Management Efficiency and Profitability Of Selected Indian Public And Private Sector Banks

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Abstract

Commercial banks play a vital role in the development of the industry and trade. They are performing not only the curator of the country but also resource of country. The present study aims at identify Management Efficiency and Profitability of selected Indian public and private sector banks. The study considered a sample of top ten Banks (7 public sector banks and 3 private sector banks) for the period from 1, April 2005 to March 31, 2016. The study is based on the secondary data, procured and extracted from financial statements of the selected banks. The collected data has analyzed using various financial ratios and statistical tools like Geometric Mean Standard deviation and Compounded Annual Growth Rate have been accomplished. Indian banking will brace for new challenges for entry of new types of lenders intensifies competition while high bad loan. It is found that in management efficiency IDBI bank has top rank followed by AXIS bank and ICICI bank it shows that better ability of the banks. Punjab National Bank has last position followed by Canara Bank and State Bank of India. In terms of
profitability HDFC bank has top position followed by Canara Bank Punjab National Bank. Industrial Development of India bank has last position due to under utilization of assets followed by Bank of India and Canara Bank.

**Keywords:** Business per employee, public sector banks, profit per employee, private sector banks, Total Assets and Total income.

**Introduction**

Indian banking system remain the largest financial sector intermediary in India with adoption of new innovation to lower transaction cost which facilitate immediate and faultless payment and enhancing customer service. A modern bank provides important service to a country. To achieve development there should be a developed financial system to sustain not only the economic but also for the society. Commercial banks have paying attention to their situation and beginning different measures such as strengthening the selection process of the management, setting up a stresses assets funds, legislating a bankruptcy code and recovery tribunal etc.

Bank are necessary for increasing their structural reform in market, particularly land and labour. In this environment different levels of government need to act jointly for the preeminent result. The land acquirement processes are the decisive factor determining the pace of investment. Labour regulations are frequent cited to be an important obstacle to the growth, mainly with consider to medium and large scale manufacturing firms.

**Review of Literature**

Muhittin oral and Reha Yolalan (1990) in their indicated that this kind of approach is not only complementary to traditionally used financial ratios but also a useful bank management tool in reallocating resources between the branches in order to achieve higher efficiencies. It has been also observed that the service-efficient bank branches were also the most profitable ones, suggesting the existence of a relationship between service efficiency and profitability.
R.K. Uppal (2009) In his study found that there is significant difference among three banks groups with regard to the time customers have to spend to transact a business. The e-banks are more efficient in regard to time factor. This is the very important factor of shifting of potential customers in e-banks.

Viakas Choudhary, Dr. and Suman Tandon (2010) in their studies found that the CAGR of various variables have shown variation from bank to bank. State Bank of Indore has shown maximum CAGR in case of total advances, total deposits and total assets. Punjab and Sindh Bank has shown least growth of deposits and advances and State Bank of India has least growth of deposits. CAGR of return on equity and return on assets was at peak of United Bank of India whereas Dena Bank, Punjab & Sind Bank have shown negative trend in there ratios. Decline of NPAs ratio was highest in case of State Bank of Hyderabad and least in case of Dena bank.

K.N.V Prasad, G. Ravinder, Dr. D. Maheshwara Reddy (2011) In their studies titled “A Camel Model analysis of public and private sector banks in India” found that on average Karur vysya bank was at top most position followed by Andhra Bank, Bank of Baroda and also it is observed that central Bank of India was at the bottom most position. The largest public sector banks in India availed 36th position.

Saiful Islam and Md. Borak Ali (2011) in their studies found that the customer satisfaction and reputation of the bank lead greater loyalty. Hence the findings of the study would open up a new method of designing banking service in developing county like Bangladesh. It will also guide the bankers how well they could serve present and prospective customers. In fact the study provides a framework for bankers to offer quality service.

