

Portfolio Management

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Abstract:

Portfolio Management is used to select a portfolio of new product development projects to achieve the following goals: Maximize the profitability or value of the portfolio, Provide balance and Support the strategy of the enterprise. Portfolio Management is the responsibility of the senior management team of an organization or business unit. This team, which might be called the Product Committee, meets regularly to manage the product pipeline and make decisions about the product portfolio. Often, this is the same group that conducts the stage-gate reviews in the organization. A logical starting point is to create a product strategy - markets, customers, products, strategy approach, competitive emphasis, etc. The second step is to understand the budget or resources available to balance the portfolio against. Third, each project must be assessed for profitability (rewards), investment requirements (resources), risks, and other appropriate factors. The weighting of the goals Services in the form of business services or IT-enabled (Web) Services have become a corporate asset of high interest in striving towards the agile organization. However, while the design and management of a single service is widely studied and well understood, little is known about how a set of services can be managed. This gap motivated this paper, in which we explore the concept of Service Portfolio Management. In particular, we propose a Service Portfolio Management Framework that explicates service portfolio goals, tasks, governance issues, methods and enablers. The Service Portfolio Management Framework is based upon a thorough analysis and consolidation of existing, well-established portfolio management approaches. From an academic

point of view, the Service Portfolio Management Framework can be positioned as an extension of portfolio management conceptualizations in the area of service management.

INTRODUCTION

A portfolio is an accumulation of ventures held by an establishment or a private person. In working up a venture portfolio a monetary organization will commonly lead its own speculation investigation, while a private individual may make utilization of the administrations of a money related counselor or a budgetary foundation which offers portfolio management administrations. Holding a portfolio is a piece of a speculation and hazard restricting technique called expansion. By owning a few resources, certain sorts of hazard (specifically particular hazard) can be diminished. The advantages in the portfolio could incorporate stocks, securities, choices, warrants, gold testaments, land, prospects contracts, creation offices, or whatever other thing that is relied upon to hold its esteem [1].

Portfolio Management [2] is a procedure enveloping numerous exercises of interest in resources and securities. It is a flow and adaptable idea and includes general and efficient examination, judgment and activities. The goals of this administration are to help the obscure financial specialists with the skill of experts in venture Portfolio Management. It includes development

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of a portfolio in view of the financial specialist's destinations, obliges, inclinations for hazard and return and obligation. The portfolio is inspected and balanced now and again with the economic situations. The assessment of portfolio is to be done as far as targets set for hazard and return. The adjustments in portfolio are to be affected to meet the evolving conditions. Accordingly, portfolio management is about qualities, shortcomings, openings and dangers in the decision of obligation versus value, household versus universal, development versus wellbeing and various other exchanges offs experienced in the endeavor to augment return at a given hunger for hazard.

OBJECTIVES OF PORTFOLIO MANAGEMENT

The fundamental goal of Portfolio Management is to augment yield and limit chance. The other subordinate targets are according to necessities of financial specialists, in particular:

- Regular salary or stable return
- Appreciation of capital
- Marketability and liquidity
- Safety of venture
- Minimizing of assessment obligation.

Need for portfolio management: The Portfolio Management manages the procedure of choice securities from the quantity of chances accessible with various expected returns and conveying distinctive levels of hazard and the choice of securities is made with a view to give the financial specialists the most extreme yield for a given level of hazard or guarantee least hazard for a level of return.

Portfolio Construction alludes to the designation of surplus supports close by among an assortment of money related resources open for venture. Portfolio hypothesis frets about the standards representing such distribution. The cutting edge perspective of venture is situated towards the get together of appropriate mixes held together will give gainful outcome on the off chance that they are gathered in a way to secure higher return in the wake of thinking about the hazard component. The cutting edge hypothesis is the view that by enhancement,

hazard can be lessened [3]. The speculator can make expansion either by having a substantial number of offers of organizations in various locales, in various businesses or those delivering distinctive kinds of product offerings. Present day hypothesis trusts in the viewpoints of blend of securities under limitations of hazard and return.

