Chapter-VII

SUMMARY OF FINDINGS AND SUGGESTIONS
Introduction

In this chapter, the researcher has made an attempt to present the summary of findings and suggestions. The suggestions offered on the basis of the findings arrived and they may be of much useful to the practitioners and the policy makers.

The words “finance”, “performance”, “management” and the like are more significant in the banking studies and treated as the ‘eyes’ of a bank. So, finance is the life blood of any industrial system. It lubricates, develops and accelerates growth, without which no business organization can survive. Acquisition, utilization and distribution of finance are the crucial aspects which helps the banking organization to prosper. The banking system plays a major role in the financial system of any nation. A bank is a financial institution that provides banking facilities and other financial services to its customers. It is an institution which provides fundamental banking services like accepting deposits and lending out this money in order to earn profits.

Banking industry in our country has undergone numerous changes over the past few years to be at par with international banking norms and standards. The motive of the banks has shifted from social banking to profit banking. Banks in India earlier used to deal with ledgers, documents, cheques and the like. Now, all these were replaced by electronic gadgets and cash less banking to speed up the customer service and to earn more profits for the bank. Better quality of services with customer satisfaction seems to be the future banking. Banks in India can be categorized into scheduled and un-scheduled commercial banks. The banks which fulfill the conditions laid down under section 42 (6) of the Reserve Bank of India Act, 1934 are called scheduled commercial banks. The banks which are not scheduled commercial banks are known as un-scheduled commercial banks.

Scheduled commercial banks are further classified into public sector banks, private sector banks and foreign banks. Fourteen commercial banks, including Bank of India were nationalized on 19th July, 1969 and six more banks were nationalized on 15th April, 1980 (i.e., after eleven years). According to the Banking Companies Act, 1970, the primary objective of nationalization of banks in India was to control the heights of the economy and to serve the needs of the people by developing the economy in conformity with national policy and objectives. To achieve these
objectives, commercial banks have to perform a variety of functions, which are common to both developed and developing countries. These are known as general banking functions of the commercial banks. The modern banks perform a variety of functions such as the primary functions and the secondary functions. The performance of these functions was reviewed thoroughly by a high power committee and that committee has recommended the introduction of reforms in the banking sector. As a result, comprehensive reforms were introduced in the Indian banking sector in the light of the 1991 and 1998 reports of various committees.

Prior to the introduction of reforms, India’s financial sector was highly unregulated and repressed. The prevalence of high interest rates, non-allocation of financial resources to the priority sector increased the degree of financial repression. All these adversely affected the mobilization and allocation of country’s financial resource and led to the deterioration in banks performance. The reasons for the constant increase in branch expansion, deposit mobilization, credit lending is that the banking sector reforms committee has focused mainly on strengthening the measures like capital adequacy, income recognition, asset classification and provisioning norms, improved the level of transparency and the like. Banks, in the process of financial intermediation are confronted with various kinds of risks like credit risk, market risk, interest risk, foreign exchange risk, liquidity risk, operational risk and the like. These risks have high impact on the banks. One area of risk can have an impact on the other area of risk. Banks are required to identify measures, monitor and control the overall level of risks. To overcome such risks, the Basel Committee on banking and supervision (BCBS) was established by the central bank governors of a group of countries in 1985.

The Bank of India (BOI) is an Indian state-owned commercial bank with head quarters in Mumbai, Maharashtra, India. It was set up on 07-09-1906 with an authorized capital of Rs.10 million divided into 100,000 shares each of Rs.100. The bank commenced its operations on 01-11-1906. It was nationalized in 1969 along with 13 other banks (i.e., in the first phase of nationalization of banks). It has 4292 branches as on 31-03-2013 including 54 branches outside India. It is the founder member of “Society for Worldwide Inter Bank Financial Telecommunications (SWIFT), which facilitates provision of cost-effective financial processing and
communication services. It is also the first Indian bank to open a branch outside the country in London in 1946. It is the first overseas branch established by Indians which is a pride to the bank and Indians. It is also the first bank to open a branch in Paris, the capital of France in 1974, which is prestigious to the country as a whole. Recently the bank got approval for opening branches/offices in Bangladesh, Brazil (as such no branch is available in South America) Canada, New Jersey, Egypt, Madagascar, Myanmar, Qatar and Sri Lanka. The International business accounts for around 28 per cent of bank’s total business. It has received the “The Best Bank of Excellence” award in AADHAR related UIDAI programme of Government of India at the hands of the Prime Minister. The bank completed its first one hundred years of operation on 7-9-2006.

