



International Journal of Engineering Research and Science & Technology

www.ijerst.org

ISSN : 2319-5991

Vol. 21 No. 3 (2025)



ijerst.editor@gmail.com
editor@ijerst.com

Research Paper

A STUDY ON VOLATILITY OF INDIAN STOCK WITH SPECIAL REFERENCE TO DHANI STOCKS LIMITED

1.Pattan Asif Mohammad, II MBA, student, Malla Reddy Engineering College(Autonomous),Hyd

Email: Asifmohammadpatan10@gmail.com

2. B.Dharani, Assistant Professor, Department of MBA, Malla Reddy Engineering College (Autonomous), Hyderabad.

E-mail: dharanibodhana777@gmail.com

Received: 07-5-2025

Accepted: 14-6-2025

Published: 25-6-2025

ABSTRACT

In recent years the increasing importance of the future market in the Indian markets has received considerable attention from researchers, academicians and financial analysis. The present study is undertaken with an attempt to determine the share price movements and its volatility of the selected 5 companies of Banking Sector, which is in BSE list. The period of the study selected between April 2020 and March 2025. for examining the share price movements and its volatility, Calculation of Returns, Standard Deviation, Variance of selected 5 banks during the study period, and also examine the run test in Indian stock market is weak form efficient, the non-random behavior of the market has only short-term implications. Finally should take necessary steps to maintain its financial health and increase the market share in India.

Key words : volatility, Equity Instruments, Emerging Markets, Capital Flows, Portfolio Diversification

INTRODUCITON

The Indian stock market represents a critical component of the nation's financial system, serving as a central mechanism for capital formation and investment. As a marketplace for the trading of financial securities such as equities, derivatives, and debt instruments, it plays a pivotal role in the mobilization of resources and allocation of capital across various sectors of the economy. Over the years, it has developed into a sophisticated and dynamic system that not only reflects the macroeconomic conditions of the country but also influences business strategies, investor sentiment, and policy decisions.

Historically, the development of the Indian stock market can be traced back to the establishment of the Bombay Stock Exchange (BSE) in 1875, making it the oldest stock exchange in Asia. The evolution of the market accelerated with the

introduction of the National Stock Exchange (NSE) in 1992, which brought with it technological advancements, such as fully automated screen-based trading. The NSE helped democratize access to trading by eliminating the traditional open outcry system and increasing transparency in transactions. Today, both the BSE and NSE stand as the primary stock exchanges in India, facilitating the listing and trading of thousands of companies from diverse sectors.

REVIEW OF LITERATURE

1. **SAMEER YADAV-2017-** Stock Market is one of the most versatile sectors in the financial system, and Stock Market plays an important role in economic development. Stock Market is a hub where facilities are provided to the investors to purchase and sell their Shares, Bonds and Debenture etc.

In other words, Stock Market is a platform for trading various securities and derivatives without any barriers. In Stock Market various companies are listed to their business venture through public issues. In the current scenario, long term investors are investing in the companies through Stock Market to attain prot. In India listed Stock Market are Bombay Stock Exchange (BSE), the National Stock Exchange (NSE) and the Calcutta Stock Exchange (CSE). These three are largest Indian Stock Market. Volatility is a statistical measure of the dispersion of returns for a given security or Market Index. Commonly, the higher the volatility greater the risk associated with the security. Volatility estimation is important for several reasons associated with different people in the market. Developed markets continue to provide over long period of time with higher returns constituting low volatility. Indian market has started becoming informational more efficient compared to developed countries. The study would facilitate the reader to understand the past, current and future aspects of Indian Stock Market.

2. **J. Sudarvel-2015-** This study investigates the existing literature in the field of Indian Stock Market Anomalies. The focus of the literature survey is to review these various stock market anomalies that were experimental over time in different stock indices in India. The Anomalies analysed in this literature survey include the Day-of-the week-effect, Weekend Effect, Turn of the Month Effect, Semi-Month Effect, Holiday Effect, and January Effect. Indian stock

market indices have been studied and analysed to find evidence for the existence of these anomalies in Indian stock markets.

