

# A STUDY ON RISK AND RETURN ANALYSIS ON EQUITIES AT INDIABULLS SECURITIES LTD

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## ABSTRACT

This study examines the risk and return analysis of equities at India bulls Securities Ltd, a leading financial services company in India. The study aims to evaluate the potential risks and returns associated with investing in equities and provide insights for investors to make informed decisions. Using historical data and statistical analysis, the study assesses the risk-return trade-off of various equities and identifies factors influencing their performance. The findings of this study will help investors understand the potential risks and returns of equities and make informed investment decisions.

**Keywords:** Risk and return analysis, Equities, India bulls securities ltd, investment decisions and risk management

## 1. INTRODUCTION

Investment is the employment of funds with the aim of achieving additional income or growth in value. The Investors, whether institutional or individual,

continually seek Opportunities to optimize their portfolios, balancing the allure of potential gains with the sobering reality of potential losses. At the heart of this endeavour lies the fundamental principle of risk and return analysis Understanding the dynamics of risk and return is paramount for investors navigating the labyrinthine world of equities. Risk, the probability of loss or deviation from expected outcomes, and return, the gain or loss on an investment, are two sides of the same coin. The prudent investor endeavours to strike a delicate balance between these opposing forces, seeking to maximize returns while minimizing exposure to adverse risk. The primary objective of this study is to conduct a comprehensive analysis of risk and return in equities, delving into the various methodologies, metrics, and strategies employed by investors to assess and manage investment risk.

### 1.2 Statement of the Problem

The problem undertaken to study in the present project work is to calculate returns and risk associated with different stock listed on NSE Stock Exchange. Return and risk are calculated to study the price movements in the stock market. After doing this project one can make decisions regarding the investment in which company one can expect. Despite the increasing participation of retail investors in Indian equity market, there is insufficient clarity on how to balance risk and return in short-term equity investments, particularly when choosing among various sectors and companies.

### 1.3 Significance of the Study

This study aims to address this need by providing a comprehensive analysis of risk and return in equities, thereby empowering investors to navigate the markets with confidence and prudence.

### 1.4 Scope of the Study

This study will encompass a wide range of topics related to risk and return analysis in equities. It will explore various aspects including risk measurement techniques, return calculation methodologies, portfolio management strategies, and the impact of market conditions on risk-return profiles.

### 1.5 Research Objectives

➤ To analyze the theoretical foundations of risk and return in equities and their practical implications for investors

➤ To assess the effectiveness of different risk measurement techniques and identify their strengths and limitations.

➤ To examine the relationship between risk and return and explore the concept of the risk-return tradeoff.

➤ To evaluate the performance of equity investments using relevant risk-adjusted return metrics.

➤ To provide insights into effective portfolio management strategies for optimizing risk-return profiles.

## 2. Literature Review

**Mrs. R. Thirugnanasoundari (2017):**

To examine the risk-return profile of equity investments in various sectors of the Indian economy. Infosys emerged with the highest share price in the of the Information Technology sector. The study emphasizes the importance of seeking financial advice to avoid poor investment decisions.

**Abhishek.V (2018):**

To analyse the risk and return of selected stocks in BSE Sensex. The study suggests that short-term investments may help mitigate risk. It

advocates for diversification of investments to manage risk and recommends using Sharpe's index model for investment decision-making.

**Dr. P. Subramanyam, Dr. NallaBala Kalyan (2018):**

To educate investors on mutual fund investing and encourage investments in sectors with higher potential returns. The research highlights the importance of diversification across industries to maximize revenues while minimizing risk. It focuses on market volatility and its impact on stock pricing.

**Mrs. Rahul Moolbharathi and Mrs. Tukaram Sugandi (2021):**

To compare the risk and return of selected companies with benchmark indices in NSE. HDFC Bank exhibited higher risk and returns compared to

other stocks. All equities in the portfolio had a beta of one, indicating efficiency in terms of risk and return.

**Mr. S. Sathish, Ms. A. Nagarathinam (2021):**

To analyze the risk and return of FMCG companies in the Indian stock market. ITC Ltd. had the lowest return among FMCG companies. The study highlights the tradeoff between risk and return, cautioning against investing in stocks with higher beta values due to significant market risk.

### **3. Research Methodology**

Understanding the intricacies of risk and return in equities is essential for both seasoned investors and novices alike. With financial markets becoming increasingly complex and volatile, there's a growing need for investors to make informed decisions that balance potential returns with associated risks.

