CHAPTER 2: PROFILE OF THE ORGANIZATIONS

Introduction

The banking sector plays an inevitable role for economic development of any country. Banking structure and working of banks are integral to a country’s financial performance and economic growth. The banks play an important role in promoting capital formation, in controlling speculation in maintaining a balance between requirements and availabilities and in direct physical resources into desired channels. Thus the Indian banking industry plays an important role in the economic development of the country like India and is the most dominant segment of the financial sector.

After independence the Government of India (GOI) adopted planned economic development for the country (India). Accordingly, five year plans came into existence since 1951. This economic planning basically aimed at social ownership of the means of production. However, commercial banks were in the private sector those days. In 1950-51 there were 430 commercial banks. The Government of India had some social objectives of planning. These commercial banks failed helping the government in attaining these objectives. Thus, 14 major commercial banks were decided to nationalize by the government on 19th July, 1969. All commercial banks with a deposit base over Rs.50 crores were nationalized. In April 1980, the second phase of nationalisation came when banks were nationalized. The most evitable pillar of the economic prosperity is Banking sector now a days. Past history provides the detail about how banks provided finance for imperialist ventures in newly acquired colonies. Banks have formed an important part in providing an avenue for both savings and investments.

The banking sector in India is growing day by day. The flow in the disposable income of individuals in the country has been increased due to banking sector. ATMs, internet and mobile banking facilities are increasing day
by day. Consequently, investment is made by different banks i.e. public, private, and foreign banks to increase their network and thus, their customers reach. In other words, performance of banking sector has impact across the length and breadth of the economy. The banking system in India passed through various stages of development. These are consists of central bank (RBI), public sector scheduled banks and private sector scheduled as well as non-scheduled banks.

The private-sector banks in India represent part of the Indian banking sector that is made up of both private and public sector banks. The "private-sector banks" are banks where greater parts of stake or equity are held by the private shareholders and not by government.

2.1 History of Indian Banking Sector

In the last decades of the 18th century Banking in India was originated. In 1786, the General Bank of India was the first bank of India which was started, and Bank of Hindustan, both are now redundant. State Bank of India, which is originated in the Bank of Calcutta in June 1806, which almost immediately becomes the Bank of Bengal, is the oldest bank which also has in existence. The three presidency bank, the Bank of Calcutta, the Bank of Bombay and the Bank of Madras were established under Charted from the British East India Company.

In 1921, the three banks merged to form the Imperial Bank of India, which upon India’s independence, become the State Bank of India. Indian merchants in Calcutta established the Union Bank in 1839, but as consequences of economic crisis of 1848-49, it failed in 1848. The Allahabad Bank, established in 1865 and still functioning today, is the oldest Joint Stock Bank in India.

After the independence, the Reserve bank of India, India’s central banking authority, was nationalized on January 1, 1949, under the terms of Reserve Bank of India Act, 1948. In 1949, the Banking Regulation Act was enacted.
which empowered the Reserve Bank of India (RBI) to regulate, control, and inspect the banks in India. In the early 1990s, the government issued relatively few banks licenses to the private sector. Regulatory controls were eased and foreign investment in this sector was relaxed.

### 2.2 Structure of Organized Indian Banking Sector

“Banking” means the accepting, for the purpose of lending or investment, of deposits of money from the public, repayable on demand or otherwise, and withdrawal by cheque, draft, order or otherwise”. (Section 5(b) of the Banking Regulation Act 1949)

All banks which are included in the Second Schedule to the Reserve Bank of India Act, 1934 are scheduled banks. Indian banking sector has a diverse structure. The scheduled and non-scheduled banks comprise in the entire organized banking system.

