CHAPTER V

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5.1 INTRODUCTION

The Indian Banking has come from a long way from being a sleepy business institution to a high proactive and dynamic entity. This transformation has been largely brought about by the large dose of liberalization and economic reforms that allowed banks to explore new business opportunities rather than generating revenues from conventional streams. Besides, the financial health of scheduled commercial banks in India also improved considerably. It is found that the financial acumen of understanding the various factors involved in the construction of the financial position of scheduled commercial banks are taken seriously and new dimension in the application of financial discipline is keenly discussed. The following major findings are achieved in the present study.

5.2 FINDINGS

5.2.1 RATIOS

5.2.1. a) Borrowers

Ratio of Advances to Working Funds explicates that among the Top most Public Sector Banks State Bank of Mysore with highest mean 57.22 in the year 2001-02 and Andhra Bank with 55.98 in the year 2010-11. In Top most Private Sector Banks highest mean is recorded for the Karur Vysya Bank at 59.28 for the year 2001-02 and City union Bank with the highest mean 56.68 in the year 2010-11. Among the Lower most Public Sector Banks highest mean is recorded for Punjab and Sind Bank 50.15 for 2001-02 and Dena Bank with 52.71 in the year 2010-11. Among the Lower most Private Sector Banks highest mean is accounted by Lakshmi Vilas Bank 58.56 for the year 2001-02 and Dhanalakshmi bank with 54.33 in the year 2010-2011.
Among the Top most Public Sector Banks, Return on Advances Ratio records State Bank of Hyderabad with highest mean 2.08 in both periods. In case of Top most Private Sector Banks indicated that the highest is recorded for Karur Vysya Bank at 2.84 in the year 2001-02 and HDFC Bank with 2.76 in the year 2010-11. Among the Lower most Public Sector Banks revealed that highest mean was recorded by United Bank of India with 1.84 in the year 2001-02 and Indian Bank with 2.15 in the year 2010-11. Among Lower most Private Sector Banks highest mean was accounted by Lakshmi Vilas Bank at 1.06 for the year 2001-02 and ICICI Bank with 1.91 in the year 2010-11.

Further, Ratio of Cost of Advances records for Top most public Sector Banks that State Bank of Hyderabad with highest mean 8.61 for the year 2001-02 and State Bank of Mysore with 8.93 in the year 2010-11. Among, Top most Private Sector Banks indicated that the highest is recorded for the Catholic Syrian Bank with 10.11 for the year 2001-02 and City Union Bank with 10.44 in the year 2010-11. In case of Lower most Public Sector Banks revealed that highest mean registered by Dena Bank with 8.63 and Indian Bank with 8.91 in the year 2010-11. In the Lower most Private Sector Banks highest mean was registered by Dhanalakshmi Bank at 9.44 in the year 2001-02 and Indusind Bank with 9.7 for the year 2010-11.

Ratio of Net NPA to Net Advances registers in case of Top most public Sector Banks as State Bank of Mysore with the highest mean with 2.1 in both periods. For Top most Private Sector Banks highest mean 3.84 was accounted by Catholic Syrian Bank in both periods. Among the Lower most Public Sector Banks highest mean was recorded by Dena Bank with 5.23 in the year 2001-02 and United Bank of India with 2.89 for the year 2010-11. In the Lower most Private Sector Banks the highest mean was recorded by
Dhanalakshmi Bank at 3.86 for the year 2001-02 and ICICI Bank with 2.32 in the year 2010-11.

5.2.1. b) Employees

Wage Bill to Total Income records for Top most Public Sector Banks as State Bank of Mysore with highest mean 15.60 in the year 2001-02 and Indian Overseas Bank with 15.31 in the year 2010-11. For the year 2001-02 and 2010-11 among the Top most Private Sector Banks indicated that the highest is recorded for the Catholic Syrian Bank at 19.59 in both periods. Among the Lower most Public Sector Banks revealed that highest mean was accounted by United Bank of India with 17.76 in the year 2001-02 and Central Bank of India 17.60 in the year 2010-11. In case of the Lower most Private Sector Banks; Dhanalakshmi Bank was highest with 16.12 among both phases.

Among the Top most Public Sector Banks Ratio of Business per Employee indicates highest mean was accounted by Andhra Bank at 546.80 among both periods. For Top most Private Sector Banks indicated that the highest mean is recorded by HDFC Bank in the year 2001-02 with 687.50 and Karur Vysya Bank with 511.80 in the year 2010-11. Among the Lower most Public Sector Banks highest mean accounted by Dena Bank with 504.90 for the year 2001-02 and Punjab and Sind Bank with 468.25 in the year 2010-11. Among both periods, Lower most Private Sector Banks implies highest mean accounted by Indusind Bank at 1037.78 respectively.

Among the Top most Public Sector Banks Ratio of Profit per Employee for the year 2001-02 was the highest mean was accounted by State Bank of Hyderabad, at 3.76 and Andhra Bank with 4.52 in the year 2010-11. Among Top most Private Sector Banks highest mean is recorded for the HDFC Bank with 7.41 in the year 2001-02 and Karur Vysya
Bank with 5.61 in the year 2010-11. In case of Lower most Public Sector Banks highest mean is recorded by United Bank of India with 1.75 in the year 2001-02 and Indian Bank with 3.87 in the year 2010-11. In the Lower most Private Sector Banks highest mean indicates Indusind Bank at 6.65 for the year 2001-02 and ICICI Bank with 10.13 for the year 2010-11.

5.2.1. c) Profitability

Operating profit to Total Income explains among the Top most Public Sector Banks highest mean was accounted by State Bank of Hyderabad among both phases. Among the Top most Private Sector Banks indicated that the highest is recorded for the Jammu and Kashmir Bank at 27.28 for the year 2001-02 and HDFC Bank with 31.39 for the year 2010-11. In case of Lower most Public Sector Banks highest mean was accounted by Dena Bank with 22.42 for the year 2001-02 and Indian Bank with 24.87 for the year 2010-11. In the Lower most Private Sector Banks highest mean listed by Indusind Bank at 16.20 for the year 2001-02 and ICICI Bank with 22.89 for the year 2010-11.

Among the Top most Public Sector Banks, Ratio of Net Profit to Working Funds explicates highest mean is accounted by State Bank of Hyderabad at 0.99 for the year 2001-02 and Andhra Bank with 1.25 in the year 2010-11. In case of Top most Private Sector Banks highest mean is recorded by Karur Vysya Bank with 1.65 among both phases. Among the Lower most Public Sector Banks highest mean was accounted by United Bank of India with 0.72 for the year 2001-02 and Indian Bank with 1.09 in the year 2010-11. In the Lower most Private Sector Banks highest mean was recorded by Lakshmi Vilas Bank at 0.61 for the year 2001-02 and ICICI Bank with 1.02 in the year 2010-11.
Ratio of Return on Equity Capital explicates for the Top most Public Sector Banks that highest mean was recorded by State Bank of Hyderabad at 22.68 among both phases. In case of Top most Private Sector Banks indicated that the highest mean is recorded for the Catholic Syrian Bank with 16.33 and City Union Bank with 21.54 in the year 2010-11. Among the Lower most Public Sector Banks highest mean accounted by Central Bank of India with 12.59 in the year 2001-02 and Dena Bank registered the highest mean 14.27 for 2010-11. In the Lower most Private Sector Banks highest is accounted by Lakshmi Vilas Bank at 10.85 for the year 2001-02 and Indusind Bank with 12.86 for the year 2010-11.

Ratio of Interest Expended to Total Expenses indicates highest mean was accounted by Andhra Bank at 61.37 in the year 2001-02 and State Bank of Travancore with 63.19 for the year 2010-11. For Top most Private Sector Banks indicated that the highest mean is recorded for the City Union Bank with 65.96 in the year 2001-02 and Karur Vysya Bank registered the highest mean 65.25 in the year 2010-11. For the year 2001-02 among the Lower most Public Sector Banks revealed that Punjab and Sind Bank registered a highest mean of 59.90 in both phases. In the Lower most Private Sector Banks highest mean is recorded in the ING Vysya Bank at 57.55 for the year 2001-02 and Lakshmi Vilas Bank with 64.30 for the year 2010-11.

5.2.1. d) Depositors

Ratio of Cash Deposit explicates among the Top most Public Sector Banks, highest mean was accounted by State Bank of Hyderabad at 7.92 in both periods. For Top most Private Sector Banks highest mean is recorded by Jammu and Kashmir Bank at 7.24 for the year 2001- 02 and HDFC Bank with 8.84 for the year 2010-11. Among the Lower most Public Sector Banks highest mean was recorded by United Bank of India with 7.29 for the year
2001-02 and Central Bank of India with 7.79 in the year 2010-11. In the Lower most Private Sector Banks, highest mean was accounted by ING Vysya Bank at 7.05 for the year 2001-02 and ICICI bank with 8.64 for the year 2010-11.

Ratio of Cost of Deposits explains among the Top most Public Sector Banks highest mean was recorded by State Bank of Mysore, at 5.94 in the year 2001-02 and State Bank of Travancore with 6.11 for the year 2010-11. For Top most Private Sector Banks City Union Bank records highest mean at 6.92 among both phases. Among the Lower most Public Sector Banks highest mean was accounted by Dena Bank with 5.77 for the year 2001-02 and Punjab and Sind Bank with 5.85 in the year 2010-11. In the Lower most Private Sector Banks highest mean was accounted by Lakshmi Vilas Bank at 6.76 among both periods.

Ratio of Deposits to Working Funds explains among the Top most Public Sector Banks highest mean was recorded by Indian Overseas Bank at 85.36 in the year 2001-02 and Andhra Bank with 85.81 for the year 2010-11. For Top most Private Sector Banks highest mean is recorded for the Catholic Syrian Bank with 90.14 among both phases. Among the Lower most Public Sector Banks highest mean was accounted by Punjab and Sind Bank with 87.78 in the year 2001-02 and Dena Bank with 86.32 for the year 2010-11. In the Lower most Private Sector Banks highest mean was accounted by Dhanalakshmi Bank at 88.33 in both periods.

Ratio of Interest Income to Total Deposits explains that Top most Public Sector Banks indicate State Bank of Mysore records the highest mean with 9.50 in both periods. For Top most Private Sector Banks highest mean is recorded for the Karur Vysya Bank with 9.58 and HDFC Bank with 9.44 in the year 2010-11. Among the Lower most Public Sector Banks highest mean was accounted by Dena Bank with 8.66 and Indian Bank with 8.90 in
both periods. In the Lower most Private Sector Banks highest score was accounted by ING Vysya Bank at 9.10 in the year 2001-02 and ICICI with 11.81 for the year 2010-11.

5.2.1. e) Investors

Ratio of investment to Working Funds explicates among the Top most Public Sector Banks highest mean was accounted by State Bank of Hyderabad at 35.36 for the year 2001-02. In the year 2010-11, Indian Overseas Bank with highest mean 33.85. In the Top most Private Sector Banks indicated that the highest mean is recorded for the HDFC Bank 37.08 for the year 2001-02 and Jammu and Kashmir Bank with 34.31 in the year 2010-11. In case of Lower most Public Sector Banks highest mean was registered by United Bank of India with 40.96 among both phases. In case of Lower most Private Sector Banks highest mean was accounted by Dhanalakshmi Bank at 28.50 in both periods.

Investments Deposits Ratio indicates that among the Top most Public Sector Banks highest mean was accounted by State Bank of Hyderabad at 43.55 for the year 2001-02 and Indian Overseas Bank with 39.45 in the year 2010-11. For the Top most Private Sector Banks highest mean is recorded for the HDFC Bank at 49.96 in the year 2001-02 and Jammu and Kashmir Bank with 38.99 for the year 2010-11. Among the Lower most Public Sector Banks highest mean was registered by United Bank of India 46.94 in both periods. In the Lower most Private Sector Banks, highest mean accounted by ICICI Bank at 59.41 among both phases.

Ratio of Return on Investment indicates among the Top most Public Sector Banks highest mean was accounted by State Bank of Mysore with 8.36 among both phases. In the Top most Private Sector Banks indicated that the highest mean is recorded for the Karur Vysya Bank with 8.45 in both periods. Among the Lower most Public Sector Banks revealed that highest mean was accounted by United Bank of India with 8.53 for the year
2001-02 and Central Bank of India with 8.58 for the year 2010-11. In the Lower most Private Sector Banks, highest mean is recorded by Dhanalakshmi Bank at 7.95 among both phases.

Ratio of Return on Investment Adjusted to Cost of Funds explicates among the Top most Public Sector Banks highest mean is accounted by Indian Overseas Bank at 2.86 for the year 2001-02 and State Bank of Mysore with 2.59 in the year 2010-11. For Top most Private Sector Banks highest mean is recorded for the Karur Vysya Bank with 2.26 for the year 2001-02 and HDFC Bank with 2.33 in the year 2010-11. Among the Lower most Public Sector Banks highest mean was accounted by Central Bank of India with 2.98 for the year 2001-02 and Indian Bank with 2.78 in the year 2010-11. In the Lower most Private Sector Banks highest mean was accounted by Indusind Bank with 1.52 for the year 2001-02 and ICICI Bank with 2.04 in the year 2011-12.

5.2.1. f) Shareholders

Return on Net Worth explains among the Top most Public Sector Banks highest mean was recorded by Andhra Bank at 23.19 for the year 2001-02 and State Bank of Hyderabad with 20.64 for the year 2010-11. For Top most Private Sector Banks indicated that the highest mean is recorded for the Catholic Syrian Bank at 13.71 in the year 2001-02 and City Union Bank with the highest mean 20.32 for the year 2010-11. Among the Lower most Public Sector Banks revealed that highest mean was accounted by Central Bank of India 11.66 and Indian Bank with 13.25 in the year 2010-11. In the Lower most Private Sector Banks Bank highest mean registered by Lakshmi Vilas Bank at 10.05 for the year 2001-02 and Indusind Bank with 13.61 in the year 2010-11.
Ratio of Return on Working Funds explains among Top most Public Sector Banks, highest mean was accounted by State Bank of Hyderabad 0.99 among both phases. For Top most Private Sector Banks highest is recorded for the Karur Vysya Bank with 1.65 in both periods. Among the Lower most Public Sector Banks highest mean was accounted by United Bank of India with 0.72 for the year 2001-02 and Dena Bank with 0.64 for the year 2010-11. In the Lower most Private Sector Banks highest mean was recorded by Lakshmi Vilas Bank at 0.61 for the year 2001-02 and ICICI Bank with 1.02 for the year 2010-11.