**4.Data analysis and results:****RISK AND RETURN ANALYSIS OF AXIS BANK**

DATE	OPEN	CLOSE	RETURN	AVG RETURN	DIFF	D*D
01-Jan-25	1,095.00	1,097.70	0.256	0.0349	0.2111	0.0446
02-Jan-25	1,095.10	1,093.25	-0.1692	0.0349	-0.241	0.0416
03-Jan-25	1,091.00	1,098.60	0.6918	0.0349	0.6569	0.4316
04-Jan-25	1,103.00	1,123.40	1.8159	0.0349	1.7811	3.1722
05-Jan-25	1,125.00	1,136.95	1.139	0.0349	1.1042	1.2192
08-Jan-25	1,145.00	1,122.00	-2.0499	0.0349	-2.0848	4.3462
09-Jan-25	1,128.55	1,116.55	-1.0747	0.0349	-1.1096	1.2312
10-Jan-25	1,115.25	1,107.00	-0.7453	0.0349	-0.7801	0.6086
11-Jan-25	1,111.05	1,125.75	1.3058	0.0349	1.2709	1.6153
12-Jan-25	1,126.35	1,120.35	-0.5355	0.0349	-0.5704	0.3254
15-Jan-25	1,122.00	1,119.50	-0.2233	0.0349	-0.2582	0.0667
16-Jan-25	1,116.65	1,119.10	0.2189	0.0349	0.1847	0.0339
17-Jan-25	1,082.00	1,082.30	0.0277	0.0349	-0.0071	0.0001
18-Jan-25	1,066.00	1,097.50	2.8702	0.0349	2.8353	8.039
19-Jan-25	1,107.15	1,116.55	0.8419	0.0349	0.807	0.6513
20-Jan-25	1,121.00	1,121.00	0	0.0349	-0.0349	0.0012
23-Jan-25	1,125.90	1,089.25	-3.3647	0.0349	-3.3996	11.557
25-Jan-25	1,034.80	1,059.15	2.299	0.0349	2.2642	5.1264
25-Jan-25	1,058.00	1,042.25	-1.5112	0.0349	-1.546	2.3901
29-Jan-25	1,036.00	1,061.25	2.3793	0.0349	2.3444	5.4963
30-Jan-25	1,060.05	1,054.10	-0.5645	0.0349	-0.5993	0.3592
31-Jan-25	1,048.20	1,067.75	1.831	0.0349	1.7961	3.226
01-Feb-25	1,072.65	1,084.25	1.0699	0.0349	1.035	1.0712
02-Feb-25	1,088.05	1,067.05	-1.968	0.0349	-2.0029	4.0116
05-Feb-25	1,067.05	1,061.50	-0.5228	0.0349	-0.5577	0.311
06-Feb-25	1,061.55	1,050.05	-1.0952	0.0349	-1.13	1.28
07-Feb-25	1,061.05	1,069.10	0.753	0.0349	0.7181	0.5157
08-Feb-25	1,072.00	1,035.90	-3.4849	0.0349	-3.5197	12.3886
09-Feb-25	1,039.95	1,051.40	1.089	0.0349	1.0542	1.1113
12-Feb-25	1,051.40	1,046.70	-0.449	0.0349	-0.4839	0.2341
13-Feb-25	1,051.00	1,070.75	1.8445	0.0349	1.8096	3.2748
14-Feb-25	1,061.30	1,096.85	3.2511	0.0349	3.2062	10.28
15-Feb-25	1,097.50	1,072.20	-2.3596	0.0349	-2.3945	5.7336
16-Feb-25	1,073.00	1,068.75	-0.3977	0.0349	-0.4325	0.1871
19-Feb-25	1,069.00	1,062.95	-0.5692	0.0349	-0.604	0.3648
20-Feb-25	1,059.00	1,088.60	2.7191	0.0349	2.6842	7.2051
21-Feb-25	1,093.85	1,084.20	-0.8901	0.0349	-0.9259	0.8555
22-Feb-25	1,090.30	1,100.90	0.9628	0.0349	0.928	0.8612
23-Feb-25	1,099.00	1,096.80	-0.2006	0.0349	-0.2354	0.0554
26-Feb-25	1,093.45	1,085.20	-0.7602	0.0349	-0.7951	0.6322
27-Feb-25	1,081.65	1,079.05	-0.251	0.0349	-0.2758	0.0761

