# INVESTMENT DECISION ANALYSIS AT INDIA BULLS LTD

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## ABSTRACT

The project "ANANLYSIS OF INVESTMENT DECISIONS" gives the brief idea regarding the various investment options that are prevailing in the financial markets in India. With lots of investment options like banks, Fixed Deposits, Government bonds, stock market, real estate, gold and mutual funds the common investor ends up more confused than ever. Each and every investment option has its own merits and demerits. This project I have discussed about few investment options available.

Any investor before investing should take into consideration the safety, liquidity, returns, entry/exit barriers and tax efficiency parameters. We need to evaluate each investment option on the above-mentioned basis and then invest money. Today investor faces too much confusion in analyzing the various investment options available and then selecting the best suitable one. In the present project, investment options are compared on the basis of returns as well as on the parameters like safety, liquidity, term holding etc. thus assisting the investor as a guide for investment purpose.

## INTRODUCTION

**INVESTMENT IN PORTFOLIO:**

Securities like equities, bonds, cash equivalents, and other financial instruments including mutual funds, exchange-traded funds, and closed-funds are all part of a portfolio. Both individual investors and financial advisors have a hand in managing clients' portfolios.

**PORTFOLIO ANALYSIS:**

"Portfolio analysis" refers to the study of how particular portfolios have fared in various conditions in the financial world. Everything done to find the sweet spot between risktolerance and return is a part of it. Either a trained expert or an individual investor with accessto appropriate software can perform a portfolio analysis.

Quantifying the operational and financial impacts of a portfolio is an important part of any portfolio analysis. Efficiently assessing investment performance and timing returns is crucial. Everything from bonds and stocks to indices and commodities to funds and securities is part of a portfolio's study. Because different asset classes have different risk profiles and potential returns, portfolio analysis is becoming more important. To sum up, an investment's rate of return is affected by the portfolio's composition.

There are two main types of analysis that are typically performed on each asset in a portfolio: One approach takes an investor's risk tolerance into account when analysing their portfolio's composition: risk aversion. If the potential gains from riskier investments are too great, some investors may rather play it safe and settle for lower returns.

• Return analysis: The average and compound return methods are used to compute potential returns while undertaking portfolio analysis. The simple mathematical average of returns

from different assets is what we call an average return. But when you add together all the individual returns, you get the compound return, which is the mathematical mean.

Determining the dispersion of returns is the next stage in analysing a portfolio. The standard deviation of returns is a way to quantify the degree to which an asset's value fluctuates over time. Dispersion, in its simplest form, is the discrepancy between the computed  averagereturn and the real interest rate.

Tools for Analysing Portfolios

NEED FOR THE STUDY:

Portfolio management presents the best investment plan to the individuals as per  their income, budget, age and ability to undertake risks. Portfolio management minimizes the risks involved in investing and also increases the chance of making profits. Portfolio managers understand the client's financial needs and suggest the best and unique investment policy for them with minimum risks involved. Portfolio management enables the portfolio managers to provide customized investment solutions to clients as per their needs and requirements.

### OBJECTIVES OF THE STUDY

- ➢ The Markowitz model is the subject of this research.

- ➢ The research delves into the computation of correlation between various assets to determine the optimal allocation of capital among the portfolio's companies.
- ➢ Additionally, the analysis incorporates the process of determining the relativeimportance of each security in the portfolio.
- ➢ This proportion is useful for allocating investment funds according to hazardous portfolios.

## RESEARCH METHODOLOGY

"A study on Portfolio Analysis" is the subject of the current investigation. This is done in thefollowing way.

Gathering data and analysing it.

INFORMATION GAIN

    Two sources can be used to gather the data.Original sourceAn additional sourceMAIN DATASET:

        Primary sources are those that have been compiled from first-hand  accounts.For thesake of this study, primary data gathering will not be conducted. All that is done is communicate with corporate personnel in order to compile a profile of the company.