![Figure 2.1: Structure of the Organised Banking Industry](source: D&B Industry Research Service)
Chapter 2: Profile of the Organizations

Scheduled Banks: - As per the Reserve Bank of India Act, 1943, Banks were classified as Scheduled and Non-scheduled banks. The scheduled banks are those banks which are listed under the second schedule of the RBI Act, 1934. To include under this schedule of RBI act, banks have to fulfills certain conditions such as having a paid up capital and reserve of at least 0.5 million and satisfying the RBI. Scheduled banks are further classified into two categories:

1. Scheduled commercial banks and
2. Scheduled cooperative banks.

1. Scheduled Commercial Banks (SCBs)

Scheduled commercial banks are commercial concerns who accept deposits from the public and to give loan to those who required it. SCBs in India categorized into five groups. State Bank of India and its six associates are recognized as a separate category of SCBs. State Bank of India, its associate banks and nationalized banks together form the public sector banks. Since December 2004, IDBI ltd. has been included in nationalized banks group. Private sector banks include the old and new generation private sector banks, which were incorporated according to the RBI revised guidelines regarding the entry of private sector bank in 1993. Foreign banks are those banks which are registered or incorporated outside India. They have an office or branch in India. At the end of June 2009, 32 foreign banks were operating in India with 293 branches. Regional Rural Banks (RRBs) were set up on the recommendations of a working group headed by M. Narasimham in 1975. The main objective was to provide credit and other facilities to small and marginal farmers, agriculture labourers and artisans.

2. Scheduled Cooperative Banks

Scheduled cooperative banks in India classified into urban credit cooperative institutions and rural cooperative credit institutions. Long term and short term lending undertake by rural cooperative banks and in most states credit cooperatives have a three tier structure.
Chapter 2: Profile of the Organizations

Figure 2.2
Comparison of HDFC, AXIS AND ICICI Banks on the basis of Profitability and Total assets

<table>
<thead>
<tr>
<th>Name</th>
<th>Last Price</th>
<th>Market Cap. (Rs. cr.)</th>
<th>Net Interest Income</th>
<th>Net Profit</th>
<th>Total Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>HDFC Bank</td>
<td>1,030.65</td>
<td>259,420.23</td>
<td>48,469.91</td>
<td>10,215.92</td>
<td>590,503.07</td>
</tr>
<tr>
<td>ICICI Bank</td>
<td>270.55</td>
<td>157,075.71</td>
<td>49,091.14</td>
<td>11,175.35</td>
<td>646,129.29</td>
</tr>
<tr>
<td>Axis Bank</td>
<td>509.70</td>
<td>121,190.06</td>
<td>35,478.60</td>
<td>7,357.82</td>
<td>461,932.39</td>
</tr>
<tr>
<td>Kotak Mahindra</td>
<td>642.70</td>
<td>117,593.88</td>
<td>9,719.87</td>
<td>1,865.98</td>
<td>106,012.08</td>
</tr>
<tr>
<td>IndusInd Bank</td>
<td>888.05</td>
<td>52,578.58</td>
<td>9,691.97</td>
<td>1,793.72</td>
<td>109,115.92</td>
</tr>
<tr>
<td>Yes Bank</td>
<td>733.25</td>
<td>30,697.25</td>
<td>11,572.00</td>
<td>2,005.36</td>
<td>136,170.42</td>
</tr>
<tr>
<td>ING Vysya Bank</td>
<td>1,027.00</td>
<td>19,719.13</td>
<td>5,205.22</td>
<td>657.85</td>
<td>60,413.23</td>
</tr>
<tr>
<td>Federal Bank</td>
<td>63.60</td>
<td>10,916.74</td>
<td>7,419.46</td>
<td>1,005.75</td>
<td>82,850.47</td>
</tr>
<tr>
<td>Karur Vysya</td>
<td>453.80</td>
<td>5,528.20</td>
<td>5,395.87</td>
<td>464.28</td>
<td>53,152.49</td>
</tr>
<tr>
<td>City Union Bank</td>
<td>91.25</td>
<td>5,468.14</td>
<td>2,698.86</td>
<td>395.02</td>
<td>27,871.13</td>
</tr>
<tr>
<td>JK Bank</td>
<td>93.00</td>
<td>4,508.44</td>
<td>7,061.13</td>
<td>508.60</td>
<td>76,085.46</td>
</tr>
<tr>
<td>DCB Bank</td>
<td>138.35</td>
<td>3,921.40</td>
<td>1,422.42</td>
<td>191.18</td>
<td>16,132.30</td>
</tr>
<tr>
<td>South Ind Bk</td>
<td>20.95</td>
<td>2,828.61</td>
<td>5,286.22</td>
<td>307.20</td>
<td>59,116.32</td>
</tr>
<tr>
<td>Karnataka Bank</td>
<td>121.80</td>
<td>2,295.59</td>
<td>4,698.42</td>
<td>451.45</td>
<td>51,836.60</td>
</tr>
<tr>
<td>Lakshmi Vilas</td>
<td>79.00</td>
<td>1,416.25</td>
<td>2,214.53</td>
<td>132.29</td>
<td>24,705.43</td>
</tr>
<tr>
<td>StanChart IDR</td>
<td>69.50</td>
<td>834.00</td>
<td>-</td>
<td>-</td>
<td>131,000.95</td>
</tr>
<tr>
<td>Dhanlaxmi Bank</td>
<td>27.30</td>
<td>484.42</td>
<td>1,283.59</td>
<td>-241.47</td>
<td>14,351.90</td>
</tr>
<tr>
<td>Goldman BEES</td>
<td>2,391.95</td>
<td>245.42</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
</tbody>
</table>

