

Are Indian Banks Performing Well? A Comparative Analysis of major public and private sector banks.

Mrs. PunjikaRathi, Dr. Meenu Baliyan²&Shivani Sharma³
1 & 2 Assistant Professor, IMS Engineering College Ghaziabad, 3 MBA Student IMSEC

ABSTRACT

This study incorporates a review of banking sector. The banking sector has been undergoing through a series of transformation and convergence. While banks continue to dominate, other Financial Institutions have shifter to a sector-specific focus. This change is obvious in both assets and liabilities. Banks are focusing on long-term assets such as infrastructure finance, residential housing loans, and retail assets such as automobiles and commercial vehicles and the retail strategy has changed from passive to proactive to attract and retain customers and increase deposit base. The present study is undertaken to examine and understand the comparative position of the selected sixteen private and public sector banks (Major private and public sector banks are compared on some parameters and it found that private sector is performing well as a whole.

Date of Submission: 15-08-2020

Date of Acceptance: 01-09-2020

I. INTRODUCTION

The sound banking system is a pre requisite for the high economic growth of a country. Since the structural reforms in early nineties the Indian banking environment faced various regulatory and financial reforms. The structure of the Indian Banking industry has experienced sea changes and there has been significant improvement. The Indian banking system is now primarily consist of Commercial banks, Private Sector Banks and Co-operative banks.

II. LITERATURE REVIEW

An array of studies have been conducted by a large number researchers for measuring the performance of the banks in different countries. Traditional systems of performance evaluation of banks mostly use the factors like Return on Investment, Net profit, Non performing Assets for measuring the financial performance of the banks.

Harish Kumar Singla (2008) examined the profitability position of the selected sixteen banks (BANKEX-based) for a period of five years (2000-01 to 2006-2007) and revealed that good profitability position as compared with the previous years. Return on Investment of selected banks was also at a moderate rate.

In India Padmanabhan Working Group (1995) proposed two supervisory rating models named CAMELS and capital adequacy, assets quality, compliance, systems and controls for evaluating the financial performance of Indian commercial banks and foreign banks operating in India.

Veni (2004) analysed the capital adequacy requirement of banks and the measures adopted by them to strengthen their capital ratios and suggested that the rating agencies using CAMEL model lays emphasis on capital adequacy ratios (CARs) of banks in order to rate the bank's certificate of deposits, fixed deposits and bonds.

Bodla and Verma (2006) suggested that performance evaluation could help the Reserve Bank of India to recognize the banks which needs special supervisory attention.

Athanasoglou et al., (2008) concluded major internal factors like size of the bank, capital adequacy, ME, risk management ability, and the major external factors like rate of interest, inflation, economic growth and ownership etc. in his study.

Dahiyat (2012) analysed internal factors which influence the bank performance and found that capital adequacy, quality of assets, management quality, earning, liquidity and sensitivity to market risks are the major ones. Naceur (2003) also concluded the prominent internal factors affecting bank performance are capital adequacy, operating expenses, market share, liquidity etc. while prominent external factors are financial composition, inflation rate, economic growth etc.

Alabede(2012) concluded that only assets quality and market concentrations are significant determinants of the Nigerian banks' performance due to changes in global financial condition and suggested to reduce non performing assets.

Roma Mitra, Shankar Ravi (2008) has analysed the efficiency of 50 Indian banks, whether the banking sector accomplishes its intermediation function sufficiently to compete with the global players and found the priority areas for different banks, which can improve the performance.

B.Satishkumar (2008) found the changed situation of new generation bank with use of technology and professional management .

Dr. Geeta Sharma, AmandeepKaurArora, (2016) evaluated performance of public and private sector banks by applying CAMEL methodology on eight public sector banks and seven private sector banks over a period of 2014-2015.

III. RESEARCH METHEDODOLOGY

OBJECTIVES OF THE STUDY

The study is focused on the following parameters:

1. To analyze the performance of the major banks operating in the industry
2. To compare the performance private and public players in the banking industry.

SCOPE OF THE STUDY

This section of this study is mainly concerned with the type of data being used along with various specified techniques under taken to facilitate data collection and data processing and analysis to achieve a specific desired result using various tests and surveys.

The study has collected the data from secondary sources i.e. published sources such as books, newspaper, magazines, press releases, official websites etc.Data has been collected from the official website of Reserve Bank of India, Official website of NSE and BSE, Official website of Ministry of Corporate Affairs (MCA), Official websites of different banks, press releases by RBI and other bank, CRISIL etc

In order to achieve primary objective is to earn profits,the banks pursue different strategies/ plans and perform a range of activities. Investigators have used a variety of ratios to evaluate the profitability of banks. Among the different ratios determining profitability of banks, ROA is a significant ratio .ROA is defined as ratio of Income to its total asset. It measures the potential of management of banks' to generate revenues by optimally utilizing resources of banks. Alternatively, it shows the efficiency of a bank how it uses available assets to earn maximum revenue .

The tool used to facilitate the desired result of the study is the comparative analysis of various factors influencing the performance of the banks in India.

The performance of public and private sector banks has been compared on the following parameters.

