Financial Performance Insights of Indian Private Sector Banks: A CAMEL Model Analysis

Alpa Joshi[#1], Nishita Thakrar[*2]
[#]*Department of Commerce, Atmiya University*

***Abstract*—** The Indian banking sector, vital to the economy, underwent significant reforms in the 1990s, leading to a division into public, private, regional, and foreign banks. With 91 commercial banks, including 12 public and 22 private, the sector focuses on public savings and loans. Technological advancements, notably online banking, have revolutionized banking efficiency and electronic payments. To check the performance of the private sector banks researcher has used the CAMEL model for the analysis. Researcher has selected the Top 5 private sector banks and the objectives of the study are the objectives of this study are to assess the long-term solvency of banks and evaluate their asset quality. Additionally, the study aims to determine the management efficiency of banks and analyze their profitability. Lastly, it seeks to examine the liquidity position of banks in meeting short-term payments. The research concluded that the capital adequacy ratios (CAR) of selected private sector banks are generally robust, with HDFC Bank exhibiting the highest CAR. However, significant disparities exist among these banks in terms of their CAR. When examining asset quality ratios, the study found no significant difference in the NPA to total assets ratio, but there were notable variations in the advances to total assets ratio. Furthermore, the return on assets (ROA) ratios differed significantly among the banks, indicating varying capacities for generating returns on assets, while the return on equity (ROE) ratios showed no significant differences, implying uniform returns for equity shareholders. The analysis also revealed significant differences in operating profit and net interest margin, suggesting variability in interest income generation among the banks. Lastly, the liquidity positions, as measured by the current ratio and cash ratio, differed significantly across the selected private sector banks.

***Keywords*—** **Private Sector Banks, Performance of the Banks, CAMEL Model, NPA**

I. Introduction

The Indian banking sector is widely regarded as a crucial component of the country's economy. Often referred to as the lifeblood of the Indian economy, the banking sector plays a pivotal role in economic activities. During the 1990s, significant reforms transformed banking processes. The sector is divided into scheduled and unscheduled banks, with further classifications into public, private, regional, and foreign banks. Public sector banks, also known as nationalized banks, are government-controlled, while private sector banks are owned by private individuals. India has 91 commercial banks, including 12 public and 22 private banks. The primary functions of banking institutions include promoting public savings and providing loans and advances to individuals and businesses in need. The sector has experienced rapid growth and technological advancements, leading to the introduction of online banking. Also known as web banking, this platform allows bank customers to make electronic payments through bank websites, revolutionizing the banking system.

II. Literature Review

(Konnur N, 2022)This research paper evaluated the performance of selected private and public sector banks using the CAMEL approach. The selected banks were ranked both sector-wise and overall based on their scores. The CAMEL ratings—Capital Adequacy Ratio (CRAR), Asset Quality, Management Capability, Earnings Capacity, and Liquidity—were used to assess their performance. An ANOVA test was conducted to determine if there were significant differences among the selected public and private sector banks concerning each parameter under study. The project's findings provided an overall ranking of the banks and offered insights into their performance and economic stability using the CAMEL framework.

(Jayalelvi, 2017)The State Bank of India (SBI) is the oldest and largest commercial bank in India, playing a vital role in the Indian money market. It is one of the banks with a substantial number of branches and customers, holding a dominant position in the Indian banking industry. Capital is the lifeblood of every business, and maintaining it adequately is challenging. Effective capital management is essential for achieving business success. Given that SBI is one of the leading commercial banks in the country, this study critically examined the capital adequacy performance of SBI and its associate banks.

(Singh D, 2022)The banking system has historically been the backbone of every country, with functions evolving from basic deposit acceptance and lending to include various ancillary services. This study analyzed the financial performance of public and private sector banks in India by comparing various financial ratios over a four-year period from 2016-17 to 2019-20. It focused on three public sector banks (Bank of Baroda, State Bank of India, and Punjab National Bank) and three private sector banks (HDFC Bank, ICICI Bank, and Axis Bank).