3. **IM. Pandey (2002)** in his study entitled “IS THERE SEASONALITY IN THE SENSEX MONTHLY RETURNS”. The study considers seasonal or monthly stock returns in several developed and emerging markets. This study also investigates the existence of seasonality in Indian markets. The study makes use of monthly return data of BSE’s sensitivity index for the period ranging from April 1991 to March 2002. The collected data are analysed Regressive Moving Average, ARIMA Model, ARCH Model and Weighted Average Share Price Index. The result of the study observes that investor during the end of the year, sell shares whose value have declined to book losses in order to reduce their taxes. Major findings of the study is Return for the month of January, February, August and December higher than other months return Maximum returns in the month of February compared to the other months, whereas, return during the months of March, April, May, September, October and November shows a negative trend. ARIMA models are with white Noise. Time Series Regression Model disclose that the return for the month of March, July and October are amongst the lowest are compared to the month of January, which clearly indicates the presence of seasonality in the Sensex returns. This study result does confirm the January effect of stock return in India.

Need and Importance of the Study

The Indian stock market is a cornerstone of the country's financial infrastructure. It plays a vital role in the allocation of resources, mobilization of capital, promotion of investment culture, and overall economic growth. As one of the largest and fastest-growing markets in Asia, it serves multiple stakeholders, including individual investors, institutions, corporations, and the government. The functioning of the Indian stock market is regulated by the Securities and Exchange Board of India (SEBI), which ensures transparency, investor protection, and market integrity.

One of the primary needs for the stock market in India is **capital formation**. It provides a platform for companies to raise long-term funds through equity financing. By issuing shares to the public via Initial Public Offerings (IPOs), businesses can access the capital required for expansion, research and development, diversification, and modernization. This access to public capital is crucial for entrepreneurial growth and industrial development.

The stock market also offers an **investment avenue for individuals and institutions**. It enables investors to participate in the profits and growth of businesses by purchasing shares. In return, they may benefit through capital appreciation and dividends. Compared to traditional investment options such as savings accounts or fixed deposits, the stock market typically offers higher returns over the long term, which is essential for wealth creation and financial independence. The accessibility of trading platforms and the rise of online brokerage services have further expanded participation, bringing stock market investment within reach of retail investors across the country.

SCOPE OF THE STUDY

The study in the area of selected Banking Sector which was listed in Sensex

- By screening the equity share price Performance of Banking sector from

Sensex

- The basic is to diagnose the reason of price fluctuate
- To Analyze and interpret the data is essential to know the risk level

OBJECTIVES OF THE STUDY

- To Understand equity price fluctuations of selected companies in banking sector.
- To Find out Maximum weekly returns of the selected companies
- To find out volatility of the selected companies
- To measure and interpret the market risk of selected companies

DATA SOURCE

SECONDARY DATA :

Information not initially gathered from published or unpublished sources, is perceived as optional information. The subsequent venture insights about speculation and different venture choices were gathered on sites, books and magazines.

RESEARCH DESIGN

Research Design stands for the framework of research. The research design utilized in this study is analytical.

Analytical Research

Analytical means the researcher use facts and information already available and the analysis and making the evaluation. Analytical research attempts to explain why and how it usually concerns itself with cause-effect relationship among variables. The researcher attempts to analyze the situation and make critical evaluation.

Data Collection Method

This study is mainly based on Secondary data collect from BSE. The data on monthly market prices of Top 5 constituents in Banking sector listed in Sensex have been collected. In addition the other sources are also used for data collecting like internet and newspapers.

Period of the Study

Data of five years weekly wise data of five

bank shares is used for the purpose of the study. The study ranges from April 2018 to December 2022.

Selected Samples in Banking Sector

- 1) ICICI BANK LIMITED
- 2) HDFC BANK LIMITED
- 3) Karur Vysya Bank
- 4) KOTAK MAHINDRA BANK LIMITED
- 5) AXIS BANK LIMITED

Tools Used

The Following are major tools used in analysis and interpretation

- Returns
- Standard Deviation

Returns

The gain or loss on an investment over a specified period, expressed as a percentage increase over the initial investment cost. Gains on investments are considered to be any income received from the security plus realized capital gains. A simple percentage analysis is used to calculate the company returns using the following formula. $\text{Return} = \frac{\text{close price} - \text{open price}}{\text{open price}} * 100$

Standard Deviation

The Standard deviation is a statistic that measures the dispersion of dataset relative to its mean and is calculated as the square root of the variance. The standard deviation is calculated as the square root of variance by determining each data point's deviation relative to the mean. If the data

points are further from the mean, there is a higher deviation within the data set, thus the more spread out the data, the higher the standard deviation.

