3.1 INTRODUCTION

Banking is a service oriented industry in which the main functions are meeting the customer requirement, money transactions and maintenance of records. The banks have to grow only when they perform their functions properly. In this chapter, an attempt has been made to analyse the growth and development of public sector and private sector banks. For that purpose in the study area, two public sector banks (IOB and SBI) and two private sector banks (TMB and ICICI) has been selected.

3.2 GROWTH AND DEVELOPMENT OF INDIAN OVERSEAS BANK (IOB)

3.2.1 Introduction

Indian Overseas bank was founded on February 10th 1937 by Shri. M.Ct.M. Chidambaram Chettyar, a pioneer in many fields, banking, insurance and industry with the twin objectives of specialising in foreign exchange business and overseas banking.

IOB had the unique distinction of commencing business on 10th February 1937 (on the inaugural day itself) in three branches simultaneously, at Karaikudi and Chennai in India and Rangoon in Burma (presently Myanmar) followed by a branch in Penang (Malaysia).
At the dawn of independence IOB had 38 branches in India and 7 branches abroad. Deposit stood at Rs. 6.6 crores and advances at Rs. 3.23 crores at that time.

3.2.2 Pre-Nationalisation Era of the Bank (1947-69)

During the period, IOB expanded its domestic activities and enlarged its international banking operations. As early as in 1957, the bank established a training centre which has now grown into a staff college at Chennai with training centres all over the country.

IOB was the first bank to venture into customer credit. It introduced the popular personal loan scheme during this period. In 1964, the bank made a beginning in computerisation in the areas of inter-branch reconciliation and provident fund accounts. In 1968, IOB established a full fledged department to cater exclusively to the needs of agriculture sector.

3.2.3 Nationalisation of the Bank (1969)

IOB was one of the 14 major banks nationalised in 1969. On the eve of the nationalisation in 1969, IOB had 195 branches in India with aggregate deposits of Rs. 67.70 crores and advance of Rs. 44.90 crores.

In 1973, IOB had to wind up its five Malaysian branches as the banking law in Malaysia prohibited operation of foreign government owned banks. In the same year Bharat Overseas Bank Ltd. was created in India with 30 per cent equity participants from IOB to take over IOB’s branch at Bangkok in Thailand.

In 1977, IOB opened a second branch and the bank opened a foreign currency banking unit in the free trade zone in Colombo in 1979.

The bank had sponsored Regional Rural Banks *viz.*, Puri Gramya Bank, Pandyan Grama Bank and Dhenkanal Grama Bank. The bank set up a separate Computer Policy and Planning Department (CPPD) to implement the programme of computerisation.

• **Post Reform Period of the Bank**

  - IOB entered web site during the month of February 1997.
  - IOB got autonomous status during 1997-98.
  - IOB had the distinction of being the first bank in banking industry to obtain ISO 9001 certification for its computer policy and planning department from DCT Norska Veritas (DNV), Netherlands in September 1999.
• IOB started Star services in December 1999 for speedy realisation of outstation cheques.

• Voluntary Retirement Schemes was introduced in the bank on the lines of IBA package with boards approval.

• IOB bagged the NABARD’s award for credit linking the highest number of self help groups for 2000-2001 among the banks in Tamil Nadu.

• IDRBT (Institute for Development and Research in Banking Technology) conferred the best award under banking technology to IOB.

• IOB net connects central office with all regional offices.

3.2.4 Vision of the Bank

To emerge as the most competitive bank in the industry.

a) IOB and Society

* IOB has been committed to and involved in various social courses the most prominent being the women empowerment – the Sakthi IOB Chidambaram Chettiar Memorial Trust and IOB’s promotion of agricultural seed bank.
• **Sakthi IOB Chidambaram Chettiar Memorial Trust**

  • Is a public charity trust initiated by bank and its staff representative organisations in February 1996 in memory of Shri M.Ct. M. Chidambaram Chettiyar, the founder of IOB.
  
  • The objective is to enable women in the lower strata of the society to equip themselves with the essential skills and knowledge required for embarking on a career of their choice.
  
  • The trust imparts vocational training to women by having a tie-up with other institutions like NGOs, Service Organisations and Non-Profitable institutions.

• **Sakthi Scheme for Upliftment of Downtrodden Women**

  • Through this innovative scheme the bank has so far given vocational training to downtrodden women in the employment generating schemes.
  
  • Till December 2007 under this scheme 1478 women have been trained with an outlay of over Rs. 11.86 lacks.
  
  • All these women have undergone vocational training and have been gainfully employed.
  
  • Sakthi-IOB Chidambaram Chettiar Memorial Trust also plans to sponsor training for physically challenged women shortly.
• **Entrepreneurship Development Programme for Women**

To create awareness and to grown shape the entrepreneurial traits of educated unemployed women, IOB is conducting entrepreneurship development programme for women under the aegis of Sakthi-IOB Chidambaram Chettiar, Memorial Trust since as early 2000.

### 3.2.5 IOB’s Promotion of Pulses Seed Bank

- The project in association with M.S. Swaminathan Research Fountain, Chennai for the establishment of seed banks in various villages under dryland farming.
- Most small and marginal farmers in the rain fed areas pay attention to cultivating pulses consequently leading to the decline of productivity of sector.
- This scheme is intended to increase the production of pulses in dryland farming.

### 3.2.6 Types of Accounts

```
Type of Accounts
   
Savings Bank Account       Current Account
```

1) **Savings Bank Account**

- Savings bank accounts are meant to promote the habit of savings among the citizens while allowing them to use their funds when acquired.
- Savings bank accounts can be opened in the name of an individual or in joint names of the depositors.
- Savings bank accounts are also opened and operated by the minors provided they must have completed ten years of age.
- The minimum balance to be maintained in ordinary savings bank account is Rs. 100.
- In accounts where cheque books are issued, a minimum balance of Rs. 500 has to be maintained.
- For Pension savings account the minimum balance to be maintained is Rs.5 without cheque facility and Rs.250 with cheque facility.

2) **Current Account**

- Accounts can be opened in the names of individuals, individually or jointly, proprietary or partnership companies, *etc.*
- The minimum balance to be maintained in current account is Rs. 2,000 in rural, semi-rural and urban branches and Rs.5,000 in metropolitan and automated branches.
- Operation in current accounts is only by cheques issued by the bank.
3.2.7 Types of Loans

- Loans against LIC policies
- Loans against NSC, IVP, KVP
- Agricultural Loans
- Loans under scheme of Ultra Micro Enterprises
  - Prime Ministers Rozgar Yojana
  - Vijayashri- Credit scheme for the sports person
  - Abilastia working womens welfare scheme.
  - Personal Loan for Citizen
  - Puspata Vehicle Finance Scheme
  - Vidya Jothi Scheme
  - Home Decor
  - Sanjeevini-IOB scheme for medical practitioner.
  - Sahayika-Loan to meet social financial commitments
  - Alankar Scheme

i) Loans Against LIC Policies

- Credit facilities are extended against pledge of LIC, preferable endowment policies upto 90 per cent of the surrender value.
- The customer has to produce the last premium receipt as a proof.
• Loan is sanctioned after the policy is assigned in favour of the bank and registration of such assignment with LIC.

ii) Loans Against NSC, IVP & KVP

• Customers can also avail of loans against their National Savings Certificates, Indira Vikas Patras and Kisan Vikas Patras upto 50 per cent of the invested amount with the bank.
• The respective post offices need to record the pledge in the banks’ favour.

iii) Agricultural Loans

• Short term loans are sanctioned for raising crops, for cultivation of traditional plantations like tea, coffee, rubber and spices.
• They are also available for purchasing of agricultural implements like electric motor, oil engine, purchase of tractors etc.
• Loan facility is also available for dairy development and poultry farming.

iv) Loan under the Scheme of Urban Micro Enterprises

• This scheme has been introduced to augment self-employment for the unemployed urban citizens.
• In the case of SC/ST and women beneficiaries the quantum of loan is Rs. 15,000 and Rs. 12,000 in respect of others.

iv) (a) **Prime Minister’s Rozgar Yojana**

• The objective of the scheme is to provide employment for more than a million people.
• About 7 lakh micro enterprises for educated but unemployed youth are set up.
• Women entrepreneurs are given more preference.
• Margin on advances and rates of interest, security norms and income cuteric are subject to the guidelines issued by RBI from time to time.

iv) (b) **Vijayashri-Credit Scheme for the Sports Person**

• IOB offers Vijayashri credit scheme for the sports persons.
• This assistance covers sports gear, and travel (even cover travel abroad to participate in international sports event).
• Repayment should be made in a maximum of 36 equal monthly installments.
iv) (c) Abilasha – Working Women’s Welfare Scheme

- This scheme is to suit the needs of salaried women.
- Eligible women are required to open a recurring deposit for 24 months with an installment of Rs. 100 and above.
- Maximum amount of loan will be three times of the gross monthly salary or Rs. 20,000 whichever is lower in case of metro branches and Rs. 15,000 for all other branches.

iv) (d) Personal Loan

- Any citizen who is a customer of IOB and who is permanently employed in government department/public sector undertaking can avail of personal loans to purchase consumer durables.
- The loan component and the margin of money from the customers are directly paid to the dealer with instruction to deliver the article to the customer.
- Normally bank extends a loan upto 75 per cent of the cost of the article or 5 times the salary of the employee, whichever is lower.

iv) (e) Pushpaka Vehicle Finance Scheme

- The loan is used to buy a new or used car (not more than 5 years old) or a new two wheeler.
• For a new car, it can be provided up to 90 per cent of the cost of the car while for the used car it is only get up to 75 per cent of the market value of the car.
• For two wheeler up to 90 per cent of the cost of the vehicle or two times the gross monthly income is of the borrower given.

iv) (f) Vidya Jothi Scheme

• The loan is availed of for the school education including higher secondary / graduation / post graduation / diploma / computer education in any recognised state/central government/university.

iv) (g) Home Decor

• Apart from offering loan schemes to build, buy or renovate home, IOB also provides loans to furnish home through Home Decor Scheme.
• The scheme aims at a package to furnish the entire house.

iv) (h) Sanjeevini – IOB’s Scheme for Medical Practitioner

• To set up a new hospital/nursing home or for acquiring equipment for an existing hospital or for repairing and renovation of existing hospitals / nursing homes.
• It is also used to meet the working capital requirement, purchase of equipment, ambulance, vans and cars for medical practitioners.

iv) (i) **Sahayika- Loan to Meet Social Financial Commitments**

• The loan can be availed of for meeting the social financial commitments such as marriage in the family, education of children, medical treatment *etc.*,.

