CHAPTER – IV
PROFILE OF BANKS UNDER STUDY

In order to understand the observations and findings of this research study it would be convenient to have broad information about the banks which are under study. It is with this view in mind the researcher has given hereunder brief profile of the banks under study:

4.1 Public Sector Banks
4.1.1 Bank of Maharashtra

Bank of Maharashtra is an Indian bank based in the city of Pune. The bank was established in the year 1935 with an initial authorized capital worth Rs. 10.00 Lacs, although it became operational in the early phase of the next year. The bank got nationalized by the Government of India in the year 1969. With a total number of 1421 branches located all over India as of April 2009, the bank claims to have the largest number of branches within the state of Maharashtra, among all the Public Sector banks.

Commonly known as a common man's bank, Bank of Maharashtra adopts a philosophy of "Technology with personal touch", and follows its motto stating "One Family, One Bank, Bank of Maharashtra".

Facilities

All the branches of Bank of Maharashtra have been fully computerized, with Depository services and Demat facilities being offered at 131 branches as of April 2009. The bank aims at increasing its ATM network from 345 to 500 soon, apart from planning to install Biometric ATMs at some selected branches. Apart from it, introduction
of Phone Banking, Internet Banking and Mobile Banking is also on the cards.

**Other Highlights**

Apart from providing regular banking services to the customers, Bank of Maharashtra has established two Joint Ventures to fulfill its other commitments towards the general public and society. These Joint Ventures are M-SETI and Mahabank Info Centre. Mahabank Self-Employment Training Institute (M-SETI) is an effort initiated by Mahabank Agricultural Research & Rural Development Fund (MARDEF), a trust run by Bank of Maharashtra receiving help from National Bank for Rural Development (NABARD). The institute runs various self-employments oriented training courses for the rural unemployed youth from the districts of Pune, Kolhapur, Satara, Sangli, Nashik, Ahmednagar, Jalgaon, Dhule and Nandurbar.

Mahabank Info Centre is a yet another initiative by Bank of Maharashtra aimed at providing various retail baking related information to the customers, and enabling smoother operations for them.

**Head Office**

Bank of Maharashtra
Lokmangal, 1501, Shivajinagar, Pune (Maharashtra) - 411 005

**Website:** www.bankofmaharashtra.in

**Bank’s Position as on 31.3.2012**

Operating Profit for FY 2011-12 increased to Rs.1515.24 crore compared to Rs.855.03 crore for FY 2010-11 with a growth rate of 77.21% Net Profit for FY 2011-12 was at Rs.430.83 crore as compared to Rs.330.39 crore for FY 2010-11 recording a growth rate of 30.40%

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Total Income increased by Rs.1,760.69 crore recording growth rate of 28.89% over FY 2011 Interest Spread for FY 2011-12 increased to Rs.2,517.08 crores recording a growth rate of 27.88% over FY 2010-11 Net Interest Margin (NIM) improved to 3.22% for FY2011-12 from 2.80% for FY 2010-11. Net worth of the Bank increased to Rs.3758.03 crore as at 31.03.12 from Rs.2,709.24 crore as at 31.03.11 The Yield on advances increased to 11.44% as compared to 9.69% for Mar 11 The Gross NPA ratio reduced to 2.28% as at March 2012 from 2.47% as at March 2011 Net NPA ratio reduced to 0.84% as at 31.03.2012 from 1.32% as at 31.03.2011 CASA deposits share in total deposits increased to 41.33% as at 31.03.2012 from 40.44% as at 31.03.2011 Business per employee was at Rs.967.24 lakhs and Profit per employee was at Rs.3.12 lakhs

4.1.2 Bank of India

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

Beginning with one office in Mumbai, with a paid-up capital of Rs.50 lakh and 50 employees, the Bank has made a rapid growth over the years and blossomed into a mighty institution with a strong national presence and sizable international operations. In business volume, the Bank occupies a premier position among the nationalized banks.

The Bank has 4038 branches in India spread over all states/union territories including specialized branches. These branches are controlled through 50 Zonal Offices. There are 29 branches/offices (including five representative offices) and 3 Subsidiaries and 1 joint venture abroad.
The Bank came out with its maiden public issue in 1997 and follow on Qualified Institutions Placement in February 2008. Total number of shareholders as on 30/09/2009 is 2,15,790.

While firmly adhering to a policy of prudence and caution, the Bank has been in the forefront of introducing various innovative services and systems. Business has been conducted with the successful blend of traditional values and ethics and the most modern infrastructure. The Bank has been the first among the nationalized banks to establish a fully computerized branch and ATM facility at the Mahalaxmi Branch at Mumbai way back in 1989. The Bank is also a Founder Member of SWIFT in India. It pioneered the introduction of the Health Code System in 1982, for evaluating/rating its credit portfolio.

