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RESEARCH ARTICLE OPEN ACCESS

A Study of Legal and Ethical Practices Followed in Portfolio Management at Imperial Money Pvt. Ltd., Nagpur

Sanket Namdevrao Kawale[1], Prof. Kushal M. Dharmik[2]
Student, MBA, Wainganga College of Engineering & Management, Nagpur
Email : sanketkawale100@gmail.com
Professor, MBA, Wainganga College of Engineering & Management, Nagpur
Email : kushaldharmik45@gmail.com

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Abstract:

The present study examines the legal and ethical practices followed in portfolio management at Imperial Money Pvt. Ltd., Nagpur, with particular emphasis on regulatory compliance, transparency, investor protection, risk disclosure, confidentiality, and professional integrity. A descriptive research design is adopted, using primary data collected through a structured questionnaire from 100 respondents and secondary data obtained from academic literature and official regulatory sources. The collected responses are intended to assess perceptions of existing practices and identify areas requiring improvement. The study emphasizes the role of ethical decision-making, transparent communication, and adherence to applicable regulatory standards in strengthening investor confidence. Its theoretical contribution lies in connecting regulatory compliance and business ethics with investor trust in the Indian financial services context. From a managerial perspective, the study highlights the importance of consistent risk disclosure, effective grievance redressal, confidentiality safeguards, and continuous compliance monitoring. The findings can support informed recommendations for responsible portfolio management and stronger investor relationships.

Keywords — **Portfolio Management, Legal Compliance, Ethical Practices, Investor Protection, Regulatory Framework.**

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I. INTRODUCTION

Portfolio management has become an important function in the modern financial services sector, enabling investors to allocate funds, manage risks and achieve financial objectives. In India, the growth of financial markets and increasing investor participation have strengthened the need for responsible investment management. Alongside financial performance, legal compliance and ethical conduct are essential for maintaining transparency, protecting investor interests

The research problem arises from the need to understand how legal requirements and ethical principles are reflected in portfolio management practices. Compliance with applicable regulations, appropriate disclosure of investment risks, confidentiality of financial information and fair treatment of clients are important for responsible investment decisions. Any shortcomings in these areas may affect investor trust and the quality of financial services. Therefore, examining these practices at Imperial Money Pvt. Ltd., Nagpur, provides an opportunity to understand their perceived implementation

The study is motivated by the practical importance of balancing investment objectives with regulatory responsibility and professional ethics. Although

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established portfolio management literature discusses investment selection, diversification and risk-return relationships, further organisation-specific investigation is required to understand investor perceptions of transparency, ethical conduct, conflict-of-interest management and grievance redressal. This constitutes the research gap addressed by the present study.

II. REVIEW OF LITERATURE

2.1 Regulatory Compliance and Investor Protection

"Portfolio Managers Regulated by SEBI to Make It More Investor Friendly: Examining the Implications of SEBI (Portfolio Managers) Regulations, 2020 on Investor-Friendly Portfolio Management" – Dr. Padma Singh (2021)

The study examines the implications of the SEBI Portfolio Managers Regulations, 2020, for investor-oriented portfolio management. Regulatory compliance supports transparency, accountability and investor protection. However, effective implementation is equally important in everyday portfolio management activities.

2.2 Portfolio Management Returns and Incentive Structures

"Portfolio Management Services in India: Returns and Incentives" – Vaibhav Aggarwal and Chintan Vadgama (2022)

The study examines the performance of portfolio management services in India and their incentive-fee structures. It highlights the importance of comparing investment returns with relevant benchmarks and ensuring that performance-related charges are reasonable and transparent. Clear information about fees and returns can help investors make informed decisions. The present study extends this discussion by examining transparency, fairness and potential conflicts of interest in portfolio management.

2.3 Financial Literacy and Investment Participation

"Do Trust in Financial Institution and Financial Literacy Enhances Intention to Participate in Stock Market among Indian Investors during COVID-19 Pandemic?" – Mohd Adil, Yogita Singh, Mohammad Subhan, Mamdouh Abdulaziz Saleh Al-Faryan, and Mohd Shamim Ansari (2023)

The study investigates how financial literacy and trust in financial institutions influence Indian investors' intentions to participate in the stock market. The researchers collected questionnaire responses from 460 investors across four Indian states. Their findings indicate that trust in financial institutions and financial literacy are significant factors associated with investment intentions. The present study applies this perspective to investor confidence, ethical conduct and transparency in portfolio management services.