- Profits of the banks
- Market Capitalization rate of the banks
- Interest value as the percentage of sales of the bank
- Total Asset Holdings of the banks
- Debt offering as a percentage of Liquidity of banks
- Non-Performing assets of the banks

a.PROFITS OF BANKS AS IN 2018-19

| PROFIT EARNINGS AS IN 2018-19 | | | | | |
|-------------------------------|---------------------|------------|--------|----------|------------------------|
| | Company name | Last Price | Change | % Change | Net Profit (Rs. cr) |
| PUBLIC SECTOR BANKS | SBI | 155.45 | 0.05 | 0.03 | 726.1 |
| | Punjab & Sind | 12.85 | -0.05 | -0.39 | -2,799.11 |
| | UCO Bank | 11.18 | -0.09 | -0.8 | -11,387.05 |
| | Bank of Maharashtra | 8.7 | -0.04 | -0.46 | -12,110.81 |
| | Bank of Baroda | 37.65 | -0.95 | -2.46 | -12,355.15 |
| | Canara Bank | 77.8 | 0.15 | 0.19 | -12,571.26 |
| | Union Bank | 22.95 | -0.6 | -2.55 | -14,395.34 |
| | IOB | 7.15 | -0.03 | -0.42 | -14,732.29 |
| | Bank of India | 31.8 | -0.25 | -0.78 | -16,019.50 |
| | Central Bank | 14 | -0.2 | -1.41 | -16,938.45 |
| | PNB | 27.3 | -0.05 | -0.18 | -38,316.50 |
| PRIVATE SECTOR BANK | IDBI Bank | 19.45 | 0.1 | 0.52 | -41,995.58 |
| | HDFC Bank | 852.65 | 16.25 | 1.94 | 13,528.08 |
| | Kotak Mahindra | 1,163.00 | 49.55 | 4.45 | 3,902.94 |
| | Bandhan Bank | 225.35 | -4.15 | -1.81 | 1,216.37 |

| | | | | |
|------------------|--------|-------|-------|------------|
| Federal Bank | 39.9 | 0.25 | 0.63 | 388.03 |
| AU Small Finance | 394.9 | -3 | -0.75 | 381.81 |
| City Union Bank | 126.95 | 2.3 | 1.85 | 367.71 |
| RBL Bank | 112.3 | 2.9 | 2.65 | 226.27 |
| DCB Bank | 66.05 | 0.05 | 0.08 | 185.31 |
| Dhanlaxmi Bank | 9.35 | 0.04 | 0.43 | -71.59 |
| Karnataka Bank | 37.2 | 0.35 | 0.95 | -364.77 |
| CSB Bank | 114.9 | 1.85 | 1.64 | -408.2 |
| JK Bank | 12.4 | -0.13 | -1.04 | -593.28 |
| South IndBk | 5.09 | -0.08 | -1.55 | -610.95 |
| KarurVysya | 23.6 | 0.25 | 1.07 | -1,177.69 |
| IndusInd Bank | 378 | 1.15 | 0.31 | -1,486.02 |
| Lakshmi Vilas | 12.27 | -0.44 | -3.46 | -2,170.66 |
| IDFC First Bank | 20 | 0.1 | 0.5 | -2,354.49 |
| Yes Bank | 27.75 | 0.15 | 0.54 | -4,057.28 |
| Axis Bank | 362.5 | 3.2 | 0.89 | -7,354.41 |
| ICICI Bank | 304.75 | 6.1 | 2.04 | -16,297.00 |

Graphical Presentation

This picturefig. a shows the value of net profit and losses incurred by the various banking players in the banking industry

Fig a. Comparative Net profit of Banks



The above graph shows the highest losses incurred by mostly public sector banks including Punjab National Bank and IDBI Bank being the highest loss incurring company as compared to that of private sector banks. SBI showed a slight profit earning.

In the private sector HDFC and Kotak Mahindra showed positive graph along with few others and ICICI Bank and Axis being the highest loss incurring banks.

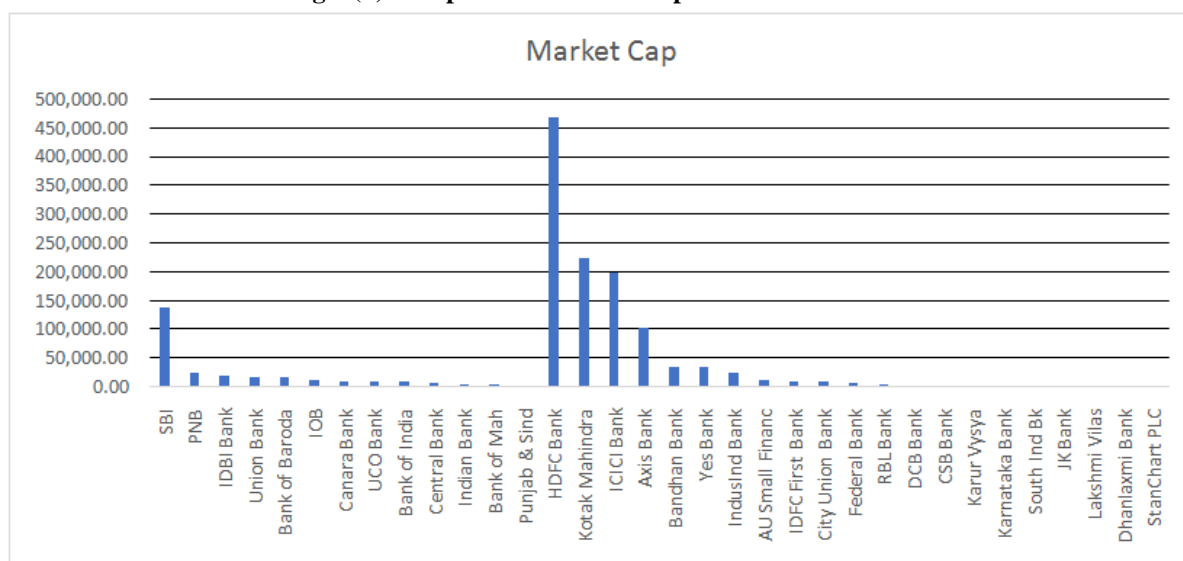
b.MARKET CAPITALISATION VALUE OF BANKS IN 2018-19

