ABSTRACT: A main purpose of investment is to get a return or income on the funds invested. The most important characteristic of financial assets is the size and variability of their future returns, which depends on the risk associated with the assets. Hence, risk-return analysis has significance in predicting future returns of the assets, which in-turn assist in better decision making. Today an investor is interested in tracking the value of the investment, whether they invest directly in the market or indirectly through equity funds. The major objectives of the study is to analyze the return of the selected private banking companies, namely HDFC Bank, ICICI Bank, AXIS Bank, Kotak Mahindra Bank, Indusind Bank Ltd. Thus, this research used to analyze the equity funds of banking sector and the outcome or result shows that there are some private banks that will give profit to the investors during the financial crises.

KEYWORDS: banks, companies, investment, returns.

INTRODUCTION: The growth of any economy very much depends on the extent of promoting investments in the corporate sector. The savings of the investors or the public have to be mobilized for a productive use and this is possible only by certain specialized agencies, which not only have an in-depth knowledge on investment but also have the technique of attracting the investment risk. There are many investment avenues available in the financial market for an investor. Investors can invest in bank deposits, corporate debentures and bonds, post office, saving schemes etc. where there is low risk together with low return. They may invest in stock of companies where the risk is high and sometimes the returns are also proportionately high.

Companies issues shares of their company in order to raise capital. Share trading is the exchange of securities between two individuals or brokerage firms. The shares must be registered with Stock Exchange such as the New York Stock Exchange (NYSE) or the National Association of Securities Dealers Automated Quotation System (NASDAQ). The procedure of trading consists of two processes, i.e., Delivery (When securities are sold) and Receipt (when securities are purchased). 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.

A stock exchange is a place or organization by which stock traders (People and companies) can trade stocks. Companies may want to get their stock listed on a stock exchange. Other stocks may be traded "over the counter", that is, through a dealer. A large company will usually have its stock listed on many exchanges across the world. Exchanges may also cover other types of security such as fixed interest securities or indeed derivatives.
Review of Literature: Bekaert and Harvey (1997), Hardouvelis et al. (2006) and Stulz and Karolyi (2001) on the effect of global risk factors on asset prices across countries; and Adjaouté and Danthine (2003), Empirical research on the volatility of stock market returns can be gathered into two strands. The first strand investigates whether the volatility of stock market returns is tributary to the dynamics of key macroeconomic variables. For example, Schwert (1989) used vector auto regression models (VAR) comprising the growth rate of producer price index and the monetary base to explain the volatility of stock market returns, whereas King et al. (1994) estimated multivariate models using data on interest rates, industrial production and oil prices, and unobservable factors that are not reflected in published stock market data to uncover the linkages between stock returns and observable factors for a number of developed and emerging markets.

The second strand of the literature looks into the linkages among equity markets to explain the sources of disturbances in specific markets. In this vein, early empirical research on stock market integration has focused on the concept of conditional volatility implied by ARCH/GARCH models introduced by Engle (1982) and Bollerslev (1986), and the spillover analysis subsequently developed by Engle et al. (1990). Since Lin et al. (1994) first used this framework to investigate the volatility spillover effects between the United States (US) and the Japanese stock markets, integration of equity markets and the effects of return and volatility spillovers on the markets have been studied intensely, using national stock price indices. For example, Fratzscher (2002), Baele (2005), Balli and Balli (2010) and Balli et al. (in press) investigated the volatility and return spillovers for the European stock markets. Bekaert and Harvey (1997) carried out similar work for emerging stock markets to investigate the volatility spillovers from regional and global shocks. Ng (2000) provided evidence of volatility spillover effects in various Pacific Basin stock markets from Japan (local effects) and from the US (global effects). In a similar study, Balli (2009) worked on the spillover effects of US and European markets on the European government bond spreads. Fedorova and Saleem (2010) looked into the linkages between emerging Eastern European equity markets and Russia from the perspective of volatility spillovers; more recently, Yilmaz (2010) documented strong return spillover effects in the East Asian markets.