Source: http://www.moneycontrol.com/competition/icicibank/comparison/ICI02 (Till March, 2015)

For research work researcher have selected three private banks i.e. HDFC, AXIS and ICICI banks. The following points enlighten the reasons why researcher selects only private sector banks:

1. On the basis of performance analysis of private sector banks in India (In First and Second generation reform period-1991-92 to 2003-04), it is proved that the financial reforms have provided the same space and
opportunity to the public sector as well as private sector banks the private sector banks have shown better performance in terms of all financial indicators. Thus it can be said that the private sector banks have more positively responded to the financial reforms process than the public sector banks.

2. It appears that all public sector banks have not responded to the process of reforms in the same degree and spirit. Some of them, for instance, Oriental Bank of Commerce, State Bank of Hyderabad and State Bank of Patiala, etc. recorded a marked improvement, while other banks like UCO Bank, United Bank of India, Central Bank of India, Bank of India, Indian Overseas Bank and Punjab and Sind Bank failed to show any significant improvement.

3. The analysis of the performance of Private Sector Banks at branch and employee level in efficiency revealed that their performance is remarkable in business, average in profits and high in expenses. These banks did very good business and earned reasonable profits but they could not control their expenditure. The performance of New Private Sector Banks is simply superb and showed very good business when compared to Old Private Sector Banks or any other group but could not earn good profits. This is because New Private Sector Banks are spending more amount of money on technology, branch location and for the maintenance of experienced staff, etc. This overhead, probably, suppresses their profits.

4. The reform measures undoubtedly improved the performance of Private Sector Banks in terms of efficiency and profitability but all banks did not respond in similar fashion. Some of them are as for example; ICICI Bank, HDFC Bank, Axis Bank, Indus land Bank Ltd. and UTI Bank showed a remarkable improvement but other banks give average improvement.

5. A Comparison of the relative performance of public and private sector banks reveals that on an average, Private Sector Banks are much a head of
Public Sector Banks in efficiency. When the performance of different bank groups are considered, New Private Sector Banks is better than that of Old Private Sector Banks and even various groups of Public Sector Banks as well.

6. When the profitability of both the groups and subgroups is analyzed, Private Sector Banks, on an average, appeared to be better than Public Sector Banks in all the profitability indices except Net Interest Margin. New Private Sector Banks and State Bank of India continued to show better results in most of the profitability indices. An interesting feature is that the New Private Sector Banks which have from their very start rendered various types of fee-based services have been able to earn a higher percentage of Non-Interest Income compared not only their counterparts but also to different groups of Public Sector Banks.

7. When the service quality and customer satisfaction of selected public and private sector banks were examined by under third generation study, it is found that private sector banks provide better service quality to its customers as compared to public sector banks. The new private sector banks have excelled in delivering superior service quality to their customer than the old private sector and even public sector banks as well.

8. Majority of the customers especially from public sector banks strongly felt that the system followed in the banks need a review in term of simplifying various forms used and procedures followed for sanctioning loan. Some of the customers of Public Sector Banks advice their banks to adopt the procedure followed by private and foreign banks in this regard.

On the whole, it appears that the overall performance of Private Sector Banks is better than that of Public Sector Banks.

