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Financial Performance of Private Banks in NCR

Pinkal Dhari
India

I. INTRODUCTION

The bank is a financial institution that performs various functions such as deposit taking, lending, agriculture and rural development, etc. The bank plays an important role in the country's economic development. It is necessary to encourage people to deposit excess funds in banks. These funds are used to provide loans to industries, making productive investments. A bank is a financial intermediary that accepts deposits and redirects these deposits to lending operations. They are the active players in the financial market. The essential role of a bank is to connect those who have capital with those who seek capital. After post-economic liberalization and globalization there was a significant impact on the banking sector. It is a financial institution licensed as a deposit receiver. There are two types of banks: commercial/retail banks and investment banks. Commercial banks are primarily engaged in handling withdrawals and deposits and providing short-term loans to individuals and small businesses.

Characteristics of a Bank

1. Money trading: The bank is a monetary foundation that manages the money of others, for example money given by investors
2. Individual Company : A bank can be an individual, a company or an organization. A financial organization implies an organization engaged in banking activities.
3. Deposit Acceptance: A bank accepts cash from individuals as a deposit, usually redeemable on demand or after a reasonable time. He brings well-being to his clients' businesses. It also acts as the custodian of its clients' assets.
4. Grant Advances: A bank lends money to people in need for various purposes.
5. Payment, and withdrawal: A bank provides its customers with easy payment and withdrawal offices in the form of checks and drafts, it also receives bank cash. This money comes in the form of checks, hills of exchange, etc.
6. Agency and utilities: A bank offers various financial offices to its clients. They include general service administrations and organizational administrations.
7. Profit and service orientation: A bank is a performance-oriented organization with an administration-oriented approach.
8. Ever-expanding functionality: Banking is a transformative idea. A bank's capabilities, management and operations are constantly being expanded and expanded.
9. Link: A bank acts as an interface between borrowers and credit specialists. Banks collect cash from people who have cash and give something similar to people who need cash.
10. Banking affairs: the main action of a bank should be to continue bank work which should not be useful for another company.

Types of Banks

- (a) Organized & Sloppy Banks
- (b) Scheduled and Unscheduled Banks

- (c) Native Bankers
- (d) Central bank
- (e) Commercial bank
- (f) Development Banks
- (g) Co-operative banks
- (h) Specialized Banks
- (i) Land Mortgage Banks
- (j) Regional Rural Banks
- (k) Stock Exchange Banks
- (l) Retail Banks
- (m) Investment Banks

II. LITERATURE REVIEW

(Kumar and Kumar, 2016) considered and examined the performance of four banks in the public space from 2011 to 2015. They compared SBI to other public banks that also used an assortment of monetary proportions and concluded that SBI is unmatched.

(Karri et al., 2015) also used the CAMEL model, the T-test, to assess the monetary strength of the Bank of Baroda and Punjab National Bank. In consideration of 14 monetary proportions, they found that the Bank of Baroda beat the Public Bank of Punjab all in all.

(Chintala and Kumar, 2016) focused on the monetary execution of open and confidential banks SBI, Bounce, PNB, CHI, IDBI, HDFC. ICICI, Kotak and IndusInd bank's full salary, premium payment and administration fee fell apart for the five years, for example from 2011 to 2016. They concluded that private sector banks were the most profitable and developed the fastest. Similarly, (Koley. Analyzed the monetary performance of the State Bank of India and the HDFC Bank from 2013 to 2018. After taking into account the annual salary, net interest payments, labour compensation, net compensation and the CAMEL model, it was assumed that HDFC beat the rest. The results were confirmed when comparing and evaluating the monetary presentation from 2009 to 2012 of public banks in India in the confidential space (Goel and Rekhi 2013). The study of the proportions and the grid of connection coefficients showed that the HDFC bank performs well compared to the SBI, BOB, PNB, ICICI and Axis banks.

(Nathwani 2011) inspected the monetary issues of all commercial banks in India over a period of more than five years, from 1997-1998 to 2001-2002. The ANOVA table was applied to the ratio of interest income to normal working capital, the ratio of noninterest income to average working capital and the capital adequacy ratio. He noted that banks that adapt to change, move forward and embrace new innovations to solve their customers' problems are bound to succeed.

(C. Vanlatzawna 2018) used the proportion test. ANOVA and CAMEL model to assess the monetary execution of two public Indian banks and two confidential banks between 2008 and 2013. Looking at public and confidential banks, it was found that private banks performed better than public banks in each of the selected borders.

(Al-Kaseasbah, 2018) examined the monetary results of SBI and ICICI banks between 2012 and Exchange rate research and speculation tests were conducted and it was found that the SBI was recording a fluctuating pattern while the ICICI bank was struggling with a expanding pattern.

