"THE STUDY OF FINANCIAL PERFORMANCE OF SELECTED PRIVATE AND PUBLIC BANK IN INDIA"

A THESIS

SUBMITTED BY

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MASTER OF COMMERCE

UNDER THE GUIDANCE OF

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SUBMITTED TO

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DECLARATION BY THE CANDIDATE

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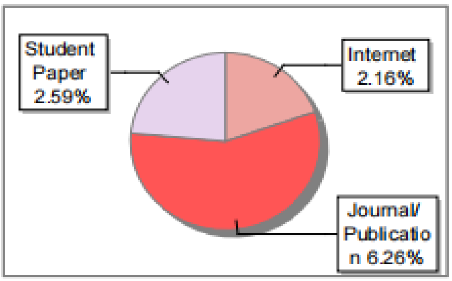

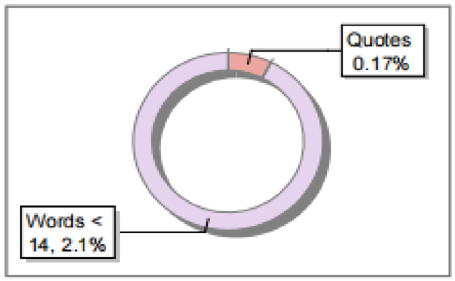

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PREFACE

In this unit points are explaining what is banking industry, history of banking industry, history of Indian financial industry, banking before independence in India, banking after independence in India, types of bank, Indian banking structure, role of RBI, function of commercial bank in INDIA. In the second chapter all details of bank history like founded year, which type of sector public or private bank, where the headquarter is, profit of bank, key person's details. This literature review chapter is a third chapter. In this third chapter discuss the studies related to financial performance of this selected private banking sector and public banking sector.

In this chapter points are introduction, objective of research, characteristics of good research, research process, Title of study, objectives of study, research design, sample unit & sample size of research study, population of study, period of study, data collection, tools and techniques, what is Enova, research related different ratio, hypothesis, scope of study, chapter plans, limitation of study. Conclusion is the sixth chapter of study. The conclusion is the last chapter of this research study. This conclusion finding some major on the basis of fifth chapter which is data collection.

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<u>CHAPTER – 1</u>

INTRODUCTION

(SOURCE: LinkedIn)

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1.1 INTRODUCTION:

A bank is a type of financial institution that deals with deposits, allows withdrawals, and offers loans, investments, and currency exchanges, among other financial services. Stated differently, it's a location where individuals can deposit funds, apply for loans, and utilize a range of financial services.

The banking sector contributes significantly to the economy by facilitating the flow of capital and offering financial services. Banks act as guardians of wealth, providing both individuals and corporations with a safe haven for their money. By serving as middlemen and transferring money from savers to borrowers, banks promote economic expansion.

The banking industry is generally dynamic, adjusting to both global economic shifts and evolving technological advancements.

The words "bank" come from old French and Italian. In the past, the Italian word "banka" denoted a bench or moneychanger's table. This idea originated in Europe when financial advisors and moneylenders met around tables in open areas to transact business. The Italian term "banca" and the ancient French word "banque" both influenced the formation of the English word "bank."

The word "bank" is now almost always used to refer company offers facilities such as like loans, deposits, and other financial transactions. The banking industry has changed significantly throughout the years due to advancements in economics, technology, regulations.

In the past, technology had a limited role in banking and was mainly localized, concentrated on essential activities like loan acceptance and deposit taking. In-person interactions at bank branches were crucial for customers, and transactions were frequently conducted on paper. Banking The rules are different throughout the years to control risks, preserve stability, and safeguard depositors.

However, financial services sector is today more globally intertwined than ever thanks to financial institutions working together and conducting business internationally.

Technology advancements have moved banking processes. Customers may now access services remotely using online and mobile banking, and digital transactions are becoming norm. The emphasis now is on improving the client knowledge through individualized effective digital solutions.

It must contend with issues like economic volatility and cyber security risks. The banking industry has continuously adjusted to the shifting dynamics of the global economy and technology, as seen in both its past and present.

1.2 BACKGROUND OF BANKING INDUSTRY

(1) Ancient civilization

Temples in Mesopotamia served as repositories for cash and as places for lending and borrowing. The earliest writing system was created by the Sumerians, which made it easier to preserve records of financial transactions. Ancient Egyptian grain banks lent money to farmers, and Authorities as well as religions had key roles within financial sector.

Business became simpler with the introduction of coins and cash. An ancient Indian treatise on economics and statecraft called the Arthashastra described a number of financial products and banking procedures, such as interest rates, loans, and banking laws.

(2) Ancient Greece and Rome

Rather than being done by official institutions, private individuals handled most banking in these two countries. The fees charged on moneylending vary according to social standards and economic realities, as per a common practice. Currency exchange was made easier by money changers, and banking operations were tightly linked to trade and business. Standardized coinage was adopted by the Roman Empire, enabling trade across its enormous domains.

(3) Medieval Europe

Merchant guilds and trade networks dominated banking in medieval Europe. Famous dynasties like the Medici and Bardi played important roles in finance as Italian city-states like Florence and Venice developed into financial hubs. The invention of bills of exchange allowed traders to carry out cross-border transactions while reducing the dangers involved in moving big quantities of cash. The Medici Bank along with various financial organizations helped drive revenue growth as well as cultural progress throughout this period.

(4) Renaissance Banking

Banking flourished during the Renaissance, especially in Italy. The Medici family established the Medici Bank in the fifteenth century, and it becoming one of initial institution to adopt contemporary banking techniques like double-entry bookkeeping, which transformed accounting and financial administration. The Medici Bank financed trade, commerce, and the arts while growing its activities throughout Europe. During this time, other banking dynasties gained prominence as well, including the Rothschild in Europe and the Fugger in Germany.

(5) Bank of England (1694)

In order to handle England's financial problem and provide funding for the government's war efforts against France, the Bank of England was founded in 1694. It was given a royal charter by Queen Mary II and King William III, making it the world's first central bank to print banknotes. With objective to manage the national debt, stabilize the British economy, the financial institute of England was essential. It provided as a template for central banking organizations founded in other nations.

(6) 19th Century

The 19th century witnessed enormous changes in banking, spurred by industrialization, urbanization, and globalization. Joint-stock banks formed, allowing individuals to invest in banking projects and share earnings and hazards. Railway and telegraph network expansion promoted trade and communication, while clearinghouses standardized the settlement of financial transactions. The increase of international trade led to the establishment of correspondent banking ties and the rise of multinational banking organizations.

(7) 20th Century

The banking industry kept growing throughout the 20th century mainly outcome major expansion of regulatory frameworks, the emergence of international banks, and technological advancements. The United States' Glass-Steagall Act and other banking reforms, which separated commercial banking from investment banking, were brought about by the Great Depression of the 1930s. The Bretton Woods Agreement established the International Monetary Fund (IMF) and the World Bank. The second part of the century witnessed the advent of electronic banking, credit cards, and automated teller machines (ATMs), altering how banking services were supplied and accessed by customers.

(8) Digital Era

Through the use of digital technologies, the banking business underwent a revolution during the late 20th century and ongoing digital era. The internet and mobile devices facilitated the development of online banking, mobile banking, and electronic payment systems. Fin Tech businesses have arisen, using technology to provide cutting-edge financial services and products that upend established banking systems. By introducing new kinds of digital currency and decentralized finance (DeFi), block chain technology and cryptocurrencies challenged established banking practices and regulatory systems. Digital banking has brought about more financial inclusion, ease of use, and efficiency, but it has also given rise to worries about data privacy, cybersecurity, and regulatory compliance.

1.3 BACKGROUND OF INDIAN BANKING INDUSTRY

(1) Ancient Periods

Financial institute's background with ancient India dates forwards the Vedic era, when lending and banking were commonplace. Indigenous financial institutions like the shroffs and sahukars, who served as financiers and moneylenders, were the beginnings for financial services ancient India. Through making loans, trading currencies, the shroffs were instrumental in promoting trade and business. The usage of hundis, which were bills of exchange used for remittances and trade transactions, was another noteworthy method. The region's financial activity was made possible by these native banking methods.

(2) Mughal Period (1526–1857)

The Mughal era saw important advancements in the banking system. The Mughal emperors instituted the Zabt and Zamindari system of revenue collection, which comprised tax and revenue collection from landowners. In addition, bankers and moneylenders offered traders and merchants financial services. However, there was little institutionalization and most of the banking during this time was informal and localized.

(3) European Influence

The advent of European trading corporations results in improved organized form of banking operations. Among one of initial institute to European model were the Bank of Hindustan (1770–1829) and the General Bank of India (1786–1791). The banking scene in India started to shift when European nations like the Portuguese, Dutch, French, and British arrived. In order to support trade and finance their operations, European trading enterprises built their own settlements and outposts, which require the formation for bank. French and British were the next to set up banking operations in India, after the Portuguese and Dutch.

(4) British Colonial Period (1757–1947)

During colonial administration, the British East India Company—and subsequently the British Crown—had a significant influence on the development of the banking industry. India's formal banking history began in 1806 with the founding of the Bank of Bengal. The Bank of Madras (1843) and the Bank of Bombay (1840) were subsequently founded. Each of this institute provided vital financial support systems for the British government, helping to fund colonial activities and trade. The under presidency combined to become the Imperial Bank of India in 1921, following independence, the SBI was renamed the State Bank of India. The British laid the foundation towards advancement of India's bank sector in the post-independence era by introducing contemporary banking practices and legal frameworks.

(5) State Bank of India (SBI)

The Imperial Bank of India was renamed the State Bank of India in 1955 following India's 1947 declaration of independence. As the premier banking organization in India, SBI supplied banking services to a wide range of industries and was instrumental in the growth of the nation's economy.

(6) Post-Independence Era

The Indian government implemented policies focused on economic growth and self-sufficiency after gaining independence. By lending money to businesses, farmers, and other sectors, the banking industry was essential to this project. Still, the government maintained most of the authority over the financial system, with little involvement from the private sector.

(7) Nationalization of Banks (1969 and 1980)

The Indian government nationalized large banks in two phases, in 1969 and 1980. Of them, 14 were nationalized in 1969, and six more in 1980. Ensuring that financial services were available to all segments of society, particularly those residing in rural and impoverished areas, was the main goal. Controlling the consolidation of economic authority held by a small number of private companies was another goal of nationalization.

(8) Liberalization (1991 Onward)

Under the direction of then-Finance Minister Manmohan Singh, India started economic reforms in 1991 with the goal of liberalizing the economy and integrating it into the international market. The changes were intended to end the License Raj, lessen interference from the government, attract international investment, and boost competition. Due to the opening of the banking industry to private and foreign firms as part of these reforms, there is now more competition and the entry of new banks.

(9) Digital Era

The emergence of digital technology in the banking industry brought about a notable transition in the 21st century. Indian banks have embraced digitalization by providing electronic payment services, mobile banking, and online banking. Digital payments were revolutionized in India with the development of initiatives such as the Unified Payments Interface (UPI), which made transactions more accessible and convenient for the general public. The nation's usage of online services was further boosted by the government's efforts to promote financial inclusion by programs like Aadhaar-enabled payment systems.

1.3.1 BANKING BEFORE INDEPENDENCE IN INDIA

Prior to its independence, foreign banks—mainly British-owned—dominated India's banking sector. Large corporations, rich people, and the colonial government were the principal beneficiaries of these banks. The Reserve Bank of India (RBI) was the country's central banking organization when it was founded in 1935.

Colonial Era Banks: British-owned banks including the Imperial Bank of India (later renamed the State Bank of India), the Bank of Bengal, the Bank of Bombay, and the Bank of Madras dominated the Indian banking industry before to the country's independence. The British colonial government, big British-owned companies, and affluent individuals were the main clients of these banks.

Restricted Access: The majority of Indians, particularly those living in rural regions, had little to no access to formal banking services due to the limited availability of banking services. Banking served the interests of the elite and colonial rulers and mainly operated in urban areas.

Function of the Reserve Bank of India (RBI): The RBI was created in 1935 to function as the nation's central banking agency. Its initial duties were restricted to overseeing the credit and currency systems and serving as the government's banker. Its function did, however, grow with time.

1.3.2 BANKING AFTER INDEPENDENCE IN INDIA

The banking industry in India underwent a dramatic change following the country's 1947 independence. The government acted to nationalize big banks promote advance development and financial inclusion. Authorities nationalized 14 key institution in 1969, and six more were done so in 1980. These nationalizations prioritized social welfare goals, supported small-scale industry and agriculture, and extended banking services to rural areas. The RBI's mandate grew to include broader supervision and regulation of the banking industry.

Nationalization of Banks: The nationalization of large banks was among many crucial events in India's post-independence financial history. Fourteen large banks were seized by the government in 1969, and six further institutions was taken in 1980. This action was taken with the intention of advancing social welfare goals, expanding banking services to rural areas, and giving small- and medium-sized businesses and agriculture priority.

Banking Services Expansion: As a result of nationalization, banking services were greatly extended throughout the nation. In order to guarantee credit flow to underserved sectors, branches were established in rural and semi-urban areas, and programs like the Lead Bank Scheme and the Priority Sector Lending (PSL) standards were implemented.

Regional Rural Banks (RRBs): In 1975, Regional Rural Banks (RRBs) were established to further enhance rural credit delivery. These banks were sponsored by commercial banks, state governments, and the central government and aimed to meet the specific banking needs of rural areas.

Liberalization and Privatization: When India adopted economic liberalization in the 1990s, private and international banks began to operate in the country. During this time, the banking industry saw a number of regulatory obstacles come down and competition and innovation were encouraged.

technology Developments: The push for technology developments in banking began with the onset of liberalization. The way banking services were provided in India was completely transformed by the advent of electronic banking, ATMs, internet banking, and mobile banking.

In order to guarantee credit flow to underserved areas, post-independence reforms also included the established of regional rural banks (RRBs) and priority sector lending standards. When private and foreign banks came Indian banking industry in the 1990s an outcome country's embrace of economic liberalization, the sector saw more in competition and innovation. Banking sector growing progressively, technologically advanced, and efficient an outcome of these reforms. India now has a diversified banking industry that includes foreign, cooperative, public, and private banks, all of which support the nation's economic expansion.

In general, India's banking sector evolved dramatically from country's independence, going from a system largely supporting colonial interests to a vibrant and varied industry that supports the country's economic expansion.

1.4 TYPES OF BANK

The banking industry in India is broad, with a wide variety of bank types catering to distinct markets and demands. There are some prominent bank kinds in India:

(1) Commercial Banks

In India, commercial banks are financial organizations that provide a range of things, such as taking deposits, making loans, and assisting with other types of financial transactions. State Bank of India (SBI), HDFC Bank, ICICI Bank, Axis Bank, and Punjab National Bank are a few of the well-known commercial banks in India. Because they serve people, companies, and the financial system as a whole, these banks are vital to the Indian economy. To meet a variety of financial demands, their additionally offer things such as fixed deposits, savings accounts, and online banking.

(2) Co-operative Banks

In India, cooperative banks are financial establishments that prioritize offering their members financial services while functioning in a cooperative manner. These banks' members, who are usually private citizens, small companies, or communities, control them. Banking industry, shared economic interests are the goals of cooperative banks. In India, cooperative banks fall into two primary categories: rural cooperative banks (RCBs) and urban cooperative banks (UCBs).

Numerous services, including current and savings accounts, loans, and other financial goods, are provided by cooperative banks. They are essential in meeting local communities' financial needs and advancing cooperative banking ideals. The Reserve Bank of India (RBI) and the National Bank for Agriculture and Rural Development (NABARD) are responsible for regulatory control of rural cooperative banks.

(3) Public Sector Banks (PSBs)

Government-owned and run financial institutions are known as public sector banks in India. These banks are mostly owned by the government, which also has considerable influence over how they operate. Because they serve a variety of industries, promote economic development, and enable financial inclusion, these banks are essential to the Indian economy. Among the leading public sector banks in India are Canara Bank, Punjab National Bank (PNB), State Bank of India (SBI), and Bank of Baroda (BoB).

A vast array of banking and financial services, such as current and savings accounts, loans, and investment products, are provided by public sector banks. They make major contributions to social welfare programs and rural development. In India, the Reserve Bank of India (RBI) and other regulatory organizations oversee public sector banks.

(4) Private Sector Banks

In India, banks operating under private sector are trade that are privately owned, with shares held by foreign companies, private individuals, and corporations. These banks are not controlled by the government, and the government has no direct influence over their management. In the institute, private industry banks are renowned for their adaptability, inventiveness, and aggressive business methods. In India, a few prominent private sector banks are Yes Bank, Axis Bank, Kotak Mahindra Bank, ICICI Bank, and HDFC Bank. These banks are distinguished by their varied product offerings, innovative technology use, and customer-centric methodology.

Private sector banks offer a broad range of services, such as digital banking solutions, loans, credit cards, and retail and business banking. In an effort to draw clients and increase their market share, it fights against finance companies, particularly public bank industry.

(5) Foreign Banks

Financial organizations they operate from the main office elsewhere of India yet conduct business there are known as foreign banks in India. The Reserve Bank of India (RBI) has given these banks permission to go it banking operations and offer a variety of institute services. International institution helps the growth in international financial practices in India and the promotion of cross-border financial ties.

The capacity to offer broad variety of financial services, worldwide presence, and foreign ownership are among the key attributes of international banks operating in India. Well-known international banks with operations in India include Deutsche Bank, HSBC, Standard Chartered Bank, and Citibank.

High-net-worth people, corporations, and multinational corporations are the usual clientele of foreign banks. By introducing foreign knowledge, technology, and financial products, they aid in the general increased in the Indian financial industry. These banks follow more of the same rules and regulations as domestic banks and function within the regulatory framework established by the RBI.

(6) Scheduled Commercial Banks

India's Scheduled Commercial Banks (SCBs) are financial institutions included in the Reserve Bank of India (RBI) Act, 1934's Second Schedule. These banks comply with operational and financial standards because they meet particular requirements specified by the RBI.

Furthermore, loans, credit cards, savings and current accounts, and other banking products, Scheduled Commercial Banks offer a comprehensive variety of financial services. Their contribution to the Indian economy is noteworthy, and the Reserve Bank of India exercises regulatory monitoring over them to guarantee stability and adherence to banking standards.

1.5 INDIAN BANKING STRUCTURE

The varied assortment of banks which make up the Indian financial system each have distinct roles and serve various societal groups. An outline of the Indian monetary structure is provided below:

1. **Central Bank:**
   Reserve Bank of India is India's central bank and the highest regulating body for the country's banking industry. Its duties include creating and carrying out currency policy, issuing currency, and acting as a bank to government.
   Roles: Its main responsibilities include fostering economic growth, preserving price stability, and guaranteeing the stability of the financial system.

2. **Public Sector Banks (PSBs):**

   Scheduled Commercial Banks majority-owned by authority to the execution of social welfare and economic development programs. Private sector banks are renowned for their creativity, effectiveness, and customer service. They are owned and operated by private persons or organizations.

   Foreign Banks: Provide global financial services and expertise, operating in India from their headquarters located outside the nation.

3. **Cooperative Banks:**

   With a primary concentration on small depositors and borrowers, Urban Cooperative Banks (UCBs) provide services to urban and semi-urban areas. Rural Cooperative Banks (RCBs): Provide banking services to rural communities.

4. **Ownership of Regional Rural Banks (RRBs):**

   supported by the federal government, state governments, and PSBs. The purpose of the establishment was to support rural and agricultural development by offering credit and other financial services to these communities.

5. **Development Financial Institutions (DFIs):**

   Function: Offer long-term funding for infrastructure development, industrial projects, and other industries vital to the expansion of the economy. NABARD, the Small Industries Development Bank of India (SIDBI), and the Industrial Development Bank of India (IDBI) are a few examples.

6. **Small Finance Banks and Payment Banks:**

   Payment banks: Concentrate on offering fundamental banking services, like deposits and withdrawals, with a primary focus on underbanked and unbanked populations.

   Small Finance Banks: These banks concentrate primarily on offering banking services to unorganized sector companies, small and micro firms, and other industries.

7. **Additional Financial Establishments:**

   Insurance Companies: Provide a range of insurance services and products, such as health, general, and life insurance. Invest in stocks, bonds, and other assets by pooling investor funds through mutual funds.

   Non-Banking Financial Companies (NBFCs): Offer loans, credit facilities, and other banking facilities and more banking services without fitting the legal definition of a bank.

India's varied banking landscape is a reflection of its efforts to guarantee financial inclusion, foster economic growth, and preserve a sound banking sector.

1.6 ROLE OF RBI

As the nation's central banking authority, the Reserve Bank of India is essential to the Indian economy. Its duties and responsibilities cover a wide range of topics that are essential to preserving financial stability, oversight, and economic expansion. Such are primary role of RBI

(1) Monetary Policy Formulation

Price stability and economic growth are the two main objectives of the monetary policy that the RBI develops and carries out. To regulate the money supply and interest rates, it makes use of instruments including reserve repo rates, repo rates, and open market operations.

(2) Currency Issuance and Management

In India, the RBI is the only body authorized to print banknotes. It oversees the nation's money and makes sure there is a sufficient supply of clean, authentic notes.

(3) Regulation and Supervision of Banks

To maintain the stability of the monetary system, the RBI oversees and regulates banks. In order to preserve financial soundness, it establishes prudential standards, carries out inspections, and supervises bank operations.

(4) Banker to the Government

The central and state governments rely on the RBI as their banker, representative, and counsellor. It facilitates transactions, oversees government funds, and aids in debt management.

(5) Foreign Exchange Management

The RBI creates regulations pertaining to foreign exchange operations and oversees the nation's foreign exchange reserves. Its goal is to maintain the Indian rupee's external value stability.

(6) Developmental Role

Through the creation and implementation of policies and programs to promote particular industries and sectors, including microfinance through organizations like the National Bank for Agriculture and Rural Development (NABARD), small-scale industries, and agriculture, the RBI plays a developmental role.

(7) Payment and Settlement System

In order to guarantee effectiveness, security, and dependability, the RBI keeps an eye on the nation's payment and settlement networks. It runs the National Electronic Funds Transfer (NEFT) and Real-Time Gross Settlement (RTGS) systems.