2.3 Profile of Selected Banks

Three Banks HDFC, AXIS AND ICICI banks were selected on the basis of their position in the market as well as their net profits. The profiles of these selected banks are given below:
2.3.1 Housing Development Corporation (HDFC)

History

The HDFC Bank was incorporated on August 1994 by the name of 'Housing Development Finance Corporation Limited'. The Bank has its registered office in Mumbai, Maharashtra. HDFC Bank commenced operations as a Scheduled Commercial Bank in January 1995. The Housing Development Finance Corporation (HDFC) was the first to get an approval from the Reserve Bank of India (RBI) to set up a bank in the private sector, as part of the RBI's liberalization of the Indian Banking Industry in 1994.

HDFC Bank Limited (HDFC Bank) is a banking company engaged in providing a range of banking and financial services, including commercial banking and treasury operations. In the field of merger and acquisition, in the year 2000, Times Bank Limited was merged with HDFC Bank Ltd and this was the first merger of two private banks in India. In 2008, HDFC Bank acquired Centurion Bank of Punjab. The amalgamated bank emerged with a base of about Rs. 1,22,000 crores and net advances of about Rs. 89,000 crores.

Services provided by HDFC Bank

HDFC Bank caters to a wide range of banking services covering commercial and investment banking on the wholesale side and transactional / branch banking on the retail side. The bank has three key business segments:

- **Wholesale Banking** - The Bank provides a wide range of commercial and transactional banking services, including working capital finance, trade services, transactional services, cash management, etc. The bank is also a leading provider of structured solutions, which combine cash management services with vendor and distributor finance for facilitating superior supply chain management for its corporate customers.

- **Treasury** - It includes the following product areas - Foreign Exchange and Derivatives, Local Currency Money Market & Debt Securities, and Equities. The bank is required to hold 25% of its deposits in government securities to meet the
statutory reserve requirements. The Treasury business involves managing the 
returns and market risk on this investment portfolio.

- **Retail Banking** - The objective of HDFC in Retail Banking is to provide its target 
market customers a full range of financial products and banking services by giving 
the customer a facility to fulfill their banking requirements under one roof. The 
products and services provided by the branch as well as through alternative 
delivery channels like ATMs, Phone Banking, Net Banking and Mobile Banking.

  The Bank also has a wide array of retail loan products including Auto Loans, 
Loans against marketable securities, Personal Loans and Loans for Two-wheelers. For 
Depository Participant (DP) services HDFC act as a leading provider for retail 
customers.

  International Debit Card was first launched by HDFC Bank. It was launched 
in association with VISA and offers MasterCard Maestro debit card as well. The Bank 
has also launched its credit card 2001. The bank offers various Internet Banking 
services like Fixed Deposits, Loans, Bill Payments, etc.

**Figure 2.3 LOGO of HDFC bank**

In all of its business, the HDFC Bank act as a 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.

**Organizational structure of the Bank**

The Headquarter of HDFC Bank is in Mumbai. The organization 
structure of HDFC includes C.M Vasudev as Chairman of HDFC Bank, Aditya
Puri as Managing Director, Sanjay Dongre as Company Secretary and further Directors and Executive Directors are also included in the management of Bank.

HDFC Bank is an Indian financial services company. It is the fifth largest bank in India by assets and the first largest private sector bank by market capitalization as of 24 February, 2014. The total income and net profit of the bank was 57,466.3 crore and 10,215.9 crore respectively for the financial year ended March 31, 2015 as against 49,055.2 crore and 8,478.4 crore respectively in the previous year. As per the Brand Trust Report 2015, HDFC bank was ranked 32nd among the India’s most trusted brands and in terms of capitalization HDFC was ranked 45th on the list of top 50 Banks.

**Highlights of the HDFC Bank**

**Financial Performance**

The quarterly operating profits of the Bank for 2014-15, were at Rs. 471.07 crores, as compared to Rs. 150.13 crores in 2013-14. According to annual report 2013-14, the net profit of the Bank was 5,440.24 crores in this financial year. The quarterly net profit of the bank for March, 2015 was 2806.91 crore, as compared to March, 2014 was 2326.52 crore. The financial performance of the bank was satisfactory during the financial year ended 31st March, 2015. The assets of HDFC Bank as on 31st March, 2015 were 59050308(In lacs) as compared to 49159952(In lacs) on 31st March, 2014.

