INTRODUCTION

The Indian Banking Industry is governed by the Banking regulation Act of India 1949. Banking in India in Modern sense originated in the last decades of the 18th century. The first bank were Bank of Hindustan and General Bank of India. The reserve Bank of India, i.e., RBI is the whale and soul controller of all banking sector in India. The Reserve Bank of India, India’s central banking authority, was established in April 1935. But was nationalized on 1st January 1949 under the terms of the RBI. The revolution in IT sector had a great impact on Indian banking system. The use of computerization had led to introduction of online banking in India. The Indian banks were finding it difficult to computer with the international banks in terms of the customer service without the use of the information technology and computers. Indian banking is the lifeline of the nation and its people. Banking has helped in developing the large sector of the economy in a new daunts of progress on the Indian horizon. The growth of Indian economy is much connected with the performance of the Indian banks in India. Therefore, it is necessary to analyze the profitability and operational efficiency of all public, private and co-operative banks in India. Some banks are earning profits while some are incurring losses. So, to analyze the performance of banks, the profitability is very important weapon. Profitability is the most important and reliable indicator of the ability of a bank to raise its income level. The purpose of the analysis of profit and profitability is to increase the absolute value of profit and profitability of the bank based on the effective management of revenue and expenditure. Profitability is a relative concept which is quite useful in decision making. On the other hand operational efficiency is also profitability to analyze the performance of the bank. The operational efficiency related with minimization of resource capabilities, in order to deliver
quality products and service to customers. Operational efficiency is connected with identifying wistful processes and resources that drain the organizations profits.

There are mainly reference type of banks in India they are

A. Public Sector Banks
B. Private Sector Banks
C. Co-operative Banks

In private sector banks the ICICI (Industrial Credit and Investment Corporation of India) Banks is most popular one. The ICICI bank was originally promoted in 1994 by the ICICI limited; an Indian financial Institution was its usually warred subsidiary. It is one of the most popular private sector banks in India. ICICI bank was formed in 1955 at the initiative of the World Bank, the Govt. of India and representative of Indian industry. The principal objective was to create a development financial instruction for providing medium and long form project financing to Indian businesses.

Therefore, by taking into account the importance of profitability and operational efficiency the researcher intends to study the profitability and operational efficiency of ICICI banks in Satara and Sangli district of Maharashtra. Therefore the present study is entitled as “a study of profitability and operational efficiency of icici bank in satara and sangli district of Maharashtra”