| MARKET CAPITALISATION VALUE | | | | | | |
|-----------------------------|------------------|------------|--------|----------|----------|------------------------|
| SECTOR | Company Name | Last Price | % Chg. | 52 wk. | 52 wk. | Market Cap (Rs. cr) |
| | | | | High | Low | |
| PUBLIC SECTOR BANKS | SBI | 155.7 | 0.19 | 373.7 | 155 | 1,38,956.80 |
| | PNB | 27.3 | -0.18 | 91.15 | 26.75 | 25,691.02 |
| | IDBI Bank | 19.45 | 0.52 | 40.9 | 17.5 | 20,190.26 |
| | Union Bank | 22.95 | -2.55 | 86.55 | 22.95 | 18,512.95 |
| | Bank of Baroda | 37.65 | -2.46 | 143.6 | 37.65 | 17,396.43 |
| | IOB | 7.15 | -0.42 | 12.9 | 6.17 | 11,752.45 |
| | Canara Bank | 77.75 | 0.13 | 296.5 | 73.85 | 11,300.97 |
| | UCO Bank | 11.18 | -0.8 | 22.2 | 8.4 | 11,088.70 |
| | Bank of India | 31.8 | -0.78 | 101.05 | 30.45 | 10,420.62 |
| | Central Bank | 14 | -1.41 | 29 | 10.2 | 7,993.67 |
| | Indian Bank | 45.35 | 0.44 | 292.35 | 41.7 | 5,121.68 |
| | Bank of Mah | 8.7 | -0.46 | 17.1 | 7.71 | 5,066.98 |
| Punjab & Sind | 12.85 | -0.39 | 31 | 9.2 | 900.85 | |
| PRIVATE SECTOR BANKS | HDFC Bank | 852.95 | 1.98 | 1,304.10 | 738.9 | 4,67,752.97 |
| | Kotak Mahindra | 1,164.25 | 4.56 | 1,739.95 | 1,000.35 | 2,22,814.67 |
| | ICICI Bank | 304.75 | 2.04 | 552.4 | 269 | 1,97,313.06 |
| | Axis Bank | 362.5 | 0.89 | 826.55 | 285 | 1,02,295.54 |
| | Bandhan Bank | 225.5 | -1.74 | 650 | 152.35 | 36,311.46 |
| | Yes Bank | 27.75 | 0.54 | 157 | 5.55 | 34,827.56 |
| | IndusInd Bank | 378 | 0.31 | 1,672.90 | 235.6 | 26,216.56 |
| | AU Small Finance | 396.5 | -0.35 | 1,217.70 | 379.9 | 12,100.59 |
| | IDFC First Bank | 20 | 0.5 | 48 | 17.75 | 9,619.81 |
| | City Union Bank | 126.95 | 1.85 | 249 | 110.1 | 9,360.27 |
| | Federal Bank | 39.9 | 0.63 | 110.35 | 35.7 | 7,952.49 |
| | RBL Bank | 112.3 | 2.65 | 716.55 | 101.6 | 5,712.83 |
| | DCB Bank | 66.05 | 0.08 | 244.6 | 61.05 | 2,050.31 |
| | CSB Bank | 114.9 | 1.64 | 314.2 | 95 | 1,993.01 |
| | KarurVysya | 23.6 | 1.07 | 83.45 | 18.15 | 1,886.40 |
| | Karnataka Bank | 37.2 | 0.95 | 108.82 | 35.15 | 1,156.44 |
| | South IndBk | 5.09 | -1.55 | 15.1 | 4.85 | 921.15 |
| | JK Bank | 12.4 | -1.04 | 63.25 | 11.05 | 884.68 |
| Lakshmi Vilas | 12.27 | -3.46 | 78.55 | 10.45 | 413.15 | |
| StanChart PLC | 33.45 | 1.36 | 63 | 29.65 | 58.39 | |
| | | | | | | |

Graphical Presentation

This segment Fig 1 (b) functions to compare the market capitalization rate of banks being occupied by the banks in the industry.

Fig 1 (b) Comparative Market Capitalisation of Banks



Above graph shows the value of market capitalization of banks in the banking industry.

SBI holds the highest value in the public sector banks followed by PNB and Union bank.