**Branches and ATMs**

As of March 31, 2015, HDFC Bank has 4,014 branches in 2,464 cities and 11,766 ATMs across India and all branches of the bank are linked online. HDFC Bank in Haryana along with the location of it’s around 200 branches in the state.

**Business Focus**

The main focus of HDFC Bank is to provide financial services to the customers. i.e. Wholesale banking, Retail banking and Treasury services. The
bank focused on providing services by maintaining 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.

**Technology**

HDFC Bank operates in a highly automated environment in terms of information technology and communication systems. All the bank’s branches have online connectivity, which enables the bank to offer speedy funds transfer facilities to its customers. Multi-branch access is also provided to retail customers through the branch network and Automated Teller Machines (ATMs).

**Products and Services**

HDFC bank offers the following products:

**NRI banking**

HDFC offers following products under NRI banking:

- Accounts and Deposits
- Money Transfer
- Investment and Insurance
- Research Reports
- Payment services

**SME banking**

HDFC offers following products under SME banking:

- Accounts and Deposits
- Business Financing
- Trade Services
- Payments and Collections
- Cards
Services

- Wholesale banking services
- Retail banking services
- Treasury

CSR Activities

- Sustainable Livelihood
- Financial Literacy
- Education
- Training
- Community Building programs
- Go Green

Awards and Achievements

HDFC has got several awards and achievements:

1. HDFC was awarded as ‘Best IT Driven Innovation’ in Banking by NASSCOM CNBC TV 18.
3. HDFC Bank got ‘FE Best Banking award’.
4. Skoch Financial Inclusion Awarded HDFC Bank as ‘Organization of the Year’.
5. HDFC was awarded as ‘Security leader of the year’ by DSCI Information technology.
6. HDFC was declared as “Most tech-friendly bank” by Business World Awards for Banking Excellence.
7. HDFC Bank was recognized as “Bank and Credit card customer satisfaction” winner by HT Mars customer satisfaction survey.
8. HDFC Bank was declared as “Best Organization for Information
Security Practice” by CSO Forum Information technology.

9. HDFC was declared as “Company of the year 2012” by Economic Times.

10. HDFC Bank was declared as ‘Best Private sector Bank’ by CNBC TV 18 India Best Bank and also by Financial Institutions Award.

11. HDFC Bank was declared by Forbes Asia as “Fab 50 Companies”.

12. HDFC was announced as Best Bank in ‘IT for Operational Effectiveness’ category by IDRBT Banking Technology Excellence.

13. HDFC was declared by Forbes Asia as “Fab 50 Companies”.

14. HDFC was awarded as ‘Best Retail Bank in India’ by Asian Banker International Excellence in Retail Financial Services.

15. HDFC was awarded with “Excellence in Financial Reporting” by ICAI Award in 2011.

2.3.2 Industrial Credit and Investment Corporation of India (ICICI)

History

Indian financial institution formed by the Investment Credit and Investment Corporation of India (ICICI). ICICI Bank was established as a wholly owned subsidiary in 1994. The Bank was established at the initiative of the World Bank, the Government of India and representatives of Indian industry in 1955. For creating a development financial institution for providing project loans to Indian businesses was the main objective of the bank. In 1990s, ICICI transformed its services to diversified financial services group. In 1999, ICICI offered equity in the form of American Depository Receipts on the New York Stock Exchange (NYSE), thereby becoming the first bank or financial institution from non-Japan Asia to be listed on the NYSE.

The Boards of Directors of ICICI and ICICI Bank approved the merger 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 October 2001. The merger was approved by shareholders of
ICICI and ICICI Bank in January 2002, by the High Court of Gujarat at Ahmedabad in March 2002, and by the High Court of Judicature at Mumbai and the Reserve Bank of India in April 2002.

**Highlights of the ICICI Bank**

**Financial Performance**

ICICI Bank is India's largest private sector bank with total assets of Rs. 6,461.29 billion (US$ 103 billion) at March 31, 2015 and profit after tax Rs. 111.75 billion (US$ 1,533 million) for the year ended March 31, 2015.

