"An Analytical and Comparative Study on Valuation of Shares of Selected Banks from Banking Industry"

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ABSTRACT-

The research paper is about the valuation of shares with reference to selected banks from Banking Industry. The major study of the research paper is to compare different randomly selected scripts in equity cash segment. The methodology of the study here is to analyze the scripts in Equity market and analyze the performance based on its risk- return reward ratio and other factors. The aim of the research paper is to analyze the investment opportunities available for the investors & study the returns & risk involved in various investment opportunities. The basic rule of investment is high risk, high return, but this is applicable only when one invests for a long term purpose in Equity market. So, this research paper aims in understanding which script is more beneficial for investors to trade in. Considering the risk reward ratio and the returns earned.

Key Words- Banks; Equity; Risk; Return; Investment; Industry; Valuation; script; Market; opportunity.

INTRODUCTION-

Every asset, whether financial or real, has a value. To successfully invest and manage these assets, one should know not only what the value is but also the sources of the value. All assets can be valued, but the complexities and the details of valuation will vary from case to case. The role of valuation is different in diverse situations. Like in portfolio management, the role of valuation is determined by the investment philosophy of the investor. Valuation plays a limited role in portfolio management for a passive investor, whereas it plays a very important role for an active investor. There are different techniques through which analysts value equities. Some analysts use discounted cash flow (DCF) models to value shares, while others use price multiples such as the price-to earnings and price-to-book value ratios. Technical analysts believe that prices are driven as much by investor psychology as by any underlying financial variables. Then there are information traders, who attempt to trade in advance of new information or shortly after it is revealed to financial markets, i.e., buying on good news and selling on bad news. Efficient marketers believe that the market price at any point in time represents the best estimate of the true value of the firm and that any effort to exploit perceived market in-efficiencies will cost more than they will make in extra normal profits.

The study is organized into six sections, including the present one. Section 2 provides a brief review of literature. Section 3 describes the data and their sources. Equity valuation using historical price multiples is discussed in section 4. In section 5, researcher analyze equity valuation using different fundamental valuation parameters and compare it with our findings for standalone multiples. Summary and concluding remarks are contained in the last section.

REVIEW OF LITERATURE-

Introduction of Stock Market:- A stock market, equity market or share market is the aggregation of buyers and sellers (a loose network of economic transactions, not a physical facility or discrete entity) of stocks (also called shares), which represent ownership claims on businesses; these may include securities listed on a public stock exchange as well as those only traded privately. Examples of the latter include shares of private companies which are sold to investors through equity crowd funding platforms. Stock exchanges list shares of common equity as well as other security types, e.g. corporate bonds and convertible bonds. Once new securities have been sold in the primary market, they are traded in the secondary market—where one investor buys shares from another investor at the prevailing market price or at whatever prices both the buyer and seller agree upon. The secondary market or the stock exchanges are regulated by the regulatory authority. In India, the secondary and primary markets are governed by the SEBI.

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A stock exchange facilitates stock brokers to trade company stocks and other securities. A stock may be bought or sold only if it is listed on an exchange. Thus, it is the meeting place of the stock buyers and sellers. India's premier stock exchanges are the Bombay Stock Exchange and the National Stock Exchange.

Market participants include individual retail investors, institutional investors such as mutual funds, banks, insurance companies and hedge funds, and also publicly traded corporations trading in their own shares. Some studies have suggested that institutional investors and corporations trading in their own shares generally receive higher risk-adjusted returns than retail investors.

Equity Market:-A stock market or equity market is the aggregation of buyers and sellers (a loose network of economic transactions, not a physical facility or discrete entity) of stocks (also called shares); these may include securities listed on a stock exchange as well as those only traded privately.

Fundamental Analysis: Fundamental analysis is the analysis of a business's financial statements (usually to analyze the business's assets, liabilities, and earning); health and its competitors and markets. When applied to futures and forex market, it focuses on the overall state of the economy, and considers factors including interest rates, production, earning , employment, GDP, housing, manufacturing and management. When analyzing a stock, futures contract, or currency using fundamental analysis there are two basic approaches one can use: bottom up analysis and top down analysis. The terms are used to distinguish such analysis from other types of investment analysis, such as quantitative and technical.

Fundamental analysis is performed on historical and present data, but with the goal of making financial forecasts. There are several possible objectives-

1) To conduct a company stock valuation and predict its probable price evaluation.
2) To make projection on its business performance.
3) To evaluate its management and make internal business decisions and or to calculate its credit risk.