RESEARCH METHODOLOGY

To distinguished the Stock Market Investment Avenue and techniques to enable financial specialist in determination of content to make portfolio. What's more, the measures of supporting the portfolio with the utilization of subordinate instrument future.

Research configuration is exploratory as the fundamental target is to distinguish the stocks and strategies to make and ensure portfolio.

Essential information: Primary information are gathered by my routinely following the stock cost of different contents chose

Optional information: Secondary information are gathered from different diaries, sites and money related news paper.

The development and improvement of nation prompting more prominent monetary action has prompted the presentation of an immense range of venture costs. Aside from setting aside sparing in funds banks where premium is low, financial specialist have the decision of an assortment of instruments. The inquiry to reason out is which is the most appropriate channel? Which media will give an adjusted development and steadiness of return? The financial specialist in his decision of venture will give an adjusted development and soundness of return? The financial specialist in his decision of venture will have attempt and accomplish a legitimate blend between high rates of come back to receive the rewards of both.

For instance: - Fixed store in corporate division and Unit put stock in plans.

Ventures avenues:

There are different ventures roads gave by a nation to its kin contingent on the advancement of the nation itself. The created nations like the USA and the Japan give assortment of ventures when contrasted with our nation. In India before the post advancement period there were restricted speculations roads accessible to the general population in which they could contribute. With the opening up of the economy the quantity of speculations roads have additionally expanded and the nature of the ventures have likewise enhanced because of the utilization of the expert movement of the players engaged with this section. Today venture is never again a procedure of experimentation and it has turned into a systematized procedure, which includes the utilization of the expert speculation arrangement supplier to assume a more prominent part in the speculation procedure.

Prior the speculations were made with no examination as the many-sided quality included the venture procedure were not there and furthermore there was no accessibility of assortment of instruments. In any case, today as the quantity of speculation choices have expanded and with the assortment of ventures alternatives accessible the financial specialist needs to take choice as indicated by his own particular hazard and return examination [4].

An investor has a wide array of Investment Avenue. They are as under:

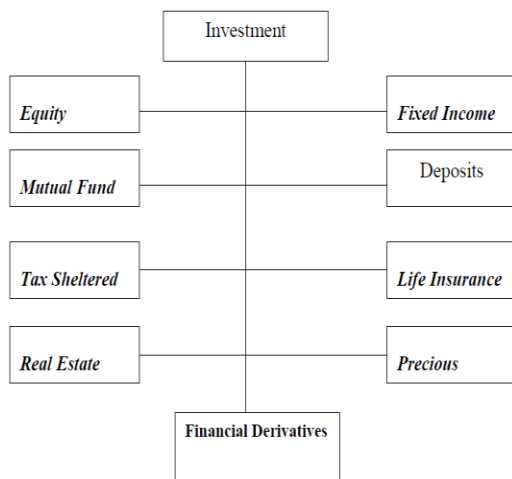


Fig.1: Investment Avenue

PORTFOLIO DESIGN

Before outlining a portfolio one should know the expectation of the financial specialist or the profits that the speculator is anticipating from his venture. This will help in altering the measure of hazard. This turns into an essential point from the perspective of the portfolio architect on the grounds that if the financial specialist will be prepared to go out on a limb in the meantime he will likewise get more returns. This can be all the more suitably comprehended from the figure drawn underneath.

