CHAPTER 3

RESEARCH METHODOLOGY
&
PROFILES OF SELECTED NATIONALISED BANKS
Chapter 3
RESEARCH METHODOLOGY AND PROFILES OF SELECTED BANKS

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In order to assess the severity of NPA level in Commercial Banks of Gujarat a purposive sample has been drawn which includes four Nationalized Banks of Gujarat. State Bank of India is selected being the largest nationalized bank of India & also having very good presence in the state of Gujarat. Bank of Baroda is selected being the local bank of the state of Gujarat. Bank of Baroda is also having very good presence in state of Gujarat. Corporation Bank is selected being having more presence in the other states but having very less presence in Gujarat & having very low NPA in comparison with the other banks of Gujarat. Bank of India is selected as mid segment bank not having very high presence as well as very low presence in the state of Gujarat. No Cooperative Banks of Gujarat are selected because it is very difficult to have the correct data of the NPA as many as times the existence of the cooperative bank is on very vital & sensitive information of NPA. More the NPA & more will be chances of cooperative bank being heading for the liquidation. Thus a multi purpose Banking Operation Management group of four Banks has been surveyed to determine the factorial effect resulting NPA and affecting recovery.

Data has been collected from two different methods described as below.

Primary data has been collected through “Questionnaire Method” directly from the customers of the banks via personal meeting. The questionnaire contains twenty various questions about advances, loans and causes impacts and effects of NPA.
Secondary data has been collected through the utilization of various sources available i.e. annual reports, bank bulletins, magazines, articles, news papers, journals, websites etc. Such data related to Gujarat State also collected from the State Level Bankers' Committee (SLBC) headed by Regional Office of Dena Bank, Ashram Road, Ahmedabad by personal meetings, various reports and also from the website.

Above data and analysis will be useful to the students to predict and understand the movement of NPA. It is also going to be helpful to the researchers to understand the various legal provisions and its impact on the NPA. It is also helpful the Government and the Regulator of the Banking Industry (RBI) to understand the past, having clear picture of the present and prediction of the future trend for various kind of decision making for framing the policies.

3.1 SCOPE OF THE STUDY:

The present study is based on limited field of research. Therefore, there is ample scope for further research. The present study covers overall aspects of non-performing assets management in commercial banks, selecting certain sample units. Under the changing scenario in banking industry there is a vast change in the field of functioning. It is suggested that, there is still further scope for research on NPA at unit level, NPA at regional level, NPA at the level of individual banks, NPA in private sector, NPA in small scale industry, NPA in large scale Industry, NPA in cooperative finance, NPA in agriculture and allied activities, Government policies and NPA, NPA in tribal areas, diversion of funds and NPA, managerial efficiency and NPA etc.
3.2 SAMPLE DESIGN:

In order to assess the severity of NPA level in Commercial Banks of Gujarat a purposive sample has been drawn which includes 4 Nationalized Banks of Gujarat. State Bank of India is selected being the largest nationalized bank of India & also having very good presence in the state of Gujarat. Bank of Baroda is selected being the local bank of the state of Gujarat. Bank of Baroda is also having very good presence in state of Gujarat. Corporation Bank is selected being having more presence in the other states but having very less presence in Gujarat & having very low NPA in comparison with the other banks of Gujarat. Bank of India is selected as mid segment bank not having very high presence as well as very low presence in the state of Gujarat. No Cooperative Banks of Gujarat are selected because it is very difficult to have the correct data of the NPA as many a times the existence of the cooperative bank is on very vital & sensitive information of NPA.