ANOTHER REFERENCE:

    A secondary source is any information that is already in the public domain and used for  research purposes. Websites such as www.google.com and www.nseindia.com, as well as many textbooks and periodicals, serve as secondary sources of information for this subject.

Here is an example of a randomly selected list of companies from various sectors:

A total of ten businesses representing a variety of industries were chosen for inclusion in thesample.

A. Formulas:

The formula for return is (close price - previous close)/previous close*100, where p is the profit or loss.

## LIMITATIONS OF THE STUDY:

The present study is having the following limitations.

➢ The period of study is limited to Three Months (i.e. from 01.01.2022 to 31.03.2022).

This is not sufficient.

➢ This study has taken the samples of only 10 samples. This is small in size.

➢ The study is completely based on historical data only.

## REVIEW OF LITERATURE

A speculator's wage, spending strategy, and useful time period determine the components of a portfolio, which may include stocks, shares, common subsidies, bonds, and money, among other investment tools. Managing a person's money under the watchful eye of portfolio leaders is the simplest way to put it. This term refers to the process of managing an individual's assets (such as stocks, money, common assets, etc.) in a way that maximises their advantage within a certain time frame. Choosing the optimal investment strategy for individuals in terms of minimum risk and maximum return is the specialty of portfolio management. The process or demonstration of making investment decisions with the objective of maximising potential profit. There are two primary frameworks for managing a portfolio: dynamic and detached. Use of specialised, key, or other examination to produce exchanges on a really normal basis is a part of dynamic administration.

"Portfolio administration" means "the art and science of making decisions about the mix and approach of investments, the allocation of resources to projects and individuals, and the management of risk in relation to execution."

## INDUSTRY PROFILE

An essential role of the securities market is to reallocate resources, either from those that are idle to those that are productive, or from those that are less productive to those that are more productive. Therefore, savers and investors, in the grand scheme of things, are more concerned with the economy's capacity to save and invest, respectively. Both savings and investments, which are essential for economic growth, are bolstered by this. This has been an incredibly fruitful period for the Indian capital market, which, thanks to its robust regulator, has ushered in a new age of modern capital market regulation. There are numerous ways in which the Indian securities market has been exceptional over the last decade. In terms of investor population, market valuation, trading volumes, the number of listed stocks, and market capitalization, it has increased tremendously. There have been major institutional shifts in the market, which have reduced transaction costs and increased efficiency, transparency, and security.

In the minds of investors, a stock exchange is often the first location that comes to mind when discussing the stock market. Actually, trading stocks and the stock exchange are concepts that make up the stock market. Any and all stock sales, whether on stock exchanges or elsewhere, have an effect on the market as a whole. If you want to make smart investment decisions in the stock market, you need follow what the news says about it.

What the stock market needs:

Any marketplace or sector centred on the purchase and sale of shares in publicly and privately traded companies is collectively known as the stock market. The stock market is multi-functional. It is useful for determining stock prices. A stock's value is directly proportional to its trading volume and market demand. Traders and investors can track the performance of individual stocks with greater ease in a global stock market that is linked to other stock markets.

## COMPANY PROFILE

Among the most prominent Indian conglomerates, Indiabulls Group is involved in the mortgage and home finance industries as well as the infrastructure. For the fiscal year ending 31 March 2014, the group's revenue is more than 1,900 Cr. Participating on both the Bombay and National Stock Exchanges, all of the group's enterprises are publicly traded. Thesecompanies' combined market value was Rs. 17,900 Cr. as of 30th June 2014.

A prominent player in India's capital markets, by this company offers consulting and brokerage services for securities. In addition to its commodities trading services, Indiabulls Ventures offers depository services and stock research to its clients via a separate company. Both online and offline distribution methods are used to supply these services. An early player in India's online securities trading space is Indiabulls Ventures.

The total division of Indiabulls Group was born out of the company's original securities trading operation. The financial services company then became an incubator for other startups. Therefore, the securities business laid the groundwork for the group's current separately managed and listed businesses. According to CRISIL, Indiabulls Ventures has the best.