Using the Standard Deviation

Standard deviation is an especially useful tool in investing and trading strategies as it helps measure market and security volatility and predict performance trends. As it relates to investing, for example, an index fund is likely to have a low standard deviation versus its benchmark index, as the fund's goal is to replicate the index.

Standard deviation is one of the key fundamental risk measures that analysts, portfolio managers, advisors use. Investment firms report the standard deviation of their mutual funds and other products. A large dispersion shows how much the return on the fund is deviation from the expected normal returns. Because it is easy to understand, this statistic is regularly reported to the end clients and investors. Formula for Standard Deviation

LIMITATIONS OF THE STUDY

- The study is micro in nature
- Due to time constraint the study period is confined.
- The researcher has chosen only 5 banking sector companies listed in the BSE Sensex
- An in depth analysis on the cause of the industry performance in the market is not being made

DATA ANALYSIS AND INTERPRETTETION

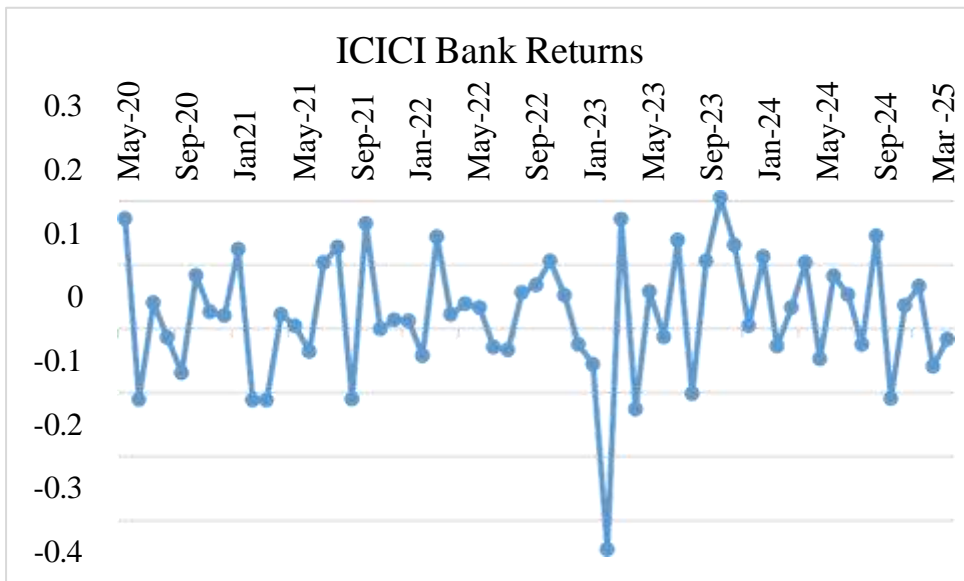
ICICI BANK LIMITED

PERIOD : 10-04-2020 TO 31-03-2025

| Date | Adj Close | Returns (R) | \bar{R} | $R - \bar{R}$ | $(R - \bar{R})^2$ |
|--------|-----------|-------------|-----------|---------------|-------------------|
| Mar-25 | 730.25 | -0.0164 | 0.02128 | -0.0377 | 0.00142 |
| Feb-25 | 742.45 | -0.0593 | 0.02128 | -0.0806 | 0.00649 |
| Jan-25 | 789.25 | 0.06619 | 0.02128 | 0.04491 | 0.00202 |
| Dec-24 | 740.25 | 0.03633 | 0.02128 | 0.01505 | 0.00023 |

