Introduction

India is a country where, there has been a consistent increase in the national saving rate after the independence period, though with considerable fluctuations from year to year. Investment leads to more capital formation. But in a country like India, the income standard is almost unsure and leads to more consumption rather than saving. Investment is the purchase of financial or real asset by individual that produce a return proportion to the assumed risk over period of investment time. Investment is laying money now for return in future. Saving and investments are two different things. Investment means saving with a hop that some benefit will arise in future. Utilization of resources in order to increase income or production output in future is known as investment. Investment is the consumption and saving opportunity in future expressed in monetary terms. Investment attracts all people irrespective of their occupation, education and social status. Additional income or growth in value can be achieved by investment. Waiting for rewards is the main characteristic of investment. Investment is allocation monetary resources to get returns over given period. Surplus funds are invested with different channels by people. Investment plans are important to meet consequences in future, to meet financial goals. Economic development is boosted with the help of investments. Investment in Bank helps in circulation of funds for nation’s development. Financial independence, increase in wealth, and personal goals can be achieved through investments. Investment means employment of funds with intention of getting returns on it. An economical activity which fascinate people from all walks of life is called as investment. Sometimes, investors have more money that they want to spend, at other time they want to buy more product that they afford. These will lead to imbalance because of which investor has to either save excess fund or borrow funds. When the current income is less than spending then investor cannot able to invest for future. Those who gives preference to investment expected to get a greater amount in future and those who give preference for consumption over current income should be ready to pay back in future more on borrowed funds.

An Investment is the current commitment of funds for a period of time to derive future payments that will compensate the investor for

A] The time the fund are committed.
B] The expected rate of inflation.

C] The uncertainty of the future payments.

The “Investor” may be an individual, a government, a corporation or a pension fund. This includes all types of investors.

Regular ups and downs of Security markets, fall and rise in inflation rates, fluctuation of interest rates, and emerging patterns of shift from fixed returns investment products to variable returns investment options have made the decisionmaking process much more difficult and complex for ordinary investors who are not experts in the field of finance saving. Investment is the deployment of savings with the intention of maintaining or increasing its value or earning an income. An individual investor on average has three types of financial investments:

i) Liquid investments such as Savings Account, etc.

ii) Liquid funds - regular income investments that are Fixed Deposits, Debentures, Bonds etc.

iii) Growth Investments like equity based residential house property, mutual funds, gold, etc.

Tax planning is an collection of one's tax affairs in such a way that without violating any legal provision, full benefit is taken of all exemptions, concessions, rebates, allowances and other reliefs or benefits permitted under the Income Tax Act 1961 so that the burden of taxation on assessees is reduced or eliminated. Proper tax planning will help in improving the efficiency of investments. Tax planning is an essential part of investment planning. While selecting an investment option, care has to be taken that investment should not result in increase in taxable income. Two things affect return on any investment: i.e. inflation and tax. Returns on any investment should be taken into account after assuming the effect of these factors.

Savings in today's times is not sufficient to take care of major expenses like Child education, purchase of house, a critical illness, various loans etc. In savings there is less profit making or creation of wealth depending on the rate given in a savings account in a bank. In order to be able to meet those expenses, one has to look for alternate sources of income or something that convert savings into wealth. Investments simplify everything by eliminating or
reducing the liabilities from our life. The below mentioned options would give you an insight into various kinds of investments that one could go for. Investments are always challenging, interesting and rewarding. Generally where there is a high risk, a higher rate of return is assured. Rewards and risk go together. The major features of an investment are safety of principal amount, income stability, liquidity, easy transferability and appreciation. A variety of investment options are available such as gold, silver, shares, bank, real estate, life insurance, postal savings and soon. All the investors invest their excess funds in the above mentioned avenues based on their risk taking attitude. All investments have risk involved whether in capital market or banking or stock market or in financial sector, real estate, gold, bullion etc. The degree of risk varies with the basis of the type of assets, investment instrument, the mode of investment, the issuer of securities, time frame etc. Investments are beneficial for both economy and society. It is an outgrowth of economic development and the maturation of modern capitalism. With well planned investment pattern one can get the satisfaction of safety and surety in life. Investment decisions need to undergo a careful analysis of the situations prevailing based on a number of factors, however in spite of the varied information available that justifies rationality and irrationality, investors are keen to stay away from uncertainties associated with the ultimate decisions they engage in. Investment provides surety about strong financial stability in future. Investment leads people to inculcate the habit of saving for future by sacrificing present comfort.