**Review of literature and Research design**

Review of literature has vital relevance with any research work. Due to literature review, the possibility of repetition of study can be eliminated and another dimension can be selected for the study. The literature review helps the researcher to remove limitations of existing work or may assist to extend prevailing study. The researcher has reviewed a sizable number of studies. In the statement of the problem, it is stated that the banking system in India is strong vigilant, vibrant and dynamic than elsewhere outside India. The need for the study justifies that the studies of this nature are very much needed for alerting the bankers to correct the distortions or weakness that may have crept in over a period of time. The objectives that are set for the present study are relevant and appropriate. Reasonable sample design was adopted. The period of study is optimum. Tools used for the analysis of data are relevant. The scope and limitations are justifiable and the chapter scheme is sequential; which is as follows:

- Chapter – I Introduction
- Chapter- II Review of Literature and Research Design
- Chapter-III Financial performance of Scheduled Commercial Banks
- Chapter-IV Profile of Bank of India
- Chapter-V Deposit Mobilization and Credit Lending of Bank of India
- Chapter-VI Non-Performing assets and Profitability of Bank of India
- Chapter-VII Summary of findings and suggestions
Financial performance of Scheduled Commercial Banks

- The performance of scheduled commercial banks in terms of branch expansion in absolute terms over a ten year period is progressive and impressive as it is showing a continuous increasing trend. The performance of public sector banks is impressive in absolute terms as it is showing an increasing trend. The branch expansion share of public sector banks in all the SCBs is showing a fluctuating trend. The private sector banks and foreign banks are also showing an increasing trend in absolute terms, but the branch expansion share of private sector banks and foreign banks is also showing a fluctuating trend. Considering the values of CV, the CV for the foreign banks is least which shows that the data pertaining to the branch expansion is consistent for foreign banks when compared to other two banking sectors.

- The performance of scheduled commercial banks in terms of deposit mobilization over the study period in absolute terms is impressive. The growth in the deposits of public sector banks in absolute terms is progressive and showing a continuous increasing trend in the entire study period, but the deposits share of public sector banks in SCBs over the study period is showing a fluctuating trend. In the same way, the deposits of private sector banks and foreign banks in absolute terms are increased tremendously. But the deposits share of private sector banks and foreign banks in all SCBs is fluctuated. The computed CV for the data pertaining to the deposits of foreign banks is least and is regarded as most consistent among other banks under study.

- The cost of deposits of scheduled commercial banks over the study period shows a fluctuating trend. The cost of deposits of public sector banks, private sector banks and foreign banks are also showing a fluctuating trend in the entire study period. Considering the value of CV for scheduled commercial banks, public sector banks, private sector banks and foreign banks, it is understood that the CV for cost of deposits is least for public sector banks and hence the data pertaining to cost of deposits of public sector banks is more consistent than the data pertaining to other banking sectors.

- The loans and advances of scheduled commercial banks in absolute terms have increased in the study period. The trend in the growth of loans and advances in the public sector banks is more impressive than the trend in the
growth of loans and advances of private sector banks and foreign banks. But the advances share of public, private and foreign banks in percentage terms is showing a fluctuating trend in the entire study period. The value of CV for public sector banks is more than that of all the SCBs, private sector banks and foreign banks and hence it is concluded that the growth in the time series data pertaining to advances of public sector banks is less consistent than the other two banking sectors.

- The trend growth in the return on advances of scheduled commercial banks in percentage terms is showing a fluctuating trend in the entire study period. The trend in return on the advances of the public sector banks, private sector banks and foreign banks in percentage terms is also fluctuating for the entire study period. The computed CV for the time series data pertaining to return on advances of public sector banks is least when compared to the time series data of other two banking sectors which means that the data pertaining to return on advances of public sector banks is more consistent.

