

STUDY ON INVESTMENT BEHAVIOUR OF NRIs

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ABSTRACT

Non-resident Indians are really the wealth of our nation. Since independence, a notable rise in the number of people seeking jobs overseas in pursuit of better possibilities has been observed. Every sector of the economy and society is affected by this movement. Remittances from nonresidents are correlated with economic growth and prosperity. The amount of money that Indian households received in cash as remittances from overseas increased significantly in the first ten years of the twenty-first century. The NRIs significantly contribute to and sustain the national economy of our country. The most dynamic element supporting India's economy is now remittances from NRIs who are Indian. This exploratory study aims to gain fresh perspectives on the "investment behavior of NRI of selected districts of India." Before gathering the data, a number of issues pertaining to important components of the study will be thoroughly discussed with specialists, researchers, and other notable figures with years of experience in the fields of investing, finance, and banking. The knowledge and concepts learned from the conversations will be applied to the creation of the study's framework.

Key words: NRI, investment, and India

INTRODUCTION

The true source of our country's riches is non-resident Indians. Since independence, a notable rise in the number of people seeking jobs overseas in pursuit of better possibilities has been observed. Every sector of the economy and society is affected by this movement. Remittances from Indian non-residents are correlated with the state's wealth and economic progress. The amount of cash remittances received by Indian households from overseas increased significantly in the first ten years of the twenty-first century. The NRI community makes significant economic contributions to both the national and state economies. Indians who live abroad send remittances home, which have become the state's most dynamic economic driver. The true source of our country's riches is non-resident Indians.

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contrast to the traditional development patterns used by the world's established nations, is what attracts people to it.

A REVIEW OF THE WORKS

The Indian Journal of Commerce, July-September 2008, published an article by A. Lalitha and M. Surekha titled "Retail Investor in Indian Capital Market: Profile, Pattern of Investment and Profitability" that came to the conclusion that the retail investor is here to stay and that the capital markets may well become serious competitors to more traditional investment options like bank and post office deposits. They also paid attention to how ordinary investors made their investing decisions and to their education.

In their article "An Empirical Study on Some Demographic Characteristics of Investors and its Impact on Pattern of their Savings and Risk Coverage Through Insurance Schemes" published in The IUP Journal of Risk & Insurance, January 2011, B. Joseph Anbarasu D, Clifford Paul S, and Annette B came to the conclusion that after observing how one group of investors learned significantly more in experiential settings, the author presents that these financial experts may be persuaded to use insurance to cover their risks. The fact that these more knowledgeable financial specialists are consistently obtaining, using, and maintaining their counsels is encouraging news for the venture consulting sector. Additionally, attendees of this gathering expressed their satisfaction with the way the firm in general has treated them. Although the extremely wealthy apparently have less demanding

STUDY OBJECTIVE

1. To examine how government policies and initiatives affect NRIs' investing decisions.
2. To research the problems and difficulties NRIs encounter when making investing decisions.
3. To investigate NRIs' preferences for popular investment programs.

RESEARCH DESIGN

This exploratory study aims to get fresh perspectives on how "NRI investment behavior of selected districts of Indian state, India" operates. Before gathering the data, a number of issues pertaining to important aspects of the study will be thoroughly discussed with experts, researchers, and other eminent figures with years of experience in the fields of investment and finance, portfolio management, and banking. The knowledge and concepts learned from the conversations will be applied to the creation of the study's framework.

DATA COLLECTION METHODS

Data from the sample has been gathered in order to fulfill the goals of the study and use a tool to test the research hypotheses. The information was gathered in order to research how NRIs in particular Indian state districts invested their money. Both primary and secondary sources of data were used for this investigation.

PRINCIPAL DATA

The primary data was gathered using a questionnaire. Secondary data was gathered using a variety of secondary sources, including newspapers, journals, periodicals, study reports from committees, plan documents, and websites used by the scholar.

SAMPLING TECHNIQUE

Method of random sampling

SAMPLING FORMULA

The NRIs of a certain Indian district were chosen as the study's universe. The respondents chosen using a multilevel stratified sampling method.

REFERENCE POPULATION

For this investigation, 500 NRIs have been contacted.

DATA COLLECTION

The information gathered by the sending of emails to the research samples' chosen samples, online questionnaires, and interviews. The researcher created multiple-choice questions and a five-point rating scale specifically for this study in accordance with the statistical techniques and principles applied when necessary.

DATA ANALYSIS

1. There is no role of education on belief of respondents towards getting expected return from investment

Chi-Square Value	df	Exact P-value
195.3	4	<0.001

The results of the chi-square test show a p-value of < 0.001 , which denotes a substantial correlation between education and the belief that an investment would produce the results expected. Because the null hypothesis is rejected because the p-value is less than 0.05, it can be said that respondents' beliefs about earning an expected return on investment are significantly influenced by their education. Compared to respondents with higher levels of education, those with lower levels of education are more optimistic about the return on investment from Indians.