• The loan can be availed of for any financial commitment within the ambit of law.

• In general, bank will not verify the purpose declared by the customer.

iv) (j) **Alankaar Scheme**

• The scheme is a retail loan facility for women to purchase gold/platinum jewels from reputed jewellers.

### 3.2.8 Types of Deposits

- Fixed Deposit
- Reinvestment Deposit
- Recurring Deposit
- Multiple Investment Scheme
- Cumulative Benefit Deposit
- Multiple Deposit Account I
- Multiple Deposit Account II
Wedding Deposit

Varshik Aai Yojana

Sanjeevi Deposit

Gold Deposit

Education Deposit

Easy Deposit

Golden Jubilee Cash Certificate

Vardhan.

i) Fixed Deposit

- A fixed deposit account allows customer to deposit money for a set of period of time, thereby earning a higher rate of interest in return.

- Useful to withdraw the deposit at any time before maturity without any difficulty.

- Variable deposit periods ranging from 6 months to 120 months.

- The customer gets interest once in 6 months.

ii) Reinvestment Deposit

- It basically allows the customer to reinvest the interest carried on deposit.

- The interest on the customer deposit also earns interest.

- The customer can close their deposit prematurely without any difficulty.
iii) **Recurring Deposit**

- Interest is compounded every quarter.
- Variable deposit periods ranging from 6 months to 120 months.
- The customer can avail of loans up to 85 per cent on the principal and also on the interest.
- The customer can close their deposit prematurely without any difficulty.

iv) **Multiple Investment Scheme**

- It is a scheme where the customers’ deposit varied amounts of money whenever possible.
- No rigid monthly installments
- It combines the benefits of both the recurring deposit and the reinvestment deposit.
- The customer can invest any amount at any time.

v) **Cumulative Benefit Deposit**

- It combines the benefits of both the recurring deposit and reinvestment deposit.
- The customer can invest any amount at any time.
- The customer can avail of loans up to 85 per cent of the investment and accrued interest.
- The customer can close their deposit prematurely.
vi) **Multiple Deposit Account I**

- The customer can make deposits in units of Rs.100/-.
- No need for carrying numerous receipts. The entries are made in a special pass book, which will be given.
- The customer can deposit money into this account whenever they want.

vii) **Multiple Deposits Account II**

- Deposits are accepted in units.
- If the deposit amount is over Rs. 5 lakh, the customer can decide the unit amount.
- No need for carrying numerous receipts. The entries are made in their pass book.
- The customer can close the required units, wherever necessary, without levying interest on the remaining deposit.

viii) **Wedding Deposit**

- It is a variation of recurring deposit scheme.
- Deposits can be made for 63, 84, 120 months.
- The installments increase by amount of initial deposit after the completion of every year.
• The interest on their deposit is compounded quarterly.
• The deposit can be close prematurely.

ix) Varshik Aai Yojana

• The customer can invest a fixed sum for a specified period.
• Choose from periods varying from 2 to 7 years.
• The customer can receive the compounded interest at the end of each year.
• At the end of the period the customer will be repaid the deposit amount and the yearly interest in one payment.
• The customer can avail of loans up to 85 per cent of the principal amount.
• Premature closure is possible.

x) Sanjeevi Deposit

• An overdraft facility of upto 85 per cent of deposit with accrued interest.
• Higher interest rates.
• The customer can have the option to withdraw a part of deposit, at anytime.
• The deposited amounts could be withdrawn using a cheque facility.
• A cheque facility can be availed of by opening a current account with minimum of Rs.101/-.

xi) Gold Deposit

• Bank will accept gold (bass, coins, jewellery etc.,) in scrap form only.
• Bank will conduct a preliminary assay ascertain gold content/caratage in jewellery by a non-destructive technique followed by foolproof fie assay method.
• Bank will issue provisional receipt on preliminary assay followed by deposit certificate on final assay, which will be transferable by endorsement and delivery.
• Nomination facility available.
• Repayment of principal on maturity in gold of 999/995 finenes or in money.
• Interest is payable only in rupees.
• Rupee loans may be given against collateral of gold deposits.

xii) Education Deposit

• It is a variation of the recurring deposit scheme.
• The customer can pay a smaller installment in every month according to the period of deposit, which decreases every year.
• 1/5\textsuperscript{th} decrease for deposits of 63 months.
• 1/7\textsuperscript{th} decrease for deposits of 84 months.

xiii) **Easy Deposit**

• The customer can choose the minimum amount that they want to save every month ranging from Rs.100/- to Rs.1000/-.  
• The chosen amount will be the core amount and the customer can deposit upto ten times of the core amount every month.  
• The interest and the investment will be repaid at the end of a period specified by ranging from 6 month to 10 years.  
• Premature closure of the deposit is permitted.  
• The customer can get a loan of upto 85per cent on their deposit with the accrued interest.

xiv) **Golden Jubilee Cash Certificate**

• The customer can invest odd amount and get back a round sum after a fixed period.  
• The customer can get cash certificate in different denomination of Rs.500/-, Rs.1,000/-, Rs.5,000/-, Rs.10,000/-.  
• The interest accrued is compounded, like reinvestment deposit plan.  
• Premature closure of the certificate is permitted.
xv) **Vardhan**

- It is a deposit for senior citizens.
- The minimum deposit amount is Rs.5,000/- and for recurring deposit it is Rs.100 per month.
- The minimum period is 15 days and maximum of 120 months.
- Premature closure of the deposit is permitted.
- Senior citizens are offered free ATM/ABB cards.

### 3.2.9 Payment of Pension

- A large number of the banks branches are authorised to disburse central government/ railway/ defence/ state government pension to the eligible pensioners.
- IOB is extending exclusive financial assistance in the form of ‘Pensioner’s benefit scheme” wherein pensioners are granted loans for medical treatment *etc.*

### 3.2.10 ATM- Automated Teller Machines

- With the modest beginning of the ATM installations in Mumbai in February 1997 under SPNs, IOB have a total of 32 ATMs adding strength to its business.
- ATM cards are issued only to those individuals who are major and holding either saving bank or current account.
3.2.11 ABB –Any Branch Banking

- The facility is now extended to 11 cities covering 193 branches.
- ABB service is currently offered to personal customers only.

3.3 GROWTH AND DEVELOPMENT OF STATE BANK OF INDIA (SBI)

3.3.1 Introduction

State Bank of India is the nation’s layout bank. Some 200 years to the British East India company initially established as the Bank of Calcutta in 1806. The bank operates more than 14,000 branches within India, where it also owns majority shares in seven associate banks. State Bank of India has more than 50 offices in nearly 35 other countries, including multiple location in the US, Canada and Nigeria. The Reserve Bank of India owns about 60 per cent of share of State Bank of India.

3.3.2 Role of State Bank of India

SBI play an important role in developing India’s rural regions, providing the financing needed to modernize the country’s agricultural industry and develop new irrigation methods and cattle breeding techniques.
The bank also provide backing for the development of country’s infrastructure, particularly on a local level, where it provided credit coverage and development assistance to villages. The nationalisation of the banking sector, itself, an event that owned in 1969 under the government led by Tmt. Indira Gandhi, gave SBI new province the country’s leading bank.

SBI was allowed to dominate India’s banking sector for more than two decades. In the early 1990’s, the Government lacked off a series of reforms aimed at regulating the banking and financial industries. The bank also had been encouraged to increase its branch network, with little concern for profitability.

By the beginning of 2004, SBI appeared to be well on its way to meeting the challenges offered by the deregulated Indian banking sector. In the meantime, SBI continued its technology role, boosting the number of networked branches to more than 40,000 at the end of 2003.

3.3.3. Principal Subsidiaries of State Bank of India

Bank of Bhutan (Bhutan), Indo Nigeria Merchant Bank Ltd. (Nigeria), Nepal SBI Bank Ltd. (Nepal), SBI (USA), SBI (Canada), SBI Capital Market Ltd. SBI Cards and Payment Services Ltd. SBI Commercial and International Bank Ltd. SBI European Bank Ple (U.K), SBI Factor Commercial Services Ltd. SBI Funds Management Ltd. SBI Guilts Ltd. SBI Home Finance Ltd. SBI Securities

### 3.3.4 Growth of SBI

State Bank of India has often acted as guarantor to the Indian Government. Following its arch-rival ICICI Bank, SBI has electronically networked most of its metropolitan, urban and semi-urban branches under its Core Banking System (CBS). It is the only Indian bank to feature in top 100 world banks in the fortune global 500 rating and various other rankings. According to the Forbes 2000 listing it tops all Indian companies.

- **Fortune Global 500 Ranking – 2007**

  SBI debuted in the Fortune Global 500 (2) at GAP in 2006. In 2007 it moved up to 493.

- **IT Initiative of SBI**

  According to PM Network, SBI launched a project in 2002 to network more than 14,000 domestic and 70 foreign offices and branches. The first and second phases of the project have already been completed and the third phase is still in progress.
The new infrastructure serves as the bank’s backbone, carrying all applications, such as the IP Telephone Network, ATM Network, Internet Banking and Internet e-mail. The new infrastructure has enabled the bank to enhance its ATM network with plan to add another 3,000 by the end of 2007 raising the total number to 8,600.

3.4 GROWTH AND DEVELOPMENT OF TAMIL NADU MERCANTILE BANK (TMB)

3.4.1. Introduction

The history of Tamil Nadu Mercantile Bank Ltd., then Nadar Bank Ltd., dates back to 1921. The thought of establishing a bank under the guidance of the able Nadar business community was mooted in the Anniversary of Nadar Mahajana Sangam held at Tuticorin in 1920. The bank was registered on May 11, 1921 as “The Nadar Bank Ltd”.