Stock markets in the Middle East, though fairly new on average, were growing at a fast pace prior to the recent financial crisis. With oil prices at their highest levels in the past two decades and interest rates as low as 3–4%, foreign investors have enjoyed staggering profits over the years; around $150 billion in 2003 and over $170 billion in 2004, with the bulk generated from the Gulf Cooperation Council (GCC) markets (Bley and Chen, 2006). Despite the growing importance and the increasing attraction of these markets to foreign investors, the number of studies on the dynamics of the GCC equity markets is relatively small. For example, Bley and Chen (2006) analyzed the impact of increased stock market activity in the GCC and the GCC’s path towards economic integration on the return behavior and the dynamic relationships among the individual GCC stock markets. Their results show that although GCC stock markets are not homogeneous, they are increasingly integrated, but this integration does not line up with developed stock markets such as the US and the United Kingdom (UK), thereby providing investors with clear portfolio diversification opportunities.1 Al-Khazali et al. (2006).

Similar research on the effect of capital market liberalization on intra-regional integration of GCC stock markets and found clear evidence of a common stochastic trend between the equity markets of Saudi Arabia, Kuwait, Bahrain and Oman. Further tests on the underlying factors of the common trend led them to conclude that measures taken since 1997 to liberalize the capital markets in the Gulf
region have been at least partly responsible for the integration of the Gulf markets. Studies on the volatility of stock market returns across GCC markets can also be classified according to the two strands of the literature mentioned above. Hammoudeh and Aleisa (2004) used co-integration tests to examine the relationship between fluctuations in oil prices and that volatility of stock market returns in GCC countries. Their results show that the Saudi market is the only one of the group that can be forecasted using oil future prices. Using VAR analysis to study the effect of oil price changes on GCC stock markets, Bashar (2006) found almost similar results: apart from Saudi and Omani stock markets, oil price disturbances cannot be used as a strong predictor of stock market returns for the rest of the GCC. By contrast, in their study on the volatility and shock transmission among the US equity market, the global crude oil market, and the equity markets of Saudi Arabia, Kuwait and Bahrain, Malik and Hammoudeh (2007) discovered that all three GCC equity markets are influenced by volatility from the oil market, but Saudi Arabia is the only market to exert significant volatility spillover back to the oil market. The work of Onour (2007) on the short and long-term determinants of GCC stock markets’ volatility concurred with earlier findings that the effect of oil price changes on GCC stock markets indeed materializes in the long term.

Unobservable speculative factors, however, drive short-term market returns, as changes in oil prices pass through observable factors in GCC economies. Hammoudeh and Choi (2007) found that all GCC stock market returns move in the same direction irrespective of whether one considers total returns or differentiates between the permanent component of returns that arise due to fundamental economic shocks, and the transitory component that stems from speculative attacks or fads. They also find the correlations of the stock returns and their components with each other and with the oil price return to be weak, which, in their view, suggests that country particularities above and beyond oil price volatility are important contributors to stock component returns.

OBJECTIVES OF THE STUDY:
1. To understand the returns of selected private banking companies, namely HDFC Bank Ltd, ICICI Bank Ltd, AXIS Bank Ltd, Kotak Mahindra Bank Ltd, Indusind Bank Ltd.
2. To analyze and compare the returns of selected private banking companies.
3. To study the fluctuations of share prices of banking companies in the equity market.
4. To suggest the best private bank to invest in the equity market.

Scope of the Study: Each and every project study along with certain objectives and has the future. And this scope gives top new researches, a new need for research, a new project with a new scope. The study could give probable scenario for a new successful strategy with a proper implementation plan. This research observed helpful to know the return analysis of selected private banking companies. The scope of the study is to analyze the banking companies return and make the investors to know about the return performance of those banking companies and this study helps them to know about the return and best company to invest in the equity market.