2. Opinion on fulfillment of purpose of male and female NRIs by investing . is same

Chi-Square Value	Df	P-value
195.3	4	<0.001

To determine whether selected male and female NRIs had different perspectives on their returns on investments. The Chi-square test by Pearson is used. Since the p-value in the above table is less than 0.01, it can be inferred that there is a substantial difference between the opinions of male and female NRIs regarding whether investment will serve their purposes. In comparison to male respondents, female respondents are more in favor of purpose fulfillment.

3. Descriptive statistics on rank given by selected respondents for investment options

Descriptive Statistics	Real Estate	Securities / Equity	Land	Govt Scheme	FD	Industry / Service Sector
Mean	1.74	5.10	1.81	3.70	2.78	5.86
Std. Deviation	.840	.404	.866	.891	.891	.346
Minimum	1	4	1	1	1	5
Maximum	4	6	4	5	3	6

The gathered data, the supplied ranks' mean and standard deviation (SD) are determined. According to the above data, "Land" and "Real Estate" are the most popular investment options for the chosen NRIs, followed by "Fixed Deposit (FD)", "Government Schemes", "Share market (Securities / Equity)", and "Industry / Service Sector". This indicates that among the NRIs who were chosen, investing in land and real estate was more popular. NRIs do not like the equity market or the industrial or service sectors as investment possibilities. The overall conclusion of the current study is that NRIs have played a significant role in the development of Indians. Additionally, they have strong psychological and social ties to their motherland. For the purpose of earning huge wages, they are relocating far from their family and native country. The majority of NRIs are eager to increase their investments in Indians, who are their motherland. They also recommended enhancing the standard of services provided by government agencies. They desire some alluring NRI policies or programs so that they will invest more in different industries. The majority of respondents claimed that their family or close friends or peers watch after their finances. The majority of the time, their friends or family members make the investment selection as well because they are familiar with the current circumstances. better. Land and real estate are NRIs' preferred travel and investment destinations, followed by fixed deposits.

Factors	Very Good	Good	So - So	Poor	Very Poor	Total
Government Policy	208 (40.6%)	147 (28.7%)	157 (30.7%)	0(0%)	0(0%)	512 (100%)
Infrastructure	41 (8.0%)	329 (64.3%)	126 (24.6%)	16 (3.1%)	0(0%)	512 (100%)
Services in Govt. Office	0(0%)	74 (14.5%)	151 (29.5%)	219 (42.8%)	68 (13.3%)	512 (100%)

Safety & Security	298 (58.2%)	167 (32.6%)	47 (9.2%)	0(0%)	0(0%)	512 (100%)
Stability of Government	298 (58.2%)	167 (32.6%)	47 (9.2%)	0(0%)	0(0%)	512 (100%)
Promotion of NRI	45 (8.8%)	86 (16.8%)	332 (64.8%)	49 (9.6%)	0(0%)	512 (100%)
Role of NRI Association	49 (9.6%)	102 (19.9%)	288 (56.2%)	73 (14.3%)	0(0%)	512 (100%)

The distribution of respondents is shown in the previous table based on how they felt about the various factors influencing NRI investment. The majority of respondents indicate that favorable government policies and excellent infrastructure are luring NRIs to invest. Government offices' subpar services have an impact on NRI investment. Other aspects that entice NRIs to invest are safety and security and political stability. The NRI Association plays a very small or insignificant role in encouraging NRI investment. Selected NRIs participated in the survey, and they were questioned about their opinions of several aspects that influence their investment approach. A variety of reasons influence NRI investment decisions. Government stability, safety and security, infrastructure, and government policy on NRI investment are key elements that favorably influence NRI investment. The main deterrent to investment by NRIs is the quality of government offices' services. Although respondents believe it to be much better than other states, they still demand better, quicker, and more transparent services from government employees.

CONCLUSION

According to the current study, NRIs have significantly contributed to the growth of Indians. They are also emotionally and socially connected to their original country. They relocated far from their hometown and relatives in order to make a lot of money. A large number of NRIs will invest more in India because they want to come back. They also recommended enhancing the standard of services provided by government agencies. For NRIs to spend more in various industries, they require some enticing strategies and ideas. The majority of an NRI's investment is taken care of by their close friends or family members. Since they are more aware of the present situation, their family or friends typically make the decision to invest. Land and real estate are NRIs' most popular travel and investment destinations, followed by fixed deposits, commodities, and the stock market.

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