Fundamental analysis includes- 1. Economic analysis, 2. Industry analysis, 3. Company analysis. The intrinsic value of shares is determined based upon these three analyses. This value is considered the true value of the share. If the intrinsic value is higher than the market price, it is recommended to buy the share. If it is equal to market price, it is recommended to hold the share; if it is less than the market price, then one should sell the shares.

OBJECTIVES OF STUDY:

1. To know about stock market and to study the concept of fundamental analysis
2. To study and analyze selected banking industries through fundamental analysis by using different parameters.
3. To study the factors affecting on the share price of the selected banking industry and accordingly suggest the investors to invest in selected scripts.

RESEARCH METHODOLOGY:

Secondary data: The secondary data is available already. This has been collected and analyzed by someone else. The secondary data has helpful in understanding about the script over the past years. This data is helpful in understanding about best performing company over the past years. The secondary information is mostly taken from Newspapers, Moneycontrol.com, Reuters and different stock market related Magazines, company record, manuals report and internet.

Sample Design:

- Population size is = Nifty50
- Sample Size is = 1 (Banking) sector and 5 scripts from banking sector
- Sampling method is = For selecting Banking sector – Deliberate sampling method has been followed for selecting the five scripts – the deliberate sampling method has been followed.

DATA ANALYSIS AND INTERPRETATION:-

A) <u>**ICICI BANK LTD**</u>

ICICI Bank Is an Indian multinational banking and financial services company headquartered in Mumbai, Maharashtra, India, with its registered office in Vadodara. In 2017, it is the third largest bank in India in terms of assets and third in term of market capitalization. It offers a wide range of banking products and financial services for corporate and customers through a variety of delivery channels and specialized subsidiaries in the areas

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of investment banking, life, non-life insurance, venture capital and asset management. The bank has a vast network of 4,850 branches and 14,404 ATMs in India, and has a presence in 19 countries including India.

The bank has subsidiaries in the United Kingdom and Canada; branches in United States, Singapore, Bahrain, Hong Kong, Sri Lanka, Qatar, Oman, Dubai International Finance Centre, China and South Africa; and representative offices in United Arab Emirates, Bangladesh, Malaysia and Indonesia. The company's UK subsidiary has also established branches in Belgium and Germany.

ICICI's shareholding in ICICI Bank was reduced to 46 percent, through a public offering of shares in India in 1998, followed by an equity offering in the form of American Depositary Receipts on the NYSE in 2000. ICICI Bank acquired the *Bank of Madura Limited* in an all-stock deal in 2001 and sold additional stakes to institutional investors during 2001-02.

In 2008, following the 2008 financial crisis, customers rushed to ICICI ATMs and branches in some locations due to rumors of adverse financial position of ICICI Bank. The Reserve Bank of India issued a clarification on the financial strength of ICICI Bank to dispel the rumors.

After consideration of various corporate structuring alternatives in the context of the emerging competitive scenario in the Indian banking industry, and the move towards universal banking, the managements of ICICI and ICICI Bank formed the view that the merger of ICICI with ICICI Bank would be the optimal strategic alternative for both entities, and would create the optimal legal structure for the ICICI group's universal banking strategy. The merger would enhance value for ICICI shareholders through the merged entity's access to low-cost deposits, greater opportunities for earning fee-based income and the ability to participate in the payments system and provide transaction-banking services. The merger would enhance value for ICICI Bank shareholders through a large capital base and scale of operations, seamless access to ICICI's strong corporate relationships built up over five decades, entry into new business segments, higher market share in various business segments, particularly fee-based services, and access to the vast talent pool of ICICI and its subsidiaries.

ICICI BANK LTD
PREDICTED BALANCE SHEET (FY2017 TO FY2020)

Particulars	2017-18	2018-19	2019-20
Equities & Liabilities			
Equity Share Capital	1491	1495	1499
Reserve & Surplus	110514	121653	133915
Deposits	577172	649895	731781
Borrowings	183156	182771	182387
Total Capital & Liabilities	1077047	1180120	1293057
Asset			
Cash and Balance With Reserve Bank Of India	36078	40815	46174
Investment	318751	333668	349283
Advance	567106	624100	686822
Fixed Asset			
Total Asset	1076949	1179905	1292703
Bills of Collection			
Contingent Liabilities	804499	697580	604871

(Source: Website)

B) <u>AXIS BANK</u>

Axis Bank Ltd is the third largest of the private-sector banks in India offering a comprehensive suite of financial products. The bank has its head office in Mumbai and Registered office in Ahmadabad. It has 3304 branches, 14,003 ATMs, and nine international offices. The bank employs over 55,000 people and had a market capitalization of □1.28

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trillion (US$20 billion) (as on March 31, 2017).It offers the entire spectrum of financial services large and mid-size corporate, SME, and retail businesses.