III. RESEARCH METHODOLOGY**Objectives of the Study**

1. To study the financial performance of private banks in NCR
2. To compare the different private banks.
3. To study the financial performance faced by private banks.

Research**SELECTION OF SAMPLE**

This research is based on the study of private banks for the period of 3 years from 2016-2019, covers the evaluation of financial performance. The banks that are selected for the purpose of the study are:

Private Banks

- 1 AXIS Bank
- 2 ICICI Bank
3. YES Bank
4. Federal Bank
5. HDFC Bank

STUDY PERIOD

The study period taken in the present research paper is a period of 3 years, that is from 2016-2017,2017-2018,2018-2019.

Determination of the period that is the period for which data has been collected and then analysed is of great importance. As the performance of the banks have been changing for the currently study a period of three years that is 2016-2017 to 2018-2019 has been considered.

DATA COLLECTION

Sources of data

All the data which have been used in the present study are secondary data. Data has been collected for the present study from various sources, necessary data has been collected from the website of the finance ministry, government of India. The other data have been collected from the following sources:

1. Annual reports of selected Private Banks.
2. Report on trend and progress of banking in India (published by RBI).

IV. ANALYSIS AND FINDINGS

1. Total Deposits. (Rs. In crores)

	2016-2017	2017-2018	2018-2019
Axis Bank	1,89,237.80	2,20,104.30	2,52,613.59
ICICI Bank	2,25,602.20	2,55,500	2,92,613.6
HDFC Bank	2,08,586.41	2,46,706.45	2,96,246.98
FEDERAL Bank	43,014.78	48,937.12	57,614.86
YES Bank	45,939	49,152	66,955.60

Analysis : The above table reveals that HDFC Bank has the highest deposits from 2016 to 2019 , while FEDERAL Bank has the lowest deposits .

2. Total Advances.		(Rs. In crores)	
	2016-2017	2017-2018	2018-2019
Axis Bank	1,42,407.83	1,69,759.54	1,96,965.96
ICICI Bank	2,16,366	2,53,728	2,90,249.4
HDFC Bank	1,59,982.70	1,95,420.00	2,39,720.60
FEDERAL Bank	31,953.23	37,755.99	44,096.71
YES Bank	34,364	37,989	46,999.60

Analysis : The above table reveals that HDFC Bank has made the most progress over the 3 years , followed by ICICI Bank.

3. Net Profit.		(Rs. In crores)	
	2016-2017	2017-2018	2018-2019
Axis Bank	3,388.49	4,242.21	5,179.43
ICICI Bank	5,151.4	6,465.26	8,325.5
HDFC Bank	3,926.40	5,167.10	6,726.30
FEDERAL Bank	587.08	776.79	838.17
YES Bank	727	977	1,301

Analysis : The above table reveals ICICI Bank has earned the maximum Net profit whereas FEDERAL Bank has the lowest net profit in the past 3 years.

4. Net NPAs.		(Rs. In crores)	
	2016-2017	2017-2018	2018-2019
Axis Bank	414.04	472.64	704.13
ICICI Bank	2,407.36	1,860.84	2,230.56
HDFC Bank	296.41	352.33	468.95
FEDERAL Bank	190.69	199	431.94
YES Bank	9.15	17.46	6.99

Analysis : The above table reveals that there was constant increment in numbers of NPAs of Axis Bank , Federal Bank , HDFC Bank while YES Bank seems to have interesting no of NPAs during 2018 – 2019.

V. CONCLUSION

Financial performance analysis is a parameter for estimating the bank's monetary status. Reviewing financial reports is important because it provides important data to investors when making such decisions. Immediate funders are people who have excess cash to invest resources in a few productive open houses. As a result, they often have to decide if they want to invest their capital in the organization's share. The study of the financial report is vital for them as they can get useful data for their reason of speculation dynamics. In the field of monetary aid, particularly in financial years, globalization has widened the administration's need to make estimates. Banks that perform well on three human grounds, such as corporate social obligations, consumer loyalty and employee satisfaction, are generally considered to be great entertainers. Pivot Bank performs very well on this large number of aspects. Axis Bank's technique of basing its operations on solid client bases using judicious methodology has produced great results. The bank continued to expand its organization, with an expanded focus around non-rural areas, as it had fundamentally expanded its rural footprint over the past year. The bank strives to continuously improve the reputation of investors by Skill fully allocating capital to improve value returns. The Bank's capital administration structure ensures a good capital organization and an ideal mix of organizations. As innovation improves, customer assumptions have broadened about the constant accessibility of information and the speed of exchange. The bank's web and versatile financial base offer customers the simplicity of ongoing execution from the comfort of their home or office, while ensuring security. Bank mainly focused on the Bank's current customers.

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Reports

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