**Main policy of CSR**

Companies that are not primary listed:

A corporation supervised by the National home Bank (NHB), Indiabulls Housing financing Ltd. (IBHFL) ranks as the second largest private home financing company in India. Our company has received the highest possible rating of AAA from both CARE and Brickwork.
Home loans, particularly those up to Rs. 25 lakhs, are available from this lender at reasonable rates. Throughout the whole home-buying process, from the initial loan application to the moment the customer takes ownership of his dream house, our employees are here to help.

**Data analysis and interpretation,**
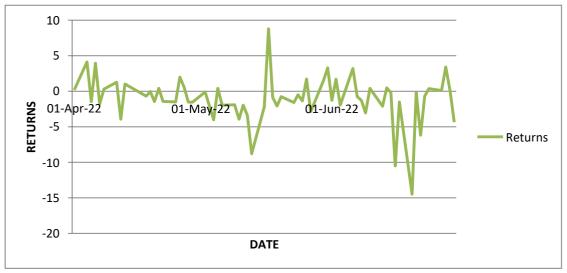**risk assessment, and Vedanta Ltd. financial results**

| Date | Open Price | Close Price | Returns | Avg Returns | difference | D*D |
|---|---|---|---|---|---|---|
| 30-Jun-22 | 232.7 | 222.95 | -4.3732 | -1.0282 | -3.345 | 11.1887 |
| 29-Jun-22 | 232.05 | 232.1 | 0.02154 | -1.0282 | 1.04977 | 1.10201 |
| 28-Jun-22 | 226.95 | 234.9 | 3.38442 | -1.0282 | 4.41264 | 19.4714 |
| 27-Jun-22 | 227.65 | 227.85 | 0.08778 | -1.0282 | 1.116 | 1.24546 |
| 24-Jun-22 | 220.6 | 221.4 | 0.36134 | -1.0282 | 1.38956 | 1.93088 |

| 23-Jun-22 | 221 | 219.45 | -0.7063 | -1.0282 | 0.32191 | 0.10363 |
|---|---|---|---|---|---|---|
| 22-Jun-22 | 235.95 | 222.2 | -6.1881 | -1.0282 | -5.1599 | 26.6245 |
| 21-Jun-22 | 236.4 | 236 | -0.1695 | -1.0282 | 0.85873 | 0.73742 |
| 20-Jun-22 | 263.65 | 230.25 | -14.506 | -1.0282 | -13.478 | 181.65 |
| 17-Jun-22 | 267.65 | 263.65 | -1.5172 | -1.0282 | -0.4889 | 0.23906 |
| 16-Jun-22 | 295.8 | 267.65 | -10.517 | -1.0282 | -9.4892 | 90.0457 |
| 15-Jun-22 | 292 | 291.4 | -0.2059 | -1.0282 | 0.82232 | 0.67621 |
| 14-Jun-22 | 289.9 | 291.25 | 0.46352 | -1.0282 | 1.49174 | 2.2253 |
| 13-Jun-22 | 295.85 | 289.7 | -2.1229 | -1.0282 | -1.0947 | 1.19828 |
| 10-Jun-22 | 300 | 301.2 | 0.39841 | -1.0282 | 1.42663 | 2.03528 |
| 9-Jun-22 | 312.15 | 302.85 | -3.0708 | -1.0282 | -2.0426 | 4.17222 |
| 8-Jun-22 | 317.3 | 313.25 | -1.2929 | -1.0282 | -0.2647 | 0.07005 |