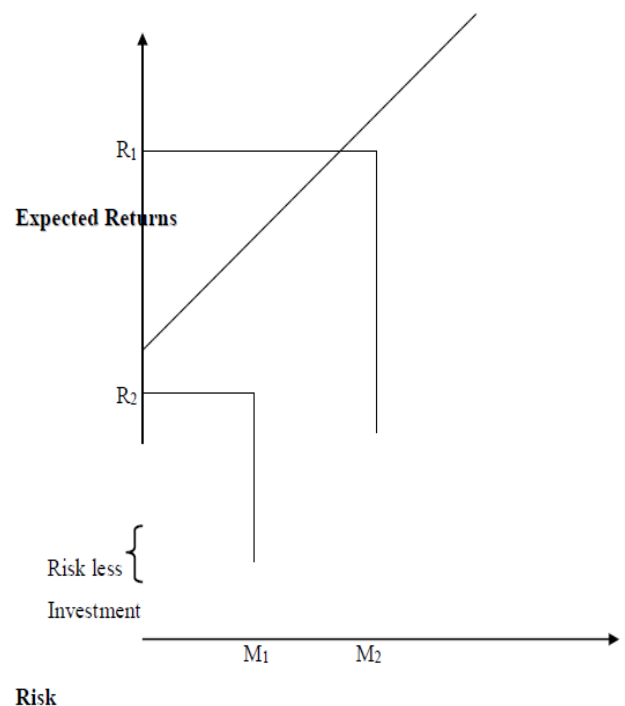


Fig.2: Portfolio Design

From the above figure we can see that when the investor is ready to take risk of M1, he is likely to get expected return of R1, and if the investor is taking the risk of M2, he will be getting more returns i.e. R2. So we can conclude that risk and returns are directly related with each other. As one increases the other will also increase in same of different proportion [3] and same if one decreases the other will also decrease.

From the above discussion we can conclude that the investors can be of the following three types:

- Investors willing to take minimum risk and at the same time are also expecting minimum returns.
- Investors willing to take moderate risk and at the same time are also expecting moderate returns.
- Investors willing to take maximum risk and at the same time are also expecting maximum returns.

ORGANIZATION PROFILE

INDIA BULLS SECURITIES concocted an objective to give the most ideal administrations to each customer, at a moderate cost, regardless of whether you are an individual or an organization. We highly esteem giving quality bookkeeping, assess counseling and each other administration we advertised. We convey the activity on time, on spending plan and agreeable to you. Our notoriety depends on the fulfilled encounters of our clients. We give a similar consideration regarding all customers, regardless of how vast or little.

Services offered by INDIA BULLS SECURITIES:

- Manual and electronic Book-keeping and Accounting on customary and legally binding premise
- Registrations under VAT, Service Tax, TOT, Labor permit, Profession licenses and reestablishments, Import Export License, Private Limited Company Registration, Municipal exchange licenses and firm enrollments
- Filing returns of offers impose, benefit duty and pay expense forms and profiting their credits and discounts
- Tax Planning, Financial investigation, Advisory Reports, Suggestions and Recommendations Accountants and Audit partners (Part-time/Full time)
- Life protection, General Insurance and Health Insurance
- ON-THE-JOB Training, Projects and Internship programs
- PAN card, DIN, DSC and so forth

SERVICE PROVIDER	AREA OF OPERATION
1 BSNL All India	(Except Delhi & Mumbai)
2 MTNL	Delhi & Mumbai
3 BhartiTelesonic Ltd	AP, MP, Delhi, Haryana, Tamil Nadu, Chennai, Karnataka, Kerala, Gujarat, Punjab, Maharashtra, Mumbai, UP(E), including Uttaranchal, West Bengal and Kolkata
4 Tata Teleservices (Maharashtra) Ltd	Maharashtra, Mumbai
5 Tata Teleservices Ltd	AP, TN, Chennai, Karnataka, Gujarat, Delhi, Bihar, Orissa, Rajasthan, Punjab, Haryana, Himachal Pradesh, Kerala, Madhya Pradesh, U.P. (E), U.P (W) including Uttaranchal, West Bengal and Kolkata
6 HFCL Infotel Ltd	Punjab
7 ShyamTelelink Ltd	Rajasthan
8 Reliance Infocomm.Ltd.	AP, Bihar, Delhi, Gujarat, Haryana, HP, Karnataka, Kerala, MP, Maharashtra, Mumbai, Orissa, Punjab, Rajasthan, Tamil Nadu, Chennai, UP(E), West Bengal, Kolkata

Subscribers Base: The Mobile (GSM and CDMA) Industry has reached the 65.07 million subscribers mark (GSM 50.86 million & CDMA 14.21 million) for the quarter ending 30th September 2005.