III. Need of the Study

The primary aim of this analysis was to evaluate the selected financial institutions using the CAMEL rating system and to draw conclusions on their performance. The CAMEL rating system's five components—Capital Adequacy, Asset Quality, Management Capability, Earnings Capacity, and Liquidity—were used to assess the positions of the banking institutions and identify any weaknesses. For public banks, the major challenge identified was the devaluation of asset quality. On the other hand, private banks faced significant issues with capital adequacy. To address this, the government injected substantial taxpayer funds to recapitalize these banks, ensuring they met adequate capital norms.

IV. Research Methodology

I. Objectives of the Study

1. To study long term solvency positions of banks.
2. To measure the asset quality of banks
3. To find out management efficiency of banks.
4. To analyze the profitability of banks.
5. To study the banks' liquidity position to meet the short-term payments

II. Type of Research

The present study is descriptive and analytical in nature.

III. Data Collection

Data of the financial performance of the banks has been collected from the different websites so the researcher has collected the secondary data for the purpose of the present study.

IV. Period of the Study

The present study covers the time period of 2019 to 2023 data.

V. Sample Size

The present research consist of the five private sector banks and the selection of the samples are on the basis of the net profit of the banks of last financial year i.e. 2023

VI. Selection of Samples

The researcher has selected the samples on the basis of the net profit of the banks. The following is the basis of the selection of the samples

TABLE 1.1 SHOWS THE SELECTION OF THE SAMPLE BASED ON NET PROFIT

Banks	Net Profit (Cr)
HDFC Bank	60,812
ICICI Bank	40888
Kotak Mahindra Bank	10939
Axis Bank	24861
Induslnd Bank	8949

V. Review of the CAMEL Model

To effectively manage the intricate and diverse risks inherent in the banking sector, it's crucial to assess banks' overall performance through a regulatory framework for banking supervision. One such regulatory tool is the CAMEL rating system, which originated in the U.S. in 1979 and is now utilized by three key supervisory agencies: the Federal Reserve System, the Office of the Comptroller of the Currency (OCC), and the Federal Deposit Insurance Corporation (FDIC). The CAMEL model has demonstrated its utility and efficiency in response to the 2008 financial crisis as recognized by the U.S. government.

I. *Components of the CAMEL model*

CAMEL MODEL

(C)apital adequacy

(A)ssets

(M)anagement Capability

(E)arnings

(L)iquidity

Calculation of the Ratios under CAMEL Model

I. *Capital Adequacy Ratio (C)*

Capital Adequacy assesses whether a bank possesses sufficient capital to withstand unforeseen losses. This ensures the preservation of depositors' trust and shields the bank from bankruptcy.

In India the standard CAR which is given by the RBI is 9%. The higher the banks have CAR, stronger is considered a bank which ensures the safety against bankruptcy.

TABLE 1.2 SHOWS THE CAR OF THE SELECTED PRIVATE SECTOR BANKS

BANKS	2023	2022	2021	2020	2019
HDFC	18.8	19.26	18.9	18.79	18.52
ICICI	16.33	18.34	19.16	19.12	16.11
KOTAL MAHINDRA	21.8	22.69	22.26	17.89	17.45

AXIS BANK	16.63	17.64	18.54	19.12	17.53
INDUSLND BANK	17.23	17.86	18.42	17.38	15.04

Analysis and Interpretation:

In the year 2019 HDFC bank has highest CAR with 18.52% whereas Induslnd bank has the lowest CAR with 15.04%. Higher CAR indicates that banks have more than enough capital against unforeseen losses. In the five years Kotak Mahindra Bank has the highest CAR with 22.69% and Induslnd bank has the lowest CAR with 15.04%.

Hypothesis:
H0: All the selected private sector banks have equal CAR.
H1: All the selected private sector banks have not equal CAR.

TABLE 1.3 SHOWS THE ANOVA RESULT OF THE CAR OF THE SELECTED PRIVATE SECTOR BANKS

ANOVA					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	31.754	4	7.938	3.514	.025
Within Groups	45.187	20	2.259		
Total	76.941	24			

From the above table researcher can conclude that the banks have different CAR as the significance value is 0.025 which is lower than 0.05 so researcher failed to accept the null hypothesis and concluded that there is significant difference between CAR of the different banks.