A group of dedicated men were constituted as board of directors and they elected Shri. M.V. Shanmugavel Nadar as Chairman on November 09, 1921. The bank was opened by Shri. T.V. Balagurusamy Nadar, the then President of the Nadar Mahajana Sangam and the bank there opened its door to the public on November 11, 1921 in Ana Mavanna Building at South Raja street, Tuticorin.
3.4.2 Customer Service

Tamil Nadu Mercantile Bank Ltd., attracted the customers from the very beginning. The bank is known for its personalised service. The team of management and staff members of the bank are having the practice of meeting people from various walks of life and hear their requirements on a regular basis.

3.4.3. Bank Branches

The bank was having only four branches in the year 1947, at Tuticorin, Madurai, Sivakasi and Virudhunagar. The bank had also a branch at Colombo in the year 1937 and the same was closed in 1939. The bank has now 182 full fledged branches all over India, 7 regional offices and 12 extension counters. The first branch outside the state of Tamil Nadu was opened in the year 1976 at Bangalore. The first fully computerised branch was opened at WGC road, Tuticorin, on December 09, 1984. The bank has its industrial finance branches at Coimbatore, Chennai and Secunderabad. The bank launched ATM card from November 11, 2003.

- Banks Memorandum of Understanding

Demand Drafts on 153 additional locations throughout the country in addition to 182 TMB branches are available. The banks tie-up arrangement with IDBI Bank (55 locations) and HDFC bank (98 locations) gives an effective branch network of 335 branches.
• Bank’s Rural Service

The bank has had a vision of extending banking services to common people of rural areas. Out of 182 branches, 32 branches are located at rural centres.

3.4.4 Growth of Deposits and Advances

Augmenting the deposit base is the vital objective of the bank. The bank which had a deposit base of Rs. 21,010 in the year 1921 increased it to Rs. 27 lakhs in 1946 and to 182 lakhs during 1971. The deposit level of the bank as on March 31, 2006 is Rs. 5203 crores which pronounces the confidence of the public reposed on the bank. The bank has taken up the assistance to various industrial and export sectors, as a thrust area and granted loans to the needy clients. The level of advances which stood at Rs. 52 lakhs in the year 1962 has spurted to above Rs. 3126 crores now. The bank as a matter of policy grants advances to retail segments consisting of retail traders and business enterprises.

3.4.5 Profitability of the Bank

The bank which had a net profit of Rs. 6984 in the year 1921 had spurted its profit to Rs. 5.05 lakhs in the year 1971 and Rs. 105.17 crores for the year ended March 2008.
Tamilnadu Mercantile Bank Ltd., is one of the very few banks having very high reserve base and its earnings per share remains the highest.

3.4.6 Computerisation of the Bank

Tamil Nadu Mercantile Bank Ltd., is having the record as the first private sector bank in India to introduce massive computerisation for branch level operation. The bank adopted modernisation, as early as in the year 1983. The bank is embarking on a scheme of total branch automation in technological partnership with M/s. Infosys Technologies Ltd., Bangalore. The bank is the pioneer in introducing issuance of computerisation drafts to its customers. The bank launched ATM card from November 11, 2003.

3.4.7 Foreign Exchange

The bank obtained license to deal in Foreign Exchange in the year 1984. The FOREX department of the bank is functioning in the renowned port city of Tuticorin. The bank had achieved a turnover of Rs.1,825 crores in foreign exchange in March 2001.

3.4.8 Future Vision of the Bank

To be a progressive bank with strong brand equity, enhancing value for all the stake holders through excellence in performance and good governance.
Technology upgradation and March towards Hi Tech and Cyber banking are the current mission of the bank.

3.4.9 Interest Rates in TMB

TMB has been consistently offering higher rates of interest since the last many years for the benefit of its depositors since its cost of operations is low compared to other banks.

- **Special Interest Rate**

TMB is offering exciting interest rates for their best deposit schemes (i) TMB 4000 days deposit scheme, (ii) TMB 55 months deposit scheme and (iii) TMB 555 days deposit scheme.

3.4.10 Domestic Term Deposits

Table 3.1 shows the interest rates for fixed deposit accounts nominated by Tamilnadu Mercantile Bank Ltd.
### TABLE 3.1

**REGULAR DOMESTIC TERM DEPOSITS**

<table>
<thead>
<tr>
<th>Period/Amount Interest Rate (p.a.)</th>
<th>Less than 25 Lakhs (in %)</th>
<th>More than 25 Lakhs (in %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Above 55 Months</td>
<td>10.00</td>
<td>10.25</td>
</tr>
<tr>
<td>55 Months</td>
<td>10.50</td>
<td>10.50</td>
</tr>
<tr>
<td>401 days-&lt;55 Months</td>
<td>9.50</td>
<td>10.25</td>
</tr>
<tr>
<td>400 days only</td>
<td>9.75</td>
<td>10.00</td>
</tr>
<tr>
<td>12 Month-399 Days</td>
<td>9.50</td>
<td>10.00</td>
</tr>
<tr>
<td>180 days-&lt;12 Months</td>
<td>8.80</td>
<td>9.00</td>
</tr>
<tr>
<td>91-179 days</td>
<td>6.00</td>
<td>6.25</td>
</tr>
<tr>
<td>46-90 days</td>
<td>5.75</td>
<td>6.00</td>
</tr>
<tr>
<td>15-45 days</td>
<td>4.50</td>
<td>4.50</td>
</tr>
<tr>
<td>7-14 days</td>
<td>4.50</td>
<td>4.50</td>
</tr>
</tbody>
</table>

Source: Annual reports of TMB Ltd, 2007-2008
TABLE 3.2
HIGH VALUE DOMESTIC TERM DEPOSITS

<table>
<thead>
<tr>
<th>Period/Amount Interest Rate (p.a.)</th>
<th>1 Crore to 5 Crores (in %)</th>
<th>Above 5 Crores (in %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Above 55 Months</td>
<td>10.50</td>
<td>10.50</td>
</tr>
<tr>
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<td>10.25</td>
<td>10.25</td>
</tr>
<tr>
<td>400 days only</td>
<td>10.00</td>
<td>10.00</td>
</tr>
<tr>
<td>12 Month-399 Days</td>
<td>10.00</td>
<td>10.00</td>
</tr>
<tr>
<td>180 days-&lt;12 Months</td>
<td>9.00</td>
<td>9.00</td>
</tr>
<tr>
<td>91-179 days</td>
<td>6.25</td>
<td>6.25</td>
</tr>
<tr>
<td>46-90 days</td>
<td>6.80</td>
<td>6.00</td>
</tr>
<tr>
<td>15-45 days</td>
<td>4.50</td>
<td>4.50</td>
</tr>
<tr>
<td>7-14 days</td>
<td>4.50</td>
<td>4.50</td>
</tr>
</tbody>
</table>

Source: Annual reports of TMB Ltd, 2007-2008
TABLE 3.3
CITIZENS DOMESTIC TERM DEPOSITS

<table>
<thead>
<tr>
<th>Period/Amount Interest Rate (p.a.)</th>
<th>Less than 25 Lakhs (in %)</th>
<th>More than 25 Lakhs (in %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Above 55 Months</td>
<td>10.25</td>
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</tr>
<tr>
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<tr>
<td>46-90 days</td>
<td>6.25</td>
<td>6.25</td>
</tr>
<tr>
<td>15-45 days</td>
<td>5.00</td>
<td>5.00</td>
</tr>
<tr>
<td>7-14 days</td>
<td>5.00</td>
<td>5.00</td>
</tr>
</tbody>
</table>

Source: Annual reports of TMB Ltd, 2007-2008

3.4.11 Types of Accounts in TMB

i) Savings Bank Account

- Account can be opened with an initial deposit of Rs. 100/- and for cheque operation Rs. 500/- (varies from town to town).
- Cheque book/withdrawal operation are optional (attracts MICR charge at MICR clearing centres).
- Nomination facility is available.
ii) **Current Account**

- Account can be opened with an initial deposit of Rs. 5,000 (varies from town to town).
- Cheque books will be issued at nominal charge.
- Nomination facility is available.
- No interest is eligible.
- Accounts can be operated by power of attorney holders.
- Standing instructions for payments/deposit accounts transfer are accepted.
- Attracts folio charge, once in six months.
- Number of operations are unlimited.
- Statement is available.

iii) **Janatha Savings Account**

- Minimum balance- Rs.5/-
- Folio charges- Nil
- Charges for non-maintenance of minimum balance- Nil
- No.of credits allowed in a month-10.
- No.of debits allowed in a month-10.
- Account closing charges-Rs.5.
- Duplicate Pass Book Issuing Charges-Rs.5/-.
- Cheques sent for clearing returned-handling charges- Rs.5/-. 
iv) TMB Visa Account

- Separate Savings bank account has to be opened under the special scheme ‘Visa’.
- A quarterly average minimum balance of Rs.5,000/- has to be maintained in the account.
- Failure to maintain the average minimum balance shall attract a penalty of Rs.250/- per quarter.
- Balance above Rs.10,000/- in the VISA account will be made as fixed deposits in the multiples of Rs.5,000/-.
- Deposit accounts opened under this scheme will be closed in the case of need in ‘Last in First Out” basis automatically in multiples of Rs.1,000/.

3.4.12 Types of Deposits in TMB

i) Fixed Deposit

- Deposits are accepted for a fixed period.
- Account can be opened for a minimum period of 7 days to 120 months.
- Deposits for a period of 7 to 14 days only accepted for value of one lakh and above.
- Nomination facility is available.
- Simple interest is eligible depending upon the period of deposit.
• Premature closing is allowed, subject to penalty, if any.
• Loans can be obtained against the deposit amount.
• Interest can be withdrawn in option monthly/quarterly.
• Standing instruction is accepted for transferring the interest.

ii) Muthukkuvial Deposit

• Account can be opened with a minimum deposit of Rs.1000/- and in multiples of 1,000’s.
• Deposit amount is accepted for the minimum period of 12 months and for a maximum period of 120 months in completed quarters.
• Nomination facility is available.
• Compound interest is eligible depending upon the period of deposit.
• Premature closing is allowed subject to penalty.
• Loans can be obtained against the deposit amount.

iii) Navarathanamala

• It is a combination of recurring and Muthukkuvial deposit.
• Lump sum repayment, of Rs.10,000/-, Rs.20,000/-, Rs.30,000/-, Rs.50,000/- and Rs.1,00,000/- etc.
• Installments should be remitted for a period of 36/48/60 months.
• Accounts can be opened for a period of upto 120 months.
• Nomination facility is available.