Addition in Subscribers Base: The subscriber’s base stood at 65.07 million as against 57.37 million for the quarter ending 30.9.2005. Around 7.70 million subscribers were added in this quarter.

Growth Rate: The growth rate for this quarter is 13.42% (13.16% in GSM and 14.37% in CDMA) as against 9.86% (9.44% in GSM and 12.43% in CDMA) for the quarter ending June 2005. M/s Bharti remains the largest mobile operator followed by M/s Reliance and M/s BSNL.

Company wise Market Share: a) Subscriber Base of different Mobile operators is given in Table 2.1. The top five Mobile operators on the basis of market share are as under: -

Cellular Group	Subscribers	Market Share	Technology Used
Bharti	14.07	21.62	GSM
Reliance	12.99	19.96	GSM & CDMA
BSNL	12.38	19.03	GSM & CDMA
Hutchison	9.71	14.92	GSM
IDEA	5.94	9.13	GSM

Change in Market Structure: M/s Bharti, M/s Reliance and BSNL/MTNL has licenses to offer mobile services in all 23 service area. The largest mobile operator, M/s Bharti is offering services in all the 23 service areas. M/s Reliance is presently offering services in all service areas except J&K circle. BSNL is also offering services in all its 21 circles (Except Delhi & Mumbai). M/s Tata Teleservices is offering services in all its licensed 20 service areas. M/s Tata Teleservices does not have license to offer access services in J&K, Assam & North East.

Market share of all company

Subscriber Base	Market Share
Bharat Sanchar Nigam Ltd.	37%
Mahanagar Telephone Nigam Ltd.	20%
Sify Ltd.	14%
Videsh Sanchar Nigam Ltd.	8%
Reliance Communications Infrastructure Ltd.	5%
Data Infosys others	4%
BhartiTeleventures Ltd.(BhartiInfotel)	3%

Telecom sector

Bharti Tele-Ventures Ltd.

Company at glance

Industry: - Telecommunications
52 Week High: - 377.00
52 Week Low: - 195.80
Volume: - 59847
Face Value: - 10.00
P/E Ratio: - 57.24
EPS: - 6.29

Three Months chart

The bellow given chart shows the performance of the script in the bse for last three months. It shows the volatility of the stock for the months of November, December and January.



Fig.3

2. Tata Telecom Ltd.

Company at glance

Industry:	Telecom
52 Week High:	531.00
52 Week Low:	289.00
P/E Ratio:	30.15
EPS:	13.73
Volume:	878
Face Value:	10.00

Three Months chart

The bellow given chart shows the performance of the script in the bse for last three months. It shows the volatility of the stock for the months of November, December and January.



Fig.4

3. Videsh Sanchar Nigam Ltd.

Industry:	Telecom
52 Week High:	444.60
52 Week Low:	161.00
P/E Ratio:	31.18
EPS:	12.21
Volume:	2365926
Face Value:	10.00

Three Months chart: The below given chart shows the performance of the script in the bse for last three months. It shows the volatility of the stock for the months of November, December and January.

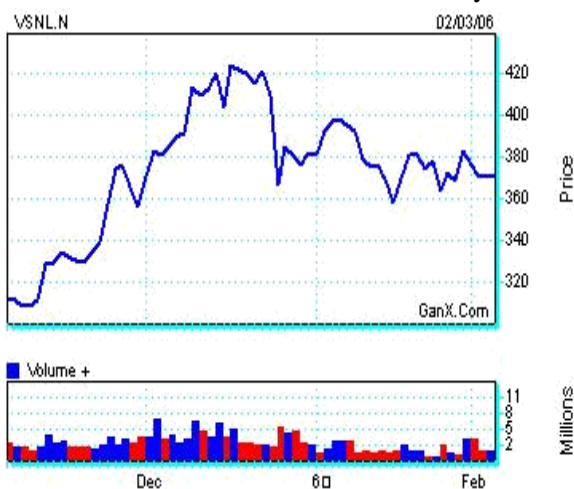


Fig. 5

4. Mahanagar Telephone Nigam Ltd.

Industry:	Telecom
52 Week High:	154.50
52 Week Low:	108.00
P/E Ratio:	10.79
EPS:	12.86
Volume:	76690
Face Value:	10.00

