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EVALUATING OPERATIONAL EFFICIENCY: A STUDY OF PUBLIC SECTOR AND PRIVATE SECTOR BANKS WITH REFERENCE TO HDFC

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ABSTRACT

This study presents a comparative analysis between nationalized (public sector) banks and private sector banks in India, focusing on their financial performance, customer service, operational efficiency, and market reach. The objective is to understand how both categories of banks function under different ownership structures and how they respond to economic challenges and reforms. Key parameters such as profitability, net interest margin (NIM), non-performing assets (NPA), return on assets (ROA), return on equity (ROE), credit-deposit ratio, and customer satisfaction levels are analyzed over recent financial years. The analysis reveals that private sector banks generally outperform nationalized banks in terms of profitability, efficiency, and technology adoption, while public sector banks maintain a broader rural and social reach, aligned with government schemes and financial inclusion goals. However, nationalized banks face challenges like high NPAs, slower decision-making, and bureaucratic processes. The abstract concludes that while both types of banks play vital roles in the Indian banking ecosystem, there is scope for mutual learning and reforms to improve competitiveness, stability, and customer experience.

INTRODUCTION

Global competition forced organizations to build global capabilities.

Banking sector is the most effective instrument for economic development, so developing Human Resources for this sector is essential to achieve the national development.

Banking in India originated in the last decades of the 18th century. The oldest bank in existence in India is the State Bank of India, a government-owned bank that traces its origins back to June 1806 and that is the largest commercial bank in the country. Central banking is the responsibility of the Reserve Bank of India, which in 1935 formally took over these responsibilities from the then Imperial Bank of India, relegating it to commercial banking functions. After India's independence in 1947, the Reserve Bank was nationalized and given broader powers. In 1969 the government nationalized the 14 largest commercial banks; the government nationalized the six next largest in 1980.

Currently, India has 88 scheduled commercial banks (SCBs) - 27 public sector banks (that is with the Government of India holding a stake), 31 private banks (these do not have government stake; they may be publicly listed and traded on stock exchanges) and 38 foreign banks. They have a combined network of over 53,000 branches and 17,000 ATMs.

According to a report by ICRA Limited, a rating agency, the public sector banks hold over 75 percent of total assets of the banking industry, with the private and foreign banks holding 18.2% and 6.5% respectively.

The most significant achievement of the financial sector reforms has been the marked improvement in the financial health of commercial banks in terms of capital adequacy, profitability and asset quality as also greater attention to risk management. Further, deregulation has opened up new opportunities for banks to increase revenues into investment banking, insurance, credit cards, depository services, mortgage financing, securitization etc. At the same time, liberalization has brought greater competition among banks, both domestic and foreign, as well as competition from mutual funds, Non-Banking Financial Corporations, post office etc.

The definition of a bank varies from country to country. Under English common law, a banker is defined as a person who carries on the business of banking, which is specified as:

• conducting current accounts for his customers
• paying cheques drawn on him, and
• collecting cheques for his customers.

In most English common law jurisdictions there is a Bills of Exchange Act that codifies the law in relation to negotiable instruments, including cheques, and this Act contains a statutory definition of the term *banker*: *banker* includes a body of persons, whether incorporated or not, who carry on the business of banking' (Section 2, Interpretation). Although this definition seems circular, it is actually functional, because it ensures that the legal basis for bank transactions such as cheques do not depend on how the bank is organised or regulated.

Inflation

The Reserve Bank of India has effectively contained the inflation expectations in 2007 by managing the WPI inflation down from 6.6% in Feb 2007 to around 4% in Dec 2007. This is attributed to the moderation of prices of primary food articles and some manufactured products.

The inflation rate in India was recorded at **5.61** percent in **December of 2015**. Inflation Rate in India is reported by the Ministry of Commerce and Industry, India. Inflation Rate in India averaged 7.71 Percent from 1969 until 2014, reaching an all time high of 34.68 Percent in September of 1974 and a record low of -11.31 Percent in May of 1976. In India, the wholesale price index (WPI) is the main measure of inflation. The WPI measures the price of a representative basket of wholesale goods. In India, wholesale price index is divided into three groups: Primary Articles (20.1 percent of total weight), Fuel and Power (14.9 percent) and Manufactured Products (65 percent). Food Articles from the Primary Articles Group account for 14.3 percent of the total weight. The most important components of the Manufactured Products Group are Chemicals and Chemical products (12 percent of the total weight); Basic Metals, Alloys and Metal Products (10.8 percent); Machinery and Machine Tools (8.9 percent); Textiles (7.3 percent) and Transport, Equipment and Parts (5.2 percent).