Debt - Equity Ratio explains among the Top most Public Sector Banks highest mean was accounted by Indian Overseas Bank at 19.76 for the year 2001-02 and State Bank of Travancore with 20.71 at 2010-11. For Top most Private Sector Banks indicated that the highest mean is recorded for the Catholic Syrian Bank with 20.43 among both phases. Among the Lower most Public Sector Banks highest mean was accounted by Punjab and Sind Bank with 20.98 for the year 2001-02 and Dena Bank with 18.27 for the year 2010-11. In the Lower most Private Sector Banks highest mean was accounted by Indusind Bank at 15.22 for the year 2001-02 and Dhanalakshmi Bank with 17.16 for the year 2010-11.

Ratio of Earnings Per Share explains among the Top most Public Sector Banks highest mean was recorded by State Bank of Travancore at 391.14 for the year 2001-02 and State Bank of Hyderabad registered the highest mean 3793.82 for the year 2010-11. For Top most Private Sector Banks indicated that the highest mean is recorded for the Karur Vysya Bank with 76.57 for the year 2001-02 and Jammu and Kashmir Bank with 65.59 in the year 2010-11. Among the Lower most Public Sector Banks highest mean was accounted by Punjab and Sind Bank with 14.30 for the year 2001-02 and Indian Bank with 17.42 in the year 2010-11. In the Lower most Private Sector Banks highest mean was accounted by
ING Vysya Bank at 18.47 for the year 2001-02 and ICICI Bank with 29.28 in the year 2010-11.

Capital Adequacy Ratio explains among the Top most Public Sector Banks the highest mean is accounted by State Bank of Hyderabad at 13.26 for the year 2001-02 and Indian Overseas Bank registered with highest mean 12.96 in the year 2010-11. For Top most Private Sector Banks highest mean is recorded by Karur Vysya Bank with 15.28 in the year 2001-02 HDFC Bank with 13.63 for the year 2010-11. Among the Lower most Public Sector Banks highest mean was accounted by United Bank of India with 13.86 for the year 2001-02 and Indian Bank with 12.00 in the year 2010-11. In the Lower most Private Sector Banks, highest mean was accounted by the Indusind Bank at 12.78 for the year 2001-02 and ICICI Bank with 13.91 in the year 2010-11.

5.2.1. g) Creditors

Ratio of Borrowings to Working Funds explicates that among the Top most Public Sector Banks highest score was accounted by Andhra Bank at 3.15 for the year 2001-02 and Indian Overseas Bank with 3.81 in the year 2010-11. Among the Top most Private Sector Banks HDFC Bank registered the highest mean 5.64 among both phases. In the Lower most Public Sector Banks highest mean was recorded by Dena Bank at 1.30 for the year 2001-02 and Central Bank of India with 1.34. In the Lower most Private Sector Banks ICICI bank listed with highest mean 24.12 among both phases.

Bills Payable to Other liabilities explicates among the Top most Public Sector Banks highest mean was accounted by State Bank of Hyderabad with 29.35 in the year 2001-02 and Andhra Bank with 32.63 for the year 2010-11. For Top most Private Sector Banks indicated that the highest is recorded for the Karur Vysya Bank with 37.37 for the year
2001-02 and Jammu and Kashmir Bank with 28.74 for the year 2010-11. Among the Lower most Public Sector Banks highest mean was recorded by United Bank of India with 21.12 in the year 2001-02 and Dena Bank with 6.23 for the year 2010-11. In the Lower most Private Sector Banks highest mean was accounted by Lakshmi vilas Bank at 22.36 for the year 2001-02 and ICICI Bank with 10.76 for the year 2010-11.

Interest Accrued to Other liabilities explains among the Top most Public Sector Banks State Bank of Mysore accounted with highest mean at 19.97 in both periods. For Top most Private Sector Banks indicated that the highest is recorded for the HDFC Bank with 12.40 for the year 2001-02 and Catholic Syrian Bank with 11.96 in the year 2010-11. Among the Lower most Public Sector Banks Dena Bank registered highest mean of 17.40 in both periods. In the Lower most Private Sector Banks highest mean is recorded by Indusind Bank at 10.58 for the year 2001-02 and Lakshmi Vilas Bank with 13.04 for the year 2010-11.

Liquid Assets to Total Borrowings indicates that among the Top most Public Sector Banks for the year 2001-02 was the highest in State Bank of Travancore at 9.32 and State Bank of Hyderabad with 7.22 for the year 2010-11. For Top most Private Sector Banks indicated that the highest is recorded for the Catholic Syrian Bank with 365.89 City Union Bank with 44.66. Among Lower most Public Sector Banks revealed that Central Bank of India registered a highest mean of 24.29 in the year 2001-02 and Indian Bank with 5.99 for the year 2010-11. In the Lower most Private Sector Banks highest mean is accounted by Dhanalakshmi Bank 207.03 among both phases.
5.2.2 CORRELATION

5.2.2. a) Borrowers

Selective variables of Borrowers explains in case of Top most Public Sector Banks that State Bank of Travancore with nine variables namely $B_1$, $B_2$, $B_5$, $B_6$, $B_8$, $B_9$, $B_{11}$, $B_{12}$ and $B_{13}$ have positive correlation with profitability of the bank and the coefficient are .487, .513, .533, .242, .024, .832, .558, .420, and .760 respectively. Andhra Bank implies eight variables namely $B_2$, $B_3$, $B_5$, $B_6$, $B_{10}$, $B_{13}$, $B_{14}$ and $B_{15}$ have positive correlation with profitability of the bank. In case of Indian Overseas bank, it is clear that seven variables namely $B_2$, $B_3$, $B_5$, $B_6$, $B_9$, $B_{10}$ and $B_{13}$ have positive correlation with profitability of the bank. State bank of Mysore indicates seven variables namely $B_2$, $B_3$, $B_5$, $B_6$, $B_7$, $B_{10}$ and $B_{13}$ have positive correlation with profitability of the bank and State Bank of Hyderabad with eleven variables namely $B_2$, $B_3$, $B_4$, $B_6$, $B_7$, $B_8$, $B_{10}$, $B_{12}$, $B_{13}$, $B_{14}$ and $B_{15}$ have positive correlation with profitability of the bank. Top most Private Sector Banks indicates that City Union Bank, ten variables namely $B_2$, $B_3$, $B_4$, $B_6$, $B_7$, $B_8$, $B_{10}$, $B_{13}$, $B_{14}$ and $B_{15}$ have positive correlation with profitability. Karur Vysya Bank implies nine variables namely $B_2$, $B_3$, $B_5$, $B_7$, $B_8$, $B_{10}$, $B_{12}$, $B_{14}$ and $B_{15}$ have positive correlation with profitability of the bank. In case of Jammu and Kashmir bank, it is clear that nine variables namely $B_2$, $B_3$, $B_5$, $B_7$, $B_8$, $B_{10}$, $B_{12}$, $B_{14}$ and $B_{15}$ have positive correlation with profitability of the bank. HDFC Bank with eight variables namely $B_1$, $B_3$, $B_5$, $B_6$, $B_7$, $B_{10}$, $B_{12}$ and $B_{15}$ have positive correlation with profitability of the bank. Finally, Catholic Syrian Bank depicts seven variables namely $B_2$, $B_5$, $B_7$, $B_9$, $B_{12}$, $B_{14}$, $B_{15}$ have positive correlation with profitability of the bank. Lower most Public Sector Banks states Punjab and Sind Bank with seven variables namely $B_1$, $B_2$, $B_5$, $B_7$, $B_8$, $B_9$ and $B_{11}$ have positive correlation with profitability of the bank. Dena Bank with
eight variables namely $B_1$, $B_2$, $B_4$, $B_5$, $B_7$, $B_8$, $B_{11}$ and $B_{13}$ has positive correlation with profitability of the bank. In case of United Bank of India with nine variables namely $B_2$, $B_3$, $B_4$, $B_6$, $B_7$, $B_{10}$, $B_{12}$, $B_{14}$ and $B_{15}$ have positive correlation with profitability of the bank. Indian Bank with seven variables namely $B_1$, $B_2$, $B_5$, $B_6$, $B_9$, $B_{11}$ and $B_{13}$ have positive correlation with profitability of the bank and the Central Bank of India with ten variables namely $B_2$, $B_3$, $B_4$, $B_6$, $B_9$, $B_{10}$, $B_{12}$, $B_{13}$, $B_{14}$ and $B_{15}$ have positive correlation with profitability of the bank. Lower most Private Sector Banks states ING Vysya Bank with seven variables namely $B_2$, $B_5$, $B_6$, $B_8$, $B_{11}$, $B_{12}$ and $B_{13}$ have positive correlation with profitability of the bank. Dhanalakshmi Bank with nine variables namely $B_2$, $B_3$, $B_4$, $B_6$, $B_9$, $B_{11}$, $B_{12}$, $B_{14}$ and $B_{15}$ have positive correlation with profitability of the bank. In case of Lakshmi Vilas bank, eight variables namely $B_2$, $B_3$, $B_7$, $B_9$, $B_{11}$, $B_{12}$, $B_{14}$ and $B_{15}$ have positive correlation with profitability of the bank. Indusind Bank indicates eight variables namely $B_2$, $B_3$, $B_4$, $B_7$, $B_8$, $B_{11}$, $B_{12}$ and $B_{13}$ have positive correlation with profitability of the bank. Finally, ICICI Bank with seven variables $B_1$, $B_2$, $B_4$, $B_6$, $B_{11}$, $B_{12}$ and $B_{13}$ have positive correlation with profitability of the bank.

5.2.2. b) Employees

Selective variables of Employees’ register in case of Top most Public Sector Banks that State Bank of Travancore with two variables namely $E_4$ and $E_5$ have positive correlation with profitability of the bank. Andhra Bank implies seven variables namely $E_1$, $E_2$, $E_3$, $E_6$, $E_7$, $E_8$ and $E_9$ have positive correlation with profitability of the bank. In case of Indian Overseas bank, it is clear that six variables namely $E_1$, $E_2$, $E_5$, $E_6$, $E_7$ and $E_9$ have positive correlation with profitability of the bank. State bank of Mysore indicates six variables namely $E_1$, $E_2$, $E_3$, $E_6$, $E_7$ and $E_9$ have positive correlation with dependent variable and State Bank of
Hyderabad with six variables namely $E_1$, $E_2$, $E_3$, $E_7$, $E_8$ and $E_9$ have positive correlation with profitability of the bank. Top most Private Sector Banks indicate that City Union Bank, four variables namely $E_3$, $E_4$, $E_5$ and $E_7$ have positive correlation with profitability of the bank. Secondly, Karur Vysya Bank with six variables namely $E_1$, $E_2$, $E_3$, $E_7$, $E_8$ and $E_9$ has positive correlation with profitability of the bank. In case of Jammu and Kashmir bank, it is clear that five variables namely $E_3$, $E_5$, $E_7$, $E_8$ and $E_9$ have positive correlation with profitability of the bank. Next HDFC Bank with six variables namely $E_3$, $E_5$, $E_7$, $E_8$ and $E_9$ has positive correlation with profitability of the bank. Finally, Catholic Syrian Bank with four variables namely $E_3$, $E_5$, $E_7$ and $E_8$ has positive correlation with profitability of the bank. Lower most Public Sector Banks states Punjab and Sind Bank with two variables namely $E_4$ and $E_5$ have positive correlation with profitability. Secondly, Dena Bank with seven variables namely two variables namely $E_4$ and $E_5$ have positive correlation with profitability of the bank. In case of United Bank of India, it is clear that eight variables namely $E_1$, $E_2$, $E_3$, $E_5$, $E_6$, $E_7$, $E_8$ and $E_9$ have positive correlation with profitability of the bank. Next, Indian Bank with two variables namely $E_4$ and $E_5$ has positive correlation with profitability of the bank. Finally, Central Bank of India, eight variables namely $E_1$, $E_2$, $E_3$, $E_4$, $E_5$, $E_6$, $E_7$ and $E_9$ has positive correlation with profitability of the bank. ING Vysya Bank with six variables namely $E_2$, $E_3$, $E_4$, $E_5$, $E_7$ and $E_8$ has positive correlation with profitability of the bank. Dhanalakshmi Bank with five variables namely $E_3$, $E_4$, $E_5$, $E_7$ and $E_9$ has positive correlation with profitability of the bank. In case of Lakshmi Vilas bank, it is clear that six variables namely $E_2$, $E_3$, $E_5$, $E_7$, $E_8$ and $E_9$ have positive correlation with dependent variable. Indusind Bank with four variables namely $E_2$, $E_5$, $E_7$ and $E_9$ has positive correlation with profitability of the bank. ICICI Bank, eight variables namely $E_1$, $E_2$, $E_3$, $E_4$, $E_5$, $E_7$, $E_8$ and $E_9$ have positive correlation with profitability of the bank.
5.2.2. c) Profitability