(8) Financial Inclusion

By putting laws into place to guarantee that banking services are available to all societal segments, the RBI encourages financial inclusion. It promotes financial literacy campaigns and the opening of banks in underprivileged communities.

(9) Consumer Protection

In the financial industry, the RBI is active in defending the interests of customers. It creates rules and regulations to guarantee banks and other financial institutions operate fairly and openly.

(10) Data Collection and Analysis

The RBI gathers and examines financial and economic statistics to offer insightful information on how the economy is doing. Decision-making and policy-making procedures are guided by this knowledge.

(11) Crisis Management

Through its provision of liquidity support to banks, implementation of financial system stabilization measures, and proactive steps to avert systematic risks, the RBI plays a pivotal role in handling financial crises.

Within the confines of the RBI Acts, the RBI functions independently, and its decisions are intended to promote sustainable growth, financial stability, and economic stability in India.

1.7 FUNCTION OF COMMERCIAL BANK IN INDIA

Banks carry out a wide range of tasks, that are converted to primary and secondary tasks.

1.7.1 Primary Function of Commercial Bank

(1) Accepting Deposits

Money can be deposited safely in commercial banks by both individuals and companies. Savings accounts, current accounts, and fixed deposits are the three main categories of deposits.

(2) Providing Loans and Advances

Lending money and making advances to customers is one of the main responsibilities of commercial banks. This covers a range of loan kinds, including commercial, housing, and personal loans.

(3) Credit Creation

Fractional reserve banking is a technique used by commercial banks to generate credit. They can lend the remaining amount and establish credit because they are only obligated to hold a percentage of the deposits as reserves.

(4) Facilitating Payments

Through services like check writing, electronic financial transfers, and debit and credit card services, commercial banks enable payments. They are essential to the system of payments and settlements.

1.7.2 Secondary Function of Commercial Bank

(1) Foreign Exchange Services

Commercial banks provide trade finance, letters of credit, and exchange rates as well as other foreign exchange services to help with global trade and transactions.

(2) Safe Deposit Lockers

Customers of commercial banks can safely keep important documents, valuables, and other goods in safe deposit lockers.

(3) Wealth Management and Investment Services

Investment products are among the wealth management and investment services provided by commercial banks. They help customers grow and manage their wealth.

(4) Electronic Banking services

Commercial banks now offer digital banking options, such as online, mobile, and ATM banking, enabling clients to effortlessly access their accounts and complete transactions. This is made possible by technology improvements.

(5) Treasury and Financial Markets Operations

Commercial banks participate in the financial markets, manage their own investments, and operate treasuries. Securities, currencies, and other financial instruments may be traded by them.

(6) Risk Management Services

Commercial banks assist their clients in managing a range of financial risks, including currency and interest rate uncertainty, by providing risk management services, insurance products, and derivatives.

(7) Underwriting of Securities

Certain commercial banks participate in the underwriting of government or corporate securities. This is taking on the risk of offering to sell investors newly issued securities.

Commercial banks are crucial to the functioning of banking industry as intermediaries that facilitate economic activity progress. These core and secondary tasks work together to contribute to the overall role of commercial banks.

1.8 CHALENGES IN BANK SECTOR

The banking industry confronts a number of obstacles resulting from technological, economic, regulatory, and geopolitical causes. The following are some of the major issues facing the banking industry.

(1) Digital Disruption

The banking sector is experiencing digital disruption due to the quick speed at which technology is developing. The difficulty for traditional banks is in order to stay current with evolving expectations and preferences of consumers for digital banking services. This include adopting cutting-edge technologies (AI), and machine learning (ML), additionally delivering flawless online and mobile banking experiences and digital payment solutions. If you don't innovate and stay up to date, you risk losing market share to tech giants and nimble Fin Tech startups that provide cutting-edge financial services and products.

(2) Cyber security Threats

Financial organizations now give top priority to cyber security due to the growing digitization of banking services. Because they handle so much sensitive consumer data and enable so many financial transactions, banks are often the targets of cyberattacks. For banks and their clients, cyber threats like malware, phishing schemes, ransomware attacks, and data breaches present serious hazards. Protecting against cyber threats and upholding customer trust requires implementing strong cyber security measures, such as encryption, multi-factor authentication, intrusion detection systems, and employee training.

(3) Low Interest Rates

The profitability of banks is challenged by persistently low cost rate, that is a result of monetary policies implemented by central banks with the goal of promoting economic growth. One of the main sources of income for banks is net interest margin, which is the difference between interest paid on deposits and interest received on loans. Margin contraction at low interest rates affects banks' capacity to turn a profit. This may limit lending activity, lower interest income, and force banks to look into other sources of income or ways to save costs in order to stay profitable.

(4) Customer Expectations

Banks face hurdles in providing individualized, easy-to-use, and seamless banking experiences due to shifting client expectations and preferences. Consumers want banking services that are always digital, available through a variety of channels and devices, and accessible at all times. To keep up with changing customer expectations, banks need to make investments in user-friendly interfaces, simple mobile apps, and attentive customer service. Customers may leave and your reputation may suffer if these expectations are not met.

(5) Demographic Changes

Banks face difficulties in serving a variety of clientele due to demographic changes, such as aging populations, altering labor force composition, and altered consumer behavior. Banks have to modify their product lines, advertising tactics, and customer support methods to cater to the needs and preferences of various demographic groups, including as Gen Z, millennials, and senior citizens. To address the particular needs of each sector, this may entail creating customized financial products and services, improving digital literacy initiatives, and providing specialized advising services.

(6) Global Economic Uncertainties

6. Natural disasters, trade disputes, and geopolitical tensions all contribute to increased global economic uncertainty, which makes it difficult for banks to manage risk and preserve financial stability. The asset quality, liquidity, and capital sufficiency of banks can be impacted by macroeconomic concerns, exchange rate fluctuations, and financial market

volatility. In order to guarantee resilience against unfavourable shocks and lessen the effects of economic uncertainty, banks need to implement strong risk management procedures, stress testing methodologies, and backup plans.

(7) Non-Performing Assets (NPAs)

It can be difficult for banks to maintain asset quality and profitability when dealing with non-performing assets, or loans that are in default or are not expected to be returned by borrowers. Numerous reasons, including as economic downturns, borrower insolvency, and insufficient credit risk assessment, can result in non-performing assets (NPAs). To reduce non-performing assets (NPAs) and maintain asset quality, banks need to put in place efficient credit risk management procedures, such as strict loan underwriting guidelines, early warning systems, and prompt loan recovery processes. Negative percentage accounts (NPAs) have the potential to reduce banks' capital reserves, hinder liquidity, and destroy investor trust.

1.9 BANKING PRODUCT PORTFOLIO

A bank's assortment of financial products and services to cater to the various demands of its clientele is referred to as its banking product portfolio. This is a general summary of a typical portfolio of banking products.

1.9.1 Deposit Products

(1) Savings Account

A savings account is a type of simple bank account which permit users to store money and receive little to no interest. Liquidity, safety, and accessibility are important characteristics. It can offer a debit card and online banking, have a minimal amount requirement, and be combined or tailored for particular uses. Although interest rates are lower, it promotes financial discipline and offers a safe haven for short- to medium-term savings objectives.

(2) Current Account

A bank deposit account intended for regular transactions and daily financial operations is called a current account. It provides features including computerized transactions, checks, and limitless withdrawals. Current Accounts frequently have a higher minimum balance requirement and may or may not yield interest. They are frequently used by both individuals and corporations for standard financial operations, offer high liquidity, and come with check books and debit cards for convenient access.

(3) Fixed Deposit (Time Deposit)

A fixed maturity period, which can be anything from a few days to several years, is selected by the depositor when the account is opened for FDs. Throughout the term, the interest rates are fixed at the time of deposit and don't change. The length and quantity of the deposit determine the rates. In accordance with the option selected, interest is either compounded and paid at maturity or paid at regular intervals (monthly, quarterly, or yearly). Although it is feasible, premature withdrawals may result in fines or lower interest rates. There may be a lock-in period for certain FDs during which withdrawals are prohibited. Generally, banks have different minimum deposit requirements. It may be in the range of several thousand or more.

(4) Recurring Deposit

A savings account that receives regular deposits of a set amount, often once a month, is known as a recurring account at a bank. This deposit has a fixed duration and is made. The linked account of the account holder is automatically debited by the bank with the fixed amount. People will ultimately safeguard cash in an easy and disciplined method by earning interest on the accumulated sum. The account holder may choose to renew the account or withdraw the entire amount at the conclusion of the recurring period.

(5) Joint Account

An account that allows multiple people to share ownership and access to the funds is called a joint account at a bank. The ability to operate an account, including making deposits, withdrawals, and transactions, is equal for any account holder. To enable shared financial responsibility, couples, families, and business partners frequently use joint accounts. It's crucial to remember that any debts or responsibilities pertaining to the joint account usually fall on all account holders.

(6) Senior Citizens Account

A bank's senior citizens' account is intended exclusively for senior residents, who are usually 60 years of age or older. Special benefits including cheaper fees, greater interest rates, and extra services catered to senior citizens' requirements are frequently attached to these accounts. The objective is to offer elder account holders financial advantages and convenience while acknowledging their particular needs for banking services and assistance.

(7) Salary Account

A bank's salary account is made expressly for employees to receive their pay each month. Typically, employers use electronic fund transfers to deposit employees' pay straight into these accounts. Benefits from salary accounts often include a debit card, no minimum balance requirements, and occasionally extra benefits like overdraft protection. These accounts simplify the wage payment process and give employees access to necessary financial services, making them handy for both employers and employees.

(8) Minor's Account

A savings or deposit account maintained by someone under the legal age of majority, which is normally 18 years old, is called a minor account in a bank. A parent must be a joint account holder for child to manage the account. Till the minor reaches the age of majority, their access and withdrawal rights may be restricted. This kind of account lays the groundwork for future appropriate financial management as the child gets older by promoting saves and financial literacy from a young age. For modest accounts, there may be different rules and restrictions, thus it's important to check with the particular bank.

(9) NRI (Non-Resident Indian) Account

A bank's NRI (Non-Resident Indian) account is intended for people who live overseas. NRE (Non-Resident External) and NRO (Non-Resident Ordinary) accounts are the two primary varieties.

NRE ACCOUNT

It's an account with freely reportable funds denominated in rupees. In India, interest generated on accounts that can be savings, current, or fixed deposit accounts is tax-free.

NRO ACCOUNT

It is similarly denominated in rupees, but only a portion of the money can be sent home. Interest earned is taxable, but it's a good way to manage income from dividends and rent received in India.

NRIs can manage their earnings, investments, and transactions in India through these accounts, which meet their financial demands even though they are living overseas. Features and incentives for NRI accounts may differ amongst banks.

1.9.2 LOANS AND ADVANCES

(1) Personal Loans

An unsecured loan that people might take out for a variety of reasons, like debt consolidation, home renovations, or unforeseen needs, is a personal loan from a bank. Collateral is not needed for personal loans, in contrast to secured loans. Over a predetermined period of time, borrowers repay a lump sum in fixed monthly instalments. Depending on the loan conditions and the creditworthiness of the borrower, interest rates may be fixed or variable. Banks differ in their requirements and variables like income, job stability, and credit history frequently play a role.

(2) Home Loans (Mortgages)

loans made to private parties for the purpose of buying, refinancing, or remodelling homes. The property being financed is usually used as security for home loans. In the event that the borrower defaults, the lender may file for bankruptcy in order to seize the property. Home loans typically have long payback terms, lasting between 15 and 30 years. The monthly instalments from borrowers consist of principle and interest. Interest rates may be variable or fixed. Variable rates fluctuate depending on the state of the market, whereas fixed rates stay the same throughout the duration of the loan.

Typically, borrowers must contribute a down payment equal to a portion regarding price of the property. The home loan pays the remaining balance. Lenders evaluate a number of variables, such as the borrower's income, debt-to-income ratio, and credit history, in order to establish eligibility and interest rates.

Though it is a major financial commitment for homeowners, home loans enable them to distribute the cost over an extended period of time, facilitating property ownership.

(3) Auto Loans

financing used to buy automobiles, including motorbikes, cars, and other types of transportation.

Auto loans are usually secured by the car that is being financed, just like mortgage loans. The lender may take back the car if the customer doesn't make payments. The loan will be repaid by the borrower over a predetermined time frame, often two to seven years. Principal and interest are paid each month. A down payment, usually a portion of the car's purchase price, is frequently required by lenders. The auto loan pays the remaining balance. Interest rates may be variable or fixed. Variable rates are subject to change dependent on the state of the market, whereas fixed rates are fixed. When deciding whether to provide a loan and what the interest rate will be, lenders take into account a number of factors, including the borrower's income, credit history, and car value.

(4) Education Loans

loans created specially to cover living expenses, books, and tuition costs associated with schooling. Usually, repayment begins when the course of study is completed.

(5) Business Loans

A bank education loan is a type of financial product intended to assist people in covering their living expenses, tuition, and other educational fees. Education loans frequently don't demand collateral because they are unsecured. This enables students without significant resources to access them. Usually, repayment begins when the educational program is over. Certain loans come with a grace period that gives borrowers a chance to find work before they have to start paying payments. Interest rates may be variable or fixed. Since they are designed expressly to cover educational costs, education loans are a vital financial aid option for individuals who want to pursue higher education.

The purpose of education loans is to reduce the cost of education so that people can devote more money to their studies and possibly increase their earning capacity in the future.

(6) Gold Loans

By acting as collateral, the gold lowers the lender's risk. The bank may sell the gold at auction to recoup the loan balance in the event of a borrower default. The Loan-to-worth ratio expresses how much of the gold's assessed worth is loaned as a percentage. While LTV ratios can differ amongst banks, (RBI) controls them. When compared to unsecured loans, interest rates on gold loans are typically lower. Rates can vary or be fixed, based on the bank.

One of the benefits of gold loans is their speedy processing. Following the evaluation of the gold, the loan amount is quickly released. Repayment terms for gold loans are usually shorter, ranging from a few months to a few years. The bank often assumes responsibility for safely holding the promised gold during period of borrowing. By utilizing the inherent value of their gold assets, gold loans offer people in need of short-term funding a simple and accessible solution. Before choosing to take out a gold loan, consumers must be aware of the conditions, interest rates, and repayment plans.

(7) Consumer Durable Loans

A bank's consumer durable loan is a particular kind of finance designed to be used for buying consumer durables such furniture, appliances, electronics, and other home goods. These loans are a desirable financing choice for people wishing to upgrade or buy consumer durables since they give borrowers the freedom to buy necessities for the home without having to pay them all at once. Before choosing a consumer durable loan, consumers should carefully evaluate the terms and circumstances, just like with any other loan.

1.10 RETAIL BANKING SERVICES

(1) Credit Cards

In retail banking, credit cards are financial instruments that let customers make purchases using credit, subject to a predefined credit limit imposed by the bank that issues them. Every credit card has a pre-approved credit limit, which is the most amount that can be spent using the card. Interest rates are frequently charged to credit card accounts that are not paid in full by the due date. Rates may be variable or fixed. Numerous credit cards come with cash back, rewards programs, and other perks like discounts, freebies, and travel miles. Every month, cardholders receive a statement that lists all of their purchases, balance due, and minimum payment. Usually, billing cycles consist of one month. In order to prevent late fees, cardholders must make a minimum payment by the deadline.

Nonetheless, interest fees are avoided by paying the entire amount due. Security features on credit cards frequently include chip technology, PINs, and dispute options for illegal transactions.

A well-liked retail banking option that provides ease and flexibility for transactions is credit cards. However, in order to prevent accruing high-interest debt, responsible usage is essential. Consumers need to understand the conditions, costs, and perks related to the credit card they are using.

(2) Debit Cards

In retail banking, a debit card is a financial tool that lets customers make transactions and take money out of their associated bank account straight away. The user's checking or savings account is directly connected to their debit card, and every transaction debits the account's available balance. Debit cards allow users to make purchases at a variety of retail establishments, both online and in-person, and to withdraw cash from ATMs.

Debit cards do not require borrowing money, in contrast to credit cards, so there are no transaction fees. An additional degree of security is added to debit cards by requiring a Personal Identification Number (PIN) for transactions. To stop misuse or unauthorized transactions, banks may set daily transaction restrictions on debit cards. Debit cards offer a quick and safe means for customers to access their funds, and they are widely accepted worldwide.

Debit cards provide people with an easy-to-use method of managing their money without going into debt. To avoid unwanted access, users should be watchful about protecting their cards and keeping an eye on transactions.

(3) Online Banking

Online banking is a retail banking service that gives users online access to and control over their bank accounts. Consumers get real-time financial activity monitoring, transaction history viewing, and account balance checking. Users of online banking can pay their bills, move money between their own accounts, and send electronic payments to other people or companies. Mobile apps are a common element of online banking services, giving users easy access to banking functions on smartphones and tablets. In addition to saving paper, users can obtain electronic statements, which serve as a digital record of their financial transactions.

To protect user information, online banking platforms use a variety of security features like encryption, multi-factor authentication, and secure login procedures. Online banking platforms frequently provide customer care by phone, email, or chat to help with account-related questions. Through the online platform, users may manage different banking preferences, set up account alerts, and update their private data.

Online banking improves accessibility and convenience by enabling customers to carry out a variety of banking chores while on the go or in the comfort of their own homes. It is a crucial part of contemporary retail banking services, giving clients freedom and efficiency while managing their money.

(4) Mobile Banking

Mobile banking is a retail banking service that enables customers to use their mobile devices to monitor their accounts and carry out financial transactions. From their tablets or smartphones, users may check account balances, examine transaction histories, and keep an eye on account activity. Through mobile apps, customers can send money to others, make payments, and move money across their accounts via mobile banking. Certain mobile banking applications enable customers to deposit checks by just snapping a picture of them with their phones, doing away with the requirement to go to a physical branch.

Through the mobile banking app, users can simply set up regular payments. Users of digital financing apps can stay updated about their financial transactions by using real-time alerts and notifications for account activity. To protect user data, mobile banking apps use security features including encryption, PINs, and biometric authentication. Accountability and assurance are provided by the rapid confirmation that users receive for fund transfers and transactions.

With the ability to manage finances from anywhere at any time, digital app provide customer with convenient access to banking services while they're on the go. Due to the increasing use of digital devices, digital banking is becoming an essential part of contemporary retail banking.

(5) ATM Services

Cash taken from bank accounts are made possible by ATMs, giving customers access to money outside of usual business hours. At ATMs, users can examine recent transactions and verify their account balances by obtaining a mini-statement. Transferring money between connected accounts or to other accounts at the same bank is a feature offered by certain ATMs. Some ATMs give customers more banking options than traditional branches by letting them deposit cash or checks straight into their accounts. Personal Identification Numbers (PINs) are required for ATM transactions, offering users an additional degree of secure authentication.

Customers can request various card-related services, such activating a new card, or alter the PIN on their ATM card. ATMs can swap currencies so that users can withdraw money in multiple currencies in certain places.

ATMs are essential for 24/7 access to banking services because they give customers a convenient option to complete a variety of tasks without going to a physical bank location.

(6) Savings Accounts

Deposit Accounts:

Customers can deposit money into these accounts and receive interest on their balances while saving money for later. Savings accounts often provide simple access to money and may have withdrawal restrictions and minimum balance requirements.

Checking Accounts:

Customers can easily manage their daily finances with checking accounts by paying bills, depositing pay checks, and making purchases with checks or debit cards. Numerous bank accounts come with features including overdraft protection, mobile check deposit, and online bill payment.

Money Market Accounts:

These accounts combine the advantages of checking and savings accounts. They give access to debit cards and better interest rates than standard savings accounts, along with check-writing capabilities. The minimum balances required to earn interest on these accounts are frequently greater.

(7) Credit Products and Loans:

Personal loans:

These types of loans give borrowers a one-time payment amount that they can use for a number of things, including debt consolidation, home upgrades, and unforeseen costs. Usually, the interest rates and repayment conditions for these loans are set.

Mortgages:

Mortgages are loans that are used to pay for the acquisition of a residence. Banks provide a range of mortgage products, such as government-insured mortgages such as VA and FHA loans, as well as fixed-rate and adjustable-rate mortgages (ARMs).

Auto Loans:

Over a predetermined length of time, consumers can buy a car by borrowing money from the bank and repaying it in monthly payments. Because the car is used as collateral, banks are able to provide attractive interest rates.

(8) Services for Financial Planning and Advisory:

Financial Planning:

To assist clients in evaluating their financial status, establishing financial objectives, and developing customized strategies to reach those objectives, banks provide financial planning services. Budgeting, estate planning, retirement planning, and college savings planning are a few examples of this.

Investment advice:

To assist clients in creating diversified investment portfolios that are in line with their risk tolerance, time horizon, and financial goals, banks offer counsel and advise on investments.

Retirement Planning:

To assist clients with retirement account contributions, retirement savings, and income ideas for their post-retirement years, banks provide retirement planning services.

