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SUMMARY, FINDINGS AND SUGGESTION

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7.1 SUMMARY:

The present study is divided into seven chapters, which are summarized as under:

Chapter – 1 Overview of Indian Banking

Banks are not only financial institutions those mobilize funds from one to another but as social organizations, have to go out the people and assist weaker sections in achieving their aspirations. Banks are, thus, to act as catalytic agents for the development of the country, mobilizing resources whether these are and channelizing them towards productive persons. New strategies have to be involved for industrial development, both in small-scale and large-scale sectors and, rather than confining to the traditional way of storage and distribution finance of a short nature, developmental finance and term lending have to be taken up by commercial banks. Similarly opening of branches in rural and urban area efficient customer services have assumed great importance.

The private-sector banks in India represent part of the Indian banking sector that is made up of both private and public sector banks. The "private-sector banks" are banks where greater parts of stake or equity are held by the private shareholders and not by government.

The Central Government entered the banking business with the nationalization of the Imperial Bank of India in 1955. A 60% stake was taken by the Reserve Bank of India and the new bank was named as the State Bank of India. The seven other state banks became the subsidiaries of the new bank when nationalized on 19 July 1969. The next major nationalization of banks took place in 1969 when the government of India, under prime minister India Gandhi, nationalized an additional 14 major banks. The total deposits in the banks nationalized in 1969 amounted to 50 crores. This move increased the presence of nationalized banks in India, with 84% of the total branches coming under government control.
The enhanced role of the Banking sector in the Indian Economy, the increasing levels of deregulation and the increasing levels of competition have placed numerous demands on our Banks. Banks in India are moving from the individual segment system to an enterprise wide Risk Management System. In metro cities Indian local banks are having good comparable technology but that cannot be supported and comparable by the whole network of other cities and village branches. It is a significant challenge to banks where the priorities and incentives might not be well balanced by the operation of sound principles of Corporate Governance. Banking practices that tend to exclude vast sections of population, in particular pensioners, self employed and those employed in unorganized sector. Banks are expected to oblige to provide Banking services to all segments of the population, on equitable basis. Further, the consumers interests are at times not accorded full protection and their grievances are not properly attended to by Banks.

For analyze the position of private and Public Sector Banks in India. The data relating to ten Banks for the past ten years viz. 2004-05 to 2013-14 have been collected annual reports and various techniques of measuring analysis and several statistics techniques have been applied to analyze and raw concussions. The present study has been divided in seven chapters and chapter wise finding have been discussed as here under:

**Chapter-2 Conceptual Frame work of Performance Evaluation of CAMEL Model**

Performance Evaluation is regarded as the life line of every concern. Performance plays a significant role in the successful Functioning of Banking Sectors. A Bank should ensure that it does not suffer from lack-of or excess Performance to meet its short-term compulsions. A study of Performance Evaluation is of major importance to both the internal and the external analysts because of its close relationship with day-to-day operations of a Banks. Performance requirement of a Bank depends on the peculiar nature of the Bank and there is no specific rule on determining the optimal level of Performance.
that a Bank can maintain in order to ensure positive impact on its Performance Evaluation of Banks.

Mr. Erich L. Kohler refers to performance as, "A general term applied to a part or all of the conduct or activities of an organization over a period of time often with references to past or projected costs, efficiency, management responsibility, or the like." The CAMEL covers five areas of performance measurement viz,’c’ for capital Adequacy,’ A’ for liquidly;’M’ for management capacity; ‘E’ for earning available and ‘L’ for liquidity. This performances measurement technique has an edge over the previous of performance.

It may be said that the adoption of some measures will doubtlessly help the selected units improves their overall performance in the management of Bank. A lot of funds now invested in banks and receivables will be possible to be released for alternative uses. Capital, liquidity, Earning and Assets of concern will be promoted. Dependence on external sources to meet finance requirements will be minimized and the banks will be able to generate funds increasingly from internal sources, thus breaking the vicious circle of financing stringency’s. It is common knowledge that the function of fixed assets is to create capacity and that of current asset to make the utilization of that capacity possible. The problem of under utilization of capacities of the banks will be solved to a large extent with the improvement in the most of performance.