UTI Bank opened its registered office in Ahmadabad and corporate office in Mumbai in December 1993. The first branch was inaugurated on 2 April 1994 in Ahmadabad by Dr. Manmohan Singh, the Finance Minister of India. UTI Bank began its operations in 1993, after the Government of India allowed new private banks to be established. The Bank was promoted in 1993 jointly by the Administrator of the Unit Trust of India (UTI-I),Life Insurance Corporation of India (LIC), General Insurance Corporation, National Insurance Company, The New India Assurance Company, The Oriental Insurance Corporation and United India Insurance Company.

The bank has over 50,000 employees (as of 31 March 2016). The bank incurred □26.7 billion (US$420 million) on employee benefits during the FY 2012–13. The average age of an Axis Bank employee is 29 years. The attrition rate in Axis Bank is approx. 9% per year.

AXIS BANK LTD
PREDICTED BALANCE SHEET (FY2017 TO FY2020)

Particulars	**2017-18**	**2018-19**	**2019-20**
Equities & Liabilities			
Equity Share Capital	482	485	488
Reserve & Surplus	63710	72610	82753
Deposits	472871	538836	614003
Borrowings	145065	187133	241401
Total Capital & Liabilities	712964	831316	969314
Asset			
Cash and Balance With Reserve Bank Of India	37759	46205	56541
Investment	148590	171131	197091
Advance	449826	530974	626761
Fixed Asset	4457	5214	6100
Total Asset	721964	831316	969314
Bills for Collection	90189	100353	111662
Contingent Liabilities	720524	771248	825543

(Source: Website)

C) HDFC BANK LTD

HDFC (Housing Development Financial Corporation) Bank Limited is an Indian banking and financial services company headquartered in Mumbai, Maharashtra. It has 84,325 employees and has a presence in Bahrain, Hong Kong and Dubai. HDFC Bank is India's largest private sector lender by assets. It is the largest bank in India by market capitalization as of February 2016. It was ranked 69th in 2016 BrandZ Top 100 Most Valuable Global Brands.

In 1994 HDFC Bank was incorporated, with its registered office in Mumbai, India. Its first corporate office and a full service branch at Sandoz House, Worli were inaugurated by the then Union Finance Minister, Manmohan Singh.

As of June 30, 2017, the bank's distribution network was at 4,715 branches and 12,260 ATMs across 2,657 cities and towns. The bank also installed 4.30 Lacks POS terminals and issued 235.7 Lacs debit cards and 85.4 Lacks credit card in FY 2017.

HDFC BANK LTD
PREDICTED BALANCE SHEET (FY2017 TO 2020)

Particulars	**2017-2018**	**2018-2019**	**2019-2020**
Equities & Liabilities			

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Equity Share Capital	523	534	545
Reserve & Surplus	117104	150232	192732
Deposits			
Borrowings	123904	155995	196397
Total Capital & Liabilities	1079736	1106480	1338840
Asset			
Cash and Balance With Reserve Bank Of India	43448	49795	57070
Investment	257147	49795	57070
Advance			
Fixed Asset	4119	4449	4805
Total Asset	1078130	1302596	1573796
Bills of Collection			
Contingent Liabilities	879327	944924	1015415

(Source: Website)

D) YES BANK LTD

Yes Bank is India's fifth largest private sector bank, founded by Rana Kapoor and Ashok Kapur in 2004. Yes Bank is the only Greenfield Bank license awarded by the RBI in the last one decade. YES BANK is a “Full Service Commercial Bank”, and has steadily built a Corporate, Retail & SME Banking franchise, Financial Markets, Investment Banking, Corporate Finance, Branch Banking, Business and Transaction Banking, and Wealth Management business lines across the country.

On 3rd November 2017, Yes Bank signed a MoU with the government to provide Rs 1,000 crore financing for food processing projects. BHIM YES PAY is the 1st Wallet to fully integrate the India Stack APIs and National Payment Corporation of India (NPCI) Products supporting the national agenda of making India Digital.