<u>CHAPTER – 2</u>

FRAMEWORK

(SOURCE: Current Affair Adda247)

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1) HDFC BANK

(source: Hindustan Times)

Type	Private sector bank
Industry	Financial services
Founded	August 1994 (29 years ago)
Headquarter	Mumbai, India
Key people	Atanu Chakraborty (chairman), Sashidhar Jagdishan (CEO)
Operating profit	615 billion
Net profit	459.97
No. of employees	177,000
Website	https://www.hdfcbank.com/

2) AXIS BANK

(source: Pinterest)

Type	Private
Sector	Financial services
Founded	3 December 1993
Headquarter	Mumbai, India
Key people	Amitabh Chaudhry (MD & CEO), Shri Rakesh Makhija (Chair Person)
Operating profit	33,796 crore
Net profit	10,818 crore
No. of employees	91,898
Website	http://www.axisbank.com/

3) ICICI BANK

(source: Times of India)

Type	Private sector bank
Industry	Financial services
Founded	5 January 1994
Headquarter	Mumbai, Maharashtra
Key people	Girish Chandra Chaturvedi (Chairman), Sandeep bakhshi (MD & CEO)
Operating profit	53,196.35 crore
Net profit	34,036.64
No. of employees	130,542
Website	http://www.icicibank.com/

4) KOTAK MAHINDRA BANK

(source: Pinterest)

Type	Private sector bank
Industry	Financial services
Founded	1985
Headquarter	Mumbai, Maharashtra
Key people	Uday Kotak (Non- Executive Director), Dipak Gupta (MD & CEO)
Operating profit	20,085 crore
Net profit	14,925
No. of employees	100,000
Website	http://www.kotak.com/

5) YES BANK

(source: LinkedIn)

Type	Private sector bank
Industry	Financial services
Founded	2004
Headquarter	Mumbai, Maharashtra
Key people	Sunil Mehta (Chairman), Prashant Kumar (MD & CEO)
Operating profit	3,201.48 crore
Net profit	735.82
No. of employees	27,517
Website	https://www.yesbank.in/

6) STATE BANK OF INDIA

(source: Pinterest)

Kind	Public
Sector	Financial services
Founded	1955
Headquarter	Mumbai, Maharashtra
Key people	Dinesh Kumar Khara (Chairman), Kameshwar Rao Kodavanti (CFO)
Operating profit	93,583.84 crore
Net profit	55,648.20
No. of employees	240,198
Website	https://bank.sbi/

7) BANK OF BARODA (BOB)

(source: EduPadhai)

Kind	Public
Industry	Financial services
Founded	1908
Headquarter	Vadodara, Gujarat
Key people	Hasmukh Adhia (Chairman), Debadatta Chand (MD & CEO)
Operating profit	20,564.54 crore
Net profit	14,905
No. of employees	79,806
Website	http://www.bankofbaroda.in/

8) BANK OF INDIA (BOI)

(source: Zee News)

Kind	Public
Sector	Financial services
Founded	1906
Headquarter	Mumbai, Maharashtra
Key people	Rajneesh Karnatak (MD & CEO)
Operating profit	4,828 crore
Net profit	3,839
No. of employees	52,209
Website	https://www.bankofindia.co.in/

9) UNION BANK

(source: Current Affairs)

Kind	Public
Sector	Financial services
Founded	11 November ,1919
Headquarter	Mumbai, Maharashtra
Key people	Srinivasan Varadarajan (Non- exe Chairman), A. Manimekhalai (MD& CEO)
Operating profit	25,250.20 crore
Net profit	8,511
No. of employees	75,500
Website	http://www.unionbankofindia.co.in/

10) INDIAN OVERCES BANK (IOB)

(source: Money control)

Type	Public sector bank
Industry	Financial services
Founded	10 February, 1937
Headquarter	Chennai, Tamil Nadu
Key people	Ajay Kumar Srivastava (MD & CEO)
Operating profit	5,840.81 crore
Net profit	2,098
No. of employees	23,579
Website	https://www.iob.in/

CHAPTER – 3

LITERATURE REVIEW

(SOURCE : Big Guru)

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3.1 INTRODUCTION

A literature review is an extensive analysis and compilation of previous academic publications on a particular subject. To find important topics, knowledge gaps, and ongoing discussions in the subject, it entails studying, summarizing, and assessing pertinent literature. A summary of literature, which forms the basis of studies, aids in understanding the state of knowledge at the moment, enhancing research questions, and offering fresh perspectives. Making links among studies and evaluating the quality of sources both call on critical thinking. In the end, a well-written literature review helps to provide a strong theoretical framework for additional scholarly investigation by offering context, highlighting research methods, and providing guidance.

Scholars can navigate the terrain of current ideas and conclusions with the help of a literature review, which serves as a conceptual map. It not only illustrates the development of ideas but also reveals methodological inclinations and possible biases. It promotes ass comprehensive grasp of a topic by combining several points of view, making it easier to spot gaps in knowledge and potential directions for further investigation. It invites discussion on the significance of different studies and their contributions to the larger academic conversation, going beyond a simple synopsis. An effective literature review helps scholars to carve out their position within the existing scholarly debate by serving as both a forum for intellectual dialogue and a road map for navigating the vast field of information.

3.2 IMPORTANCE OF LITERATURE REVIEW IN RESEARCH

A thesis's foundational component, the literature evaluation is essential in guiding the direction of the investigation. It acts as a researcher's intellectual compass, pointing them in the direction of the body of previous study on their subject. The literature review establishes the present level of information, places the research in context, and points out any gaps or undiscovered areas by looking into earlier studies. This critical analysis helps to clarify research questions and hypotheses while also supporting the thesis' importance. The literature review goes above simple summarizing by assisting in a more sophisticated comprehension of the approaches, theoretical frameworks, and fundamental ideas used by earlier researchers. Its thorough examination prevents duplication and guarantees that the new contribution is in line with the field's changing conversation.

3.3 WHAT IS THE PURPOSR OF LITERATURE REVIEW?

A literature review serves a variety of purposes and is an essential step in the research process. In the initial one place, it offers a thorough summary of all the academic works that have already been written on a certain subject, outlining the state of the art and important discussions in the field. Second, it aids in identifying gaps and regions that require additional study, which directs the development of research topics. A literature review also facilitates comprehension of the approaches and conceptual structures used in earlier research, which helps to shape the design of subsequent investigations. It provides background information, argues for the importance of the topic, and advances the creation of a strong theoretical framework for the investigation. All things considered, a literature review is a calculated investigation that places the researcher in the larger academic discourse while also contextualizing, assessing, and evaluating the work.

3.4 A DETAILED INSTRUCTION ON WRITING A LITERATURE REVIEW:

1. Decide what you'd like to know more about.
2. search online or in books for details.
3. select the most reliable and helpful sources.
4. combine together information that is comparable.
5. Determine whether the material is accurate and comprehensible.
6. Summarize what you've learned in brief writings.
7. Choose the structure that will guide your writing.
8. Start by providing an overview of your subject.
9. Write about each category of data separately.
10. Justify the importance of the details.
11. summarize your knowledge and the reasons it important.
12. Make edits and proofread your writing.
13. Give your writing to teachers or friends.
14. Adapt your writing to criticism.
15. Make sure what you write makes sense and is complete.

(K.V.N, 2011) examined the profitability of the State Bank of India, Punjab National Bank, ICICI Bank, and HDFC Bank—the country's four largest banks—between 2005–2006 and 2009–2010. For testing, statistical procedures like the one-way ANOVA and arithmetic average are used. A number of metrics, including operational, gross, and net profit margins, earnings per share, return on equity, returns on assets, price-earnings ratio, and dividend pay-out ratio, have been used to evaluate the profitability of these situations. According to 52 studies, Punjab National Bank outperformed operating profit margins and returns on equity, but State Bank of India did well in terms of share and dividend pay-out ratios. According to research, HDFC Bank is performing well when it comes to price-earnings ratios, returns on assets, net profit margin, and gross profit margin. This study's evidence demonstrates that ICICI Bank has distributed the largest dividend share to its shareholders. Analysts rank HDFC Bank first, followed by ICICI Bank, State Bank of India, Punjab National Bank, and others.[1]

(kumari, 2012)12 public and private sector banks were chosen based on their market capitalization, and the camel model was used to gauge their eagerness and productivity. They ranked banks based on their research. They said that Axis Bank and ICICI, two of the top banks, are behind HDFC. Kotak Mahindra Bank, Bank of Baroda, and Punjab National Bank IDBI are rated fourth. SBI and Union Bank, two public sector banks, are marginalized. It means that banks in the private sector are outperforming those in the public sector.[2]

(Dr.S Ayyappan, 2013) According to their analysis, there are two main types of banks in India: scheduled banks and non-scheduled banks. Commercial and cooperative banks are examples of scheduled banks. Over 78% of India's banking industry is under the control of public sector banks. Private sector banks entered the industry later than public sector banks,

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[1] Vadrale, K., Vadrale, K. S., & Katti, V. P. (2018). Profitability Position of Commercial Banks in India-A Comparative Study. International Journal on Arts, Management and Humanities, 7(1), 10–16. https://www.researchgate.net/publication/323691837

[2] Kumari, P., Kangri Vishwavidyalaya, G., Priya, B., & Patiraj Kumari, P. (2017). Organizational Commitment: A Comparative Study of Public and Private Sector Bank Managers. In International Journal of Business and Management Invention ISSN (Vol. 6). Online. https://www.researchgate.net/publication/322223611

DAS, B. K. (2022). DR.

but they are now on an equal footing with them because to their user-friendly banking facilities and excellent customer service. In order to forecast the performance of private sector banks in years to come, it is imperative that the financial metrics of these banks be analysed. Using a linear trend model, the three financial variables—reserves, total assets, and deposits—for three private sector banks—ICICI, Axis, and HDFC—were examined in this research.[3]

(Sharma, 2013) had researched comparisons of public and private sector banks' financial services because of the era's growing competitiveness, cutting-edge technologies, and looser regulations by the government. They had concentrated on a particular goal for a post-reform comparative examination of the financial results of Indian nationalized banks, state bank groupings, private sector banks, and international banks. They had computed the ratios for advances, revenue structure, non-performing assets, and credit deposit ratios. Based on these meticulous computations, they deduced that public sector banks' market share decreased during 1980 to 2013. Additionally, they had advised public sector banks to recognize the evolving ways of their customers and to comprehend the mind-set of contemporary consumers.[4]

(Chaudhary, 2014) She saw the rise of numerous banks in the private sector during her education. She discovered numerous explanations for the growing number of banks. The expansion of these banks would not have been feasible without the network of each bank, client happiness, and management effectiveness. After conducting a CAMEL study, she came to the conclusion that, between 2009 and 2011, new private sector banks had performed better than public sector banks. After comparing the two, she ranked Yes Bank

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[3] DAS, B. K. (2022). DR. S. AYYAPPAN, PADMA SHRI AWARDEE,A LEADER IN INDIAN AGRICULTURE. Science and Culture, 88(10). https://doi.org/10.36094/sc.v88.2022.dr_s_ayyappan_padma_shri_awardee.das.304

[4] Srivastava, M., Sharma, S. D., & Jaiswal, G. (n.d.). "A Comparative Study Of Financial Performances Of Public And Private Sector Banks In India And Need Of Next Generation Banking Sector Reforms" (Vol. 18, Issue 5). http://www.webology.org

higher due to their excellent and efficient administration as well as their genuine concern for feedback from customers.[5]

(Rao, 2013) In the research they conducted titled "Financial Performance Evaluation of Indian Commercial Banks during Before and After Mergers," the authors looked at how mergers affected the financial health of commercial banks that had merged between 2001 and 2010, depending on the combined banks' financial reports. The analysis used accounting ratios, including return on assets, credit deposit ratio, capital adequacy ratio, and non-performing assets ratio, and the merged banks' financial performance was compared using the average of the three years prior to and following the merger. The results of the research showed that average financial performance grew by 34% during the study period. Regression analysis revealed that the chosen financial indicators only made a contribution to Return on Assets prior to the merger.[6]

(Malik, 2007) The variations between public sector, private sector, and foreign banks in India's financial characteristics are examined in a study titled "A Multivariate Examination of the Financial Characteristics of Commercial Banks in India" based on variables like profitability, liquidity, risk, and effectiveness. The current investigation uses the method of multivariate analysis to pinpoint the financial traits that help distinguish Indian commercial banks from one another. Financial ratios, which are used to assess a bank's performance and financial circumstances, are used to characterize the banks' financial features. The investigation's findings show that, during the research's time period, international banks outperform both Indian public and private banks in terms of productivity. In comparing with the other two groups of banks, the foreign banks demonstrated superior performance in generating business with a given level of resources, including assets and workforce. This suggests that they possess superior managerial practices and an advantage in terms of skills and technology for optimizing the available resources. The net interest margin of foreign banks was also found to be more compatible with the market system. After the international

[5] Jain, A. (2014). Leadership Styles of Bank Managers in Nationalized Commercial Banks of India. https://www.researchgate.net/publication/316826223

[6] Durga Rao, -Prof S, & Prasanth Kumar, -r. (n.d.). Financial Performance Evaluation of Indian Commercial Banks during Before and After Mergers (Vol. 2, Issue 1).

banks, the state banks turned out to be the next best performers. When these banks were compared against foreign and private banks, their return on equity was stronger. As seen by the research's expenditure ratio and efficiency ratio, it was found that public sector banks performed exceptionally well when it came to cutting costs. When it came to the efficient use of materials, private sector banks outperformed public sector banks.[7]

(Saha, 2023) The purpose of this research is to compare the financial performance of banks in the public and private sectors during the last ten years using the group ranking, ANOVA analysis, and CAMEL model. Due to their lending policies, unfavorable loan terms and conditions, and shortcomings in the credit sanctioning and loan distribution processes, public sector banks have sizable non-performing assets. This has negative effects on the economy overall as well as on specific banks. The study's conclusions indicate that all private sector banks perform noticeably better than public sector banks. The result indicates that there is a significant difference in the financial performance levels displayed by public[8]

(Malaiselvam, 2023) The banking industry in India is often considered to be among the most significant economic systems. Because of its crucial role in economic activity, the banking industry is regarded as the lifeblood of the Indian economy. Using the CAMEL approach—capital adequacy, asset quality, management effectiveness, earnings quality, and liquidity level—this study looks at the overall performance of a few chosen private sector banks from 2013 to 2022. The CAMEL Approach is a better tool for evaluating overall performance even while profitability metrics (such return on equity, return on assets, and net profit margin) show the performance of specific private sector banks. Since

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[7] Pal, Ved & Malik, N. (2007). A Multivariate Analysis of the Financial Characteristics of Commercial Banks in India. The IUP Journal of Bank Management. VI. 29-42. https://in.search.yahoo.com/search?fr=mcafee&type=E211IN714G91826&p

[8] Saha, A., Saha, S., & Pandit, A. (2023). Financial Performance of Public and Private Sector Banks: A Comparative Study. https://doi.org/10.5281/zenodo.8111907

the amount of non-performing assets (NPAs) does not alone determine a bank's profitability[9]

(S, 2023) This article's goal is to compare the excellent financial performance of the top five Indian banks in the public and private sectors, as well as the ways that financial ratios have affected those banks' results over a five-year period. Comparisons are made between the different financial measures. The statistical variables t-Test: Two-Sample Assuming Equal Variances, average, Sd, Min, and Max are utilized. The analysis came to the conclusion that private sector banks outperformed public sector banks across the board in terms of financial criteria. In summary, the ROCE (%), CASA (%), Net Profit Margin (%), and ROA (%) were obtained from the two-sample independent t-test. Accepted H1 since the p-value is less than 5% and there is a significant difference between the two banking sectors. In terms of Cost to Income (%)[10]

(Kumar S., 2021) Since its founding, a company's sole goal has been to maximize profits for its stakeholders. For the most part, every business, no matter how big or little, wants to make more money than it spends. Significant increases in a company's financial metrics have an impact on the state of the economy as a whole. A nation's banking industry's performance has a significant impact on its economy (Menicucci & Paolucci, 2016). Following liberalization, the Indian banking industry has seen a dramatic shift in government policies aimed at increasing its productivity and efficiency (Ghosh, 2016). After China, the Indian economy is expanding at the second-fastest rate in Asia (Nayak,

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[9] Malaise Vam, N., & Balasubramaniam, M. (2023). A Study on Financial Performance of Selected Private Sector Banks in India- A Camel Approach. Comin Research, 11(1), 16–25. https://doi.org/10.34293/commerce.v11i1.5700

[10] S, Vanitha & R, Raghavendra. (2023). A COMPARATIVE STUDY OF FINANCIAL PERFORMANCE OF TOP PUBLIC AND PRIVATE SECTOR BANKS OF INDIA. BSSS Journal Of Commerce. 15. 21-27. 10.51767/joc1503. https://www.researchgate.net/publication/373732880_A_COMPARATIVE_STUDY_OF_FINANCIAL_PERFORMANCE_OF_TOP_PUBLIC_AND_PRIVATE_SECTOR_BANKS_OF_INDIA

2021; Sinha, 2021), and the Indian banking industry is crucial to this mission. The banking industry may[11]

(KUMAR, 2021) Financial technology, or fintech, offers substitutes for traditional banking and non-banking financing services. A new idea in the financial sector is fintech. This paper's primary goal is to examine how fintech is affecting Indian public and private sector banks' profitability. It describes the current state of financial technology (fintech) in the Indian banking sector as well as how the fintech industry has evolved. The information was gathered by SSRN, RBI, KPMG, and PW's. The historical development of Fintech and the size and growth of the market are provided in the paper. India has the world's fastest-growing fintech services industry. The Indian finance sector's attitudes and behaviour will shift as a result of fintech offerings. Keywords: banks, profitability, internal indicators, fintech, financial technology, and fintech development.[12]

(**Kumar A. , 202**1) The Indian banking industry has long been beset by non-performing assets, or NPAs. Loans or advances that are past due are classified as non-performing assets (NPAs) since it is considered unlikely that banks will be able to recoup any of their losses from these accounts. NPAs do, in fact, interfere with the banks' normal cash flow. The impact of nonperforming assets (NPAs) on Indian banks' profitability is investigated in this study. When top private and public sector banks are compared, it becomes clear that non-performing assets (NPAs) have a big impact on the latter's profitability. This study has drawn parallels between State Bank of India (SBI) and HDFC Bank. Findings show that the banks' net earnings are impacted by their provisions for non-performing assets.[13]

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[11] Kumar, Dr. (2021). The McKinsey 7S Model helps in Strategy implementation: A Theoretical Foundation. https://www.researchgate.net/publication/357352792_The_McKinsey_7S_Model_helps_in_Strategy_implementation_A_Theoretical_Foundation

[12] Pinoli, Girish & Vijai, C. & Dinakaran, Dr.D. Paul. (2021). Impact of Fintech on the Profitability of Public and Private Banks in India. Annals of the Romanian Society for Cell Biology. 25. 5419 - 5431.

[13] Kumar, Ashish & Jha, Sri rang & Grover, Sahil. (2021). Impact of Non-Performing Assets on Profitability: A Study of Selected Private and Public Sector Banks in India. The Empirical Economics Letters. 19. 129-138.

(Ghuge, 2020) Over the past few decades, India's banking industry has reached unprecedented heights. Because of the digitalization process and the increased focus on financial inclusion and the cashless economy, the banking industry as a whole has grown significantly. As a result, the banking industry continues to draw in investors. In India, the banking industry still has a tonne of room to grow. India's macroeconomic foundations are extremely solid. India's economy is among the fastest expanding in the world. But the Indian banking sector is also facing some difficulties, such as declining asset quality brought on by a rise in nonperforming assets. Using certain financial indicators, the researcher conducted a fundamental examination of the chosen public and private sector banks in this paper. [14]

(C, 2020) One of the key components of the nation's economic growth is the banking industry, which facilitates the orderly transfer of funds from one person to another. A well-functioning and well-regulated financial system facilitates a notable and effective improvement in the nation's socioeconomic circumstances. One of the factors that explains the nation's economy is banking. It offers the liquidity needed for businesses and people to make long-term investments. The performance of commercial banks in India is mostly discussed in the current articles with reference to the public, private, and foreign banking sectors. KEY WORDS: financial technology; liberalization; new generation banks; public, private, and international banks; economic reforms[15]

(Chintala, 2016) In addition to being major participants in the financial markets, banks are an essential part of the financial system. Every economy must have an effective banking system in place in order to mobilize savings and direct them toward worthwhile endeavors.