Chapter - 3 Research Methodologies

The subject of the present study is “A COMPARATIVE STUDY ON PERFORMANCE EVALUATION OF PRIVATE SECTOR BANK AND PUBLIC SECTOR BANK IN INDIA” (WITH REFRENCE TO CAMEL MODEL) which covers the period of the last ten years 2004-05 to 2013-14. The study is based on secondary data published by the Private and Public Sector banks in India in their annual reports and accounts. The main objective of the present study is to CAMEL MODEL of concern Banks and to find out
the various factors which affect the Private and Public Sector banks. Further to compare the performance of all the units researcher has used F-test (ANOVA) and t-test for the hypothesis testing.

Null Hypothesis:

1. There is no significance difference between in Capital Adequacy Ratios of selected Private and Public Sector banks in India.
2. There is no significance difference between in Asset Quality Ratios of selected Electrical Private and Public Sector banks in India.
3. There is no significance difference between in Management Earnings Ratios of selected Private and Public Sector banks in India.
4. There is no significance difference between in Earning Ability Ratios of selected Private and Public Sector banks in India.
5. There is no significance difference between in Liquidity Ratio of selected Private and Public Sector banks in India.

Alternative Hypothesis:

1. There is significance difference between in Capital Adequacy Ratios of selected Private and Public Sector banks in India.
2. There is significance difference between in Asset Quality Ratios of selected Private and Public Sector banks in India.
3. There is significance difference between in Management Earnings Ratios of selected Private and Public Sector banks in India.
4. There is significance difference between in Earning Ability Ratios of selected Private and Public Sector banks in India.
5. There is significance difference between in Liquidity Ratio of selected Private and Public Sector banks in India.

Finally a survey of the existing literature on the subject has been made and the limitations of present study have been also shown.
Chapter – 4 ANALYSIS OF PRIVATE SECTOR BANKS IN INDIA

The Chapter contains data analysis of selected Private sector banks in India. The present study has particularly been undertaken for the study of financial performance of selected private sector banks in India. In this context, CAMEL Model parameters-Capital Adequacy, Asset Quality, Management Efficiency, Earning Quality & Liquidity Management were analyzed to study financial performance of selected private sector banks in India, during the period of Ten years.

1. CAPITAL ADEQUACY RATIOS

(1) Return on Capital Employed Ratio

The Return on Capital Employed Ratio of ING Bank was -5.2711 times in 2004-05, which was the lowest as compared to other Selected Private Sector Banks. The Return on Capital Employed Ratio of HDFC Bank was 21.4909 times in 2006-07, which was the highest as compared to other Selected Private Sector banks. The average Return on Capital Employed Ratio was 12.9087 times.

On the basis of results obtained from ‘F’ test (ANOVA) it is concluded that there is no significance difference between years in Return on Capital Employed Ratio of selected Private Sector banks in India.

On the basis of results obtained from ‘F’ test (ANOVA) it is concluded that there is significance difference between Banks in Return on Capital Employed Ratio of selected Private Sector banks in India.

(2) Borrow to Net worth Ratio

The Borrow to Net worth Ratio of HDFC Bank was 17.8429 times in 2008-09, which was the lowest as compared to other Selected Private Sector banks. The Borrow to Net worth Ratio of KOTAK Bank was 306.8571 times in 2006-07,
which was the highest as compared to other Selected Private Sector banks. The average Borrow to Net worth Ratio was 136.4159 times.

On the basis of results obtained from ‘F’ test (ANOVA) it is concluded that there is no significance difference between years in Borrow to Net worth Ratio of selected Private Sector banks in India.

On the basis of results obtained from ‘F’ test (ANOVA) it is concluded that there is significance difference between Banks in Borrow to Net worth Ratio of selected Private Sector banks in India.

➢ *It is concluded that there is significance difference between Banks in Capital Adequacy Ratios of selected Private Sector Banks.*

2. Asset Quality Ratios

(1) Rate of return on total assets Ratio

The Rate of return on total assets Ratio of ING Bank was -0.2505 times in 2004-05, which was the lowest as compared to other Selected Private Sector banks. The Rate of return on total assets Ratio of HDFC Bank was 1.7247 times in 2013-14, which was the highest as compared to other Selected Private Sector banks. The average Rate of return on total assets Ratio was 1.1737 times.

On the basis of results obtained from ‘F’ test (ANOVA) it is concluded that there is significance difference between years in Rate of return on total assets Ratio of selected Private Sector banks in India.