| | | | | | |
|--------|--------|---------|---------|---------|---------|
| Nov-24 | 714.3 | -0.1097 | 0.02128 | -0.131 | 0.01715 |
| Oct-24 | 802.3 | 0.14483 | 0.02128 | 0.12355 | 0.01527 |
| Sep-24 | 700.8 | -0.0251 | 0.02128 | -0.0464 | 0.00215 |
| Aug-24 | 718.85 | 0.05295 | 0.02128 | 0.03167 | 0.001 |
| Jul-24 | 682.7 | 0.08219 | 0.02128 | 0.06091 | 0.00371 |
| Jun-24 | 630.85 | -0.0473 | 0.02128 | -0.0686 | 0.00471 |
| May-24 | 662.2 | 0.10293 | 0.02128 | 0.08165 | 0.00667 |
| Apr-24 | 600.4 | 0.03295 | 0.02128 | 0.01166 | 0.00014 |
| Mar-24 | 581.25 | -0.0274 | 0.02128 | -0.0486 | 0.00237 |
| Feb-24 | 597.6 | 0.11285 | 0.02128 | 0.09157 | 0.00838 |
| Jan-24 | 537 | 0.00411 | 0.02128 | -0.0172 | 0.00029 |
| Dec-23 | 534.8 | 0.13113 | 0.02128 | 0.10985 | 0.01207 |
| Nov-23 | 472.8 | 0.20443 | 0.02128 | 0.18315 | 0.03354 |
| Oct-23 | 392.55 | 0.10609 | 0.02128 | 0.0848 | 0.00719 |
| Sep-23 | 354.9 | -0.1015 | 0.02128 | -0.1228 | 0.01508 |
| Aug-23 | 395 | 0.13866 | 0.02128 | 0.11737 | 0.01378 |
| Jul-23 | 346.9 | -0.0129 | 0.02128 | -0.0342 | 0.00117 |
| Jun-23 | 351.45 | 0.05827 | 0.02128 | 0.03698 | 0.00137 |
| May-23 | 332.1 | -0.1258 | 0.02128 | -0.1471 | 0.02164 |
| Apr-23 | 379.9 | 0.17072 | 0.02128 | 0.14944 | 0.02233 |
| Mar-23 | 324.5 | -0.3458 | 0.02128 | -0.3671 | 0.13477 |
| Feb-23 | 496.05 | -0.0561 | 0.02128 | -0.0774 | 0.00599 |
| Jan-23 | 525.55 | -0.0245 | 0.02128 | -0.0458 | 0.0021 |
| Dec-22 | 538.75 | 0.05235 | 0.02128 | 0.03107 | 0.00097 |
| Nov-22 | 511.95 | 0.10608 | 0.02128 | 0.0848 | 0.00719 |
| Oct-22 | 462.85 | 0.06795 | 0.02128 | 0.04667 | 0.00218 |
| Sep-22 | 433.4 | 0.05604 | 0.02128 | 0.03476 | 0.00121 |
| Aug-22 | 410.4 | -0.0332 | 0.02128 | -0.0545 | 0.00297 |
| Jul-22 | 424.5 | -0.0292 | 0.02128 | -0.0504 | 0.00254 |
| Jun-22 | 437.25 | 0.03271 | 0.02128 | 0.01143 | 0.00013 |
| May-22 | 423.4 | 0.03838 | 0.02128 | 0.0171 | 0.00029 |
| Apr-22 | 407.75 | 0.02231 | 0.02128 | 0.00103 | 1.1E-06 |

| | | | | | |
|--------|--------|---------|---------|-------------------------|---------|
| Mar-22 | 398.85 | 0.14349 | 0.02128 | 0.12221 | 0.01494 |
| Feb-22 | 348.8 | -0.0424 | 0.02128 | -0.0637 | 0.00406 |
| Jan-22 | 364.25 | 0.01181 | 0.02128 | -0.0095 | 9E-05 |
| Dec-21 | 360 | 0.01408 | 0.02128 | -0.0072 | 5.2E-05 |
| Nov-21 | 355 | -0.0003 | 0.02128 | -0.0216 | 0.00046 |
| Oct-21 | 355.1 | 0.16426 | 0.02128 | 0.14298 | 0.02044 |
| Sep-21 | 305 | -0.1099 | 0.02128 | -0.1312 | 0.0172 |
| Aug-21 | 342.65 | 0.12732 | 0.02128 | 0.10604 | 0.01124 |
| Jul-21 | 303.95 | 0.10327 | 0.02128 | 0.08198 | 0.00672 |
| Jun-21 | 275.5 | -0.0354 | 0.02128 | -0.0566 | 0.00321 |
| May-21 | 285.6 | 0.00404 | 0.02128 | -0.0172 | 0.0003 |
| Apr-21 | 284.45 | 0.02173 | 0.02128 | 0.00045 | 2E-07 |
| Mar-21 | 278.4 | -0.112 | 0.02128 | -0.1332 | 0.01775 |
| Feb-21 | 313.5 | -0.1118 | 0.02128 | -0.1331 | 0.0177 |
| Jan-21 | 352.95 | 0.12404 | 0.02128 | 0.10276 | 0.01056 |
| Dec-20 | 314 | 0.02014 | 0.02128 | -0.0011 | 1.3E-06 |
| Nov-20 | 307.8 | 0.02617 | 0.02128 | 0.00489 | 2.4E-05 |
| Oct-20 | 299.95 | 0.08305 | 0.02128 | 0.06177 | 0.00381 |
| Sep-20 | 276.95 | -0.0695 | 0.02128 | -0.0908 | 0.00825 |
| Aug-20 | 297.65 | -0.0142 | 0.02128 | -0.0355 | 0.00126 |
| Jul-20 | 301.95 | 0.04085 | 0.02128 | 0.01957 | 0.00038 |
| Jun-20 | 290.1 | -0.1109 | 0.02128 | -0.1322 | 0.01748 |
| May-20 | 326.3 | 0.17163 | 0.02128 | 0.15035 | 0.02261 |
| | | 0.02128 | | $\Sigma(R - \bar{R})^2$ | 0.53907 |