28-Feb-25	1,077.40	1,074.20	-0.2979	0.0349	-0.3328	0.1107
29-feb-25	1,071.00	1,075.10	0.3814	0.0349	0.3465	0.1201
01-Mar-25	1,076.00	1,099.25	2.1151	0.0349	2.0802	4.3273
02-Mar-25	1,099.30	1,096.70	-0.2371	0.0349	-0.2719	0.0739
04-Mar-25	1,099.25	1,106.75	0.6777	0.0349	0.6428	0.4132
05-Mar-25	1,102.20	1,100.80	-0.1272	0.0349	-0.162	0.0263
06-Mar-25	1,100.20	1,125.00	2.2044	0.0349	2.1696	4.7071
07-Mar-25	1,126.00	1,111.45	-1.3091	0.0349	-1.344	1.8062
11-Mar-25	1,112.25	1,105.10	-0.647	0.0349	-0.6819	0.4649
12-Mar-25	1,105.00	1,097.00	-0.7293	0.0349	-0.7641	0.5839
13-Mar-25	1,096.00	1,080.40	-1.4439	0.0349	-1.4788	2.1867
14-Mar-25	1,075.00	1,058.25	-1.5828	0.0349	-1.6177	2.6168
15-Mar-25	1,056.25	1,046.40	-0.9413	0.0349	-0.9762	0.9529
18-Mar-25	1,044.00	1,061.35	1.6347	0.0349	1.5999	2.5595
19-Mar-25	1,055.55	1,050.80	-0.452	0.0349	-0.4869	0.2371
20-Mar-25	1,050.00	1,034.75	-1.4738	0.0349	-1.5086	2.276
21-mar-25	1,039.35	1,035.60	-0.3621	0.0349	-0.397	0.1576
22-Mar-25	1,040.10	1,033.30	-0.6581	0.0349	-0.6929	0.4802
26-Mar-25	1,029.00	1,040.55	1.11	0.0349	1.0751	1.1559
27-Mar-25	1,045.80	1,052.85	0.6696	0.0349	0.6348	0.4029
28-Mar-25	1,052.85	1,047.20	-0.5395	0.0349	-0.5744	0.3299
			0.0349			126.4183

**INTERPRETATION:**

From the above table and graph it represents the risk and returns of Axis bank equities for a period of 3 months i.e. from 01-Jan-2025 to 31-Mar-25, the Axis bank has average returns of 0.0349, Variance of 2.039006, Risk of 1.427938 and coefficient of variance is 40.968. The Axis Bnk Moderate return but very high risk. It might not be a stable option for investment.

**RISK AND RETURN ANALYSIS OF CANARA BANK**

DATE	OPEN	CLOSE	RETURN	AVG RETURNS	DIFF	D*D
01-Jan-25	440.5	442.4	0.4295	0.0603	0.3692	0.1363
02-Jan-25	4441.85	443.95	0.473	0.0603	0.4127	0.1704
03-Jan-25	450	458.25	1.8003	0.0603	1.74	3.0277
04-Jan-25	462.3	465.3	0.6447	0.0603	0.5845	0.3416
05-Jan-25	468	461.95	-1.3097	0.0603	-1.37	1.868
08-Jan-25	461.5	450.5	-2.4417	0.0603	-2.502	6.2601
09-Jan-25	453.9	450.4	-0.7771	0.0603	-0.8374	0.7012
10-Jan-25	451.1	448.75	-0.5237	0.0603	-0.584	0.341

11-Jan-25	451.4	454.5	0.6821	0.0603	0.6218	0.3866
12-Jan-25	456	462.25	1.3521	0.0603	1.2918	1.6687
15-Jan-25	465.75	465.4	-0.0752	0.0603	-0.1355	0.0184
16-Jan-25	464.65	464.95	0.0645	0.0603	0.0042	0
17-Jan-25	456.05	456.8	0.1642	0.0603	0.1039	0.0108
18-Jan-25	455.8	458.25	0.5346	0.0603	0.4744	0.225
19-Jan-25	461	466.65	1.2108	0.0603	1.1505	1.3236
20-Jan-25	468.75	477	1.7296	0.0603	1.6693	2.7865
23-Jan-25	482.4	455.9	-5.8127	0.0603	-5.873	34.4917
25-Jan-25	458.8	454.3	-0.9905	0.0603	-1.0508	1.1042
25-Jan-25	455.1	465.3	2.1921	0.0603	2.1318	4.5448
29-Jan-25	469.9	474.55	0.9799	0.0603	0.9196	0.8456
30-Jan-25	475.1	477.35	0.4714	0.0603	0.4111	0.169
31-Jan-25	478.55	482	0.7158	0.0603	0.6555	0.4297
01-Feb-25	483	501.5	3.6889	0.0603	3.6286	13.1671
02-Feb-25	507	514.35	1.429	0.0603	1.3687	1.8733
05-Feb-25	518.7	520.25	0.2979	0.0603	0.2376	0.0565
06-Feb-25	521.95	521.45	-0.0959	0.0603	-0.1562	0.0254
07-Feb-25	531.11	552.15	3.8125	0.0603	3.7521	14.0781
08-Feb-25	565	569.25	0.7466	0.0603	0.6863	0.471
09-Feb-25	573	571	-0.3503	0.0603	-0.4106	0.1686
12-Feb-25	574	545.75	-5.1764	0.0603	-5.2367	27.4225
13-Feb-25	548	552.2	0.7606	0.0603	0.7003	0.4904
14-Feb-25	545	566.45	3.7867	0.0603	3.7265	13.8864
15-Feb-25	569.05	587.05	3.0662	0.0603	3.0059	9.0354
16-Feb-25	588.1	585.85	-0.3841	0.0603	-0.4443	0.1974
19-Feb-25	587.3	572.85	-2.5225	0.0603	-2.5828	6.6707
20-Feb-25	571.5	569	-0.4394	0.0603	-0.4997	0.2597
21-Feb-25	569.5	567.35	-0.379	0.0603	-0.4392	0.1929
22-Feb-25	573	582.2	1.5802	0.0603	1.5199	2.3102
23-Feb-25	585	580.45	-0.7839	0.0603	-0.8442	0.7126
26-Feb-25	584	573.25	-1.8753	0.0603	-1.9356	3.7464
27-Feb-25	579.3	571.9	-1.2939	0.0603	-1.3542	1.8339
28-Feb-25	574.5	550.45	-4.3692	0.0603	-4.4294	19.62
29-Feb-25	551.05	564.45	2.374	0.0603	2.3137	5.3532
01-Mar-25	570	578.65	1.4949	0.0603	1.4346	2.058