More the NPA & more will be chances of cooperative bank being heading for the liquidation. Thus a multi purpose Banking Operation Management group of 4 Banks has been surveyed to determine the factorial effect resulting NPA and affecting recovery. In brief the sample design covers:
Table 3.1
Selected Nationalised Banks in Gujarat

<table>
<thead>
<tr>
<th>No.</th>
<th>Name of Nationalised Bank</th>
<th>No. Branches of Bank</th>
<th>Customers Sample Selected</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Bank of Baroda</td>
<td>04</td>
<td>100</td>
</tr>
<tr>
<td>2.</td>
<td>Bank of India</td>
<td>04</td>
<td>100</td>
</tr>
<tr>
<td>3.</td>
<td>Corporation Bank</td>
<td>04</td>
<td>100</td>
</tr>
<tr>
<td>4.</td>
<td>State Bank of India</td>
<td>04</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>16</strong></td>
<td><strong>400</strong></td>
</tr>
</tbody>
</table>

Four banks are selected for the purpose of studies and the reasons for the selection of these banks are as follows. State Bank of India is selected because it is the largest Nationalised Bank of India and having a very good presence in Gujarat. Bank of Baroda is selected because it is originally a bank of Gujarat State which was started by the Maharaja of Baroda but later on it was nationalised and they too are having a very good presence in Gujarat. Corporation Bank is selected because they are having little presence in comparison with the other 3 banks selected in Gujarat but Corporation Bank is having very good presence outside the Gujarat so to balance the branches, Corporation is Bank is selected even though they are having less presence in Gujarat. Bank of India is selected because they are having moderate branches in Gujarat almost parallel to that of their National average. To balance the higher uploading and lower don loading, Bank of India is selected to balance all the banks.

3.3 SELECTION OF BRANCHES:

Branches of the four banks were selected randomly with a condition that not more than two branches should be selected which is a city area branch at the same time minimum one branch should be from
the main cities of Gujarat that is Ahmedabad, Surat, Rajkot and Baroda. Minimum two rural braches were selected for each branch by keeping in view that branches of rural area should not be selected from the one district of the Gujarat. According to above conditions 16 branches were selected from the above four banks or the purpose of data collection and analysis.

3.4 SELECTION OF CUSTOMER SAMPLE:

The 25 customers who have taken loan from the bank from each branch are selected on a random basis thus sample comprises of 400 (25 Customers \times 4 Branches \times 4 Banks) customers for finding some concrete suggestions for taking control over NPA. Although the instructions issued by RBI, Securities and Exchange Board of India (SEBI) etc. are similar for all the banks dealing in agriculture, industry, trade and commerce, social-purpose and other loans; the management styles, systems, decision – criterion etc. differ. To develop a concrete academic base for introducing an efficient control over finances through purposive lending and effective recovery, the present research has been undertaken.

3.5 OBJECTIVES OF THE STUDY:

The objectives of the study are:

1. To study the level of NPA and Management of NPA among selected Banks in Gujarat.
2. To know the reasons of the defaulters from selected banks with reference to NPA.
3. To evaluate NPA of selected nationalized banks in Gujarat.
4. To derive conclusion and suggest ways & means for resolving problem of NPA in future.
5. To study special latest acts – 2002 for recovery of NPA.

3.6 RESEARCH PERIOD:

The study has encompassed the period a decade beginning with half past 1990’s since the data of liberalisation but the intensive study covers 7 years i.e. 2001-02 to 2007-08. For which NPA data is collected and presented. An opinion pool of 400 customers has been presented in the study. The problem of NPA has drawn public attention and the attention of planners, managers, entrepreneurs and other stakeholders.

3.7 LIMITATIONS OF THE STUDY:

The limitations of the study have been mention below:

1. The study is limited to 04 banks only since individual efforts have one’s own limitations of time and money.
2. The study has attempted to forecast the trend of NPA and recovery positions but it has certain limitations of trade-cycles, technology requirements and social-responsibilities.
3. To some extent, it is felt that sample size may reflect error in operative decisions and forecasts.
4. It is difficult to determine the balancing stage between profits and social upliftment through easy advances.
5. The study fails to determine the defaulters’ percentage in future, despite of all efficient efforts in lending money and affecting recovery. Only a rough guesswork has been made to develop understanding about the severity of the problem.
6. Data collected for the Gujarat State is mainly based on the Report of State Level Bankers Committee (SLBC) where in many data is not available like Gross or Net NPA of Banks in Gujarat, Income, Expenditure and Profit figures for Gujarat, Number of Employees etc. Hence the above data for the 4 selected banks are collected from the Regional Offices and because of more than one circle existing even today or it is abolished only before few years, data for the banks is not made available for the total research period hence comparison made between the four banks is limited with the data available. Data for the Number of Employees and Gross NPA is collected by personal visit with the Regional Offices in Gujarat and for certain years some data is not made available hence analysis is made from the data made available for the research period.