The quarterly operating profits of the Bank for 2014-15, were at Rs. 5,468.29 crores, as compared to Rs. 4,453.49 crores in 2013-14. The quarterly net profit of the bank for March, 2015 was 2922.00 crore, as compared to March, 2014 was 2652.01 crore. The financial performance of the bank was satisfactory during the financial year ended 31st March, 2015.

**Business Focus**

The main focus of ICICI bank is on commercial banking, retail banking, project and corporate finance, working capital finance, insurance, venture capital and private equity, investment banking, broking and treasury products and services.

**Technology**

ICICI Bank is technology based. It includes 24x7 electronic branches, Tab banking, Back-on-the move, E-locker, Help-on-tab. ICICI Bank provides convenient and easily accessible banking services through a range of channels such as ATMs, internet, mobile and phone banking.

**Figure 2.4 LOGO of ICICI bank**
Awards and Achievements

ICICI has got several awards and achievements:

1. ICICI Bank has been declared as the first runner up at Outlook Money Awards 2015 in the category of ‘Best Rank’.

2. ICICI has been adjudged the ‘Best Retail Bank in India’ by The Asian Banker, 2015.

3. ICICI Bank won an award in the BFSI Leadership Summit & Awards 2015 in the ‘Best Phone Banking’ for End-users’ category.

4. Bank was awarded as first runner-up in one category at IBM Banking Technology Awards, 2015.


6. ICICI Bank ranks 10th in Fortune India's list of 50 most admired companies in India.

7. Ms. Chanda Kochhar, MD & CEO, has been ranked as the most powerful business woman in India in the Forbes' list of 'The World's 100 Most Powerful Women 2013'

8. ICICI Bank Limited has been conferred the Best Remittance Business award at The Asian Banker's International Excellence in Retail Financial Services 2013 Awards ceremony.

9. Ms Chanda Kochhar received the 'Transformation Leader Award' by NDTV Profit Business Leadership Awards 2012.

10. For the second consecutive year, Mr. N.S.Kannan, Executive Director & CFO, received the "Best Performing CFO", in the Banking / Financial Services category by CNBC - TV 18.

11. Ms. Chanda Kochhar is the only Indian to be featured in the Dow Jones list of Most Influential Female Executives in the World of the last decade. She is ranked 12th in the global list.
12. ICICI Bank awarded the Most Admired Infrastructure Debt Financer and PPP Project of the Year: Yamuna Expressway Project, in the 5th KPMG Infrastructure Today Awards by ASAPP Media Information Group, publishers of Infrastructure Today in association with KPMG.

13. For the 4th consecutive year, ICICI Bank won the Celent Model Bank for the next generation technology oriented banking solutions.

14. ICICI Bank was awarded a "Special IT Innovation Award" by Lenovo - NASSCOM and CNBC-TV18.

15. ICICI Bank was the winner of "6th Loyalty Awards" for My Savings Rewards by AIMIA (global leader in Loyalty).

16. ICICI Bank UK PLC's online savings product HiSAVE won the "Highly Commended" (2nd rank) at the Consumer Moneyfacts Awards.

17. ICICI Bank received the "Gram Samvad", Service for Low cost/Small budget marketing initiative Award by Rural Marketing Association of India (RMAI).

18. Ms. Chanda Kochhar awarded the Businessperson of the Year 2012 by Business India. She is the first woman recipient of this award in 31 years.