Selective variables of Profitability shows in case of Top most Public Sector Banks, State Bank of Travancore with seven variables namely P₃, P₄, P₅, P₆, P₇, P₁₃ and P₁₄ have positive correlation with profitability of the bank. Secondly, Andhra Bank with eleven variables namely P₁, P₂, P₃, P₄, P₅, P₆, P₇, P₉, P₁₀, P₁₁, P₁₂ and P₁₄ has positive correlation with profitability of the bank. In case of Indian Overseas bank, it is clear that twelve variables namely P₁, P₂, P₃, P₄, P₅, P₆, P₇, P₉, P₁₀, P₁₁, P₁₂ and P₁₄ have positive correlation with return on Working Funds. State bank of Mysore with twelve variables namely P₁, P₂, P₃, P₄, P₅, P₆, P₇, P₉, P₁₀, P₁₁, P₁₂ and P₁₄ has positive correlation with profitability of the bank. State Bank of Hyderabad with eleven variables namely P₁, P₂, P₃, P₄, P₅, P₆, P₇, P₁₀, P₁₁, P₁₂ and P₁₄ has positive correlation with profitability of the bank. Top most Private Sector Banks indicate that City Union Bank with ten variables namely P₁, P₂, P₃, P₄, P₅, P₆, P₇, P₁₁, P₁₂ and P₁₄ has positive correlation with profitability of the bank. Karur Vysya Bank with ten variables namely P₁, P₂, P₃, P₄, P₅, P₆, P₇, P₁₁, P₁₂ and P₁₄ has positive correlation with profitability of the bank. In case of Jammu and Kashmir bank, it is clear that ten variables namely P₁, P₂, P₃, P₄, P₅, P₆, P₇, P₁₁, P₁₃ and P₁₄ have positive correlation with return on Working funds. HDFC Bank with eleven variables namely P₁, P₂, P₃, P₄, P₅, P₆, P₈, P₁₁, P₁₂, P₁₃ and P₁₄ has positive correlation with profitability of the bank. Finally, Catholic Syrian Bank with eight variables namely P₁, P₂, P₃, P₄, P₅, P₆ and P₁₄ has positive correlation with profitability of the bank. Punjab and Sind Bank with ten variables namely P₁, P₂, P₃, P₄, P₅, P₆, P₇, P₁₂, P₁₃ and P₁₄ have positive correlation with profitability of the bank. Secondly, Dena Bank with nine variables namely P₁, P₂, P₃, P₄, P₅, P₆, P₇, P₁₃ and P₁₄ has positive correlation with profitability of the bank. In case of United Bank of India, it is clear that eleven variables P₁, P₂, P₃, P₄, P₅, P₆, P₇, P₁₀, P₁₁, P₁₂ and P₁₄ have positive correlation.
Indian Bank with ten variables namely $P_1, P_2, P_3, P_4, P_5, P_6, P_7, P_{11}, P_{12}$ and $P_{14}$ have positive correlation with return on Working Funds. Central Bank of India with eleven variables namely $P_1, P_2, P_3, P_4, P_5, P_6, P_7, P_{10}, P_{11}, P_{12}$ and $P_{14}$ has positive correlation with profitability of the bank. Lower most Private Sector Banks indicate ING Vysya Bank with nine variables namely $P_1, P_2, P_3, P_4, P_5, P_6, P_7, P_{10}, P_{11}$ and $P_{14}$ have positive correlation with profitability of the bank. Dhanalakshmi Bank with nine variables namely $P_1, P_2, P_3, P_4, P_5, P_6, P_7, P_{13}$ and $P_{14}$ has positive correlation with profitability of the bank. In case of Lakshmi Vilas bank, it is clear that seven variables namely $P_1, P_2, P_3, P_4, P_5, P_7$ and $P_{14}$ have positive correlation with profitability of the bank. Indusind Bank with six variables namely $P_1, P_2, P_3, P_4, P_5, P_7, P_{10}, P_{11}, P_{12}$ and $P_{14}$ has positive correlation with profitability of the bank. Finally, ICICI Bank with eleven variables namely $P_1, P_2, P_3, P_4, P_5, P_6, P_7, P_{10}, P_{11}, P_{13}$ and $P_{14}$ has positive correlation with profitability of the bank.

5.2.2. d) Depositors

Selective variables of Depositors explains that among Top most Public Sector Banks, State Bank of Travancore with five variables namely $D_2, D_5, D_7, D_{11}$ and $D_{13}$ have positive correlation with profitability of the bank Andhra Bank; five variables namely $D_6, D_7, D_9, D_{10}$ and $D_{12}$ have positive correlation with profitability of the bank. In case of Indian Overseas Bank, it is clear that four variables namely $D_1, D_4, D_6$ and $D_7$ have positive correlation with profitability of the bank. State Bank of Mysore with four variables namely $D_4, D_6, D_7$ and $D_{10}$ has positive correlation with profitability of the bank. State Bank of Hyderabad, Eight variables namely $D_1, D_3, D_4, D_6, D_7, D_9, D_{10}$ and $D_{12}$ have positive correlation with profitability of the bank. Among Top most Private Sector Banks, City Union Bank with five variables namely $D_1, D_4, D_5, D_8$ and $D_{10}$ have positive correlation
with profitability of the bank. In case of KarurVysya Bank, five variables namely $D_3$, $D_8$, $D_9$, $D_{10}$ and $D_{12}$ have positive correlation with profitability of the bank. In case of Jammu and Kashmir bank, it is clear that eight variables namely $D_1$, $D_3$, $D_6$, $D_8$, $D_9$, $D_{10}$, $D_{12}$ and $D_{13}$ have positive correlation with profitability of the bank. Next, HDFC Bank with seven variables namely $D_1$, $D_2$, $D_4$, $D_7$, $D_9$, $D_{12}$ and $D_{13}$ has positive correlation with profitability of the bank. Catholic Syrian Bank with eight variables namely $D_3$, $D_4$, $D_6$, $D_8$, $D_9$, $D_{12}$ and $D_{13}$ has positive correlation with profitability of the bank. Among the Lower most Public Sector Banks, Punjab and Sind Bank, five variables namely $D_2$, $D_3$, $D_8$, $D_{11}$ and $D_{13}$ have positive correlation with profitability of the bank. Dena Bank with seven variables namely $D_1$, $D_2$, $D_4$, $D_5$, $D_7$ and $D_{13}$ have positive correlation with profitability of the bank. In case of United Bank of India, it is clear that six variables namely $D_3$, $D_4$, $D_7$, $D_9$, $D_{10}$ and $D_{12}$ have positive correlation with profitability of the bank. Next, Indian Bank seven variables namely $D_1$, $D_2$, $D_5$, $D_7$, $D_{10}$, $D_{11}$ and $D_{12}$ have positive correlation with profitability of the bank. Next, Central Bank of India with five variables namely $D_6$, $D_7$, $D_9$, $D_{10}$ and $D_{12}$ has positive correlation with profitability of the bank. In case of Lower most Private Sector Banks, ING Vysya Bank with eight variables namely $D_1$, $D_3$, $D_4$, $D_6$, $D_7$, $D_9$, $D_{12}$ and $D_{13}$ have positive correlation with profitability of the bank. Dhanalakshmi Bank, seven variables namely $D_3$, $D_4$, $D_7$, $D_8$, $D_9$, $D_{12}$ and $D_{13}$ have positive correlation with profitability of the bank. In case of Lakshmi Vilas Bank, it is clear that seven variables namely $D_3$, $D_4$, $D_6$, $D_7$, $D_9$, $D_{12}$ and $D_{13}$ have positive correlation with profitability of the bank. Indusind Bank with six variables namely $D_1$, $D_2$, $D_6$, $D_7$, $D_9$ and $D_{10}$ has positive correlation with profitability of the bank. ICICI Bank, eight variables namely $D_1$, $D_5$, $D_6$, $D_7$, $D_9$, $D_{10}$, $D_{12}$ and $D_{13}$ have positive correlation with profitability of the bank.
5.2.2. e) Investors

Selective variables of Investors’ explicate that Top most Public Sector Banks records State Bank of Travancore with six variables namely $I_2$, $I_9$, $I_{10}$, $I_{11}$, $I_{12}$ and $I_{13}$ have positive correlation with profitability of the bank. Secondly, Andhra Bank with eleven variables namely $I_1$, $I_3$, $I_4$, $I_2$, $I_5$, $I_6$, $I_8$, $I_9$, $I_{10}$, $I_{13}$ and $I_{14}$ has positive correlation with profitability of the bank. In case of Indian Overseas bank, it is clear that four variables namely $I_2$, $I_9$, $I_{12}$ and $I_{13}$ have positive correlation with profitability of the bank. State bank of Mysore with seven variables namely $I_1$, $I_3$, $I_4$, $I_6$, $I_7$, $I_{10}$, $I_{11}$ and $I_{14}$ have positive correlation with profitability of the bank. Next, State Bank of Hyderabad with twelve variables namely $I_1$, $I_2$, $I_3$, $I_4$, $I_5$, $I_6$, $I_8$, $I_{10}$, $I_{11}$, $I_{12}$, $I_{13}$ and $I_{14}$ has positive correlation with profitability of the bank. Top most Private Sector Banks describes City Union Bank with eight variables namely $I_1$, $I_2$, $I_3$, $I_4$, $I_5$, $I_6$, $I_7$ and $I_{14}$ have positive correlation with profitability of the bank. Karur Vysya Bank with ten variables namely $I_1$, $I_3$, $I_4$, $I_5$, $I_6$, $I_8$, $I_{10}$, $I_{11}$, $I_{13}$ and $I_{14}$ has positive correlation with profitability of the bank. In case of Jammu and Kashmir bank, it is clear that ten variables namely $I_1$, $I_3$, $I_4$, $I_5$, $I_6$, $I_9$, $I_{10}$, $I_{13}$ and $I_{14}$ have positive correlation with dependent. HDFC Bank with three variables namely $I_7$, $I_{11}$ and $I_{12}$ has positive correlation with profitability of the bank. Finally, Catholic Syrian Bank with ten variables namely $I_1$, $I_3$, $I_4$, $I_5$, $I_6$, $I_7$, $I_8$, $I_{10}$, $I_{11}$ and $I_{14}$ has positive correlation with profitability of the bank. Among Lower most Public Sector Banks Punjab and Sind Bank with four variables namely $I_2$, $I_7$, $I_9$ and $I_{12}$ have positive correlation with profitability of the bank. Dena Bank with three variables namely $I_2$, $I_7$ and $I_{12}$ has positive correlation with profitability of the bank. In case of United Bank of India, it is clear that ten variables namely $I_1$, $I_3$, $I_4$, $I_5$, $I_6$, $I_7$, $I_8$, $I_{10}$, $I_{11}$ and $I_{14}$ have positive correlation with profitability of the bank. Further, Indian Bank with five variables namely $I_2$, $I_9$, $I_{11}$, $I_{12}$ and $I_{13}$ has positive correlation with profitability of
the bank. Finally, Central Bank of India with seven variables namely $I_1$, $I_2$, $I_3$, $I_4$, $I_6$, $I_7$ and $I_{14}$ has positive correlation with profitability of the bank. Among Lower most Private Sector Banks, ING Vysya Bank, ten variables namely $I_1$, $I_2$, $I_3$, $I_4$, $I_5$, $I_6$, $I_8$, $I_{11}$, $I_{12}$ and $I_{13}$ have positive correlation with profitability of the bank. Dhanalakshmi Bank with ten variables namely $I_1$, $I_2$, $I_3$, $I_4$, $I_5$, $I_6$, $I_8$, $I_{11}$, $I_{12}$ and $I_{13}$ have positive correlation with profitability of the bank and. In case of Lakshmi Vilas bank, it is clear that thirteen variables namely $I_1$, $I_3$, $I_6$, $I_9$, $I_{10}$, $I_{12}$, $I_{13}$ and $I_{14}$ have positive correlation with profitability of the bank. Indusind Bank with eight variables $I_1$, $I_2$, $I_3$, $I_4$, $I_5$, $I_8$, $I_{11}$, $I_{12}$ and $I_{14}$ have positive correlation with profitability of the bank. Finally ICICI Bank with five variables namely $I_5$, $I_{11}$, $I_{12}$, $I_{13}$ and $I_{14}$ has positive correlation with profitability of the bank.

5.2.2. f) Shareholders

Selective variables of Shareholders shows among Top most Public Sector Banks, State Bank of Travancore, Andhra Bank and Indian Overseas bank sixteen variables namely $S_1$, $S_2$, $S_3$, $S_4$, $S_5$, $S_6$, $S_7$, $S_8$, $S_9$, $S_{10}$, $S_{11}$, $S_{12}$, $S_{13}$, $S_{14}$, $S_{15}$ and $S_{16}$ have positive correlation with profitability of the bank. State bank of Mysore with four variables namely $S_1$, $S_3$, $S_4$, $S_5$, $S_7$, $S_9$, $S_{10}$, $S_{12}$, $S_{14}$ and $S_{16}$ have positive correlation with profitability of the bank. State Bank of Hyderabad records fourteen variables $S_1$, $S_2$, $S_3$, $S_4$, $S_5$, $S_6$, $S_7$, $S_8$, $S_9$, $S_{10}$, $S_{13}$, $S_{14}$, $S_{15}$ and $S_{16}$ have positive correlation with profitability of the. Among Top most Private Sector Banks; City Union Bank with eleven variables namely $S_3$, $S_4$, $S_6$, $S_7$, $S_8$, $S_9$, $S_{10}$, $S_{11}$, $S_{12}$, $S_{15}$ and $S_{16}$ has positive correlation with profitability of the bank. Karur Vysya Bank with fifteen variables namely $S_1$, $S_2$, $S_3$, $S_4$, $S_5$, $S_6$, $S_7$, $S_8$, $S_9$, $S_{10}$, $S_{12}$, $S_{13}$, $S_{14}$, $S_{15}$ and $S_{16}$ have positive correlation with profitability of the bank. In case of Jammu and Kashmir bank,
it is clear that fourteen variables namely $S_1, S_2, S_3, S_4, S_5, S_7, S_8, S_9, S_{10}, S_{12}, S_{13}, S_{14}, S_{15}$ and $S_{16}$ have positive correlation with profitability of the bank. HDFC Bank with eleven variables namely $S_1, S_4, S_5, S_6, S_7, S_9, S_{12}, S_{13}, S_{14}, S_{15}$ and $S_{16}$ has positive correlation with profitability of the bank. Catholic Syrian Bank records ten variables namely $S_1, S_2, S_3, S_4, S_7, S_9, S_{10}, S_{11}, S_{15}$ and $S_{16}$ have positive correlation with profitability of the bank. In case of Lower most public Sector Banks, Punjab and Sind Bank with eleven variables namely $S_1, S_3, S_4, S_5, S_7, S_8, S_9, S_{12}, S_{13}, S_{14}$ and $S_{15}$ have positive correlation with profitability of the bank. Dena Bank with seven variables namely $S_3, S_4, S_7, S_9, S_{11}, S_{12}, S_{13}$ and $S_{14}$ has positive correlation with profitability of the bank. In case of United Bank of India with eleven variables namely $S_1, S_2, S_3, S_4, S_5, S_7, S_9, S_{10}, S_{13}, S_{14}$ and $S_{16}$ have positive correlation with profitability of the bank. Indian Bank with seven variables namely $S_3, S_4, S_7, S_8, S_9, S_{10}, S_{11}, S_{12}, S_{13}$ and $S_{14}$ has positive correlation with profitability of the bank. Central Bank of India with twelve variables namely $S_1, S_3, S_4, S_5, S_7, S_9, S_{10}, S_{12}, S_{13}, S_{14}, S_{15}$ and $S_{16}$ has positive correlation with profitability of the bank. Lower most private Sector Banks shows ING Vysya Bank with six variables namely $S_3, S_4, S_5, S_7, S_9, S_{10}, S_{12}, S_{13}, S_{14}$ and $S_{15}$ have positive correlation with profitability of the bank. Dhanalakshmi Bank with seven variables namely $S_1, S_3, S_4, S_5, S_7, S_9, S_{10}, S_{12}, S_{13}, S_{14}$ and $S_{16}$ has positive correlation with profitability of the bank. In case of Lakshmi Vilas bank with nine variables namely $S_3, S_4, S_7, S_8, S_9, S_{10}, S_{11}, S_{12}$ and $S_{16}$ have positive correlation with profitability of the bank. Indusind Bank with twelve variables $S_1, S_2, S_3, S_4, S_5, S_7, S_9, S_{10}, S_{12}, S_{13}, S_{14}$ and $S_{16}$ have positive correlation with profitability of the bank. ICICI Bank with eleven variables namely $S_3, S_4, S_5, S_6, S_7, S_9, S_{10}, S_{12}, S_{13}, S_{14}$ and $S_{15}$ has positive correlation with profitability of the bank.
5.2.2. g) Creditors