3.8 HYPOTHESIS:

The study is consists following hypothesis.

1. There is no significant difference between NPA of selected nationalised banks in Gujarat.
2. There is no significant difference between the deposits of selected nationalised banks in Gujarat.
3. There is no significant difference between the advances of selected nationalized banks in Gujarat.
4. There is no significant difference between the investments of selected nationalized banks in Gujarat.
5. There is no significant difference between the gross NPA ratios of selected nationalized banks in Gujarat.
3.9 PROFILES OF THE SELECTED NATIONALISED BANKS:

There are many banks in India as well as in Gujarat which are categorized as Nationalised Banks, Private Banks (Indian Origin), Private Banks (Foreign Origin), Co-Operative Banks, Regional Rural Banks working under the Lead Nationalised Bank of a particular district & many other financial institutions. For my research purpose I have selected 4 Nationalised Banks of Gujarat because it is difficult to have very sensitive information of the NPA of Private Banks (Indian Origin), Private Banks (Foreign Origin) & Co-Operative Banks. Many Co-Operative banks in Gujarat have already failed due to the NPA problem in the past and because of the non availability of the correct data from the banks my research could not have bring the correct results.

Following are the profiles of the banks that have been selected for research purpose.
At a Glance of Bank of Baroda

A saga of vision and enterprise

It has been a long and eventful journey of almost a century across 25 countries. Starting in 1908 from a small building in Baroda to its new hi-rise and hi-tech Baroda Corporate Centre in Mumbai, is a saga of vision, enterprise, financial prudence and corporate governance. It is a story scripted in corporate wisdom and social pride. It is a story of ordinary bankers and their extraordinary contribution in the ascent of Bank of Baroda to the formidable heights of corporate glory which needs to be shared with all those millions of people - customers, stakeholders, employees & the public at large - who in ample measure, have contributed to the making of an institution.
Mission statement

To be a top ranking National Bank of International Standards committed to augmenting stakeholders' value through concern, care and competence.

Logo

New logo is a unique representation of a universal symbol. It comprises dual ‘B’ letterforms that hold the rays of the rising sun. They call this the Baroda Sun. The sun is an excellent representation of what the bank stands for. It is the single most powerful source of light and energy – its far reaching rays dispel darkness to illuminate everything they touch. At Bank of Baroda, they seek to be the source that will help all their stakeholders realise their goals. To the customers, they seek to be a one-stop, reliable partner who will help them address different financial needs. To their employees, they offer rewarding careers and to their investors and business partners, maximum return on their investment. The single-colour, compelling vermilion palette has been carefully chosen, for its distinctiveness as it stands for hope and energy. They also recognize that our bank is characterised by diversity. Their network of branches spans geographical and cultural boundaries and rural-urban divides. Their customers come from a wide spectrum of industries and backgrounds. The Baroda Sun is a fitting face for their brand because it is a universal symbol of dynamism and optimism – it is meaningful for their many audiences and easily decoded by all.

New corporate brand identity is much more than a cosmetic change. It is a signal that they recognize and are prepared for new business paradigms in a globalised world. At the same time, they will always stay in touch with our heritage and enduring relationships on
which their bank is founded. By adopting a symbol as simple and powerful as the Baroda Sun, they hope to communicate both.