II. ASSETS QUALITY RATIO

Assessing the quality of assets is a critical factor in determining a bank's financial resilience. The primary objective of evaluating asset quality is to identify the proportion of Non-Performing Assets (NPAs) relative to total assets. This sheds light on the loan portfolios through which the bank generates interest income, thereby reflecting the quality of debtors the bank holds. Prior to conducting the Asset Quality Test, it's imperative to examine the various types of NPAs, which include:
Here researcher has used the two ratios to measure the assets quality of the banks:

a) Net NPAs to Total Net Advances Ratio
This ratio stands as the primary gauge of asset quality. It calculates Net NPAs as a percentage of Net Advances. Net NPAs are derived by subtracting provisions for non-performing assets and interest in suspense account from Gross NPAs. A lower ratio signifies superior advance (asset) quality.

TABLE 1.4 SHOWS THE NET NPA TO TOTAL ADVANCES RATIO OF THE SELECTED PRIVATE SECTOR BANKS

BANKS	**2023**	**2022**	**2021**	**2020**	**2019**
HDFC	0.3256	0.2729	0.3220	0.4021	0.3565
ICICI	0.4540	5.0509	0.8069	1.2426	1.5378
KOTAL MAHINDRA	0.4624	0.6403	1.2093	0.7089	0.7508
AXIS BANK	0.3365	0.4210	0.7789	1.1213	1.6381
INDUSLND BANK	0.5735	0.5915	0.6400	0.6945	0.9123

Analysis and Interpretation:

The above figure shows that in the year 2022 ICICI bank has the highest NPA with 5.05% among selected private sector banks. HDFC banks has the lowest NPA as compare to other banks with 0.27%.

Hypothesis:

H0: All the selected private sector banks have equal Net NPA to total assets ratio.
H1: All the selected private sector banks have not equal Net NPA to total assets ratio.

TABLE 1.5 SHOWS THE ANOVA RESULT OF THE NET NPA TO TOTAL ADVANCES RATIO OF THE SELECTED PRIVATE SECTOR BANKS

ANOVA					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	6.158	4	1.539	2.015	.131
Within Groups	15.282	20	.764		
Total	21.440	24			

From the above table researcher can conclude that the banks have same level of net NPA to total advances ratios as the significance value is 0.131 which is more than 0.05 so researcher accepted the null hypothesis and concluded that there is no significant difference between net NPA to total assets ratios of the different banks.

(b) Advances to Total Assets Ratio

This ratio signifies the correlation between total advances and total assets. It reflects a bank's propensity for lending, leading to enhanced profitability. Total advances comprise receivables, while Total Assets exclude asset revaluation. A higher ratio is preferable over a lower one.

TABLE 1.6 SHOWS THE ADVANCES TO TOTAL ASSETS RATIO OF THE SELECTED PRIVATE SECTOR BANKS

BANKS	**2023**	**2022**	**2021**	**2020**	**2019**
HDFC	68.687685	64.904016	66.173446	64.849490	64.926205
ICICI	63.285983	64.362709	60.867414	59.631795	58.750040
KOTAL MAHINDRA	65.296124	63.166200	58.329924	60.998519	65.891480
AXIS BANK	65.330542	64.168106	60.220314	62.615064	62.439481
INDUSLND BANK	66.668253	63.329208	59.469315	58.570625	67.343457

Analysis and Interpretation:

From the above table researcher found that almost all the selected banks provide good percentage of loans from the total assets of the banks which show good employment of the assets of the banks. The higher the ratio, better would be the utilization of the total assets.

Hypothesis:

H0: All the selected private sector banks have equal advances to total assets ratio.
H1: All the selected private sector banks have not equal advances to total assets ratio

TABLE 1.7 SHOWS THE ANOVA RESULT OF ADVANCES TO TOTAL ASSETS RATIO OF THE SELECTED PRIVATE SECTOR BANKS

ANOVA					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	81.904	4	20.476	3.275	.032
Within Groups	125.029	20	6.251		
Total	206.933	24			

From the above table researcher can conclude that the banks have different level of advances to total assets ratios as the significance value is 0.032 which is less than 0.05 so researcher fails to accept the null hypothesis and concluded that there is significant difference between advances to total assets ratios of the different banks.

(III) MANAGEMENT CAPABILITY TEST

Management quality pertains to the capacity of the board of directors and management to identify, assess, and manage the risks associated with an institution's operations, while also ensuring its safe, sound, and efficient functioning in accordance with relevant laws and regulations.