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[14] Guge, Nishant. (2020). Fundamental Analysis of Selected Public and Private Sector Banks in India. https://www.researchgate.net/publication/340455713_Fundamental_Analysis_of_Selected_Public_and_Private_Sector_Banks_in_India

[15] C, PARAMASIVAN. (2020). A STUDY ON PERFORMANCE OF PRIVATE SECTOR BANKS IN INDIA. Journal of Interdisciplinary Cycle Research. 12. 1546. https://www.researchgate.net/publication/351871507_A_STUDY_ON_PERFORMANCE_OF_PRIVATE_SECTOR_BANKS_IN_INDIA

Analysing and contrasting the overall financial performance of a few Indian public and private sector banks is the study's goal. The analysis is based on secondary data that was gathered from the Reserve Bank of India website and annual reports of the relevant institutions. This research project spans five years, from the 2011–2012 fiscal year to the 2015–2016 fiscal year. Ten banks—five from the public and five from the private sectors—are chosen using a quota sample approach.[16]

(Jacob, 2021) Any nation's ability to prosper economically depends on having a stable financial system. The Indian financial system is made up of a number of smaller systems that support the creation and flow of capital, including financial markets, financial institutions, financial instruments, and services. Through the banking sector, the Indian financial system contributes significantly to the economic expansion of our nation. Any nation's central bank is the top bank in its banking hierarchy. The economy's monetary flow is regulated by the central bank. It controls the nation's other banks. Here, the first step in comprehending the performance of the banks is to analyse the efficiency of Indian banks. This has been the primary driving force behind the topic selection. Two groups of banks—publicly owned and privately owned—are selected, and their efficiency scores are measured. Data was downloaded[17]

(Kumar V. , 2017) An efficient way to gauge the health of an economy's economic activity is to evaluate the banking sector's performance. An assessment of the performance and financial stability of a subset of Indian private banks from 2007 to 2017 has been attempted in this study. The CAMEL method has been employed to assess the chosen banks' financial stability. Here, a comparative and important investigation of the many CAMEL parameters has led to a conclusion through the application of Composite Rankings, Average, and Covariance. According to the CAMEL analysis, Axis Bank comes in first, followed by

[16] Chintala, Balaji & Kumar, G. (2016). A Comparative Study on Financial Performance of Selected Public & Private Sector Banks in India. Journal of Commerce & Trade. 11. 89. https://www.researchgate.net/publication/316600555_A_Comparative_Study_on_Financial_Performance_of_Selected_Public_Private_Sector_Banks_in_India

[17] Jacob, Tom & Raphael, Rincy. (2021). Efficiency of Public and Private Banks in India: An Empirical Analysis. https://www.researchgate.net/publication/355793241_Efficiency_of_Public_and_Private_Banks_in_India_An_Empirical_Analysis

ICICI Bank. Third place went to Kotak Mahindra. Among the chosen banks, HDFC Bank holds the fourth rank, and IndusInd Bank holds the last position.[18]

(N, 2022) In India, modern banking began in the middle of the seventh century. Following liberalization, banks have expanded more smoothly. As things are today, banks are the foundation of our economy. India's private banks are advancing with the newest technologies, technology, and financial instruments and strategies. Both recruiting and keeping clients will be necessary for survival in this cutthroat environment. Many banks now provide competitive interest rates on deposits in addition to a range of other programs. Banks must meet both client requests and RBI regulations, thus they must manage a multitasking process. As we all know, banks' primary goals are liquidity and profitability, but they also have to fulfill client demands.[19]

(Moharana, 2013) Corporate Social Responsibility is the means by which businesses have carried out their charitable goals for the betterment of society. It is an effective means of generating long-term values for shareholders and stakeholders as well as a sustained competitive profit. "Corporate Social Responsibility is very popular in financial sector, which the financial crisis did not damage as perceptible as in other countries of developed economies (Singer, 2009)" . Financial businesses compete with one another to operate in accordance with internationally accepted trade standards as a result of the globalization process. This thereby encouraged people to spend more of their available resources on social activities. In the realm of Corporate Social Responsibility (CSR), numerous

[18] Kumar, Vinod & Malhotra, Bhawna. (2017). A CAMEL MODEL ANALYSIS OF PRIVATE BANKS IN INDIA. EPRA International Journal of Economic and Business Review.5.87-93.
https://www.researchgate.net/publication/349252185_A_CAMEL_MODEL_ANALYSIS_OF_PRIVATE_BANKS_IN_INDIA

[19] Shetty N, Harshith. (2022). PERFORMANCE ANALYSIS OF PRIVATE SECTOR BANKS IN INDIA -A STUDY. PARIPEX-INDIAN JOURNAL OF RESEARCH. 11. 18-21.
https://www.researchgate.net/publication/363923817_PERFORMANCE_ANALYSIS_OF_PRIVATE_SECTOR_BANKS_IN_INDIA_-A_STUDY

nationalized banks in India have established their own distinct brand identity by implementing diverse social projects in the[20]

(Tigga, 2021) An nation's financial system is essential to its economic activity. India's banking sector is enormous, offering a wide range of economic services through an enormous branch network. Examining the financial performance of India's two biggest non-public and two largest public banks is the goal of this investigation. The two biggest public and private banks in India are State Bank of India (SBI) and ICICI Bank. The main components of a nation's financial system are the effectiveness and performance of its commercial banks. This analysis of SBI and ICICI Bank's performance shows notable variations in the two banks' results in terms of deposits, advances, investments, net profit, and total assets. It is possible to conclude from the study that SBI[21]

(Motwani, 2021) One significant advancement in the banking industry is e-banking. Electronic banking systems, in general, use electronic devices rather than paper papers to grow the relationship and transactions between banks and clients. Moreover, automated direct distribution of both new and conventional goods and services to customers via electronic, interactive communication channels is referred to as electronic banking. The banking business has seen a significant transformation thanks to e-banking. Think about the world before that! People would be heavily dependent on checks and would expect draft payments, which would result in long lines at bank locations and a waste of time, energy, and Laborie-banking is a godsend in these busy lives when individuals strive to balance

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[20] Maharana, Sarita. (2013). Corporate Social Responsibility: A Study of Selected Public Sector Banks in India. IOSR Journal of Business and Management. 15. 01-09. 10.9790/487X-1540109.
https://www.researchgate.net/publication/314430120_Corporate_Social_Responsibility_A_Study_of_Selected_Public_Sector_Banks_in_India

[21] Tigga, Alisa & Kumar, Manjit & Anjum, Farhat & Raj, Aditya. (2021). A Comparative Study -Financial Performance of State Bank Of India and ICICI Bank Of India. 10.13140/RG.2.2.26228.27520.
https://www.researchgate.net/publication/356555195_A_Comparative_Study_-Financial_Performance_of_State_Bank_Of_India_and_ICICI_Bank_Of_India

work and life. Using all of this data, researchers aimed to determine how E-banking services affected profitability[22].

(Worku, 2023) This study compares the financial performance of Ethiopia's public and private sector banks, paying particular attention to influencing factors and how they affect performance indicators. This research employs many econometric techniques. The primary source of data for this study is secondary data, hence the suitability and accessibility of the data are crucial to its execution. The planning stage of data collection design involves obtaining the necessary data from reliable sources. Population: All 26 private sector banks and all 2 state-owned or public banks operating in Ethiopia from the fiscal year 2002 to the year 2013 are included in the population for this study project. Sample: Since the research is based on secondary data, a sample consisting of all 26 private sector banks and both State Owen banks has been chosen. [23]

(Singh, 2018) The purpose of this study was to evaluate how merger and acquisition activity affected Indian banks' performance. The impact of M&As has been examined in three of India's top banks after the paper evaluates the patterns in M&A activity in the country's banking sector. The study examines the performance evaluation of mergers and acquisitions (M&As) in the Indian banking sector before and after a six-year period of M&A activity. Using financial metrics such as net profit margin, operating profit margin, return on capital used, return on equity, earnings per share, capital adequacy ratio, dividend per share, etc., the study examined the post-merger financial performance of the combined

[22] Motwani, Anju & Vora, Khushboo. (2021). IMPACT OF DIGITAL BANKING ON PROFITABILITY OF PUBLIC & PRIVATE SECTOR BANKS IN INDIA. Turkish Online Journal of Qualitative Inquiry. 12. 3687-3695. https://www.researchgate.net/publication/353378708_IMPACT_OF_DIGITAL_BANKING_ON_PROFITABILITY_OF_PUBLIC_PRIVATE_SECTOR_BANKS_IN_INDIA

[23] Worku, Seifu. (2023). A Comparative Study on Financial Performance of Private and Public Setor Bank in Ethiopia With Special Reference to Affecting Factors and their Impact on Performance Indicators. 28. 2266. 10.47750/cibg.2022.28.04.184. https://www.researchgate.net/publication/370872387_A_Comparative_Study_on_Financial_Performance_of_Private_and_Public_Setor_Bank_in_Ethiopia_With_Special_Reference_to_Affecting_Factors_and_their_Impact_on_Performance_Indicators

institutions. The results showed that procedures and policies in the physical, sociocultural, and procedural[24]

(**Santhi, 2021**) In addition to facilitating monetary policy, the banking industry supports capital formation, innovation, and monetization. To maintain a sound financial system and a productive economy, it is essential to thoroughly assess and analyze bank performance. These banks cannot expand unless they achieve some level of success in terms of client satisfaction. Other factors that may contribute to this success include the net assets they hold, the effectiveness of their management, or the networks they have with other private and public sector banks. This study uses the CAMEL technique to assess the financial soundness and performance of several public and private sector banks. Public sector banks will have a stunning scope after evaluation when they concentrate on upholding norms.[25]

(Infanta, 2021) Private banks, specialist banking institutions, and nationalized (government controlled) banks make up the majority of Indian banking. Nonperforming assets are a problem that all banks, whether they are private or public, are currently dealing with. One of the most crucial determinants of banks' financial stability is the quality of their assets. Non-performing assets (NPAs) have an impact on banks' liquidity and profitability, as well as posing a threat to their longevity. The rise of non-performing assets (NPAs) has been a major issue for the Indian banking industry. The increase of NPAs directly affects

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[24] Singh, Sonia & Das, Subhankar. (2018). Impact of post-merger and acquisition activities on the financial performance of banks: a study of Indian private sector and public sector banks Impactor de las activities posteriores a la fusion y acquisition end ell deepen financier de loss banco's: un studio de loss banco's del sector privado y del sector Público de la India. Spacious. 39. 25. https://www.researchgate.net/publication/327836765_Impact_of_post-merger_and_acquisition_activities_on_the_financial_performance_of_banks_a_study_of_Indian_private_sector_and_public_sector_banks_Impacto_de_las_actividades_posteriores_a_la_fusion_y_adq

[25] Santhi, Mrs & Karunanidhi, Gurusamy & Pillai, Karunanidhi. (2021). PERFORMANCE EVALUATION OF PUBLIC SECTOR AND PRIVATE SECTOR BANKS-A COMPARATIVE STUDY. ix. 1801-1810. https://www.researchgate.net/publication/351391299_PERFORMANCE_EVALUATION_OF_PUBLIC_SECTOR_AND_PRIVATE_SECTOR_BANKS-A_COMPARATIVE_STUDY

banks' profitability. This study compares the ratios of banks in the public and private sectors and assesses different nonperforming asset ratios. [26]

(Sabapathy, 2019) The foundation of any nation's economic growth is its banks. The money is kept in a bank, so customers can withdraw it whenever needed without running the danger of leaving it at home. Banks also provide support for new and expanding businesses. And banks assess their financial growth and analyse what has to be done to meet regulations in order to meet all of these people's needs and even make profits. Even the public should be aware of whether the bank they have used to store their money is reliable and able to return it to them when necessary, or if the bank fails to close because of non-recoverable losses or an inability to locate its assets. The execution is examined in this report. [27]

(Vadrale, 2019) Goal: A stronger bank's finances contribute to a stronger financial system in the economy. Thus, the five criteria of capital adequacy, asset quality, management effectiveness, earning quality, and liquidity are used by the CAMEL ratio-based model to analyse the financial performance of banks. Therefore, the main goal of this paper is to compare the financial performance of a few Indian public and private sector banks between 2001 and 2015 using the CAMEL parameters, which stand for capital adequacy, asset quality, management efficiency, earning quality, and liquidity. Method: For the study, the

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[26] Infanta, A.Vini & Lohasowmiya, S. (2021). A COMPARATIVE STUDY ON NON PERFORMING ASSETS OF SELECTED PUBLIC AND PRIVATE SECTOR BANKS. Volume : 38. 118-124.
https://www.researchgate.net/publication/353998583_A_COMPARATIVE_STUDY_ON_NON_PERFORMING_ASSETS_OF_SELECTED_PUBLIC_AND_PRIVATE_SECTOR_BANKS

[27] Sabapathy, Panboli & Birda, Ms. (2019). Camel Research of Selected Private and Public Sector Banks in India. International Journal of Innovative Technology and Exploring Engineering.8.1237-1248.10.35940/ijitee.L3979.1081219.
https://www.researchgate.net/publication/364103768_Camel_Research_of_Selected_Private_and_Public_Sector_Banks_in_India

top 10 banks based on net profit were chosen. State Bank of India, Punjab, is one of the top five public sector banks chosen based on rankings.[28]

(Bantwa, 2021) A useful method for evaluating a bank's relative financial health and recommending necessary actions to strengthen its shortcomings is the camel approach. Based on the suggestions of the Padmanabham Working Group (1995) committee, the Reserve Bank of India (RBI) adopted this strategy in 1996. An attempt has been made to rank the several commercial banks that operate in India in the current study. There are two types of banks in India: public sector banks and private sector banks. There are eight foreign, eight private, and twenty-five public banks in the sample of chosen banks. The Camel model approach, which takes into account crucial factors such capital adequacy, asset quality, management effectiveness, earnings quality, and liquidity, has been used for ranking. The study's conclusion demonstrates that[29]

(Malaiselvam, 2023) The banking industry in India is often considered to be among the most significant economic systems. Because of its crucial role in economic activity, the banking industry is regarded as the lifeblood of the Indian economy. Using the CAMEL approach—capital adequacy, asset quality, management effectiveness, earnings quality, and liquidity level—this study looks at the overall performance of a few chosen private sector banks from 2013 to 2022. The CAMEL Approach is a better tool for evaluating overall performance even while profitability metrics (such return on equity, return on assets, and net profit margin) show the performance of specific private sector banks. Since

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[28] Vadrale, Kavita & Katti, Vidya. (2019). Financial Performance of Selected Public and Private Sector Banks in the Light of CAMEL Model.
https://www.researchgate.net/publication/334130644_Financial_Performance_of_Selected_Public_and_Private_Sector_Banks_in_the_Light_of_CAMEL_Model

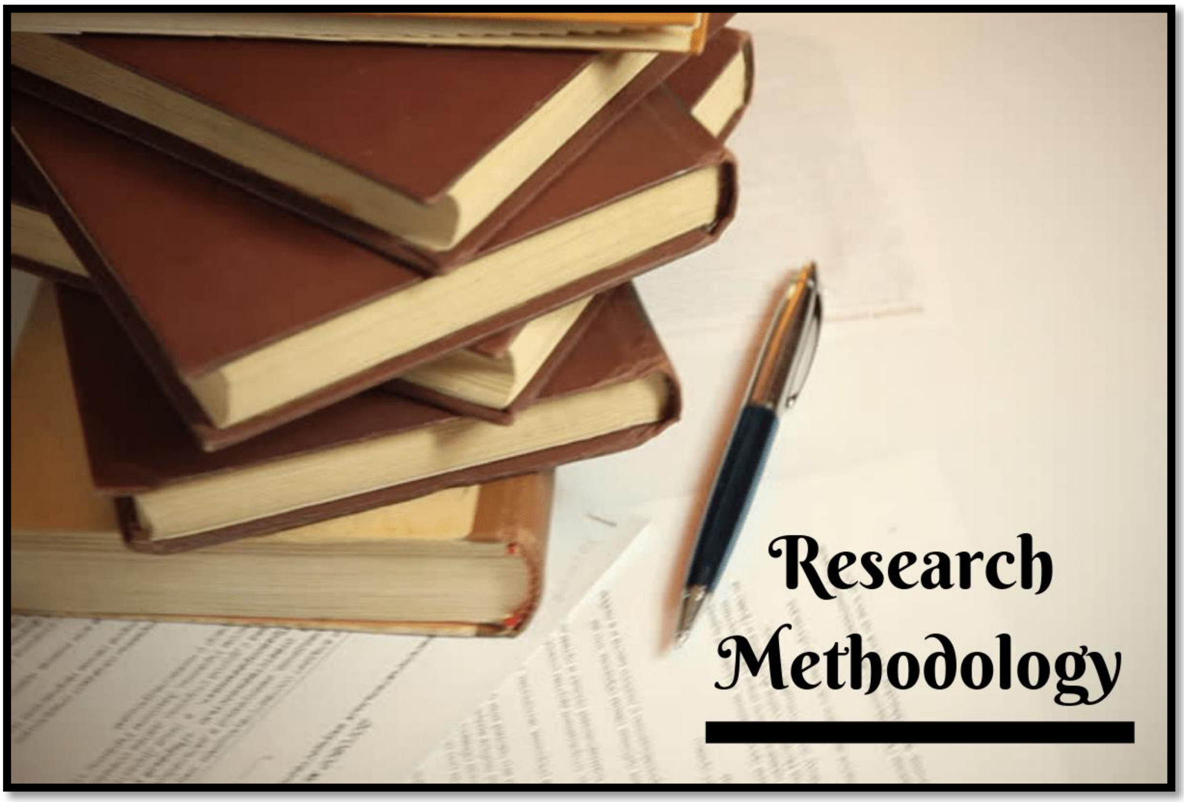
[29] Bantwa, Ashok. (2021). A Comparative Study on Financial Performance Evaluation of Selected Public Sector Banks in India Using Camel Model.
https://www.researchgate.net/publication/352993299_A_Comparative_Study_on_Financial_Performance_Evaluation_of_Selected_Public_Sector_Banks_in_India_Using_Camel_Model

the amount of non-performing assets (NPAs) does not alone determine a bank's profitability,[30]

[30] Malaiselvam, N & Balasubramaniam, M. (2023). A Study on Financial Performance of Selected Private Sector Banks in India- A Camel Approach. ComFin Research. 11. 16-25. 10.34293/commerce.v11i1.5700. https://www.researchgate.net/publication/369127826_A_Study_on_Financial_Performance_of_Selected_Private_Sector_Banks_in_India-_A_Camel_Approach

CHAPTER – 4

RESEARCH METHODOLOGY



INDEX

4.1 INTRODUCTION

The orderly investigation of new information with the goal of understanding it better is known as research. In order to answer certain issues or queries, it entails thorough inquiry, gathering of data, and analysis. Researchers use a variety of approaches, such as surveys, experiments, and measurements, to compile data and make intelligible findings. Contributing to a subject's comprehension, expanding on previously held knowledge, or resolving practical problems are the objectives. During validity and dependability of research findings, rigorous and critical thinking is essential to the procedure. In the end, research provides the groundwork for innovations by guiding taking decisions in a variety of domains and stimulating intellectual advancement both inside and outside of academia.

Research is a purposeful, structured process of investigation that aims to reveal facts or increase understanding in a particular field. It uses methods from a variety of disciplines, including surveys, testing, and case research. Study is essential to academic endeavors because it fosters creativity and advances the creation of theories, technology, and practical solutions. A systematic process is followed by researchers as they develop hypotheses and gather and analyze information. Review by peers makes ensuring that what they do is credible. This dynamic and ever-changing Endeavour not only advances understanding but also supports policy changes, encourages creativity, and motivates ongoing research into previously uncharted areas of information.

The intellectual journey to solve the riddles of the unknowable is called research. It's a purposeful, methodical search in which interest becomes a planned path of exploration. Armed with queries, investigators adopt approaches akin to investigators pursuing leads as they traverse this terrain. To obtain important insights, it requires careful monitoring, experiments, or research.

Research methodology encompasses the systematic framework and techniques used to conduct a research study. It involves planning and executing the entire research process, ensuring rigor and validity in gathering, analyzing, and interpreting data.

4.2 OBJECTIVE OF RESEARCH:

- <u>To Investigate and Comprehend:</u>

Gain insight into and knowledge of novel concepts, theories, or problems in a particular domain.

- To Describe:

  Give a thorough explanation or account of the traits, attributes, or actions of a certain phenomenon or group.

- To Explain:

  Try to comprehend the underlying mechanisms or causal links by finding explanations or causes for observable phenomena.

- To Predict:

  Create forecasts or predictions according to data patterns to assist you foresee future trends or results.

- To Test Hypotheses:

  Use empirical research and analysis to support or contradict particular claims or hypotheses.

- To Contrast and Compare:

  To make insightful comparisons, assess how variables, groupings, or circumstances differ or are similar.

- To Evaluate or Assess:

  Evaluate the performance, influence, or efficacy of a specific policy, program, system, or action.

- To Solve Issues:

  Provide workable answers or suggestions to deal with issues or obstacles that arise in the real world.

- To Generate Theory:

  Construct or improve theoretical frameworks that expand our understanding of a particular field.

- To Contribute to Knowledge:

  Produce new ideas, viewpoints, or data to augment the corpus of already known.

- To Assist in Taking Decisions:

  Offer trustworthy and pertinent information to help decision-makers in a range of industries, including business, healthcare, and policy.

4.3 CHARACTERISTICS OF GOOD RESEARCH:

- A clear purpose:

  Is one that outlines the goals and objectives of the research and what it hopes to accomplish.
- Relevance:

  Responds to significant queries or problems that have real-world applications.
- A well-defined scope:

  delineates the parameters and constraints of the research.
- Logical Structure:

  Adheres to a systematic, logical framework for planning, carrying out, and documenting.
- Systematic Approach:

  Follows a planned, methodical procedure all the way through the study process.
- Rigorous Methodology:

  Employs acceptable and dependable techniques to gather and evaluate facts.
- Objectivity:

  Preserves objectivity while eschewing personal prejudices to guarantee objective results.
- Accuracy:

  Aims for accuracy and precision in the gathering and reporting of data.
- Ethical Conduct:

  Follows moral principles, guaranteeing the protection of participants' rights and welfare.
- Transparency:

  Clearly conveys the methodology, conclusions, and study process for examination and replication.
- Validity and reliability:

  guarantee that the study measures the things it is supposed to measure and yields reliable findings.

4.4 RESEARCH PROCESS:

1) Select a Topic:

   Decide on an interesting topic or a particular query to look into.

2) Define problem:

Clearly state the research question or topic that you wish to answer in during define the issue.

3) Examine Current Knowledge:

To ascertain what is already known about the subject, do a literature review.

4) Create a Hypothesis or Research Questions:

If necessary, create a hypothesis or provide a list of targeted research questions.

5) Plan the Study:

Choose the methodology and study design, as well as the techniques for gathering data.

6) Collect Data:

Use experiments, questionnaires, interviews, and other techniques to get information.

7) Analyse Data:

To evaluate the information gathered, apply statistical or qualitative analysis.

8) Make Inferences:

Make inferences that address your research questions or verify your hypothesis in light of the analysis.

9) Share Your Results:

Use a research paper, report, or presentation to showcase your findings.

10) Think and Revise:

Think back on the study procedure, take into account any constraints, and alter strategies for upcoming investigations.

4.5 TITLE OF STUDY

The study of title is as follows:

“THE STUDY OF FINANCIAL PERFORMANCE OF SELECTED PRIVATE AND PUBLIC SECTOR BANK IN INDIA”

4.6 OBJECTIVE OF STUDY

1) To analyze financial statement of selected bank using the relevant ratios.

2) To analyze the profitability of banks in the public and private sectors.

3) To analyze the liquidity of selected banks in the public and private sectors.

4) To evaluate financial performance of selected banks for last five year.

4.7 RESERCH DESIGN

The framework of research methods and procedures selected by a researcher to carry out a study is known as research design. The design enables researchers to fine-tune the research methods appropriate for the subject matter and arrange their studies for achievement. To properly answer the research question, choice must be made regarding sample selection, gathering data strategies, study design as a whole.

4.7.1 Types of research design:

1. **Descriptive:**

   A researcher's only goal when writing a descriptive composition is to describe the circumstance or case they are studying. The theory-based design methodology which came into being through data collection, analysis, and presentation. This enables a researcher to explain the how and why of their work. Others can comprehend the necessity of the research more clearly thanks to descriptive design. To address ambiguity in the problem statement, exploratory research may be undertaken.

2. **Experimental:**

   Research that follows a situation's source and effect is known to be related to it. This type of research design, known as causal research, looks at how the independent variable affects the dependent variable. For instance, one tracks how an independent variable like pricing affects a dependent variable like brand loyalty or consumer happiness. It is a productive study method since it helps to resolve an issue.