On the other hand, private banks established a wide hold and control over the market with major players like HDFC bank followed by Kotak Mahindra, ICICI bank, Axis bank and others. Private sector proves to be more significant in occupying the larger share of capitalization rate in the industry.

c. INTEREST VALUE AS PERCENT OF NET SALES OF BANKS

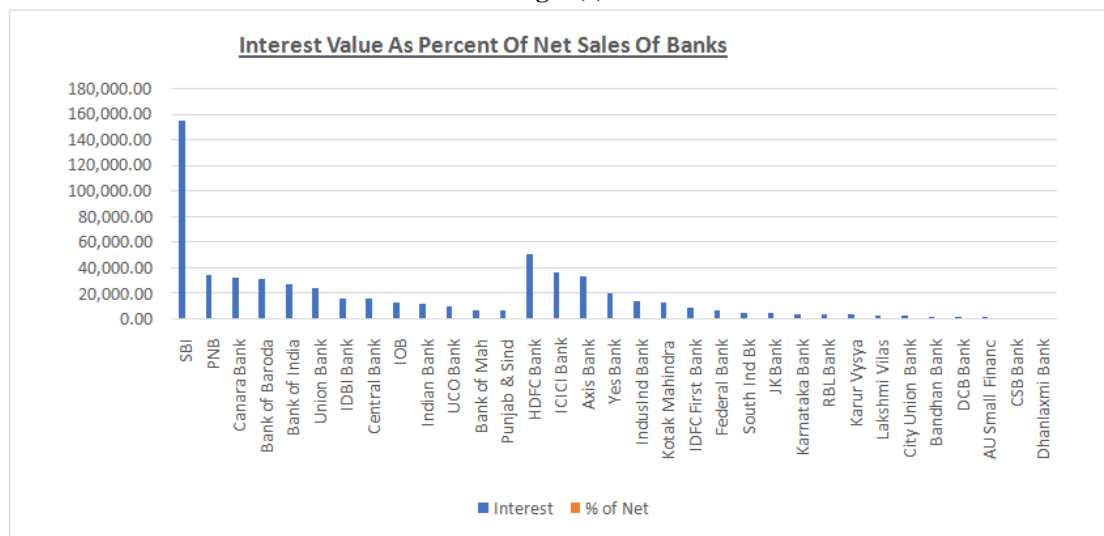
| SECTOR | INTEREST VALUE AS OF NET SALES | | | | | |
|---------------------|--------------------------------|------------|--------|--------|-------------|-----------|
| | COMPANY NAME | Last Price | Change | % Chg. | Interest | % of Net |
| | | | | | | Sales |
| PUBLIC SECTOR BANKS | SBI | 155.45 | 0.05 | 0.03 | 1,54,519.78 | 63.62 |
| | PNB | 27.3 | -0.05 | -0.18 | 34,153.94 | 66.56 |
| | Canara Bank | 77.8 | 0.15 | 0.19 | 32,332.22 | 69.07 |
| | Bank of Baroda | 37.65 | -0.95 | -2.46 | 31,290.30 | 62.61 |
| | Bank of India | 31.8 | -0.25 | -0.78 | 27,110.14 | 66.5 |
| | Union Bank | 22.95 | -0.6 | -2.55 | 23,851.75 | 70.01 |
| | IDBI Bank | 19.45 | 0.1 | 0.52 | 16,165.62 | 73.24 |
| | Central Bank | 14 | -0.2 | -1.41 | 15,866.39 | 70.09 |
| | IOB | 7.15 | -0.03 | -0.42 | 12,352.13 | 70.06 |
| | Indian Bank | 45.35 | 0.2 | 0.44 | 12,166.72 | 63.42 |
| | UCO Bank | 11.18 | -0.09 | -0.8 | 10,019.48 | 69.92 |
| | Bank of Maharashtra | 8.7 | -0.04 | -0.46 | 7,116.12 | 65.59 |
| | Punjab & Sind | 12.85 | -0.05 | -0.39 | 6,278.97 | 73.36 |
| | PRIVATE SECTOR BANKS | HDFC Bank | 852.95 | 16.55 | 1.98 | 50,728.83 |
| ICICI Bank | | 304.75 | 6.1 | 2.04 | 36,386.40 | 57.39 |
| Axis Bank | | 362.5 | 3.2 | 0.89 | 33,277.60 | 60.52 |
| Yes Bank | | 27.75 | 0.15 | 0.54 | 19,815.72 | 66.89 |
| IndusInd Bank | | 378 | 1.15 | 0.31 | 13,414.97 | 60.26 |
| Kotak Mahindra | | 1,164.25 | 50.8 | 4.56 | 12,684.25 | 52.98 |
| IDFC First Bank | | 20 | 0.1 | 0.5 | 8,749.08 | 73.23 |
| Federal Bank | | 39.9 | 0.25 | 0.63 | 7,242.68 | 63.43 |
| South IndBk | | 5.09 | -0.08 | -1.55 | 4,856.82 | 70.63 |
| JK Bank | | 12.4 | -0.13 | -1.04 | 4,291.63 | 55.91 |

| | | | | | | |
|--|------------------|--------|-------|-------|----------|-------|
| | Karnataka Bank | 37.2 | 0.35 | 0.95 | 4,000.84 | 67.74 |
| | RBL Bank | 112.3 | 2.9 | 2.65 | 3,761.23 | 59.7 |
| | KarurVysya | 23.6 | 0.25 | 1.07 | 3,453.00 | 59.37 |
| | Lakshmi Vilas | 12.27 | -0.44 | -3.46 | 2,279.75 | 80.28 |
| | City Union Bank | 126.95 | 2.3 | 1.85 | 2,155.68 | 57.22 |
| | Bandhan Bank | 225.35 | -4.15 | -1.81 | 2,147.95 | 32.33 |
| | DCB Bank | 66.05 | 0.05 | 0.08 | 1,892.20 | 62.21 |
| | AU Small Finance | 394.9 | -3 | -0.75 | 1,606.35 | 54.47 |
| | | | | | | |

Graphical Presentation

Another point of comparison can be facilitated by comparing the value of Interest as a percentage of the sales value of the banks services as given in fig 1(c).