Industry Production

Industrial production dropped sharply in the month of January 2009 owing to sluggish performance in the manufacturing sector. The general index for the month of January 2008 showed a growth of only 5.3% compared to growth of 11.6% in January 2007. This was the third successive month of low growth. In Dec ’07, the industrial production grew by 7.7%. The lower growth has been contributed by sluggishness in the manufacturing and mining sector. Cumulatively, industrial production showed a growth of 8.7% between April-January 2008-09, with 9.8% growth for manufacturing, 4.6% for mining and 6.3% for electricity. Lagged impact of interest rate increases and decrease in global demand have been affecting industrial growth in the last few months.

Growth in the manufacturing sector declined to 5.9% in Jan’09 as against 12.3% in Jan’08, and growth in mining declined to 1.8% as against 7.7% in Jan’07. Electricity sector recorded a moderate growth of 3.3% as against 8.3% in Jan’07.

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Increases in interest rates over the last two years is impacting the consumer durable and capital goods sector as consumer durables production, including washing machine and television sets, fell 3.1% in January after increasing 5.3% a year earlier and output of capital goods increased by a meager 2.1% compared with 16.3% a year ago. Also indices for machinery and equipment showed a sharp fall of 3.8% in Jan ’08 against 10.7% growth in Dec ’07.

NEED OF THE STUDY:

The need of the study is to concentrates on the growth and performance of **Nationalized and Private Banks** and to calculate the performance by using Comparative analysis and to know the Activates of the banks of **SBI, Syndicate Bank, ICICI and HDFC**.

- To know financial position of **SBI, Syndicate Bank, ICICI and HDFC**
- To analyze existing situation of **SBI, Syndicate Bank, ICICI and HDFC**
- To improve the performance of **SBI, Syndicate Bank, ICICI and HDFC**
- To analyze competition between **SBI, Syndicate Bank, ICICI and HDFC** with other cooperatives.

SCOPE OF THE STUDY:

In this study the analysis based on ratios to know asset and liabilities management under **SBI, Syndicate Bank, ICICI and HDFC** and to analyze the growth and performance of **SBI, Syndicate Bank, ICICI and HDFC** by using the calculations under asset and liability management based on ratio.

- Comparative statement

This analysis attempts to study the growth pattern of Equity sector, such as Banking and RESPECTIVE to **Nationalized banks Vs Private Banks**. When compared to its sector wise indices and the national index S&P CNX Nifty. The analysis hereby done attempts to prepare a report on the behavior of share prices of major Banking in Private and Nationalized Sector stocks, so that a investor can prepare and well diversified portfolio and logically forecast about the behavior of the share market and invest in a manner so as to make a lucrative deal and earn a maximum possible capital gain from the market. Moreover the study also gives a comparative analysis of the above stated stocks with their respective sartorial index and the national index so that a investor wanting to invest in these sectors can check the past performance and behavior of major companies in these sectors and analyze their growth trends before investing making a investment in the stock market.

OBJECTIVE OF STUDY

- To study and analyze the growth trend of Banking industry w.r.t Private Banking and Nationalized banking sectors over the period of 2st December 2023 to 23th January 2024.
- To study the relationship between the Banking index and BSE Sensex, Sectoral Index and the share prices of the major industries in this sector.
- To find how inflation is also a cause for the growth/fall of BANKING INDEX. With the sample of 4 banks, three from private sector and three from public sector.
- Attempt to provide a direction to an investor to analyze and forecast the stock market so as to make the best possible lucrative deal by investing in stocks.

Methodology

SOURCE OF DATA

The following analysis is completely based on Secondary Data

Tools and Techniques

1) Research Design: **Descriptive** Design

2) Data Analysis: M.S. Excel with the help of Line Graphs, Moving Averages and Correlation.

Data Processing and Analysis

For a complete analysis on equities, there are basically two parts in which the total analysis is done.

Fundamental Analysis

Technical Analysis

LIMITATION OF THE STUDY:

1. This subject is based on past data of **Banks.**
2. The analysis is based on structural liquidity statement and gap analysis.
3. The study is mainly based on secondary data.
4. Approximate results: The results are approximated, as no accurate data is Available.
5. Study takes into consideration only LTP and issue prices and their difference for Concluding whether an issue is overpriced or under priced leaving other.
6. The study is based on the issues that are listed on NSE and BSE only.

II. LITERATURE REVIEW

Nationalized Banks of India

Nationalized banks have always contributed to boost up the economy of India and available in a large number.

It is also known for offering expeditious service and understands the actual need of its customers.