Shirshendu Ganguli and Sanjit Kumar Roy (2011) identified four generic service quality dimensions in the technology-based banking services – customer service, technology security and information quality, technology convenience, and technology usage easiness and reliability. The study revealed that customer service and technology usage easiness and reliability have positive and significant impact on customer satisfaction and customer loyalty and technology convenience and customer satisfaction have significant and positive impact on customer loyalty.

Vighneswara Swamy (2012) In his study titled “Determinants of Bank Asset Quality and Profitability - An Empirical Assessment” found that Priority sector credit has been found to be not significant in affecting the NPAs contrary to the general perception and similar is the case.
with that of rural branch simplying that aversion to rural credit is a falsely founded perception. Public sector banks have shown significant performance in containing bad debts private banks have continued to be stable in containing the bad debts as they have better risk management procedures and technology, which definitely allows them to finish up with lower levels of NPAs.

Khalid Ashraf Chisti (2012) In his study titled “The impact of Asset Quality on Profitability of Private Banks in India” found that his study when a bank’s asset quality becomes worse, it takes more resources for a bank to conduct non-value-added credit receiving activities, which leads to poor performance. The asset quality and profitability are negatively correlated in the banking industry.

George K Amoako (2012) In his study found that the customers perspective is not satisfactory but has led to the increase in number of new customers, maintenance of existing customer and increase in profitability among others. Ghana commercial Bank needed to improve and formalize its customer service and public relation programs.

Murugan (2012) conducted a study to compare the customers’ perceptions of service quality in public and private banks of Tirupati region. SERVQUAL was used to measure the service quality of both the banks to determine different dimensions of service quality and chi-square analysis was used to understand the impact of SERVPERF (service performance) dimensions on customer satisfaction. It was found from the research that customers of public sector banks are more satisfied than the customers of private sector banks as regards service quality.

Ayyappan.S. and M. Sakthivadivel M (2013) In their study titled “Profitability Analysis of Selected Public and Private Sector Banks in India” found that present study eight public sector banks have been analyzed by using the key profitability variables and the path analysis identified the positive and negative contribution of selected variables during the study period. So the bankers should concentrate on the facts which are influencing negatively which will improve the profitability in the global competition.

Devanadhen.K (2013) in his study found that the Andhra Bank secured the first place followed by Corporation Bank and HDFC Bank. Axis Bank and ICICI Bank were ranked
6TH and 14TH respectively. Central Bank of India stood last in the overall performance and SBI exhibited better performance than ICICI Bank.

Anita Makkar and Shveta Singh (2013) In their studies titled “Analysis of the Financial Performance of Indian Commercial Bank: A Comparative Study” found that on an average, there is no statistically significant different in the financial performance of the public and private sector banks in India, but still, there is a need for overall improvement in the public sector banks to make their position strong in the competitive market.

Kamlesh and Dr. Hawa Singh (2013) in their study “Employee Productivity of Private Sector Banks in India” found that the performance of the private banks on all the eight variables has shown a increasing trend. In the year 2004-05 and 2011-2012, the performance of private banks has decreasing growth rate over the base year. The private sector banks has higher exponential growth rate (12.14%) regarding total expenditure per employee than total From the financial year 2001-02 to 2005-06 the performance of new private sector bank is better than old private sector bank regarding selected productivity indicators but after 2005-06 the old private sector banks compete with the new private sector banks and perform better than new private sector banks.

Biwesh Neupane (2013) In his study “Efficiency and Productivity of Commercial Banks in Nepal: A Malmquist Index Approach” found that positive relationship between debt to equity ratio and efficiency as well as between capital adequacy and efficiency. Profitable banks with lower leverage and higher capital adequacy ratio are found to be more efficient and bank loans seem to be more highly valued than alternative bank outputs.

Geetu Gupta, Amandeep Kaur (2013) in their study “An Economic Analysis of Productivity and Performance of Public Sector Banks in India” found that banks are divided into four categories, excellent, good, fair and poor for the period under study. Finally, appropriate policy suggestions are made for improvement of productivity in public sector banks in India.