On the basis of results obtained from ‘F’ test (ANOVA) it is concluded that there is significance difference between Banks in Rate of return on total assets Ratio of selected Private Sector banks in India.
(2) Interest Earned To Total Assets Ratio

The Interest Earned to Total Assets Ratio of AXIS Bank was 5.0980 times in 2004-05, which was the lowest as compared to other Selected Private Sector banks. The Interest Earned to Total Assets Ratio of KOTAK Bank was 10.6755 times in 2008-09, which was the highest as compared to other Selected Private Sector Banks. The average Interest Earned to Total Assets Ratio was 7.4368 times.

On the basis of results obtained from ‘F’ test (ANOVA) it is concluded that there is significance difference between years in Interest Earned to Total Assets Ratio of selected Private Sector Banks in India.

On the basis of results obtained from ‘F’ test (ANOVA) it is concluded that there is significance difference between Banks in Interest Earned to Total Assets Ratio of selected Private Sector Banks in India.

➢ It is concluded that there is significance difference between Banks in Asset Quality Ratios of selected Private Sector Banks.

3. Management Earnings Ratios

(1) Operating Expense on Total Fund Ratio

The Operating Expense on Total Fund Ratio of AXIS Bank was 1.5930 times in 2004-05, which was the lowest as compared to other Selected Private Sector banks. The Operating Expense on Total Fund Ratio of KOTAK Bank was 5.2391 times in 2008-09, which was the highest as compared to other Selected Private Sector banks. The average Operating Expense on Total Fund Ratio was 2.9074 times.

On the basis of results obtained from ‘F’ test (ANOVA) it is concluded that there is significance difference between years in Operating Expense on Total Fund Ratio of selected Private Sector Banks in India.
On the basis of results obtained from ‘F’ test (ANOVA) it is concluded that there is significance difference between Banks in Operating Expense on Total Fund Ratio of selected Private Sector Banks in India.

(2) Net Profit on Total Fund Ratio

The Net Profit on Total Fund Ratio of ING Bank was -0.2703 times in 2004-05, which was the lowest as compared to other Selected Private Sector Banks. The Net Profit on Total Fund Ratio of HDFC Bank was 1.8830 times in 2013-14, which was the highest as compared to other Selected Private Sector banks. The average Net Profit on Total Fund Ratio was 1.2701 times.

On the basis of results obtained from ‘F’ test (ANOVA) it is concluded that there is significance difference between years in Net Profit on Total Fund Ratio of selected Private Sector Banks in India.

On the basis of results obtained from ‘F’ test (ANOVA) it is concluded that there is significance difference between Banks in Net Profit on Total Fund Ratio of selected Private Sector Banks in India.

➢ It is concluded that there is significance difference between Banks in Management Earnings Ratios of selected Private Sector Banks.

4. Earning Ability Ratios

(1) Interest Income to Business Ratio

The Interest Income to Business Ratio of AXIS Bank was 4.0667 times in 2003-04, which was the lowest as compared to other Selected Private Sector banks. The Interest Income to Business Ratio of KOTAK Bank was 9.4983 times in 2008-09, which was the highest as compared to other Selected Private Sector banks. The average Interest Income to Business Ratio was 5.9430 times.
On the basis of results obtained from ‘F’ test (ANOVA) it is concluded that there is significance difference between years in Interest Income to Business Ratio of selected Private Sector Banks in India.

On the basis of results obtained from ‘F’ test (ANOVA) it is concluded that there is significance difference between Banks in Interest Income to Business Ratio of selected Private Sector Banks in India.

(2) Net profit to Business Ratio

The Net profit to Business Ratio of ING Bank was -0.1764 times in 2004-05, which was the lowest as compared to other Selected Private Sector banks. The Net profit to business Ratio of ICICI Bank was 1.4629 times in 2013-14, which was the highest as compared to other Selected Private Sector Banks. The average Net profit to Business Ratio was 0.9442 times.

On the basis of results obtained from ‘F’ test (ANOVA) it is concluded that there is significance difference between years in Net profit to Business Ratio of selected Private Sector Banks in India.

On the basis of results obtained from ‘F’ test (ANOVA) it is concluded that there is significance difference between Banks in Net profit to Business Ratio of selected Private Sector Banks in India.