Average Returns (\bar{R}) = 0.02128

variance

$$= \frac{1}{N - 1} \sum (R - \bar{R})^2$$

$$= \frac{1}{59 - 1} (0.53907)$$

$$= 0.00929$$

Standard Deviation = $\sqrt{\text{Variance}}$

$$= \sqrt{0.00929}$$

$$= 0.09641$$

Interpretation

The above table shows that, risk and return analysis of **ICICI Bank Limited**, i.e. average returns is 0.02128, variance is 0.00929, and standard deviation is 0.09641 for the period of 2020 to 2025.

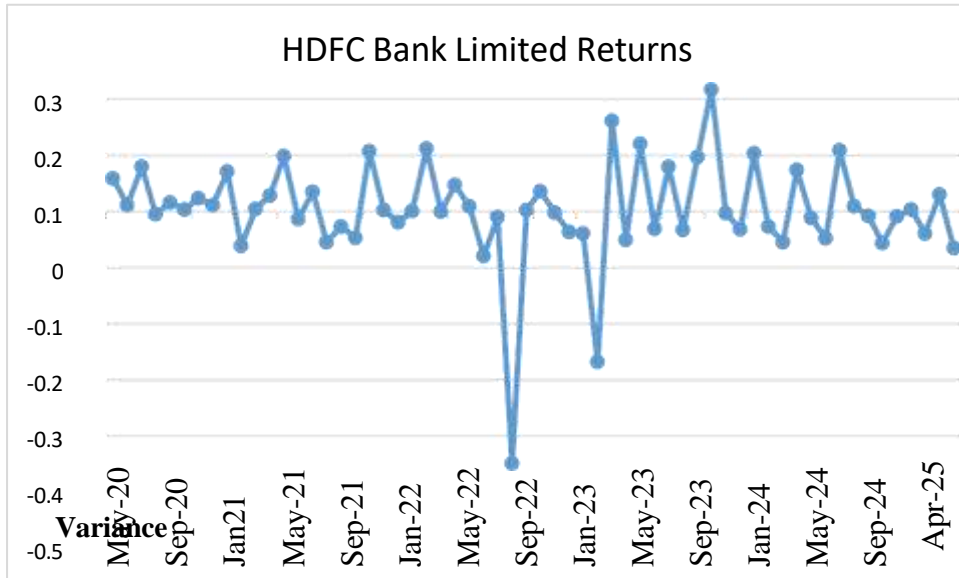
1. HDFC BANK LIMITED

2. Period: 01-04-2020 to 31-03-2025

| Date | Adj Close | Returns (R) | \bar{R} | $R - \bar{R}$ | $(R - \bar{R})^2$ |
|--------|-----------|-------------|-----------|---------------|-------------------|
| Apr-25 | 1374.25 | -0.0651 | 0.00306 | -0.0682 | 0.004646366 |
| Mar-25 | 1469.95 | 0.03031 | 0.00306 | 0.02725 | 0.000742819 |
| Feb-25 | 1426.7 | -0.0396 | 0.00306 | -0.0427 | 0.001821152 |