- The growth trend in the credit deposit ratio amongst all the scheduled commercial banks together is showing an increasing trend in the study period. The growth trend in the CD ratio among the public sector banks and private sector banks is also showing an increasing trend. The CD ratio for foreign banks was not encouraging as it shows a decreasing trend continuously. The computed CV for credit deposit ratio for the public sector banks is less consistent whereas for the foreign banks it is more consistent. The growth in the credit-deposit ratio of public sector banks is impressive.

- The trend in the cost of funds of scheduled commercial banks is showing an increasing trend with some minor exceptions. The growth trend in the cost of funds of public sector banks, private sector banks and foreign banks is showing fluctuating trend throughout the study period. The computed CV is least for the public sector banks than that of the private banks and foreign banks.

- The trend in the return on funds in all the scheduled commercial banks together is fluctuating in the entire study period. Also the trend in the return on funds by the public sector banks, private sector banks and foreign banks is showing a fluctuating trend in study period. Considering the value of CV for
consistency, the value of CV for foreign banks is least when compared to the CV of other banking sectors and therefore the data pertaining to return on funds of foreign banks is more consistent.

• The growth in the interest income of scheduled commercial banks in absolute terms is very impressive in the entire study period, because it is showing an increasing trend. The growth in the interest income of public sector banks in absolute terms is very much impressive as it is showing an increasing trend in the entire study period. But the interest income share of public sector banks in commercial banks is decreased in the study period. The growth in the interest income of private sector banks and foreign banks in absolute terms has increased with minor exceptions. The interest income share of private sector banks has increased and foreign banks is decreased in the study period. The value of CV for the interest income of foreign banks is least and hence the data pertaining to interest income is consistent when compared to the other two banking sectors.

• The performance of scheduled commercial banks in terms of interest expense is not progressive and impressive in absolute terms over a ten year period. The interest expenses share for public sector banks in absolute terms is increasing and the interest expenses share of public sector banks in all commercial banks is showing a fluctuating trend in the entire study period. The interest expenses of private sector banks in absolute terms is showing a fluctuating trend and the interest expense share of private sector banks is also showing a fluctuating trend. The interest expenses of foreign banks in absolute terms is showing a fluctuating trend and the interest expenses share of foreign banks is also showing a fluctuating trend. The value of CV for the time series data pertaining to interest expenses is least in foreign banks and hence it is more consistent.

• The growth in the net profits of the scheduled commercial banks in absolute terms was showing a fluctuating trend in the initial period and later on showing an increasing trend. The growth in the net profits of public sector banks, private sector banks and foreign banks in absolute terms is showing an increasing trend with minor exceptions. But the net profits share of public sector banks in all SCBs has decreased over time and the net profits share of
private sector banks and foreign banks has increased over time. The computed CV for the net profits of public sector banks is least and hence the time series data pertaining to net profits of public sector banks is more consistent compared to the other two banking sectors.

- The gross NPAs of SCBs over the study period in absolute terms are fluctuated. The gross NPAs of public sector banks are decreased from 2003-2004 to 2005-2006 and increased thereafter. The gross NPAs share of public sector banks in all commercial banks is showing a fluctuating trend. The gross NPAs of private sector banks and foreign banks in absolute terms are fluctuated from year to year over the study period. The gross NPAs share of private banks and foreign banks exhibits ups and downs trend over the study period. The computed CV for the time series data pertaining to gross NPAs is least for private sector banks which means that the growth in the time series data pertaining to gross NPAs of private sector banks is more consistent when compared to other two banking sectors under study.

- The ratio of gross NPAs to gross advances of scheduled commercial banks is showing a fluctuating trend throughout the study period. The ratio of gross NPAs to gross advances of public sector banks, private sector banks and foreign banks is showing a fluctuating trend throughout the study period. The value of CV is least for the data pertaining to gross NPAs of foreign banks and hence the growth is more consistent.