Hypothesis Setting: Several hypotheses were formulated keeping the content and coverage of the framed objectives. The formulated hypotheses are tested by employing appropriate statistical tools. Null hypothesis is taken to understand the relationship between return on banking companies namely HDFC Bank Ltd, ICICI Bank Ltd, AXIS Bank Ltd, Kotak Mahindra Bank Ltd, Indusind Bank Ltd.

NH1: There is no significant difference on the return on banking companies.
RESEARCH METHODOLOGY: Research is defined as a careful, critical enquiry or examination in seeking facts or principles; diligent investigation in order to ascertain something. Research is essentially a systematic enquiry seeking facts through objective verifiable method in order to discover the relation among them and to deduce from board principles or law. It is really a method of critical thinking. To fulfill the information need of the study. The data is collected from secondary data. The secondary source consists of readily available data and is already complied statistical statements and reports. Secondary data are collected from Internet and Journals. In this research paper that the tools used for analysis such as returns, standard deviation and ANOVA.

Rate of Return: The gain or loss of a security in a particular period is called return. The return consists of the income and the capital gains relative on the investment. It is usually quoted as a percentage. The general rule is that the more risk you take, the greater the potential for the higher return and loss. Return can come for two sources, capital growth and income. Capital growth occurs when the market value of the share increases. Income is the cash flow paid by a share such as dividend.

Standard Deviation: Standard deviation is the statistical measure of spread or variability. The standard deviation is the rod mean square (RMS) deviation of the values from their arithmetic mean.

Anova: ANOVA is the collection of statistical model used in order to analyze the differences between group means and their associated procedures developed by RA Fisher. In the ANOVA setting the absorbed variance in a particular variable is participant into components attributable to different sources of variations.

DATA ANALYSIS AND INTERPRETATION:
Analysis of Rate of Return:

<table>
<thead>
<tr>
<th>Year</th>
<th>HDFC Bank Ltd</th>
<th>ICICI Bank Ltd</th>
<th>Axis Bank Ltd</th>
<th>Kotak Mahindra Bank</th>
<th>IndusInd Bank Ltd</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>1590.25</td>
<td>788</td>
<td>899</td>
<td>712</td>
<td>42</td>
</tr>
<tr>
<td>2011</td>
<td>2269</td>
<td>1053</td>
<td>1257.25</td>
<td>356</td>
<td>166.2</td>
</tr>
<tr>
<td>2012</td>
<td>3331.8</td>
<td>590</td>
<td>712</td>
<td>332.8</td>
<td>127</td>
</tr>
<tr>
<td>2013</td>
<td>582.95</td>
<td>1047</td>
<td>1270</td>
<td>550.55</td>
<td>319.2</td>
</tr>
<tr>
<td>2014</td>
<td>566.75</td>
<td>1002</td>
<td>1203.05</td>
<td>639.65</td>
<td>324</td>
</tr>
</tbody>
</table>

Table 1: Comparison of Return in Selected Banking Companies
Figure 1: Comparison of Return in Selected Banking Companies.

From the above table 1 that it is inferred that HDFC Bank ltd. had high return during the year 2010 when comparing to other banks and AXIS Bank ltd. has second level in same year. During 2011 HDFC has very increased rate of return than other banks. During 2012 AXIS Bank ltd. has increased return than other banks. AXIS Bank has a high return in the year 2013. During the year 2014 AXIS Bank Ltd has a higher return than other banks.

Analysis of Standard Deviation:

<table>
<thead>
<tr>
<th>BANKS</th>
<th>STANDARD DEVIATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>HDFC Bank Ltd</td>
<td>26</td>
</tr>
<tr>
<td>ICICI Bank Ltd</td>
<td>13</td>
</tr>
<tr>
<td>Axis Bank Ltd</td>
<td>15</td>
</tr>
<tr>
<td>Kotak Mahindra Bank Ltd</td>
<td>12</td>
</tr>
<tr>
<td>Indusind Bank Ltd</td>
<td>10</td>
</tr>
</tbody>
</table>