(a) Return on Assets Ratio

Return on Assets (ROA) is a metric that evaluates the annual net income in relation to the total assets of the company over a financial year. It illustrates the efficiency with which a company can transform assets into net income or profits. A higher ROA ratio indicates the effectiveness of banks in asset management.

TABLE 1.8 SHOWS THE RETURN ON ASSETS RATIO OF THE SELECTED PRIVATE SECTOR BANKS

	2023	2022	2021	2020	2019
HDFC	1.68	1.78	1.78	1.78	1.71
ICICI	2.18	2.1	1.65	1.31	0.72
KOTAL MAHINDRA	2.23	1.99	1.81	1.65	1.55
AXIS BANK	1.68	0.72	1.1	0.66	0.17
INDUSLND BANK	1.73	1.61	1.14	0.78	1.43

Analysis and Interpretation:

The above table shows the income percentage generated by the banks by utilizing the total assets of the banks. The higher the ratio better would be the income generated by the total assets. The above figure shows that Kotak Mahindra bank has highest income to total assets ratio among the selected private sector banks of India.

Hypothesis:

H0: All the selected private sector banks have equal return on assets ratio.

H1: All the selected private sector banks have not equal return on assets ratio.

TABLE 1.9 SHOWS THE ANOVA RESULT OF RETURN ON ASSETS RATIO OF THE SELECTED PRIVATE SECTOR BANKS

ANOVA					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	3.072	4	.768	4.262	.012
Within Groups	3.604	20	.180		
Total	6.676	24			

From the above table researcher can conclude that the banks have different return on assets ratio as the significance value is 0.012 which is less than 0.05 so researcher fails to accept the null hypothesis and concluded that there is significant difference between return on total assets ratios of the different banks.

(b) Return on Equity Ratio

The net worth ratio represents the potential return shareholders might receive on their investment if all earned profit were distributed directly to them. Hence, it's formulated from the shareholder's perspective, serving as an indicator of investor returns. This ratio is valuable for assessing how effectively a company leverages shareholder investment to generate returns and for benchmarking against competitors in the same industry.

TABLE 1.10 SHOWS THE RETURN ON EQUITY RATIO OF THE SELECTED PRIVATE SECTOR BANKS

	2023	2022	2021	2020	2019
HDFC	13.89	15.74	15.39	15.27	15.35
ICICI	17.15	16.13	13.94	11.21	6.99
KOTAL MAHINDRA	13.17	11.9	11.01	12.25	11.47
AXIS BANK	16.54	7.63	11.3	6.48	1.91
INDUSLND BANK	14.25	13.6	9.73	6.58	12.84

Analysis and Interpretation

From the above table researcher concluded that ICICI bank has generated highest return for the equity shareholders as compare to other selected private sector banks of India. Induslnd bank has the lowest return on equity so bank should try to improve this return.

Hypothesis:

H0: All the selected private sector banks have equal return on equity ratio.

H1: All the selected private sector banks have not equal return on equity ratio.

TABLE 1.11 SHOWS THE ANOVA RESULT OF RETURN ON EQUITY RATIO OF THE SELECTED PRIVATE SECTOR BANKS

ANOVA					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	108.587	4	27.147	2.327	.092
Within Groups	233.366	20	11.668		
Total	341.953	24			

From the above table researcher can conclude that the banks have same return on equity as the significance value is 0.092 which is more than 0.05 so researcher accept the null hypothesis and concluded that there is no significant difference between return on equity ratios of the different banks.

IV) EARNINGS QUALITY RATIOS

The quality of earnings is a crucial factor in assessing a bank's capacity to sustain consistent profitability over time. It reflects the bank's profitability quality and its capability to uphold sustainable and growing earnings in the future.

(a) Operating Profit to Total Assets Ratio

This ratio signifies the operating profit a bank generates from its investments in total assets. Effective and efficient utilization of total assets leads to increased operating profit, while underutilization may result in lower returns. Working funds encompass the total resources (either total liabilities or total assets) of a bank at a specific point in time.