3. **Explanatory research:**

Explanatory design is the process of using a researcher's ideas and opinions to delve deeper into their hypotheses. The research questions' what, how, and why are explained in detail, along with hitherto unexamined facets of the topic.

4. **Qualitative research:**

Using mathematical computations, qualitative research establishes connections between observations and data that have been gathered. The application of statistical tools can support or refute hypotheses concerning naturally occurring phenomena. Researchers use qualitative observational research methodologies to determine "what" respondents have to say about a certain theory and "why" it exists.

5. **Quantitative research:**

This type of study is used when obtaining actionable insights through statistical conclusions is crucial. When making important business decisions, the perspective offered by numbers is superior. Methods of quantitative research are essential to every organization's development. Insights obtained from intricate numerical data and analytics is highly beneficial to making future business decisions.

The design of a study outlines the techniques and steps for gathering the data required to organize or resolve the issue. What data is required to be gathered, from what sources, and how will depend on the project's overarching operating pattern or structure. **Descriptive research design** is used throughout the entire study. Studying the banking industry's financial climate is beneficial. It investigates the primary area of concern and attempts to assess a few suitable options of action. It helps or identify and analysis of trend in banking sector. It helps to study financial performance or health of banking sector.

4.8 SAMPLE UNIT

A single unit or element chosen for examination or analysis from a larger population is referred to as a sample unit in research. It could be an individual, an item, an occasion, or any unique component of the larger group under investigation. Selecting appropriate sample units is essential for producing research findings that are useful and informative.

LIST OF THE BANKS SELECTED FOR ANALYSIS

SR.	PRIVATE INDUSTRY BANK	PUBLIC INDUSTRY BANK
1	HDFC BANK	STATE BANK OF INDIA
2	AXIS BANK	BANK OF BARODA
3	ICICI BANK	BANK OF INDIA
4	KOTAK MAHINDRA BANK	UNION BANK
5	YES BANK	INDIAN OVERCES BANK

4.9 SAMPLE SIZE

The number of participants or observations included in a study is referred to as the sample size in research. It is an important factor to take into account because it affects how reliable and generalization results from research are. The sample size selected should be sufficiently representative to allow for the derivation of significant inferences about the larger population. Larger sample sizes typically yield more trustworthy results, but researchers must weigh these against realistic limitations and moral considerations

As each investigators hopes for everything knowledge and data needed for their investigators, I selected to 5 public sector banks & private industry banks in India to examines information to draw relevant conclusion.

4.10 POPULATIOM OF STUDY

All Indian private and public banks.

4.11 PERIOD DURING STUDY

Current study is mainly intended to examine the financial performance. Secondary comes from the annual statement of selected banks for a time of 5 years from 2019-20 to 2022-23.

4.12 DATA COLLECTION

The procedure of gathering and analysing information or data from a variety of sources in order to assess results, foresee trends and probability, and identify solutions to research problems is known as the gathering of data. It is a crucial stage in many kinds of study, investigation, and decision-making, including work in the business, social sciences, and medical fields.

The researchers have to determine the data types, data sources, and methodologies throughout the data collection process. It won't take long for us to realize there are numerous approaches to gathering data. The realms of government, business, and research all heavily rely on gathering information.

Every particular study requires laborious gathering of data, and the kinds of information gathered and the techniques required to acquire information are crucial components of the study's process. There are two main types of gathering information: primary data and secondary data.
Gathering primary data entails getting original information straight from the source or by speaking with respondents face-to-face. Collecting previously gathered data that has been used for an objective other than the original plan is known as secondary data collection.

Additional information on asset utilization, profitability, liquidity, and other topics forms the foundation of this research. Yearly statement of a chosen bank was gathered, among other sources, from its online presence in order to provide information needed for research.

4.13 TOOLS AND TECHNIQUE OF DATA ANALYSIS

The term "tools" describes the hardware, software, and/or real tools which are utilized in research to gather, process, and evaluate data. A vast array of tools, including survey equipment, data processing software, computational models, statistical software, and lab equipment, can be included in this. Tools are material objects that researchers use to make certain types of research work easier to complete. They give researchers the tools to collect and analyse data, which helps them come up with outcomes and inferences.

Conversely, techniques refer to the methods, processes, or strategies that researchers use to carry out the studies they are conducting. The methodical and structured ways that researchers use their expertise to collect and process data are known as techniques. These can include methods for conducting experiments, gathering data through surveys, analysing data qualitatively, doing case studies, and so forth. The methodical procedures used by researchers to address research questions, accomplish their objectives, and extract valuable insights from data collection are known as techniques.

Various monetary indicators are utilized to measure the monetary execution in order to have a more comprehensive understanding of the monetary execution of India's public and private industry banks. Liquidity ratios and profitability ratios make up both sections of these ratios.

ANOVA has been chosen by the investigator (one-way ANOVA). To draw an accurate inference using the information that was gathered, a good statistical technique is required. This will aid in the investigator's evaluation of the information and may lead to its interpretation and conclusions. By analysing monetary information from industry to industry as well as from to year, researchers have attempted to determine how some public industry banks' monetary execution differs from that of private industry banks.

4.13.1 WHAT IS ANOVA?

As a result, one can generally study any number of factors that are postulated or claimed to influence the dependent variable using the ANOVA technique. Since each of these elements may have a wide range of possible values, it would be wise to look into the variations between different categories within each of these criteria. One-way ANOVA is used when examining differences between one factor and its many categories, each of which has a wide range of possible values. Two-way ANOVA is used when examining two factors simultaneously. The interaction, or inter-relation between two independent variables or factors impacting a dependent variable, can also be examined in a two- or more-way ANOVA to help with decision-making.

4.13.2 RATIO

1) NET PROFIT RATIO:

For net profit ratio, net profit divided by total income which is take of the profit and loss account of the year. Another important consideration in assessing your bank's financial health is net profit. It demonstrates if the bank can turn a profit after expenses. Your net profit can assist you in determining when and how to work toward growing your bank as well as when to cut costs. A bank's achievement or failure can be ascertained by looking at its profitability, which is a gauge of effectiveness. Your bank's net profit informs you how profitable it is.

NET PROFIT RATIO:$= \frac{\text{NET PROFIT}}{\text{TOTAL INCOME}} \times 100$

2) RETURN ON ASSETS:

The total revenue (profits) that a financial institution makes from all of its property, includes its real estate, is the return on asset ratio. One of the most important metrics for assessing the viability of a bank is return on assets. Returns are shown as a proportion of total assets in this ratio.

RETURN ON ASSETS:$= \frac{\text{NET INCOME OR PROFIT}}{\text{TOTAL ASSETS}} \times 100$

3) RETURN ON INVESTMENT:

A ratio known as (ROI) compares an investment's gain or loss to its cost in order to determine how profitable it was. It aids in determining the possible return on investments made in items like stocks or company endeavours. ROI can be determined using a certain formula and is typically expressed as a percentage.

Ratio displays the earnings as a proportion of the entire invested. It demonstrates the success with which institutions invest.

RETURN ON INVESTMENT: $= \frac{\text{NET INCOME OR PROFIT}}{\text{TOTAL INVESTMENT}} \times 100$

4) CASH FOR DEPOSIT RATIO:

Because of this ratio, the cost of cash from deposits which the bank ran out of has been removed. Display percentage of a bank's core money allocated to lending, which is the primary function of bank. It can alternatively be expressed as the ratio of total deposits to total cash on hand with RBI. Data includes CDR broken down by bank class. It shows how well the bank can consistently meet customer demand for cash. The following formula :

CASH FOR DEPOSIT RATIO: $= \frac{\text{CASH IN HAND+BALANCE IN RBI}}{\text{TOTAL DEPOSITS}} \times 100$

5) INVESTING IN DEPOSIT:

The entire investment proportion of the total deposits is shown by this number. The following formula can be used to calculate the investment in the deposit proportion.

INVESTING IN DEPOSIT:$= \frac{\text{TOTAL INVESTMENT}}{\text{TOTAL DEPOSITS}} \times 100$

6) CREDIT TO DEPOSIT RATIO:

The proportion of bank advances that are funded by deposits is displayed by this ratio. It represents the portion of bank-created loan assets among the 89 deposits received. This results in the rise in the loan and assets derived from deposits, or the credit to deposit ratio. Current accounts, savings accounts, and term deposits are all legitimate deposit options. The ratio's outcome shows how well the bank uses the finances that are in its deposits. The ratio of a bank's loans to the total quantity of deposits it has amassed.

CREDIT TO DEPOSIT RATIO:$= \frac{\text{TOTAL ADVANCES}}{\text{TOTAL DEPOSITS}} \times 100$

<u>PROFITABILITY RATIO</u>

Profitability ratio in the banking industry assess a bank’s capacity to generate profits relative to its assets, investment or other financial measurement. Common ratio includes net profit ratio, return on investment and return on assets. These ratios provide insights into bank's financial health.

Main Hypothesis:

H0: There is no significant difference between the profitability ratios of the Public sector and Private Sector Banks

H1: There is a significant difference between the profitability ratios of the Public sector and Private Sector Banks

1) Net Profit Ratio:

H0: There is no significant difference in the financial performance among Public and private Sector banks in the ratio of Net Profit Ratio for 5 years.

H1: There is a significant difference in the financial performance among Public and private Sector banks in the ratio of Net Profit Ratio for 5 years.

2) Return on Assets:

H0: There is no significant difference in the financial performance among Public and private Sector banks in the ratio of Return on Assets for 5 years.

H1: There is a significant difference in the financial performance among Public and private Sector banks in the ratio of Return on Assets for 5 years.

3) Return on Investment:

H0: There is no significant difference in the financial performance among Public and private Sector banks in the ratio of Return on Investment for 5 years.

H1: There is a significant difference in the financial performance among Public and private Sector banks in the ratio of Return on Investment for 5 years.

LIQUIDITY RATIO

In the banking industry, liquidity ratio assesses a bank's capacity to fulfil short term commitment and sustain safety. Typical liquidity ratio consists of cash for deposit ratio, investment to deposit ratio, cash to deposit ratio.

Main Hypothesis:

H0: There is no significant difference between the liquidity ratios of the Public sector and Private Sector Banks

H1: There is a significant difference between the liquidity ratios of the Public sector and Private Sector Banks

1) Cash for Deposit Ratio:

H0: There is no significant difference in the financial performance among Public and private Sector banks in the ratio of Cash for Deposit Ratio for 5 years.

H1: There is a significant difference in the financial performance among Public and private Sector banks in the ratio of Cash for Deposit Ratio for 5 years.

2) Investing in Deposits:

H0: There is no significant difference in the financial performance among Public and private Sector banks in the ratio of Investing in deposits for 5 years.

H1: There is a significant difference in the financial performance among Public and private Sector banks in the ratio of Investing in deposits for 5 years.

3) Credit to Deposit Ratio:

H0: There is no significant difference in the financial performance among Public and private Sector banks in the ratio of Credit to Deposit Ratio for 5 years.

H1: There is a significant difference in the financial performance among Public and private Sector banks in the ratio of Credit to Deposit Ratio for 5 years.

4.14 SCOPE OF THE STUDY

The execution of bank industry especially in last 5 years. This aspect, that the present study will provide an examination of the monetary results of Indian banks operating in the public and private industry.

The study is mainly analytical and examining in nature. The measurement of a banks' financial health is very important aspect of financial analysis. The study focuses on the examination of the profitability and liquidity management of the selected public and private sector banks in India.

Study examines and compares the various aspects of performance of public and private industry banks in India, for that objective secondary data has been used. The current study covers a period of five years from 2019-20 to 2022-23.

4.15 CHAPTERS PLAN

The study has been organized into the following chapters:

Chapter-1 - Introduction of Banking Industry

Chapter-2 - Review of Literature

Chapter-3 - Research Methodology

Chapter- 4 - Data Analysis

Chapter-5 - Conclusion

Chapter-1 - Introduction of Banking Industry

In this chapter points are review of banking industry, history of banking industry, history of India bank sector, banking before independence in India, banking after independence in India, types of bank, Indian banking structure, role of RBI, function of commercial bank in INDIA (primary and secondary function of commercial bank), challenges in banking sector, banking product portfolio (deposit product like all types of account and loan and advances like all types of loan), retail banking services (like E- banking, credit card, ATM card etc.).

Chapter-2 – Bank History

In the chapter two that bank history is which is I taken five private and five public sector bank which are HDFC bank, AXIS bank, ICICI bank, KOTAK MAHINDRA BANK, YES BANK of private bank sector. SBI, BOB, BOI, UNION BANK, IOB which are of public sector bank. In the second chapter all details of bank history like founded year, which type of sector public or private bank, where the headquarter is, profit of bank, key person’s details.

Chapter-3 - Review of Literature

In is a third chapter. In this third chapter discuss the studies related to financial performance of this selected private banking sector and public banking sector.

Chapter-4 - Research Methodology

The forth chapter is research methodology. In this chapter points are introduction, objective of research, characteristics of good research, research process, Title of study, objectives of study, research design, sample unit & sample size of research study, population of study, period of study, data collection, tools and techniques, what is Anova, research related different ratio, hypothesis, scope of study, chapter plans, limitation of study.

Chapter- 5 - Data Analysis

The fifth chapter is data analysis. In this chapter the monetary execution of selected both public and private banking in the basis of study. By selected ratio which is help and measure to monetary execution of selected bank. With the support of selected statistical tools & techniques like ANOVA.

Chapter-6 – Conclusion

Conclusion is the sixth chapter of study. The conclusion is the last chapter of this research study. This conclusion finding some major on the basis of fifth chapter which is data collection.

4.16 LIMITATION OF STUDY

There are limitations to every research project that result from constraints in methodology or research design. These limitations may affect the entire project or the research paper you intend to publish. Regretfully, most researchers decide not to disclose their research limitations out of concern that it will diminish the perceived value of their article in the eyes of readers. Talking about and presenting your study's limits to your intended audience—which may include journal editors, peer reviewers, and other researchers—is crucial. It is crucial that you explain how the conclusions and judgments derived from your research may be impacted by the constraints of your study. Furthermore, it demonstrates your thorough comprehension of the subject and your investigation of all the study's shortcomings when you, as the author, list the research limits. Being truthful could astonish your readers and demonstrate to them that you put a real effort into your research.

1) This whole research based on secondary data. This study carries all limitation with secondary data. So this finding only based on accuracy data.

2) This present study based on some selected ratio analysis, and its own limitation.

3) This analysis done through statistical tools & techniques.

4) The study is limited only five year

5) This study fully based and depend on financial annual report its bank.

6) This result of study is limited to selected bank.

CHAPTER – 5

DATA ANALYSIS

INDEX

5.1 INTRODUCTION:

In research, data analysis is the methodical review and analysis of gathered data in order to produce finding, useful insights, and well informed judgements. Findings hidden pattern, confirming theories, and advancing our knowledge of the research issue are the objectives. Reliability and validity of research finding are improved by effective data analysis, which support researcher draw conclusion based on solid evidence and informs subsequent studies.

The gathering and analysis of data is the foundation of research projects and is essential in forming what we know of a variety of topics. Obtaining raw data using techniques like surveys, experiments, or observations is the procedure of collecting information. After being gathered, the data is analysed using statistical or computational methods to find trends, correlations, and patterns. By identifying mistakes or anomalies, this methodical investigation not only confirms or disproves theories but additionally guarantees that results are accurate. Strategic planning, suggestions based on evidence, and well-informed decision-making are all aided by the insights gleaned by data analysis. Last for expanding our understanding, resolving challenging issues, and encouraging creativity in a variety of sectors.

Information is gathered by a variety of techniques, including surveys, experiments, and observations, in the process of collecting information. It is the procedure of gathering unprocessed data pertinent to an issue or research subject. However, data analytical is the procedure of looking over and interpreting the gathered information during to identify important trends, insights, or results. To find hidden linkages, trends, or correlations within the data, statistical or computational approaches are applied. The foundation of evidence-based research is made up of data gathering and analysis, which together direct informed decision-making and progress information.

Investigation requires analysis of information because it makes it possible to identify links, patterns, and trends in the data that has been gathered. It helps researchers to validate ideas, come to relevant findings, and make well-informed judgments. Research study credibility and advancement may be hampered by uninterested raw information lacking efficient data analysis.

Furthermore, data evaluation strengthens the validity of research findings by offering supporting data and statistical confirmation. It helps to ensure that results are accurate by assisting in the identification of anomalies or data problems. Furthermore, the knowledge gathered from data analysis aids in the creation of suggestions and well-thought-out plans, increasing the relevance and significance of study results.

Particularly in discipline like the social sciences, qualitative methodologies are frequently employed in addition to statistical method for data analysis. This research based on secondary data. This data collected or taken from financial statements or annual report of different bank from their website or other website.

5.2 LIST OF THE BANKS SELECTED FOR ANALYSIS

Sr.	PRIVATE SECTOR	Sr.	PUBLIC SECTOR
1	HDFC	1	SBI
2	AXIS	2	BOB
3	ICICI	3	BOI
4	KOTAK MAHINDRA BANK	4	UNION BANK
5	YES BANK	5	INDIAN OVERCES BANK

5.3 (PROFITABILITY RATIO)

Profitability ratio in bank industry assess a bank's capacity to create revenue relative to its assets, investment or other financial measurement. Common ratio includes net profit ratio, return on investment and return on assets. These ratios provide insights into bank's financial health.

Main Hypothesis:

H0: There is no significant difference between the profitability ratios of the Public sector and Private Sector Banks

H1: There is a significant difference between the profitability ratios of the Public sector and Private Sector Banks

5.3.1. Performance analysis of Profitability Ratio between Private industry and Public industry Banks

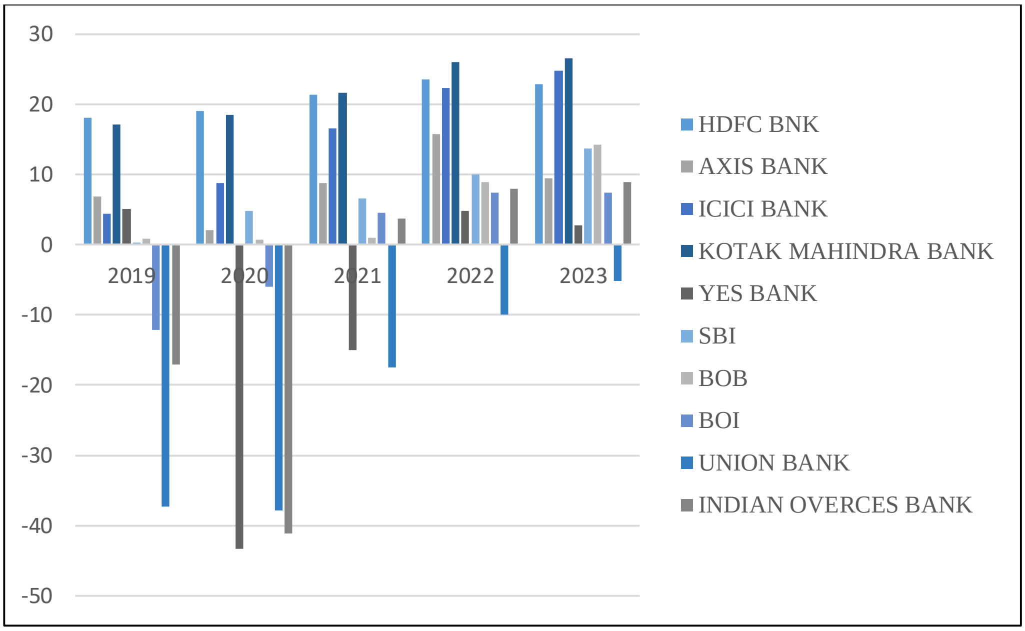
5.3.1.1 Net Profit Ratio:

In the banking industry, the net profit ratio measure of profitability that represents the net profit of bank as a proportion of its overall revenue. This is how the net profit ratio is calculated:

NET PROFIT RATIO:$= \frac{\text{NET PROFIT}}{\text{TOTAL INCOME}} \times 100$

5.3.1.1 Net Profit Ratio table

	2019	2020	2021	2022	2023
HDFC	18.08	19.02	21.3	23.5	22.88
AXIS	6.87	2.08	8.71	15.77	9.42
ICICI	4.32	8.69	16.51	22.25	24.71
KOTAK MAHINDRA BANK	17.04	18.41	21.56	25.96	26.47
YES BANK	5.03	-43.29	-15.02	4.78	2.69
SBI	0.3	4.79	6.61	10.02	13.62
BOB	0.77	0.63	0.99	8.94	14.16
BOI	-12.21	-6.03	4.55	7.41	7.35
UNION BANK	-37.35	-37.9	-17.42	-10.02	-5.13
INDIAN OVERCES BANK	-17.12	-41.06	3.69	7.9	8.92



- In HDFC bank net profit is 18.08 during the year 2018-19. This ratio represented the net profit of bank as a proportion of its overall revenue and increased up to level of 22.88 in the year 2022-23. This shows net profit increased in the year 2022-23 in contrast to year 2919. Average of this ratio is 20.96 in time line.

- In AXIS net is 6.87 during the year 2018-2019. This ratio is represented the net profit of bank as a proportion of its overall revenue and increased of 9.42 in the year 2022-23. This shows net profit increased in the year in contrast to year 2019. Average of this ratio time line is 8.57.

- In ICICI net is 4.32 during the year 2018-19. This ratio represented the net profit of bank as a proportion of its overall revenue and increased up to level of 24.71 in the year 2022-23. This shows net profit increased in the year 2022-23 contrast to year 2019. Average of this ratio is 15.29 in time line.

- In KOTAK MAHINDRA bank net is 17.04 during the year 2018-19. This ratio represented the net profit of bank as a proportion of its overall revenue and increased up to level of 26.47 in the year 2022-23. This shows net profit increased in the year 2022-23 contrast to year 2019. Average of this ratio is 21.89 in time line.
- In YES bank net is 5.03 during the year 2018-19. This ratio represented the net profit of bank as a proportion of its overall revenue and decreased of 2.69 in the

year 2022-23. In the year 2019-20 balance is (-43.29) and 2020-21 balance is (-15.02) that shows negative balance. This shows net profit decreased in the year 2022-23 contrast to year 2019. Average of this ratio is (-9.16) in time line.