Dr. Ansarul Haque (2013) In his study “comparison of financial performance of commercial banks” found that there is no significant means in difference of profitability among various banks groups in respect to ROA and NIM, yet a significant means of difference is seen among the peer groups in terms of ROE.

Brindadevi .V (2013) In her study the topic is “A Study on Profitability Analysis of Private Sector Banks In India” conclude that there is difference among the mean value of interest
spread, net profit margin, return on long term fund and return on net worth and there is no difference among the mean value of return on asset of private banks. So profitability ratios are employed by the management in order to assess how efficiently they carry on their business operations and also it is suggested for the entire bank to take effective steps to improve the operating efficiency of the business.

Chennu goel and Chitwan Bhutani Rekhi (2013) In their studies titled “A Comparative Study on the Performance of Selected Public Sector and Private Sector Banks in India “Efficiency and profitability of the banking sector in India has assumed primal importance due to intense competition, greater customer demands and changing banking reforms. This study attempts to measure the relative performance of Indian banks. The analysis supports the conclusion that new banks are more efficient that old ones. The key to increase Performance depends upon Return on Assets, Return on Equity and Net interest margin.

Dharmendra S.Mustry (2013) in his study titled “A study on profitability and efficiency measurement of the selected Indian private sector banks” found that there was no significant difference in profitability and efficiency of the selected Indian private sector banks. Due to highest Net Profit (NP) margin as well as higher Return on Assets (ROA), HDFC Bank was at the first position followed by YES Bank, KarurVysya (KV) Bank, Kotak Mahindra (KM) Bank and ICICI Bank. Due to highest Net Interest Income (NII) and Non Net Interest Income (NNII) as well as efficiently controlled Interest Expended (IE); KM Bank occupied first position followed by HDFC, ICICI, YES and KV Banks.

Syed Qasim Shah Rizwan Jan (2014) .In their studies found that Bank size and Operational Efficiency is negatively related with ROA and positive relationship was found with Assets management ratio. While, Bank size is positively related with Interest Income and Asset Management and Operational Efficiency is negatively related with Interest Income.

J.Kumar and Dr.R .Thamil Selvan (2014). In their studies titled “Capital Adequacy determinants and profitability of selected Indian commercial banks” found that ICICI bank has the most favorable capital adequacy ratio compared to other various banks. The Bank of India and Bank of Baroda are expanding their business much more. The advance of assets in State Bank of India is better profitability, Satisfactory. Total assets of HDFC bank higher spread
indicates better earning capacity of the banks. The non-interest income of Total income an Axis banks are higher in percentage ratio. It helps to determine the liability of the bank to earn revenue from other than the core activities of banks.

Neha Saini (2014) in her study “Measuring the Profitability and Productivity of Banking Industry: A case study of selected Commercial Banks in India” found that public sector banks are coming up with high productivity and low profitability when compared with private sector banks. To increase profitability banks should embrace to adopt new technology to compete with private sector banks and also successful survive in market.

Urmila Bharti and, Surrender Singh (2014) in their studies titled “Liquidity and Profitability Analysis of Commercial Banks in India – A Comparative Study” revealed that that during the study period the liquidity and profitability position of public sector bank group declined while it has improved in other two groups. Further the results indicated that in most of the financial indicators foreign banks recorded the highest mean values. But as far as stability and consistency is concerned, it was negligible in foreign banks and highest in public sector banks. It is also found that mean difference was negligible among public and private sector banks but it is significant when compared with foreign bank group. It depicts that public sector banks need to improve their performance in order to compete with private and foreign banks groups.

Deepak Kumar Sharma and Anju Saharan (2015) in their studies found that Corporation Bank has 1st rank and United Bank has 10th rank for business per employee and profit per employee; and United Bank of India has 1st rank and Bank of India has 10th rank for total advances to total deposits ratio. It is also resulted that there is a significance difference between the managerial efficiency of selected Nationalized banks. The study is suggested that Nationalized Banks need to enhance their skills mainly in marketing and sales of products/services, service operations, risk management and the overall performance.