**Profile of Bank of India**

Indians have ventured into banking business initially during the American civil war to finance Indian merchants selling cotton to mills in England since the American cotton was no longer available to them. However, these banks were primarily vehicles for speculation and not for assisting any productive activity. Indians withdraw from banking and reverted to lending money for short periods at high interest rates. Thereafter banking in India remained the domain of Europeans till the end of 19th century. Bank of India was founded on 07-09-1906 by Sir Sassoon J. David, a member of the community of Baghdadi Jews who lived in Bombay (Mumbai) in the late 18th century. The bank was started with a paid-up capital of Rs.50 lakh,
50 employees and one office in Mumbai. The bank had a presence across 5 continents and 20 countries covering all the major financial centres such as London, New York, Paris, Tokyo, Singapore, Hongkong and the like. Thus, BOI has made a rapid growth over the years and blossomed into a mighty institution with a strong national presence and sizable international operations under the leadership of Mrs.V.R. Iyer, the present chairperson and managing director of BOI. The bank has its own vision, mission, core values, emblem, accolades and awards and the like. After nationalization in 1969, the bank has developed technically with all modern facilities to the customers with full computerization of almost all the branches. It was reorganized in 2012, with the result a number of new steps like ‘Sankalp-10,000’ was introduced to achieve the business goals. The goal of the bank was reset with an aim to get maximum profit. As per the recommendations of F.K.F. Nariman in 1969, Branch Expansion Programme (BEP) was introduced to increase the deposits. By opening more and more branches and by introducing new schemes pertaining to public interest, the bank came closer to the public to cater to the banking needs and mobilized deposits in a successful manner. The newly opened branches and the newly introduced schemes have provided more banking facilities to a large number of people.

Branch Expansion is necessary for the economic progress and development of a country. The bank expansion promotes the banking habits among the people in unbanked areas, and it leads to the development of banking industry. Bank of India took lot of initiatives for branch expansion, due to which the branches increased tremendously within a span of 30 years. The branch expansion programme can also be examined in the geographical perspective. Geography, the study of the earth’s surface is an element of the uncontrollable environment that confronts every market today in the country/world. So, the geographical perspective is important in the evaluation of markets and the concomitant spread of banks and their environment. Moreover, any company/bank that aspires for industry leadership in the 21st century must think in terms of global market leadership and not domestic market leadership. So, branch expansion programme is also viewed in geographical perspective with the result there are about 52 zonal offices.
present across India, which are mostly concentrated in Indo-Gangetic plain area covering the states of Punjab, Haryana, New Delhi, UP, Bihar, Jharkhand, West Bengal and Odisha, due to agricultural and industrial prosperity of the region. Some Zonal Offices are concentrated in the metropolitan centres like Mumbai, Pune, Ahmedabad, Surat, Vadodara, Nagpur, Kolkata, Hyderabad and the like. It is one of the industrial and business regions of India, particularly the cotton-textile industry. The hilly tracts of Jammu-Kashmir, the North eastern states of Assam, Nagaland, Arunachal Pradesh, Manipur, Meghalaya, Mizoram (‘Mizo’ means hill in their language) and the like and the desert track of Rajasthan are uncovered by zonal offices, which are non-economic and unproductive. In the same way the large corporate and mid corporate branches, SME centers and Rural business centres are spread all over the country as part of branch expansion.