2.4 Financial Literacy and Portfolio Decisions

"Financial Literacy–A Regulator of Intended Investment Behaviour: Analysing the Hypothetical Portfolio Composition" – Crystal Glenda Rodrigues

The study explores the relationship between financial literacy, risk appetite and intended investment behaviour. It examines how investors' financial knowledge may influence their hypothetical portfolio choices. The research highlights the importance of understanding investment risks and available alternatives. However, financial literacy alone cannot ensure responsible portfolio management. Investors also require clear disclosures, suitable recommendations and ethical professional guidance.

2.5 Financial Literacy and Investment Decision-Making

"Unravelling the Impact of Financial Literacy on Investment Decisions in an Emerging Market" – Sumita Jagdishprasad Shroff, Udai Lal Paliwal, and Narayanage Jayantha Dewasiri (2024)

The study examines the relationship between financial literacy and investment decisions using responses from 384 Indian investors. The researchers found that financial literacy positively influences investment decision-making. Financially informed investors may be better equipped to evaluate investment opportunities and understand financial information. Nevertheless, responsible investment decisions also depend on accurate disclosures professional integrity. The present study therefore examines the importance of legal compliance.

III. RESEARCH GAP

Existing literature discusses regulatory compliance, financial literacy, investment decisions

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and investor protection in portfolio management. However, limited attention has been given to how legal and ethical practices are implemented and perceived within individual financial organisations. The present study addresses this gap by examining Imperial Money Pvt. Ltd., Nagpur, with a focus on investor confidence, transparency and professional responsibility.

- Previous studies largely focus on financial literacy, investment behaviour and regulatory frameworks, with less attention to legal and ethical practices within individual portfolio management firms.
- The study examines these practices at Imperial Money Pvt. Ltd., Nagpur, providing an organisation-specific perspective within India's financial services sector.
- The research connects regulatory compliance and business ethics with investor trust, helping explain the importance of responsible professional conduct in portfolio management.
- The study can help managers identify areas for improvement in risk disclosure, confidentiality transparency, conflict-of-interest management.

IV. RESEARCH GAP

1. To examine the legal and regulatory requirements followed in portfolio management at Imperial Money Pvt. Ltd., Nagpur.
2. To assess transparency in investment information, risk disclosure and communication with investors.
3. To evaluate ethical practices, professional integrity and fairness in investment-related decisions.
4. To study the protection of investors confidential information and the handling of conflicts of interest.
5. To assess investor confidence, satisfaction and suggest measures to improve legal compliance and ethical practices.

V. HYPOTHESES

- **Null Hypothesis (H_0):** There is no significant relationship between legal and ethical practices followed in portfolio management and investor confidence at Imperial Money Pvt. Ltd., Nagpur.
- **Alternative Hypothesis (H_1):** There is a significant relationship between legal and ethical practices followed in portfolio management and investor confidence at Imperial Money Pvt. Ltd., Nagpur.
- **Additional Hypothesis (H_2):** Transparency, effective risk disclosure and ethical conduct are significantly associated with investor satisfaction at Imperial Money Pvt. Ltd., Nagpur.

VI. RESEARCH METHODOLOGY

Research methodology provides a systematic framework for examining the legal and ethical practices followed in portfolio management at Imperial Money Pvt. Ltd., Nagpur. It explains the research design, data sources, sampling procedure, measurement of variables and techniques used to analyse the collected information.

1. Research Design

The study adopts a descriptive research design to understand respondents' perceptions of legal compliance and ethical practices in portfolio management. This design is suitable because the research focuses on existing practices.

2. Data Sources

The study uses both primary and secondary data.

- **Primary Data:** It is collected through a structured questionnaire administered 100 respondents. The questions focus on ethical conduct regulatory, transparency awareness, investor satisfaction.
- **Secondary Data:** Secondary information is obtained from books, research papers, academic journals, SEBI publications, relevant regulations reliable organisational sources.

3. Sampling Design

The sampling design determines how respondents are selected for the research.

- **Sample Size:** The study considers 100 respondents.

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- **Sampling Technique:** Convenience sampling is proposed, whereby respondents who are accessible and willing to participate are selected.
- **Sampling Unit:** Individual respondents familiar with or connected to portfolio management services.
- **Selection Criteria:** Participants should be willing to provide relevant information and understand the purpose.

4. Data Collection

Data is collected through a structured questionnaire containing questions aligned with the research objectives. Respondents are informed about the purpose of the study, and participation is voluntary. Their consent is obtained before collecting responses. Confidentiality is maintained by avoiding unnecessary personal identifiers and using the information solely for academic purposes.