Selective variables of Creditors explain that State Bank of Travancore with five variables namely C1, C2, C3, C6 and C8 has positive correlation with profitability of the bank. Secondly, Andhra Bank with five variables namely C3, C5, C7, C8 and C11 has positive correlation with profitability of the bank. In case of Indian Overseas bank, it is clear that two variables namely C4 and C7 have positive correlation with profitability of the bank. State Bank of Mysore with five variables namely C3, C7, C8, C9 and C11 has positive correlation with profitability of the bank. Further, State Bank of Hyderabad with eight variables namely C3, C7, C8, C10, C12, C13, C14 and C15 has positive correlation with profitability of the bank. Top most Private Sector Banks explain City Union Bank with seven variables namely C1, C2, C6, C8, C9 and C11 have positive correlation with profitability of the bank. Next, Karur Vysya Bank with seven variables namely C1, C2, C5, C7, C8, C9 and C11 has positive correlation with profitability of the bank. In case of Jammu and Kashmir bank, it is clear that eleven variables namely C2, C5, C6, C7, C8, C10, C11, C12, C13, C14 and C15 have positive correlation with profitability of the bank. HDFC Bank with seven variables namely C1, C2, C4, C6, C9, C11, C12 and C14 has positive correlation with profitability of the bank. Catholic Syrian Bank with five variables namely C3, C4, C5, C7 and C9 has positive correlation with profitability of the bank. In case of Lower most Public Sector Banks, Punjab and Sind Bank with nine variables namely C1, C2, C3, C6, C8, C9, C10, C11 and C15 have positive correlation with profitability of the bank. Dena Bank with four variables namely C1, C2, C3 and C9 has positive correlation with profitability of the bank. In case of United Bank of India, it is clear that seven variables namely C6, C8, C9, C10, C13, C14 and C15 have positive correlation with profitability of the bank. Indian Bank with eight variables namely C1, C2, C3, C6, C8, C10, C13 and C15 has positive correlation with profitability of the bank. Finally,
Central Bank of India with ten variables namely $C_1$, $C_2$, $C_3$, $C_6$, $C_8$, $C_9$, $C_{10}$, $C_{13}$, $C_{14}$ and $C_{15}$ has positive correlation with profitability of the bank. Among the Lower most Private Sector Banks, ING Vysya Bank with five variables namely $C_1$, $C_2$, $C_6$, $C_9$ and $C_{10}$ have positive correlation with profitability of the bank. Next, Dhanalakshmi Bank with seven variables namely $C_3$, $C_4$, $C_5$, $C_8$, $C_9$, $C_{10}$ and $C_{12}$ has positive correlation with profitability of the bank. In case of Lakshmi Vilas bank, it is clear that nine variables namely $C_1$, $C_2$, $C_4$, $C_5$, $C_7$, $C_8$, $C_9$, $C_{11}$ and $C_{12}$ have positive correlation with profitability of the bank. Next, Indusind Bank with five variables namely $C_1$, $C_2$, $C_5$, $C_9$ and $C_{11}$ has positive correlation with profitability of the bank. Finally, ICICI Bank with seven variables namely $C_3$, $C_8$, $C_9$, $C_{11}$, $C_{12}$, $C_{14}$ and $C_{15}$ has positive correlation with profitability of the bank.

5.2.3 FACTOR LOADING

5.2.3. a) Borrowers

Factors loadings of Top most Public Sector Banks period from 2001-2002 to 2010-2011, State Bank of Travancore indicates 98.41 per cent of total variation in $B_{14}$ accounted by Factor I. Secondly, Andhra Bank with 96.04 per cent of total variation in $B_{10}$ is accounted by Factor I. Next, Indian Overseas Bank with 97.42 per cent of total variation in $B_{15}$ is accounted by Factor I. State Bank of Mysore with explains 97.81 per cent of total variation in $B_5$ accounted by Factor I. State Bank of Hyderabad with 92.54 per cent of total variation in $B_3$ is accounted by Factor I. This shows that no individual factor can be solely responsible for the variations and it is the combinations of different factors which are associated with return on Working Funds. Top most Private Sector Banks states that City Union Bank with 97.61 per cent of total variation in $B_{15}$ accounted by Factor I. Secondly, Karur Vysya Bank states 91.78 per cent of total variation in $B_2$ accounted by
Factor I. Next, Jammu and Kashmir Bank explains 77.79 per cent of total variation in $B_2$ accounted by Factor I. HDFC Bank shows 87.42 per cent of total variation in $B_{13}$ accounted by Factor I. Catholic Syrian Bank implies 91.39 per cent of total variation in $B_1$ is accounted by Factor I. This shows that no individual factor can be solely responsible for the variations and it is the combination of different factors which are associated with the return on Working Funds. Lower most Public Sector Banks Banks explicates Punjab and Sind Bank with 85.38 per cent of total variation in $Y$ accounted by Factor I. Secondly, Dena Bank implies 97.61 per cent of total variation in $B_{11}$ is accounted by Factor I. Next, United Bank of India explains 93.32 per cent of total variation in $B_6$ is accounted by Factor I. Indian Bank indicates 96.24 per cent of total variation in $Y$ accounted by Factor I. Finally, Central Bank of India with 91.20 per cent of total variation in $B_9$ is accounted by Factor I. In case of Lower most Private Sector Banks for the period from 2001-02 to 2010-11, ING Vysya Bank states 92.74 per cent of total variation in $B_{15}$ accounted by Factor I. Secondly, Dhanalakshmi Bank explains with 95.26 per cent of total variation in $B_5$ accounted by Factor I. Next, Lakshmi Vilas Bank indicates with 98.41 per cent of total variation in $B_{15}$ accounted by Factor I. Indusind Bank shows 93.12 per cent of total variation in $B_5$ accounted by Factor I. Finally, ICICI Bank depicts 86.86 per cent of total variation in $B_{15}$ is accounted by Factor I.

5.2.3. b) Employees

Factors loadings of Top most Public Sector Banks for the period from 2001-02 to 2010-11, State Bank of Travancore explains 94.48 per cent of total variation in $E_6$ is accounted by Factor I. Secondly, Andhra Bank implies 92.16 per cent of total variation in $E_6$ is accounted by Factor I. Next, Indian Bank shows 98.41 per cent of total variation in $E_1$
is accounted by Factor I. State Bank of Mysore signifies 96.43 per cent of total variation in E_9 accounted by Factor I. Finally, State Bank of Hyderabad explicates 93.70 per cent of total variation in E_6 is accounted by Factor I. Top most Private Sector Banks for City Union Bank explains 94.67 per cent of total variation in E_2 accounted by Factor I. Secondly, Karur Vysya Bank indicates 96.24 per cent of total variation in E_1 accounted by Factor I. Next, Jammu and Kashmir shows 87.42 per cent of total variation in E_9 accounted by Factor I. HDFC Bank signifies 97.22 per cent of total variation in E_6 is accounted by Factor I. Finally, Catholic Syrian Bank explicates 93.32 per cent of total variation in E_7 is accounted by Factor I. Lower most Public Sector Banks for the period from 2001-2002 to 2010-2011. Punjab and Sind Bank indicates 98.01 per cent of total variation in E_2 is accounted by Factor I. Secondly, Dena Bank signifies 97.02 per cent of total variation in E_6 is accounted by Factor I. Next, United Bank of India explains 88.92 per cent of total variation in E_6 is accounted by Factor I. Indian Bank shows 90.82 per cent of total variation in E_6 is accounted by Factor I. Finally, Central Bank of India explains 99.20 per cent of total variation in E_8 is accounted by Factor I. Lower most Private Sector Banks explain ING Vysya Bank implies 92.93 per cent of total variation in E_8 is accounted by Factor I. Secondly, Dhanalakshmi Bank shows 88.74 per cent of total variation in E_5 is accounted by Factor I. Next, Lakshmi Vilas Bank explains 93.12 per cent of total variation in E_7 is accounted by Factor I. Indusind Bank indicates 97.42 per cent of total variation in E_9 is accounted by Factor I. Finally, ICICI Bank explains 87.42 per cent of total variation in Y is accounted by Factor I.
5.2.3. c) Profitability

Factor loadings of Top most Public Sector Banks for the period from 2001-02 to 2010-11, State Bank of Travancore explains 97.61 per cent of total variation in P₃ is accounted by Factor I. Secondly, Andhra Bank implies 99.60 per cent of total variation in P₃ is accounted by Factor I. Next, Indian Overseas Bank shows 98.60 per cent of total variation in P₆ is accounted by Factor I. State Bank of Mysore signifies 97.22 per cent of total variation in P₃ is accounted by Factor I. State Bank of Hyderabad signifies 94.09 per cent of total variation in P₁₀ is accounted by Factor I. City Union Bank for the period from 2001-02 to 2010-11 with 99.80 per cent of total variation in P₀ is accounted by Factor I. Secondly, Karur Vysya Bank explains 94.67 per cent of total variation in Y is accounted by Factor I. In case of Jammu and Kashmir Bank for 98.60 per cent of total variation in P₂ is accounted by Factor I. For HDFC Bank implies 96.04 per cent of total variation in P₁₁ is accounted by Factor I. Catholic Syrian Bank explains 96.43 per cent of total variation in P₆ is accounted by Factor I. This shows that no individual factor can be solely responsible for the variations and it is the combinations of different factors which are associated with return on Working Funds. Punjab and Sind Bank for the period from 2001-2002 to 2010-2011 explains 89.49 per cent of total variation in P₁₄ is accounted by Factor I. Secondly, Dena Bank with 99.20 per cent of total variation in P₃ is accounted by Factor I. Next, United Bank of India 95.65 per cent of total variation in P₃ is accounted by Factor I. Indian Bank 99.20 per cent of total variation in P₄ is accounted by Factor I. Finally, Central Bank of India 96.83 per cent of total variation in P₅ is accounted by Factor I. Similarly Y, P₃, P₆, P₇, P₄ and P₁₄ respectively explained by Factor I. Factors loadings of ING Vysya Bank for the period from 2001-02 to 2010-11 with 97.61 per cent of total variation in P₁₄ is accounted by Factor I. Dhanalakshmi Bank 94.87 per cent of total
variation in $P_4$ is accounted by Factor I. Lakshmi Vilas Bank 96.24 per cent of total variation in $P_6$ is accounted by Factor I. Indusind Bank 89.30 per cent of total variation in $P_6$ is accounted by Factor I. ICICI Bank 89.30 per cent of total variation in $P_6$ is accounted by Factor I.

5.2.3. d) Depositors

Top most Public Sector Banks for the period from 2001-02 to 2010-11 explains State Bank of Travancore with 97.42 per cent of total variation in $D_3$, is accounted by Factor I. Secondly, Andhra Bank with 79.39 per cent of total variation in $D_6$ is accounted by Factor I. Next, Indian Overseas Bank with 94.48 per cent of total variation in $D_{13}$ is accounted by Factor I. Further, State Bank of Mysore with 87.98 per cent of total variation in $D_6$ is accounted by Factor I. Finally, State Bank of Hyderabad with 87.42 per cent of total variation in $D_2$ is accounted by Factor I. Factors loadings Top most Private Banks Sector Banks for the period from 2001-02 to 2010-11 records City Union Bank with 90.44 per cent of total variation in $D_2$ is accounted by Factor I. Secondly, Karur Vysya Bank with 98.21 per cent of total variation in $D_9$, is accounted by Factor I. Next, Jammu and Kashmir Bank with 90.82 per cent of total variation in $D_{13}$ is accounted by Factor I. Next, HDFC Bank with 86.86 per cent of total variation in $D_{13}$ is accounted by Factor I. Finally, Catholic Syrian Bank with 78.50 per cent of total variation in $D_2$ is accounted by Factor I. Among Lower most Public Sector Banks for the period from 2001-2002 to 2010-2011, Punjab and Sind Bank with 86.12 per cent of total variation in $D_8$ is accounted by Factor I. Next, Dena Bank with 93.32 per cent of total variation in $D_8$ is accounted by Factor I. Next, United Bank of India with 97.81 per cent of total variation in $D_8$ is accounted by Factor I. Next, Indian Bank with 96.63 per cent of total variation in
D₃ is accounted by Factor I. Finally, Central Bank of India with 95.45 per cent of total variation in D₇ is accounted by Factor I. Factors loadings of Lower most Private Sector Banks for the period from 2001-02 to 2010-11. It can be observed ING Vysya Bank with 94.48 per cent of total variation in D₁₀ is accounted by Factor I. Secondly, Dhanalakshmi Bank with 82.99 per cent of total variation in D₁₂ is accounted by Factor I. Next, Lakshmi Vilas Bank with 94.67 per cent of total variation in D₆ is accounted by Factor I. Next, Indusind Bank with 91.78 per cent of total variation in D₈ is accounted by Factor I. Finally, ICICI Bank with 96.04 per cent of total variation in D₈ is accounted by Factor I.