Fig 1 (c)



In public owned companies SBI holds the highest value of interest coverage as a percentage value of its net sales of service offerings followed by Punjab National Bank and Canara Bank. On the other hand, private sector marks HDFC bank establishing the highest interest value followed by ICICI bank as a percentage of their sales earnings. On account of overall comparison State Bank of India has the largest graph offering in respect of interest rate value as the percentage of the sales of the organization.

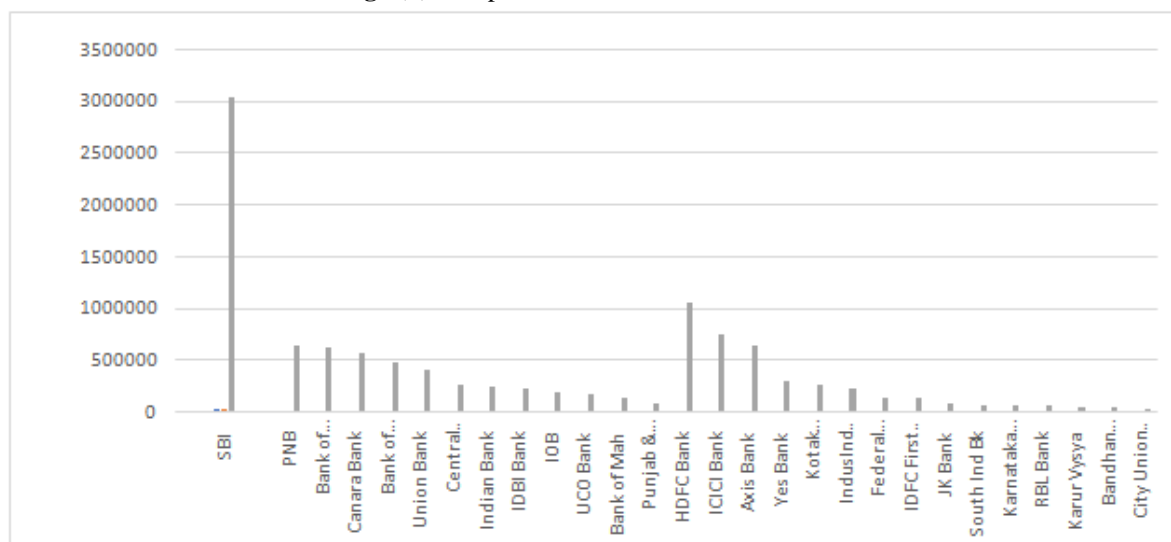
D. NET ASSETS POSITION OF BANKS

| | Bank Name | Gross Block | Net Block | CWIP | Total Asset |
|---------------|----------------|-------------|-----------|--------|--------------|
| PUBLIC | SBI | 38,508.94 | 38,508.94 | 688.63 | 30,46,499.14 |
| | PNB | 0 | 0 | 0 | 6,51,795.99 |
| | Bank of Baroda | 6,990.30 | 6,990.30 | 0 | 6,33,993.82 |
| | Canara Bank | 8,410.23 | 8,410.23 | 0 | 5,70,558.91 |
| | Bank of India | 8,920.04 | 8,920.04 | 0 | 4,83,764.84 |
| | Union Bank | 3,718.72 | 3,718.72 | 43.57 | 4,17,968.35 |
| | Central Bank | 4,310.24 | 4,310.24 | 0 | 2,69,657.91 |
| | Indian Bank | 3,960.64 | 3,960.64 | 0.76 | 2,43,752.40 |
| | IDBI Bank | 7,763.37 | 7,763.37 | 467.61 | 2,38,080.71 |

| | | | | | |
|----------------|---------------------|----------|----------|--------|--------------|
| | IOB | 3,336.90 | 3,336.90 | 0 | 1,97,899.28 |
| | UCO Bank | 2,814.30 | 2,814.30 | 8.01 | 1,77,505.28 |
| | Bank of Maharashtra | 1,775.53 | 1,775.53 | 0 | 1,36,141.96 |
| | Punjab & Sind | 1,230.38 | 1,230.38 | 0 | 94,569.81 |
| PRIVATE | HDFC Bank | 4,030.00 | 4,030.00 | 0 | 10,58,910.81 |
| | ICICI Bank | 7,931.43 | 7,931.43 | 0 | 7,64,459.23 |
| | Axis Bank | 3,763.94 | 3,763.94 | 272.69 | 6,40,730.77 |
| | Yes Bank | 767.02 | 767.02 | 49.98 | 3,13,950.95 |
| | Kotak Mahindra | 1,651.55 | 1,651.55 | 0 | 2,67,392.46 |
| | IndusInd Bank | 1,688.06 | 1,688.06 | 21.95 | 2,38,425.26 |
| | Federal Bank | 454.95 | 454.95 | 17.09 | 1,39,188.18 |
| | IDFC First Bank | 916.59 | 916.59 | 33.61 | 1,37,164.68 |
| | JK Bank | 1,645.73 | 1,645.73 | 28.96 | 88,589.37 |
| | South IndBk | 676.79 | 676.79 | 31.87 | 80,864.96 |
| | Karnataka Bank | 775 | 775 | 0 | 70,305.25 |
| | RBL Bank | 362.54 | 362.54 | 39.94 | 68,966.06 |
| | KarurVysya | 561.78 | 561.78 | 21.21 | 62,561.37 |
| | Bandhan Bank | 331.2 | 331.2 | 0 | 48,525.08 |
| | City Union Bank | 250.03 | 250.03 | 0 | 39,146.30 |