➢ It is concluded that there is significance difference between Banks in Earning Ability Ratios of selected Private Sector Banks.
5. Liquidity Ratio

(1) Quick Ratio

The Quick Ratio of AXIS Bank was 0.6471 times in 2005-06, which was the lowest as compared to other Selected Private Sector banks. The Quick Ratio of ICICI Bank was 1.1456 times in 2013-14, which was the highest as compared to other Selected Private Sector banks. The average Quick Ratio was 0.9330 times.

On the basis of results obtained from ‘F’ test (ANOVA) it is concluded that there is significance difference between years in Quick Ratio of selected Private Sector Banks in India.

On the basis of results obtained from ‘F’ test (ANOVA) it is concluded that there is significance difference between Banks in Quick Ratio of selected Private Sector Banks in India.

➢ *It is concluded that there is significance difference between Banks in Liquidity Ratio of selected Private Sector Banks.*

Analysis of Private Sector Banks above CAMEL model Nine Ratios under the study by sample Private Sector banks the results obtained from ‘F’ test (ANOVA) at 5 percent level of significance it is concluded that there is significance difference between in most of CAMLE Model Ratios of selected Private Sector banks in India.
Chapter – 5 ANALYSES OF PUBLIC SECTOR BANKS IN INDIA

The Chapter contains data analysis of selected Public sector Banks in India. The present study has particularly been undertaken for the study of financial performance of selected private sector banks in India. In this context, CAMEL Model parameters-Capital Adequacy, Asset Quality, Management Efficiency, Earning Quality & Liquidity Management were analyzed to study financial performance of selected Public sector banks in India, during the period of Ten years.

1. CAPITAL ADEQUACY RATIOS

(1) Return on Capital Employed Ratio

The Return on Capital Employed Ratio of DENA Bank was 7.2045 times in 2004-05, which was the lowest as compared to other Selected Public Sector banks. The Return on Capital Employed Ratio of BOI Bank was 25.5193 times in 2008-09, which was the highest as compared to other Selected Public Sector Banks. The average Return on Capital Employed Ratio was 15.6900 times.

On the basis of results obtained from ‘F’ test (ANOVA) it is concluded that there is significance difference between years in Return on Capital Employed Ratio of selected Public Sector Banks in India.

On the basis of results obtained from ‘F’ test (ANOVA) it is concluded that there is no significance difference between Banks in Return on Capital Employed Ratio of selected Public Sector Banks in India.

(2) Borrow to Net worth Ratio

The Borrow to Net worth Ratio of DENA Bank was 0.0929 times in 2005-06, which was the lowest as compared to other Selected Public Sector Banks. The Borrow to Net worth Ratio of SBI Bank was 183.9918 times in 2010-11, which was the highest as compared to other Selected Public Sector Banks. The average Borrow to Net worth Ratio was 94.4154 times.
On the basis of results obtained from ‘F’ test (ANOVA) it is concluded that there is significance difference between years in Borrow to Net worth Ratio of selected Public Sector Banks in India.

On the basis of results obtained from ‘F’ test (ANOVA) it is concluded that there is significance difference between Banks in Borrow to Net worth Ratio of selected Public Sector Banks in India.

➤ In CAPITAL ADEQUACY RATIOS, It is concluded that there is no significance difference between Banks in Capital Employed Ratio and there is significance difference between Banks in Borrow to Net worth Ratio of selected Public Sector Banks.

2. Asset Quality Ratios

(1) Rate of return on total assets Ratio

The Rate of return on total assets Ratio of DENA Bank was 0.2990 times in 2004-05, which was the lowest as compared to other Selected Sector Public banks. The Rate of return on total assets Ratio of BOI Bank was 1.3438 times in 2008-09, which was the highest as compared to other Selected Public Sector banks. The average Rate of return on total assets Ratio was 0.8455 times.

On the basis of results obtained from ‘F’ test (ANOVA) it is concluded that there is significance difference between years in Rate of return on total assets Ratio of selected Public Sector Banks in India.

On the basis of results obtained from ‘F’ test (ANOVA) it is concluded that there is significance difference between Banks in Rate of return on total assets Ratio of selected Public Sector Banks in India.
(2) Interest Earned To Total Assets Ratio

The Interest Earned to Total Assets Ratio of BOB Bank was 5.9044 times in 2013-14, which was the lowest as compared to other Selected Public Sector Banks. The Interest Earned to Total Assets Ratio of PNB Bank was 8.7744 times in 2012-13, which was the highest as compared to other Selected Public Sector Banks. The average Interest Earned to Total Assets Ratio was 6.9913 times.