TABLE 1.12 SHOWS THE OPERATING PROFIT TO TOTAL ASSETS RATIO OF THE SELECTED PRIVATE SECTOR BANKS

	2023	2022	2021	2020	2019
HDFC	4.47	7.97	5.83	4.89	2.6
ICICI	12.54	11.04	5.58	-3.5	-11.38
KOTAK MAHINDRA	11.25	8.2	5.6	2.13	1.09
AXIS BANK	-2.21	-8.12	-3.25	-12.96	-22.2
INDUSLND BANK	-0.95	-2.13	-9.03	-12.83	-8.8

Analysis and Interpretation:

The above table shows the operating profit to total assets ratios. The higher the ratio, better would be the operating efficiency of the banks. In some years Axis bank, ICICI bank and Induslnd bank have negative ratio which shows not a good position of the banks. HDFC bank and Kotak bank have good operating efficiency and never incurred negative operating profit to total assets ratio.

Hypothesis:

H0: All the selected private sector banks have equal operating profit to total assets ratio.

H1: All the selected private sector banks have not equal operating profit to total assets ratio.

TABLE 1.13 SHOWS THE ANOVA RESULT OF OPERATING PROFIT TO TOTAL ASSETS RATIO OF THE SELECTED PRIVATE SECTOR BANKS

ANOVA					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1028.101	4	257.025	5.935	.003
Within Groups	866.153	20	43.308		
Total	1894.255	24			

From the above table researcher can conclude that the banks have different operating profit to total assets ratio as the significance value is 0.003 which is less than 0.05 so researcher fails to accept the null hypothesis and concluded that there is significant difference between operating profit to total assets ratios of the different banks.

(b) Net Interest Margin to Total Assets Ratio

Net Interest Margin (NIM), calculated as the variance between interest income and interest expenditure relative to total assets, demonstrates a bank's proficiency in maintaining low interest on deposits and high interest on advances. This metric is pivotal in evaluating a bank's fundamental income derived from lending activities. A wider spread signifies superior earnings from the given total assets.

TABLE 1.14 SHOWS THE NET INTEREST MARGIN TO TOTAL ASSETS RATIO OF THE SELECTED PRIVATE SECTOR BANKS

	2023	2022	2021	2020	2019
HDFC	2.04427485	3.97204086	3.62175564	4.17845354	4.12790994
ICICI	4.51257525	4.24370652	3.7761253	3.50463819	3.53175338
KOTAL MAHINDRA	4.93701863	3.86486986	4.20435126	4.4461148	3.31584159
AXIS BANK	3.46055277	3.178429	2.8435765	2.81835335	2.60577035
INDUSLND BANK	4.57246248	4.74765623	5.1306644	5.29031962	3.33272898

Analysis and Interpretation:

The above ratio shows the interest earned and interest paid differences and as the difference is higher, better would be the condition. Induslnd Bank has the highest net interest margin which shows favourable condition for the banks.

Hypothesis

H0: All the selected private sector banks have equal net interest margin to total assets ratio.

H1: All the selected private sector banks have not equal net interest margin to total assets ratio.

TABLE 1.15 SHOWS THE ANOVA RESULT OF NET INTEREST MARGIN TO TOTAL ASSETS RATIO OF THE SELECTED PRIVATE SECTOR BANKS

ANOVA					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	7.519	4	1.880	4.530	.009
Within Groups	8.299	20	.415		
Total	15.819	24			

From the above table researcher can conclude that the banks have different return on net interest margin to total assets ratio as the significance value is 0.009 which is less than 0.05 so researcher fails to accept the null hypothesis and concluded that there is significant difference between return on net interest margin to total assets ratio of the different banks.

(V) LIQUIDITY MANAGEMENT TEST

A financial organization that doesn't gather savings may maintain a lower ratio of Liquid Assets to Total Assets compared to a deposit-taking institution. The latter needs to prepare for potential unexpected withdrawals of deposits alongside addressing its lending program's liquidity requirements. If a financial organization requires higher liquidity, it might opt to enhance its cash reserves. Careful planning for this ratio is crucial to ensure that a financial organization doesn't find itself compelled to reduce its planned lending activities because of a liquidity shortfall.

(a) Current Assets to Total Assets Ratio

This ratio serves as an indicator of a bank's overall liquidity position. The Liquid Assets to Total Assets ratio is a vital tool in liquidity management, providing ongoing assessment of the extent to which liquid assets can support its asset base.