At a Glance of BANK OF BARODA in Gujarat
2007-2008

★ Name of The General Manager : Mr. S. K. Das
★ Regional Office Address : Maha Gujarat Zone, BOB Tower, Near Law Garden, Ellis Bridge, Ahmedabad PIN – 380 006
★ No. of Branches : 664
★ Total Deposits (Rs. in Crores) : 26371.20
★ Total Advances (Rs. in Crores) : 13059.92
★ Conventional C/D Ratio (%) : 49.52
★ Gross C / D Ratio (%) : 63.45
★ NRI Deposits (Rs. in Crores) : 5210.11
★ Agriculture Advances (Rs. in Crores) : 2926.27
★ Advances to SSI (Rs. in Crores) : 2045.15
★ Priority Accounts : 387325
★ Priority Sector Advances (Rs. in Crores) : 6573.87
★ Percentage of PSA to Net Advances : 52.34
★ No. of Employees : 9247
★ Gross NPA : 285.00 (2.18%)

(Source: State Level Banking Committee Reports and Fieldwork Studies)
At a Glance of Bank of India

Bank of India was founded on 7th September, 1906 by a group of eminent businessmen from Mumbai. The Bank was under private ownership and control till July 1969 when it was nationalised along with 13 other banks.

Beginning with one office in Mumbai, with a paid-up capital of Rs.50 lakh and 50 employees, the Bank has made a rapid growth over the years and blossomed into a mighty institution with a strong national presence and sizable international operations. In business volume, the Bank occupies a premier position among the nationalised banks.
The Bank has 2884 branches in India spread over all states/union territories including 155 specialised branches. These branches are controlled through 48 Zonal Offices. There are 27 branches/offices (including three representative offices) abroad.

The Bank came out with its maiden public issue in 1997 and follow on Qualified Institutions Placement in February 2008. Total number of shareholders as on 30/06/2008 is 2,29,000.

While firmly adhering to a policy of prudence and caution, the Bank has been in the forefront of introducing various innovative services and systems. Business has been conducted with the successful blend of traditional values and ethics and the most modern infrastructure.

The Bank has been the first among the nationalised banks to establish a fully computerised branch and ATM facility at the Mahalaxmi Branch at Mumbai way back in 1989.

The Bank is also a Founder Member of SWIFT in India. It pioneered the introduction of the Health Code System in 1982, for evaluating/rating its credit portfolio.

The Bank's association with the capital market goes back to 1921 when it entered into an agreement with the Bombay Stock Exchange (BSE) to manage the BSE Clearing House. It is an association that has blossomed into a joint venture with BSE, called the BOI Shareholding Ltd. to extend depository services to the stock broking community. Bank of India was the first Indian Bank to open a
branch outside the country, at London, in 1946, and also the first to open a branch in Europe, Paris in 1974.

The Bank has sizable presence abroad, with a network of 27 branches (including three representative offices) at key banking and financial centers viz. London, New York, Paris, Tokyo, Hong Kong and Singapore. The international business accounts for around 20.10% of Bank's total business.
Profile of BANK OF INDIA in Gujarat
2007-2008

| ★ Name of The General Manager                  | Mr. Sushil Kumar    |
| ★ Regional Office Address                      | L. H. O. Bhadra, Ahmedabad PIN – 380 001 |
| ★ No. of Branches                              | 250                |
| ★ Total Deposits (Rs. in Crores)               | 14257.15           |
| ★ Total Advances (Rs. in Crores)               | 6527.61            |
| ★ Conventional C/D Ratio (%)                   | 45.74              |
| ★ Gross C / D Ratio (%)                        | 70.91              |
| ★ NRI Deposits (Rs. in Crores)                 | 2580.85            |
| ★ Agriculture Advances (Rs. in Crores)         | 1079.98            |
| ★ Advances to SSI (Rs. in Crores)              | 1142.68            |
| ★ Priority Accounts                            | 105093             |
| ★ Priority Sector Advances (Rs. in Crores)     | 2839.18            |
| ★ Percentage of PSA to Net Advances            | 43.54              |
| ★ No. of Employees                             | 1557               |
| ★ Gross NPA                                    | 234.09 (3.59%)     |
| ★ No. of Branches in Ahmedabad Circle          | 68                 |

(Source: State Level Banking Committee Reports and Fieldwork Studies)

* Data for Number of Employees available for Ahmedabad Circle Only
At a Glance of Corporation Bank

Every institution has its start in modest initiatives but what makes it great is the passion of the people behind it. Carrying the legacy forward with an undaunted commitment to its vision, the journey of Corporation Bank truly epitomizes this.