On the basis of results obtained from ‘F’ test (ANOVA) it is concluded that there is significance difference between years in Interest Earned to Total Assets Ratio of selected Public Sector Banks in India.

On the basis of results obtained from ‘F’ test (ANOVA) it is concluded that there is significance difference between Banks in Interest Earned to Total Assets Ratio of selected Public Sector Banks in India.

➢ It is concluded that there is significance difference between Banks in Asset Quality Ratios of selected Public Sector Banks.

3. Management Earnings Ratios

(1) Operating Expense on Total Fund Ratio

The Operating Expense on Total Fund Ratio of BOB Bank was 1.1122 times in 2013-14, which was the lowest as compared to other Selected Public Sector Banks. The Operating Expense on Total Fund Ratio of DENA Bank was 3.8549 times in 2004-05, which was the highest as compared to other Selected Public Sector Banks. The average Operating Expense on Total Fund Ratio was 2.0511 times.

On the basis of results obtained from ‘F’ test (ANOVA) it is concluded that there is significance difference between years in Operating Expense on Total Fund Ratio of selected Public Sector Banks in India.
On the basis of results obtained from ‘F’ test (ANOVA) it is concluded that there is significance difference between Banks in Operating Expense on Total Fund Ratio of selected Public Sector Banks in India.

(2) Net Profit on Total Fund Ratio

The Net Profit on Total Fund Ratio of DENA Bank was 0.3338 times in 2004-05, which was the lowest as compared to other Selected Public Sector Banks. The Net Profit on Total Fund Ratio of BOI Bank was 1.4254 times in 2008-09, which was the highest as compared to other Selected Public Sector Banks. The average Net Profit on Total Fund Ratio was 0.8972 times.

On the basis of results obtained from ‘F’ test (ANOVA) it is concluded that there is significance difference between years in Net Profit on Total Fund Ratio of selected Public Sector Banks in India.

On the basis of results obtained from ‘F’ test (ANOVA) it is concluded that there is significance difference between Banks in Net Profit on Total Fund Ratio of selected Public Sector Banks in India.

> It is concluded that there is significance difference between Banks in Management Earnings Ratios of selected Public Sector Banks.

4. Earning Ability Ratios

(1) Interest Income to Business Ratio

The Interest Income to Business Ratio of BOB Bank was 4.0133 times in 2009-10, which was the lowest as compared to other Selected Public Sector Banks. The Interest Income to Business Ratio of PNB Bank was 5.9823 times in 2012-13, which was the highest as compared to other Selected Public Sector Banks. The average Interest Income to Business Ratio was 4.8754 times.
On the basis of results obtained from ‘F’ test (ANOVA) it is concluded that there is significance difference between years in Interest Income to Business Ratio of selected Public Sector Banks in India.

On the basis of results obtained from ‘F’ test (ANOVA) it is concluded that there is significance difference between Banks in Interest Income to Business Ratio of selected Public Sector Banks in India.

(2) Net profit to Business Ratio

The Net profit to Business Ratio of DENA Bank was 0.2277 times in 2004-05, which was the lowest as compared to other Selected Public Sector Banks. The Net profit to Business Ratio of BOI Bank was 0.9041 times in 2008-09, which was the highest as compared to other Selected Public Sector Banks. The average Net profit to Business Ratio was 0.5891 times.

On the basis of results obtained from ‘F’ test (ANOVA) it is concluded that there is significance difference between years in Net profit to Business Ratio of selected Public Sector Banks in India.

On the basis of results obtained from ‘F’ test (ANOVA) it is concluded that there is significance difference between Banks in Net profit to Business Ratio of selected Public Sector Banks in India.

➢ It is concluded that there is significance difference between Banks in Earning Ability Ratios of selected Public Sector Banks.
5. Liquidity Ratio

(1) Quick Ratio

The Quick Ratio of BOB Bank was 0.6474 times in 2004-05, which was the lowest as compared to other Selected Public Sector Banks. The Quick Ratio of SBI Bank was 0.9648 times in 2012-13, which was the highest as compared to other Selected Public Sector Banks. The average Quick Ratio was 0.8372 times.

On the basis of results obtained from ‘F’ test (ANOVA) it is concluded that there is significance difference between years in Quick Ratio of selected Public Sector Banks in India.