This table is converted to graph to compare the public and private sector banks on the basis of their total asset holdings as shown in Fig. 1 (d)

Fig 1(d) Comparative Assets Position of Banks



The above graph represents the value of asset holdings of the various companies operating in both the public and private sectors of the banking industry.

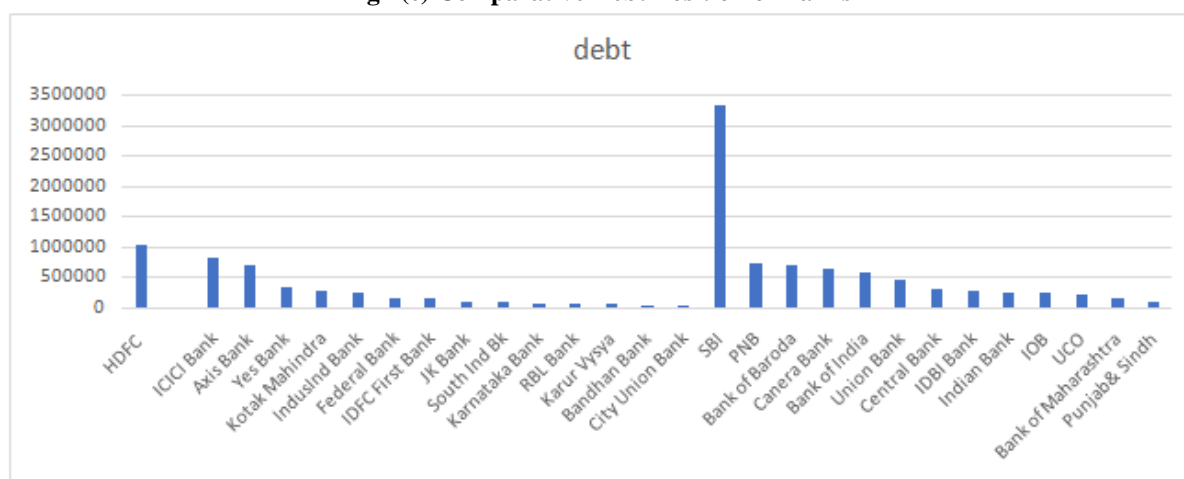
Overall the State Bank of India occupies the largest share in asset holdings. On comparing between the private and public sector banks, State bank of India holds highest share in public sector banks and HDFC bank holds the highest asset holdings value among the private sector banks.

E. DEBT LIABILITY OF BANKS

| | Sr.No | Company Name | change | %change | debt | % liquidity |
|--|--|---------------------|--------------|-------------|--------------|-------------|
| | PRIV TE SECTO R BANKS | 1 | HDFC | 11 | 1 | 1040226.05 |
| 2 | | ICICI Bank | 0.3 | 0.08 | 8,18,239.64 | 84.84 |
| 3 | | Axis Bank | -0.7 | -0.16 | 7,01,247.12 | 87.55 |
| 4 | | Yes Bank | 0.6 | 2.33 | 3,36,034.29 | 88.24 |
| 5 | | Kotak Mahindra | 5.15 | 0.38 | 2,58,128.65 | 82.69 |
| 6 | | IndusInd Bank | 38.8 | 7.37 | 2,42,189.03 | 87.18 |
| 7 | | Federal Bank | -0.25 | -0.45 | 1,42,735.66 | 89.58 |
| 8 | | IDFC First Bank | 0.55 | 1.95 | 1,40,462.40 | 84.02 |
| 9 | | JK Bank | 0.9 | 4.93 | 92,262.86 | 90.98 |
| 10 | | South IndBk | 0.22 | 2.74 | 85,323.32 | 92.46 |
| 11 | | Karnataka Bank | 1.3 | 2.93 | 71,777.63 | 90.81 |
| 12 | | RBL Bank | 7.8 | 4.17 | 70,226.49 | 87.39 |
| 13 | | KarurVysya | 0.15 | 0.43 | 61,433.29 | 88.6 |
| PUBLI C SECTO R BANKS | | 14 | Bandhan Bank | -5.45 | -1.38 | 43,752.97 |
| | 15 | City Union Bank | 2.8 | 2.14 | 38,928.86 | 86.01 |
| | 16 | SBI | 5.95 | 3.16 | 33,14,403.13 | 90.04 |
| | 17 | PNB | 1.65 | 4.49 | 7,15,356.05 | 92.31 |
| | 18 | Bank of Baroda | 2.65 | 5.22 | 7,05,891.02 | 90.97 |
| | 19 | Canara Bank | 7.25 | 6.94 | 6,40,025.56 | 92.12 |
| | 20 | Bank of India | 2.25 | 4.54 | 5,65,103.52 | 91.06 |
| | 21 | Union Bank | 1.7 | 5.3 | 4,58,779.09 | 92.86 |
| | 22 | Central Bank | 0.55 | 3.15 | 3,05,094.50 | 92.31 |
| | 23 | IDBI Bank | -2.5 | -4.96 | 2,72,659.44 | 85.13 |
| | 24 | Indian Bank | 3.2 | 4.92 | 2,54,213.49 | 90.77 |
| | 25 | IOB | 0.53 | 4.99 | 2,28,680.12 | 91.47 |
| | 26 | UCO | 0.56 | 4.02 | 2,06,230.46 | 90.9 |
| | 27 | Bank of Maharashtra | 0.92 | 8.43 | 1,50,799.26 | 91.65 |
| 28 | Punjab& Sindh | 0.35 | 2.51 | 1,01,271.60 | 92.93 | |