Started about 104 years ago in 1906, with an initial capital of just Rs.5000, Corporation Bank is all set to cross Rs. One Lakh Crore mark in business and even far more, with over 2000 service outlets.
across the nation, served by committed and dedicated 12,000 plus Corp bankers. Proof of which is seen in its enviable track record in financial performance. Bank has many reasons to cheer; predominant of them is, being able to participate in nation building by empowering the rural and urban population alike. Today, bank is proud that they are significant contributors to the growth of the country's economy.

**Early Movers**

Nationalised in 1980, Corporation Bank was the forerunner when it came to evolving and adapting to the financial sector reforms. In 1997, it became the Second Public Sector Bank in the country to enter capital market, the IPO of which was over-subscribed by 13 times. The Bank has many "firsts" to its credit – Cash Management Services, Gold Banking, m-Commerce, "Online" approvals for Educational loans, 100% CBS Compliance and more recently, its pioneering efforts to take the technology to the rural masses in remotest villages through low-cost branchless banking -Business Correspondent model. All of which symbolise bank's answered commitment to its customers to provide convenience banking.

At Corporation Bank, what motivates them is the passion to excel in banking by maintaining highest standards of service to their customers, backed by innovative products and services which make them one of the leading Public Sector Banks in the country, catering to a wide range of customers -from individuals to corporate clients.
Profile of CORPORATION BANK in Gujarat
2007-2008

| ★ Name of the General Manager                      | S. Pattabhi Raman |
| ★ Regional Office Address                          | 2nd Floor, Corporation Bank, Near Navrangpura Post Office, Navrangpura, Ahmedabad. PIN – 380 009. |
| ★ No. of Branches                                  | 42               |
| ★ Total Deposits (Rs. in Crores)                   | 2927.15          |
| ★ Total Advances (Rs. in Crores)                   | 1727.61          |
| ★ Conventional C/D Ratio (%)                       | 59.02            |
| ★ Gross C / D Ratio (%)                            | 75.08            |
| ★ NRI Deposits (Rs. in Crores)                     | 651.73           |
| ★ Agriculture Advances (Rs. in Crores)             | 122.00           |
| ★ Advances to SSI (Rs. in Crores)                  | 217.04           |
| ★ Priority Accounts                                | 7523             |
| ★ Priority Sector Advances (Rs. in Crores)         | 508.04           |
| ★ Percentage of PSA to Net Advances                | 29.41            |
| ★ No. of Employees                                 | 578              |

(Source: State Level Banking Committee Reports and Fieldwork Studies)
At a Glance of State Bank of India

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.

Primarily Anglo-Indian creations, the three presidency banks came into existence either as a result of the compulsions of imperial finance or by the felt needs of local European commerce and were not imposed from outside in an arbitrary manner to modernise India's economy. Their evolution was, however, shaped by ideas culled from similar developments in Europe and England, and was influenced by changes occurring in the structure of both the local trading environment and those in the relations of the Indian economy to the economy of Europe and the global economic framework.

Establishment

The establishment of the Bank of Bengal marked the advent of limited liability, joint-stock banking in India. So was the associated innovation in banking, viz. the decision to allow the Bank of Bengal to issue notes, which would be accepted for payment of public revenues within a restricted geographical area. This right of note issue was very valuable not only for the Bank of Bengal but also its two siblings, the Banks of Bombay and Madras. It meant an accretion to the capital of the banks, a capital on which the proprietors did not have to pay any interest. The concept of deposit banking was also an innovation because the practice of accepting money for safekeeping (and in some cases, even investment on behalf of the clients) by the indigenous bankers had not spread as a general habit in most parts of India. But, for a long time, and especially up to the time that the three presidency banks had a right of note issue, bank notes and government balances made up the bulk of the investible resources of the banks. The three banks were governed by royal charters, which were revised from time to
time. Each charter provided for a share capital, four-fifth of which were privately subscribed and the rest owned by the provincial government. The members of the board of directors, which managed the affairs of each bank, were mostly proprietary directors representing the large European managing agency houses in India. The rest were government nominees, invariably civil servants, one of whom was elected as the president of the board.

