

A Study on Risk analysis in Religare_ Securities Ltd

At Hyderabad

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Abstract:

In Index market, index stocks beta factor can have a major influence on the investment Strategies of investors but this factor doesn't have any specific format. If the analysis is to be believed then in times of a bull market investors should hold stocks with a high Positive beta factor since they should outperform the market. In money, fundamental risk is the risk of breakdown of a whole monetary framework or whole market, instead of risk related with any one individual substance, gathering or segment of a framework. It tends to be characterized as "money related framework shakiness, possibly calamitous, caused or exacerbated by quirky occasions or conditions in monetary middle people" It alludes to the risks forced by interlink ages and interdependencies in a framework or market, where the disappointment of a solitary substance or bunch of elements can cause a falling disappointment, which could conceivably bankrupt or cut down the whole framework or market. It is additionally in some cases incorrectly alluded to as "orderly risk".

Keyword: Index Market, Risk Analysis, Return Analysis

Introduction:

Fundamental risk has been contrasted with a bank run which has a falling impact on different banks which are owed cash by the primary bank in a bad position, causing a falling disappointment. As investors sense the expansive influences of default, and liquidity concerns course through currency advertises, a frenzy can spread through a market, with an abrupt trip to quality, making numerous merchants however couple of purchasers for illiquid resources. These bury linkages and the potential "bunching" of bank runs are the issues which arrangement producers think about when tending to the issue of ensuring a framework against foundational risk. Governments and market checking organizations, (for example, the U.S. Protections and Exchange Commission (SEC), and national banks) regularly attempt to set up arrangements and principles with the apparent support of shielding the premiums of the market in general, asserting that the exchanging members money related markets are ensnared in a trap of conditions emerging from their interlink age. In straightforward English, this implies a few organizations are seen as too huge and too interconnected to even think about failing. Strategy creators as often as possible case that they are worried about securing the versatility of the framework, instead of any one individual in that framework. Foundational risk ought not be mistaken for market or value risk as the last is explicit to the thing being purchased or sold and the impacts of market risk are disengaged to the substances managing in that particular thing. This sort of risk can be relieved by supporting a speculation by going into a mirror exchange. Protection is frequently simple to get against "fundamental risks" in light of the fact that a gathering issuing that protection can stash the premiums, issue profits to investors, enter indebtedness procedures if a cataclysmic occasion ever happens, and hole up behind constrained obligation. Such protection, nonetheless, isn't powerful for the safeguarded

element. One contention that was utilized by budgetary organizations to get unique points of interest in chapter 11 for subsidiary contracts was a case that the market is both basic and delicate.

Review of Literature:

On the difficulties in the monetary division We're amidst a stand-out amongst the most critical difficulties in budgetary segment. The following couple of months will be vital in how the division takes care of business. For a long time, we have talked about in detail the difficulties in genuine sector (manufacturing and enterprises) affecting the budgetary part. In any case, this time it is the difficulties in the money related division and the effect of that to the genuine segment and the more extensive economy Next a half year will be extremely significant in how India handles the difficulties in money related division. An exceptionally solid methodology from the perspective of specialists and approach is required to direct the segment to more secure waters from what I call the fiercer world which is at present there in the realm of money related part. On IL&FS and the liquidity emergency We need to take a gander at money related area in more extensive point of view. The division was a key recipient of demonetization as noteworthy liquidity got siphoned into the framework. This flush of liquidity originally came in banks and afterward into common assets and protection. From these channels the liquidity went into NBFCs and HFCs. Presently we are seeing a huge increment in cash available for use in the course of the last couple of quarters. We're likewise observing the general liquidity conditions being sensibly tight. The blend of these components has taken out 'income sans work' that was sloshing around in the more extensive monetary area and a portion of the pain free income went into focuses like land and land which are definitely at center as a basic resource, illiquid. When you see liquidity moving out we discover difficulties promptly coming if the hidden resources are illiquid. Therefore, we have discovered this a critical test, as the liquidity decreases from the budgetary segment no matter how you look at it in the money related administration industry. We have had a long non-performing resource cycle which has happened in India. It began post 2011 and the genuine economy difficulties including framework and land has played out. What occurred at IL&FS in August September a year ago was the main sign that the difficulties in budgetary area is probably going to have, going ahead. Presently we are seeing that all the more intently as liquidity circumstance becomes more tightly.