On the basis of results obtained from ‘F’ test (ANOVA) it is concluded that there is significance difference between Banks in Quick Ratio of selected Public Sector Banks in India.

➢ It is concluded that there is significance difference between Banks in Liquidity Ratio of selected Public Sector Banks.

Analysis of Public Sector Banks above CAMEL model Nine Ratios under the study by sample Public Sector Banks the results obtained from ‘F’ test (ANOVA) at 5 percent level of significance is concluded that there is significance difference between Banks in all CAMEL Model Ratios of selected Public Sector banks in India.
CHAPTER 6:- COMPARATIVE ANALYSIS OF PRIVATE SECTOR AND PUBLIC SECTOR BANKS IN INDIA

The Chapter contains data analysis of selected Public and Private sector banks in India. The present study has particularly been undertaken for the study of financial performance of selected public and private sector banks in India. In this context, CAMEL Model parameters-Capital Adequacy, Asset Quality, Management Efficiency, Earning Quality & Liquidity Management were analyzed to study financial performance of selected public and private sector banks in India, during the period of Ten years. Comparative financial performance analysis for five years on “CAMEL” parameters for selected public sector and private sector banks, so that the study will be helpful in formulating an effective financial performance of the Banks.

The main conclusions drawn are as under:

1. CAPITAL ADEQUACY RATIOS

(1) Return on Capital Employed Ratio

Private Sector Banks:
The average Return on Capital Employed Ratio of Year 2004-05 was lowest as compared to other Selected Years of Private Sector Banks. The average Return on Capital Employed Ratio of Year 2012-13 was highest as compared to other Selected Years of Private Sector Banks. It ranged between 10.7486 times in 2004-05 and 14.8647 times in 2012-13

Public Sector Banks:
The average Return on Capital Employed Ratio of Year 2013-14 was lowest as compared to other Selected Years of Private Sector Banks. The average Return on Capital Employed Ratio of Year 2008-09 was highest as compared to other Selected Private Sector Banks. It ranged between 9.6728 times in 2013-14 and 20.7643 times in 2008-09.
The results obtained from ‘t’ test at 5 percent level of significance it is concluded that there is significant difference in average Return on Capital Employed Ratio of selected Private and Public Sector Banks in India.

(2) Borrow to Net worth Ratio

Private Sector Banks:
The average Borrow to Net worth Ratio of Year 2007-08 was lowest as compared to other Selected Years of Private Sector Banks. The average Borrow to Net worth Ratio of Years 2011-12. Was highest as compared to other Selected Years of Private Sector Banks. It ranged between 94.6758 times in 2007-08 and 162.4381 times in 2011-12.

Public Sector Banks:
The average Borrow to Net worth Ratio of Year 2008-09 was lowest as compared to other Selected Year of Public Sector Banks. The average Borrow to Net worth Ratio of Years 2012-13. Was highest as compared to other Selected Years of Public Sector Banks. It ranged between 50.6144 times in 2008-09 and 134.9730 times in 2012-13.

The results obtained from ‘t’ test at 5 percent level of significance it is concluded that there is significant difference in average Borrow to Net worth Ratio of selected Private and Public Sector Banks in India.

2. Asset Quality Ratios

(1) Rate of return on total assets Ratio

Private Sector Banks:
The average Rate of return on total assets Ratio of Year 2006-07 was lowest as compared to other Selected Years of Private Sector Banks. The average Rate of return on total assets Ratio of Year 2013-14 was highest as compared to other Selected Years of Private Sector Banks. It ranged between 0.8982 times in 2006-07 and 1.5603 times in 2013-14.
Public Sector Banks:
The average Rate of return on total assets Ratio of Years 2013-14 was lowest as compared to other Selected Years of Public Sector Banks. The average Rate of return on total assets Ratio of Year 2008-09 was highest as compared to other Selected Years of Public Sector Banks. It ranged between 0.5646 times in 2013-14 and 1.0809 times in 2008-09.

The results obtained from ‘t’ test at 5 percent level of significance it is concluded that there is significant difference in average Rate of return on total assets Ratio of selected Private and Public Sector Banks in India.