- In SBI net is 0.3 during the year 2018-19. This ratio represented the net profit of bank as a proportion of its overall revenue and increased up to level of 13.65 in the year 2022-23. This shows net profit increased in the year 2022-23 contrast to year 2019. Average of this ratio is 7.06 in time line.

- In BOB is 0.77 during the year 2018-19. This ratio represented the net profit of bank as a proportion of its overall revenue and increased up to level of 14.16 in the year 2022-23. This shows net profit increased in the year 2022-23 contrast to year 2019. Average of this ratio is 5.09 in time line.

- In BOI net profit is (-12.21) during the year 2018-19. This ratio represented the net profit of bank as a proportion of its overall revenue and increased of 7.35 in the year 2022-23. In the year 2019-2020 is (-6.03) that shows negative balance. After 2020 it increased up to 7.35 in the year 2022-23. Average of this ratio is 0.21 in time line.

- In UNION bank net is (-37.35) during the year 2018-19. This ratio represented the profit of bank as a proportion of its overall revenue and decreased up to level of (-5.13) in 2022-23. But it displays which is increased in year 2022-23 contrast to 2018-19. And it is contrast to year 2019 it is healthy figure in 2022-23. It displays that no profit in this five year. And the average ratio (-103.71) is in time line.

- In INDIAN OVERCES BANK net is (-17.12) during the year 2018-19. In the next year net is (-41.06). After 2020 starting increased 3.69 in the year 2021. And the next year 2021-22 it is continuing to increased percentages up to level of 7.9 which is good to indicated that this bank recover from down to up level. Continues increased their profit up to 8.92 in 2022-23. The average of this ratio is (-7.53) in time line.

So, NET PROFIT in the private bank some bank net profit is increased and some bank net profit decreased up to year 2022-23. The highest average net profit is 21.89 of KOTAK MAHINDRA BANK and 20.96 of HDFC BANK in private sector bank.

Where 7.06 of SBI and 5.09 of BOB in public sector bank. In this ratio is in the private industry bank good compared to the public industry bank in India.

- <u>HYPOTHESIS</u>

  H0: There is no significant difference in the financial performance among Public and private Sector banks in the ratio of Net Profit Ratio for 5 years.

  H1: There is a significant difference in the financial performance among Public and private Sector banks in the ratio of Net Profit Ratio for 5 years.

5.3.1.1 Net Profit Ratio anova

ANOVA						
Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	2931.46	4	732.865	2.90299	0.03208	2.57874
Within Groups	11360.3	45	252.452			
Total	14291.8	49				

- **Interpretation:**

  The one-way ANOVA may be identifying from table, which displays that F is 2.90 and F-crit is 2.57. There is significance difference in the financial performance among private and public sector banks in the ratio of net profit ratio; hence the null hypothesis will be rejected.

5.3.1.2 Return on Assets Ratio:

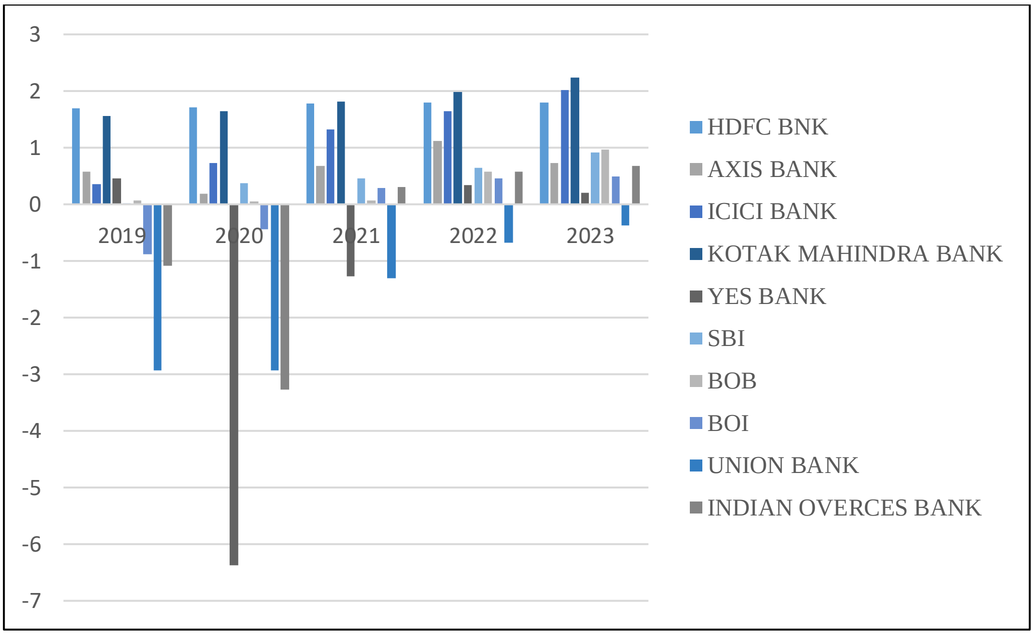
Bank industry, (ROA) is crucial profitability measurement that assesses how well a bank uses its assets to produce profits. The ROA calculation is:

$$\textbf{RETURN ON ASSETS:} = \frac{\text{NET INCOME OR PROFIT}}{\text{TOTAL ASSETS}} \times 100$$

5.3.1.2 Return on Assets Ratio table

	2019	2020	2021	2022	2023
HDFC	1.69	1.71	1.78	1.79	1.79
AXIS	0.58	0.18	0.67	1.11	0.73
ICICI	0.35	0.72	1.32	1.65	2.01
KOTAK MAHINDRA BANK	1.56	1.65	1.82	1.99	2.23
YES BANK	0.45	-6.37	-1.27	0.33	0.2
SBI	0.02	0.37	0.45	0.64	0.91
BOB	0.06	0.05	0.07	0.57	0.97
BOI	-0.89	-0.45	0.29	0.46	0.49
UNION BANK	-2.93	-2.94	-1.3	-0.68	-0.38
INDIAN OVERCES BANK	-1.09	-3.27	0.3	0.57	0.67

5.3.1.2 Return on Assets Ratio chart



- In the HDFC bank return on assets is 1.69 during the year 2018-19. This ratio a tool which evaluate the efficiency a bank uses its assets to produce profits and increased up to level of 1.79 in the year 2022-23. This shows ROA increased in the year 2022-23 compared to 2018-19. The average of this ratio is 1.75 in the study period.

- In the AXIS bank return on assets is 0.58 during the year 2018-19. This ratio tool which evaluate efficiency a bank uses its assets to produce profits and increased of 0.73 in the year 2022-23. This shows ROA increased in the year 2022-23 compared to 2018-19. The average of this ratio is 0.65 in the study period.

- In the ICICI bank return on assets is 0.35 during the year 2018-19. This ratio a tool which is evaluate efficiency a bank uses its assets to produce profits and increased up to level of 2.01 in the year 2022-23. This shows ROA increased in the year 2022-23 compared to 2018-19. The average of this ratio is 1.21 in the study period.

- In the KOTAK MAHINDRA BANK return on assets is 1.56 during the year 2018-19. This ratio a tool which is evaluate effeciency a bank uses its assets to produce profits and increased up to level of 2.23 in the year 2022-23. This shows ROA increased in the year 2022-23 compared to 2018-19. The average of this ratio is 1.85 in the study period.

- In the YES bank return on assets is 0.45 during the year 2018-19. This ratio a tool which is evaluate efficiency a bank uses its assets to produce profits. In the year 2020, 2021 amount is negative which is (-6.37), (1.27). In 2022 it increased 0.33 which is good after negative past two years. In the year 2022-23 the return on assets is 0.20. The average of this ratio is (-6.82) in the study period.

- In the SBI return on assets is 0.02 during the year 2018-19. This ratio measurement that that assesses how well a bank uses its assets to produce profits and up to level of 0.91 in the year 2022-23. This shows ROA increased in the year 2022-23 compared to 2018-19. The average of this ratio is 0.47 in the study period.

- In the BOB return on assets is 0.06 during the year 2018-19. This ratio measurement that that assesses how well a bank uses its assets to produce profits and increased of 0.97 in the year 2022-23. This shows ROA increased in the year 2022-23 compared to 2018-19. The average of this ratio is 0.34 in the study period.

- In the BOI return on assets is (-0.89) in the year 2018-19 which shows this amount is negative. This ratio measurement that that assesses how well a bank uses its assets to produce profits and amount is increased 0.49 in the year 2022-23. This shows ROA increased in the year 2022-23 compared to the year 2018-19. The average of this ratio is (-0.02) in the study period.

- In the UNION BANK return on assets is (-2.93) in the year 2018-19 it shows that amount is negative. The year 2021 the percentage of this ratio is (-1.3). Than after it amount is (-0.38) in the year 2022-23. But it shows that it is increased in the year 2022-23 compared to the year 2018-19. And it is compared to the year 2019 it is good figure in 2022-23. The average of this ratio is (-1.64) in the study period.

- In the IOB return on assets is (-1.09) in the year 2018-19. It shows that year amount is negative. In the year 2021 the percentage is 0.3 which is good. After the next year 2022 it is increased up to level of 0.57. It is increased after the year 2021 which is 0.67 in the year 2022-23. But it shows that it is increased in the year 2022-23 compared to the year 2018-19. And it is compared to the year 2019 it is good figure in 2022-23. The average of this ratio is (-0.56) in the study period.

  So, we can see that RETURN ON ASSETS in the private bank some bank return assets are increased and some bank return on assets decreased up to year 2022-23. The highest average is 1.85 of KOTAK MAHINDRA & 1.75 of HDFC bank in the private bank. Where 0.47 of SBI and 0.34 of BOB in the public bank sector. In the return on assets ratio is in the private sector bank good compared to the public industry bank in India. It displays which private industry bank uses its assets to produce profits for profitability.

- HYPOTHESIS

  H0: There is no significant difference in the financial performance among Public and private Sector banks in the ratio of Return on Assets Ratio for 5 years.

  H1: There is a significant difference in the financial performance among Public and private Sector banks in the ratio of Return on Assets Ratio for 5 years.

5.3.1.2 Return on Assets Ratio anova table

ANOVA						
Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	21.3273	4	5.33183	2.4324	0.06113	2.57874
Within Groups	98.64	45	2.192			
Total	119.967	49				

- **Interpretation:**

The one-way ANOVA may be identifying from table, which displays F is 2.43 and F-crit is 2.57. There is no significance difference in the financial performance between private industry banks and public industry in ratio of return on assets ratio; hence the null hypothesis will be accepted.

5.3.1.3 Return on Investment Ratio:

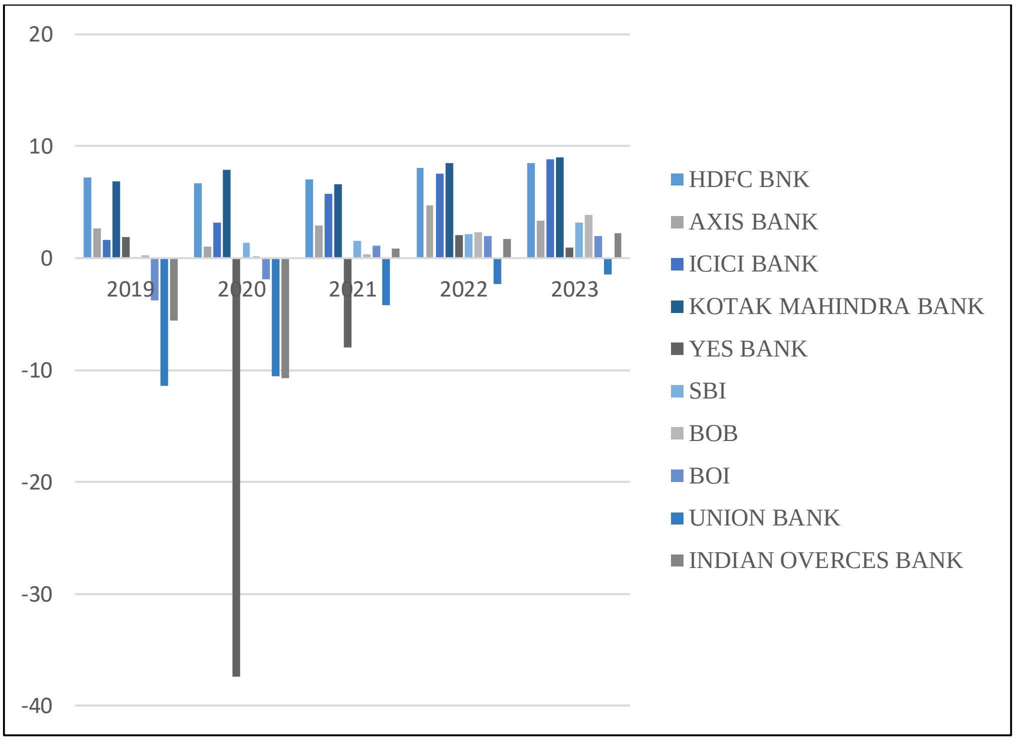
The profit is displayed as a proportion of total investment by return on investment (ROI) ratio. It displays how well the bank invests. The ROI calculation is:

$$\textbf{RETURN ON INVESTMENT}: = \frac{\text{NET INCOME OR PROFIT}}{\text{TOTAL INVESTMENT}} \times 100$$

5.3.1.3 Return on Investment Ratio table

	2019	2020	2021	2022	2023
HDFC BNK	7.25	6.7	7.01	8.11	8.53
AXIS BANK	2.67	1.04	2.91	4.73	3.32
ICICI BANK	1.62	3.18	5.76	7.52	8.8
KOTAK MAHINDRA BANK	6.83	7.92	6.63	8.52	9.01
YES BANK	1.92	-37.39	-7.99	2.05	0.93
SBI	0.09	1.38	1.51	2.14	3.19
BOB	0.24	0.19	0.32	2.3	3.89
BOI	-3.76	-1.86	1.15	1.95	1.97
UNION BANK	-11.42	-10.57	-4.21	-2.31	-1.44
INDIAN OVERCES BANK	-5.58	-10.74	0.87	1.74	2.23

5.3.1.3 Return on Investment Ratio chart



- In the HDFC bank ROI is 7.25 during the year 2018-19. This ratio displays invest effective of institution and increased up to level of 8.53 in the year 2022-23. This shows ROI increased in the year 2022-23 compared to 2018-19. The average of this ratio is 7.52 in the study period.

- In the AXIS bank ROI is 2.67 during the year 2018-19. This ratio displays invest effective of institution and increased of 3.32 in the year 2022-23. This shows ROI increased in the year 2022-23 compared to 2018-19. The average of this ratio is 2.93 in the study period.

- In the ICICI bank ROI is 1.62 during the year 2018-19. This ratio displays investment effective of institution and increased up to level of 8.8 in the year 2022-23. This shows ROI increased in the year 2022-23 compared to 2018-19. The average of this ratio is 5.37 in the study period.

- In the <u>KOTAK MAHINDRA BANK</u> ROI is 6.86 during the year 2018-19. This ratio displays invest effective of institution and increased of 9.01 in the year 2022-23. This shows ROI increased in the year 2022-23 compared to 2018-19. The average of this ratio is 7.78 in the study period.
- In the <u>YES bank</u> ROI is 1.92 during the year 2018-19. This ratio displays investment effective of institution. In the year 2019-20 and 2020-21 the amount is decreased (-37.39) and (-7.99). In the year 2021-22 is again increased 2.05 and the year 2022-23 is 0.93. The average of this ratio is (-8.09) in the study period.

- In the <u>SBI</u> bank ROI is 0.09 during the year 2018-19. This ratio displays invest effective of institution and increased up to level of 3.19 in year 2022-23. This shows ROI increased in the year 2022-23 compared to 2018-19. The average of this ratio is 1.66 in the study period.

- In the <u>BOB</u> bank ROI is 0.24 during the year 2018-19. This ratio displays investment effective of institution and increased of 3.89 in the year 2022-23. This shows ROI increased in the year 2022-23 compared to 2018-19. The average of this ratio is 1.38 in the study period.

- In the <u>BOI</u> bank return on investment is (-3.76) during the year 2018-19. In the next year it is (-1.86). The amount is increased 1.15 in the year 2020-21. And it is 1.97 in the year 2022-23. The average of this ratio is (-0.46) in the study period.

- In the <u>UNION BANK</u> return on investment is (-11.42) during the year 2018-19. And decreased up to level of (-1.44) in the year 2022-23. The average ratio is (-5.99) in the study period.

- In the <u>IOB</u> return on investment is (-5.58) during the year 2018-19. In the next year it is (-10.74). The amount is increased 0.87 in the year 2020-21. And it is 2.23 in the year 2022-23. The average of this ratio is (-2.96) in the study period.

So, we can see that RETURN ON INVESTMENT private bank some bank return investment is increased and some bank it decreased up to year 2022-23. In the private institution return on investment are good rather than public sector bank's ratio. In the highest average is 7.78 of KOTAK MAHINDRA and 7.52 of HDFC in the private industry institution. Where the highest average is 1.66 of SBI and 1.38 of BOB in public industry bank. In the return on investment ratio is in the private sector bank good compared to the public industry bank in India. It displays that private industry bank uses. It displays how well the bank invests to produce profits for profitability.

- HYPOTHESIS

H0: There is no significant difference in the financial performance among Public and private Sector banks in the ratio of Return on Investment Ratio for 5 years.
H1: There is a significant difference in the financial performance among Public and private Sector banks in the ratio of Return on Investment Ratio for 5 years.

5.3.1.3 Return on Investment Ratio anova

ANOVA						
Source of Variation	*SS*	*df*	*MS*	*F*	*P-value*	*F crit*
Between Groups	427.493	4	106.873	2.08892	0.09799	2.57874
Within Groups	2302.29	45	51.162			
Total	2729.78	49				

- **Interpretation:**

The one-way ANOVA may be identifying from table, which displays F is 2.08 and F-crit is 2.57. There is no significance difference in the financial performance between private industry and public industry banks in ratio of return on investment ratio; hence the null hypothesis will be accepted.

5.4 (LIQUIDITY RATIO)

Bank industry, liquidity ratio assesses a bank's capacity to fulfil short term commitment and sustain safety. Typical liquidity ratio consists of cash for deposit ratio, investment to deposit ratio, cash to deposit ratio.

Main Hypothesis:

H0: There is no significant difference between the liquidity ratios of the Public sector and Private Sector Banks

H1: There is a significant difference between the liquidity ratios of the Public sector and Private Sector Banks

5.4.1 Performance analysis of Liquidity Ratio between Private industry and Public industry Banks

5.4.1.1 Cash for Deposit Ratio:

Ratio displays proportion of an institution's deposit that must be kept in reserve as cash with RBI. Displays the percentage of an institution's core money allocated to lending, which is the primary function of bank. It can alternatively be expressed as the ratio of total deposits to total cash on hand and balances with the RBI. The Cash Deposit ratio calculation is:

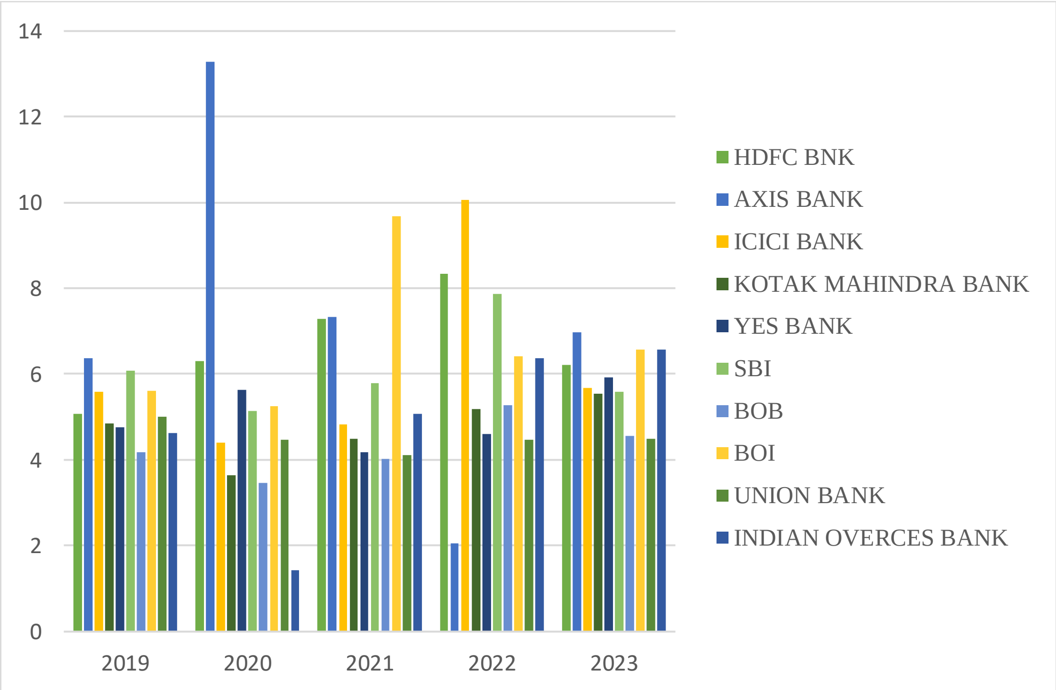
$$\textbf{CASH FOR DEPOSIT RATIO:} = \frac{\text{CASH IN HAND+BALANCE IN RBI}}{\text{TOTAL DEPOSITS}} \times 100$$

5.4.1.1 Cash for Deposit Ratio table

	2019	**2020**	**2021**	**2022**	**2023**
HDFC	5.07	6.29	7.29	8.34	6.22
AXIS	6.37	13.27	7.32	2.06	6.98
ICICI	5.59	4.41	4.82	10.05	5.67
KOTAK MAHINDRA BANK	4.85	3.65	4.49	5.18	5.53

YES BANK	4.75	5.64	4.18	4.59	5.91
SBI	6.08	5.14	5.79	7.86	5.59
BOB	4.17	3.45	4.02	5.28	4.56
BOI	5.61	5.26	9.68	6.42	6.58
UNION BANK	5	4.46	4.1	4.47	4.49
INDIAN OVERCES BANK	4.63	1.42	5.07	6.37	6.57

5.4.1.1 Cash for Deposit Ratio chart



- In HDFC COD ratio is 5.07 in order to 2018-19. It can alternatively be expressed as whole deposits to whole cash on hand and balances with the RBI. It shows how well the bank can consistently meet customer demand for cash. It is increased continues 8.34 in 2021-22. And 6.22 is in 2022-23. This shows cash for deposit increased in year 2022-23 contrast to 2018-19. The average of ratio is 6.64 in time line.