The Bank’s association with the capital market goes back to 1921 when it entered into an agreement with the Bombay Stock Exchange (BSE) to manage the BSE Clearing House. It is an association that has blossomed into a joint venture with BSE, called the BOI Shareholding Ltd. to extend depository services to the stock broking community. Bank of India was the first Indian Bank to open a branch outside the country, at London, in 1946, and also the first to open a branch in Europe, Paris in 1974. The Bank has sizable presence abroad, with a network of 29 branches (including five representative offices) at key banking and financial centres viz. London, New York, Paris, Tokyo, Hong-Kong and Singapore. The international business accounts for around 17.82% of Bank’s total business.
### Summarized Balance Sheet 2

<table>
<thead>
<tr>
<th>Particulars</th>
<th>As at 31st March, 2012 (Audited)</th>
<th>As at 31st March, 2011 (Audited)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CAPITAL AND LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital</td>
<td>574.52</td>
<td>547.22</td>
</tr>
<tr>
<td>Reserves and Surplus</td>
<td>20,387.27</td>
<td>16,743.46</td>
</tr>
<tr>
<td>Deposits</td>
<td>3,18,216.03</td>
<td>2,98,885.81</td>
</tr>
<tr>
<td>Borrowings</td>
<td>32,114.22</td>
<td>22,021.37</td>
</tr>
<tr>
<td>Other Liabilities and provisions</td>
<td>13,243.43</td>
<td>12,974.69</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>3,84,535.47</td>
<td>3,51,172.55</td>
</tr>
</tbody>
</table>

| ASSETS                           |                                  |                                  |
|----------------------------------|----------------------------------|                                  |
| Cash and balances with Reserve Bank of India | 14,986.71 | 21,782.43 |
| Balances with bank and money at call and short notice | 19,724.55 | 15,527.56 |
| Investments                      | 86,753.59                        | 85,872.42                        |
| Advances                         | 2,48,833.34                      | 2,13,096.18                      |
| Fixed Assets                     | 2,771.59                         | 2,480.74                         |
| Other Assets                     | 11,465.69                        | 12,413.22                        |
| **TOTAL**                        | 3,84,535.47                      | 3,51,172.55                      |

**Branch network as on 31.3.2012**

<table>
<thead>
<tr>
<th>Category</th>
<th>No. of branches</th>
<th>% to total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metropolitan</td>
<td>722</td>
<td>18.05</td>
</tr>
<tr>
<td>Urban</td>
<td>709</td>
<td>17.72</td>
</tr>
<tr>
<td>Semi urban</td>
<td>1078</td>
<td>26.95</td>
</tr>
<tr>
<td>Rural</td>
<td>1491</td>
<td>37.28</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4000</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

**Source:** Annual Report 2011-12

**Information Technology**

**Branch Automation**

All branches of the Bank are on Core Banking Solution (CBS) and new branches are directly opened under the CBS platform. All these branches are RTGS/NEFT enabled. Bank opened 141 new branches directly in CBS and also installed 117 new ATMs on Bank’s Foundation day i.e. 07.09.2011. Besides the regular banking modules your Bank has ensured that even ancillary portfolios viz. Government Business, Safe Deposit Vault, PPF, SCSS, (Senior Citizen Savings

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Government bonds are seamlessly integrated under CBS platform ensuring one-stop-shop for everyone avoiding hopping between various systems. Bank has implemented Straight Through Processing (STP) between CBS and various Payments Systems/other applications to eliminate the need for data entry at multiple systems & hence ensuring integrity & reliability of data. This has also ensured auto reconciliation of these entries within the system itself.

The following customer centric enhancements have been implemented:

- Online Nomination facility while creating online Term Deposit Receipt.
  Online Nomination facility has also been extended to existing term deposit receipts.
- Statement of Account for HNI customers by password protected e-mail in PDF format.
- Launched “Banking Through Mobile” (BTM) Service.
- Implementation of School fee module.
- Implementation of Bullion Module.
- Viewing of PPF Account with Bank of India through Internet Banking
- Self Service Kiosk – Barcode enabled Passbook Printing
- Launched Aadhar (UID) based Dhanaadhar Rupay card