• Premature closing is allowed, subject to penalty.

• Loans can be obtained against the deposit amount.

• Standing instructions is accepted for the installment transfer from other operative accounts.

iv) **Cash Certificate**

• Cash certificates are available in the following denomination Rs.1,000/-, Rs.5,000/-, Rs.10,000/- Rs.25,000/-, Rs.50,000/- and Rs.1,00,000/-.

• Deposit amount is accepted for a minimum period of 12 months and for a maximum period of 120 months in completed quarter.

• Nomination facility is available.

• Premature closing is allowed, subject to penalty.

• Loans can be obtained against the deposit amount.

v) **Pearl Deposit**

• Amount can be deposited for a fixed period with interest withdrawal option.

• Account can be opened for a minimum period of 12 months to 120 months.

• Nomination facility is available.
• Compound interest rate is eligible and it can be withdrawn once in 3/6/12 months.

• Premature closing is allowed, subject to penalty.

• Standing instruction for payments/deposit accounts transfer are accepted.

• Loans can be obtained against the deposit amount.

vi) Siranjeevee Recurring Deposit

• Anyone above 18 years and below 59 years age can open SRD account.

• Handle five schemes - No Medical Check-up required.

• Save as small as Rs. 100/- p.m. or as big as Rs. 10,000/- p.m.

• Life Insurance cover is available upto a maximum of Rs.10 lakhs.

• Accidental Death Double Insurance cover is available upto Rs. 20 lakhs.

• Deposit Rs. 1000/- p.m. for 84 months and get back upto Rs. 1,16,697/- as maturity value.

• On unfortunate death due to accident the nominee gets Rs. 2,34,000/- i.e., double the insured amount + amount deposited with applicable interest.

• Loan available against SRD.

• No TDS for interest earned in SRD Account.

• Tax benefits for premium paid as per Income Tax Act.
vii) **Kids Recurring Deposit**

- This scheme is more suitable for students/parents to meet the growing cost of higher education to be incurred by them.
- A monthly investment of Rs. 129/- at 10 per cent p.a. compounded quarterly interest rate for 60 months will give the maturity value of Rs. 10,000.

viii) **Santhosh Deposit**

- No need to visit branches for withdrawal.
- Concept of AWB is available for deposit/withdrawal.
- ATM cards can be used to draw money.
- All there and more with highest returns.

ix) **TMB Double Deposit**

- This schemes entitles to double the initial one time deposit in the shortest possible time frame.
- A senior citizen gets his/her money doubled in 7 years 9 months and the days at the present interest rate of 9 per cent p.a.
- An ordinary citizens will get his/her money doubled in 8 years and 3 days at the present interest rate of 8.75 per cent p.a.
x) **TMB 444 Days**

- The customer get the highest interest rate in the shortest span of time \(\text{viz.}, 444\) days.
- The customer can get upto 9.25 per cent interest rate for their deposits in just 444 days under the simple interest plan.
- This gives an effective yield at annual compound interest rate of 8.86 per cent p. a.

xi) **TMB 555 Days**

- The customer gets the highest interest rate in the shortest possible span of time \(\text{viz-}555\) days.
- The customer can get 9.25 per cent p.a. for regular deposits and 9.75 per cent p.a. as interest for senior citizens for their deposit in 555 days.
- The minimum deposit amount will be Rs. 10,000/- and in multiples of Rs.1000/- there after.

xii) **TMB 400 Days**

- The customer gets the highest interest rate in the shortest possible span of time \(\text{viz.}, 400\) days.
- The customer can get 10.25 per cent p.a. interest rate for deposits in 400 days.
xiii)  **TMB 55 Months**

- The customer gets the highest interest rate possible in 55 months.
- The customer can get up to 10.75 per cent p.a. interest rate for deposits in 55 months.

**3.4.13 Types of Loans in TMB**

i)  **Personal Loan**

- This is the most utilised loan scheme that can be used for any purpose like buying household appliances, marriage at home, to meet any family expenses/emergency.
- The loan is offered with minimum of conditions and has been designed with a common man’s need in mind.
- The documentation is simple and processing in fast.

ii)  **House Rent Loan**

- This loan product can be used to avail of loans against future rental receipts of the customers’ properties.
- The rent received every branch is used as the EMI towards the loan sanctioned.
- Loans can be availed of for 36 months or residual base agreement whichever is less for up to Rs. 50 lakhs.
iii) **Short Term Education Loan**

- This scheme provides choice for parents who wish to educate their children for the best careers in the best institutions.
- The cost of the study can be borne by the loan from the bank.
- The interest rate has been kept below the normal prime lending rate of the bank.

iv) **Education Loan**

- This scheme provides choice for parents who wish to educate their to study children in professional courses in India/ abroad and help them get to study under graduate or post graduate courses in any field of choice of the student.
- The cost of education can be met by the loan from the bank.

v) **Doctor Loan**

- This is the scheme which is well utilised by the doctor community to help them expand their scale of operations and provide better care and service to the patients.
- This loan helps in the construction/procurement of medical equipment in the hospitals/nursing homes *etc.*
vi) **Two Wheeler’s Loan**

- This scheme helps individuals with appropriate monthly income to avail of loans for purchase of two wheeler for their personal use.
- The processing is quick, documentation is simple and rate of interest is low.

vii) **Car Loan**

- The bank car loan scheme is among the most popular of all the loan schemes since it offers quick processing of loans for the purchase of new cars at low interest rates and very simple documentation and conditions.

viii) **Home Loan**

- The home loan scheme helps customer to buy/build their dream home as per their choice at the best possible interest rate and longer repayment tenure with easy documentation and quick processing.
- Loans under this scheme are sanctioned based on the applicants past repayment record as well as his current income earnings.
ix) Pensioner Loan

- The TMB pensioner plan envisages the release of loan to elderly persons who are getting their monthly pensions, from the future pension receipts.
- With a low rate of interest and even lower margin money, the pensioner can get immediate access to funds that might be urgently necessary to him.

x) Traders Loan

- Traders loan scheme is suitable for all general business community that needs funding for the working capital and other business related funding necessities.
- This scheme is attractive and offers loan upto Rs. 10 lakhs with interest on diminishing balance.

xi) Mahalir Loan

- This scheme is exclusively designed for women in business to give them extra edge and success.
- This scheme is attractive and offers loan upto Rs. 10 lakhs with interest on diminishing balance.
• This loan scheme is suitable for all the general business that need funding for the working capital and other related funding necessities.

xii) Easy Mortgage Loan

• The easy mortgage loan can be availed of based on the collateral security of any marketable property owned by the loan applicant for any purpose.
• This scheme is attractive and offers loan upto Rs. 25 lakhs with interest on diminishing balance.
• Repayment period under term loan can be selected upto 60 months duration.

xiii) Tractor Loan

• Tractor loan scheme helps the rural and semi-urban community to avail of loans under priority agri financing to buy a tractor.
• The criteria and conditions for sanctions are released to help extend the loan to the needy people at attractive rates of interest.
• Being priority sector lending, the documentation is simple and processing is quick.
xiv) **Mini Truck Loan**

- Mini Truck Loan scheme helps the urban community to avail of loans to buy a mini truck like Tata A/C.
- The criteria and conditions for sanction are released to help extend the loan to the needy people at attractive rates of interest and low processing charges.

**3.4.14 India Card / Credit Card**

This is among the fast selling products which allow the facility of credit purchase and convenience of not carrying cash. The India card credit card can be availed of from TMB at very attractive APR apart from generous free credit days and good credit limit.

**3.5 GROWTH AND DEVELOPMENT OF INDUSTRIAL CREDIT INVESTMENT CORPORATION OF INDIA (ICICI)**

**3.5.1 Introduction**

- The World Bank, the Government of India and representatives of Indian Industry formed ICICI Ltd., as a development finance institution to provide medium term and long term project financing to Indian businesses in 1955.
In 1994, ICICI established ICICI Banking Corporation as a banking subsidiary. ICICI Banking Corporation is renamed as ICICI Bank Ltd.

In 1999, ICICI became the first company and the first bank or financial institution from Non-Japan Asia to list as the NYSE.

In 2001, ICICI acquired Bank of Madura (established in 1943). Bank of Madura was a Chettiar Bank and had acquired Chettinad Mercantile Bank (established in 1933) and Illanji Bank (established in 1904) in 1960s.

In 2002, the Board of Directors of ICICI and ICICI Bank approved the merger of ICICI, ICICI Personal Financial Services Limited and ICICI Capital Services Ltd., with ICICI Bank.

In 2002, ICICI established representative offices in New York and London.

In 2003, ICICI opened subsidiaries in Canada and the United Kingdom (UK) and in the UK it establishes alliances with Lloyds TSB. It also opens an Offshore Banking Unit (OBU) in Singapore and representative offices in Dubai and Shanghai.
In 2004, ICICI opened a representative office in Bangladesh to top the extensive trade between that country, India and South Africa.

In 2005, ICICI acquired Investitsionno-Kreditng Bank (IKB), a Russia Bank with about US$4 mn in assets, head office in Balabanovo in the Kaloge Region and with a branch in Moscow.

In 2006, ICICI Bank UK opened a branch in Anturamp, in Belgium.

In 2007, ICICI Bank amalgamated Songli Bank, which is headquartered in Songli, in Maharashtra State, received premium from the Government of Qatar to open a branch in Doha and from the US Federal reserve to open a branch in New York.

In 2008, ICICI Bank launched i-mobile, a comprehensive mobile banking solution.

### 3.5.2 Role of ICICI

The Government of India established ICICI in 1955 as a financial institutions with the objective to finance large industrial projects. ICICI was not a bank, it could not take retail deposits to comply with Indian Banking requirement of liquid reserves.
ICICI funded a separate legal entity, ICICI Bank, to undertake normal banking operations, taking deposits, credits, car loans, etc. ICICI Bank now is the largest among all banks in retail or consumer financing. ICICI Bank also has the largest market values of all banks in India, and is widely seen as a sophisticated bank able to take many global banks in the Indian markets.

