ABSTRACT

The study is an attempt to measure the efficiencies of the commercial banks in India and seeks to identify the reasons that cause the variations in the technical efficiencies. It specifies a production function and employs the stochastic frontier panel approach for the period ranging from 2007 to 2013. The results indicate that the public sector banks are the most efficient, followed by the privately owned domestic and foreign banks. The efficiencies of the banks in raising the net interest margin have increased over the years whereas the efficiency in terms of contributing to income from other sources has fallen. It is also established that it is the ownership group of the banks is the most influential factor in determining the variations in the efficiencies of the banks across the sector.