(2) Interest Earned to Total Assets Ratio

Private Sector Banks:
The average Interest Earned to Total Assets Ratio of Year 2004-05 was lowest as compared to other Selected Years of Private Sector Banks. The average Interest Earned to Total Assets Ratio of Year 2012-13 was highest as compared to other Selected Years of Private Sector Banks. It ranged between 5.9358 times in 2004-05 and 8.5363 times in 2012-13.

Public Sector Banks:
The average Interest Earned to Total Assets Ratio of Year 2005-06 was lowest as compared to other Selected Years of Public Sector Banks. The average Interest Earned to Total Assets Ratio of Year 2011-12 was highest as compared to other Selected Years of Public Sector Banks. It ranged between 6.6179 times in 2005-06 and 7.5614 times in 2011-12.

The results obtained from ‘t’ test at 5 percent level of significance it is concluded that there no significant difference in average Rate of return on total assets Ratio of selected Private and Public Sector Banks in India.
3. Management Earnings Ratios

(1) Operating Expense on Total Fund Ratio

Private Sector Banks:
The average Operating Expense on Total Fund Ratio of Year 2012-13 was lowest as compared to other Selected Years of Private Sector Banks. The average Operating Expense on Total Fund Ratio of Year 2008-09 was highest as compared to other Selected Years of Private Sector Banks. It ranged between 2.4229 times in 2012-13 and 3.7344 times in 2008-09.

Public Sector Banks:
The average Operating Expense on Total Fund Ratio of Year 2012-13 was lowest as compared to other Selected Years of Public Sector Banks. The average Operating Expense on Total Fund Ratio of Years of was highest as compared to other Selected Years of Public Sector Banks. It ranged between 1.4498 times in 2012-13 and 2.9506 times in 2004-05.

The results obtained from ‘t’ test at 5 percent level of significance it is concluded that there is significant difference in average Operating Expense on Total Fund Ratio of selected Private and Public Sector Banks in India.

(2) Net Profit on total fund Ratio

Private Sector Banks:
The average Net Profit on Total Fund Ratio of Years 2006-07 was lowest as compared to other Selected Years of Private Sector Banks. The average Net Profit on Total Fund Ratio of Year 2013-14 was highest as compared to other Selected Years of Private Sector Banks. It ranged between 1.0174 times in 2006-07 and 1.6473 times in 2013 14.

Public Sector Banks:
The average Net Profit on Total Fund Ratio of Year 2013-14 was lowest as compared to other Selected Years of Public Sector Banks. The average Net
Profit on Total Fund Ratio of Year 2008-09 was highest as compared to other Selected Years of Public Sector Banks. It ranged between 0.5837 times in 2013-14 and 1.1696 times in 2008-09.

The results obtained from ‘t’ test at 5 percent level of significance it is concluded that there is significant difference in average Net Profit on Total Fund Ratio of selected Private and Public Sector Banks in India.

4. Earning Ability Ratios

(1) Interest Income to Business Ratio

Private Sector Banks:
The average Interest Income to Business Ratio of Year 2004-05 was lowest as compared to other Selected Years of Private Sector Banks. The average Interest Income to Business Ratio of Year 2008-09 was highest as compared to other Selected Years of Private Sector Banks. It ranged between 4.7225 times in 2004-05 and 6.8404 times in 2008-09.

Public Sector Banks:
The average Interest Income to Business Ratio of Year 2010-2011 was lowest as compared to other Selected Years of Public Sector Banks. The average Interest Income to Business Ratio of 2004-05 was highest as compared to other Selected Years of Public Sector Banks. It ranged between 4.5278 times in 2010-11 and 5.1979 times in 2004-05.

The results obtained from ‘t’ test at 5 percent level of significance it is concluded that there is significant difference in average Interest Income to Business Ratio of selected Private and Public Sector Banks in India.

(2) Net profit to Business Ratio

Private Sector Banks:
The average Net profit to business Ratio of Year 2006-07 was lowest as compared to other Selected Years of Private Sector Banks. The average Net
profit to Business Ratio of Year 2013-14 was highest as compared to other Selected Years of Private Sector Banks. It ranged between 0.7175 times in 2006-07 and 1.2277 times in 2013-14.

**Public Sector Banks:**
The average Net profit to Business Ratio of Year 2013-14 was lowest as compared to other Selected Years of Public Sector Banks. The average Net profit to Business Ratio of Year 2008-09 was highest as compared to other Selected Years of Public Sector Banks. It ranged between 0.3844 times in 2013-14 and 0.7424 times in 2008-09.