As discount liabilities from monetary records diminishes, it produces noteworthy weight on resource side of the accounting report and we're witnessing that. This is an exemplary instance of chain breaking at the weakest connection. At the point when liquidity gets more tightly, we begin seeing weight and that is the time the nature of the accounting report turns out to be extremely pivotal.

Genuine trial of money related wellbeing of an organization is its monetary record. The media and financial specialists center around P and L explanations when the occasions are great. In any case, a solid monetary record shows itself when the occasions are progressively fierce On NBFC circumstance now Back in late 90s, there was an expansion of NBFCs. There was more than 4000 NBFCs in late 90s and post the Asian emergency, we saw an enormous mortality of these organizations. Our experience of that time has been significant in creating manageability and unadulterated judiciousness on risk-based appraisals. We are starting to find in the NBFC space now, as an ever-increasing number of players come into the market, there will be not many players who progress admirably however there are a The evident reason is by all accounts the accessibility of funds. The second inquiry that should be posed is if something auxiliary is evolving. Is there a central change in buyer conduct occurring with the ascent of Ola and Uber? It's an inquiry that should be posed. We as an economy should be prepared for this. It's too soon to guess anything in light of the fact that the interest for the size of the populace is as yet tremendous. What exactly degree are the purchasers saying we needn't bother with a subsequent vehicle. On the off chance that that is to be sure the situation, we should be prepared with another option. On non-performing resources We haven't seen any real victory post IL&FS and among professionals and strategy producers should screen the space in all respects cautiously. What we should attempt to keep away from that the budgetary division difficulties don't affect the genuine area. We do accept from that

point of view, despite the fact that it's right on time to remark, that a seven percent GDP development is practical. Enhancement of presentation has been a principal theory that we have followed. Something else we continue inquiring as to whether there is something that is changing in buyer patterns. What is the conduct change? We are investing energy gathering information that may demonstrate to the shopper designs later on and how we can structure monetary administrations appropriately. Head administrator Narendra Modi's BJP is flush with money, giving his alliance a huge bit of leeway over the fundamental resistance Congress party as he tries to win a subsequent term in India's general race. Dark crusade financing on the planet's biggest vote-based system makes it dubious to get a full picture of cash in legislative issues here. In any case, current and previous BJP supporters, resistance lawmakers, agents and activists met by Reuters state Modi has an uncommon preferred position, because of help from organizations and desires he will be the victor. Stunned casting a ballot in the general race is at present in advancement crosswise over India, with results to be proclaimed on May 23. The BJP reserve has enabled it to release a huge measure of publicizing via web-based networking media and send Modi and gathering authorities mismatching India to battle. The decision gathering has showered cash on Facebook and Google commercials, burning through multiple times more than Congress since February, as per information from the two firms. Modi product proliferates, as do Modi advertising destinations.

A custom of doling out complimentary gifts to influence voters just adds to costs. Experts state they have held onto products and money worth about \$456 million since March 26.

"This stash gives the BJP critical favorable circumstances," said Milan Vaishnav, executive of the Carnegie Endowment for International Peace's South Asia program. "Cash is valuable for charming voters yet in addition for keeping systems of gathering specialists and influencers all around greased up."

Rating Action

Brokerage	Rating Before Result	Rating After Result	Target Price Before Result (₹)	TP Change After Result (%)
Emkay	Hold	Sell	155	-40.5
BOB Capital Markets	Buy	Sell	275	-23.6
Axis Capital	Sell	Sell	240	-14.5
Prabhudas Lilladher	Accumulate	Reduce	245	-22.5

SOURCE: Brokerage reports

Objective of the study

1. To analyze the performance of selected stock in indian stock market.
2. To know about the deliverable positions in stock.
3. To know the risk and returns of the selected stocks.