TABLE 1.16 SHOWS THE CURRENT ASSETS TO TOTAL ASSETS RATIO OF THE SELECTED PRIVATE SECTOR BANKS

	2023	**2022**	**2021**	**2020**	**2019**
HDFC	0.94162	0.93726	0.95560	0.97090	0.96187
ICICI	0.95445	0.94773	0.94741	0.93312	0.92317
KOTAL MAHINDRA	0.96723	0.96584	0.96069	0.96625	0.96600
AXIS BANK	0.95521	0.94170	0.93116	0.91512	0.90194
INDUSLND BANK	0.94502	0.93829	0.94110	0.93290	0.92089

Analysis and Interpretation:

The above figure shows that axis bank has lowest ratio which means it has less % of liquid assets to total assets of the banks. Kotak bank has the highest ratio among the selected private sector banks which means bank has highest percentage of liquid assets to total assets of the banks.

Hypothesis:

H0: All the selected private sector banks have equal current assets to total assets ratio.

H1: All the selected private sector banks have not equal current assets to total assets ratio.

TABLE 1.17 SHOWS THE ANOVA RESULT OF CURRENT ASSETS TO TOTAL ASSETS RATIO OF THE SELECTED PRIVATE SECTOR BANKS

ANOVA					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.004	4	.001	5.838	.003
Within Groups	.004	20	.000		
Total	.008	24			

From the above table researcher can conclude that the banks have different current ratios as the significance value is 0.003 which is less than 0.05 so researcher fails to accept the null hypothesis and concluded that there is significant difference between current ratios of different banks.

(II) Cash Deposit Ratio

Cash is recognized for its unparalleled liquidity and safety among all assets. The cash deposit ratio indicates the ratio of the average cash balance held to the total deposits of a specific bank.

TABLE 1.18 SHOWS THE CASH DEPOSIT RATIO OF THE SELECTED PRIVATE SECTOR BANKS

	2023	2022	2021	2020	2019
HDFC	0.07508	0.06221	0.08337	0.07291	0.06292
ICICI	0.06350	0.05803	0.05647	0.04936	0.04577
KOTAL MAHINDRA	0.05499	0.05142	0.04460	0.03617	0.04816
AXIS BANK	0.08055	0.06982	0.11444	0.07325	0.13273
INDUSLND BANK	0.04823	0.12769	0.05326	0.06975	0.06769

Analysis and Interpretation:

Cash is the blood of the banks. To run the routine business operations smoothly cash play the most important role. Axis bank and Induslnd bank shows the highest

Hypothesis:

H0: All the selected private sector banks have equal cash deposits ratio.

H1: All the selected private sector banks have not equal cash deposits ratio.

TABLE 1.19 SHOWS THE ANOVA RESULT OF CASH DEPOSIT RATIO OF THE SELECTED PRIVATE SECTOR BANKS

ANOVA					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.007	4	.002	4.258	.012
Within Groups	.008	20	.000		
Total	.015	24			

Analysis and Interpretation:

From the above table researcher can conclude that the banks have different cash ratio as the significance value is 0.012 which is less than 0.05 so researcher fails to accept the null hypothesis and concluded that there is significant difference between cash ratios of the different banks.

IV. CONCLUSIONS

From the above research, researchers concluded that capital adequacy ratios of selected private sector banks are good and HDFC banks have the highest CAR. But as per the research there is a significant difference in the CAR of the selected private sector banks. In case of asset quality ratios of selected private sector banks there is no significant difference between NPA to total assets ratio but there are significant variations found in the advances to total assets ratio of selected private sector banks of India. Researcher found that there is significant difference between return on assets ratios of the selected private sector banks which means that different banks have different capacity to generate the return on assets, but there is no significant difference between return of Equity ratios of the selected banks, which means that equity shareholders of the selected banks earn the same rate of return. Operating profit and net interest margin of in all selected banks is significantly differ in selected private sector banks which means that there is significant difference in the generation of the interest income of the selected private sector banks. In Case of the current ratio and cash ratio, there is significant difference among the selected private sector banks and the liquidity position of the different banks differ significantly.

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