In India **Nationalized banks** have great dominance over private banks as it has fully authority to look after the function and policy of private banks. Imperial Bank was the first banks that was nationalized in 1955 and became famous as State Bank of India.

After that many banks got the certification of nationalized bank. Some of these are State Bank of Tranvancore, State Bank of Indore, State Bank of Patiala, State Bank of Saurashtra and more.

The nationalized banks were established with great purpose to make wide reach of banking function even in the rural area and offers great benefit for those who actually get deprived from such service.

The nationalized banks are fully committed to offer the best possible service to its rural client and also make them aware about the various benefits, available for them. Such banks are fully dedicated to offer quality of service to their clients. In 1969, the total number of nationalized banks was 14 whereas it became 21 in 1980. However State Bank of India became the topmost and the best commercial bank. Besides it also rated top five banks in the world. Presently there are 88 commercial banks and 27 banks are functioning in the country and established many branches to expand its service in all parts. Some of these banks have also established their branches in foreign countries as well.

But the **nationalised banks in India** have its own reputation and operated with approximate 53,000 branches and 17,000 ATMs. By the coming of ATMs you can withdraw your money instantly and this service is available for 24 hours. Apart from that, the nationalized banks in India are also known for offering transparent service and provide crystal clear balance sheet in comparison with other banks. Moreover, it also replaced the old payment system and introduces the best system of payment by providing debit card and credit card.

Earlier person used to carry cash while purchasing various items, but now you can easily make your payment by using such cards. Aside from offering such service, nationalized banks also introduced insurance policies such as life insurance health insurance.

State banks of India has introduced many such polices to offer extra benefit to its customers. Besides, several other nationalized banks also offered such policies with better features.

Private Banks India

In India private banks are available in plenty and known for offering expeditious service to their customers.

Thanks to globalization that prompted many foreign banks to expend their business throughout world and India became the most preferred destination.

Today you can find lots of foreign bank that are engaged to serve the customers in the best possible manner and made its stand strong by offering 24 x 7 hour service. **Private banks in India** have a great history and started their service way back.

In 1920s, imperial bank of India formed by the great cooperation by Bank of Madras, Bank of Bengal and Bank of Bombay. After that Reserve Bank of India came into existence in 1935 and got authority to look after the other banks.

It became centre body and got power to introduce making policy and several new schemes.

After the establishment of Reserve Bank of India, the Imperial Bank of India was blessed with new identity and became popular as State Bank of India.

In 1969 the Government of India offered a new ordinance and approx 14 commercial banks got certification of nationalized banks. Some of them were Central Bank of India, Allahabad Bank, Punjab National Bank and Canra Bank.

In 1994, the Reserve Bank of India opened the door for private banks and handed out the policy to control the private banks.

The policy also included the liberation for Private Banks in terms of their free and independent operation. The first private bank came in India as Trust Bank later it became popular as Oriental Bank of Commerce.

After that Housing Development Finance Corporation limited that got consent from Reserve Bank of India. It became a large private bank and still popular for offering wonderful service.

Today India is a swamped with many private banks such as International Bank, ING Vyasya Bank, Kotak Mahindra Bank, SBI Commercial Bank, Karnataka Bank, Kashmir Bank, ICICI Bank and more. Private Banks in India achieved a milestone for serving people and showed its great commitment.

Private Banks in India have earned great response for its skin tight service and also known for bringing revolution for serving millions of customers.

It offers best option for saving and also offers various schemes with maximum return. It offers its service 24 hours and made the job of fund transfer easier by offering new banking service. Besides, there are lots of ATM machines have been set up by such private banks and made the task of withdrawing liquid money easier.

A Nationalized bank is one that is owned by the government of the country. Since the people decide who the government is, they are also referred to as public sector banks. The government is responsible for the money deposited into the accounts of these banks.

A private sector bank is one that is owned by an independent individual or a company that is controlled by a few individuals. In short, the bank is owned by someone else and they run the bank. The person owning/running the bank is responsible for the money deposited into the accounts of these banks.

HDFC BANK

INTRODUCTION:-

HDFC is India's premier housing finance company and enjoys an impeccable track record in India as well as in international markets. Since its inception in 1977, the Corporation has maintained a consistent and healthy growth in its operations to remain the market leader in mortgages. Its outstanding loan portfolio covers well over a million dwelling units. HDFC has developed significant expertise in retail mortgage loans to different market segments and also has a large corporate client base for its housing related credit facilities. With its experience in the financial markets, a strong market reputation, large shareholder base and unique consumer franchise, HDFC was ideally positioned to promote a bank in the Indian **environment.**

MISSION:-

HDFC Bank's mission is to be a World-Class Indian Bank.