Research methodology

For the purpose of the study was collected through secondary source of data collection method. Major source of data is published stock prices of selected companies. Time period: I collected yearly closing prices of stock prices of selected companies. For the period of 2016- 2018. Primary data: - primary data are collected by my regularly tracking the stock price of various scripts selected Secondary data: - secondary data are collected from various journals, websites and financial newspaper.

Data Analysis:

CALCULATION OF TCS RISK AND RETURNS FOR THE PERID OF 2016 TO 2019

Month	Open Price	High Price	Low Price	Close Price	% Deli. Qty to Traded Qty	Spread High-Low	Spread Close-Open
Jan-16	2432.1	2436.35	2243.75	2391.2	48.34	192.6	-40.9
Feb-16	2392	2439.95	2119	2181.9	72.28	320.95	-210.1
Mar-16	2182.5	2534	2163.5	2516.05	48.13	370.5	333.55
Apr-16	2505.05	2553.15	2404.95	2530.05	38.56	148.2	25
May-16	2530.05	2645.45	2432	2575.1	50.03	213.45	45.05
Jun-16	2577.9	2675.45	2455	2550.8	42.45	220.45	-27.1
Jul-16	2553.1	2632	2404.5	2618.55	35.83	227.5	65.45
Aug-16	2620	2740	2471.15	2512.55	46.08	268.85	-107.45
Sep-16	2529	2544	2287	2427.2	74.11	257	-101.8
Oct-16	2440	2455	2298.85	2394.6	66.9	156.15	-45.4
Nov-16	2394	2394.6	2054.7	2276.75	67.93	339.9	-117.25
Dec-16	2290	2375.9	2151	2361.95	43.16	224.9	71.95
Jan-17	2365	2387	2206.55	2229.9	49.84	180.45	-135.1
Feb-17	2224.35	2555	2154.3	2466.5	48.07	400.7	242.15
Mar-17	2484	2584	2407	2431.1	64.17	177	-52.9

Apr-17	2435	2448	2255	2272.1	43.16	193	-162.9
May-17	2297	2636	2271.45	2544.35	70.53	364.55	247.35
Jun-17	2530	2707.4	2325	2364.35	53.94	382.4	-165.65
Jul-17	2364	2583.7	2325	2494.05	43.19	258.7	130.05
Aug-17	2494.05	2547	2458	2496.75	52.3	89	2.7
Sep-17	2475	2539.7	2420.65	2437	61.1	119.05	-38
Oct-17	2435	2634.9	2425	2616.3	64.81	209.9	181.3
Nov-17	2622	2774	2581.1	2634.25	34.88	192.9	12.25
Dec-17	2637	2711.7	2496.9	2700.4	34.63	214.8	63.4
Jan-18	2689.8	3254.8	2622.7	3111.75	37.69	632.1	421.95
Feb-18	3120	3190	2894.25	3038.25	76.61	295.75	-81.75
Mar-18	3041	3133	2782.3	2849.3	24.49	350.7	-191.7
Apr-18	2845	3560	2845	3531.4	39.32	715	686.4
May-18	3533	3674	1726.1	1744.8	22.28	1947.9	-1788.2
Jun-18	1758	1886.2	1712.9	1847.2	55.43	173.3	89.2
Jul-18	1829.95	2012	1829.95	1941.25	49.4	182.05	111.3
Aug-18	1951	2090.5	1941	2078.2	52.36	149.5	127.2
Sep-18	2080.05	2214.15	2018.85	2184.5	43.96	195.3	104.45
Oct-18	2186	2273	1784	1937.6	51.96	489	-248.4
Nov-18	1940.1	2000	1787	1970.6	47.5	213	30.5
Dec-18	1980.1	2028.4	1872	1893.55	26.65	156.4	-86.55
Jan-19	1905	2019.5	1809.55	2014.6	30.42	209.95	109.6
Feb-19	2005	2097.8	1882	1984.25	50.15	215.8	-20.75
Mar-19	1990	2069	1959	2000.4	41.38	110	10.4