The geographical distribution and significance of overseas branches (foreign branches) needs special mention. With the industrial development since independence, India’s overseas trade and commerce has undergone a complete metamorphosis and is no longer confined to few countries, trading in a few commodities Bank of India plays a pivotal role in acting like “middle men” in the foreign trade transactions. As stated earlier, it is the first Indian bank to open a branch outside the country i.e. in London in 1946 and also the first to open a branch in Paris in 1974. At present the bank has sizable presence abroad with a network of about 54 branches spread all over the world except South America. The bank will be opening more offices globally. Apart from foreign exchange business, the bank is acting as Mandated Lead Arranger (MLA) and Joint Book Runner (JBR) for Multi Currency International Syndication Loans. The bank is also a pioneer in arranging External Commercial Borrowing (ECBs) in United States Dollar (USD) Japanese Yen (JPY) Euro (EUR) and Great Britain Pound (GBP) currencies for Indian corporates for their overseas expansion/acquisition and joint ventures. The branch expansion in terms of growth of branches shows an increasing trend in the study period.
The authorized capital of BOI for the first six year period was Rs.1500 crores and was enhanced to Rs.3000 crores later. The issued & subscribed capital was Rs.488.58 crores for the first four years and increased to Rs.597.07 crores later. The paid up capital was Rs.488.14 crores in the first four years and increased to Rs.596.64 crores later. This indicates that the bank authorities might have specific targets for certain period of time to mobilize capital so as to expand the business operations of the bank. The specialized branches that are established to cater the needs of different groups of customers all over the globe show that among all the specialized branches, the SME branches, commercial & personal banking, housing & personal finance and mid corporate branches excels the other branches. This is due to India’s Industrial Development policy after independence. As stated earlier, it was realized that industrialization was the only vehicle which could lead the shattered economy of the country on the path of progress.

The population group-wise distribution of branches over the study period showed an increasing trend with respect to their number of metropolitan, urban, semi-urban and rural branches. The metropolitan branches in absolute terms are increased but their growth in percentage terms is fluctuating from year to year for the entire study period. The urban and semi-urban branches in absolute terms are also increased from year to year except for some period. The growth in the number of branches of BOI in percentage terms is fluctuating. The trend in the growth of rural branches in absolute terms is showing a decreasing trend. But their growth in percentage terms is fluctuating. On the whole, the growth in respect of branch expansion of BOI in metropolitan, urban, semi urban and rural areas is impressive in the study period. In other words, the present physical performance of BOI is quiet satisfactory in respect of its branch expansion programme.

The staff pattern in Bank of India over a ten year period is assessed and presented. The staff includes officers, clerks and sub staff. The growth in the number of officers in absolute terms is showing a fluctuating trend in the entire study period. But in percentage terms, it is showing an increasing trend. The growth in the number of clerks has been showing a fluctuating trend
throughout the study period. In percentage terms too, the trend is fluctuating. The growth in the number of sub-staff is showing almost a decreasing trend. This kind of situation was never recorded in the entire period of study. The growth in the total number of employees is also showing a fluctuating trend in the entire study period. Overall the staff pattern in BOI over a ten year period is not so satisfactory.

Deposit Mobilization and Credit Lending of Bank of India

- The deposit mobilization is an important aspect for every commercial bank. It is actually the essential raw material for the banking industry. The bank accepts deposits from various customers in the form of saving bank deposits, current deposits and term deposits. The bank pays higher interest ranging from 8-10 per cent on term deposits and around 4 percent on saving deposits to its customers. The banks accept deposits from various customers and lend it as loans to various customers on which the bank gets an interest rate of 10-15 per cent per annum. The interest difference between the deposits and the loans is the direct income which a bank earns.

- In the present scenario of banking industry, competition among the banks is very severe. The banks have been trying to find new avenues to retain the present customers by offering hassle-free services. In the process, strategies of certain banks, especially the public sector banks aimed at dividing customers into different segments on the basis of the type of service they would like to render and also trying to segregate their servicing in their respective branches to enable the customers to have easy access to the branch. The other activities of the bank are chiefly dependent upon the deposits. Mobilization of resources forms an integral part of the development process in India. In the process of mobilization, banks are at a great advantage, chiefly because of their network of branches in the country, the banks have to place considerable reliance on the mobilization of deposits from the public to finance development programmes.

- Banks are mainly dependent upon the deposits mobilized from the public. The Bank of India has got a number of deposit schemes to its credit with which it became more popular.
• The deposits mobilized by Bank of India as a whole, over the study period showed a continuous increasing trend and is impressive. The annual growth rate in the deposits of Bank of India is fluctuating. The computed CV for the deposits mobilized by BOI is more than fifty per cent and hence the growth in the data pertaining to deposits mobilized by BOI is less consistent.