5.2.3. e) Investors

Top most Public Sector Banks for the period from 2001-2002 to 2010-11. It can be observed State Bank of Travancore 80.64 per cent of total variation in I₉ is accounted by Factor I. Next, Andhra Bank with 97.22 per cent of total variation in I₆ is accounted by Factor I. Indian Overseas Bank with 95.26 per cent of total variation in I₁₄ is accounted by Factor I. State Bank of Mysore with 96.43 per cent of total variation in I₆ is accounted by Factor I. Finally, State Bank of Hyderabad with 76.04 per cent of total variation in I₁ is accounted by Factor I. Factors loadings of Top most Private Sector Banks for the period from 2001-2002 to 2010-2011. It can be observed City Union Bank with 90.63 per cent of total variation in I₁₂ is accounted by Factor I. Karur Vysya Bank 93.12 per cent of total variation in I₁₂ is accounted by Factor I. Jammu and Kashmir Bank 95.65 per cent of total variation in I₁₁ is accounted by Factor I. HDFC Bank 92.93 per cent of total variation in I₄ is accounted by Factor I. Catholic Syrian Bank for 90.25 per cent of total variation in I₃ is accounted by Factor I. Factors loadings of Lower most Public Sector Banks for the period from 2001-02 to 2010-11. It can be observed Punjab and Sind Bank with 91.20 per cent of
total variation in \(Y\) is accounted by Factor I. Dena Bank with 79.39 per cent of total variation in \(I_1\) is accounted by Factor I. United Bank of India with 89.68 per cent of total variation in \(I_3\) is accounted by Factor I. Indian Bank with 88.55 per cent of total variation in \(I_1\) is accounted by Factor I. Central Bank of India 82.45 per cent of total variation in \(I_7\) is accounted by Factor I. Factors loadings of Lower most Private Sector Banks for the period from 2001-02 to 2010-11. It can be observed ING Vysya Bank 81.36 Per cent of total variation in \(I_{14}\) is accounted by Factor I. Dhanalakshmi Bank 87.42 per cent of total variation in \(I_5\) is accounted by Factor I. Lakshmi Vilas Bank 85.56 per cent of total variation in \(I_9\) is accounted by Factor I. Indusind Bank 94.09 per cent of total variation in \(I_6\) is accounted by Factor I. ICICI Bank 87.80 per cent of total variation in \(I_{10}\), is accounted by Factor I.

5.2.3. f) Shareholders

Top most Public Sector Banks for the period from 2001-02 to 2010-11 implies State Bank of Travancore 86.49 per cent of total variation in \(S_2\) is accounted by Factor I. Next, Andhra Bank with 97.42 per cent of total variation in \(Y\) is accounted by Factor I. Subsequently, Indian Overseas Bank with 96.43 per cent of total variation in \(S_2\) is accounted by Factor I. Consequently, State Bank of Mysore with 90.44 per cent of total variation in \(S_1\) is accounted by Factor I. State Bank of Hyderabad with 92.54 per cent of total variation in \(S_2\) is accounted by Factor I. Factors loadings of Top most Private Sector Banks for the period from 2001-02 to 2010-11 shows City Union Bank with 84.09 per cent of total variation in \(S_{13}\) is accounted by Factor I. Next, Karur Vysya Bank with 91.01 per cent of total variation in \(S_7\) is accounted by Factor I. Subsequently, Jammu and Kashmir Bank with 92.54 per cent of total variation in \(S_3\) is accounted by Factor I. Next, HDFC Bank with 91.20 per cent of total variation in \(S_{10}\) is accounted by Factor I. Finally,
Catholic Syrian Bank with 88.92 per cent of total variation in \( S_9 \) is accounted by Factor I. Factors loadings of Lower most Public Sector Banks for the period from 2001-02 to 2010-11 observed Punjab and Sind Bank with 91.97 per cent of total variation in \( S_{11} \) is accounted by Factor I. Next, Dena Bank with 95.26 per cent of total variation in \( S_7 \) is accounted by Factor I. Consequently, United Bank of India with 88.36 per cent of total variation in \( S_4 \) is accounted by Factor I. Indian Bank with 85.19 per cent of total variation in \( S_{13} \) is accounted by Factor I. Finally, Central Bank of India with 89.68 per cent of total variation in \( S_{10} \) is accounted by Factor I. Factors loadings of Lower most Private Sector Banks for the period from 2001-02 to 2010-11 records ING Vysya Bank for 97.42 per cent of total variation in \( S_7 \) is accounted by Factor I. Dhanalakshmi Bank 94.28 per cent of total variation in \( S_{10} \) is accounted by Factor I. Lakshmi Vilas Bank 97.42 per cent of total variation in \( Y \) is accounted by Factor I. Indusind Bank 90.25 per cent of total variation in \( S_{16} \) is accounted by Factor I. ICICI Bank 86.86 per cent of total variation in \( S_1 \) is accounted by Factor I.

5.2.3. g) Creditors

Top most Public Sector Banks for the period from 2001-02 to 2010-2011 observed State Bank of Travancore with 83.54 per cent of total variation in \( C_2 \) is accounted by Factor I. Secondly, Andhra Bank with 82.99 per cent of total variation in \( C_7 \) is accounted by Factor I. Next, Indian Overseas Bank with 91.97 per cent of total variation in \( C_2 \) is accounted by Factor I. Next, State Bank of Mysore with 86.68 per cent of total variation in \( C_7 \) is accounted by Factor I. Finally, State Bank of Hyderabad with 95.45 per cent of total variation in \( C_{14} \) is accounted by Factor I. Factors loadings of Top most Private Sector Banks for the period from 2001-02 to 2010-11 records City Union Bank with 98.41
per cent of total variation in $C_{15}$ is accounted by Factor I. Secondly, Karur Vysya Bank with 95.45 per cent of total variation in $C_2$ is accounted by Factor I. Next, Jammu and Kashmir Bank with 92.93 per cent of total variation in $C_7$ is accounted by Factor I. Next, HDFC Bank with 78.68 per cent of total variation in $C_{14}$ is accounted by Factor I. Finally, Catholic Syrian Bank with 90.25 per cent of total variation in $C_{15}$ is accounted by Factor I. Factors loadings of Lower most Public Sector Banks for the period from 2001-02 to 2010-11 observed Punjab and Sind Bank with 86.86 per cent of total variation in $C_1$ is accounted by Factor I. Secondly, Dena Bank with 91.01 per cent of total variation in $C_{12}$ is accounted by Factor I. Next, United Bank of India with 93.70 per cent of total variation in $C_4$ is accounted by Factor I. Next, Indian Bank with 84.82 per cent of total variation in $C_{15}$ is accounted by Factor I. Finally, Central Bank of India with 97.61 per cent of total variation in $C_2$ is accounted by Factor I. Factors loadings of Lower most Private Sector Banks for the period from 2001-2002 to 2010-2011 records ING Vysya Bank with 85.75 per cent of total variation in $C_3$ is accounted by Factor I. Next, Dhanalakshmi Bank with 91.20 per cent of total variation in $C_2$ is accounted by Factor I. Subsequently, Lakshmi Vilas Bank with 95.06 per cent of total variation in $C_5$ is accounted by Factor I. Next, Indusind Bank with 93.90 per cent of total variation in $C_{14}$ is accounted by Factor I. Finally, ICICI Bank with 97.02 per cent of total variation in $C_{12}$ is accounted by Factor I.

5.2.4 PATH ANALYSIS
5.2.4. a) DIRECT AND INDIRECT EFFECTS OF INDEPENDENTS VARAIABLES ON RETURN ON WORKING FUNDS – BEPA

It is observed that between Top most and Lower most Public and Private Sector Banks for the period of 2001-02 to 2010-11, among the Top most Public Sector Banks, State Bank of Travancore expilicates that the following independent factors have significant correlation co-efficient with the ratio of return on Working funds; an insight
into this reveals that the variables $B_9$, $B_{11}$, $E_6$, $P_7$, and $P_{14}$ contribute towards profitability but $B_6$, $E_5$, $E_7$ and $P_9$ reduces the profitability. Secondly, Andhra Bank states that the variables $B_9$, $B_{12}$ and $P_{14}$ contribute towards profitability but $B_4$, $B_6$, $E_3$, $E_5$ and $P_9$ reduces the profitability. Next, Indian Overseas Bank indicates that the variables $B_3$, $B_{13}$, $E_3$, $P_8$ and $P_{14}$ contribute towards profitability $B_1$, $B_6$, $E_9$ and $P_9$ reduces the profitability. Further, State Bank of Mysore shows that the variables $B_3$, $B_6$, $B_{11}$, $E_5$, $P_9$ and $P_{14}$ contribute towards profitability but $B_{13}$ and $P_8$ reduces the profitability. Finally, State Bank of Hyderabad reveals that the variables $B_8$, $B_{12}$, $P_9$ and $P_{14}$ contribute towards profitability but $B_7$, $B_{11}$, $E_5$ and $P_8$ reduces the profitability. In case of Top most Private Sector Banks; City Union Bank explicates that the variables $B_4$, $B_5$, $B_{11}$ and $P_{14}$ contribute towards profitability but $B_6$, $B_{10}$, $E_9$ and $P_7$ reduces the profitability. Secondly, Karur Vysya Bank states that the variables $B_7$, $B_8$, $B_{12}$, $B_{13}$, $E_3$, and $P_{14}$ contribute towards profitability but $E_4$, $E_7$ and $P_5$ reduces the profitability. Next, Jammu and Kashmir Bank indicates that the variables $B_3$, $B_4$, $B_{10}$, $E_3$, $P_{13}$ and $P_{14}$ contribute towards profitability but $B_1$, $B_6$ and $P_{12}$ reduces the profitability. Further, HDFC Bank shows that the variables $B_3$, $B_4$, $B_{10}$, $E_3$, $P_{13}$ and $P_{14}$ contribute towards profitability but $B_1$, $B_6$ and $P_{12}$ reduces the profitability. Finally, Catholic Syrian Bank shows that the variables $B_6$, $B_{10}$, $B_{14}$, $E_2$ and $P_{14}$ contribute towards profitability but $B_3$, $B_5$, $B_{11}$ and $B_{13}$ reduces the profitability. In the Lower most Public Sector Banks, Punjab and Sind Bank explicates that the variable $B_7$, $B_9$, $B_{12}$, $E_3$ and $P_{14}$ contribute towards profitability but $B_8$, $B_{13}$, $B_{15}$ and $P_1$ reduces the profitability. Secondly, Dena Bank states that the variables $B_5$, $B_9$, $B_{13}$, $P_1$ and $P_{14}$ contribute towards profitability $B_8$, $B_{10}$, $E_3$ and $P_{12}$ reduces the profitability. Next, United Bank of India indicates the variables $B_6$, $B_7$, $B_8$, $B_{10}$, $E_5$, $P_{10}$ and $P_{14}$ contribute towards profitability but $B_9$ and $B_{13}$ reduces the profitability. Further, Indian Bank shows that the variables $B_2$, $B_8$, $B_9$, $B_{13}$ and
P_{14} contribute towards profitability but B_3, B_{11}, E_2 and P_{10} reduces the profitability. Finally, Central Bank of India shows that the variables B_4, B_{12}, E_3 and P_{14} contribute towards profitability but B_7, B_9, B_{10}, P_1 and P_8 reduces the profitability. Among the Lower most Private Sector Banks, ING Vysya Bank explicates that the variables B_7, B_8, B_{12}, E_3, E_9, P_{11}, P_{13} and P_{14} contribute towards profitability but B_{11} reduces the profitability. Secondly, Dhanalakshmi Bank states that the variables B_3, B_7 and P_{14} contribute towards profitability but B_1, B_8, B_{10}, B_{15}, E_2 and E_9 reduces the profitability. Next, Lakshmi Vilas Bank indicates the variables B_1, B_{14}, E_9, P_{11} and P_{14} contribute towards profitability but B_5, B_6, B_7 and B_8 reduces the profitability. Further, Indusind Bank shows that the variables B_1, B_4, B_6, B_{11}, P_9 and P_{14} contribute towards profitability but B_9, E_4 and P_{10} reduce the profitability. Finally, ICICI Bank shows that the variables B_3, E_3, E_7, P_{10} and P_{14} contribute towards profitability but B_1, B_8, P_1 and P_{12} reduces the profitability.