CALCULATION OF RELIANCE RISK AND RETURNS FOR THE PERIOD OF 2016 TO 2019

Month	Open	High	Low	Close	% Deli. Qty to Traded Qty	* Spread	
Jan-16	1,010.00	1,089.50	978.15	1,035.05	50.97	111.35	25.05
Feb-16	1,040.00	1,041.00	888.5	966.55	45.27	152.5	-73.45
Mar-16	967.5	1,055.95	965	1,045.25	57.15	90.95	77.75
Apr-16	1,039.00	1,070.00	977.85	982.55	30.97	92.15	-56.45
May-16	981.4	994.7	925.7	958.95	33.06	69	-22.45
Jun-16	958.8	995	934.4	969.45	38.01	60.6	10.65
Jul-16	973.5	1,039.00	970.2	1,015.50	46.35	68.8	42
Aug-16	1,016.55	1,073.55	984.5	1,058.00	52.35	89.05	41.45
Sep-16	1,053.90	1,128.90	1,003.10	1,082.10	51.49	125.8	28.2
Oct-16	1,084.50	1,124.80	1,043.20	1,051.20	52.77	81.6	-33.3
Nov-16	1,051.00	1,055.00	932	992.75	47.15	123	-58.25
Dec-16	996.15	1,084.70	987.55	1,080.10	64.02	97.15	83.95
Jan-17	1,081.35	1,097.00	1,014.05	1,043.40	47.34	82.95	-37.95
Feb-17	1,045.20	1,256.50	1,022.00	1,238.25	41.84	234.5	193.05
Mar-17	1,242.00	1,336.00	1,225.65	1,319.20	99.32	110.35	77.2
Apr-17	1,332.00	1,465.00	1,332.00	1,394.80	31.87	133	62.8
May-17	1,400.10	1,402.00	1,295.00	1,340.60	45.06	107	-59.5
Jun-17	1,338.00	1,444.00	1,308.60	1,380.25	71.9	135.4	42.25
Jul-17	1,388.00	1,631.10	1,372.10	1,613.85	32.42	259	225.85
Aug-17	1,623.85	1,665.00	1,530.00	1,593.50	33.85	135	-30.35
Sep-17	1,601.80	1,652.40	780	782.15	47.72	872.4	-819.65

Oct-17	792.35	958.2	786.25	940.8	55.84	171.95	148.45
Nov-17	946	959	873	922.6	48.84	86	-23.4
Dec-17	925	937	861.7	921.05	53.18	75.3	-3.95
Jan-18	922	990	907.25	961.15	39.32	82.75	39.15

