



## FINANCIAL PERFORMANCE OF INDIAN PUBLIC SECTOR BANKS

**Dr. Ravikiran Jadhav**

**D.B.F Dayanand College Of Arts & Science ,  
Solapur, Maharashtra.**



### ABSTRACT

*Sound money related wellbeing of a bank is the certification not exclusively to its contributors yet is similarly critical for the investors, workers and entire economy also. As a spin-off of this proverb, endeavors have been produced using time to time, to gauge the monetary position of each bank and oversee it productively and viably. In this paper, an exertion has been made to assess the money related execution of the open segment banks in India. This assessment has been finished by utilizing CAMEL Parameters, the most recent model of money related examination. Through this model, it is featured that the situation of the banks under investigation is sound and agreeable so far as their capital sufficiency, resource quality, Management ability and liquidity is concerned.*

**KEYWORDS :** Public sector Banks, Performance Evaluation, Camel Model.

### INTRODUCTION:

Banking area is one of the quickest developing parts in India. The present financial division ending up progressively perplexing. Assessing Indian financial area isn't a simple errand. There are such huge numbers of components, which should be taken consideration while separating great banks from terrible ones...

To assess the presentation of banking part, have picked the CAMEL model which estimates the exhibition of banks from every one of the significant parameter like Capital Adequacy, Assets Quality, Management Efficiency, Earning Quality and Liquidity. Subsequent to choosing the model, have picked specific six open part banks for the investigation. The banks are Bank of Baroda, Bank of India, Canara Bank, Punjab National Bank, Syndicate Bank, and Union Bank of India.

### STATEMENT OF THE PROBLEM

Today banking business is expanded from conventional ways to deal with individual methodology. With the move in client inclination from stores in banks to ventures, consistently expanding challenge and number of banking offices to clients at their doorstep, there is propensity that the overall revenues of the banks are separated and declined. Presently days practically all banks in India have begun retail banking items and esteem included administrations alongside their customary financial items. It has turned out to be basic for every one of the banks to hold the old clients and pull in the new clients by giving more esteem included administrations and banking motivating forces under single window framework just as to discover elective approaches to create more salary.

### SCOPE OF THE STUDY

So as to support their intensity, banks must concentrate on their presentation. Right now concentrate will be helpful to immense range of nationalized banks working in India to draw a superior view on their exhibitions dependent on CAMEL rating and the suggestions proposed in this investigation can be utilized for the fortifying nationalized banks exhibitions in India.

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### OBJECTIVES OF THE STUDY

To draw a general investigation on the money related productivity of Indian open division banks in India with the help of CAMEL model and to make sensible determination and suggestion.

### METHODOLOGY OF THE STUDY

By and large money related soundness and induce about combination of the business banks working in India, analyst have utilized an exceptionally streamlined methodology utilizing universally acknowledged CAMEL rating parameters. CAMELS are an abbreviation for five measures (capital sufficiency, resource quality, the board soundness, income and liquidity). The examination the five pointers which mirror the monetary soundness of the Public Sector banks for a time of 10 years 2004-2005 to 2013-14.

### SOURCES OF DATA

The examination depends on auxiliary information. The data required for concentrate was gathered through the yearly report and other pertinent data from the banks. The analyst has experienced different diaries, papers and so forth., for getting data.

### TOOLS FOR ANALYSIS

The researcher has analyzed the CAMEL Model to evaluate the performance of the banks. With the help of some ratio analysis.

- C-Capital Adequacy
- A-Asset Quality
- M-Management
- E-Earning and profitability
- L- Liquidity

### PERIOD OF STUDY

The investigation covers the time of five years from 2004-2005 to 2013-2014 so as to assess the presentation of specific Indian open area bank through CAMEL model examination

### LIMITATIONS OF THE STUDY

- The study was limited to six Indian public sector banks.
- The study was depended only for five years data.

### REVIEW OF LITERATURE

- Haseeb Zaman Babar and GulZeb (2011) have assessed the "CAMEL Rating System for Banking Industry in Pakistan". Primary point of the investigation is to reply, does CAMELS framework give comparative rating as Pakistan Credit Rating Agency (PACRA) framework in surveying the presentation of banks in Pakistan. The scientist has chosen seventeen banks from Pakistan and contrasted the CAMELS positioning and PACRA for the year 2007. It is reasoned that the rating distributed by PACRA show practically all banks are monetarily solid and stable where as consequences of CAMELS are totally unique in relation to these rating, so there is no likenesses in the aftereffects of these rating framework.
- Chaudhry and Singh (2012) examined the effect of the budgetary changes on the soundness of Indian Banking through its effect on the benefit quality. The investigation recognized the key players as hazard the executives, NPA levels, compelling cost the board and money related incorporation.

### CONCLUSION

Because of radical changes in the financial area in the ongoing years, the banks all around the globe have improved their supervision quality and methods. Different examinations have been directed in India

too on different banks utilizing CAMEL structure. Various banks are positioned by the rating gotten by them on the five parameters. The outcomes demonstrate that there is a measurably critical contrast between CAMEL proportions of particular open area banks in India, along these lines, meaning that the general execution of specific open division banks is unique. Likewise, it very well may be presumed that the manages an account with least positioning need to improve their exhibition to come up to the ideal benchmarks with giving administration to open.

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