3.5.3 IT Initiative of ICICI

ICICI Bank Ltd., (ICICI Bank) is a trend setter in the use of banking technology. ICICI Bank leverages comprehensive data centre availability and data protection so symmetric. Using Verities Storage Foundation and Verities Cluster Services, the bank presents application availability and 99.99 per cent uptime for its server infrastructure on Verities Net Backup and full range of agents and options for data protection. The following are the products implemented by ICICI.

- Storage Foundation for Oracle RAC
- Cluster Server
- Net Backup
- Net Backup Base Metal Restore Option
- Net Backup Shared Storage Option
- Net Backup Microsoft SQL Server Agent
- Volume Replicator
3.5.4 Business Summary of ICICI

ICICI Bank Ltd., together with its subsidiaries, offers various financial products and services in the areas of commercial banking, investment banking and insurance to retail and corporate customer primarily in India. The company offers various deposits products, which include time deposits, savings accounts, current accounts and certificates of deposits.

ICICI Bank also offers credit cards, depositing share accounts, distribution of third party investment and insurance products, fee based products and services, unsecured redeemable bonds, documentary credits and standby Letter of credit. In addition, it offers foreign exchange and derivative products, investment banking products and services, equity underwriting and brokerage services, venture capital and private equity services and life and general insurance products and services.

Further, the company provides individual and households various agricultural and rural banking products, including rural credit products, loans to farmers, post-investment financing, loans for purchase of tractors, working capital for trading and small enterprises, loans against jewellery and micro finance loan for various purposes.
3.6 WORKING PERFORMANCE OF PUBLIC SECTOR AND PRIVATE SECTOR BANKS

3.6.1 Introduction

In this section, an attempt has been made to analyse the working performance of selected public and private sector banks in Virudhunagar district with reference to branch expansion, deposit growth, advances target and achievement, credit-deposit ratio and the like. For the purpose of analysis, the time series data from 2001-02 to 2007-08 are taken into account from the various issues of annual reports of the selected banks.

3.6.2 Branch Expansion of IOB, SBI, TMB and ICICI in Virudhunagar District

Branch expansion is an index of bank progress. The main purpose of both public and private sector banks in the study area can be well served only by rapid expansion of branches within the area of its jurisdiction. The growth of branch expansion, as measured by the increase in number of branches is presented in Table 3.4.
TABLE 3.4
NUMBER OF BRANCHES OF SELECTED PUBLIC AND PRIVATE
SECTOR BANKS IN VIRUDHUNAGAR DISTRICT

<table>
<thead>
<tr>
<th>Year</th>
<th>IOB</th>
<th>SBI</th>
<th>TMB</th>
<th>ICICI</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001-2002</td>
<td>12.0</td>
<td>16.0</td>
<td>6.00</td>
<td>6.00</td>
</tr>
<tr>
<td>2002-2003</td>
<td>14.0</td>
<td>18.0</td>
<td>8.00</td>
<td>6.00</td>
</tr>
<tr>
<td>2003-2004</td>
<td>16.0</td>
<td>21.0</td>
<td>10.0</td>
<td>7.00</td>
</tr>
<tr>
<td>2004-2005</td>
<td>18.0</td>
<td>21.0</td>
<td>10.0</td>
<td>7.00</td>
</tr>
<tr>
<td>2005-2006</td>
<td>20.0</td>
<td>21.0</td>
<td>11.0</td>
<td>8.00</td>
</tr>
<tr>
<td>2006-2007</td>
<td>20.0</td>
<td>22.0</td>
<td>12.0</td>
<td>10.0</td>
</tr>
<tr>
<td>2007-2008</td>
<td>21.0</td>
<td>23.0</td>
<td>12.0</td>
<td>2.00</td>
</tr>
<tr>
<td>Average</td>
<td>17.0</td>
<td>20.0</td>
<td>10.0</td>
<td>8.00</td>
</tr>
<tr>
<td>Standard Deviation</td>
<td>3.40</td>
<td>2.43</td>
<td>2.19</td>
<td>2.24</td>
</tr>
<tr>
<td>Co-efficient of Variation</td>
<td>20.01</td>
<td>12.15</td>
<td>21.93</td>
<td>28.00</td>
</tr>
</tbody>
</table>

Source: Annual Reports of IOB, SBI, TMB and ICICI from 2001-02 to 2007-08.

It is revealed from Table 3.4 that in the case of public sector banks, there is a remarkable increase in the number of branches in both IOB and SBI during the period under study. The increase of branches of SBI was higher when compared to increase in branches of IOB. The average branch was 17 and 20 for SBI and IOB overall period under study. Regarding the stability in increase of branches over a period, the value of Co-efficient of variation indicates that less fluctuations was found in SBI than IOB in the study area. In the case of private sector banks,
there is a steady increase in branches during the period under study. But a high fluctuation was found in ICICI to increase its branches in Virudhunagar district.

The trend Co-efficient and Compound Growth Rate (CGR) of number of branches of IOB, SBI, TMB and ICICI during the period 2001-02 to 2007-08 is given in Table 3.5.

**TABLE 3.5**

**TRENDS AND GROWTH OF NUMBER OF BRANCHES**

<table>
<thead>
<tr>
<th>Banks</th>
<th>Trend Co-efficient</th>
<th>$r^2$</th>
<th>CGR</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$a$</td>
<td>$b$</td>
<td></td>
</tr>
<tr>
<td>IOB</td>
<td>2.4582</td>
<td>0.0934* (7.9898)</td>
<td>0.9128</td>
</tr>
<tr>
<td>SBI</td>
<td>2.7904</td>
<td>0.0532* (4.8354)</td>
<td>0.8200</td>
</tr>
<tr>
<td>TMB</td>
<td>1.8369</td>
<td>0.1066 (0.0202)</td>
<td>0.8172</td>
</tr>
<tr>
<td>ICICI</td>
<td>1.5868</td>
<td>0.1155* (7.2879)</td>
<td>0.9100</td>
</tr>
</tbody>
</table>

*Figures in brackets are t-values.

* Indicates that the trend Co-efficients are statistically significant at 5 per cent level.

It is clearly evident from Table 3.5 that the trend Co-efficients of IOB, SBI and ICICI are statistically significant at 5 per cent level and positive whereas TMB is not statistically significant. It implies that on an average the number of branches of IOB, SBI and ICICI banks have been increasing at the rate of 0.0934,
0.0532 and 0.1155 per cent per annum, respectively. The growth was found high in ICICI Bank (12.25 per cent) followed by TMB (11.25 per cent), respectively.

3.6.3 Analysis of Deposits

The higher the deposits, the higher the productivity as it lies on higher financial self-support which is a paramount factor. The growth of deposits of IOB during the period between 2001-02 to 2007-08 is given in Table 3.6.

**TABLE 3.6**

**DEPOSIT COMPONENTS OF IOB (2001-02 TO 2007-08)**  
IN VIRUDHUNAGAR DISTRICT

<table>
<thead>
<tr>
<th>Year</th>
<th>Current Deposits</th>
<th>Savings Deposits</th>
<th>Fixed Deposits</th>
<th>Total Deposits</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001-2002</td>
<td>1,231.67</td>
<td>3,311.46</td>
<td>4,321.67</td>
<td>8,864.18</td>
</tr>
<tr>
<td>2002-2003</td>
<td>2,462.31</td>
<td>5,614.78</td>
<td>6,117.08</td>
<td>14,194.17</td>
</tr>
<tr>
<td>2003-2004</td>
<td>3,671.42</td>
<td>7,764.16</td>
<td>6,982.42</td>
<td>18,418.00</td>
</tr>
<tr>
<td>2004-2005</td>
<td>4,317.82</td>
<td>8,018.33</td>
<td>7,016.18</td>
<td>19,352.33</td>
</tr>
<tr>
<td>2005-2006</td>
<td>7,618.36</td>
<td>9,672.36</td>
<td>9,671.76</td>
<td>26,962.48</td>
</tr>
<tr>
<td>2006-2007</td>
<td>8,617.62</td>
<td>10,471.31</td>
<td>10,167.10</td>
<td>29,256.03</td>
</tr>
<tr>
<td>2007-2008</td>
<td>9,478.31</td>
<td>11,027.42</td>
<td>12,416.12</td>
<td>32,921.85</td>
</tr>
</tbody>
</table>

Average: 5,342.50  
Standard Deviation: 3,215.79  
Co-efficient of Variation: 60.19

(Rs. in lakhs)

Source: Annual Reports of IOB from 2001-02 to 2007-08.
From Table 3.6, it has been observed that the average current deposit, savings deposit, fixed deposit and total deposit of IOB in Virudhunagar district was Rs. 5,342.50 lakhs, Rs. 7,982.83 lakhs, Rs. 8,098.90 lakhs and Rs. 21,281.29 lakhs, respectively during the period 2001-02 to 2007-08. It is observed from the analysis that high fluctuations were found in current deposit compared to savings deposit, fixed deposit and total deposit as indicated by the Co-efficient of variation.

The computed results of trend Co-efficient and Compute Growth Rate (CGR) of deposit components in IOB in Virudhunagar district are given in Table 3.7.

**TABLE 3.7**

**TREND AND GROWTH OF DEPOSITS IN IOB**

**DURING 2001-02 TO 2007-08**

<table>
<thead>
<tr>
<th>Deposits</th>
<th>Trend Co-efficients</th>
<th>r²</th>
<th>CGR</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>a</td>
<td>b</td>
<td></td>
</tr>
<tr>
<td>Current Deposits</td>
<td>7.0433</td>
<td>0.3342*</td>
<td>0.9260</td>
</tr>
<tr>
<td></td>
<td>(8.7198)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Savings Deposits</td>
<td>8.1931</td>
<td>0.1813*</td>
<td>0.8199</td>
</tr>
<tr>
<td></td>
<td>(5.3217)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed Deposits</td>
<td>8.3029</td>
<td>0.1610*</td>
<td>0.9426</td>
</tr>
<tr>
<td></td>
<td>(9.9780)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Deposits</td>
<td>9.0715</td>
<td>0.2033*</td>
<td>0.9187</td>
</tr>
<tr>
<td></td>
<td>(6.0245)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Figures in brackets are t-values.