OBJECTIVES:-

The objective is to build sound customer franchises across distinct businesses so as to be the preferred provider of banking services for target retail and wholesale customer segments, and to achieve healthy growth in profitability, consistent with the bank's risk appetite. The bank is committed to maintain the highest level of ethical standards, professional integrity, corporate governance and regulatory compliance. HDFC Bank's business philosophy is based on four core values –
Operational Excellence, Customer Focus, Product Leadership and People.

STATE BANK OF INDIA

INTRODUCTION:-

The Bank is actively involved since 1973 in non-profit activity called Community Services Banking. All the branches and administrative offices throughout the country sponsor and participate in large number of welfare activities and social causes. Its business is more than banking because It touches the lives of people anywhere in many ways.

The origin of the State Bank of India goes back to the first decade of the nineteenth century with the establishment of the Bank of Calcutta in Calcutta on 2 June 1806. Three years later the bank received its charter and was re-designed as the Bank of Bengal (2 January 1809). A unique institution, it was the first joint-stock bank of British India sponsored by the Government of Bengal. The Bank of Bombay (15 April 1840) and the Bank of Madras (1 July 1843) followed the Bank of Bengal. These three banks remained at the apex of modern banking in India till their amalgamation as the Imperial Bank of India on 27 January 1921.

Syndicate Bank

HISTORY

Syndicate Bank was established in 1925 in Udupi, the abode of Lord Krishna in coastal Karnataka with a capital of Rs.8000/- by three visionaries - Sri Upendra Ananth Pai, a businessman, Sri Vaman Kudva, an engineer and Dr.T M A Pai, a physician - who shared a strong commitment to social welfare. Their objective was primarily to extend financial assistance to the local weavers who were crippled by a crisis in the handloom industry through mobilising small savings from the community. The bank collected as low as 2 annas daily at the doorsteps of the depositors through its Agents under its Pigmy Deposit Scheme started in 1928. This scheme is the Bank's brand equity today and the Bank collects around Rs. 2 crore per day under the scheme.

The progress of Syndicate Bank has been synonymous with the phase of progressive banking in India. Spanning over 80 years of pioneering expertise, the Bank has created for itself a solid customer base comprising customers of two or three generations. Being firmly rooted in rural India and understanding the grassroot realities, the Bank's perception had vision of future India. It has been propagating innovations in Banking and also has been receptive to new ideas, without however getting uprooted from its distinctive socio-economic and cultural ethos. Its philosophy of growth by mutual sustenance of both the Bank and the people has paid rich dividends. The Bank has been operating as a catalyst of development across the country with particular reference to the common

ICICI BANK:

ICICI Bank started as a wholly owned subsidiary of ICICI Limited, an Indian financial institution, in 1994. Four years later, when the company offered ICICI Bank's shares to the public, ICICI's shareholding was reduced to 46%. In the year 2000, ICICI Bank offered made an equity offering in the form of ADRs on the New York Stock Exchange (NYSE), thereby becoming the first Indian company and the first bank or financial institution from non-Japan Asia to be listed on the NYSE. In the next year, it acquired the Bank of Madura Limited in an all-stock amalgamation. Later in the year and the next fiscal year, the bank made secondary market sales to institutional investors.