**Business**

The business of the banks was initially confined to discounting of bills of exchange or other negotiable private securities, keeping cash accounts and receiving deposits and issuing and circulating cash notes. Loans were restricted to Rs. one lakh and the period of accommodation confined to three months only. The security for such loans was public securities, commonly called Company's Paper, bullion, trésure, plate, jewels, or goods 'not of a perishable nature' and no interest could be charged beyond a rate of twelve per cent. Loans against goods like opium, indigo, salt woolens, cotton, cotton piece goods, mule twist and silk goods were also granted but such finance by way of cash credits gained momentum only from the third decade of the nineteenth century. All commodities, including tea, sugar and jute, which began to be financed later, were either pledged or hypothecated to the bank. Demand promissory notes were signed by the borrower in favour of the guarantor, which was in turn endorsed to the bank. Lending against shares of the banks or on the mortgage of houses, land or other real property was, however, forbidden.
**Major change in the conditions**

A major change in the conditions of operation of the Banks of Bengal, Bombay and Madras occurred after 1860. With the passing of the Paper Currency Act of 1861, the right of note issue of the presidency banks was abolished and the Government of India assumed from 1 March 1862 the sole power of issuing paper currency within British India. The task of management and circulation of the new currency notes was conferred on the presidency banks and the Government undertook to transfer the Treasury balances to the banks at places where the banks would open branches. None of the three banks had till then any branches (except the sole attempt and that too a short-lived one by the Bank of Bengal at Virzapore in 1839) although the charters had given them such authority. But as soon as the three presidency bands were assured of the free use of government Treasury balances at places where they would open branches, they embarked on branch expansion at a rapid pace. By 1876, the branches, agencies and sub agencies of the three presidency banks covered most of the major parts and many of the inland trade centers in India. While the Bank of Bengal had eighteen branches including its head office, seasonal branches and sub agencies, the Banks of Bombay and Madras had fifteen each.

**Presidency Banks Act**

The presidency Banks Act, which came into operation on 1 May 1876, brought the three presidency banks under a common statute with similar restrictions on business. The proprietary connection of the Government was, however, terminated, though the banks continued to hold charge of the public debt offices in the three presidency towns, and the custody of a part of the government balances. The Act also
stipulated the creation of Reserve Treasuries at Calcutta, Bombay and Madras into which sums above the specified minimum balances promised to the presidency banks at only their head offices were to be lodged. The Government could lend to the presidency banks from such Reserve Treasuries but the latter could look upon them more as a favour than as a right.

The decision of the Government to keep the surplus balances in Reserve Treasuries outside the normal control of the presidency banks and the connected decision not to guarantee minimum government balances at new places where branches were to be opened effectively checked the growth of new branches after 1876. The pace of expansion witnessed in the previous decade fell sharply although, in the case of the Bank of Madras, it continued on a modest scale as the profits of that bank were mainly derived from trade dispersed among a number of port towns and inland centers of the presidency.

India witnessed rapid commercialisation in the last quarter of the nineteenth century as its railway network expanded to cover all the major regions of the country. New irrigation networks in Madras, Punjab and Sind accelerated the process of conversion of subsistence crops into cash crops, a portion of which found its way into the foreign markets. While the Banks of Bengal and Bombay were engaged in the financing of large modern manufacturing industries, the Bank of Madras went into the financing of large modern manufacturing industries; the Bank of Madras went into the financing of small-scale industries in a way which had no parallel elsewhere. But the three banks were rigorously excluded from any business involving foreign exchange. Not only was such business considered risky for these banks, which held government deposits, it was also feared that these banks enjoying
government patronage would offer unfair competition to the exchange banks which had by then arrived in India. This exclusion continued till the creation of the Reserve Bank of India in 1935.

Presidency Banks of Bengal

The presidency Banks of Bengal, Bombay and Madras with their 70 branches were merged in 1921 to form the Imperial Bank of India. The triad had been transformed into a monolith and a giant among Indian commercial banks had emerged. The new bank took on the triple role of a commercial bank, a banker's bank and a banker to the government.

But this creation was preceded by years of deliberations on the need for a 'State Bank of India'. What eventually emerged was a 'half-way house' combining the functions of a commercial bank and a quasi-central bank.