The results obtained from ‘t’ test at 5 percent level of significance it is concluded that there is significant difference in average Net profit to Business Ratio of selected Private and Public Sector Banks in India.

5. Liquidity Ratio

(1) Quick Ratio

**Private Sector Banks:**
The average Quick Ratio of Year 2005-06 was lowest as compared to other Selected Years of Private Sector Banks. The average Quick Ratio of Year 2013-14 was highest as compared to other Selected Years of Private Sector Banks. It ranged between 0.8593 times in 2005-06 and 1.0014 times in 2013-14.

**Public Sector Banks:**
The average Quick Ratio of Year 2004-05 was lowest as compared to other Selected Years of Public Sector Banks. The average Quick Ratio of Year 2013-14 was highest as compared to other Selected Years of Public Sector Banks. It ranged between 0.6913 times in 2004-05 and 0.8867 times in 2013-14.

The results obtained from ‘t’ test at 5 percent level of significance it is concluded that there is significant difference in average Quick Ratio of selected Private and Public Sector Banks in India
7.2 FINDINGS:

While looking at analysis of CAMEL Model of selected sample of Private and Public Sector Banks. The observation under ‘F’ test at 5 percent level of significance was making us clear that there is a significance difference in CAMEL Model of selected Private Sector banks during the study period. The observation under ‘F’ test at 5 percent level of significance was making us clear that there is a significance difference in CAMEL Model selected Public Sector banks during the study period.

The data and ‘t’ test makes us clear that there is no significance difference in the calculate value of ‘t’ test of the sample units. However there is a significance difference in Capital Adequacy Ratio, Asset Quality Ratio, Management Earnings Ratio, Earning Ability Ratio and Liquidity Ratio. Overall it was found that the CAMEL Model of Private and Public Sector banks were managed in the same way.

Analysis of Private and Public Sector Banks above CAMEL model nine different Ratios covered under study by sample Private and Public Sector Banks, the results obtained from ‘t’ test at 5 percent level of significance it is overall concluded that there would be is significance difference in most of Ratios of selected Private and Public Sector Banks in India.

7.3 SUGGESTIONS:

For improvement of performance evaluation of selected private sector and Public sector Banks, following suggestions emerges for consideration and attention.

⇒ Deposits and credits are main components of every Bank. Most of the portion of income and expenditure are depends upon these components. Therefore, Banks should give more importance to enhance deposits.
Financial inclusion can be helpful to increase deposits and credits. Credit is helpful to generate interest income and profits, but liquidity, solvency and profitability should not be ignored at the time of giving loans.

⇒ Bank should work to increase other income, so that dependency on interest income can be reduced. Most of the operating expenses should be paid out of other income. Bank should develop new product and services such as selling of insurance products, government securities etc. to accelerate other income. It is the need of the hour that public sector Bank should give more attention to increase other income.

⇒ To fulfill the expectations of customers, to improve the profitability and efficiency, banks should adopt latest and cost-effective technology, because technology has emerged as a strategic tool in the operation of banks. Computerization, implementations of single window concept, online banking, anytime/ anywhere banking, Electronic fund Transfers (EFTs), Automated Teller Machines (ATMs) tele-banking are some technological innovations which aim at providing the better customer service.

⇒ Due to innovation in information technology, internet facility, tele banking, mobile banking has increased the efficiency of banks. But at the same time these technological facilities have some drawbacks like online frauds, password hacking etc. Therefore, the banks should improve the quality of these services and pay more attention for the safety of customer’s money. Its bank’s duty to aware the customers about these facilities and provide workshops, online study material etc. from time to time to how these facilities can be used carefully and safely.
7.4 CONCLUSION:

In brief, the performance evaluation of private and public sector banks using CAMEL model reveals that on average private sector banks is much ahead of public sector Banks, but in the study capital adequacy is considered Punjab National Bank and Bank of Baroda are much stronger than other Banks. On the basis of Asset quality is considered HDFC Bank and KOTAK Bank are performing better than other Banks. On the basis of management earnings point of view, Bank of Baroda (public sector bank) and HDFC Bank (private sector Bank) are better performers in comparison to other private and public sector Banks. When earning ability point of view, ICICI Bank and HDFC Bank are performing much better than other Banks. On basis of liquidity is considered ICICI Bank is much storage then other Banks.
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