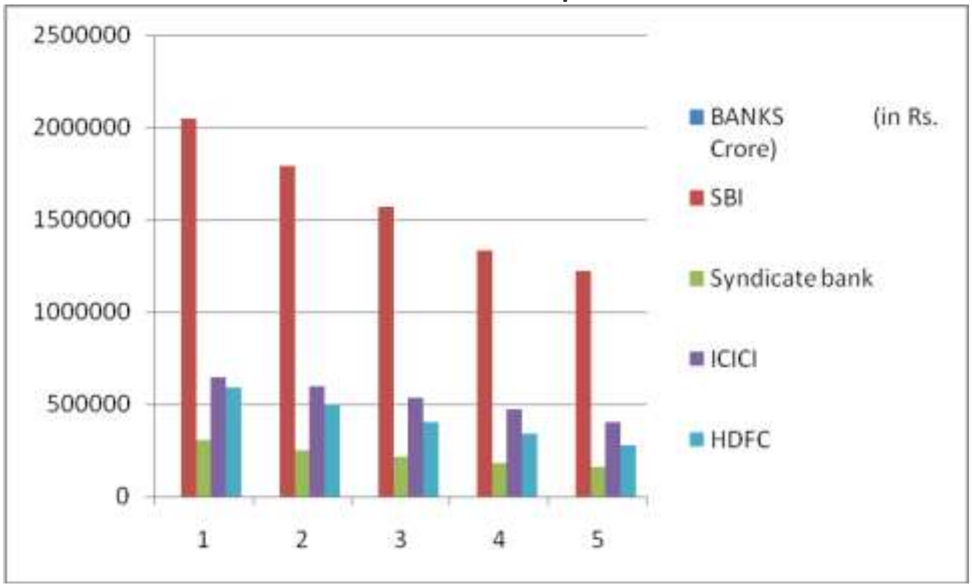
With a change in the corporate structure and the budding competition in the Indian Banking industry, the management of both ICICI and ICICI Bank were of the opinion that a merger between the two entities would prove to be an essential step. It was in 2001 that the Boards of Directors of ICICI and ICICI Bank sanctioned the amalgamation of ICICI and two of its wholly-owned retail finance subsidiaries, ICICI Personal Financial Services Limited and ICICI Capital Services Limited, with ICICI Bank. In the following year, the merger was approved by its shareholders, the High Court of Gujarat at Ahmadabad as well as the High Court of Judicature at Mumbai and the Reserve Bank of India.

III. DATA ANALYSIS AND INTERPRETATION

FUNDAMENTAL ANALASYS OF SELECTED PRIVATE BANKS Vs PUBLIC SECTOR BANKS WITH DATABASE FY 2020-2024

TOTAL ASSETS:

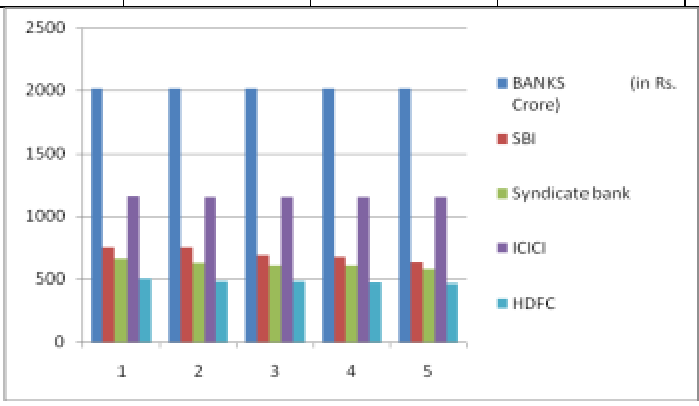
BANKS (in Rs. Crore)	**2024**	**2023**	**2022**	**2021**	**2020**
SBI	**2048079.80**	**1792234.60**	**1,566,261.03**	**1335519.22**	**1223736.20**
Syndicate bank	**302216.78**	**251861.46**	**215122.33**	**182468.07**	**156538.79**
ICICI	**646129.30**	**594641.60**	**536794.69**	**473647.10**	**406233.67**
HDFC	**590503.08**	**499599.50**	**400331.90**	**337909.51**	**277352.60**



- SBI BANK from Public sector banks total assets increased
- Private sector banks ICICI total assets increased
- Among the nationalized banks SBI assets increased

CAPITAL:

BANKS (in Rs. Crore)	**2024**	**2023**	**2022**	**2021**	**2020**
SBI	**746.57**	**746.57**	**684.03**	**671.04**	**635.00**
Syndicate bank	**662.06**	**624.58**	**601.95**	**601.45**	**573.29**
ICICI	**1159.66**	**1155.04**	**1153.64**	**1152.77**	**1151.82**
HDFC	**501.30**	**479.81**	**475.88**	**469.34**	**465.23**

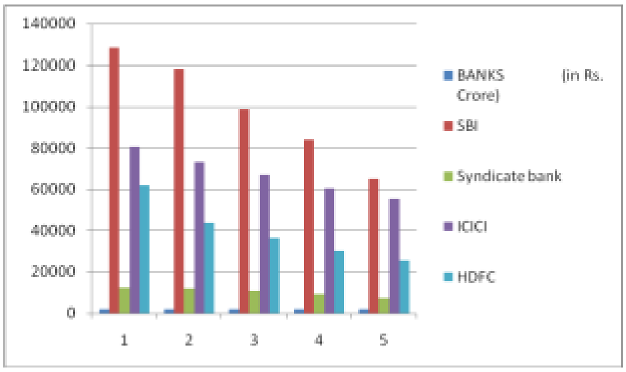


- Public sector banks capital increased in this period, SBI by 19% and Syndicate bank 8.20%, more than private sector banks
- Other private sector banks also increased their capital in this period.
- There is no decrease in capital structure for the given period.