2.3.3 Axis Bank Limited

History

Axis Bank is the third largest private sector bank in India. Its Headquarter is in Mumbai, Maharashtra and registered office is in Ahmedabad. Axis Bank started its operations in 1994. It operates in four segments: Treasury Operations, Retail Banking, Internet Banking, and Wholesale Banking. The Bank was promoted in 1993, jointly by Specified Undertaking of Unit Trust of India (UTI-I), Life Insurance Corporation of India (LIC), General Insurance Corporation of India (GIC), National Insurance Company Ltd., The New India Assurance Company Ltd., The Oriental Insurance Company Ltd. and United India Insurance Company Ltd.
The first branch of AXIS Bank was inaugurated on 2 April 1994 in Ahmedabad by Dr. Manmohan Singh, then Finance Minister of India. Axis Bank offers the entire spectrum of financial services to customer segments covering Large and Mid-Corporates, MSME, Agriculture and Retail Businesses. Axis Bank opened a branch in Colombo in October 2011, as a Licensed Commercial Bank supervised by the Central Bank of Sri Lanka. Also in 2011, Axis Bank opened a representative office in Abu Dhabi. In 2013, Axis Bank's subsidiary, Axis Bank UK commenced banking operations. Axis Bank UK has a branch in London. In 2014, Axis Bank upgraded its representative office in Shanghai to a branch.

**Figure 2.5 LOGO of AXIS bank**

![AXIS BANK LOGO](image)

### Organizational structure of the Bank

The Headquarter of AXIS Bank is in Mumbai, Maharashtra. The organization structure of AXIS Bank includes Dr. Sanjiv Mishra as Chairman of AXIS, Shikha Sharma as MD & CEO of AXIS Bank Bank, K.N. Pritiraj as Director, and further Directors and Executive Directors are also included in the management of Bank.

### Services provided by HDFC Bank

AXIS Bank offers the entire spectrum of financial services to customer segments covering Large and Mid-Corporates, MSME, Agriculture and Retail Businesses. The bank has following key business segments:

- **Treasury services**

  The Bank has an integrated Treasury, covering both domestic and global markets, which manages the Bank’s funds across geographies. The Bank’s
treasury business has grown substantially over the years, gaining larger market share. The Bank’s treasury operation services include investments in sovereign and corporate debt, equity and mutual funds, trading operations, derivative trading and foreign exchange operations on the account, and for customers and central funding.

• **Retail banking**

Retail Banking is one of the key drivers of the Bank’s growth strategy and it encompasses a wide range of products delivered to customers through multiple channels. The Bank offers a complete suite of products across deposits, loans, investment solutions, payments and cards to help customers achieve their financial objectives. The retail business of the Bank is supported by innovative services and alternate channels which provide convenience of transactions to customers. In the retail banking category, the bank offers various services such as lending to individuals/small businesses. It also includes card services, Internet banking, mobile banking, phone banking, automated teller machines (ATM) services, depository, financial advisory services, and Non-resident Indian (NRI) services.

• **Corporate/wholesale banking**

The wholesale services of AXIS Bank includes offering services including corporate relationship not included under retail banking, corporate advisory services, placements and syndication, management of public issues, project appraisals, capital market related services and cash management services to corporate and other organizations.

• **Business banking**

The Bank accepts income and other direct taxes through its authorised branches at different locations and central excise and service taxes (including e-Payments) through other authorised branches at different locations.
• **Agriculture banking**

AXIS Bank continues to drive and expand the flow of credit to the agricultural sector. Many branches of the Bank have dedicated officers for providing farm loans. Products and solutions are created specifically with simple features and offered at affordable rates to rural customers.

• **Advisory Services**

AXIS Bank also provides advisory services to public and private sector clients on capital structuring and funding options with a view to help the clients to help them reduce the cost of funds.

**Highlights of the AXIS Bank**

**Financial Performance**

The quarterly net profits of the Bank for 2014-15, were at Rs. 2,180.59 crores, as compared to Rs. 1,842.32 crores in 2013-14. Annual profit of the Bank was 7,357.82 crores in financial year 2014-15 as compared to 6,217.67 crores in financial year 2013-14. The quarterly net profit of the bank for March, 2015 was 2806.91 crore, as compared to March, 2014 was 2326.52 crore. The financial performance of the bank was satisfactory during the financial year ended 31st March, 2015. The assets of AXIS Bank as on 31st March, 2015 were 461,932.39 crores as compared to 383,244.89 crores were on 31st March, 2014.

**Branches and ATMs**

AXIS Bank has 2,402 branches and 12,922 ATMs in India. AXIS Bank has branches in 33 cities in Haryana.

**Business Focus**

The main focus of AXIS bank is on treasury services, retail banking, corporate/wholesale banking, Business banking etc. AXIS Bank also focused on agricultural banking.