| | | | | | |
|--------|---------|---------|---------|---------|-------------|
| Jan-25 | 1485.55 | 0.00389 | 0.00306 | 0.00083 | 6.81715E-07 |
| Dec-24 | 1479.8 | -0.0092 | 0.00306 | -0.0123 | 0.000151276 |
| Nov-24 | 1493.6 | -0.0561 | 0.00306 | -0.0591 | 0.003498423 |
| Oct-24 | 1582.35 | -0.0082 | 0.00306 | -0.0113 | 0.000127734 |
| Sep-24 | 1595.5 | 0.00885 | 0.00306 | 0.00579 | 3.35514E-05 |
| Aug-24 | 1581.5 | 0.1092 | 0.00306 | 0.10614 | 0.011266093 |
| Jul-24 | 1425.8 | -0.0482 | 0.00306 | -0.0513 | 0.002630599 |
| Jun-24 | 1498.05 | -0.0121 | 0.00306 | -0.0152 | 0.000229857 |
| May-24 | 1516.4 | 0.07379 | 0.00306 | 0.07073 | 0.005002108 |
| Apr-24 | 1412.2 | -0.0545 | 0.00306 | -0.0575 | 0.003309418 |
| Mar-24 | 1493.55 | -0.0266 | 0.00306 | -0.0297 | 0.000879186 |
| Feb-24 | 1534.35 | 0.10321 | 0.00306 | 0.10015 | 0.010030819 |
| Jan-24 | 1390.8 | -0.032 | 0.00306 | -0.035 | 0.001227935 |
| Dec-23 | 1436.75 | -0.0027 | 0.00306 | -0.0058 | 3.366E-05 |
| Nov-23 | 1440.7 | 0.21737 | 0.00306 | 0.21431 | 0.045930034 |
| Oct-23 | 1183.45 | 0.0966 | 0.00306 | 0.09354 | 0.008749607 |
| Sep-23 | 1079.2 | -0.0323 | 0.00306 | -0.0353 | 0.001249001 |
| Aug-23 | 1115.2 | 0.07994 | 0.00306 | 0.07688 | 0.005910528 |
| Jul-23 | 1032.65 | -0.031 | 0.00306 | -0.0341 | 0.001160934 |
| Jun-23 | 1065.7 | 0.12032 | 0.00306 | 0.11726 | 0.013748823 |
| May-23 | 951.25 | -0.0504 | 0.00306 | -0.0535 | 0.002859231 |
| Apr-23 | 1001.75 | 0.16212 | 0.00306 | 0.15906 | 0.025301028 |
| Mar-23 | 862 | -0.268 | 0.00306 | -0.2711 | 0.073474997 |
| Feb-23 | 1177.6 | -0.0392 | 0.00306 | -0.0423 | 0.001789534 |
| Jan-23 | 1225.7 | -0.0362 | 0.00306 | -0.0393 | 0.001545106 |
| Dec-22 | 1271.8 | -0.0019 | 0.00306 | -0.005 | 2.48273E-05 |
| Nov-22 | 1274.25 | 0.03602 | 0.00306 | 0.03296 | 0.001086212 |
| Oct-22 | 1229.95 | 0.00212 | 0.00306 | -0.0009 | 8.86639E-07 |
| Sep-22 | 1227.35 | -0.4493 | 0.00306 | -0.4524 | 0.204672285 |
| Aug-22 | 2228.9 | -0.0102 | 0.00306 | -0.0132 | 0.000175023 |
| Jul-22 | 2251.8 | -0.0795 | 0.00306 | -0.0826 | 0.006823661 |
| Jun-22 | 2446.4 | 0.00887 | 0.00306 | 0.00581 | 3.37136E-05 |
| May-22 | 2424.9 | 0.04725 | 0.00306 | 0.04419 | 0.001952475 |
| Apr-22 | 2315.5 | -0.0004 | 0.00306 | -0.0035 | 1.21919E-05 |