Table 2: Standard Deviation of Banking Companies

Table 2 is inferred that HDFC Bank ltd. has the highest standard deviation of 26 and then it is followed by AXIS 13, ICICI Bank ltd. has 13, Kotak Mahindra Bank ltd. has the standard deviation of 12 and Indusind Bank ltd. has the lowest standard deviation of 10. The result shows that HDFC has the highest standard deviation when compared with the other companies, as it has the highest fluctuation in its share value.
Analysis of Anova:

<table>
<thead>
<tr>
<th>Year</th>
<th>HDFC Bank Ltd</th>
<th>ICICI Bank Ltd</th>
<th>Axis Bank Ltd</th>
<th>Kotak Mahindra Bank</th>
<th>Indusind Bank Ltd</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>1590.25</td>
<td>788</td>
<td>899</td>
<td>712</td>
<td>42</td>
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<tr>
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<td>582.95</td>
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</tr>
<tr>
<td>2014</td>
<td>566.75</td>
<td>1002</td>
<td>1203.05</td>
<td>639.65</td>
<td>324</td>
</tr>
</tbody>
</table>

Table 3: Comparison of Return of Banking Companies

<table>
<thead>
<tr>
<th>Source</th>
<th>Type III Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corrected Model</td>
<td>7096534.288(^{a})</td>
<td>8</td>
<td>887066.786</td>
<td>2.432</td>
<td>.062</td>
</tr>
<tr>
<td>Intercept</td>
<td>17354972.765</td>
<td>1</td>
<td>17354972.765</td>
<td>47.573</td>
<td>.000</td>
</tr>
<tr>
<td>BANK</td>
<td>6359359.046</td>
<td>4</td>
<td>1589839.761</td>
<td>4.358</td>
<td>.014</td>
</tr>
<tr>
<td>YEAR</td>
<td>737175.243</td>
<td>4</td>
<td>184293.811</td>
<td>3.505</td>
<td>.733</td>
</tr>
<tr>
<td>Error</td>
<td>5836903.764</td>
<td>16</td>
<td>364806.485</td>
<td>3.505</td>
<td>.733</td>
</tr>
<tr>
<td>Total</td>
<td>30288410.817</td>
<td>25</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corrected Total</td>
<td>12933438.053</td>
<td>24</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 4: Comparison of Return Using ANOVA

Table 4 is inferred that the ANOVA table as (Ho) is rejected and (H1) is accepted it indicates that there exists significant difference among banking companies like HDFCBANK LTD., ICICI BANK LTD., AXIS BANK LTD., KOTAK MAHINDRA BANK LTD., and INDUSIND BANK. This means that all the five companies have different return and there is change in returns based upon the years. Each bank has different return year by year. And while comparing all the banks it also has difference in return.

Suggestions and Recommendations: The investor must understand about the basic information about the share market which is very important before entering into the share market. Though some of the companies in decreasing stage it give profit to the traders, brokers. Due to market crash some sectors may affect badly, thus it may lead to loss for the traders. Comparing various banking companies, it shows that there is a future hope for bank sectors. The investor should not be narrow minded on particular banking sector only, rather they should have broad minded to know about other banking companies also which are giving profits even at market crash. Thus the investors should know about various companies.

CONCLUSION: Based on the analysis the investors are advised to enter into share market as the share is comparatively a technical market when compared to any other speculative market. This suggestion is purely based on the financial analysis made in this study. Bank sectors have more opportunities and growth for long term. It also helped to learn the importance of Rate of return, Standard analysis. Through the studies, investor can invest their money and earn more profit as those companies have...
high profits where other sectors give huge loss. Thus this project has been a bridge between less knowledge to a better knowledge about the banking sectors.

**Limitations of the Study:** The study is to analyze the return of the selected banking companies only, there is also some other companies which may give more profit during the market booming time. The inconsistent of the company’s performance will decline the share price in the market so the investor hesitates to buy the shares.

**REFERENCES:**

EMPIRICAL ARTICLE


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