* Indicates that the trend Co-efficients are statistically significant at 5 per cent level.

It is inferred from Table 3.7 that the trend Co-efficients of current deposits, savings deposit, fixed deposit and total deposit in IOB are statistically significant at 5 per cent level and positive. It implies that on an average the current deposits, savings deposits, fixed deposits and total deposits have been increasing at the rate
of 0.3342 per cent, 0.1813, 6.1610 per cent and 0.2033 per cent per annum, respectively. The growth rate per annum is found high in current deposits (39.68 per cent) followed by total deposits (22.55 per cent), savings deposit (19.87 per cent) and fixed deposit (17.47 per cent), respectively. The \( r^2 \) indicates that time variable accounted for 81.99 per cent to 92.60 per cent variation. The deposit components of SBI during the period between 2001-02 and 2007-08 are given in Table 3.8.

**TABLE 3.8**

**DEPOSIT COMPONENTS OF SBI (2001-02 TO 2007-08)**

**IN VIRUDHUNAGAR DISTRICT**

<table>
<thead>
<tr>
<th>Year</th>
<th>Current Deposits</th>
<th>Savings Deposits</th>
<th>Fixed Deposits</th>
<th>Total Deposits</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001-2002</td>
<td>2,042.16</td>
<td>4,781.16</td>
<td>5,716.32</td>
<td>12,539.64</td>
</tr>
<tr>
<td>2002-2003</td>
<td>2,341.78</td>
<td>6,718.32</td>
<td>6,186.72</td>
<td>15,246.82</td>
</tr>
<tr>
<td>2003-2004</td>
<td>3,816.32</td>
<td>7,614.10</td>
<td>7,618.32</td>
<td>19,048.74</td>
</tr>
<tr>
<td>2004-2005</td>
<td>5,117.68</td>
<td>9,672.76</td>
<td>9,421.18</td>
<td>24,211.62</td>
</tr>
<tr>
<td>2005-2006</td>
<td>9,671.32</td>
<td>10,721.16</td>
<td>10,671.20</td>
<td>31,063.68</td>
</tr>
<tr>
<td>2006-2007</td>
<td>9,968.16</td>
<td>10,938.63</td>
<td>11,472.36</td>
<td>32,379.15</td>
</tr>
<tr>
<td>2007-2008</td>
<td>10,211.33</td>
<td>12,316.46</td>
<td>14,371.87</td>
<td>36,899.66</td>
</tr>
<tr>
<td>Average</td>
<td>6,166.96</td>
<td>8,966.08</td>
<td>9,351.14</td>
<td>24,484.18</td>
</tr>
<tr>
<td>Standard Deviation</td>
<td>3,682.37</td>
<td>2,679.85</td>
<td>3,100.62</td>
<td>9,286.04</td>
</tr>
<tr>
<td>Co-efficient of Variation</td>
<td>57.71</td>
<td>29.89</td>
<td>33.16</td>
<td>37.93</td>
</tr>
</tbody>
</table>

Source: Annual Reports of SBI from 2001-02 to 2007-08.
According to Table 3.8, it is observed that the average amount of total deposits from 2001-02 to 2007-08 was Rs.24,484.18 lakhs. The average amounts of current, savings and fixed deposits are Rs.6,166.96 lakhs, Rs.8,966.08 lakhs and Rs.9,351.14 lakhs, respectively. Further, it is revealed from the results of Co-efficient of variation, a high fluctuation is found in current deposits followed by fixed deposits and savings deposits.

The computed results of trend Co-efficient and Compound Growth Rate (CGR) of various components of deposits are presented in Table 3.9.

<table>
<thead>
<tr>
<th>Deposits</th>
<th>Trend Co-efficients</th>
<th>$r^2$</th>
<th>CGR</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$a$</td>
<td>$b$</td>
<td></td>
</tr>
<tr>
<td>Current Deposits</td>
<td>7.3039</td>
<td>0.3091*</td>
<td>0.93</td>
</tr>
<tr>
<td></td>
<td>(8.3356)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Savings Deposits</td>
<td>8.4632</td>
<td>0.1484*</td>
<td>0.92</td>
</tr>
<tr>
<td></td>
<td>(7.6387)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed Deposits</td>
<td>8.4755</td>
<td>0.1549*</td>
<td>0.98</td>
</tr>
<tr>
<td></td>
<td>(17.7609)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Deposits</td>
<td>9.2899</td>
<td>0.1869*</td>
<td>0.97</td>
</tr>
<tr>
<td></td>
<td>(13.3158)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Figures in brackets are t-values.

* Indicates that the trend Co-efficients are statistically significant at 5 per cent level.

It is observed from Table 3.9 that the trend Co-efficients of current, savings and fixed deposits are found to be statistically significant at 5 per cent level. It
indicates that the current, savings and fixed deposits have increased at the rate of 0.3091 per cent, 0.1484 per cent and 0.1549 per cent respectively per annum. Inspite of a high fluctuation in the current deposits, a high growth rate was found (36.22 per cent). It is followed by fixed and savings deposits. The $r^2$ value shows that the time variable accounted for variation on the deposits more than 90 per cent.

The details of growth of deposits of TMB are given in Table 3.10.

**TABLE 3.10**

DEPOSIT COMPONENTS OF TMB (2001-02 TO 2007-08) IN VIRUDHUNAGAR DISTRICT

<table>
<thead>
<tr>
<th>Year</th>
<th>Current Deposits</th>
<th>Savings Deposits</th>
<th>Fixed Deposits</th>
<th>Total Deposits</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001-02</td>
<td>1,542.36</td>
<td>1,842.36</td>
<td>2,746.16</td>
<td>6,130.88</td>
</tr>
<tr>
<td>2002-03</td>
<td>2,011.31</td>
<td>2,017.48</td>
<td>3,018.37</td>
<td>7,047.16</td>
</tr>
<tr>
<td>2003-04</td>
<td>2,616.48</td>
<td>3,118.72</td>
<td>4,067.12</td>
<td>9,802.32</td>
</tr>
<tr>
<td>2004-05</td>
<td>3,918.36</td>
<td>4,322.63</td>
<td>5,697.31</td>
<td>13,938.30</td>
</tr>
<tr>
<td>2005-06</td>
<td>4,011.41</td>
<td>5,941.09</td>
<td>6,701.48</td>
<td>16,653.98</td>
</tr>
<tr>
<td>2006-07</td>
<td>5,471.36</td>
<td>6,478.36</td>
<td>7,947.61</td>
<td>19,897.33</td>
</tr>
<tr>
<td>2007-08</td>
<td>6,181.72</td>
<td>7,481.92</td>
<td>8,747.33</td>
<td>22,410.97</td>
</tr>
<tr>
<td>Average</td>
<td>3,679.00</td>
<td>4,457.51</td>
<td>5,560.77</td>
<td>13,697.28</td>
</tr>
<tr>
<td>Standard Deviation</td>
<td>1,737.78</td>
<td>2,237.38</td>
<td>2,373.08</td>
<td>6,322.11</td>
</tr>
<tr>
<td>Co-efficient of Variation</td>
<td>47.24</td>
<td>50.19</td>
<td>42.68</td>
<td>46.16</td>
</tr>
</tbody>
</table>

Source: Annual Reports of TMB from 2001-02 to 2007-08.
From Table 3.10 it has been revealed that the current deposits, savings deposit, fixed and total deposit of TMB in Virudhunagar district were Rs. 3679 lakhs, Rs. 44,57.51 lakhs, Rs.5,560.77 lakhs and Rs. 13,697.28 lakhs respectively during the period 2001-02 to 2007-08. It is observed from the analysis that high fluctuation was fund in savings deposit compared to current deposit fixed deposits and total deposit indicated by Co-efficient of variation.

The computed results of trend Co-efficients and Compound Growth Rate (CGR) of deposits in TMB in Virudhunagar district are given in Table 3.11.

**TABLE 3.11**

**TREND AND GROWTH OF DEPOSITS IN TMB**

**DURING 2001-02 TO 2007-08**

<table>
<thead>
<tr>
<th>Deposits</th>
<th>Trend Co-efficients</th>
<th>$r^2$</th>
<th>CGR</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>a</td>
<td>b</td>
<td></td>
</tr>
<tr>
<td>Current Deposits</td>
<td>7.1615</td>
<td>0.2355* (13.5907)</td>
<td>0.9684</td>
</tr>
<tr>
<td>Savings Deposits</td>
<td>7.2499</td>
<td>0.2565* (11.1541)</td>
<td>0.9536</td>
</tr>
<tr>
<td>Fixed Deposits</td>
<td>7.6921</td>
<td>0.2111* (13.1167)</td>
<td>0.9661</td>
</tr>
<tr>
<td>Total Deposits</td>
<td>8.4937</td>
<td>0.2319* (13.9422)</td>
<td>0.9699</td>
</tr>
</tbody>
</table>

Figures in brackets are t-values.

* Indicates that the trend Co-efficients are statistically significant at 5 per cent level.
It has been revealed from Table 3.11 that the trend Co-efficients of current deposits, savings deposit, fixed deposit and total deposit in TMB are statistically significant at 5 per cent level and positive. It implies that on an average the current deposits, savings deposit, fixed deposit and total deposit have been increasing at the rate of 0.2355 per cent, 0.2565 per cent, 0.2111 per cent and 0.2319 per cent per annum, respectively. The growth is found to be high in savings deposit (29.24 per cent) followed by current deposit (26.55 per cent), total deposit (26.11 per cent) and fixed deposit (23.51 per cent) in Virudhunagar district.