- In AXIS COD ratio is 6.37 in order to 2018-19. It can alternatively be expressed as whole deposits to whole cash on hand and balances with the RBI. It shows how well the bank can consistently meet customer demand for cash. It increased 13.27 in the next year. But this percentage is decreased in the next two years which is 7.32, 2.06. In 2022-23 it again increased 6.98 contrast to 2021-22. The average of this ratio is 7.2 in time line.

- In ICICI COD ratio is 5.59 in order to 2018-19. It can alternatively be expressed as total deposits to total cash on hand and balances with the RBI. It shows how well the bank can consistently meet customer demand for cash. This percentage decreased in the next two years which is 4.41, 4.82. The year 2022 it is increased 10.05 which indicates good percentage contrast to last two years. In 2022-23 it again decreased 5.67. The average of this ratio is 6.10 in time line.

- In KOTAK MAHINDRA BANK COD is 4.85 in order to 2018-19. It can alternatively be expressed as whole deposits to whole cash on hand and balances with the RBI. It shows how well the bank can consistently meet customer demand for cash. This percentage decreased 3.65 in the next year. And again increased 4.49 from 2021 to 5.53 in 2022-23. The average of this ratio is 4.74 in time line.

- In YES bank COD ratio is 4.75 in order to 2018-19. It can alternatively be expressed as whole deposits to whole cash on hand and balances with the RBI. It shows how well the bank can consistently meet customer demand for cash. It increased 5.64 in next year. But this percentage is decreased in the next two years which is 4.18, 4.59. In 2022-23 it again increased 5.91 contrast to year 2021-22. The average of this ratio is 5.01 in time line.

- In the SBI bank COD ratio is 6.08 in order to 2018-19. It can alternatively be expressed as whole deposits to whole cash on hand and balances with the RBI. It shows how well the bank can consistently meet customer demand for cash. This percentage decreased in the next two years which is 5.14, 5.79. The 2022 it is increased 7.86 which indicates well percentage contrast to last two years. In 2022-23 it again decreased 5.59. The average of this ratio is 6.09 in time line.

- In the <u>BOB</u> bank COD ratio is 4.17 in order to 2018-19. It can alternatively be expressed as whole deposits to whole cash on hand and balances with the RBI. It shows how well the bank can consistently meet customer demand for cash. This percentage decreased in the next two years which is 3.45, 4.02. The 2022 it is increased 5.28 which indicates good percentage contrast to last two years. In 2022-23 it again decreased 4.56. The average of this ratio is 4.29 in time line.

- In the <u>BOI</u> COD ratio is 5.61 in order to 2018-19. It can alternatively be expressed as whole deposits to whole cash on hand and balances with the RBI. It shows how well the bank can consistently meet customer demand for cash. It is decreased in the next year 5.26. and increased 9.68 in the year 2021. Again, this percentage is decreased 6.42 in the next year. 6.58 is in the year 2022-23. This displays cash for deposit increased in 2022-23 contrast to 2018-19. The average of this ratio is 6.71 in time line.

- In the <u>UNION BANK</u> COD ratio is 5 in order to 2018-19. It can alternatively be expressed as whole deposits to whole cash on hand and balances with the RBI. It shows how well the bank can consistently meet customer demand for cash. It is decreased continues up to level of 4.49 in 2022-23. This displays cash for deposit decreased in 2022-23 contrast to 2018-19. The average of this ratio is 4.50 in time line.

- In the <u>INDIAN OVERCES BANK</u> COD ratio is 4.63 in order to 2018-19. It can alternatively be expressed as whole deposits to whole cash on hand and balances with the RBI. It shows how good the bank can consistently meet customer demand for cash. It is decreased in the next year 1.42 and increased 5.07 in the year 2021. It is continuous increased up to level of 6.57. This displays cash for deposit increased in 2022-23 contrast to 2018-19. The average of this ratio is 4.81 in the time line.

So, we can see that CASH FOR DEPOSIT RATIO in the private bank some bank cash for deposit are increased and some bank cash for deposit decreased up to year 2022-23. In private sector banks cash for deposit are well rather than public sector bank’s ratio. In the highest average is 7.2 of AXIS and 6.64 of HDFC in the private industry bank. Where the highest average is 6.71 of BOI and 6.09 of SBI in public industry bank.

- HYPOTHESIS

H0: There is no significant difference in the financial performance among Public and private Sector banks in the ratio of Cash for Deposit Ratio for 5 years.

H1: There is a significant difference in the financial performance among Public and private Sector banks in the ratio of Cash for Deposit Ratio for 5 years.

5.4.1.1 Cash for Deposit Ratio anova

ANOVA						
Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	5.03769	4	1.25942	0.32253	0.8614	2.57874
Within Groups	175.719	45	3.90486			
Total	180.757	49				

- **Interpretation:**

  The one-way ANOVA may be identifying from table, which displays it F is 0.32 and F-crit is 2.57. There is no significance difference in the financial performance between private industry and public industry banks in the ratio of cash for deposit ratio; hence the null hypothesis will be accepted.

5.4.1.2 Investment to Deposit Ratio:

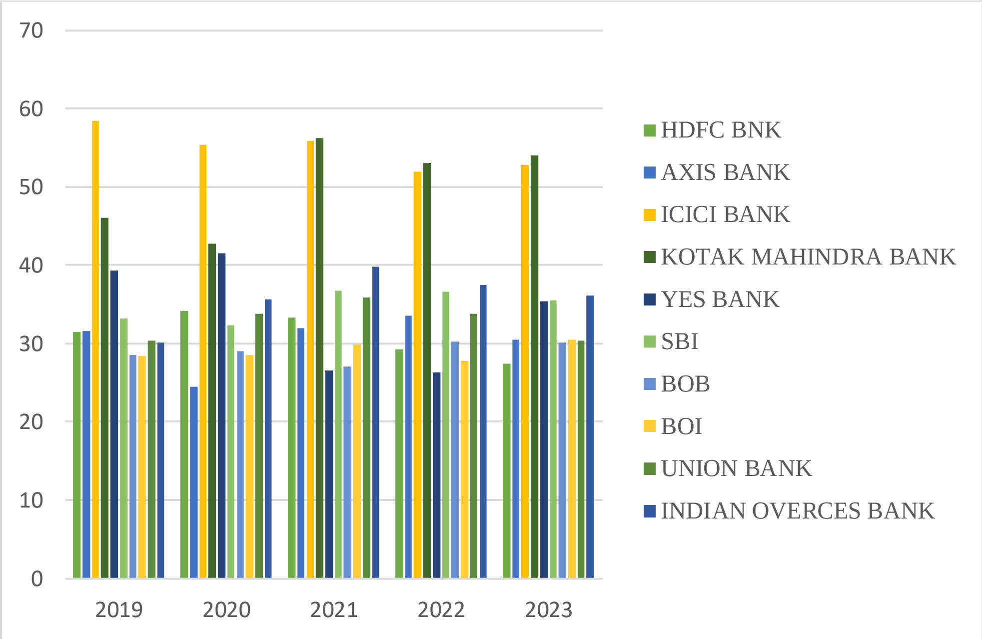
Ratio indicates the entire investment as a proportion of total deposits. Method used for calculating invest in deposit ratio is as follows.

INVESTING IN DEPOSIT:$= \frac{\text{TOTAL INVESTMENT}}{\text{TOTAL DEPOSITS}} \times 100$

5.4.1.2 Investment to Deposit Ratio table

	2019	2020	2021	2022	2023
HDFC	31.48	34.15	33.24	29.22	27.45
AXIS	31.6	24.49	31.97	33.54	30.49
ICICI	58.45	55.38	55.89	51.96	52.82
KOTAK MAHINDRA BANK	46.03	42.7	56.28	53.06	54.07
YES BANK	39.25	41.54	26.58	26.32	35.35
SBI	33.22	32.29	36.72	36.57	35.49
BOB	28.54	29.03	27.01	30.19	30.11
BOI	28.35	28.55	29.86	27.78	30.53
UNION BANK	30.31	33.82	35.89	33.76	30.36
INDIAN OVERCES BANK	30.08	35.62	39.74	37.45	36.09

5.4.1.2 Investment to Deposit Ratio chart



- In HDFC ratio is 31.48 in order to 2018-19. It can alternatively be expressed deposits to whole investment. It displays which how much bank whole invest of their total deposit. In next year 2020 percentage is 34.15. And from year 2021 to 2023 its continuously decreased. The percentage is 27.45 in 2022-23. This displays investment for deposit decreased in 2022-23 contrast to 2018-19. The average is 31.10 in time line.

- In AXIS bank ratio is 31.6 in order to 2018-19. It can alternatively be expressed deposits to total investment. It displays which how much bank total invest of their total deposit. In the next year 2020 percentage is 24.49. After next two years it is increased 31.97, 33.54. And 30.49 in 2022-23. This displays investment for deposit decreased in 2022-23 contrast to 2018-19. The average is 30.41 in time line.

- In ICICI ratio is 58.45 in order to 2018-19. It can alternatively be expressed deposits to whole investment. It displays which how much bank whole invest of their whole deposit. From 2019-20 to 2022-23 it continues decreased. The percentage 52.82 in the year 2022-23. This displays investment for deposit decreased in 2022-23 contrast to 2018-19. The average is 54.9 in time line.

- In KOTAK MAHINDRA BANK ratio is 46.03 in order to 2018-19. It can alternatively be expressed deposits to all investment. It displays which how much bank all invest of their all deposit. In next year 2020 percentage is 42.7. in 2021 percentage is 56.28. And then after it again decreased 53.06. The 2022-23 percentage is 54.07. This displays investment for deposit increased in 2022-23 contrast to 2018-19. The average is 50.42 in time line.

- In YES bank ratio is 39.25 in order to 2018-19. It can alternatively be expressed deposits to all investment. It displays which how much bank all invest of their all deposit. In next year 2020 percentage is 41.54. And from year 2021 to 2022 its continuously decreased. The year 2022-23 percentage is 35.35. This displays investment for deposit decreased in year 2022-23 contrast to 2018-19. The average is 33.80 in time line.

- In SBI ratio is 33.22 in order to 2018-19. It can alternatively be expressed deposits to whole investment. It displays which how much bank whole invest of their whole deposit. In next year 2020 percentage is 32.29. After next two years it is increased 36.72, 36.57. And 35.49 in year 2022-23. This displays investment for deposit increased in 2022-23 contrast to 2018-19. The average is 34.85 in time line.

- In BOB ratio is 28.54 in order to 2018-19. It can alternatively be expressed deposits to all investment. It displays which how much bank whole invest of their all deposit. In next 2020 percentage is 29.03. This percentage decreased in 2021. And again, increased from 2021-22 to 2022-23. Year 2022-23 percentage is 30.11. This displays investment for deposit increased in year 2022-23 contrast to 2018-19. The average ratio is 28.97 in time line.

- In BOI ratio is 28.35 in order to 2018-19. It can alternatively be expressed deposits to all investment. It displays that how much bank all invest of their all deposit. In next year 2020 percentage is 28.55. And 29.86 is increased in the 2021. And next year it is decreased 27.78. The year 2022-

23 percentage is 30.53. This displays investment for deposit increased in year 2022-23 contrast to 2018-19. The average is 29.01 in time line

- In UNION BANK investment for deposit ratio is 30.31 in order to 2018-19. It can alternatively be expressed deposits to whole investment. It displays which how much bank whole invest of their total deposit. After next two years it is increased 33.82, 35.89. And 30.36 in year 2022-23. This displays investment for deposit increased in year 2022-23 contrast to 2018-19. The average is 32.82 in time line.

- In IOB ratio is 30.08 in order to 2018-19. It can alternatively be expressed deposits to all investment. It displays which how much bank all invest of their total deposit. After next two years it is increased 35.62, 39.74. And 36.09 in year 2022-23. This displays investment for deposit increased in 2022-23 contrast to 2018-19. The average is 35.79 in time line.

So, we can see that INVESTMENT TO DEPOSIT RATIO in the private bank some bank investment to deposit are increased and some bank investment to deposit decreased up to year 2022-23. In the private sector banks investment for deposit are good rather than public industry bank's ratio. In more average is 54.09 of ICICI and 50.42 of KOTAK MAHINDRA BANK in private industry sector. Where the more average is 35.79 of IOB and 34.85 of SBI in public industry bank.

- HYPOTHESIS

H0: There is no significant difference in the financial performance among Public and private Sector banks in the ratio of Investment to Deposit Ratio for 5 years.

H1: There is significant difference in the financial performance among Public and private Sector banks in the ratio of Investment to Deposit Ratio for 5 years.

5.4.1.2 Investment to Deposit Ratio anova table

ANOVA						
Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	17.1724	4	4.29309	0.04603	0.99586	2.57874
Within Groups	4197.44	45	93.2764			
Total	4214.61	49				

- **Interpretation:**

  The one-way ANOVA may be identifying table, displays F is 0.04 and F-crit is 2.57. There is no significance difference in the financial performance among private sector banks and public sector banks in the ratio of investment to deposit ratio; hence the null hypothesis will be accepted.

5.4.1.3 Credit to Deposit Ratio:

The ratio's outcome shows how well the bank uses the finances that are in its deposits. Ratio of a bank's loans to the total quantity of deposits it has amassed. It displays the portion of a bank's core assets which is devoted to lending, that is a bank's main purpose. That shows total advances percentage of the total deposits.

This ratio shows the percentage of bank advances that are funded by deposits.

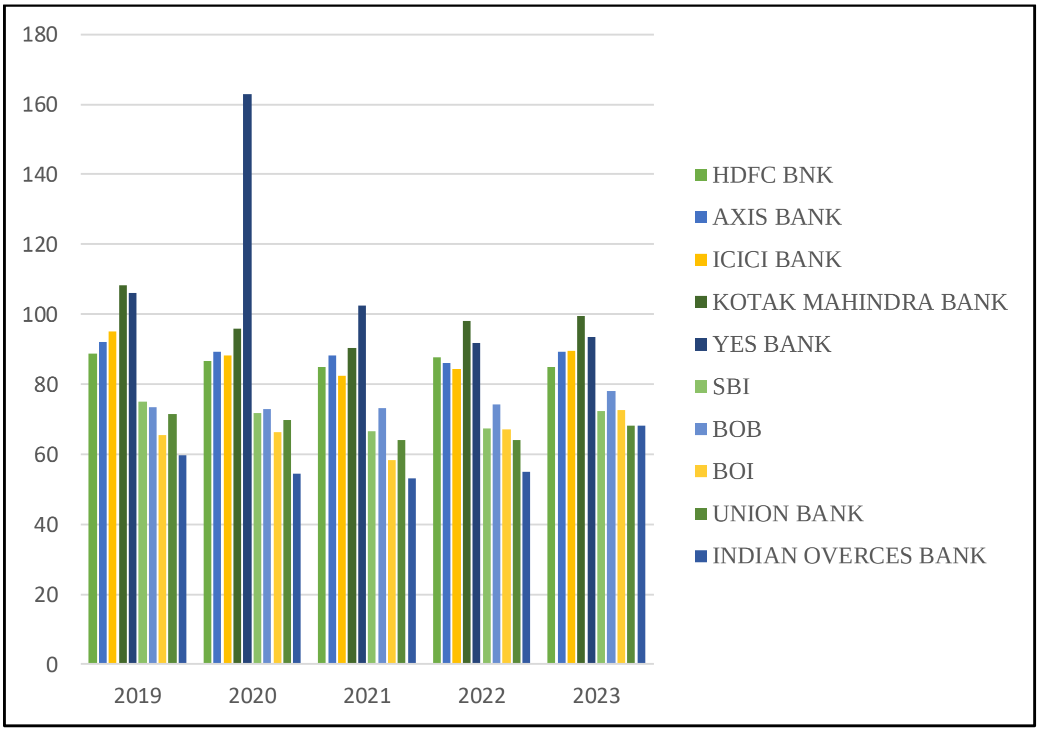
The ratio's result indicates how well institute is able to utilize the resources at its deposits. It is percentage of loans made by an institute to the cost of deposits it has collected.

CREDIT TO DEPOSIT RATIO: $= \frac{\text{TOTAL ADVANCES}}{\text{TOTAL DEPOSITS}} \times 100$

5.4.1.3 Credit to Deposit Ratio table

	2019	2020	2021	2022	2023
HDFC	88.76	86.59	84.85	87.79	84.98
AXIS	91.99	89.27	88.18	86.12	89.27
ICICI	94.96	88.19	82.48	84.33	89.51
KOTAK MAHINDRA BANK	108.29	95.96	90.43	98.19	99.4
YES BANK	106.08	162.79	102.42	91.82	93.46
SBI	75.08	71.73	66.54	67.48	72.32
BOB	73.40	72.95	73.04	74.3	78.18
BOI	65.47	66.4	58.31	67.02	72.57
UNION BANK	71.39	69.91	63.97	64.03	68.16
INDIAN OVERCES BANK	59.59	54.42	53.15	55.02	68.25

5.4.1.3 Credit to Deposit Ratio chart



- In HDFC bank credit for deposit ratio is 88.76 during the year 2018-19. This ratio shows the percentage of bank advances that are funded by dep osits. The ratio's result indicates how well the bank is able to utilize the resources at its deposits. This percentage decreased continues in two years which is 86.59, 84.85. The percentage is increased 87.79 in the year 2022. And 84.98 in the year 2022-23. This shows credit for deposit decreased in the year 2022-23 compared to 2018-19. The average of this ratio is 86.59 in the study period.
- In AXIS bank credit for deposit ratio is 91.99 during the year 2018-19. This ratio shows the percentage of bank advances that are funded by dep osits. The ratio's result indicates how well the bank is able to utilize the resources at its deposits. This percentage decreased continues from the year 2020 to 2022 which is 89.27, 88.18, 86.12. The percentage is increased 89.27 in the year 2023. This shows credit for deposit decreased in the year 2022-23 compared to 2018-19. The average of this ratio is 88.96 in the study period.

- In ICICI bank credit for deposit ratio is 94.96 during the year 2018-19. This ratio shows the percentage of bank advances that are funded by the deposits. The ratio's result indicates how well the bank is able to utilize the resources at its deposits. This percentage decreased continues in two years which is 88.19, 82.48. The percentage is increased 84.33 in the year 2022. And 89.51 in the year 2022-23. This shows credit for deposit decreased in the year 2022-23 compared to 2018-19. The average of this ratio is 87.89 in the study period.

- In KOTAK MAHINDRA BANK credit for deposit ratio is 108.29 during the year 2018-19. In the next two years it is decreased up to 90.43 in the year 2021.But then after it is increased 98.19 to 99.4 from the year 2022 to 2023. This shows credit for deposit decreased in the year 2022-23 compared to 2018-19. The average of this ratio is 98.45 in the study period.

- In YES credit cash for deposit ratio is 106.08 during the year 2018-19. This ratio shows the percentage of bank advances that are funded by dep osits. The ratio's result indicates how well the bank is able to utilize the resources at its deposits. In the year 2020 percentage increased 162.79. In the next two years it is decreased up to level of 91.82. And 93.46 in the year 2022-23. This shows credit for deposit decreased in the year 2022-23 compared to 2018-19. The average of this ratio is 111.31 in the study period.

- In SBI bank credit for deposit ratio is 75.08 during the year 2018-19. This ratio shows the percentage of bank advances that are funded by dep osits. The ratio's result indicates how well the bank is able to utilize the resources at its deposits. It is decreased up to 66.54 in 2021. And it started increased 67.48 to 72.32 from the year 2022 to 2023. This shows credit for deposit decreased in the year 2022-23 compared to 2018-19. The average of this ratio is 70.63 in the study period.

- In BOB bank credit for deposit ratio is 73.40 during the year 2018-19. This ratio shows the percentage of bank advances that are funded by dep osits. The ratio's result indicates how well the bank is able to utilize the resources at its deposits. And it is decreased 72.69 in the year 2020. Then after it is increased up to level 78.18 in the year 2022-23. This shows credit for deposit increased in the year 2022-23 compared to 2018-19. The average of this ratio is 74.37 in the study period.

- In the BOI bank credit for deposit ratio is 65.47 during the year 2018-19. This ratio shows the percentage of bank advances that are funded by dep osits. The ratio's result indicates how well the bank is able to utilize the resources at its deposits. And it is increased 66.4 in the year 2020. In the next year percentage is 58.31. This percentage increased continues in two years which is 67.02, 72.57 from the year 2022 to 2023. This shows credit for deposit increased in the year 2022-23 compared to 2018-19. The average of this ratio is 65.95 in the study period.

- In the UNION BANK credit for deposit ratio is 71.39 during the year 2018-19. This ratio shows the percentage of bank advances that are funded by deposits. The ratio's result indicates how well the bank is able to utilize the resources at its deposits. It is decreased constant two years up to level 63.97. Then after it is increased up to level of 68.16 in the year 2022-23. This shows credit for deposit increased in the year 2022-23 compared to 2018-19. The average of this ratio is 67.49 in the study period.

- In the INDIAN OVERCES BANK credit for deposit ratio is 59.59 during the year 2018-19. This ratio shows the percentage of bank advances that are funded by deposits. The ratio's result indicates how well the bank is able to utilize the resources at its deposits. It is decreased in next two years up to 53.15. It is increased in next two years up to 68.25 in the year 2023. This shows credit for deposit decreased in the year 2022-23 compared to 2018-19. The average of this ratio is 58.08 in the study period.