| | | | | | |
|--------|---------|---------|---------|-------------------------|-------------|
| Mar-22 | 2316.5 | 0.11255 | 0.00306 | 0.10949 | 0.011988483 |
| Feb-22 | 2082.15 | 0.00048 | 0.00306 | -0.0026 | 6.6538E-06 |
| Jan-22 | 2081.15 | -0.0195 | 0.00306 | -0.0225 | 0.000507089 |
| Dec-21 | 2122.45 | 0.0025 | 0.00306 | -0.0006 | 3.09842E-07 |
| Nov-21 | 2117.15 | 0.10738 | 0.00306 | 0.10432 | 0.010883268 |
| Oct-21 | 1911.85 | -0.0468 | 0.00306 | -0.0498 | 0.002482818 |
| Sep-21 | 2005.65 | -0.0274 | 0.00306 | -0.0305 | 0.000930601 |
| Aug-21 | 2062.25 | -0.0545 | 0.00306 | -0.0575 | 0.003309606 |
| Jul-21 | 2181.05 | 0.03463 | 0.00306 | 0.03157 | 0.000996612 |
| Jun-21 | 2108.05 | -0.0132 | 0.00306 | -0.0162 | 0.00026291 |
| May-21 | 2136.15 | 0.0985 | 0.00306 | 0.09544 | 0.009109471 |
| Apr-21 | 1944.6 | 0.0281 | 0.00306 | 0.02504 | 0.000627008 |
| Mar-21 | 1891.45 | 0.00406 | 0.00306 | 0.001 | 1.00188E-06 |
| Feb-21 | 1883.8 | -0.0611 | 0.00306 | -0.0641 | 0.004114077 |
| Jan-21 | 2006.35 | 0.07088 | 0.00306 | 0.06782 | 0.004599753 |
| Dec-20 | 1873.55 | 0.01161 | 0.00306 | 0.00855 | 7.30813E-05 |
| Nov-20 | 1852.05 | 0.02391 | 0.00306 | 0.02085 | 0.000434759 |
| Oct-20 | 1808.8 | 0.00319 | 0.00306 | 0.00013 | 1.66515E-08 |
| Sep-20 | 1803.05 | 0.0158 | 0.00306 | 0.01274 | 0.000162379 |
| Aug-20 | 1775 | -0.0047 | 0.00306 | -0.0077 | 5.99416E-05 |
| Jul-20 | 1783.35 | 0.07935 | 0.00306 | 0.07629 | 0.005819607 |
| Jun-20 | 1652.25 | 0.01157 | 0.00306 | 0.00851 | 7.24424E-05 |
| May-20 | 1633.35 | 0.05914 | 0.00306 | 0.05608 | 0.003144766 |
| | | | | $\Sigma(R - \bar{R})^2$ | 0.50171843 |



$$\begin{aligned}
 &= \frac{1}{N-1} \sum_{i=1}^N (R_i - \bar{R})^2 \\
 &= \frac{1}{59-1} (0.501718) \\
 &= 0.00865
 \end{aligned}$$

$$\begin{aligned}
 \text{Standard Deviation} &= \sqrt{\text{Variance}} \\
 &= \sqrt{0.00865} \\
 &= 0.093
 \end{aligned}$$

Interpretation

The above table shows that, risk and return analysis of **HDFC Bank Limited**, i.e. average returns is 0.00306, variance is 0.00865, and standard deviation is 0.093 for the period of 2020 to 2025

FINDINGS

1. Risk and return analysis of **ICICI Bank Limited**, i.e. average returns is 0.02128, variance is 0.00929, and standard deviation is 0.09641 for the period of 2020 to 2025.
2. Risk and return analysis of **HDFC Bank Limited**, i.e. average returns is 0.00306, variance is 0.00865, and standard deviation is 0.093 for the period of 2020 to 2025.
3. Risk and return analysis of **Kotak Bank Limited**, i.e. average returns is 0.01423, variance is 0.00633, and standard deviation is 0.0796 for the period of 2020 to 2025.
4. Risk and return analysis of **Axis Bank Limited**, i.e. average returns is 0.01334, variance is 0.1037, and standard deviation is 0.1019 for the period of 2020 to 2025.
5. Risk and return analysis of **Karur**

Vysya Bank Limited, i.e. average returns is -0.0025, variance is 0.02408, and standard deviation is 0.1552 for the period of 2020 to 2025.

SUGGESTIONS

1. Avoid Fresh Long-Term Investment in Dhani for Now

- Why: The company has a negative EPS, negative ROE, and a bearish technical setup (MACD and moving averages indicate weakness).