Table 3.12 indicates the deposit components of ICICI Bank during the period 2001-02 to 2007-08.
TABLE 3.12
DEPOSIT COMPONENTS OF ICICI (2001-02 TO 2007-08)  
IN VIRUDHUNAGAR DISTRICT

<table>
<thead>
<tr>
<th>Year</th>
<th>Current Deposits (Rs. in lakhs)</th>
<th>Savings Deposits (Rs. in lakhs)</th>
<th>Fixed Deposits (Rs. in lakhs)</th>
<th>Total Deposits (Rs. in lakhs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001-2002</td>
<td>1,672.36</td>
<td>2,321.33</td>
<td>3,742.36</td>
<td>7,736.05</td>
</tr>
<tr>
<td>2002-2003</td>
<td>2,111.72</td>
<td>3,672.16</td>
<td>3,674.12</td>
<td>9,458.00</td>
</tr>
<tr>
<td>2003-2004</td>
<td>2,672.46</td>
<td>4,161.78</td>
<td>3,967.38</td>
<td>10,801.62</td>
</tr>
<tr>
<td>2004-2005</td>
<td>3,611.43</td>
<td>5,218.33</td>
<td>4,732.67</td>
<td>13,562.43</td>
</tr>
<tr>
<td>2005-2006</td>
<td>4,721.66</td>
<td>6,671.31</td>
<td>5,672.30</td>
<td>17,065.27</td>
</tr>
<tr>
<td>2006-2007</td>
<td>5,678.16</td>
<td>7,671.82</td>
<td>7,421.39</td>
<td>20,771.37</td>
</tr>
<tr>
<td>2007-2008</td>
<td>6,718.12</td>
<td>8,798.16</td>
<td>9,472.71</td>
<td>24,988.99</td>
</tr>
<tr>
<td>Average</td>
<td>3,883.70</td>
<td>5,502.13</td>
<td>5,526.13</td>
<td>14,911.96</td>
</tr>
<tr>
<td>Standard Deviation</td>
<td>1,894.17</td>
<td>2,319.54</td>
<td>2,193.17</td>
<td>6,330.76</td>
</tr>
<tr>
<td>Co-efficient of Variation</td>
<td>48.77</td>
<td>42.16</td>
<td>39.69</td>
<td>42.45</td>
</tr>
</tbody>
</table>

Source: Annual Reports of ICICI from 2001-02 to 2007-08.

According to Table 3.12, the average amount of current, savings, fixed and total deposits over a period from 2001-02 to 2007-08 was Rs.3,883.70 lakhs, Rs.5,502.13 lakhs, Rs.5,526.13 lakhs and Rs.14,911.96 lakhs, respectively. As per Co-efficient of variation, a high fluctuation was observed in current deposits during the period under study. It is followed by total deposits, savings and fixed deposits.
The trend Co-efficient and Compound Growth Rate (CGR) of various components of deposits are given in Table 3.13.

### TABLE 3.13
**TREND AND GROWTH OF DEPOSITS IN ICICI**
**DURING 2001-02 TO 2007-08**

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Trend Co-efficients</th>
<th>r²</th>
<th>CGR</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>a</td>
<td>b</td>
<td></td>
</tr>
<tr>
<td>Current Deposits</td>
<td>7.1939</td>
<td>0.2399*</td>
<td>0.99</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(27.4542)</td>
<td></td>
</tr>
<tr>
<td>Savings Deposits</td>
<td>7.6780</td>
<td>0.2122*</td>
<td>0.96</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(12.0465)</td>
<td></td>
</tr>
<tr>
<td>Fixed Deposits</td>
<td>7.9067</td>
<td>0.1625*</td>
<td>0.92</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(7.5158)</td>
<td></td>
</tr>
<tr>
<td>Total Deposits</td>
<td>8.7392</td>
<td>0.1982*</td>
<td>0.99</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(39.9684)</td>
<td></td>
</tr>
</tbody>
</table>

Figures in brackets are t-values.

* Indicates that the trend Co-efficients are statistically significant at 5 per cent level.

It is inferred from Table 3.13 that the trend Co-efficients of current, savings, fixed and total deposits are statistically significant at 5 per cent level. It implies that these deposits have been increased at the rate per annum was 0.2399 per cent, 0.2122 per cent, 0.1625 per cent and 0.1982 per cent, respectively. The high growth rate is observed in current deposits (27.12 per cent) followed by savings deposit (23.64 per cent). The $r^2$ value indicates that the time variable explained more than 90 per cent variation on the deposits.
3.6.4 Advances-Target and Achievement

The success of these banks should be judged as much by their efforts at extending and expanding the area of credit as by the conventional yardstick of profitability. The target and achievement of advances made by IOB are presented in Table 3.14.

<table>
<thead>
<tr>
<th>Year</th>
<th>Target (Rs. in Lakhs)</th>
<th>Achievement (Rs. In Lakhs)</th>
<th>Percentage of Achievement</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001-2002</td>
<td>3,472.36</td>
<td>2,337.59</td>
<td>67.32</td>
</tr>
<tr>
<td>2002-2003</td>
<td>4,018.82</td>
<td>2,792.28</td>
<td>69.48</td>
</tr>
<tr>
<td>2003-2004</td>
<td>5,972.36</td>
<td>4,260.08</td>
<td>71.33</td>
</tr>
<tr>
<td>2004-2005</td>
<td>6,431.46</td>
<td>4,801.08</td>
<td>74.65</td>
</tr>
<tr>
<td>2005-2006</td>
<td>7,018.74</td>
<td>5,356.70</td>
<td>76.32</td>
</tr>
<tr>
<td>2006-2007</td>
<td>8,109.32</td>
<td>6,196.33</td>
<td>76.41</td>
</tr>
<tr>
<td>2007-2008</td>
<td>10,716.31</td>
<td>8,435.88</td>
<td>78.72</td>
</tr>
<tr>
<td>Average</td>
<td>6,534.12</td>
<td>4,882.85</td>
<td>74.73</td>
</tr>
<tr>
<td>Standard Deviation</td>
<td>2,457.52</td>
<td>2,074.33</td>
<td>-</td>
</tr>
<tr>
<td>Co-efficient of Variation</td>
<td>37.61</td>
<td>42.48</td>
<td>-</td>
</tr>
</tbody>
</table>

Source: Annual Reports of IOB from 2001-02 to 2007-08.

It is revealed from Table 3.14 that the average target and achievement of advances of IOB in Virudhunagar district was Rs. 6,534.12 and Rs. 4,882.85 lakhs respectively during the period 2001-02 to 2007-08. It is also inferred from the
analysis that high fluctuation is found in achievement advances compared to target advances as indicated by the Co-efficient of variation.

The computed results of trend Co-efficient and Compound Growth Rate (CGR) of advances of both target and achievement of IOB in Virudhunagar district are given in Table 3.15.

**TABLE 3.15**

**TREND AND GROWTH OF TARGET AND ACHIEVEMENT OF IOB**

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Trend Co-efficients</th>
<th>r²</th>
<th>CGR</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>a</td>
<td>b</td>
<td></td>
</tr>
<tr>
<td>Target</td>
<td>8.0150</td>
<td>0.1767*</td>
<td>0.9486</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(10.5654)</td>
<td></td>
</tr>
<tr>
<td>Achievement</td>
<td>7.6014</td>
<td>0.2026*</td>
<td>0.9577</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(11.7039)</td>
<td></td>
</tr>
</tbody>
</table>

Figures in brackets are t-values.

* Indicates that the trend Co-efficients are statistically significant at 5 per cent level.

From Table 3.15, it has been observed that the trend Co-efficient of target and achievement advances were statistically significant at 5 per cent level and positive. It implies that on an average the target advances and achievement advances have been increasing at the rate of 0.1767 per cent and 0.2026 per cent per annum, respectively. The growth is found high in target advances (19.32 per cent) followed by achievement advances (18.82 per cent) in Virudhunagar district.
Table 3.16 reveals the target and achievement of advances made by SBI.

**TABLE 3.16**

ADVANCES –TARGET AND ACHIEVEMENT OF SBI IN
VIRUDHUNAGAR DISTRICT

<table>
<thead>
<tr>
<th>Year</th>
<th>Target (Rs. in Lakhs)</th>
<th>Achievement (Rs. in Lakhs)</th>
<th>Percentage of Achievement</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001-2002</td>
<td>3,642.36</td>
<td>2,489.19</td>
<td>68.34</td>
</tr>
<tr>
<td>2002-2003</td>
<td>4,718.32</td>
<td>3,322.64</td>
<td>70.42</td>
</tr>
<tr>
<td>2003-2004</td>
<td>6,716.67</td>
<td>4,814.51</td>
<td>71.68</td>
</tr>
<tr>
<td>2004-2005</td>
<td>7,672.31</td>
<td>5,702.83</td>
<td>74.33</td>
</tr>
<tr>
<td>2005-2006</td>
<td>9,676.12</td>
<td>7,583.18</td>
<td>78.37</td>
</tr>
<tr>
<td>2006-2007</td>
<td>10,742.36</td>
<td>8,547.70</td>
<td>79.57</td>
</tr>
<tr>
<td>2007-2008</td>
<td>10,972.36</td>
<td>8,847.01</td>
<td>80.63</td>
</tr>
<tr>
<td>Average</td>
<td>7,734.36</td>
<td>5,901.01</td>
<td>76.30</td>
</tr>
<tr>
<td>Standard Deviation</td>
<td>2,892.05</td>
<td>2,517.33</td>
<td>87.04</td>
</tr>
<tr>
<td>Co-efficient of Variation</td>
<td>37.39</td>
<td>42.66</td>
<td>-</td>
</tr>
</tbody>
</table>

Source: Annual Reports of SBI from 2001-02 to 2007-08.

It is observed from Table 3.16 that the target and achievement over a period varied from Rs.3,642.36 lakhs in 2001-02 to Rs.10,972.36 lakhs in 2007-08. The achievement over a period changes between Rs.2,489.19 lakhs in 2001-02 and Rs.8,847.01 lakhs in 2007-08. The average amount of target and
achievement over a period was Rs.7,739.36 lakhs and Rs.5,901.01 lakhs, respectively. The high fluctuation was found over a period observed in target than achievement. The percentage achievement to the target varied from 68.34 per cent in 2001-02 to 80.63 per cent in 2007-08.

The trend Co-efficients and Compound Growth Rate (CGR) of target and achievement of advances are given in Table 3.17.

**TABLE 3.17**

**TREND AND GROWTH OF TARGET AND ACHIEVEMENT OF SBI**

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Trend Co-efficients</th>
<th>r²</th>
<th>CGR</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>a</td>
<td>b</td>
<td></td>
</tr>
<tr>
<td>Target</td>
<td>8.1230</td>
<td>0.1899* (8.7188)</td>
<td>0.94</td>
</tr>
<tr>
<td>Achievement</td>
<td>7.7118</td>
<td>0.2196* (9.7209)</td>
<td>0.95</td>
</tr>
</tbody>
</table>

Figures in brackets are t-values.