Petar Karsavina and Zoran Jović (2015). In their studies titled “Impact of Assets Quality on Bank Profitability – Case study” found that maturity affects the profitability margins, primarily the CM1 margin, which is conditioned primarily by the fact that, as a rule, long-term loans on annual level dictate slightly lower interest rates, while short-term loans dictate a slightly higher interest rate. A higher level of NPLs increases the provisions towards the NBS and reduces the level of profitability.
Lucky Anyike Lucky and Nwosi Anele Andrew (2015) In their studies titled “Assets Quality and Profitability of Commercial Banks: Evidence from Nigeria” found that there is significant relationship between asset quality and the profitability of the commercial banks. It recommends that bank lending environment should be well examined before and after credit and the regulatory authorities should ensure sound bank lending environment to avoid the incidence of non-performing loans to enhance the profitability of commercial banks in Nigeria.

Dhanabhakyam Dr. and C Karthick (2016). In their studies indicates that public sector banks were performed better than the private sector banks. The study may help decision makers of Indian public sector bank and private sector banks in order to concentrate on banking activities and thereby to increase the bank ranking and profitability performance.

Kumar J and Dr.R.Thamil Selvan (2016). In their studies found that on the basis of group averages sub parameters of capital adequacy, Assets Quality and Liquidity Ratio of public sectors banks was at the top position compared with private sector banks. In terms of Management Efficiency and Earning quality private sector bank was better than that the selected public sector banks.

Gurmeet Singh and Dr.Ravi Singla (2016) in their studies titled Observed that the private sector banks which were established somewhat better earlier in comparison to others have reported better capital adequacy, better management efficiency, and better liquidity position and new entrants have displayed lagged performance both in the area of capital adequacy and liquidity.

Tesfatsion Sahlu Desta. Dr (2016). In his study found that the banks are rated as strong and satisfactory when rated in terms of capital adequacy ratio and earning ability. Conversely they were rated less satisfactory, deficient and critically deficient when rated in terms of assets quality, management quality and liquidity.

Ishaq AB, Karim A, Ahmed S and Zaheer A (2016). In their studies result shows that total deposit to equity, non-performing loans to gross advances, non-performing loans to equity, Administration expense to Interest income ratio, Gross advances to Total deposits ratio were significantly but negative correlated with a bank’s performance. The return on assets and Return on equity were significantly and positively correlated with a bank’s performance. The Interest income to Total assets ratios is statistically insignificant with bank’s performance, whereas the regression result show that Interest income to Total income is statistically significant with bank’s performance.
performance. The cash ratio is also showing insignificant correlated bank’s performance, whereas the regression result shows that the cash ratio is statistically significant with a bank’s performance.

Kumar.J and Dr.R.Thamil Selvan (2016). In their studies concluded that the various variable have shown variation, from bank to bank. The total advances to deposits the State Bank of India is far better than other selected commercial banks but profit per employee of State Bank of India is less than the other banks. The Bank of Baroda has shown maximum in case of Business per employee. The Punjab National Bank has least growth of return on net worth.

Kumar J and Dr.R.Thamil Selvan (2017). In their studies “Impact of Assets Quality and Profitability of Selected Indian Public Sector Banks “found that there is significant relationship between Assets Quality and the Profitability of selected Public sector banks in India. Punjab National Bank to improve its position with regard to Quality of assets, Bank of India improves its Net Non-performing Assets. Industrial Development Bank of India should improve its profitability and State bank of India improve its Interest Income.

Objectives of the Study

The objectives of the study are
1) To analyze the Management efficiency and Profitability of the selected banks and
2) To make a comparison of various selected Indian public sector banks.

