ACKNOWLEDGEMENT

This work has been made possible with the support, advice, encouragement and guidance of many individuals. Firstly I would like to thank my reader, Professor Pradeep Kumar Gupta for his continuous help, ideas, guidance and suggestions for this thesis; it has been my pleasure to have Prof. Pradeep Kumar Gupta as a Supervisor.

I am grateful to Professor Pramod Saxena, for his help in the creation of this thesis. I am also thankful to UGC, Government of India, for being a pillar of financial support during the tenure of research. I also thank Professor H K Agrawal for making this research study possible. Had it been possible, I would be more pleased listing all those who gave their hands during my study. However, I extend my gratitude for my seniors, friends and staff of the Department.

I add a special note of admiration & gratitude to my families & friends for their support, guidance, and encouragement. In addition I would like to thank my father, for inspiring me to pursue my dreams, by teaching me to work hard and telling me to never give up and special thanks to my Husband for his unreserved support. Finally I am endlessly thankful to my God for being a constant source of inspiration, guidance, support and love through this journey of life. This thesis is for my God.

AUTHOR
HARSHA BHIRYANI
ABSTRACT

Performance evaluation of the banking sector is an effective measure to check the soundness of economic activities of an economy. Liberalization brought out the best in the industry inducing competitive spirit among various banks.

This study attempts to evaluate and compare the performance of the Indian Public and private sector banks using CAMEL framework. The present study is an exploratory research based on deductive research approach with quantitative research strategy. The study covers 16 high assets value banks of Indian Public and Private sector, which includes 10 public sector and 6 private sector banks based on purposive sampling and the selection of the banks has been done on the basis of high assets value to make the study more consistent and relevant. The study has taken into account the performance of the above mentioned selected banks for the period 2010-11 to 2014-15 i.e. for 5 years. The study has focused on each of CAMEL parameters and calculates 22 managerial and accounting ratios to analyses the profitability of public and private sector banks. The study has basically relied on secondary data of information which includes, books, research papers, journals, research articles, annual reports of the selected banks. The CAMEL approach has been considered as the most effective internal supervisory tool employed comprehensively for also rating the banks as per their performance. For the purpose of analysis of comparative financial performance of the selected banks, CAMEL model with mean, standard deviation, co-variance, Spearman Correlation, t-test and one way ANOVA are applied,

The findings of the study concluded that there is significant difference in the performance of the selected public and private sector banks in India at 5% level of significance. In fact the performance of the private sector banks is much better in terms of asset quality, management quality and earnings abilities than the public sector banks, the ratings are so assigned are HDFC is rated on first rank, followed by IndusInd bank similarly 3rd, 4th, 5th, 6th, 7th, 8th, 9th, 10th, 11th, 12th, 13th, 14th, 15th ranks are given to BOB, Axis, ICICI, Kotak Mahindra, Yes bank, Syndicate, SBI, Canara, PNB, BOI, UCO, Union and IDBI bank whereas Central Bank of India is on the last rank due to its worst performance in all areas which requires improvements to sustain in the competitive market.