* Indicates that the trend co-efficients are statistically significant at 5 per cent level.

It is found from Table 3.14 that the trend Co-efficients of target and achievement of advances were at 5 per cent level. It indicates that target and achievement have increased at the rate of 0.1899 per cent and 0.2196 per cent, respectively per annum. The growth rate of target and achievement are 20.20 per cent and 24.26 per cent, respectively. The r² value indicates that the time variable
explained about 95 per cent variations on the variable. The target and achievement of advances made by TMB are given in Table 3.18.

**TABLE 3.18**

**ADVANCES-TARGET AND ACHIEVEMENT OF TMB IN VIRUDHUNAGAR DISTRICT**

<table>
<thead>
<tr>
<th>Year</th>
<th>Target (Rs. in Lakhs)</th>
<th>Achievement (Rs. in Lakhs)</th>
<th>Percentage of Achievement</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001-2002</td>
<td>1,618.14</td>
<td>941.11</td>
<td>58.16</td>
</tr>
<tr>
<td>2002-2003</td>
<td>1,848.32</td>
<td>1,103.82</td>
<td>59.72</td>
</tr>
<tr>
<td>2003-2004</td>
<td>2,163.74</td>
<td>1,306.03</td>
<td>60.36</td>
</tr>
<tr>
<td>2004-2005</td>
<td>3,011.82</td>
<td>1,842.63</td>
<td>61.18</td>
</tr>
<tr>
<td>2005-2006</td>
<td>3,672.36</td>
<td>1,029.64</td>
<td>65.72</td>
</tr>
<tr>
<td>2006-2007</td>
<td>4,018.72</td>
<td>2,705.40</td>
<td>67.32</td>
</tr>
<tr>
<td>2007-2008</td>
<td>4,236.38</td>
<td>2,831.60</td>
<td>66.84</td>
</tr>
<tr>
<td>Average</td>
<td>2,938.50</td>
<td>1,680.03</td>
<td>-</td>
</tr>
<tr>
<td>Standard Deviation</td>
<td>1,074.51</td>
<td>800.50</td>
<td>-</td>
</tr>
<tr>
<td>Co-efficient of Variation</td>
<td>273.47</td>
<td>209.87</td>
<td>-</td>
</tr>
</tbody>
</table>

Source: Annual Reports of TMB from 2001-02 to 2007-08.

Table 3.18 clearly indicates that the outstanding advances-target and achievement of TMB in Virudhunagar district were Rs. 2,938.50 and Rs. 1,680.03 lakhs, respectively during the period 2001-02 to 2007-08. It is also observed from
the analysis that high fluctuation was found in target advances compared to achievement advances by the Co-efficient of variation.

The computed results of trend Co-efficient and Compound Growth Rate (CGR) of target and achievement of advances of TMB in Virudhunagar district are given in Table 3.19.

**TABLE 3.19**

**TREND AND GROWTH OF TARGET AND ACHIEVEMENT OF TMB**  
**DURING 2001-02 TO 2007-08**

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Trend Co-efficients</th>
<th>$r^2$</th>
<th>CGR</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$a$</td>
<td>$b$</td>
<td></td>
</tr>
<tr>
<td>Target</td>
<td>7.2128</td>
<td>0.1775*</td>
<td>0.9517</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(10.9154)</td>
<td></td>
</tr>
<tr>
<td>Achievement</td>
<td>6.6394</td>
<td>0.1736*</td>
<td>0.6014</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(3.1705)</td>
<td></td>
</tr>
</tbody>
</table>

Figures in brackets are t-values.

* Indicates that the trend Co-efficients are statistically significant at 5 per cent level.

Table 3.19 shows that the trend Co-efficients of target and achievement of advances in TMB are statistically significant at 5 per cent level and positive. It implies that on an average the target and achievement of advances have been increasing at the rate of 0.1775 per cent and 0.1736 per cent per annum, respectively. The growth is found high in target advances (19.42 per cent) followed by achievement advances (18.95 per cent) in Virudhunagar district.
The target and achievement of advances made by ICICI Bank are furnished in Table 3.20.

TABLE 3.20
ADVANCES-TARGET AND ACHIEVEMENT OF ICICI IN VIRUDHUNAGAR DISTRICT

<table>
<thead>
<tr>
<th>Year</th>
<th>Target (Rs. in Lakhs)</th>
<th>Achievement (Rs. in Lakhs)</th>
<th>Percentage of Achievement</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001-2002</td>
<td>1,918.27</td>
<td>1,202.95</td>
<td>62.71</td>
</tr>
<tr>
<td>2002-2003</td>
<td>2,342.36</td>
<td>1,614.59</td>
<td>68.93</td>
</tr>
<tr>
<td>2003-2004</td>
<td>2,678.67</td>
<td>1,990.79</td>
<td>74.32</td>
</tr>
<tr>
<td>2004-2005</td>
<td>2,731.16</td>
<td>2,095.89</td>
<td>76.74</td>
</tr>
<tr>
<td>2005-2006</td>
<td>3,947.76</td>
<td>3,352.04</td>
<td>84.91</td>
</tr>
<tr>
<td>2006-2007</td>
<td>4,324.16</td>
<td>3,689.37</td>
<td>85.32</td>
</tr>
<tr>
<td>2007-2008</td>
<td>5,428.71</td>
<td>4,810.38</td>
<td>88.61</td>
</tr>
<tr>
<td>Average</td>
<td>3,338.72</td>
<td>2,679.43</td>
<td>-</td>
</tr>
<tr>
<td>Standard Deviation</td>
<td>1,259.98</td>
<td>1,300.13</td>
<td>-</td>
</tr>
<tr>
<td>Co-efficient of Variation</td>
<td>37.74</td>
<td>48.52</td>
<td>-</td>
</tr>
</tbody>
</table>

Source: Annual Reports of ICICI from 2001-02 to 2007-08.

According to Table 3.20, the target over a period varies between Rs.1,918.27 lakhs in 2001-02 and Rs.5,428.71 lakhs in 2007-08. The achievement of advances varies from Rs.1,202.95 lakhs in 2001-02 to Rs.4,810.38 lakhs in 2007-08. The percentage of achievement to the target varies from 62.71
per cent in 2001-02 to 88.61 per cent in 2007-08. The fluctuations over a period is found high in achievement than target.

The computed results of trend Co-efficient and Compound Growth Rate (CGR) are given in Table 3.21.

**TABLE 3.21**

**TREND AND GROWTH OF TARGET AND ACHIEVEMENT OF ICICI DURING 2001-02 TO 2007-08**

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Trend Co-efficients</th>
<th>$r^2$</th>
<th>CGR</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><em>a</em></td>
<td><em>b</em></td>
<td></td>
</tr>
<tr>
<td>Target</td>
<td>7.3773</td>
<td>0.1690*</td>
<td>(12.1062)</td>
</tr>
<tr>
<td>Achievement</td>
<td>6.8858</td>
<td>0.2261*</td>
<td>(14.2510)</td>
</tr>
</tbody>
</table>

Figures in brackets are t-values.

* Indicates that the trend Co-efficients are statistically significant at 5 per cent level.

It is inferred from Table 3.21 that the trend Co-efficients of target and achievement of advances made by ICICI Bank are statistically significant at 5 per cent level. It implies that the target and achievement have increased at the rate of 0.1690 per cent and 0.2261 per cent, respectively per annum. The growth rate is found high in achievement than target. The $r^2$ value indicates that the time variable accounted about 97 per cent variation on the variable.
3.6.5 Analysis of Credit-Deposit Ratio

The credit-deposit ratio is an important parameter to assess the functioning and performance of a bank. The computed credit-deposit ratio of IOB and TMB is given in Table 3.22.

**TABLE 3.22**

**CREDIT-DEPOSIT RATIO OF IOB, SBI, TMB AND ICICI (2001-02 TO 2007-08) IN VIRUDHUNAGAR DISTRICT**

<table>
<thead>
<tr>
<th>Year</th>
<th>IOB</th>
<th>SBI</th>
<th>TMB</th>
<th>ICICI</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001-2002</td>
<td>26.37</td>
<td>27.16</td>
<td>15.35</td>
<td>17.67</td>
</tr>
<tr>
<td>2003-2004</td>
<td>23.13</td>
<td>30.61</td>
<td>13.32</td>
<td>18.96</td>
</tr>
<tr>
<td>2004-2005</td>
<td>24.81</td>
<td>32.78</td>
<td>13.22</td>
<td>19.32</td>
</tr>
<tr>
<td>2005-2006</td>
<td>19.87</td>
<td>34.33</td>
<td>6.18</td>
<td>21.31</td>
</tr>
<tr>
<td>2006-2007</td>
<td>21.18</td>
<td>35.18</td>
<td>13.60</td>
<td>21.86</td>
</tr>
<tr>
<td>2007-2008</td>
<td>25.62</td>
<td>36.71</td>
<td>12.63</td>
<td>22.14</td>
</tr>
</tbody>
</table>

Source: Annual Reports of IOB, SBI, TMB and ICICI (2001-02 to 2007-08).

It is revealed from Table 3.22 that credit-deposit (C-D) ratio of IOB has fluctuated during the period under study. In IOB, it has declined from 26.37 per cent in 2001-02, 19.67 per cent in 2002-03 and increased to 24.81 per cent in 2004-05, 21.18 per cent in 2006-07 and increased to 25.62 per cent in 2007-08. In SBI, it has increased from 27.16 in 2001-02 to 36.71 in 2007-08. In the case of
TMB, credit-deposit ratio has increased from 15.35 per cent in 2001-02 to 15.66 per cent in 2002-03 and then declined to 6.18 per cent in 2005-06 and increased to 12.63 per cent in 2007-08. In the case of ICICI, ratio has been gradually increasing during the period under study. The gradual lowering of the C-D ratio should be viewed as a slight improvement in the banking habit of the borrower and not entirely as a matter of change in the policy alone.

3.7 SUMMARY

In this chapter growth and development of both public sector and private sector banks like IOB, SBI, TMB, and ICICI are discussed. The working performance of public sector and private sector banks are also analysed.