Research Methodology

The study is based upon secondary data covering period from 1st April 2005 to 31st March 2016. The study is related to public sector and private sector banks, on the basis of their Total Assets and profits. There are top ten leading banks like State Bank of India, ICICI Bank, HDFC Bank, Bank of Baroda, Punjab National Bank, Bank of India, Canara Bank, Axis Bank, Union Bank of India and Industrial Development Bank of India have been selected for the study based on. The data has been collected from the various banks annual reports, Indian Banking Association RBI website and Corporate database.

<table>
<thead>
<tr>
<th>Banks</th>
<th>Total Advances to Total Deposits (%)</th>
<th>Business per Employee(Rs in Lakh)</th>
<th>Profit per Employee(Rs in Lakh)</th>
<th>Mean Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Bank of India</td>
<td>77.63 (9.66)</td>
<td>6.90 (3.61)</td>
<td>4.21 (1.34)</td>
<td>7.33</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Mean</th>
<th>CAAGR</th>
<th>Rank</th>
<th>Mean</th>
<th>CAAGR</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>G.Mean</td>
<td></td>
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<td>G.Mean</td>
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<tr>
<td>CAGR</td>
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<td>CAGR</td>
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<tr>
<td>Rank</td>
<td></td>
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<td>Rank</td>
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</table>

881
Table 1 indicates that, the three ratios in management efficiency. IDBI has the highest ratio Total advances to total deposits with geometric mean value of 98.87 followed by ICICI bank with 96.35. Canara bank has the lowest standard deviation value of 2.06. IDBI has the lowest Total advances to total deposits ratio with CAGR value of 7.33. Business per employee positive and significant CAGR of the banks, which indicates that easily expand their business activities. IDBI has the Top position with higher geometric mean value of 21.67 followed by ICICI bank and Bank of India. State Bank of India has the least geometric mean value of 6.90. ICICI Bank has the lowest standard deviation value of 1.49.

Axis Bank has the highest ratio Profit per employee with geometric mean value of 12.23 followed by ICICI bank and HDFC Bank geometric mean value of 11.42 and 7.79. The private sector banks have a positively significantly CAGR in profit per employee. IDBI bank, Canara bank, Bank of Baroda and Bank of India were significantly negative CAGR. State Bank of India has the lowest standard deviation value of 2.06.

In overall management efficiency IDBI bank has top rank with least mean value of 2.00 followed by AXIS bank and ICICI bank it shows that better ability of the banks. Punjab National

<table>
<thead>
<tr>
<th>Bank</th>
<th>Geometric Mean</th>
<th>Standard Deviation</th>
<th>Total Advances</th>
<th>Total Deposits</th>
<th>Profit per Employee</th>
</tr>
</thead>
<tbody>
<tr>
<td>ICICI Bank</td>
<td>96.35 (6.92)</td>
<td>1.57</td>
<td>2</td>
<td>8.58 (1.49)</td>
<td>1.36</td>
</tr>
<tr>
<td>HDFC Bank</td>
<td>74.56 (7.84)</td>
<td>2.92</td>
<td>5</td>
<td>7.01 (2.12)</td>
<td>4.94</td>
</tr>
<tr>
<td>Bank of Baroda</td>
<td>70.36 (3.38)</td>
<td>0.24</td>
<td>9</td>
<td>10.53 (5.43)</td>
<td>15.01</td>
</tr>
<tr>
<td>Punjab National Bank</td>
<td>73.78 (4.77)</td>
<td>1.70</td>
<td>8</td>
<td>8.19 (3.82)</td>
<td>14.20</td>
</tr>
<tr>
<td>Bank of India</td>
<td>73.84 (3.09)</td>
<td>0.19</td>
<td>7</td>
<td>10.77 (5.95)</td>
<td>16.01</td>
</tr>
<tr>
<td>Canara Bank</td>
<td>70.26 (2.06)</td>
<td>0.01</td>
<td>10</td>
<td>9.81 (4.02)</td>
<td>11.92</td>
</tr>
<tr>
<td>AXIS Bank</td>
<td>75.55 (10.99)</td>
<td>5.54</td>
<td>4</td>
<td>11.98 (1.55)</td>
<td>3.79</td>
</tr>
<tr>
<td>Union Bank of India</td>
<td>74.96 (4.00)</td>
<td>0.79</td>
<td>6</td>
<td>9.08 (3.88)</td>
<td>12.51</td>
</tr>
<tr>
<td>IDBI Bank</td>
<td>98.87 (38.03)</td>
<td>-7.33</td>
<td>1</td>
<td>21.67 (4.07)</td>
<td>4.29</td>
</tr>
</tbody>
</table>