• The demand deposits, saving deposits, term deposits and total deposits of Bank of India over the study period were increased continuously. But the growth in different deposits of BOI in percentage terms is fluctuating. The value of CV for the demand deposits over the study period is least when compared to the value of CV for other kinds of deposits which means that the data pertaining to demand deposits of BOI is more consistent.

• The growth in the low cost deposits of Bank of India in the total deposits in absolute terms is showing an increasing trend in the entire study period which is impressive. But the growth in low cost deposits of BOI in its total deposits in percentage is showing a decreasing trend with minor exceptions.

• The deposits, number of branches and deposits per branch of BOI over the study period are increased from year to year which means that BOI is effectively utilizing its branches to mobilize the deposits.

• The growth in the advances lent by Bank of India in absolute terms is increased from year to year throughout the study period. The value of CV of the time series data pertaining to advances of BOI is more than fifty per cent which means that the growth in the advances lent by Bank of India over a period of time is less consistent.

• The advances, number of branches and advances per branch of BOI have increased continuously over the study period and are impressive. But the growth in the number of employees of Bank of India over the study period is showing a fluctuating trend. The advances and deposits per branch of BOI are increased from year to year for the entire study period.
• The total advances and the advances per employee of BOI are increased continuously over the study period and their increase is much impressive. But the increase in the number of employees of Bank of India over the study period is showing a fluctuating trend.

• The business mix of Bank of India over a period of ten years in absolute terms has been increased continuously in the study period. The growth in the business mix from year to year is fluctuating for the entire study period.

• The credit deposit ratio of BOI is fluctuating from year to year for the entire study period. The change in the C.D ratio is also showing a fluctuating trend year after the year in the entire study period.

Profit management and management of NPAs in Bank of India

• The interest income of BOI in absolute terms over the study period is increased and hence impressive. The annual growth in the interest income of BOI is showing a fluctuating trend in the study period.

• The non-interest income of BOI in absolute terms and the annual growth in the non-interest income of BOI in the study period is fluctuated.

• The total income of BOI over the study period was increased continuously and increase in its total income is encouraging and the annual growth in the interest income of BOI is fluctuated from time to time over the entire study period.

• The interest expended by BOI is increased continuously throughout the study period of ten years, whereas the growth in the interest expended by BOI from year to year is fluctuated.

• The operating expenses of BOI over the study period were tremendously increased, such an increase is not a healthy trend. However, the growth in the increase of operating expenses is fluctuated from time to time.

• The total expenses of BOI over ten year study period are increased continuously. But the annual growth in the total expenses of BOI is fluctuated from time to time.

• The total profits in absolute terms of BOI over a period of ten years have been increased continuously excepting in one or two years. The annual growth in the total profits of BOI in percentage terms is showing a fluctuating trend in
the study period. The progress in the profit of BOI in absolute terms is encouraging and its growth in percentage terms is not so impressive in the entire study period of ten years.

- The growth in the profit per employee of BOI is showing a fluctuating trend and the growth in the profit per branch of BOI is showing an increasing trend with minor exceptions in the study period.

- The progress in the growth of share price, total profit and business mix of BOI in absolute terms reveals that the share price movements over the study period of ten years are accelerating. The annual growth in the share price of BOI is showing a fluctuating trend in the entire study period of ten years. The total profit of BOI is showing an upward and downward trend and the business mix is showing a continuous increasing trend throughout the study period which is more impressive. The growth rate of business mix has reduced as the bank has taken a decision in expanding the business commensurate with the cost effectiveness and profitability. The CGR of business mix and the CGR of total profits are not in line with each other.

- The gross NPAs of Bank of India in absolute terms is showing a fluctuating trend and the gross advances of Bank of India are increased continuously for the entire study period. The growth in the gross NPAs in percentage terms and the ratio of gross NPAs to gross advances is fluctuated from time to time for the study period.

- The provisions for NPAs and total provisions of Bank of India in absolute terms are showing a fluctuating trend in the study period. The growth in NPA provisions and the growth in total provisions of Bank of India are also showing a fluctuating trend in the study period.