PERFORMANCE ANALYSIS USING RATIOS PER SHARE RATIO

Reported Cash EPS Ratio

	Bharti Tele	Tata tele	VSNL	MTNL
Mar-10	0.4	13.49	63.05	36.93
Mar-11	0.04	14.75	53.96	33.61
Mar-12	0.04	16.63	32.53	27.69
Mar-13	0.03	31.22	19.29	28.23
Mar-14	12.9	24.27	35.11	24.39
	13.41	100.36	203.94	150.85
Average	2.682	20.072	40.788	30.17

Table 1

Operating Profit Per Share

	Bharti Tele	Tata tele	VSNL	MTNL
Mar-10	2.96	-1.62	68.78	41.26
Mar-11	0.07	4.44	57.63	39.11
Mar-12	0.2	2.93	41.42	31.14
Mar-13	0.14	46.74	18.62	31.62
Mar-14	16.17	30.98	27.85	22.31
	19.54	83.47	214.3	165.44
Average	3.908	16.694	42.86	33.088

Table 2

Book Value per Share

	Bharti Tele	Tata tele	VSNL	MTNL
Mar-10	152.67	39.26	231.18	132.51
Mar-11	25.99	65.44	176.98	141.9
Mar-12	26.01	75.66	194.75	150.75
Mar-13	26.03	93.55	181.3	163.93
Mar-14	24.13	105.95	200.98	173.71
	254.83	379.86	985.19	762.8
Average	50.966	75.972	197.038	152.56

Table 3

Net Operating Income Per Share

	Bharti Tele	Tata tele	VSNL	MTNL
Mar-10	5.25	138.64	138.64	91.87
Mar-11	0.33	160.32	160.32	97.54
Mar-12	0.38	200.52	200.52	92.18
Mar-13	0.33	277.15	277.15	101.12
Mar-14	43.93	227.49	115.9	88.78
	50.22	1004.12	892.53	471.49
Average	10.044	200.824	178.506	94.298

Table 4

Gross Profit margin in %

	Bharti Tele	Tata tele	VSNL	MTNL
Mar-10	50.29	-3.88	25.27	31.61
Mar-11	18.33	0.75	23.23	26.8
Mar-12	49.08	-0.32	22.77	18.85
Mar-13	37.06	13.88	11.33	22.73
Mar-14	24.29	10.33	16.64	14.62
	179.05	20.76	99.24	114.61
Average	35.81	4.152	19.848	22.922

Table 7

Free Reserve per Share

	Bharti Tele	Tata tele	VSNL	MTNL
Mar-10	142.67	28.97	213.88	107.18
Mar-11	15.99	39.54	159.63	113.74
Mar-12	16.01	49.75	177.41	120.96
Mar-13	16.03	67.64	164.07	132.02
Mar-14	12.31	80.01	183.76	140.68
	203.01	265.91	898.75	614.58
Average	40.602	53.182	179.75	122.916

Table 5

Net Profit Margin in %

	Bharti Tele	Tata tele	VSNL	MTNL
Mar-10	0.66	5.87	21.8	25.8
Mar-11	0.19	6.06	16.12	20.56
Mar-12	0.3	5.78	16.12	14.61
Mar-13	0.58	8.24	11.24	18.79
Mar-14	14.83	7.65	22.19	16.1
	16.56	33.6	87.47	95.86
Average	3.312	6.72	17.494	19.172