Retail Banking-YES BANK has banking network of over 600 branches and 2,000 ATMs giving it a major presence in urban India. Yes bank is one of the fastest growing private bank in India.

Yes bank was listed in the stock exchanges of India post its IPO in May 2005 at an issue price of Rs.45.

In September 2016, Yes bank scrapped its proposed $1bn share sale due to market conditions. The pull out of the deal caused all round embarrassment as miscommunication and misunderstanding among various players led to a round of public blame game among various participants. The company is looking to prelaunch its failed capital raising exercise after appointing new set of bankers.

YES BANK LTD
PREDICTED BALANCE SHEET (FY 2017 TO FY2020)

Particulars	**2017-2018**	**2018-19**	**2019-20**
Equities & Liabilities			
Equity Share Capital	494	535	579
Reserve & Surplus	28152	36721	47898
Deposits	247542	428940	743267
Borrowings	47049	57338	69877
Total Capital & Liabilities	**269748**	**338344**	**424384**
Asset			

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Cash and Balance With Reserve Bank Of India	8021	9249	10665
Investment	53464	57190	61176
Advance			
Fixed Asset	134950	1373426	13977768
Total Asset	269748	338344	424384
Bills for Collection	1189	1017	870
Contingent Liabilities	495748	647496	845694

(Source: Website)

E) SYNDICATE BANK

Syndicate Bank is one of the oldest and major commercial banks of India. At the time of its establishment, the bank was known as *Canara Industrial and Banking Syndicate Limited*. The bank, along with 13 major commercial banks of India, was nationalized on 19 July 1969, by the Government of India. The Bank is headquartered in the university town of Manipal, India.

The business started with a capital of 8000 rupees. The first branch of the bank started its operations in 1925 at Udupi in Dakshin Kannada district in Karnataka state. By 1937, it had secured its membership as a clearing house at Mumbai. The primary objective of the business was to extend the financial assistance to local weavers. Initially, the bank collected as low as two annas from the door steps of the depositors daily through its agents. This type of system wherein the agents of the bank come doorsteps to collect deposit is still prevailing in India and is referred to as the Pigmy Deposit Scheme.

SYNDICATE BANK
PREDICTED BALANCE SHEET (FY2017 TO FY2020)

Particulars	**2017-18**	**2018-19**	**2019-20**
Equities & Liabilities			
Equity Share Capital	1027	1166	1324
Reserve & Surplus	15781	16822	17932
Deposits	279905	300701	323043
Borrowings	17627	17780	17934
Total Capital & Liabilities	319737	340104	361768
Asset			
Cash and Balance With Reserve Bank Of India	13277	13448	13621
Investment	71322	75943	80864
Advance	209692	220218	231272
Fixed Asset	2954	3556	4280
Total Asset	319737	340104	36768
Bills for Collection	5202	4896	4608
Contingent Liabilities	99760	106693	114108

(Source: Website)

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EQUITY VALUATION

A. Price to earning approach

The approach is most common employed by analyst to estimate the intrinsic value of the share. It consist of the following steps-

- Estimate the future EPS of the company
- Forecast the growth rate in EPS
- Establish the price earning multiple
- Assess the risk exposure

The valuation of share under the approach is estimated as follows.

Value of the share= Estimated EPS × Justified price earning multiple

Under the P/E multiplier approach, P/E ratio is estimated on the basis of evaluation of the various factors like the company performance variability in its performance fluctuation in the share price, corporate policies, management ability, market image, dividend and bonus policy.

For the purpose of figures of market price the aggregate (High+ low/2) market price in a year is taken. The figures of EPS made available from actual income statement. And from the calculation of P/E ratio the formula is used that is market price/PES for the aggregate the P/E ratio the calculated all year P/E is divided by the total number of year. Thus the value of these scripts under this approach is indicated as bellow in the table.

B. Different parameter of calculation

1) Market Price = Earnings per share (EPS)× P/E Ratio

What is market price?

The current price at which as asset or service can be bought or sold. Economic theory contends that the market price converges at a point where the forces of supply and demand meet. Shocks to either the supply side or demand side can cause the market price for a good or service to be re-evaluated.