2. Consider Diversifying into Stronger Fintech Players

If you are interested in Dhani's sector (digital lending and fintech), consider these alternatives:

- PB Fintech (Policybazaar) – Stronger fundamentals, expanding product base.
- Bajaj Finance – Dominant NBFC with consistent earnings.
- One97 Communications (Paytm) – Though volatile, it has better growth momentum recently.

3. Use Technical Levels to Trade Short-Term

If you are a trader and not an investor:

- **Support:** ₹55–₹57 range – watch for bounces here.
- **Resistance:** ₹60–₹62 – take profit or sell if the stock struggles here.

4. Invest in Sector ETFs for Safer Exposure

If you want exposure to financial innovation but not the risk of individual stocks like Dhani:

- ICICI Prudential Banking & Financial Services ETF
- Nippon India ETF Nifty Financial Services

5. Monitor Promoter & Institutional Activity

- If promoters or institutions increase stake → confidence signal
- If they reduce holdings → exit or avoid

6. Understand the Business Model Before Trusting the Stock

- Dhani has changed business directions

multiple times (from e-pharmacy to financial services)

- Unclear or unstable business = higher investor risk

Conclusion

The study on the volatility of Indian stocks with special reference to Dhani Stocks Limited concludes that volatility plays a crucial role in influencing investor decisions and market behavior. Dhani Stocks Limited, being part of the financial services sector with a focus on digital lending, exhibits relatively higher volatility compared to traditional banking stocks. This high level of fluctuation indicates greater market sensitivity and risk, which may not be suitable for conservative investors. However, such volatility can also present opportunities for investors who are willing to take on higher risk in pursuit of higher returns. The study also highlights that the Indian stock market shows signs of weak-form inefficiency, meaning that past price movements can influence short-term future prices. This opens up possibilities for technical analysis and short-term trading strategies. Importantly, the research emphasizes that there is no universally best or worst stock for investment; choices should be based on individual risk tolerance and investment goals. Overall, understanding volatility helps in constructing a more informed and efficient investment portfolio, where risk is aligned with the expected return

REFERENCE

BOOKS:

1. Securities Analysis And Portfolio Management , Donalde, Fisher & Ronald Jordon , 6th Edition
2. Security Analysis ad Portfolio Management, Sudhindra Bhatt, Excel Publications
3. Security Analysis ad Portfolio Management, Kelvin S.
4. Investment Analysis and Portfolio Management, Prasanna Chnadra
5. Financial Management and Policy, Van Home, James C, Englewood

Cliffs, N.J. Prentice Hall, 1995

6. Money and Stock prices, Sprinkel, Beryl, W., Homewood Ill, Richard S. Irwin, Inc, 1964.
7. Portfolio and Investment Section: Theory and Practice, Prentice Hall, 1984
8. Investment and Portfolio Analysis, Levy, Haim and Sarnat, Marshal: John, Wiley, 1984

RESEARCH ARTICLES

- **Sameer Yadav (2017)** Role of Stock Exchanges in Economic Development (Sameer Yadav) Unpublished manuscript (2017)
- **J. Sudarvel 2015** Indian Stock Market Anomalies: A Literature Review (J. Sudarvel) International Journal of Advance Research in Computer Science and Management Studies, Vol. 3 (2), Feb 2015
- **I. M. Pandey (2002)** :Seasonality in Sensex Monthly Returns (I. M. Pandey) BSE/Sensex analysis; appeared in empirical finance outlets (e.g., SSRN)
- **S. N. Sarma (2004)** : Day-of-the-Week Effects in Indian Markets (S. N. Sarma) Data analysis via Kruskal–Wallis (Prowess DB, 1996–2002)
- **Garg & B. S. Bodla (2010)**: Seasonal Anomalies of Share Returns (A. Garg & B. S. Bodla) Comparative ANOVA with BSE Sensex and S&P 500 (Jan 1998–Dec 2007)
- **P. Nageswari & M. Selvum (2011)** :Empirical Analysis of Half-Moon & Turn-of-Month Effects (P. Nageswari & M. Selvum) International Journal of Research in Commerce, Economics & Management, Jul 2011

WEBSITES:

1. <http://www.investopedia.com>
2. <http://www.nseindia.com>
3. <http://www.bseindia.com>.
4. <http://www.dhanistocks.com>