Sources: Annual report of Banks and results generated with the help of SPSS
Note: G.Mean- Geometric Mean ; CAGR - Compounded Annual Growth Rate and Data in parenthesis are Standard Deviation
Bank has last position with higher mean value of 8.00 followed by Canara Bank and State Bank of India mean value of 7.33 and 7.33 due to its inefficiency of management.

<table>
<thead>
<tr>
<th>Banks</th>
<th>Operating Profits to Average Working Funds Ratio (%)</th>
<th>Spread to Total Assets (%)</th>
<th>Net Profit to Average Assets (%)</th>
<th>Interest Income to Total Income (%)</th>
<th>Mean Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Bank of India</td>
<td>G.Mean (0.96)</td>
<td>CAGR -0.70 Rank 5</td>
<td>G.Mean (0.34) Rank 2.64</td>
<td>G.Mean (0.19) Rank -1.40</td>
<td>4</td>
</tr>
<tr>
<td>ICICI Bank</td>
<td>2.56 (0.50)</td>
<td>4.40 3</td>
<td>2.29 (0.44) Rank 5.55</td>
<td>1.24 (0.28) Rank 3.34</td>
<td>6</td>
</tr>
<tr>
<td>HDFC Bank</td>
<td>3.14 (0.21)</td>
<td>1.95 1</td>
<td>3.83 (0.18) Rank 1.28</td>
<td>1.44 (0.28) Rank 3.62</td>
<td>1</td>
</tr>
<tr>
<td>Bank of Baroda</td>
<td>1.81 (0.31)</td>
<td>-2.30 7</td>
<td>2.21 (0.34) Rank -3.35</td>
<td>0.60 (0.55) Rank -27.16</td>
<td>7</td>
</tr>
<tr>
<td>Punjab National bank</td>
<td>2.29 (0.27)</td>
<td>-1.41 3</td>
<td>2.92 (0.29) Rank -2.64</td>
<td>0.69 (0.54) Rank -24.41</td>
<td>6</td>
</tr>
<tr>
<td>Bank of India</td>
<td>1.64 (0.48)</td>
<td>-3.42 9</td>
<td>2.14 (0.22) Rank -1.60</td>
<td>0.49 (0.56) Rank -39.15</td>
<td>9</td>
</tr>
<tr>
<td>Canara Bank</td>
<td>1.71 (0.29)</td>
<td>-2.85 8</td>
<td>2.07 (0.30) Rank -3.42</td>
<td>0.54 (0.50) Rank -25.70</td>
<td>8</td>
</tr>
<tr>
<td>AXIS Bank</td>
<td>2.93 (0.41)</td>
<td>3.41 2</td>
<td>2.68 (0.37) Rank 3.70</td>
<td>2.93 (0.41) Rank 4.72</td>
<td>1</td>
</tr>
<tr>
<td>Union Bank of India</td>
<td>1.93 (0.34)</td>
<td>0.04 6</td>
<td>2.42 (0.27) Rank -2.88</td>
<td>0.76 (0.38) Rank -2.68</td>
<td>5</td>
</tr>
<tr>
<td>IDBI Bank</td>
<td>1.39 (0.44)</td>
<td>6.59 10</td>
<td>1.15 (0.49) Rank 9.11</td>
<td>0.39 (0.47) Rank -50.51</td>
<td>10</td>
</tr>
</tbody>
</table>