2) P/E ratio = Market price/ EPS

The price/earnings ratio (PER) is the most widely used method for determining whether shares are "correctly' valued in relation to one another. But the PER does not in itself indicate whether the share is a bargain. The PER depends on the market's perception of the risk and future growth in earnings. A company with a low PER indicates that the market perceives it as higher risk or lower growth or both as compared to a company with a higher PER. The PER of a listed company's share is the result of the collective perception of the market as to how risky the companies is and what its earnings growth prospects are in relation to that of other companies. Investors use the PER to compare their own perception of the risk and growth of a company against the market's collective perception of the risk and growth as reflected in the current PER. If the investor feels that his perception is superior to that of the market, he can make the decision to buy or sell accordingly.

3) EPS = NP/NO. OF SHARES

Earning per share is generally considered to be the single most important variable in determining a shares price. It is also a major component used to calculate the price-to-earnings valuation ratio.

An important aspect of EPS that's often ignored is the capital that is required to generate the earnings (net income) in the calculation. Two companies could generate the same EPS number, but one could do so with less equity (investment) – that company would be more efficient at using its capital to generate income and all other things being equal, would be a "better" company. Investors also need to be aware of earnings manipulation that will affect the quality of the earnings number. It is important not to rely on any one financial measure, but to use it in conjunction with statement analysis and other measures.

4) Down side risk= $\dfrac{\textbf{P/E RATIO}}{\textbf{EPS}}$

Downside risk is the financial risk associated with losses. That is, it is the risk of the actual return being below the expected return, or the uncertainty about the magnitude of that difference.

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Risk measure typically quantify the downside risk, whereas the standard deviation (an example of a deviation risk measure) measure both the upside and downside risk. Specifically, Downside risk can be measured either with downside beta or by measuring lower semi-deviation. The statistic below-target semi deviation or simply target semi deviation (TVS) has become the industry standard.

5) Net profit ratio =NET PROFIT/NET SALES x 100

Profit margin is part of a category of profitability ratios calculated as net income divided by revenue, or net profits divided by sales. Net income or net profit may be determined by subtracting all of a company's expenses, including operating costs, material cots (including raw materials) and tax costs, from its total revenue. Profit margins are expressed as a percentage and, in effect, measure how much out of every dollar of sales a company actually keeps in earnings.

c) DIFFERENT INDICATORS TO THE DIFFERENT PARAMETERS

Indicators	Colors	Name
highest return script		Green
High return script		Blue
Average return script		Orange
Moderate return script		Yellow
Low return script		Red

Comparative Analysis

Table No. 1)

Showing parameters and there (ICICI, HDFC, AXIS, YES, SYNDICATE) scripts For FY 2017-18

Script Parameters	ICICI BANK	HDFC BANK	AXIS BANK	YES BANK	SYNDICATE BANK
Market price	266.5 7	668	363.4 5	69.65	39.25
EPS	11.79	66.5	9.17	86	2.19
P/E Ratio	22.60	10.04	39.63	0.80	17.92
Down side risk	1.91	0.15	4.32	0.009	8.18
Net profit Ratio	1.99	2.55	0.81	2.39	0.06

(Sources- Predicted Financial Statement)

Interpretation-

The above table shows that ICICI Bank covered four parameters out of total five parameters which show mostly average return script. These four parameters shows average market price, average EPS, average down side risk, average net profit and high P/E ratio. It indicates ICICI Bank script will give average return in FY 2017-18

HDFC Bank covered 2 parameters out of total 5 stated parameters. It shows high rate of EPS, low downside risk, high rate of market price, high rate of net profit, moderate rate of P/E ratio. It indicates that HDFC Bank script will give high return in FY2017-18

Axis Bank shows moderate return script As the Axis bank script show moderate rate of market price, moderate rate of EPS, moderate rate of downside risk, moderate rate of net profit ratio, and high rate of P/E ratio.

The table shows that the Yes Bank shows highest return script. It shows Low rate of market price, high rate of EPS, low downside risk, high rate of net profit and lowest P/E ratio. It indicates that Yes Bank script will give highest return in FY2017-18

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This table shows that Syndicate bank shows low return script. It shows that lowest market price, lowest EPS, lowest rate of Net profit, highest downside risk, average rate of PE ratio.