5. Tools and Techniques

The following tools and techniques may be used to analyse the data:

- **Percentage Analysis**: To summarise responses in an understandable form.
- **Frequency Distribution:** To present the number of responses under each category.
- **Tables and Charts:** To communicate findings clearly.
- **Descriptive Statistics:** To summarise response patterns.
- **Microsoft Excel:** To organise responses, calculate percentages and prepare tables and charts.

VII. DATA ANALYSIS AND RESULTS

Presents the analysis of responses relating to legal and ethical practices followed in portfolio management at Imperial Money Pvt. Ltd., Nagpur. The analysis is organised into four areas: regulatory awareness, transparency and risk disclosure, ethical practices and confidentiality, and investor confidence.

The following tables use an illustrative dataset of 100 respondents; the figures must be replaced with actual questionnaire results.

1. Awareness of Legal Regulatory Requirements

TABLE I
RESPONDENTS' AWARENESS OF LEGAL REQUIREMENTS

Sr. No	Respondent Category	Frequency	Percentage (%)
1	Highly Aware	24	24%
2	Aware	46	46%
3	Neutral	18	18%
4	Less Aware	8	8%
5	Not Aware	4	4%
	Total	**100**	**100%**

Interpretation: Out of 100 respondents, 46 were aware of legal and regulatory requirements, while 24 reported being highly aware. A total of 18 respondents selected the neutral category. 8 respondents indicated limited awareness, and 4 reported no awareness. The table presents the distribution of respondents according to their reported understanding of legal and regulatory requirements relevant to portfolio management.

2. Transparency and Risk Disclosure

TABLE II
SATISFACTION WITH TRANSPARENCY

Sr. No	Respondent Category	Frequency	Percentage (%)
1	Highly Satisfied	26	26%
2	Satisfied	44	44%
3	Neutral	18	18%
4	Dissatisfied	8	8%
5	Highly Dissatisfied	4	4%
	Total	**100**	**100%**

Interpretation: The table shows that 44 respondents were satisfied with transparency, while 26 were highly satisfied. 18 respondents reported a neutral opinion. 8 respondents were dissatisfied, and 4 were highly dissatisfied. These responses represent the distribution of satisfaction levels regarding transparency in portfolio management services.

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3. Ethical Practices and Confidentiality

TABLE III
RESPONDENTS' ASSESSMENT OF ETHICAL CONDUCT

Sr. No	Respondent Category	Frequency	Percentage (%)
1	Excellent	28	28%
2	Good	45	45%
3	Average	17	17%
4	Poor	7	7%
5	Very Poor	3	3%
	Total	**100**	**100%**

Interpretation: The table shows that 45 respondents rated ethical conduct as good, while 28 rated it as excellent. 17 respondents gave an average rating. 7 respondents rated ethical conduct as poor, and 3 rated it as very poor. The distribution records respondents' assessments of professional behaviour in portfolio management.

4. Investor Confidence and Satisfaction

TABLE IV
OVERALL SATISFACTION WITH PORTFOLIO MANAGEMENT SERVICES

Sr. No	Respondent Category	Frequency	Percentage (%)
1	Highly Satisfied	27	27%
2	Satisfied	46	46%
3	Neutral	17	17%
4	Dissatisfied	7	7%
5	Highly Dissatisfied	3	3%
	Total	**100**	**100%**

Interpretation: The table shows that 46 respondents were satisfied with portfolio management services, while 27 were highly satisfied. 17 respondents were dissatisfied, and 3 were highly dissatisfied. The table presents the overall distribution of satisfaction among the respondents included in the illustrative dataset.

VI. CONCLUSIONS

The study examines the legal and ethical practices followed in portfolio management at Imperial Money Pvt. Ltd., Nagpur, with a focus on regulatory compliance, transparency, risk disclosure, ethical conduct, confidentiality and investor confidence. The analysis presented in the draft indicates generally favourable responses regarding transparency, professional conduct, confidentiality and overall satisfaction.

The results also highlight the importance of clear risk communication, responsible handling of financial information and adherence to applicable regulatory requirements. Respondents' views indicate that legal and ethical practices are considered important for building investor confidence and maintaining trust in portfolio management services.

However, statistically significant effects cannot be confirmed without conducting appropriate statistical tests on verified survey data. Overall, the study emphasises the importance of maintaining transparent communication, ethical standards and effective investor protection to support.

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