| 7-Jun-22 | 317.2 | 314.8 | -0.7624 | -1.0282 | 0.26584 | 0.07067 |
|---|---|---|---|---|---|---|
| 6-Jun-22 | 310.5 | 320.75 | 3.19564 | -1.0282 | 4.22386 | 17.841 |
| 3-Jun-22 | 323 | 316.75 | -1.9732 | -1.0282 | -0.9449 | 0.89291 |
| 2-Jun-22 | 316.1 | 321.55 | 1.69492 | -1.0282 | 2.72314 | 7.41549 |
| 1-Jun-22 | 320 | 315.9 | -1.2979 | -1.0282 | -0.2697 | 0.07271 |
| 31-May-22 | 310.5 | 321 | 3.27103 | -1.0282 | 4.29925 | 18.4836 |
| 30-May-22 | 308.6 | 313.15 | 1.45298 | -1.0282 | 2.4812 | 6.15637 |
| 27-May-22 | 316.7 | 307.85 | -2.8748 | -1.0282 | -1.8466 | 3.40975 |
| 26-May-22 | 307.65 | 313 | 1.70927 | -1.0282 | 2.73749 | 7.49385 |
| 25-May-22 | 307 | 302.85 | -1.3703 | -1.0282 | -0.3421 | 0.11703 |
| 24-May-22 | 307.1 | 305.55 | -0.5073 | -1.0282 | 0.52094 | 0.27138 |
| 23-May-22 | 310.6 | 305.7 | -1.6029 | -1.0282 | -0.5747 | 0.33023 |
| 20-May-22 | 316.85 | 314.4 | -0.7793 | -1.0282 | 0.24896 | 0.06198 |
| 19-May-22 | 309.8 | 303.45 | -2.0926 | -1.0282 | -1.0644 | 1.1329 |
| 18-May-22 | 322.5 | 319.75 | -0.86 | -1.0282 | 0.16818 | 0.02828 |
| 17-May-22 | 293 | 321.15 | 8.76537 | -1.0282 | 9.7936 | 95.9146 |
| 16-May-22 | 293.4 | 287.15 | -2.1766 | -1.0282 | -1.1483 | 1.31868 |
| 13-May-22 | 318.45 | 292.65 | -8.816 | -1.0282 | -7.7878 | 60.6493 |
| 12-May-22 | 323 | 312.35 | -3.4096 | -1.0282 | -2.3814 | 5.67112 |
| 11-May-22 | 332 | 325.6 | -1.9656 | -1.0282 | -0.9374 | 0.87868 |
| 10-May-22 | 343.15 | 330.15 | -3.9376 | -1.0282 | -2.9094 | 8.46449 |
| 9-May-22 | 356.9 | 350.2 | -1.9132 | -1.0282 | -0.885 | 0.78317 |
| 6-May-22 | 367.7 | 360.6 | -1.9689 | -1.0282 | -0.9407 | 0.88495 |
| 5-May-22 | 403.45 | 405.05 | 0.39501 | -1.0282 | 1.42324 | 2.02561 |