Table 8

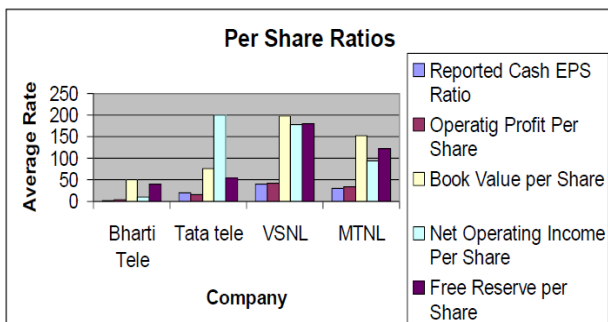


Fig.6

Return on long term fund in %

	Bharti Tele	Tata tele	VSNL	MTNL
Mar-10	1.83	26.1	34.21	18.49
Mar-11	0.18	32.25	23.99	15.81
Mar-12	0.65	30.63	30.63	13.57
Mar-13	0.42	41.63	10.71	15.95
Mar-14	20.41	22.96	11.43	10.16
	23.49	153.57	110.97	73.98
Average	4.698	30.714	22.194	14.796

Table 9

**Profitability Ratio:
Operatig Margin in %**

	Bharti Tele	Tata tele	VSNL	MTNL
Mar-10	56.48	-1.16	26.86	44.19
Mar-11	23.45	2.76	25.23	40.09
Mar-12	54.13	1.46	26.01	33.78
Mar-13	43.21	16.86	16.77	31.27
Mar-14	36.81	13.61	24.03	25.13
	214.08	33.53	118.9	174.46
Average	42.816	6.706	23.78	34.892

Table 6

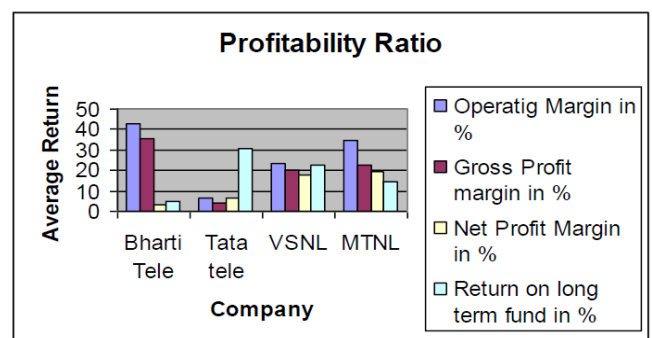


Fig.7

Portfolio in Telecom Sector

	Average return	Portfolio	Wi
Bharti Tele	143.87	79663.1	7.96631
Tata Tele	415.04	229814	22.9814
VSNL	722.26	399927	39.9927
MTNL	524.81	290596	29.0596
	1805.98	1000000	100

Table 10

Total Portfolio = 10,00,000 Rs.

Price as on particular date

Company	02-01-12	28-02-14
Bharti Tele	340.05	361.05
TTML	27.8	24.75
VSNL	381.15	364.95
MTNL	142.15	142.65

Table 11

Total Return on investment = Total return – total investment = **963730.3 – 1000000 = -36269.7**

Bharti Tele	6.175562417
TTML	-10.97122302
VSNL	-4.250295159
MTNL	0.351741119

Table 12

Total return on investment (in %) = - 3.62 %

CONCLUSION

During the course of the study there has been an exposed to the information of portfolio management related to the India bulls securities leading to interaction with various people giving knowledgeable experience .Therefore the objectives of the study on the effectiveness of portfolio management strategies of India bulls securities is accomplished successfully. Portfolio management is believed to be leading strategy in the success of the modern companies.

Adopting these strategies as discussed above enables the Company to provide the confidence to stakeholders, employees and suppliers. In an effort to improve Portfolio management.

The Company should embrace a culture of promoting the management of the portfolio by ensuring that the process is deeply rooted throughout the company. This involve worker across department they should be supportive in all aspect by way of communicating and investing their knowledge and skills in companies project undertakings. Most important the management should set aside enough resources for the project management. Dedicating resources means getting effective solution; additionally the company must invest in training the professionals who participate directly in portfolio management to ensure the company is heading towards achieving its objectives.

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