NETWORTH:

BANKS (in Rs. Crore)	**2024**	**2023**	**2022**	**2021**	**2020**

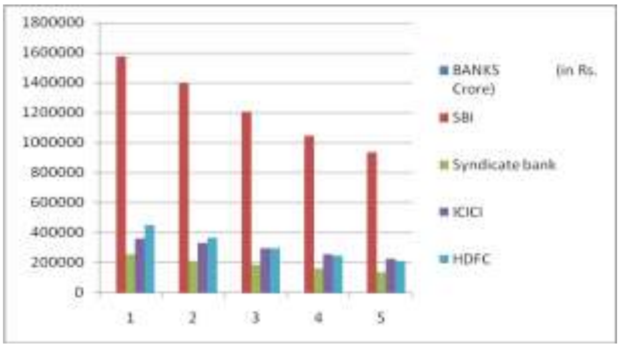
SBI	**128438.22**	**118282.25**	**98883.68**	**83951.20**	**64986.04**
Syndicate bank	**12140.30**	**11844.19**	**10541.34**	**9041.15**	**7050.85**
ICICI	**80429.36**	**73213.32**	**66705.96**	**60405.25**	**55090.73**
HDFC	**62009.42**	**43478.63**	**36214.14**	**29924.68**	**25379.27**



- The average net worth of public sector banks increased by 31.57%
- The average net worth of private sector banks increased by 14.27%

DEPOSITS:

BANKS (in Rs. Crore)	**2024**	**2023**	**2022**	**2021**	**2020**
SBI	**1576793.24**	**1394408.51**	**1202739.57**	**1043647.36**	**933932.81**
Syndicate bank	**255388.10**	**212343.30**	**185355.89**	**157941.06**	**135596.08**
ICICI	**361562.73**	**331913.66**	**292613.63**	**255499.96**	**225602.11**
HDFC	**450795.64**	**367337.48**	**296246.98**	**246706.45**	**208586.41**



- The average deposit of public sector banks increased by 23.17%
- The average deposit of private sector banks increased by 29.75%

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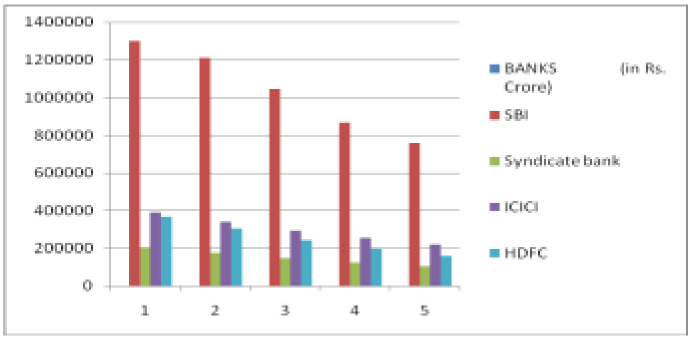
ADVANCES:

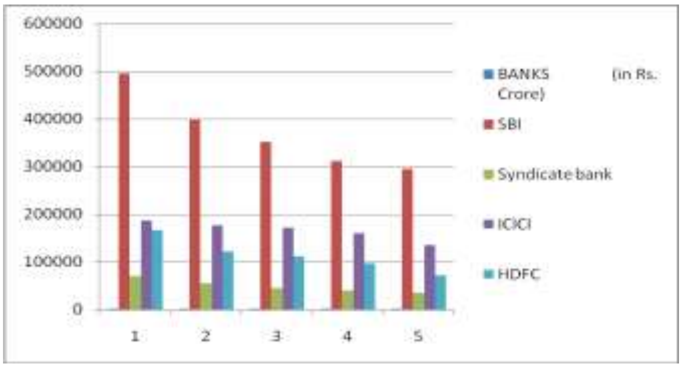
BANKS (in Rs. Crore)	2024	2023	2022	2021	2020
SBI	**1300026.39**	**1209828.72**	**1045616.55**	**867578.89**	**756719.45**
Syndicate bank	**202719.82**	**173912.41**	**147569.02**	**123620.18**	**106781.92**
ICICI	**387522.07**	**338702.65**	**290249.44**	**253727.66**	**216365.90**
HDFC	**365495.03**	**303000.27**	**239720.64**	**195420.03**	**159982.67**



- SBI advances increased by 32.61 %.
- Syndicate bank advances increased by 24.56%
- NATIONALIZED banks advances increased by 21.59%
- Private sector banks advances increased by 30.11%

INVESTMENTS:

BANKS (in Rs. Crore)	2024	2023	2022	2021	2020
SBI	**495027.40**	**398308.19**	**350927.27**	**312197.61**	**295600.57**
Syndicate bank	**69339.67**	**55539.38**	**45647.66**	**40815.60**	**35067.62**
ICICI	**186580.03**	**177021.82**	**171393.60**	**159560.04**	**134685.96**
HDFC	**166459.95**	**120951.07**	**111613.60**	**97482.91**	**70929.37**

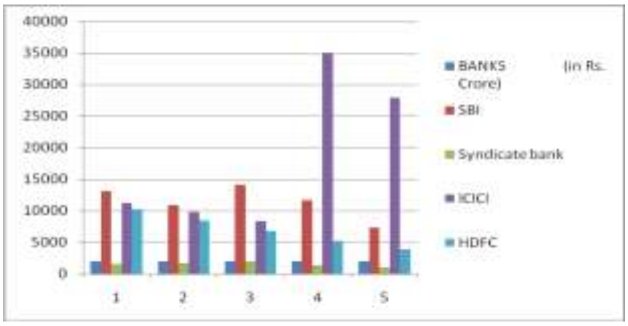


- Public sector banks investments were up by 34.55%

- Private sector banks investments were up by 21.59%

NET PROFIT:

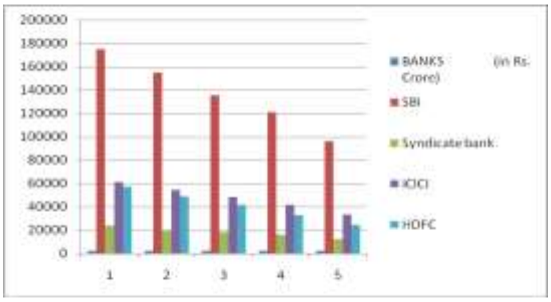
BANKS (in Rs. Crore)	2024	2023	2022	2021	2020
SBI	**13101.57**	**10891.19**	**14104.98**	**11686.01**	**7370.35**
Syndicate bank	**1522.93**	**1711.46**	**2004.42**	**1313.39**	**1047.95**
ICICI	**11175.35**	**9810.48**	**8325.47**	**34985.50**	**27931.58**
HDFC	**10215.92**	**8478.38**	**6726.28**	**5167.09**	**3926.40**



- SBI net profit increase by 13.24% and Syndicate bank was increased by 11.17%
- Private sector banks net profit increase by 41.54%

TOTAL INCOME:

BANKS (in Rs. Crore)	2024	2023	2022	2021	2020
SBI	**174972.69**	**154903.72**	**135691.94**	**120872.90**	**96329.45**
Syndicate bank	**23724.75**	**19945.21**	**18295.05**	**16344.23**	**12365.98**
ICICI	**61267.27**	**54606.02**	**48421.30**	**41450.75**	**33082.96**
HDFC	**57466.25**	**49055.17**	**41917.49**	**32619.76**	**24361.72**

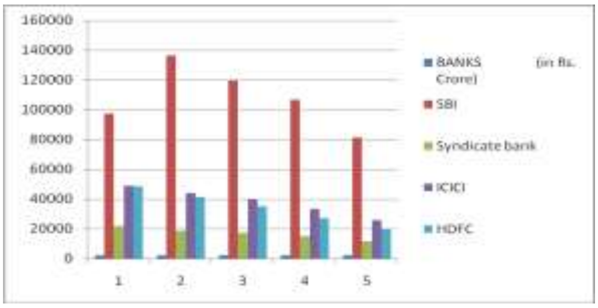


- Total income of ICICI banks increase by 17.14%

- Total income of Syndicate bank was increase by 13.24%
- Nationalized banks total income is more than private sector banks.

INTEREST INCOME:

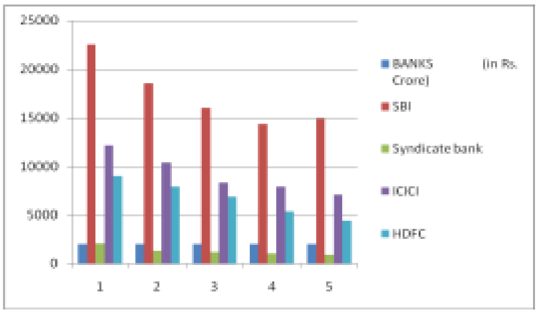
BANKS (in Rs. Crore)	2024	2023	2022	2021	2020
SBI	**97381.82**	**136350.80**	**119657.10**	**106521.45**	**81394.36**
Syndicate bank	**21615.16**	**18620.33**	**17120.69**	**15268.35**	**11450.86**
ICICI	**49091.14**	**44178.15**	**40075.60**	**33542.64**	**25974.05**
HDFC	**48466.25**	**41135.53**	**35064.87**	**27286.35**	**19928.21**