The debt liability of banks can also be considered as the point of comparison between various players of the banking industry as shown in Fig 1 (e).

Fig 1(e) Comparative Debt Position of Banks



As per the data available the debt holdings as the percentage of liquidity the State Bank of India holds the largest operating share in the banking industry.

Comparing private and public domain of the industry HDFC holds highest debt offerings followed by ICICI and Axis bank respectively in the private sector banks. On the other hand, SBI has the vast debt offering followed by PNB and BOB respectively and further others as well in the public sector domain of the industry.

f. Non-Performing Assets (NPAs)

| | Sr.No | Company Name | NPAs |
|----------------------|-------|--------------------|-------------|
| PUBLIC SECTOR BANKS | 1 | SBI | 11932 |
| | 2 | Punjab & Sind | 8606 |
| | 3 | UCO Bank | 9649.92 |
| | 4 | Bank of Maharastra | 4559.33 |
| | 5 | Bank of Baroda | 5250 |
| | 6 | Canara Bank | 22955.11 |
| | 7 | Union Bank | 3369 |
| | 8 | Bank of India | 9.197 |
| | 9 | Central Bank | 11333.24 |
| | 10 | PNB | 790 billion |
| | 11 | IDBI Bank | 10963 |
| PRIVATE SECTOR BANKS | 12 | HDFC Bank | 3542.36 |
| | 13 | Kotak Mahindra | 1557.89 |
| | 14 | Bandhan Bank | 389.4 |
| | 15 | AU Small Finance | 217.3 |
| | 16 | City Union Bank | 217.3 |
| | 17 | IndusInd Bank | 1886.53 |
| | 18 | Yes Bank | 5.03 |
| | 19 | Axis Bank | 9360.41 |
| | 20 | ICICI Bank | 41409.16 |

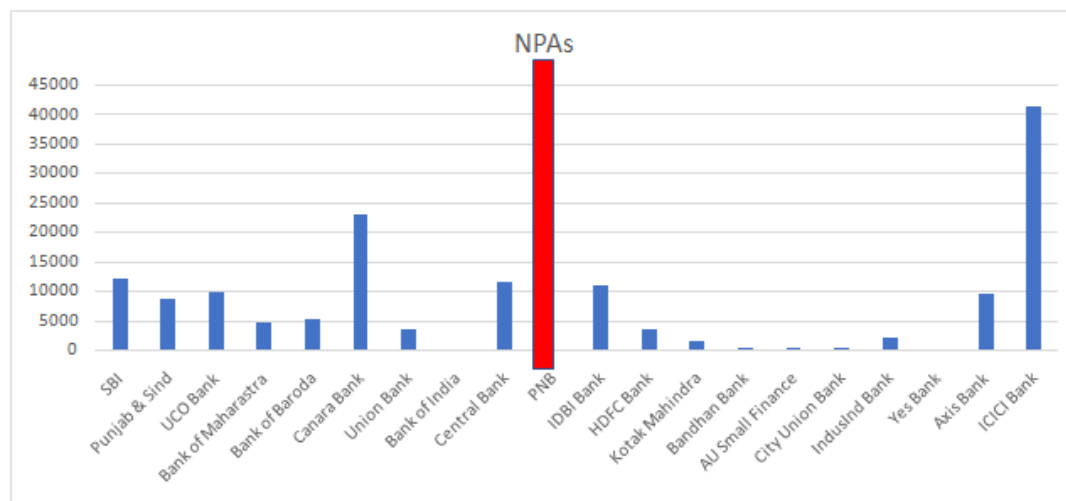
on-performing Assets are those assets for the bank that fails to pay their monetary obligation in the due course of time and results as a loss to the banks. These NPAs are the assets that ceases to generate revenue or any income for the lender.

This includes

- non-repayment of issued loans
- Non repayment of overdrafts
- Non repayment of amount due in lieu of credit cards, etc.

Facilitating comparison between both the sectors recorded following observations:

Fig 1 (f) Comparative NPA position of banks



The data shows some exceptionally high figures of NPA in the public sector bank that is Punjab National Bank holding about the value of 790 billion Indian rupees, which is the highest value of NPAs of any bank. This is then followed by Canara bank and State Bank of India and IDBI respectively which are considerably huge in values.

Comparing the same with private owned banks, ICICI Banks has the highest number of NPAs followed by Axis Bank, HDFC Bank and IndusInd Bank respectively. The highest NPAs in the year 2018-19 is held by public sector banks.