| 4-May-22 | 411 | 395.05 | -4.0375 | -1.0282 | -3.0092 | 9.05552 |
|----------|-----|--------|---------|---------|---------|---------|
| 2-May-22 | 408.4 | 407.95 | -0.1103 | -1.0282 | 0.91792 | 0.84257 |
| 29-Apr-22 | 414.8 | 408.4 | -1.5671 | -1.0282 | -0.5389 | 0.29038 |
| 28-Apr-22 | 418 | 411.65 | -1.5426 | -1.0282 | -0.5143 | 0.26455 |
| 27-Apr-22 | 410.25 | 412.55 | 0.55751 | -1.0282 | 1.58573 | 2.51455 |
| 26-Apr-22 | 403.5 | 411.65 | 1.97984 | -1.0282 | 3.00806 | 9.04844 |
| 25-Apr-22 | 408 | 401.9 | -1.5178 | -1.0282 | -0.4896 | 0.23967 |
| 22-Apr-22 | 422 | 415.95 | -1.4545 | -1.0282 | -0.4263 | 0.18171 |
| 21-Apr-22 | 423 | 424.7 | 0.40028 | -1.0282 | 1.42851 | 2.04063 |
| 20-Apr-22 | 428 | 421.85 | -1.4579 | -1.0282 | -0.4296 | 0.18459 |
| 19-Apr-22 | 428.4 | 428.2 | -0.0467 | -1.0282 | 0.98152 | 0.96338 |
| 18-Apr-22 | 426.95 | 424 | -0.6958 | -1.0282 | 0.33247 | 0.11054 |
| 13-Apr-22 | 421.5 | 425.75 | 0.99824 | -1.0282 | 2.02646 | 4.10655 |
| 12-Apr-22 | 433.8 | 417.3 | -3.954 | -1.0282 | -2.9258 | 8.5601 |
| 11-Apr-22 | 432 | 437.5 | 1.25714 | -1.0282 | 2.28537 | 5.22291 |
| 8-Apr-22 | 429 | 430.25 | 0.29053 | -1.0282 | 1.31875 | 1.73911 |
| 7-Apr-22 | 433.1 | 425.45 | -1.7981 | -1.0282 | -0.7699 | 0.5927 |
| 6-Apr-22 | 415.65 | 432.65 | 3.92927 | -1.0282 | 4.9575 | 24.5768 |
| 5-Apr-22 | 425 | 418.8 | -1.4804 | -1.0282 | -0.4522 | 0.20448 |
| 4-Apr-22 | 404.2 | 421.5 | 4.10439 | -1.0282 | 5.13261 | 26.3437 |
| 1-Apr-22 | 405 | 405.7 | 0.17254 | -1.0282 | 1.20077 | 1.44184 |
| | | | -1.0282 | | | 683.609 |

The risk equals 3.3205, and the average returns are -1.0282.
Schematic Illustration



In other words, VEDANTA LTD's average returns are -1.0282, while the company's risk is 3.3205.

## FINDINGS

➢ The average returns for VEDANTA LTD are -1.0282, and the risk is 3.3205. Castrol India Limited has a risk of 1.178897 and an average return of -0.2753. A value of 0.239535 indicates a correlation between Castrol India Limited and Vedanta Ltd. There is a 3.076951 percent portfolio risk for Vedanta and Castor India, and a -0.6518 percent return on investment.

➢ The average returns for Bosch Ltd. are -0.2644, and the risk is 1.750827. The average return for ASIAN PAINTS LTD is -0.2813 and the risk is 1.730632. Asian Paints Ltd and Bosch Ltd have a correlation coefficient of 0.27826. Bosch Ltd. and Asian Paints Ltd.'s portfolio returns were -0.27285, while the portfolio risk was 2.717441.

➢ The average returns for CEAT LTD are -0.452, and the risk is 2.665474. There is a 5.480125 percent chance of loss and an average return of -0.5882 for Wall Street Finance Ltd. Ceat Ltd and Wall Street Finance Ltd have a correlation coefficient of 0.022596. Both Ceat Ltd and Wall Street Finance Ltd's portfolios have a return of - 0.5201 and a risk of 4.056628.

**SUGGESTIONS:**

➢ To maximise profits while minimising risk, a portfolio should consist of a variety of assets that investors can buy based on how the portfolio is constructed. Wherever money is put in, it should be repaid in a timely manner.  The market returns are highest for these combos. Therefore, in order to get substantial risk-free gains, investors should learn more about these two companies.

**CONCLUSION**

When it comes to building a portfolio, the science of portfolio management has not yet offered conclusive solutions. Putting together a portfolio that would generate more return on assets seems to be more of a creative endeavour than a scientific one. The results show that the number of companies grows, reducing risk, as we move from Portfolio A to Portfolio B. On the other hand, moving from Portfolio B to Portfolio C raises the risk level. The average correlation coefficient rose even though there were more equities in Portfolio C. In sum, the investment risk in Portfolio A is smaller than that in Portfolio C. Investors would choose

various portfolios based on how much risk they are willing to take. Even though it has the lowest risk and returns, Portfolio B has the greatest risk-return tradeoff.

The results demonstrate that investments within the same industry do not provide full diversification of risk, but they also provide evidence that different portfolios can seek improved risk-return tradeoffs.

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