**Products and Services**

AXIS bank offers the following products and services:
Products

- Credit Cards
- Consumer Banking
- Corporate Banking
- Finance and Insurance
- Investment Banking
- Mortgage Loans
- Private Banking
- Private Equity
- Wealth Management

Services

- Treasury Operations
- Retail Banking
- Corporate/Wholesale Banking
- NRI Services
- Business Banking
- Investment Banking
- Lending to small and medium enterprises
- Agricultural Banking
- Advisory Services

Corporate Social Responsibility

Axis Bank has set up a Trust – the Axis Bank Foundation (ABF) to channel its philanthropic initiatives. The main focus of this Foundation was on poverty alleviation, providing sustainable livelihoods, education of the underprivileged, healthcare, sanitation etc. The Bank contributes up to one percent of its net profit annually to the Foundation for its CSR initiatives.
Awards and Achievements

AXIS Bank has got several awards and achievements:

1. AXIS Bank launched economic planning application in March, 2015.
4. AXIS Bank was also awarded as Best Corporate Payment Project by The Asian Banker Technology Implementation Award 2015.
5. Bank was awarded as Best HR System Project -The Asian Banker Technology Implementation Award 2015.
6. AXIS Bank was the Runners up in the 'Technology Bank of the Year' category amongst the Private sector Banks, IBA Banking Technology Awards 2015.
7. AXIS Bank was the Winner in the 'Best Payment Initiatives' category amongst Private Sector Banks, IBA Banking Technology Awards 2015.
9. AXIS Bank was awarded as 'Bank of the Year in India' for the year 2014, by the Banker Magazine, Financial Times.
10. Bank was awarded as Best Corporate Foundation - 2014 by Forbes India magazine.
11. AXIS Bank was ranked as the 'Most Trusted Private Sector Bank' second year in a row - 'Most Trusted Brand Survey', conducted by Brand Equity, Economic Times.
Chapter 2: Profile of the Organizations

14. AXIS Bank was awarded as ‘Bank of the Year’ - Money Today FPCIL Awards’ 2012-13
15. Best Bank - CNBC-TV18 India’s Best Bank and Financial Institution Awards 2012
17. AXIS Bank was considered as Fastest Growing Large Bank – Business world Best Banks Survey 2012.
18. Bank was awarded as the Best Bank in the Private Sector by NDTV Profit Business Leadership Awards 2011.
19. Bank was also awarded as Best Bank in Outlook Money Awards 2011

2.4 Challenges faced by the Indian Banking Sector

- **Risk Management**- Growing competition poses the risk of competitiveness among banks. Indian banking industry is facing continuous threats by global scenario. Some foreign banks have already bankrupted the Indian banking sector. So, it is considered as a biggest risk faced by the Indian banking sector.

- **Maintaining the Growth Rate**- Indian banking sector is also facing challenge to maintain the growth rate in the economy. Growth of the banking sector is totally based upon the employees and now a day employees are becoming more concern about themselves only. Employee satisfaction is the bigger aspect to achieve and maintain the growth of the banks.

- **Human Resource Management**- Efficient human resource management is one of the most essential requirements in the competitive world. Efficient human resource management requires good managerial skills to
manage the human resource. Hence, human resource management is the biggest challenge faced by the Indian banking sector.

- **Global Banking** - It is not possible for any country to keep out itself from the world economy. For the sustainable development, one has to adopt integration process in the form of liberalization and globalization as India used in 1991. And the impacts of globalization also become a challenge for the domestic organizations as they are bound to compete with global players.

- **Employee Retention** - In last ten years, the banking industry has changed rapidly and it shifts from transactional and customer service-oriented to an increasingly aggressive environment, where top priority is completion for revenue. Employees are becoming disappointed with the long-time in same industry and they are often resistant to perform up to new expectations. Now banking industry is concerned about employee retention from all level.

- **Revolution of Information Technology** - There is a challenging task of adapting workplace to rapid technological changes which influence the nature of work and generate obsolescence. Technology is the key to servicing all customer segments. The increasing superiority, flexibility, and complexity of product and servicing offerings makes effective use of the technology critical for managing the risks associated with the business.