- Public sector banks interest income increased by 26.51%
- Private sector banks interest income increased by 20.20%

OTHER INCOME:

BANKS (in Rs. Crore)	2024	2023	2022	2021	2020
SBI	**22575.89**	**18552.92**	**16034.84**	**14351.45**	**14935.09**
Syndicate bank	**2109.59**	**1324.88**	**1174.36**	**1075.88**	**915.12**
ICICI	**12176.13**	**10427.87**	**8345.70**	**7908.10**	**7108.91**
HDFC	**8996.35**	**7919.64**	**6852.62**	**5333.41**	**4433.51**



- HDFC BANK & ICICI BANK other income rose by 16.51 & 21.24 % respectively.
- Syndicate bank from nationalized bank's other income decreased by 6.11%

FINDINGS

1. Growth of Indian banking industry depends on few economical variables like interest rates and inflation, increased inflation is negative impact on banking stocks.
2. When a stock is strong in fundamental, even though we can see negative fluctuations in the stock, it called as speculation.
3. SBI, HDFC BANK,& ICICI BANKS are sector leaders as well as market leaders in NIFTY and highest weight age is goes to ICICI bank, here speculation for ICICI bank is more than other banks, even though Syndicate Bank has given close to 13.25% growth for the given period.
4. More Promotional strategies and facilities introduced even in nationalized banks also to face competitiveness in the market.
5. All banks faced correction from December 1st week to 3rd week of December, major growth happen in SBI, both the banks are fundamentally strong one can invest for long term, but avoid fresh investments at this levels.
6. Net profit increased in public sector banks is 45.58%, where as 42.61% in private sector and we can see operating expenditure more in private sector banks.
7. Deposits and Investments is more in private sector banks than public sector banks, due to promotion activities conducted by them.
8. There is no change in capital structure of SBI and we can see increase in other five banks.
9. In intraday highest negative fluctuations we can see in Andhra bank and highest positive fluctuations in Andhra bank itself.
10. India records first place for highest banking interest rates in the world.

CONCLUSION

A sea change occurred in India's banking industry as new banks entered the market. As a result of rising demands and competitiveness, banks have begun to recognise the value of technology in their operations. To keep up with the competition and keep their customers, Indian banks have been investing in cutting-edge software since private and international banks arrived with better, more modern services. Two of the most significant shifts in the banking industry's context in recent decades have been deregulation and advances in technology.

Financial services organisations in India are expanding their investments in technology, and new initiatives are developing, but on a rudimentary level. Investments in transaction and process automation technologies, however, will obviously become irrelevant in the long term.

With the use of technology, banks have been able to expand their services to consumers and overcome the limitations of time. Customers have round-the-clock access to new technological channels such as automated teller machines (ATMs), electronic funds transfers (EFTs), mobile banking, telebanking, etc.

Banks may now give 24/7 access, longer business hours, and single-window service thanks to automation. This frees up bank employees to focus on strategic planning and development, which in turn helps market participants differentiate themselves via the use of differentiated goods and services. Banks are able to save costs thanks to new technology-driven channels since the cost of a transaction is much lower in these channels compared to the branch counter.

Because of this, technology has altered some of the most important banking tasks:

1. Liquidity available to you.
2. Asset transformation.

3. Risks are being monitored.

There is a direct correlation between the effectiveness of the money, capital, and foreign exchange markets and the IT and communication networking systems.

SUGGESTIONS

The banking system has made considerable investment in the related infrastructure to upgrade the payment system. However, there are several challenges that need to be effectively addressed if the full benefits of the achievements so far are to be reaped.

The primary reason for slow pace of adoption of the electronic modes of funds transfer, particularly in the retail segment, is the lack of education – particularly on the part of the bank staff at the branch level that have interface with the public.

A survey conducted by one of the Regional Offices of the RBI in the recent past revealed that in the limited sample covered; there were several bank branches in the State which were not even aware of the National Electronic Fund Transfer system. The banks, therefore, need to make concerted efforts to increase the degree of awareness at the level of the branch staff so that the electronic fund transfer services percolate down to the level of the public in a significant manner.

The other side of the coin is the lack of customer education and awareness about the features and benefits of the EFT, which precludes wider adoption of this product and leads to carrying on with the traditional modes of payment.

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