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ANALYSIS OF PORTFOLIO MANAGEMENT AT INDIA INFOLINE PVT. LTD (IIFL)

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ABSTRACT

A Portfolio is a collection of assets. The assets can be physical or financial such as shares, Bonds, obligations, preferred shares, etc. The individual investor or fund manager would not want to put all his money into a company's shares which would pose a great risk Therefore, it would follow the ancient maxim that all eggs should not be placed in a basket. In this way, it is possible to achievethe objective of maximizing portfolio performance and, at the same time, minimizing portfolio risk through diversification. Portfolio management is the management of various financial assets that makeup the portfolio. The study investigates the nature and relationship of project portfolio control techniques and portfolio management performance, and how this relationship is moderated by situational idiosyncratic of internal and external dynamics, industries, governance types, and geographic location. A worldwide questionnaire with 242 responses was used, of which 136 high- performing responses were filtered out for quantitative analysis of best practices. Three portfolio control factors were identified: portfolio selection, portfolio reporting, and decision making style. Two measures for portfolio management performance were identified: achievement of desired portfolio results and achievement of project and program purpose. The results indicate that different portfolio control mechanisms are associated with different performance measures.

KEYWORDS: *Portfolio, Capital Markets, Portfolio Management, Reporting.*

I. INTRODUCTION

A Portfolio is a collection of assets. The assets can be physical or financial such as shares, Bonds, obligations, preferred shares, etc. The individual investor or fund manager would not want to put all his money into a company's shares which would pose a great risk Therefore, it would follow the ancient maxim that all eggs should not be placed in a basket. In this way, it is possible to achieve the objective of maximizing portfolio performance and, at the same time, minimizing portfolio risk through diversification. portfolio management is the management of various financial assetsthat makeup the portfolio.

1. Portfolio management is a decision support system designed to meet the multiple needs ofinvestor.
2. According to the Exchange board of India and securities of portfolio manager it is defined as "portfolio means total holding of securities belonging to any person".

An investor who consider investing in securities faces the problem of choosing from a large number of securities your choice depends on the risk return characteristics of the individual securities. He would try to choose the most desirable value and would like to allocate his funds to his group of values. Once again he faces the problem of deciding what value to keep and how much invest in each one.

II.REVIEW OF LITERATURE

A review if the literature could be a review written be some t express their point of view on the critical points of current knowledge, including substantive finding, as well as their Tucak and methodological contributions to a selected topic.

S.M. Taariq Zafar, D.S. Chaubey and shruti Nagar (2013) in their study stated that each investorhas different ideas to invest in actions that can give them the maximum return with a minimum or no risk. Therefore, they want a portfolio that offers maximum between risks, performance and the effect of diversification on portfolio risk with a market and non market risk compound.

Riva Kiran (2012) in the study highlighted the volatility that is influencing the various movement of the portfolio and the stock market. His article revealed that mutual funds and stocks are the most preferred financial path, but he needs some innovation and additional qualitydimension in existing services.

Singh (2012) conducted an empirical study of Indian investors and noted that the maximum number of respondents is not very aware of the varied role of mutual funds, bonds and obligation etc. And they are a little confused about the investment in various investment alternatives.

Study found that some demographic factor such as gender, income and level of education have significant impact on the attitude towards various portfolio alternatives .On the contrary, it has not been found that age and occupation influence the attitude of the investor. In his study, he noted that portfolio performance and liquidity appear to be the most profitable benefits of investment in mutual funds, bonds, etc.

Devasena (2006) made an attempt to identify the "risk perception and portfolio management of capital investors". She in her study says that investors do not know the portfolio that would minimize risk and maximize return. And it is also clear that investor have a low level funder standing about the risk and importance of portfolio management since they are not aware the portfolio management of the appropriate steps that must be taken to improve the warning level in the minds of investors.

Rakesh Kumar and Raj s Dhanakar (2010) defined the relationship between risk and return andalso examine the possibility of A Diversification on effect on portfolio risk, which is a combination of market and non-market rusk. The study was based on the adjusted daily weekly, 36 and monthly adjusted opening and closing prices of BES 100 composite portfolio for the period from June 2005 to may 2010.

III. NEED FOR THE STUDY

- Few banking sector companies have been selected randomly i.e., SBI Bank, Punjab National Bank, Union bank, ICICI Bank, HDFC Bank, etc.,
- This Study Covers the period of 5 years of 2018-22.The main aspect of the is to find and compare the portfolio risk and portfolio return of selected companies.
- Comparing with other selected companies in the industry enables more effective decision making in investments.

IV. SCOPE OF THE STUDY

1. The study is confined to conduct at IIFL holding limited, Gachibowli, Hyderabad with the project title portfolio management with reference banking sector.
2. The study conducted based on data that is available in BSE website.
3. The study is conducted for the 5year from 2018-2022.
4. The study is conducted completion period of the study is45 days.

V. OBJECTIVES OF THE STUDY

- To analyze the investment patterns of the selected companies.
- To know the risk and return of the selected banking portfolio.
- To understand the portfolio which offers the maximum return and minimum risk.
- To compare the risk and return involved in each firm so that best portfolio is selected.