**Data Centre**

Data Centre, certified with ISO 27001:2005 standard with 1:1 redundancy of physical hardware infrastructure between primary site to secondary site with the Recovery Time Objective (RTO) of 15 minutes has been successfully established by the Bank. The primary site is situated at Mumbai and Disaster Recover site (DR) situated at Bangalore. The Near Site (NR) has been established with primary site storage replication for zero data loss. All offices, branches and data centres are connected in WAN network with 24 hours dual power.
supply from two DG-Sets through UPS. The Data Centre deploys three
tier architecture i.e. database, application and web, which are
deployed in different high-end servers with latest version of operating
systems, RDBMS and applications for better management and
performance. Bank’s security and network infrastructure is designed
considering availability/capacity requirements. The data centre also
has a strong physical security control with Bio metric authentication
for critical areas of server and network farms. Dedicated resources
working on 24X7X365 days equipped with latest Building
Management Systems to control and optimize management of power
cooling, Fire protection and data centre infrastructure system is in
place. The entire premises is covered with surveillance cameras to
monitor 24 X 7 X 365.

The Bank has a fully functional Disaster Recovery Site and
Disaster Recovery Drills are planned and executed once every quarter
to ensure readiness. The Bank has RTO of 15 minutes to switch over
from Primary to DR site operations. One of the innovative ideas of
Bank of India was to use the Disaster Recovery set-up for MIS and
Report generation purposes. This not only results in optimum
utilization of both the DC and DR resources, but also ensures that all
these resources also get constantly tested in the process. Bank of
India also has a Global Processing Centre (GPC) at Singapore to
connect all its overseas Branches to a central hub and enable
processing for all its foreign branches. It is a 24 X 7 central hub
catering IT related requirements of 24 foreign branches from Japan in
the east to USA in the West. Disaster Recovery Hot Sites with identical
hardware and suitable software that do online replication of data from
Data Centre to DR Site have been setup. One disaster Recovery setup
is in Singapore and the other at Mumbai. The transactions are being
replicated on real time basis at both DR sites. DR drills to ensure high
availability of the system are being conducted on regular basis.
**SMS Alerts - Star Sandesh**

As a fraud prevention measure, SMS alerts are generated and provided to all customers who have registered their mobile number with the Bank for

- All Debit transactions from delivery channels (Internet banking/ATM/POS).
- All Customer induced debit & credit transactions of Rs.10,000/- and above.
- All Debit ECS transactions of Rs. 10,000/- and above.
- All Debit RTGS transactions.
- Acknowledgment on accepting the cheque book issue request.
- Alerts for installment due in Star Autofin & Housing Accounts.

**Internet Banking**

A fast and secure internet banking facility is available to customers for utility bill payments, air & rail ticket booking, on-line shopping, inter-bank and intra bank fund transfers. Bank of India is the first PSU Bank in India to implement.

Two-factor Authentication (2FA) – Star Token for both Retail and Corporate internet banking customers as an additional security measure. Bank’s customers enjoy the convenience of “secured” Anytime, Anywhere, Anyhow hassle free Banking from the comfort of their homes and offices with a click of a mouse.

Some of the features available are:

- Online Interbank Fund Transfer across banks, through Star Connect Internet Banking Services, using RTGS/NEFT facility
- BOI Star e-Pay for Auto-pay or on-line payment of various utility services / bills
- e-Payment of Direct & Indirect, Central Excise & Service Tax
- Star e-Share Trade to trade in shares.
- e-Freight Payment
- Directorate General of Foreign Trade (DGFT) license fee
- Online e-Payment
- Online Booking of Railway & Airlines Ticket
- Online Application for Education loan
- On Line facility available to View and Apply Application Supported by Blocked Amount (ASBA) for IPOs from Internet Banking
- Enabling internet banking customers to make online Fixed Deposit.
- Hot Listing/Reset/Unblock/Change of Debit Cum ATM card PIN using Internet Banking password.
- Viewing of Annual Tax Statement (Form 26AS).
- Extended the facility of online e-Payment to the customers holding our Debit-cum-ATM card. This will enable the customers to use their Debit-cum-ATM cards for e-payments in addition to credit card & Internet banking account.
- Online Nomination facility while creating online Term Deposit Receipt as well as for existing Term Deposit Receipts.

**Automated Teller Machines (ATMs)**

The Bank has joined National Financial Switch (NFS) which enables Customers to access more than 85,000+ ATMs across the country. Bank is also part of CashTree, BANCS & SBI Group networks. As on 31.03.2012 Bank has 1680 ATMs.
Implementation of CBS in Bank sponsored Regional Rural Banks (RRBs)

Bank initiated the process of implementation of CBS in Bank sponsored 5 RRBs during the year to provide “Anytime, Anywhere, Anyhow” banking service to the rural clientele. 100% CBS achieved in all the branches of all the 5 Regional Rural Banks (RRBs). All the branches of 5 RRBs are RTGS / NEFT enabled using BOI infrastructure.