So, we can see that CREDIT TO DEPOSIT RATIO in the private bank some bank credit to deposit are increased and some bank credit to deposit decreased up to year 2022-23. In private institute cash for deposit are good rather than public bank's ratio. In the highest average is 111.31 of YES BANK and 98.45 KOTAK MAHINDRA BANK in private bank sector. Where the highest average is 74.37 BOB and 70.63 of SBI bank in public sector bank.

- <u>HYPOTHESIS</u>

  H0: There is no significant difference in the financial performance among Public and private Sector banks in the ratio of Credit to Deposit Ratio for 5 years.

  H1: There is a significant difference in the financial performance among Public and private Sector banks in the ratio of Credit to Deposit Ratio for 5 years.

5.4.1.3 Credit to Deposit Ratio anova

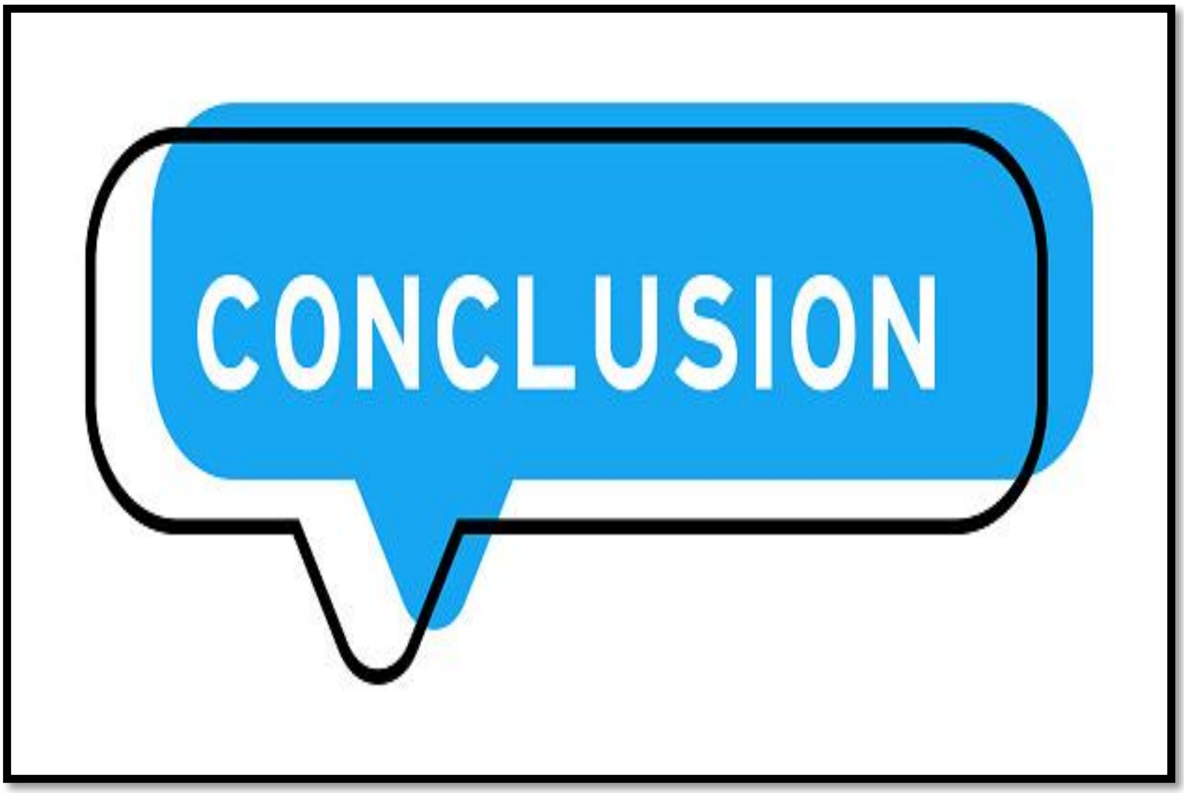
ANOVA						
Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	631.019	4	157.755	0.45087	0.7712	2.57874
Within Groups	15745	45	349.888			
Total	16376	49				

- **Interpretation:**

  The one-way ANOVA may be identifying table, which displays F is 0.45 and F-crit is 2.57. There is no significance difference in the financial performance among private and public sector banks in the ratio of credit to deposit ratio; hence the null hypothesis will be accepted.

<u>**CHAPTER – 6**</u>

CONCLUSION



(SOURCE: iStock)

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6.1 INTRODUCTION:

The monetary execution of bank is important to the industry's economic expansion. The economy is mainly affected by bank performance. Economic spending follows strong performance, while economic slowdown follows poor performance. Financial performance can be examined using a range of technique and instruments.

Ratio analysis was working at this current study to examine the monetary execution of a subset of Indian public and private industry banks. Growing hazards and increased competitiveness continue to be significant obstacles in the banking sector. Banks are under more pressure to increase overall efficiency and reduce expenses, especially transaction costs, outcomes fight for market share.

A research is conducted to examine the monetary execution of a subset of Indian public and private industry bank from 2018–19 to 2022–2023. Several criteria have been used in this study's evaluation of financial performance during determine the profitability and liquidity condition.

Research has been conducted on ten public sector banks and ten private sector banks. This chapter summarizes the study's findings and offers some recommendations for additional research. The banks' financial performance served as depend for the comparing. These goals are the reasons behind research which has been done:

1) To analyse financial statement of selected bank using the relevant ratios.

2) To analyse the profitability of banks in public and private industry.

3) To analyse the liquidity of selected banks in the public and private industry.

4) To evaluate financial performance of selected banks for last five years.

The monetary execution of particular banks has been assessed in this study. Both categories of banks in the selecting process: public banks and private banks. Five banks of public and five of private sectors were chosen at random by the researcher.

6.2 CHAPTERS PLAN

Chapter-1 - Introduction of Bank sector

Chapter-2 - Review of Literature

Chapter-3 - Research Methodology

Chapter- 4 - Data Analysis

Chapter-5 - Conclusion

Chapter-1 - Introduction of Bank sector

In this unit points are explain what is banking industry, history of banking industry, history of Indian financial industry, banking before independence in India, banking after independence in India, types of bank, Indian banking structure, role of RBI, function of commercial bank in INDIA (primary and secondary function of commercial bank), challenges in banking sector, banking product portfolio (deposit product like all types of account and loan and advances like all types of loan), retail banking services (like E-banking, credit card, ATM card etc.).

Chapter-2 – Bank Detailed

In the chapter two that bank history is which is I taken five private industry bank and five public financial induatry which are HDFC, AXIS, ICICI, KOTAK MAHINDRA BANK, YES BANK of private bank sector. SBI, BOB, BOI, UNION BANK, IOB which are of public sector bank. In the second chapter all details of bank history like founded year, which type of sector public or private bank, where the headquarter is, profit of bank, key person's details.

Chapter-3 - Review of Literature

This literature review chapter is a third chapter. In this third chapter discuss the studies related to financial performance of this selected private banking sector and public banking sector.

Chapter-4 - Research Methodology

The forth chapter is research methodology. In this chapter points are introduction, objective of research, characteristics of good research, research process, Title of study, objectives of study, research design, sample unit & sample size of research study, population of study, period of study, data collection, tools and techniques, what is Anova, research related different ratio, hypothesis, scope of study, chapter plans, limitation of study.

Chapter- 5 - Data Analysis

The fifth chapter is data analysis. In this chapter the monetary execution of selected both public and private banking in depend on study. By selected ratio which is help and measure to monetary execution of selected bank. By of selected statistical tools & techniques like ANOVA.

Chapter-6 – Conclusion

Conclusion is the sixth chapter of study. The conclusion is the last chapter of this research study. This conclusion finding some major on the basis of fifth chapter which is data collection.

6.3 FINDING:

6.3.1 PROFITABILITY RATIO:

In India, the profitability of private industry banks is crucial to the bank sector since without profits, investors would not be willing to fund this venture. A robust financial system incentivizes investment by providing capital for profitable ventures, facilitating the mobilization of savings, optimizing resource allocation, and facilitating the exchange of commodities, services. Total profitability of bank as determined by the following parameters:

- **NET PROFIT RATIO:**

  The net profit ratio, also known as the net income ratio in the banking sector, is a profitability metric that shows a bank's net profit as a percentage of its entire revenue. The difference both total income and total net profit for banks or other financial institutions are referred to as net profit.

  Private industry banks Net averages from -9.16 to 21.89 and in the public sector banks Net averages from -5.13 to 7.06. Throughout time line of 2018–19 to 2022–23, the achievement of private industry banks has increased regularly, with the exception of YES Bank.

  In private industry HDFC, AXIS, ICICI, KOTAK MAHINDRA BANK are leading this list. In the HDFC the growth is continuing increasing from 2019 to 2022 in order to time line. But in 2023 this growth decreased up to level of 22.88 during the study period. In the AXIS bank the growth is high in 2019 but the next year growth is decreased some percentage. Again it is increased from the year 2021 to 2022 which is 15.77. But in 2023 this growth is decreased up to level of 9.42. In the ICICI bank the growth is continuing from 2019 to 2023 in order to time line. The growth is increasing from 4.32 to 24.71. Which is indicated a good profitability of this bank. And the health of bank is good. In the KOTAK MAHINDRA BANK the growth is continuing from 2019 to 2023 in order to time line. The growth is increasing from 17.04 to 26.47. Which is indicated a good profitability of this bank.

In public industry SBI, BOB, BOI, IOB is good achievement from the five public bank which I selected in the research. But it is compared to private banks profitability or growth is not good. In the SBI the growth is increasing from 0.3 to 13.62. In the BOB the growth rate is from 0.77 to 14.16. In the BOI growth rate is -12.21 to 7.35. And the IOB growth is -17.12 to 8.92.

Overall the net profit ratio or net profit is not good in the public sector compared to private sector bank in India during the study period. Based on the computed average net profit values of a subset of public and private financial industry, the researcher discovered that public industry bank execution is declining and falling short of private industry bank performance, resulting in a statistically significant difference in net profit between 2018–19 and 2022–2023.

- **RETURN ON ASSETS:**

The return on asset ratio measures a bank's net earnings from all assets, particularly its real estate. Financial viability is primarily measured by return on assets. This ratio measures earnings as a proportion of total assets.

This is an achievement metric that shows a bank's return on assets as a proportion of its entire revenue. The difference both net income and total assets for banks or other financial institutions. A significant variation in net profit has been found when comparing sectors.

The average Return on Assets (ROA) for public sector banks is declining, ranging from -0.56 to 0.47. While contrast to public sector banks, the average Return on Assets (ROA) for private financial industry ranges from 0.20 to 1.85. In order to time line of 2018–19 to 2022–23, the achieved of private industry banks has more regularly, with the exception of YES Bank.

In private industry HDFC bank, AXIS, ICICI, KOTAK MAHINDRA BANK are leading this list. In the HDFC bank the growth is continuing increasing from 2019 to 2023 during time line. In the AXIS bank the growth is high in the year 2019 but the next year growth is decreased some percentage. Again it is increased from the year 2021 to 2022 which is 1.11. But in 2023 this growth is decreased up to level of 0.73. The ICICI bank growth is increasing from 0.35 to 2.01. Which is indicated a good profitability of this bank. And the health of bank is good. In the KOTAK MAHINDRA BANK the growth is continuing from 2019 to 2023 in order to. The growth is more from 1.56 to 2.23. Which is indicated a well profitability of this bank.

In the public industry banks SBI, BOB, BOI, IOB, UNION bank are good performance the five public bank which I selected in the research. But it is compared to private banks profitability or growth is not good.

It is believed that banks in the private industry make the best use of their resources. The most successful private sector bank networks are in India. Public sector banks in India do not doing well overall in terms of return on assets.

- **RETURN ON INVESTMENT:**

A financial ratio called return on investment (ROI) is used to determine how much an investor will profit from their investment relative to its cost. The most popular way to calculate it is to divide net income by the venture's initial capital cost or total investment. Because return on investment is so simple to compute, it is an often used metric. The benefit and the cost are the only two numbers that are needed.

The average return on investment (ROI) for public industry banks is ranging from -2.96 to 1.66. When compared to public industry banks, the average return on investment (ROI) for private industry banks ranges from -8.09 to 7.78. In order to time line of 2018–19 to 2022–23, the achievement of private industry banks has increased regularly.

In private industry HDFC, AXIS, ICICI, KOTAK MAHINDRA BANK are leading this list. In the HDFC bank the growth is continuing increasing from 2019 to 2023 in order to time line. In the AXIS bank the growth is high in the year 2019 but the next year growth is decreased some percentage. Again it is increased from the year 2021 to 2022 which is 4.73. But in 2023 this growth is decreased up to level of 3.32. The ICICI bank growth is increasing from 1.62 to 8.8. Which is indicated a good profitability of this bank. And the health of bank is good. In the KOTAK MAHINDRA the growth is continuing from 2019 to 2020 during the study period. but the next year growth is decreased some percentage. Again it is increased from the year 2021 to 2023 which is 9.01.

In the public industry banks SBI, BOB, BOI, IOB, UNION bank are good performance the five public bank which I selected in the research. But it is compared to private banks, profitability or growth is not good of public banks.

India's public and private sector banks' overall returns on investment reveal comparatively mediocre results. The most prosperous private sector bank networks are located in India, the researcher discovered based on the average Return on Investment figures of a sample of public and private industry banks. In general, India's public industry banks perform poorly when it comes to return on investment.

6.3.2 LIQUIDITY RATIO:

The existence of assets in cash or close to cash type is referred to as liquidity. It shows that institution is able to give off their debts as they become due. The primary functions of a institutions are lending and acquiring. The public places money in banks for two reasons: interest income and security. Because of this, the institution should liquidity. The following ratios have been taken into consideration for liquidity analysis in order to assess the liquidity status of the chosen banks:

- **CASH FOR DEPOSIT RATIO:**

  This ratio shows the percentage of a bank's deposit that the RBI requires to be held in reserve as cash. It displays the proportion of a bank's core assets devoted to lending, that is the institution's main purpose. Ratio of total deposits to total cash on hand and balances with the RBI is another way to express it.

  The average cash to deposit ratio for public industry is ranging from 4.50 to 6.71. When compared to public industry banks, the average cash to deposit ratio for private sector banks ranges from 4.74 to 7.2. Throughout the study period of 2018–19 to 2022–23, the performance of private sector banks has increased regularly.

  In the private industry banks the HDFC bank growth is in 2023 is 6.22. It is continuing increasing from 2019 to 2023 during the study period. In the AXIS bank growth is in 2023 is 6.98. ICICI bank growth is in 2023 is 5.67. In this bank percentages some time is stable or some time is increasing or decreasing in this bank. In the KOTAK MAHINDRA BANK growth is in 2023 is 5.53. YES bank development rate is in 2023 is 5.91.

  In the public sector banks SBI, BOB, BOI, IOB, UNION bank are good performance the five public bank which I selected in the research. In the SBI the growth rate is 5.59 in the 2023. In the BOB the growth rate is 4.56 in the 2023. In the BOI the development rate is 6.58 in the 2023. In the UNION BANK the development rate is 4.49 in the 2023. In the IOB the development rate is 6.57 in the 2023. But it is contrast to private banks liquidity is not good in public bank.

  In India, both public and private industry banks' cash to deposit ratios are performing well overall. The study determined that there is no statistically significant difference in Cash to Deposit between the selected public industry banks and private industry banks' averages for the years 2018–19 and 2022–2023. It suggests that the Indian banking sector is solid in terms of banks' capacity to meet daily cash demands. The RBI's stringent guidelines for preserving CRR are one of the factors behind this.

- ## INVESTMENT TO DEPOSIT RATIO:

A bank's total investments divided by its total deposits yields the investment-to-deposit ratio. The ratio, shown as a percentage, shows the proportion of a bank's assets allocated to investments and the portion kept in reserve as deposits. A bank is said to be actively investing its funds in a variety of investment options if its investment-to-deposit ratio is higher; conversely, a lower ratio suggests that the bank is holding a larger proportion of its assets in the form of deposits.

In India, a key metric for assessing a bank's stability and performance is the investment-to-deposit ratio. It offers information on the bank's investing philosophy, level of risk tolerance, and capacity to yield profits for its depositors. During can sure that banks have enough money on hand to satisfy depositors' demands for withdrawals, (RBI) in India establishes requirements for banks to maintain a minimum investment-to-deposit ratio. This contributes to keeping the banking system credible and stable.

The average investment to deposit ratio for public industry banks is ranging from 28.97 to 35.79. When compared to public industry banks, the average investment to deposit ratio for private sector banks ranges from 31.10 to 54.9. Significance difference has been identified in Investment to Deposit at sector to sector level analysis.

Comparatively speaking to private industry, public industry banks have generally made fewer invest on market. The private industry banks are presumed to have diversified their investments. The researcher discovered a significant difference in Investment to Deposit for the years 2018–19 to 2022–23 depend on the averages of Investment to Deposit of a subset of public industry banks and private industry banks.

- ## CREDIT TO DEPOSIT RATIO:

This ratio shows the percentage of bank advances that are funded by deposits. The ratio's result indicates how well the bank is able to utilize the resources at its deposits. It is the proportion of loans made with a bank to the amount of deposits it has collected.

The percentage of bank advances that are funded by deposits is displayed by this ratio. It represents the portion of bank-created loan assets among the 89 deposits received. This results in the rise in the loan and assets derived from deposits, or the credit to deposit ratio. Current accounts, savings accounts, and term deposits are all legitimate deposit options. The ratio's outcome shows how well the bank uses the finances that are in its deposits. It displays the portion of a institution's core assets that are devoted to lending, which is a bank's main purpose. This ratio represents the total advances percentage of the total deposits.

The average credit to deposit ratio for public sector banks is ranging from 58.08 to 74.37. When compared to public sector banks, the average credit to deposit ratio for private sector banks ranges from 86.59 to 111.31.

In contrast to the public sector, the private industry has a higher credit to invest, this indicate so private sector banks have less liquidity to meet any unforeseen funding needs throughout the research period. Liquidity situation, public industry banks in India perform better overall when it comes to credit to deposit than private sector banks. The high level of competition among private sector banks to retain profitability is said to be the cause for their love for credit deposits.

6.4 A STUDY OF PUBLIC & PRIVATE INDUSTRY BANK'S OVEARALL EFFECTIVENESS:

Researchers have examined a number of yearly report components pertaining to the profitability and liquidity positions of Indian public and private industry banks. Depend the data analysis, the researchers have also discovered a positive trend in private sector bank profitability when contrast to public sector banks. Researchers have also found that because of numerous advancements and investments in different sectors, banks in both the public and private industry lack adequate liquidity.

6.5 STUDY OF PUBLIC & PRIVATE INDUSTRY BANK'S ASSET EFFECTIVENESS:

After taking into account a number of ratios pertaining to bank asset management, it is find that private industry banks performed better time line in terms of net profit and return on asset. In India, private industry banks are often regarded to be superior to public industry banks in terms of asset utilization.

6.6 SUGGESTIONS:

The banking sector's financial expansion is crucial to the country's economy. In addition to serving as middlemen for individuals, banks also assist companies operating in other industries. Therefore, the banking industry's stability and strong financial performance are essential to all other industries. The researcher's goal in doing this research is to compare the soundness of the monetary execution of Indian public and private industry using a variety of criteria.:

- For any firm, revenue is the primary source of survival in the marketplace. Interest income and non-interest income, such as fees for implementing new technology to provide better services and creating novel products, are two sources of revenue for banks. From 2018–19 to 2022–2023, interest income performance in public industry banks decreased steadily. During increase overall profitability, public industry banks must improve their earning quality. Their non-interest revenue and net profit performances are likewise inferior to those of private sector banks.
- When compared to public industry, private industry banks have a higher earning on assets. It is believed that banks in the private industry make the best use of their resources. Private industry banks are thought to make more money from their networks in urban and semi-urban areas than from those in rural ones. In urban areas, public industry banks must establish a robust

network, while in rural areas, they must enhance the quality of their services while utilizing existing resources.

- When contrast to public industry banks, private industry banks have a higher return on assets. It is believed that private sector banks make the best use of their investments. Contrast to public & private industry banks have a more profitable network. To increase their productivity and profitability, banks should therefore find new, profitable project directions they can continue as well as participate in.

- A bank must prioritize the timely payment of interest and the repayment of deposits. Because of this, the bank should always have enough liquidity. Contrast to private & banks have made fewer deposits in the market. The private sector banks are presumed to have diversified their investments. Because investment diversification preserves business liquidity, public sector banks should also attempt to invest in short-term investment sources in the money and capital markets. Without a doubt, the RBI's CRR and SLR policies have made enough liquidity available in both public and private industry banks.
- In contrast to the public sector, the private industry has a higher credit to deposits, while indicated that private industry banks have less liquidity to meet any unforeseen funding needs throughout the research period. Therefore, private industry banks should prioritize loan recovery to avoid liquidity issues.

6.7 CONCLUSION:

The idea of banking has evolved to time, from those earlier times to the present. Banks have adjusted their roles to better suit their clients' needs. The banking sector in India has been extremely important to the development of the Indian economy. A thriving national economy will be aided by sound and prosperous banking practices. The utility of digital in service delivery has contributed to the growth of the banking industry in India. It has done away with ambiguities and drastically cut expenditures. The banking industry is quite competitive these days. The monetary execution of banks is contingent upon their clientele, which includes depositors and loans.

In this research, researchers attempted to evaluate the monetary execution of Indian public and private industry banks to determine how healthy they were. The profitability and liquidity execution of banks as measured by several ratios have been the main topics of this study. Following a thorough analysis of all relevant factors, the researchers draw conclusions and shed light on the study's financial performance.

When it comes to the profitability of public and private industry banks, the majority of factors display that private industry banks in India performed better throughout the research period than public industry banks. High deposit and funding costs are thought to be the cause of India's public sector banks' declining profitability.

When comparing the liquidity achievement of public and private industry banks during the research duration, the private industry shows less liquidity than the public industry to meet any unexpected fund needs.

In summary, the researcher discovered that private industry banks were generally more profitable in order to time line and had the potential to grow further. However, in period of liquidity achievement, the researcher did not find particularly positive indicators in private industry banks.

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