VI. RESEARCH METHODOLOGY

Research is a process of careful consideration of study regarding a particular concern or a problem using scientific methods. " it is an art or technique of work undertaken to increase the knowledgein respective field." Research methodology is the set of procedures or techniques used to identify, select, process and analyze information about a topic.

DATA COLLECTION

The goal for all data collection is to capture quality evidence that allows analysis to drive to the formulation of convincing and credible answers to the question that have. Data are the essential input to any decision-making process in business.

Data Sources: Secondary data is used throughout the study and the sources of Secondary data are,

- ***Secondary Sources***: The sources of Data collection include,
  a. Company Releases.
  b. Websites.

VII. LIMITATIONS OF THE STUDY

- The Study is conducted based on the data that is available in BSE India portal.

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- The period of the study is restricted to 45 days.
- The Study has been restricted to the area Kukatpally IIFL Branch only.
- Limited responses are collected since the duration is only for 45 days.
- The tools analysis include only return percentages.

VIII. EMPIRICAL RESULTS

This section is dedicated to present the results of analysis as mentioned below,

Average Return Of Banks:

Average Return=(R)/N

YEAR	OPEN(P0)	CLOSE(P1)	(P1-P0)	(P1-P0)/P0*100
2018	312	228.65	-83.35	-26.71474359
2019	225	249.75	24.75	11
2020	252.75	309.5	56.75	22.45301682
2021	310	295.65	-14.35	-4.629032258
2022	297	333.7	36.7	12.35690236
				14.46614332

TABLE 1.1 : Average return of State bank of India

Source: Author's Compilation

YEAR	OPEN(P0)	CLOSE(P1)	(P1-P0)	(P1-P0)/P0*100
2018	219	120.2	-98.8	-45.11415525
2019	116.25	115.6	-0.65	-0.559139785
2020	116.5	171.5	55	47.21030043
2021	172.5	78.1	-94.4	-54.72463768
2022	78.45	64.35	-14.1	-17.97323136
				-71.16086365

TABLE 1.2 : Average return of Punjab national bank

Source: Author's Compilation

BANKS	RETURN
STATEBANKOFINDIA	2.89
PUNJABNATIONALBANK	-14.23

Table 1.3: Average returns of SBI and PNB

Source: Author's Compilation

Analysis of the standard deviation of State bank is 17.15 and average return is 2.89,standard deviation of Punjab national bank is 36.25 and average return is -14.23,Standarddeviationof ICICI Bank is 25.46andaveragereturnis11.47,standarddeviationof HDFC Bank is 30.32 and average return is 10.50, standard deviation of Union Bank is 24.91 and average return is -26.86. Therefore, from the above analysis we found that the ICICI Bank having no risk and high return(11.47)and UNION BANK having high risk and low return(-26.86).

VIII. FINDINGS, SUGGESTIONS AND CONCLUSION:

Findings

- Bank This is due to there cent announcement of the government of India regarding there capitalization of The average returns of SBI portfolio is 2.89 and this is very low when comparedto other Public sector banks.
- The scam in the Punjab National Bank in the year 2018 had showed its impact on theshares of this bank which resulted in the down fall of its shares.
- Union bank merging with the union bank resulted in the down fall of its shares.
- Risk factors is more with the HDFC Shares.
- SBI is highly correlated with the Punjab national Bank.

- Recent scams in banking sector diverted the investors to investing in insurance schemes, pension funds etc., as they guarantees good returns with less risk.
- Most of the investors feel that investing in capital market and stock market involves the higher So, there for the investors are not showing much interest to invest in them.

Suggestions

- The investors who are willing to earn maximum returns with minimum risk in necessary to have a clear understanding of the Investment objectives, tax status and risk tolerances.
- Even though the amount of returns from SBI is low it the best investment source for the individual to invest as it is the India's largest bank.
- The investor who are seeking for high returns with less risk can invest in the ICICI portfolios.
- From the study it is suggested to invest in the portfolio combinations of ICICI and HDFC bank as they result in the high returns
- At the same time it is suggested to invest in the combinations of the Union bank and HDFC Bank as they result in the high risk.
- The investment should be carefully done based upon the previous performance of the portfolio and present prevailing market conditions.
- Investors who are preferring for less risk and low returns can invest in Union bank.
- It better to invest in few investments or securities that can be watched regularly instead of investing too many securities.
- It is better to estimate the market and industry trends be for investing in securities and selling the securities.
- Instead of totally depending on the portfolio managers or stock brokers it is better to have a min in unpractical knowledge on our investments.

CONCLUSION

This study concentrated on the risk and return relationship of various company portfolios.

From this study we can say that portfolio functioning is depended on the market situations so it is better for the investor to take the guidance and help of the portfolio manager in order to reduce the risk on investment sources. After the overall all study about each and every aspect of this topic it shows that portfolio management is a dynamic and flexible concept which involves regular and systematic analysis. It can be concluded that the investors should be updated with latest information on the market trends and on the respective company profile in which they are invested.

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