**SUGGESTIONS**

After careful analysis of the problems and drawbacks of the present scheduled commercial banks in general and the Bank of India in particular, the researcher wishes to present the following suggestions for their improvement.

- The Scheduled Commercial Banks should increase their branch number so as to serve the public in the unbanked areas of the country to achieve 100 per cent financial inclusion.
• The Scheduled Commercial Banks, especially the public sector banks are the backbone for the banking industry as they are primarily responsible for implementing government policies in the process of planning and economic development. So, the public sector banks should not only increase their deposits and advances in absolute terms but also increase their deposits and advances share in all the scheduled commercial banks in the years to come.

• The cost of deposits of SCBs should decrease over time. The said banks should try to increase their low cost deposits in order to decrease their cost of deposits and finally to increase their net profits.

• The SCBs on one hand should lend the loans and advances which give more return in order to increase net profits and on the other hand, the RBI directives of priority sector lending should not be ignored.

• The SCBs should increase their credit deposit ratio in order to utilize their deposits effectively as the deposits of the banks earn interest only when they are lent out as advances. So the SCBs should not lock their deposits if at all they want to utilize their deposits effectively. The CD ratio of the SCBs should also grow consistently.

• The SCBs should reduce their cost of funds on one side and enhance their return on funds on the other side to finally increase their profits.

• The Scheduled Commercial Banks should consistently increase their interest income to increase their profitability and show a healthy balance sheet.

• The interest expenses are the primary expenses of the Scheduled Commercial Banks. Expenses of such type shall be decreased over time to enhance the profitability.

• The SCBs should enhance their net profits to have a healthy banking scenario in the country. The growth in the net profits of SCBs should be more consistent.

• The gross NPAs and the gross NPAs ratio of the Scheduled Commercial Banks should decrease in order to increase the interest income, profits and finally the share price and to decrease the provisions for NPAs.

• The deposits mobilized by Bank of India should increase in absolute terms and also in percentage terms year after year.
• The various deposit schemes of Bank of India are aimed at different categories of public in order to increase the savings deposits, current deposits and term deposits in the future. The bank should maximize its deposit mobilization schemes to attract more number of customers.

• The demand deposits, savings deposits, term deposits and finally the total deposits of Bank of India should increase in the coming years to have a healthy balance sheet. Also the share of low cost deposits like demand deposits and savings deposits should increase to decrease the interest burden on deposits and finally to decrease the interest expenses.

• Every branch and employee of BOI should contribute to increase the deposits per branch and deposits per employee respectively.

• The advances lent by Bank of India should increase not only in absolute terms but also in percentage terms to earn sizeable profits.

• Each of the branch and employee of Bank of India should strive to increase the quality advances in absolute terms to increase the bank’s advances per branch and per employee which will have a positive effect on the bank’s balance sheet.

• The Bank of India should increase its business mix volume from year to year both in absolute terms and as well as in percentage terms.

• The Bank of India should increase its credit deposit ratio in order to utilize its deposits more effectively.

• The Bank of India should increase its interest income, non-interest income and finally the total income in order to increase its profits in absolute terms as well as in percentage terms to maximize the share holders’ wealth.

• The Bank of India shall decrease its interest expenses, operating expenses and total expenses in order to increase its profits and profitability.

• The BOI is advised to increase its profits per employee both in absolute terms as well as in percentage terms by utilizing creative abilities of the employees more effectively.

• The Bank of India should motivate its employees to generate more profits per branch.

• Bank of India’s business mix should be potential enough to enhance its profit volume and share price. To attain this, Bank of India should concentrate on
deposits which are available at low cost and advances which yield higher rate of return.

- The Bank of India should enhance its gross advances on routine basis but it shall decrease its gross NPAs substantially from year to year with the rigorous efforts of its staff.

**SCOPE FOR FURTHER RESEARCH**

The present study is mainly concentrated on certain parameters which measures the performance of Bank of India over ten year period from 2003-2004 to 2012-2013. However, the human resource management and technological issues like safety, security, customer relationship management, e-banking, e-commerce and the like of Bank of India can be selected for further research.