The establishment of the Reserve Bank of India as the central bank of the country in 1935 ended the quasi-central banking role of the Imperial Bank. The latter ceased to be bankers to the Government of India and instead became agent of the Reserve Bank for the transaction of government business at centers at which the central bank was not established. But it continued to maintain currency chests and small coin depots and operate the remittance facilities scheme for other banks and the public on terms stipulated by the Reserve Bank. It also acted as a bankers' bank by holding their surplus cash and granting them advances against authorised securities. The management of the bank clearing houses also continued with it at many places where the Reserve Bank did not have offices. The bank was also the biggest tendered at the Treasury bill auctions conducted by the
Reserve Bank on behalf of the Government. The establishment of the Reserve Bank simultaneously saw important amendments being made to the constitution of the Imperial Bank converting it into a purely commercial bank. The earlier restrictions on its business were removed and the bank was permitted to undertake foreign exchange business and executor and trustee business for the first time.

**Imperial Bank**

The Imperial Bank during the three and a half decades of its existence recorded an impressive growth in terms of offices, reserves, deposits, investments and advances, the increases in some cases amounting to more than six-fold. The financial status and security inherited from its forerunners no doubt provided a firm and durable platform. But the lofty traditions of banking which the Imperial Bank consistently maintained and the high standard of integrity it observed in its operations inspired confidence in its depositors that no other bank in India could perhaps then equal.

All these enabled the Imperial Bank to acquire a pre-eminent position in the Indian banking industry and also secure a vital place in the country's economic life. When India attained freedom, the Imperial Bank had a capital base (including reserves) of Rs.11.85 crores, deposits and advances of Rs.275.14 crores and Rs.72.94 crores respectively and a network of 172 branches and more than 200 sub offices extending all over the country.

State Bank of India is being the largest and oldest Nationalised Bank of India is also having a very good presence in Gujarat State. State bank of India is having six more banks which are nationalised and known more popularly as State Bank Group.
Government has already decided to merge all the group banks into the State Bank and they have already merged State Bank of Saurashtra into the State Bank of India in 2008-09 and this is a test case if they get success in this then rest of the group banks will be merged into the State Bank. So data up to 2006-07 is solely of the State Bank of India and no group bank data is merged with the State Bank of India. In case of State Bank of India unique feature that is observed is that both all over India data and data for Gujarat State are relentlessly decreasing trend through our the research period even change of policy in 2003-04 (From 180 days to 90 Days) has not made any effect and it is continually going down which is a salient feature which must be noted and even an example for the other banks to follow.
<table>
<thead>
<tr>
<th>Category</th>
<th>Details</th>
</tr>
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<tbody>
<tr>
<td>Name of The Chief General Manager</td>
<td>K. Nand Kumaran</td>
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<tr>
<td>Regional Office Address</td>
<td>Local Head Office Bhadra, Lal Darwaja, Ahmedabad PIN - 380 001.</td>
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<tr>
<td>No. of Branches</td>
<td>542</td>
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<tr>
<td>Total Deposits (Rs. in Crores)</td>
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<tr>
<td>Total Advances (Rs. in Crores)</td>
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<tr>
<td>Conventional C/D Ratio (%)</td>
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<td>Gross C / D Ratio (%)</td>
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<td>NRI Deposits (Rs. in Crores)</td>
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<td>Agriculture Advances (Rs. in Crores)</td>
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<td>Advances to SSI (Rs. in Crores)</td>
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<td>Priority Accounts</td>
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<td>Priority Sector Advances (Rs. in Crores)</td>
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<tr>
<td>Percentage of PSA to Net Advances</td>
<td>34.51</td>
</tr>
<tr>
<td>No. of Employees</td>
<td>9072</td>
</tr>
<tr>
<td>Gross NPA</td>
<td>337.95 (1.88%)</td>
</tr>
</tbody>
</table>

(Source: State Level Banking Committee Reports and Fieldwork Studies)
References:

1. www.bankofbaroda.com
2. www.bankofindia.com
3. www.corpbank.com
4. www.rbi.org.in
5. www.statebankofindia.com