IV. FINDINGS

Followings are the major findings of the research

- Private sector has always been more well performing as driven by profit orientations
- Public sector being operated by social orientation observes high level of downfalls and frauds.
- Major players in the industry hold dominating stake in both private and public sector banks of the banking industry.
- Punjab National Bank holds the highest amount of NPAs equals to the value of 790 billion Indian Rupees.
- Banks suffers huge losses on account of NPAs from high profile cases of people like NeeravModi and Vijay Malya.
- Private sector has always been profitable to both the lenders and the owners of the funds in the banking industry.

LIMITATIONS

The widespread covid-19 pandemic has resulted in lack of data availability. The financial reports of the year 2019-20 have not been published yet by the issuing authorities. Limited data availability has resulted in limited research scope. There can be many interpretations and explanations to the data collected. This is an empirical study and the research provides the explanation as understood by the researcher only. Various websites provide different variations in the data that leads to manipulation of the available data.

SCOPE FOR FURTHER STUDY

Further study can happen taking into consideration the following aspects.

- This study took into consideration only few aspects of comparison, further more impacting factors can be tested to facilitate the required comparison.
- The study undertook limited member companies, mostly the major players. Minor players when taken into impact can give new directions to the study.

- This study was conducted using the data of only one year's period. Further studies can be conducted on data of longer duration.
- More statistical tools could also facilitate the further observation on the same result theme of the research.

V. CONCLUSION

In financial service sector, particularly in banking activities, globalization increased management's need for performance measurement. In this context, this study puts forth a comprehensive model proposal for the performance evaluation of the banking system whose effective and productive performance is measured by using financial and non-financial performance criteria. The performance criteria have been determined via the developed model and the performance of Indian commercial banks has been analyzed within the scope of the model. From the analysis it is clear that human aspect is more important than financial aspect in banks.

The study reveals those private sector banks are at better position and have ranked better than Public sector banks. The bottom position in composite rankings is taken up by Public Sector Banks, IDBI bank and Central Bank of India Took last and second last position respectively, While, IndusInd Bank was at first position. There is scope of improvisation in Public Sector banks in terms of Asset Quality and Management efficiency.

REFERENCES

- [1]. Aburime, U. (2008), Determinants of Bank Profitability: Company Level Evidence from Nigeria. Available from: <http://www.ssrn.com/abstract=1231064>.
- [2]. Alabede, J.O. (2012), The intervening effect of global financial condition on the determinants of bank performance: Evidence from Nigeria. *Accounting and Finance Research*, 1(2), 161-170.
- [3]. Aspal, et al.: Significance of Bank Specific and Macroeconomic Determinants on Performance of Indian Private Sector Banks 174 *International Journal of Economics and Financial Issues* | Vol 9 • Issue 2 • 2019
- [4]. Athanasoglou, P.P., Brissimis, S.N., Delis, M.D. (2008), Bank-specific, industry-specific and macroeconomic determinants of bank profitability. *Journal of International Financial Markets, Institutions and Money*, 18(2), 121-136. Berger, A.N. (1995), The profit-structure relationship in banking tests of market-power and efficient-structure hypotheses. *Journal of Money, Credit and Banking*, 27(2), 404-431.
- [5]. Bodla, B.S., Verma, R. (2006), Evaluating performance of banks through CAMEL model: A case study of SBI and ICICI. *The IUP Journal of Bank Management*, 3, 49-63.
- [6]. Dahiyat, A. (2012), The application of CAMELS rating system to Jordanian brokerage firms. *International Research Journal of Finance and Economics*, 88, 16-23. Dang, U. (2011), The CAMEL Rating System in Banking Supervision A Case Study. Available from: <http://www.studymode.com/essays/Camel-Rating-In-Banking-1737636.html>.
- [7]. Dr. Geeta Sharma, Amandeep Kaur Arora, (2016), Study of Performance of Indian Banks: A Camel Model Approach *International Journal of Commerce and Management Research*, Volume 2, Issue 6, Page No. 14-18, June 2016
- [8]. Harish Kumar Singla, 2008. "Financial Performance of Banks in India," *The IUP Journal of Bank Management*, IUP Publications, vol. 0(1), pages 50-62, February.
- [9]. Naceur, B.S. (2003), The Determinants of the Tunisian Banking Industry Profitability: Panel Evidence. Marrakesh, Morocco: Proceedings of the ERF Tenth Annual Conference. Available from: http://www.erf.org.eg/CMS/uploads/pdf/1184755027_Ben_Naceur.pdf.
- [10]. Padmanabhan Working Group. (1995), On-Site Supervision of Banks. India: Reserve Bank of India.
- [11]. Roma Mitra Debnath, Ravi Shankar, (2008) "Benchmarking telecommunication service in India: An application of data envelopment analysis", *Benchmarking: An International Journal*, Vol. 15 Iss: 5, pp.584 – 598
- [12]. Veni, P. (2004), Capital adequacy requirement of commercial banks: A study in Indian context. *GITAM Journal of Management*, 2(2), 99-107.

Mrs. PunjikaRathi, et. al. "Are Indian Banks Performing Well? A Comparative Analysis of major public and private sector banks." *International Journal of Business and Management Invention (IJBMI)*, vol. 09(08), 2020, pp. 01-11. Journal DOI- 10.35629/8028