02-Mar-25	580.85	586.75	1.0055	0.0603	0.9452	0.8935
04-Mar-25	588.8	591.9	0.5237	0.0603	0.4634	0.2148
05-Mar-25	590.8	602.45	1.9338	0.0603	1.8735	3.5099
06-Mar-25	604	600	-0.6667	0.0603	-0.727	0.5285
07-Mar-25	600.1	597.95	-0.3596	0.0603	-0.4199	0.1763
11-Mar-25	597.95	586.25	-1.9957	0.0603	-2.056	4.2272
12-Mar-25	586.25	566.9	-3.4133	0.0603	-3.4736	12.0658
13-Mar-25	569.05	536.45	-6.077	0.0603	-6.1373	37.6662
14-Mar-25	534	547	2.3766	0.0603	2.3163	5.3653
15-Mar-25	547	549.15	0.3915	0.0603	0.3312	0.1097
18-Mar-25	550	553.05	0.5515	0.0603	0.4912	0.2513
19-Mar-25	552.7	548.4	-0.7841	0.0603	-0.8444	0.713
20-Mar-25	549.9	551.05	0.2087	0.0603	0.1484	0.022
21-Mar-25	560	563.9	0.6916	0.0603	0.6313	0.3986
22-Mar-25	563.9	573.15	1.6139	0.0603	1.5536	2.4137
26-Mar-25	571.95	571.85	-0.0175	0.0603	-0.0778	0.006
27-Mar-25	571.85	564.25	-1.3469	0.0603	-1.4072	1.9802
28-Mar-25	568.15	581.05	2.2201	0.0603	2.1598	4.6649
			0.0603			259.6752

**INTERPRETATION:**

From the above table and graph it represents the risk and returns of CANARA BANK limited equities for a period of 3 months i.e. from 01-Jan-2025 to 31-Mar-25, the CANARA 6BANK limited has average returns of 0.0603, Variance of 4.188309 , Risk of 2.046536 and co-efficient of variance is 33.94518. The Canara bank have moderate return and high risk.

**STATISTICAL TOOL FOR ANALYSIS**

COMPANY NAME	AVG RETURNS	VARIANCE	RISK	CO-EFF OF VARIANCE
AXIS BANK	0.0349	2.039006	1.427938	40.96882
HDFC BANK	-0.01482	1.63935183	1.2803718	-86.40485954
RELIANCE	0.1017	2.188209	1.47926	14.55047
CANARA BANK	0.0603	4.188309	2.046536	33.94518

#### 4. Findings

1. Axis Bank Moderate returns (0.0349) but very high risk (1.43). Risk is significantly higher compared to returns.
2. HDFC Bank Slightly negative returns (-0.01482) and moderate risk(1028). Risk is extremely high compared to returns
3. Reliance Highest returns (0.1017) and moderate risk (1.48). Offers a relatively balanced risk- return profile.
4. Canara Bank Moderate returns (0.0603) and high risk (2.05) is relatively high compared to returns.

#### 5. Conclusion

1. Axis Bank: While it offers positive returns, it comes with high variance and risk. The coefficient of variance indicates substantial volatility, making it a risky investment.
2. HDFC Bank: Similar to Andhra Paper, HDFC Bank shows negative returns with high variance and risk. Its coefficient of variance indicates significant volatility, making it a risky investment.
3. Reliance: Reliance offers positive returns with moderate variance and risk. Its coefficient of variance suggests relatively lower volatility compared to other options.
4. Canara Bank: It provides positive returns with higher variance coefficient of variance indicates substantial volatility,

and risk. The making it a risky investment.

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