5.2.4. b) DIRECT AND INDIRECT EFFECTS OF INDEPENDENTS VARIABLES ON RETURN ON WORKING FUNDS – DISCA

It is observed that between Top most and Lower most Public and Private Sector Banks Banks for the period of 2001-02 to 2010-11. Among the Top most Public Sector Banks, State Bank of Travancore explicates that the variables D_5, D_{13}, C_3 and C_{10} contribute towards profitability but D_1, D_4, S_{15}, C_4 and C_{15} reduces the profitability. Secondly, Andhra Bank states that the variables S_5, S_6, C_4 and C_5 contribute towards profitability but D_{11}, I_2, I_9, C_6, C_{15} reduces the profitability. Next, Indian Overseas Bank indicates the variables D_6 and S_{12} contribute towards profitability but D_1, D_{11}, D_{13}, I_{13}, S_{14}, S_{15} and C_{15} reduces the profitability. Further, State Bank of Mysore shows that the variables I_7, S_{13}, S_{15}, C_8, C_9 and C_{10} contribute towards profitability but S_7, S_8 and C_{15} reduces the profitability. Finally, State Bank of Hyderabad shows that the variables S_6, S_{14}, C_4 and C_{15} contribute towards
profitability but $I_3$ and $S_{15}$ reduces the profitability. Among the Top most Private Sector Banks, City Union Bank explicates that the variables $D_6$, $D_7$, $I_5$, $S_7$, and $C_{15}$ contribute towards profitability but $S_{15}$, $S_{16}$, $C_7$ and $C_{11}$ reduces the profitability. Secondly, Karur Vysya Bank states that the variables $D_9$ and $S_2$ contribute towards profitability but $D_{11}$, $I_9$, $I_{11}$, $S_5$, $C_4$, $C_6$ and $C_{15}$ reduces the profitability. Next, Jammu and Kashmir Bank indicates the variables $D_{10}$, $D_{13}$, $I_{11}$, $S_4$, $C_8$ and $C_{15}$ contribute towards profitability but $D_{11}$, $S_{11}$ and $C_{12}$ reduces the profitability. Further, HDFC Bank reveals that the variables $I_2$, $I_{14}$, and $C_{14}$ contribute towards profitability but $D_{11}$, $I_{12}$, $S_1$, $C_{11}$ and $C_{15}$ reduces the profitability. Finally, Catholic Syrian Bank shows that the variables $D_4$, $S_{16}$, $C_3$, $C_5$ and $C_{11}$ contribute towards profitability but $I_9$, $C_8$ and $C_{15}$ reduces the profitability. Among the Lower most Public Sector Banks, Punjab and Sind Bank explicates that the variable $S_3$ contribute towards profitability but $D_1$, $I_4$, $I_{12}$, $S_9$, $C_4$, $C_9$ and $C_{15}$ reduces the profitability. Secondly, Dena Bank states that the variables $D_2$, $I_9$, $S_9$ and $C_2$ contribute towards profitability $S_{15}$, $C_4$, $C_8$, $C_9$ and $C_{15}$ reduces the profitability. Next, United Bank of India indicates the variables $D_3$, $S_3$, $S_6$, $C_5$, $C_9$ and $C_{15}$ contribute towards profitability but $D_5$, $S_8$ and $C_7$ reduces the profitability. Further, Indian Bank shows that the variables $D_1$, $I_{11}$, $S_{14}$, $S_{15}$, $C_8$ and $C_{15}$ contribute towards profitability but $D_4$, $C_3$ and $C_7$ reduces the profitability. Finally, Central Bank of India shows that the variables $S_3$, $C_4$ and $C_{15}$ contribute towards profitability but $D_1$, $D_3$, $D_5$, $I_{13}$, $C_9$ and $C_{12}$ reduces the profitability. In Lower most Private Sector Banks, ING Vysya Bank explicates that the variables $D_9$, $S_3$, $S_6$, $C_4$, and $C_8$ contribute towards profitability but $D_1$, $S_1$, $S_{15}$ and $C_{15}$ reduces the profitability. Secondly, Dhanalakshmi Bank states that the variables $S_3$, $S_{13}$, $C_8$ and $C_{15}$ contribute towards profitability but $I_8$, $S_1$, $S_{15}$, $C_9$ and $C_{11}$ reduces the profitability. Next, Lakshmi Vilas Bank indicates the variables $I_{14}$, $S_4$, $S_8$, $S_{13}$, $C_{12}$ and $C_{15}$ contribute towards profitability but $D_2$,
D₄ and C₃ reduces the profitability. Further, Indusind Bank reveals that the variables D₁, I₇, C₉, C₁₁ and C₁₂ contribute towards profitability but D₁₃, I₄, I₆, and C₁₅ reduces the profitability. Finally, ICICI Bank shows that the variables D₃ and S₇ contribute towards profitability but D₁₁, I₁, I₅, S₁₀, C₉, C₁₁ and C₁₅ reduces the profitability.

5.2.5 GROWTH ANALYSIS

5.2.5. a) Select Variables

The compound annual growth rate shows that, Net profit was highest in Dena Bank at 0.5572 and lowest in Jammu and Kashmir Bank at 0.1005 respectively. Secondly, CAGR for Equity was highest in Lakshmi Vilas Bank at 0.2680 and lowest in ICICI Bank at 0.0201. Next, CAGR for Total advances was highest in HDFC Bank 0.4200 and lowest in ICICI Bank, 0.1848. Further, CAGR shows that Total assets were highest in HDFC BANK with 0.3138 and lowest in Catholic Syrian Bank at 0.1223. Also, CAGR for Total Income was highest in ICICI Bank 0.3175 and lowest in Catholic Syrian Bank 0.0752. Similarly, CAGR for Total Deposits was the highest in HDFC Bank at 0.3157 and lowest in Catholic Syrian Bank at 0.1182. Besides, CAGR for Interest Income was highest in ICICI Bank at 0.3188 and lowest in Catholic Syrian Bank at 0.0950. Finally, CAGR of Interest expended the highest in ICICI Bank at 0.3037 and lowest in Catholic Syrian Bank at 0.0805 respectively.

5.2.5. b) BEPA

The compound annual growth rate shows that, Bills Purchased and discounted was the highest in Dhanalakshmi Bank at 0.273 and lowest in Catholic Syrian Bank at 0.042 respectively. The CAGR shows that Cash Credits, Overdrafts and Loans were highest in
HDFC Bank at 0.388 and lowest in Jammu and Kashmir Bank at 0.080. The CAGR shows that Term Loan, Gross NPA Total Expenses was highest in HDFC Bank at 0.466 and lowest in the Catholic Syrian Bank., at 0.166 respectively. Besides, CAGR shows that Net NPA were highest in HDFC BANK with 0.271 respectively and lowest in State Bank of Travancore at 0.007. The CAGR shows that Wage Bill was the highest in HDFC Bank at 0.436 and lowest in the United Bank of India at 0.025 respectively. Also, CAGR of Total Business was the highest in HDFC Bank at 0.352 respectively and lowest in the Catholic Syrian Bank at 0.145. Finally, CAGR for the Operating Expenses were highest in HDFC Bank at 0.371 respectively and lowest in the United Bank of India at 0.062 respectively.

5.2.5. c) DISCA

The compound annual growth rate shows that, Demand Deposits were the highest in Dhanalakshmi Bank at 0.32 and lowest in Catholic Syrian Bank at 0.06 respectively. CAGR shows that Saving Bank Deposits was highest in HDFC Bank., at 0.41 respectively and lowest in Jammu and Kashmir Bank at 0.21. Similarly, CAGR for Term Deposits was highest in HDFC Bank and lowest in the Catholic Syrian Bank. The CAGR shows that Net Interest Margin were highest in HDFC BANK with 0.37 and lowest in Catholic Syrian Bank at 0.13. Further, CAGR of Investments was the highest in HDFC Bank at 0.22 and lowest in Catholic Syrian Bank at 0.08. The CAGR shows that other approved securities were the highest in ICICI Bank and lowest in the ING Vysya Bank respectively. Further, CAGR of Debentures and Bonds the highest in State Bank of Travancore and lowest in the HDFC Bank. The CAGR shows that Income in investments was highest in ICICI Bank with 0.23 and lowest in Catholic Syrian Bank. Further, CAGR of Capital Employed was the highest in HDFC Bank with 0.31 and lowest in Catholic Syrian Bank with 0.13. The CAGR shows that Net worth was the highest in HDFC Bank at 0.33 and lowest in the
Indian Bank at 0.1 respectively. Further, CAGR of Fixed Assets the highest in State Bank of Mysore at 0.4 and lowest in the ICICI Bank at 0.01. The CAGR shows that Operating Profit were highest in ICICI Bank with 0.37 and lowest in Catholic Syrian Bank at -0.1. Further, CAGR of Provisions and contingencies was the highest in HDFC Bank and lowest in Catholic Syrian Bank. The CAGR shows that Rural Banks was the highest in HDFC Bank at 0.4 and lowest in the Catholic Syrian Bank at -0.07 respectively. Further, CAGR of Total Banks the highest in HDFC Bank at 0.32 and lowest in the Dena Bank at 0.01. The CAGR shows that Borrowings were highest in Indian Overseas Bank with 0.72 and lowest in Karur Vysya Bank at 0.06. Further, CAGR of Other liabilities was the highest in HDFC Bank and lowest in Dena Bank. The CAGR shows that Interest accrued was the highest in ING Vysya Bank at 0.62 and lowest in the Dena Bank with -0.15 respectively. The CAGR shows that Liquid Assets was the highest in HDFC Bank at 0.27 and lowest in the Catholic Syrian Bank at -0.01 respectively. Further, CAGR of Other Assets the highest in Catholic Syrian Bank at 0.33 and lowest in the Indian Bank at -0.12 respectively.

5.2.6 TREND ANALYSIS

5.2.6. a) Select Variables

Among Top most Public Sector Banks, it is clear that the trend movement of Net Profit for the year 2015 is highest in Indian Overseas Bank by Cr.168688. Secondly, among Top most private Sector Banks, for 2015 highest is HDFC Bank by Cr.504597. Further, among Lower most Public Sector Banks, for 2015 highest is Indian Bank with Cr.256402. Finally, in case of Lower most Private Sector Banks, for 2015 highest is ICICI Bank by Cr.747172 respectively.
Among Top most Public Sector Banks, it is clear that the trend movement of Total Assets for the year 2015 highest is Indian Overseas Bank by Cr.1460105. Secondly, among Top most private Sector Banks, for 2015 highest is HDFC Bank by Cr.3774046. Further, among Lower most Public Sector Banks, for 2015 highest is Central Bank of India by Cr.2742633. Finally, in case of Lower most Private Sector Banks, for the year 2015 is highest in the ICICI Bank by Cr.6434345 respectively.

Among Top most Public Sector Banks, it is clear that the trend movement of Total Deposits for the year 2015 highest is Andhra Bank by Cr.1201103. Secondly, among Top most private Sector Banks, for the year 2015 highest is HDFC Bank by Cr.2866387. Further, among Lower most Public Sector Banks, for 2015 highest is Central Bank of India by Cr.2391494. Finally, in case of Lower most Private Sector Banks, for the year 2015 highest is ICICI Bank by Cr.3876955 respectively.

Among Top most Public Sector Banks, it is clear that the trend movement of Interest Income for the year 2015 is highest in Indian Overseas Bank by Cr.1848833. Secondly, among Top most private Sector Banks, for the year 2015 highest is HDFC Bank by Cr.287946. Further, among Lower most Public Sector Banks, for the year 2015 highest is Central Bank of India by Cr.180793. Finally, in case of Lower most Private Sector Banks, for the year 2015 highest is ICICI Bank by Cr.475590 respectively.

5.2.6. b) BEPA

Among Top most Public Sector Banks, it is clear that the trend movement of Bill Purchased and Discounted for the year 2015 is highest in the Indian Overseas Bank by Cr.86221. Among Top most Private Sector Banks, for the year 2015 is highest in the HDFC Bank by Cr.94307. Among Lower most Public Sector Banks, for the year 2015 is highest in the United Bank of India by Cr.26575. Finally, in case of Lower most Private Sector Banks, for the year 2015 is highest in the ICICI Bank by Cr.159977.
Among Top most Public Sector Banks, it is clear that the trend movement of Cash Credits, Overdrafts and loans for the year 2015 is highest in the Indian Overseas Bank by Cr.601628. Secondly; among Top most Private Sector Banks, for the year 2015 is highest in the HDFC Bank by Cr.445048. Further, among Lower most Public Sector Banks, for the year 2015 is highest in the Central Bank of India by Cr.470524. Finally, in case of Lower most Private Sector Banks, for the year 2015 is highest in the ICICI Bank by Cr.566043.

Among Top most Public Sector Banks, it is clear that the trend movement of Term Loan for the year 2015 is highest in the Indian Overseas Bank by Cr.772231. Secondly; among Top most Private Sector Banks, for the year 2015 is highest in the HDFC Bank by Cr.1611924. Further, among Lower most Public Sector Banks, for the year 2015 is highest in the Central Bank of India by Cr.1249708. Finally, in case of Lower most Private Sector Banks, for the year 2015 is highest in the ICICI Bank by Cr.2814491.

Among Top most Public Sector Banks, it is clear that the trend movement of Net NPA for the year 2015 is highest in the Indian Overseas Bank by Cr.15529. Secondly; among Top most Private Sector Banks, for the year 2015 is highest in the HDFC Bank by Cr.7068. Further, among Lower most Public Sector Banks, for the year 2015 is highest in the United Bank of India by Cr.7863. Finally, in case of Lower most Private Sector Banks, for the year 2015 is highest in the ICICI Bank by Cr.52648.

Among Top most Public Sector Banks, it is clear that the trend movement of Wage Bill for the year 2015 is highest in the Indian Overseas Bank by Cr.218913. Secondly; among Top most Private Sector Banks, for the year 2015 is highest in the HDFC Bank by Cr.412065. Further, among Lower most Public Sector Banks, for the year 2015 is highest in the Central Bank of India by Cr.253062. Finally, in case of Lower most Private Sector Banks, for the year 2015 is highest in the ICICI Bank by Cr.400264.

Among Top most Public Sector Banks, it is clear that the trend movement of Total Business for the year 2015 is highest in the Indian Overseas Bank by Cr.330893. Secondly, among Top most Private Sector Banks, for the year 2015 is highest in the HDFC Bank by
Cr.501766. Further, among Lower most Public Sector Banks, for the year 2015 is highest in the Central Bank of India by Cr.412983. Finally, in case of Lower most Private Sector Banks, for the year 2015 is highest in the ICICI Bank by Cr.741746.