Table 2 reveals that, the earning capacity of the Banks. It indicates the bank’s ability to create appropriate returns and retain for futures. The HDFC bank has top position with higher geometric mean of 3.14 followed by Axis Bank and ICICI Bank geometric mean value of 2.93 and 2.56 in Operating profit to average working capital funds ratio. IDBI Bank has lowest rank with geometric mean value of 1.39 followed by Bank of India and Canara Bank. HDFC Bank has the lowest standard deviation value of 2.06. Spread to Total Assets HDFC bank has 1st rank with higher geometric mean of 3.83 followed by Punjab national bank and AXIS Bank. IDBI bank has last rank due to its poor performance followed by Canara Bank and bank of India.
CAGR was found that negatively significant. Net profit to average assets private sector banks secured 1st 2nd and 3rd rank respectively. It shows that good earning capacity of the banks.

All the public sector banks have more than 80% in interest income to total income. Union Bank of India has the top position followed by Canara Bank and Punjab National Bank. In term of Interest income to total income, GAGR was found positively significant except Punjab National Bank. Union Bank of India has the top position with higher geometric mean value of 90.64 followed by Canara Bank and Punjab National Bank. ICICI Bank has last position due to its performance followed by Axis Bank and ICICI Bank.

In overall HDFC bank has top position with least mean value of 3.00 followed by Canara Bank Punjab National Bank and Industrial Development of India bank has last position higher mean value of 9.00 due to under utilization of assets followed by Bank of India and Canara Bank.

**Conclusion**

Public sector banks are facing turn down in their earnings growth and decline in profit margin, because of their lower assets quality and increased the sub-standards of assets. In terms of management efficiency IDBI Bank has the highest ratio Total advances to total deposits followed by ICICI bank and State Bank of India. Canara bank has the lowest rank followed by Bank of Baroda and Punjab National Bank. Canara Bank has improve their efficiency among members. Business per employee IDBI has the Top position with higher geometric mean followed by AXIS bank and Bank of India. State Bank of India has the least geometric mean value followed by ICICI Bank and Punjab National Bank. State Bank of India improve their business per employee. Axis Bank has the highest ratio Profit per employee followed by ICICI bank and HDFC Bank. The private sector banks have a positively significantly CAGR in profit per employee. Bank of India has the lowest position followed by State Bank of India and Punjab National Bank. Bank of India should improve their profit per employee. In overall management efficiency IDBI bank has top rank followed by AXIS bank and ICICI bank it shows that better ability of the banks. Punjab National Bank has last position followed by Canara Bank and State Bank of India. Punjab National Bank should improve their management efficiency. The high level of non-performing asset (NPAs) and races by Reserve Bank of India to make their provisioning for sub-standards assets were the main reasons for the banks to reduce their profits.
In term of profitability HDFC bank has top position with higher geometric mean followed by Axis Bank and ICICI Bank. In Operating profit to average working capital funds ratio. IDBI Bank has lowest rank followed by Bank of India and Canara Bank. Spread to Total Assets HDFC bank has 1st rank with higher position followed by Punjab national bank and AXIS Bank. IDBI bank has last rank due to its poor performance followed by Canara Bank and bank of India. Net profit to average assets private sector banks secured 1st, 2nd and 3rd rank respectively. It shows that good earning capacity of the banks. Union Bank of India has the top position followed by Canara Bank and Punjab National Bank. In term of Interest income to total income, Union Bank of India has the top position followed by Canara Bank and Punjab National Bank. ICICI bank has last position due to its performance followed by Axis Bank and ICICI Bank.

In overall HDFC bank has top position with least mean value followed by Canara Bank Punjab National Bank and Industrial Development of India bank has last position due to under utilization of assets followed by Bank of India and Canara Bank. Reserve Bank of India has revised performance indicators for banks which are basically built on improving efficiency and capital utilization.

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