CALCULATION OF WIPRO RISK AND RETURNS FOR THE PERIOD OF 2016 TO 2019

Month	Open Price	High Price	Low Price	Close Price	% Deli. Qty to Traded Qty	Spread High-Low	Spread Close-Open
Jan-16	327.6	328.5	302.9	319.5	36.53	25.6	-8.1
Feb-16	318.8	325.75	268	295.8	51.07	57.75	-23
Mar-16	305	336.1	302	328.05	45.03	34.1	23.05
Apr-16	326.95	338.4	312	324.8	49.41	26.4	-2.15
May-16	325.5	364.25	306	351.6	59.28	58.25	26.1
Jun-16	353	371.4	345.7	368.1	45.5	25.7	15.1
Jul-16	245.4	258.85	242.2	252.45	63.17	16.65	7.05
Aug-16	253	262	246	260.05	58.27	16	7.05
Sep-16	260.25	266	240.8	241.55	55.05	25.2	-18.7
Oct-16	242.35	246.5	233.6	241.9	63.9	12.9	-0.45
Nov-16	242	259.6	222.25	232.9	54.7	37.35	-9.1
Dec-16	232.9	242.3	222.05	240.95	52.08	20.25	8.05
Jan-17	241.95	266.7	238.55	258.05	53.73	28.15	16.1
Feb-17	260	291.95	258.2	262.15	57.77	33.75	2.15
Mar-17	263.25	289	258.4	280.45	70.53	30.6	17.2
Apr-17	281.1	292.85	271	278.6	49.07	21.85	-2.5
May-17	279.05	319.9	270.9	311.9	39.43	49	32.85
Jun-17	313	324.8	299	323.85	40.8	25.8	10.85
Jul-17	345.25	353.2	276.9	285.15	46.66	76.3	-60.1
Aug-17	286	289.5	270.05	282.2	52.08	19.45	-3.8
Sep-17	282	284.6	257.1	258.25	62.08	27.5	-23.75
Oct-17	259.25	276.1	258.1	266.1	52.65	18	6.85
Nov-17	266.95	271.15	250.35	255.65	47.74	20.8	-11.3
Dec-17	256.2	267.4	250.5	263.1	68.42	16.9	6.9
Jan-18	263.3	283.1	259.6	271.25	53.49	23.5	7.95
Feb-18	272	290.15	262.1	265.1	54.25	28.05	-6.9
Mar-18	264.55	271.7	251.3	255.9	59.04	20.4	-8.65
Apr-18	258.5	283.75	255.5	281.45	46.59	28.25	22.95
May-18	281.5	289.55	268.7	271.6	32.87	20.85	-9.9
Jun-18	271.65	274	258.9	266.05	68.03	15.1	-5.6
Jul-18	268	307	260.35	297.2	50.45	46.65	29.2
Aug-18	297.5	322.6	296.1	319.15	48.45	26.5	21.65
Sep-18	322.35	322.7	289.5	296.7	49.42	33.2	-25.65
Oct-18	300.65	302.95	263.6	279.8	35.21	39.35	-20.85
Nov-18	281.1	290.05	273.25	286.25	36.36	16.8	5.15
Dec-18	287.25	289.4	268.2	281.65	37.23	21.2	-5.6
Jan-19	283.75	297.35	273.7	278.75	42.56	23.65	-5
Feb-19	280	284.9	268.5	276.15	41.23	16.4	-3.85
Mar-19	277	302.95	276.1	296.7	43.06	26.85	19.7

Findings

TCS the stock is traded between 3500 to 1500 the high risk is associated with this stock. the maximum delivery quantity is also between approximately 20- 70 percentages is recorded the stock risk is very high.

Reliance industries the stock is traded between 800 to 1600 the high risk is associated with this stock. the maximum delivery quantity is also between approximately 20- 90 percentages is recorded the stock risk is very high.

WIPRO the stock is traded between 230 to 380 the high risk is associated with this stock. the maximum delivery quantity is also between approximately 45- 50 percentages is recorded the stock risk is less risk.

Suggestions

Contingent upon your objectives, putting resources into individual stocks might be more inconvenience than its value. Picking record assets in a particular division can give your portfolio the tilt you need, yet with less emotional swings. There are three criteria that can be utilized to help guide support decision. The most talked about is "cost proportion," where lower implies less expenses to you. The second is the quantity of stocks in the reserve. The higher the number, the more assorted the store. Similarly, as significant seems to be "complete resources" under administration. The more resources, the more other individuals likewise concur this is an incredible store. When looking at two common assets, I'll line up these three criteria for assets in a similar classification to settle on an educated choice.

A standout amongst the most widely recognized mix-ups in financial exchange contributing is attempting to time the Stock Market. Time the Stock Market, or "Stock Market timing," implies attempting to make sense of the best time to get in the Stock Market, or contribute. It additionally implies the best time to escape the Stock Market, or sell. It is difficult to be spot on the two closures. It tends to agitate experience advertise instability, with the goal that's the reason it's critical to comprehend the distinction between reserve funds (which are progressively steady) and speculations (which can be increasingly unstable). It's the time in the Stock Market that is progressively significant, not really timing the Stock Market.

Conclusions

Exchanging must be founded on a particular guideline set and exchanging plan. You begin by learning the five parts, acing them, and after that staying with what works. These five parts are: Create: motivation to get into the exchange. An create is a high likelihood diagram design that has demonstrated through time to work regularly. Figure out how to perceive you creates, and track them to disclose to you how predictable they are. System: A characterized approach to exchange the create. With every create must come an approach to exchange it. Another broker should simply ace one procedure in mix with an create. Passage: Where do you have an edge on your entrance? Your entrance can once in a while have a significant effect. Entering excessively a long way from your stop point will guarantee that you can't sit through warmth when it occurs.

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