5.2.6. c) DISCA

Among Top most Public Sector Banks, it is clear that the trend movement of Demand Deposits for the year 2015 is highest in the Indian Overseas Bank by Cr.156918. Secondly; among Top most Private Sector Banks, for the year 2015 is highest in the HDFC Bank by Cr.643737. Further, among Lower most Public Sector Banks, for the year 2015 is highest in the Central Bank of India by Cr. 201177. Finally, in case of Lower most Private Sector Banks, for the year 2015 is highest in the ICICI Bank by Cr.517277 respectively.

Among Top most Public Sector Banks, it is clear that the trend movement of Term deposits for the year 2015 is highest in the Indian Overseas Bank by Cr.1270496. Secondly; among Top most Private Sector Banks, for the year 2015 is highest in the HDFC Bank by Cr.1384514. Further, among Top most Public Sector Banks, for the year 2015 is highest in the United Bank of India by Cr. 1579785. Finally, in case of Top most Private Sector Banks, for the year 2015 is highest in the ICICI Bank by Cr.2404450 respectively.

Among Top most Public Sector Banks, it is clear that the trend movement of Investments for the year 2015 is highest in the Indian Overseas Bank by Cr.563333. Secondly, among Top most Private Sector Banks, it is clear that the trend movement of Investments for the year 2015 is highest in the HDFC Bank by Cr.1015325. Further, among Top most Public Sector Banks, it is clear that the trend movement of Investments for the year 2015 is highest in the United Bank of India by Cr.651368. Finally, in case of Top most Private Sector Banks, it is clear that the trend movement of Investments for the year 2015 is highest in the ICICI Bank by Cr.1944018.

Among Top most Public Sector Banks, it is clear that the trend movement of Capital Employed for the year 2015 is highest in the Indian Overseas Bank by Cr.2186959.
Secondly, among Top most Private Sector Banks, for the year 2015 is highest in the HDFC Bank by Cr.3394130. Further, among Top most Public Sector Banks, for the year 2015 is highest in the Central Bank of India by Cr.2642793. Finally, in case of Top most Private Sector Banks, for the year 2015 is highest in the ICICI Bank by Cr.6068812.

Among Top most Public Sector Banks, it is clear that the trend movement of Net Worth for the year 2015 is highest in the Indian Overseas Bank by Cr.1291978. Secondly among Top most Private Sector Banks, for the 2015 is highest in the HDFC Bank by Cr.3424340. Further, among Top most Public Sector Banks, for the year 2015 is highest in the Central Bank of India by Cr.1307639. Finally, in case of Top most Private Sector Banks, for the year 2015 is highest in the ICICI Bank by Cr.8950737 respectively.

Among Top most Public Sector Banks, it is clear that the trend movement of Operating Profit for the year 2015 is highest in the Indian Overseas Bank by Cr.367581. Secondly, among Top most Private Sector Banks; it for the year 2015 is highest in the Jammu and Kashmir Bank by Cr.127288. Further, among Top most Public Sector Banks, for the year 2015 is highest in the Indian Bank by Cr.445814. Finally, in case of Top most Private Sector Banks, for the year 2015 is highest in the ICICI Bank by Cr.1557845.

Among Top most Public Sector Banks, it is clear that the trend movement of Borrowings for the year 2015 is highest in the Indian Overseas Bank by Cr.2089287. Secondly, among Top most Private Sector Banks, for the year 2015 is highest in the HDFC Bank by Cr.1853095. Further, among Top most Public Sector Banks, for the year 2015 is highest in the Central Bank of India by Cr.1205354. Finally, in case of Top most Private Sector Banks, for the year 2015 is highest in the ICICI Bank by Cr.12967835.

Among Top most Public Sector Banks, it is clear that the trend movement of Interest Accrued for the year 2015 is highest in the Andhra Bank by Cr.43578. Secondly, among Top most Private Sector Banks, for the year 2015 is highest in the HDFC Bank by Cr.427738. Further, among Top most Public Sector Banks, for the year 2015 is highest in
the Central Bank of India by Cr.112416. Finally, in case of Top most Private Sector Banks, for the year 2015 is highest in the ICICI Bank by Cr.323634.

Among Top most Public Sector Banks, it is clear that the trend movement of Liquid assets for the year 2015 is highest in the Indian Overseas Bank by Cr.1705012. Secondly, among Top most Private Sector Banks, for the year 2015 is highest in the HDFC Bank by Cr.4254045. Further, among Top most Public Sector Banks, for the year 2015 is highest in the Central Bank of India by Cr. 2495285. Finally, in case of Top most Private Sector Banks, for the year 2015 is highest in the ICICI Bank by Cr.5935390.

5.2.7 Z SCORE

It is imperative from the analysis that the Z score for the Top most Public Sector Banks is more than 2.6 during the study period. It shows financial health Top most Public Sector Banks during the study period are never in bankruptcy zone. It is in safe zone. This shows that financial performance of Top most Public Sector Banks is too healthy during the study period. It is imperative from the analysis that the Z score for the Top most Private Sector Banks is not less than 3 during the study period. It shows financial health of Top most Private Sector Banks during the study period is never in bankruptcy zone. It is in safe zone. This shows that financial performance of Top most Private Sector Banks is too healthy during the study period. But, Z score for the HDFC among Top most private Sector Banks witnessed less than 2.6 during the period 2001-02 to 2003-04. But it shows financial health of HDFC during the study period is never in bankruptcy zone. This shows that it is in grey zone, indicates the better financial performance of HDFC. It is also revealed that its financial health lies both between healthy zone and too healthy zone during the study period. But during 2004-05 to 2010-11 financial performance of HDFC is too healthy. It is imperative from the analysis that the Z score for the Top most Public Sector Banks is not
less than 3 during the study period. It shows financial health of State Top most Public Sector Banks during the study period is never in bankruptcy zone. It is in safe zone. This shows that financial performance of Top most Public Sector Banks is too healthy during the study period. It is imperative from the analysis that the Z score for the Top most Private Sector Banks is not less than 3 during the study period. It shows financial health of Top most Private Sector Banks during the study period is never in bankruptcy zone. It is in safe zone. This shows that financial performance of Top most Private Sector Banks is too healthy during the study period. Z score for the ICICI Bank witnessed below 1.1 during the period 2001-02 to 2002-03. It shows financial health of ICICI Bank during the study period is in bankruptcy zone. During the period 2003-04, 2009-10 and 2010-11 under grey period, results witnessed that the better financial performance of ICICI Bank. It is also revealed that its financial health lies both between healthy zone and too healthy zone during the study period. But during 2005 to-2006; 2008-09 shows above 2.6, it is in safe zone. The financial performance of ICICI Bank is too healthy.

5.2.8 TESTING OF HYPOTHESES

The hypotheses framed in Chapter I is now tested with the help of relevant statistical tools.

i. The return on working funds contributes much towards the profitability of banks;

The path analysis proves the above hypothesis. The return on working funds contributes much towards the profitability of scheduled commercial banks in India. It can be seen by the following independent factors which have significant correlation coefficient with the ratio of return on working funds; P₁ – Operating profit to Interest Income of City Union Bank and Dena Bank, P₇ – Return on Equity Capital of State
Bank of Travancore and State Bank of Mysore, $P_8$ – Burden to Interest Income of Indian Overseas Bank, $P_9$ – Burden to Total Income of State Bank of Mysore and State Bank of Hyderabad, $P_{10}$ – Burden to Working Funds of United Bank of India and ICICI Bank, $P_{11}$ - Spread to Working Funds of ING Vysya Bank and Lakshmi Vilas Bank, $P_{13}$ – Interest Expended to Total Expenses of Jammu and Kashmir Bank and ING Vysya Bank, $P_{14}$- Interest Coverage Ratio of Top most and Top most of Public and Private Sector Banks. Finally, this reveals that the variable $P_{14}$- Interest Coverage Ratio of all selected banks contributes much towards profitability of banks. The result reveals that there is a relationship between the return on working funds and profitability and hence, the hypothesis holds good.

ii. **The increase in credit has a positive effect on the profitability of banks;**

The path analysis proves the above hypothesis. The increase in the credit position of the bank has positive effect on the profitability of scheduled commercial banks in India. This shows the correlation coefficient matrices of the selected variables with the dependent variable. i.e., return on working funds of scheduled commercial banks for the period 2001-02 to 2010-11. It can be seen by $B_1$ – Advances to Working Funds of Top most private sectors of HDFC Bank, Lakshmi Vilas Bank and Indusind Bank; $B_2$ – Return on Advances of Indian Bank; $B_3$ – Bill Purchased and Discounted to total advances of Indian Overseas Bank, State Bank of Mysore, Jammu and Kashmir Bank, Dena Bank and ICICI Bank; $B_4$ – Cash, Credit, Overdraft and loans to total advances of Top most and Top most private banks; $B_5$ –Term loans to total advances of City Union Bank and Dena Bank; $B_6$ –Priority sectors to total advances of State Bank of Mysore, HDFC Bank, Catholic Syrian Bank, United Bank of India and Indusind Bank; $B_7$ – Public sectors to total advances of Karur Vysya Bank, Punjab and Sind Bank, United
Bank of India, ING Vysya Bank and Dhanalakshmi Bank; B_8 – Bank sectors to total advances of Andhra Bank, State Bank of Hyderabad, Karur Vysya Bank, United Bank of India, Indian Bank and ING Vysya Bank; B_9 – Other sectors to total advances of State Bank of Travancore, Andhra Bank, Punjab and Sind Bank, Dena Bank and Indian Bank; B_{10} – Secured advances to total advances of Jammu and Kashmir Bank, Catholic Syrian Bank and United Bank of India; B_{11} – Unsecured advances to total advances of State Bank of Travancore, Andhra Bank, Punjab and Sind Bank, Dena Bank and Indian Bank; B_{12} – Cost of advances of Andhra Bank, State Bank of Hyderabad, Karur Vysya Bank, Central Bank of India and ING Vysya Bank; B_{13} – Return on advances adjusted to cost of funds of Indian Overseas Bank, Karur Vysya Bank, Dena Bank and Indian Bank; B_{14} – Net NPA to Net advances of Catholic Syrian Bank and Lakshmi Vilas Bank has significant correlation with positive effect on profitability of banks.

iii. The increase in the non-interest income has a direct and positive impact on the profitability;

The increase in the non-interest income has a direct and positive impact on the profitability. It is observed that the E_7 - Non-Interest Income to Working fund of ICICI Bank (0.845) have a direct and positive impact on the profitability of Top most private sectors from 2001-02 to 2010-11 and hence the hypothesis is accepted. Therefore, it is clear that non-interest income of ICICI Bank has direct and positive impact on the profitability.

iv. There is no positive relationship between return on working funds and BEPA ratio of the selected banks.

This hypothesis is tested with the help of Compound Growth Rate Technique. There is no positive relationship between return on working funds and BEPA ratio of
the selected banks from 2001-02 to 2010-11. It is observed that the \( B_2 \) – Return on Advances, \( B_3 \) – Bill Purchased and Discounted to total advances, \( E_7 \) - Non-Interest Income to Working fund, \( P_1 \) – Operating profit to interest income, \( P_2 \) – Operating profit to total income, \( P_3 \) – Net Profit to interest income, \( P_4 \) - Net Profit to total income, \( P_5 \) - Net Profit to working fund, \( P_6 \) - Net Profit to total deposits, \( P_7 \) - Return on equity capital and \( P_{14} \) – Interest coverage ratio of selected banks has no positive relationship with return on working funds.

v. **There is no positive relationship between return on working funds and DISCA ratio of the selected banks.**

This hypothesis is tested with the help of Compound Growth Rate Technique. There is no positive relationship between return on working funds and DISCA ratio of the selected banks from 2001-02 to 2010-11. It is observed that the \( D_2 \) – credit deposit ratio, \( D_7 \) - savings bank deposits to total deposits, \( D_{10} \) - Net interest margin to total deposits, \( D_{12} \) - interest income to working fund, \( I_1 \) – Investment to working fund, \( I_3 \) – Investment deposit ratio, \( I_4 \) - Investments to advances, \( I_5 \) – Return on investments, \( I_8 \) – other approved securities to total investments, \( S_3 \) - Return on net worth, \( S_4 \) - Return on capital employed, \( S_7 \) - Return on working fund, \( S_9 \) - operating profit to working funds, \( S_{12} \) - Earnings per share, \( S_{13} \) - Capital adequacy ratio, \( S_{14} \) - Capital Tier – I, \( S_{16} \) - Rural Banks to Total Banks, \( C_1 \) – Borrowings to working funds, \( C_2 \) - Borrowings in India to working funds and \( C_6 \) – other institutions and agencies to borrowings of selected banks has no positive relationship with return on working funds.
5.3 SUGGESTIONS

In the present field of interest of the researcher with the set of objectives to study the financial position of scheduled commercial banks in India. The following suggestions are made with the help of the findings and observations that shall help scheduled commercial banks to have an insight into their financial statement and also to make suitable reforms. In the banking sectors, the particular focus has been on imparting operational flexibility and functional autonomy with a view to enhancing efficiency, productivity and profitability, imparting strength to the system and ensuring financial soundness. The restrictions on activities undertaken by the existing institutions were gradually relaxed and barriers to entry in the banking sectors were removed.

Since independence, the Government of India and the RBI have made concerted efforts to provide the poor with access to credit. Despite the phenomenal increase in the physical outreach of formal credit institutions in the past several decades, the poor continue to depend on informal sources of credit. Institutions have also faced difficulties in dealing effectively with a large number of small borrowers, whose credit needs are small and frequent and their ability to offer collaterals is limited. Besides, cumbersome procedures and risk perceptions of the banks left a gap in serving the credit needs of the rural poor. This led to a search for alternative policies, systems and procedures, saving and loan products, other complementary services and new delivery mechanisms that would fulfill the requirements of the poor. The following suggestions are made with a view to better the performance of scheduled commercial banks in India. A sincere attempt is made by the researcher to draw the suggestions that would help the scheduled commercial banks to improve the overall performance with a special focus on the ratio of Borrowers,
Employees, Profitability, Depositors, Investors, Shareholders and Creditors to throw lights on the financial position of scheduled commercial banks in India.