Table No. 2)

Showing parameters and there (ICICI, HDFC, AXIS, YES, SYNDICATE) scripts for FY 2018-19

Scripts / Parameters	ICICI BANK	HDFC BANK	AXIS BANK	YES BANK	SYNDICATE BANK
Market price	265.6 4	535	337.1	44.83	19.45
EPS	8.29	77.9	5.5	101.4	1.21
P/E Ratio	32.04	6.86	61.29	0.44	16.07
Down side risk	3.86	0.08	11.14	0.004	13.28
Net profit Ratio	1.80	2.50	0.63	2.28	0.01

(Sources- Predicted Financial Statement)

Interpretation-

The above table shows that ICICI Bank has covered four parameters out of total five parameters. These four parameters show average return script. It shows that average market price, average EPS, average downside risk, average net profit and high P/E ratio.

HDFC Bank has covered 2 parameters out of 5 stated parameters which show that it is high return script. It shows highest market price, highest EPS, low downside risk, highest net profit ratio, and moderate PE ratio. It indicates HDFC Bank scripts will give high return in FY 2018-19.Axis bank has covered 4 parameters out of 5 stated parameters.

It shows moderate Market price, moderate EPS, moderate downside risk, moderate net profit ratio and most high P/E ratio. It indicates Axis Bank scripts will give moderate return in FY 2018-19.

The above table shows that Yes Bank has high rate of market price, highest EPS, lowest downside risk, lowest P/E ratio, high net profit ratio. So this script will give highest return in FY 2018-2019.

The above table shows that Syndicate Bank script will give lowest return as its EPS is lowest; downside risk is high, lowest net profit ratio, average P/E ratio.

Table No. 3)

Showing parameters and there (ICICI, HDFC, AXIS, YES, SYNDICATE) scripts for FY 2019-20

scripts / Parameters	ICICI BAN K	HDFC BANK	AXIS BANK	YES BANK	SYNDICATE BANK
Market price	264. 72	428	312.67	28.83	9.65
EPS	5.89	91.04	3.29	119.55	0.67
P/E Ratio	44.9 4	4.70	95.03	0.24	14.40
Down side risk	7.62	0.05	28.88	0.002	21.49
Net profit Ratio	1.63	2.45	0.50	2.18	0.004

(Sources- Predicted Financial Statement)

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Interpretation-

ICICI Bank covered 4 parameters out of 5 parameters which show average market price, average EPS, average downside risk, average net profit ratio and high P/E ratio. It indicates ICICI Bank scripts will give average return in FY2019-2020.

The above table shows that HDFC Bank has high EPS, lowest downside risk, highest net profit ratio, moderate P/E ratio. It indicates HDFC Bank scripts will give high return in FY 2019-2020.

The above table shows that Axis Bank has moderate market price, moderate EPS, moderate net profit ratio, high downside risk highest P/E ratio. It indicates Axis Bank scripts will give moderate return in FY 2019-2020.

The above table shows that Yes Bank has low market price, highest EPS, lowest P/E ratio, lowest downside risk, high net profit ratio. So this script will give highest return in FY 2019-2020.

The above table shows that Syndicate Bank has lowest market price, lowest EPS, average rate of P/E ratio, moderate downside risk, lowest net profit ratio. It indicated Syndicate Bank will give low return in FY 2019-2020.

SUMMARY AND CONCLUDING REMARKS-

The research is based on fundamental analysis. Basically investor's purpose is to earn high return with moderate risk on investment. Investment rule is high risk high return. Fundamental study based on past and current Economic analysis, Industry analysis and Company analysis. In company analysis the company's past financial data is collected and calculations are made thereafter.

The research conclusion is based on Price to Earning valuation method that for an investor who is seeking to invest in Banking Industry- the Yes Bank will be the best script based on low risk and high return to investment in coming three financial years and ICICI Bank script will be the best based on average risk and average return for coming three financial years.

- Rule of investment is high risk and high return.
- Investor is basically risk averse.

1. It may conclude for an investor who is seeking highest rate of return and low risk should optimize Yes Bank script for the year next three financial years i.e. FY2017-18, FY2018-19, FY2019-20
2. It may conclude for an investor who is seeking moderate rate of return on investment with moderate risk should optimize for Axis Bank script for the next three financial years i.e. FY 2017-18, FY2018-19, FY2019-20
3. It may conclude for an investor who is seeking average rate of return on investment with average risk should optimize for ICICI Bank script for the next three financial years i.e. FY 2017-18, FY2018-19, FY2019-20.
4. It may conclude for an investor who is seeking low risk on investment should optimize for Syndicate Bank script but with lowest return for the next three financial years i.e. FY 2017-18, FY2018-19, FY2019-20.

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