portfolio control, a few agents and funding specialists some of whom also are professionally certified have turn out to be Portfolio Managers. They have managed the budget of customers on each discretionary and nondiscretionary foundation**.** It emerges as determined that a few of them, consisting of Mutual fee variety, have assured a minimal pass returned or capital appreciation and adopted all kinds of incentives which is probably now prohibited by using SEBI. They resorted to speculative over shopping for and promoting and insider buying and promoting, discounts, and plenty of others., to attain their cantered returns to the customers, which may be moreover prohibited through SEBI.

| ISSN: 2395-7852 | www.ijarasem.com | Impact Factor: 7.583 | Bimonthly, Peer Reviewed & Referred Journal|

| Volume 11, Issue 2, March 2024 |

Punjab National Bank- An Introduction

Punjab National Bank started functioning on the April 12, 1895, from Lahore with an authorised capital of Rs. 2 lakh and working capital of Rs 20,000. Punjab National Bank is an Indian multinational banking and financial services company. It is a state-owned corporation based in New Delhi, India. Established in 1894, the bank has over 6,968 branches and over 9,656 ATMs across 764 cities and serves over 80 million customers. Punjab National Bank was registered on 19 May 1894 under the Indian Companies Act, with its office in Anarkali Bazaar, Lahore. The bank began its operations on 12 April 1895 in Lahore.

In 1900, PNB established its premier branch outside Lahore in India. The following significant event happened in 1940 when PNB absorbed Bhagwan Dass Bank, which had its head office in Dehradun. On 31 March 1947, even before Partition, PNB had decided to leave Lahore and transfer its registered office to India; it received permission from the Lahore High Court on 20 June 1947, when it established its new head office at Under Hill Road, Civil Lines in New Delhi. In 1951, PNB acquired 39 branches of Bharat Bank (est. 1942) and Bharat Bank became Bharat Nidhi Ltd. In 1960, PNB shifted its head office from Calcutta to Delhi. In 1961, PNB acquired Universal Bank of India, which Ramakrishna Jain had established in 1938 in Dalmia Nagar, Bihar. PNB also amalgamated Indo Commercial Bank (est. 1932 by S. N. N. Sankara Linga Iyer) in a rescue.

II. REVIEW OF LITERATURE

Literature survey is normally carried out to review the present popularity of a specific research topic. It allows the researcher to know the quantum of labor already finished on the specific topic and the location now not yet touched. Relevant literature is accessed via studies reports, articles, books, journals, magazines and other relevant materials. A few studies related to the assessment of monetary overall performance are mentioned under:

* Kumbirai and Webb (2010) investigated the performance of South Africa's business banking sector for the duration 2005- 2009. Financial ratios had been employed to observe the profitability, liquidity and credit score quality performance of 5 South African based commercial banks. The observe concluded that ordinary financial institution overall performance accelerated appreciably in the first year and a huge change in trend changed into noticed on the onset of the global financial disaster in 2007, reaching its top all through 2008-2009. This ended in falling profitability, low liquidity and deteriorating credit first-class inside the South African Banking quarter.

* Kumar, B.S. (2008), evaluated the financial performance of Indian private area banks. The evaluation centered on evaluating the conduct and determinants of financial institution intermediation prices and profitability for the duration of the liberalization duration. The results of the look at counseled that ownership pattern had a massive impact on overall performance indicators and the found growth in competition during financial liberalization which has been related to lower intermediation charges and profitability of the Indian banks.

* Alma Zari (2011) in his examine analyzed the financial overall performance of 7 Jordanian business banks for the period 2005-2009. Simple regression changed into used to estimate the effect of impartial variable i.e. The financial institution size, asset control, and operational performance on dependent variable represented with the aid of return on property and interest profits size. The have a look at concluded that banks with higher total deposits, credits, belongings, and shareholders' fairness did not continually have better profitability overall performance.

* Abdulrahman and Al-Saba wee (2011) of their examine attempted to assess the performance of Islamic banks through the use of complicated economic evaluation based on using equipment the use of financial ratios and analysis of trade and the overall trend on the premise of the bottom year.

III. SCOPE OF THE STUDY

This examine is undertaken to measure the economic performance of Punjab national bank. study will be offering information about the increase of deposits and advances, profitability evaluation, and the evaluation of PNB. It was hoping that the result of this examine will advocate coverage measures for the better overall performance of this financial institution to reap the financial goals together with client delight!!!! The outcome is crucial for the financial sector in Punjab! Additionally, the study aims to provide insights into the market trends and the impact of external factors on the bank's operations. Through this examine, we hope to ensure the sustainability and growth of Punjab national bank in the competitive banking environment.

IV. OBJECTIVES OF THE STUDY

To explore types of portfolios offered by Punjab National Bank.

To analyses the performance of Punjab National Bank portfolios.

To assess the profitability of the Punjab National Bank.

V. RESEARCH METHODOLOGY

In the present study, an attempt has made to evaluate the financial performance of Punjab National Bank.

Nature of the Study: The present research is a case study in nature based on the second largest public sector bank of India i.e. Punjab National Bank.

Nature of Data: The secondary data has been considered for the purpose of financial performance analysis of Punjab National Bank.

Sources of Data: The data used for the present study has been taken from published annual reports of Punjab National Bank. Other relevant data sources are journals, newspapers, magazines and internet sources.

Tenure of the Study: The present study is conducted for the period of five years ranging from 2011-12 to 2015-16.

Variables used for the Study: The variables used for the study are total deposits, total advances, total business, total assets, capital and net profit.

Tools used for the Study: Ratios, descriptive statistics and regression analysis have been considered for the analysis purpose.

VI.CONCLUSION

An important instrument for evaluating the performance of banks is the analysis and interpretation of financial statements. It exposes the organization's assets and liabilities. I learned from the financial statement that the bank's financial status is satisfactory in accordance with the study. The bank must take the required actions to decrease its non-performing assets and boost its net profit. This project's primary focus was on the analysis of several financial accounts, including the balance sheet and the profit and loss account. The bank's liquidity position appears to be good based on the balance sheet. Each year, the bank's share capital is increased. Each year, the bank's share capital is increased. This shows the bank has a solid reputation. This initiative introduced me to financial services. It also improved my knowledge of the financial industry.

REFERENCES

1. https://www.google.com
2. www.academicfoundation.com.
3. Nayar, N. (1992), "Profitability and Profit Planning in Commercial banks", A Doctoral Thesis submitted to Punjabi University, Patiala
4. Satyamurty. (1994), 'A study of Interest spread in Commercial Banks in India', Working Paper, National Institute of Banks Management (NIBM), Pune.
5. Murty P.V.R. (1996), "Cost and Profitability of Public Sector Banks", IBA Bulletin, Indian Banks Association, Mumbai.
6. Chandan, C.; and Rajput, P. K. (2002) "Profitability Analysis of Banks in India- A Multiple Regression Approach", Indian Management Studies Journal.
7. Kumari H. (2003), Productivity in Public and Private Sector Banks, A Ph.D. Thesis, Submitted to Punjabi University, Patiala.

ISSN INTERNATIONAL STANDARD SERIAL NUMBER INDIA

International Journal of Advanced Research in Arts, Science, Engineering & Management (IJARASEM)