5.3.1 Borrowers

It is noted that the scheduled commercial banks witnessed no impact except Indian Bank in Return on Advances irrespective of the categories of scheduled commercial banks since for any institution returns should be the major source of funds. Banks has to think seriously to enhance the source of income. Top most private sectors such as Dhanalakshmi Bank, ICICI Bank; Top most banks such as Indian overseas Bank and Jammu and Kashmir Bank have Top ratio on Advances to Working Funds. Banks must be more aggressive in lending. It is experiential from the analysis that bank lending should focus towards Term Loans, Bills Purchased, Cash credits etc. Further, it is observed Top most public sectors and Top most public sectors appear to have parked more funds in Lending Advances to Public Sectors, Priority Sectors, Bank and Other Sectors etc. Therefore it is suggested an indicator of a banks aggressiveness in lending which ultimately results in better profitability. Net NPAs and Gross NPAs are the most important yardstick of asset quality. The asset quality of HDFC Bank, Punjab and Sind Bank and Dhanalakshmi Bank are inferior to other selective banks as reflected in their Gross NPAs. It is suggested banks should take prudential and mitigating measures to improve their asset quality. Also, scheduled commercial banks in India evolve loan policy covering various aspects of credit development and credit management; the policy renewed periodically and amendment of the basis of changing needs, outlook for the various sectors in the economy, risk factor.
Banks may increase the lending based on the outlook prospects etc., from time to time. Banks must build trust before increasing the lending after doing detailed studies on advances made as part of conceiving the loan policy. Lending to the priority sectors, agriculture and weaker sections must be maintained at around the stipulated levels with the view to utilizing the funds, available with the bank to earn income by deploying in other areas for more profitability. In general, two major factors dictate the need to reduce the NPAs through several routes. First, the fear of ratings and the market image and, second, the logic that the costs and time involved in pursuing the legal action are high. The time value of the money matters, too. Access to information on assets or the assets themselves is considered difficult. Many times the borrowers themselves are 'not traceable'. The proportion of unscrupulous borrowers using their money, muscle and political power to frustrate the efforts of the banks is also high. Recovery through coercive and legal action is welcome. But allowing the borrower-defaulters to get away with huge benefits may not be.

As per the accounting norms, once an account turns an NPA further interest is not debited to the account and it virtually doesn't appear in the books of account. Invariably, the waiver of this accrued but un-debited interest amount is taken for granted. Nevertheless negotiations take place with the borrowers for further sacrifices and accept whatever the defaulters graciously offer to pay.

5.3.2 Employees

It is noted that a sizeable income is spend to meet the operating expenses especially the wages. It is always a matter of concern that the employees’ efficiency is low in Top most public sectors. It is suggested to reduce the transaction costs as well as the burden ratio to increase the efficiency. The scheduled commercial banks in India should be
prepared to accept the formidable task of keeping pace with the challenges in order to bring in operational efficiency. It is being noticed with great distress that the Operating Expenses to Total Income is always on the higher side and it is increasing over the period of years. Further, it is observed Intermediation Cost to Working Funds of Indian Overseas Bank, City Union Bank, HDFC Bank and Dhanalakshmi Bank on the inferior among selective banks. The banks should adopt a better strategy to curtail the operating expenses in order to enhance the profit margin. It is noted that the scheduled commercial banks witnessed Top and Top most Public sectors will need to wring more efficiency out of their operations to catch up with the banking industry’s average in terms of Profit per Employee and Business per Employee. It is emphasized that more effective and enlightened corporate governance of banks can be a vital avenue for improving banking productivity. It is observed that employee productivity in terms of both business per employee and profit per employee in all scheduled commercial banks, including public sectors and private sectors to increase productivity. It is renowned that Non-Interest Income to Working Funds of State Bank of Travancore and Karur Vysya Bank from the selective banks is on Top side. To increase revenue banks should offer other services to their customers and from these other services banks earn "non-interest income"(fees, commission, charges, exchange fees etc.). Banks offer various services to their customers at cheaper cost and as early as possible. In banking business public sectors and private sectors earn huge income from these sources.

5.3.3 Profitability

It is important for any bank to have sustained resilience to earn consistently in future. Profitability includes share of income from lending operations in the total income,
lending being the core activity of a bank. Of late, many banks have seen much of their income through non-core activities like investments, treasury operations and corporate advisory services etc. It is noted that Operating Profit to Interest Income of Punjab and Sind Bank, Central Bank of India and ICICI Bank among selective banks indicates negative signs. It is suggested banks with an efficient utilization of funds will result in higher operating profits. Interest Income is the basic source of revenue for a bank. Further, Banks can raise the levels of productivity of its human and technology resources, especially as a mean of protecting their Return on Equity Capital ratios. It is observed Burden to Interest Income, Burden to Total Income and Burden to Working Funds trends towards negative. The emphasis on the non-interest income becomes significant. Though, fees on traditional banking services such as savings and transaction account charges, payment services, safe custody services and that on credit products/quasi-credit products exchange still account for the lion's share of fee income. Shareholders, investors and even bank management seems to have grown fond of the earnings, risk diversity, growth potential and market insulation that non-interest income may provide. It is better for scheduled commercial banks to focus on non-traditional services such as insurance and mutual fund agency, investment banking comprising equity and debt underwriting, advisory and related services, and so on, still do not form a notable part of overall fee income. To be sure, there is no credit risk involved and, therefore, no capital consumption. Net Interest Margin to Total Income is inferior in case of Jammu and Kashmir Bank, Dena Bank and ICICI Bank of selective banks. Negative net interest margin indicates that the bank that the firm was unable to make an optimal decision, as interest expenses were higher than the amount of returns produced by investments. Net interest margin is generally seen as a better measure of bank’s long-term revenue. Banks have to offer
attractive interest rates to depositors and top lending rates for borrowers. It is also recommended, that banks to increase other income and reduce operating expenses to maintain profitability. Technological advancements have already helped reduce operating expenses. Interest Coverage ratio shows positive trend among selective banks of the study. This indicates banks will further ensure the required liquidity position. Since interest is the major source of income for a banking company, it is obvious that the deployment of funds should generate more income.

5.3.4 Depositors

It is noted State Bank of Travancore, Indian Overseas Bank, Punjab and Sind Bank, Central Bank of India and ING Vysya Bank of selective bank in our study states Cash to Deposit position is not satisfactory. The banks should make easy for increasing the cash position. The RBI shall allow the banks to finance the non-target groups so that they can build up a reasonable cash to meet the day-to-day requirements. It is also suggested to organize more loan recovery camps and educate the borrowers in different type of credit facilities. Many times the low level of disbursement of advances is inevitable because of poor cash position. Further, banks should control the expenses incurred for deposits and borrowings. This helps banks to strengthen to Interest on Deposit to Interest Expended ratio. India ran a repressed financial system with a complex plethora of administered interest rates on both deposit and lending sides. Banking reforms was to deregulate interest rate structure to spur competitive impulses, improve efficiency and strengthen monetary transmission. The Deposit to Total Asset ratio of United Bank of India and Central Bank of India among the selected banks is at inferior level. Deposit mobilization is an integral part of banking activity. Banks should focus to increase deposit level. As deposits are the most
secure and liquid financial assets available to an investor and it can accelerate banks lending to various sectors. Interest income to total income is yet another measure to assess bank’s ability to earn income from its core lending operations. The Ratio of Interest Income is not impressive for the Top most public and private sectors. It is an indication that the Top most banks were making only less pain to find the other source of income. Due acumen shall be adopted to utilize the excess fund to increase the other sources of income. The ratio of Interest Expended to Interest Earned shows that a considerable portion of the interest earned is used for paying interest by the scheduled commercial banks during the study period. It is noted that almost a major portion of the interest earned is dedicated for interest expended in the case of Indian overseas Bank and Indusind Bank. A rational decision may be taken to enhance the interest income of the banks.

5.3.5 Investors

It is noted that the scheduled commercial banks witnessed no impact except ICICI Bank in Investments to Working Funds irrespective of the categories of scheduled commercial banks. It indicates the extent of deployment of assets in investment other than advances. A higher ratio means that the bank has conservatively kept a cushion of investments to guard against NPAs. This low risk approach results into Top profitability. It is observed Punjab and Sind Bank and Indusind Bank are inferior among selective banks in case of Investment to Total Advances. It indicates a bank’s strategy as being high profit high risk or low profit low risk. Investments are generally considered with the highest safety and high returns. It is suggested banking company should focus towards their customers in lending loan rather in investing on its own. It is also observed proportion of its Investments made in Shares is
poor in Andhra Bank, Karur Vysya Bank and Catholic Syrian Bank among selective Banks during study period. Banks should focus on investment in shares. As shares offer higher returns than any other investment. Also, Investments in Other Securities and Non-Approved Securities are inferior in HDFC Bank, Punjab and Sind Bank, Indian overseas Bank and Central Bank of India. The risk taking ability and appetite of a bank is also reflected in the proportion of its investments made in these securities. Banks should carefully proportionate in these securities. Finally, Return on Investment is substandard in ICICI Bank. All selective Banks during the study period should focus on return on investment as it is applied for evaluating the financial consequences of business investments, decisions, or actions.

5.3.6 Shareholders

It is noted that the HDFC Bank, ING Vysya Bank and Dhanalakshmi Bank among selective banks witnessed negative position in Equity Paid up to Capital Employed. It is recommended banks should make a judicious mix of fund is required to bring in healthy financial position. Return on Working Fund of State Bank of Mysore is Top. It is suggested banks should manage the assets efficiently to generate profit. The ratio of Return on Net Worth is encouraging for scheduled commercial banks during the study period on the selective banks. The combination of efforts and identifying the different means of financing and delinking from the conventional method of funding may bring in fruitful results for the banks. Fixed Assets to Net Worth ratio of State Bank of Mysore and United Bank of India are Top. Shareholders are concerned with the investment policy of management in fixed assets. The investments in fixed assets involve commitment of funds for longer period into the future and usually are difficult and costly to reserve; often they
are in large investments. It is suggested banks should be very cautious in deciding about the investments in fixed assets and decide about the funds to be used as working capital in the business. It is noted that the scheduled commercial banks witnessed no impact except Jammu and Kashmir Bank in Debt- Equity irrespective of the categories of scheduled commercial banks. Creditors and investors usually prefer low debt equity ratios because their interests are better protected in the event of a business decline. Banks with high debt equity ratios may not be able to attract additional lending capital. Capital Tier-II is inferior on the selected banks for the study. It is suggested banks should focus on the debts of 5-7 years tenure, revaluation reserves, general provisions and loss reserves, hybrid debt capital instruments and undisclosed reserves and cumulative perpetual preference shares. If Capital adequacy ratio is higher, then stronger the bank as it ensures the bank against bankruptcy.

5.3.7 Creditors

It is noted Indian Bank and Lakshmi vilas Bank of selective bank in our study states Borrowings outside India to Working Funds ratio is not satisfactory. It indicates the financial position of the bank and the ability to meet all its financial requirements. It shows the percentage of assets that are financed with loans and other financial obligations Borrowed outside India. Decrease in the ratio would denote that faring well, and is less dependent on debts for their business needs. Secondly, it is observed State Bank of Travancore, Karur Vysya Bank, Punjab and Sind Bank and Dena Bank shows negative position in Borrowings with RBI. This ratio proportionate RBI to Borrowings. Further, Other liabilities to Working Funds are not satisfactory in case of City Union Bank, United Bank of India and Indian Bank. The other liabilities comprises of bills payable, inter-office
adjustment, interest accrued and other including provisions. Banks are suggested to have control over the borrowings with RBI and Other liabilities. It is observed Cost of Borrowings of Jammu and Kashmir and Central Bank of India are inferior among selective banks. Interests paid on borrowings are high for these banks. It is suggested banks should concentrate to reduce borrowings. Further, Fixed assets to Total Borrowings are poor in the selective banks during the study period. The fixed assets consist of premises, fixed assets under construction and other fixed assets. It is recommended overall banks should concentrate in borrowings. So that it helps banks to reduce interest paid on borrowings. Hence the above suggestion helps the scheduled commercial banks in India to make a sound financial position in stakeholder’s perspective.

5.4 CONCLUSION

The biggest challenge for banking industry is to serve the mass market of India. Banking in India is generally fairly mature in terms of supply, product range and reach, even though reach in rural India still remains a challenge for the private sectors and foreign banks. In terms of quality of assets and capital adequacy, Indian banks are considered to have clean, strong and transparent balance sheets relative to other banks in comparable economies in its region. Before pre liberalization era, the picture of Indian Banking was completely different as the Government of India initiated measures to play an active role in the economic life of the nation, and the Industrial Policy Resolution adopted by the government in 1948 envisaged a mixed economy. This resulted into greater involvement of the state in different segments of the economy including banking and finance. Banking industry in India has also achieved a new height with the changing times. The use of
technology has brought a revolution in the working style of the banks. Nevertheless, the fundamental aspects of banking i.e. the trust and the confidence of the people on the institution remain the same. The majority of the banks are still successful in keeping with the confidence of the shareholders as well as other stakeholders. However, the changing dynamics of banking business brings new kind of risk exposure in financial statement. The present study empirically examines the various issues of commercial banks by understanding their profitability, efficiency during the study period. It also probes the stakeholder’s perspective on the financial statements.

5.5 FURTHER EXTENSION OF THE STUDY

The present study is undertaken to study the financial position of Scheduled Commercial Banks in India. Considering the long history of commercial banks the study is conducted for a brief period of ten years only, hence the scope of understanding the performance of scheduled commercial banks in India is limited in this study therefore a complete enumeration of commercial banks would pave a way for understanding the viability of scheduled commercial banks in India. The study is limited by Top ten banks and Tops ten banks of Public and Private sectors. Future researcher would take up the study including all banks functioning in India including foreign banks. Hence there is more scope in studying the role of banks in India and their financial position. Elaborate studies are possible in observing the financial position of scheduled commercial banks functioning in India.