Other New Initiatives

Technology is being leveraged in some important projects viz.

- Financial Inclusion Project – Banking the unbanked sector.
- V-sat Connectivity Project – Networking / connecting the Rural / Remote locations.
- Collaborative Communication – Virtual classroom sessions / Installation of High definition Audio / Video equipments.
- Installation of Biometric ATMs and ATMs with easy accessibility for the differently abled.
- Credit Application Processing Systems (CAPS).
- Human Resources Management Systems.
- Digital Signages – reforming Bank’s Photo & Video advertisements.

4.2 Private Sector Banks (Old)

4.2.1 Federal Bank Ltd.

History

The history of Federal Bank dates back to the pre-independence era. Though initially it was known as the Travancore Federal Bank, it gradually transformed into a full-fledged bank under the able
leadership of its Founder, Mr. K P Hormis. The name Federal Bank Limited was officially announced in the year 1947 with its headquarters nestled on the banks on the river Periyar. Since then there has been no looking back and the bank has become one of the strongest and most stable banks in the country.

**Vision**

- Become the dominant “numéro uno” bank in Kerala and a leading player in target markets.
- Be the ‘trusted’ partner of choice for target (SME, Retail, NRI) customers.
- Be a customer-centric organization setting the benchmarks for service.
- Offer innovative yet simple products supported by the state-of-the art technology.
- Have a dynamic and energized workforce with a strong sense of belonging.
- Deliver top tier financial performance and superior value to stakeholders.
- Be a role model for corporate governance and social responsibility.

**Adopt Best Industry Practices**

- Develop, adopt, and review a well-conceived business plan for achieving realistic targets of growth, profitability, and market share over the medium term.
- Operate within a well-defined, diversified, risk profile and adopt prudent risk-management norms and processes and effective control practices.
- Employ and leverage appropriate modern information technology to: enhance the quality, speed, and accuracy of product/service delivery; provide ‘anytime-anywhere’
banking facility; strengthen management information and control systems and processes; improve productivity; and reduce costs.

- Increase awareness of the "Federal Bank" brand among targeted customer groups through cost-effective marketing.
- Adopt a robust corporate governance code emphasizing a high degree of professionalism of the Board and the management, and accountability and disclosure to shareholders.
- Decentralize decision making with accountability for decisions made, and assign cascading profit responsibilities to middle and junior management.
- Develop a conducive and transparent work environment that fosters staff commitment, competence, initiative, innovation, teamwork and service-orientation.

**Corporate Social Responsibility**

For Federal Bank, Corporate Social Responsibility (CSR) has been an inherited and inbuilt element of its fundamentals right from the day the bank was founded. Our Founder's values and ethos based on trust got embedded in the bank's policies and principles which reflect on its day to day business. CSR in Federal Bank began with the first act of cultivating banking habits in an agrarian society - to effectively utilize idle money for productive purposes. Creating employment opportunity for a predominantly farming community was phase two.

**Capital Adequacy**

Your Bank enjoys very strong capital adequacy. CRAR of the Bank calculated in line with Basel II norms stood at 16.64 % which is significantly in excess of the 9 % stipulated by RBI. Of this, Tier 1 CRAR is at 15.86 %.
Employee Productivity

Business Per Employee of the Bank during the period has grown to Rs. 10.11 Cr from Rs. 9.23 Cr in the previous fiscal year.

Profit Per Employee of the Bank increased by 25.48% to reach Rs. 9.11 Lakh from Rs. 7.26 Lakh in the previous fiscal year.

Awards and Accolades

- Bank has won the International ACI Excellence Award 2012 in the Payments Transformation category for two prestigious projects – Visa Money Transfer (Visa Fast Funds) & Federal Bank’s Aadhar (UID) Based Authentication of Payments.
The Bank has also won awards in 2 categories from the Kerala Management Association in 2011 – Innovative Cost Management Measures and Excellence in House Magazine.

The Bank has won the Blue Dart World CSR Day – Global CSR Award for Best Corporate Social Responsibility Practice Overall.

The Bank was ranked as the Best Bank among old private sector banks in 2010, by Financial Express.

The bank was ranked 497th bank in the world by “The Banker”, the International Financial Affairs publication edited from London, in their July 2011 edition.

The Golden Peacock Award, a prestigious award instituted by The Golden Peacock Awards Secretariat (GPAS), on the CSR front was awarded to us in this fiscal year.

**Business Effectiveness through Technology**

Federal Bank is a pioneer among banks in India in the area of using technology to leverage its operations and was among the first bank in India to computerize all its branches. Federal Bank offers its customers, a variety of services such as Internet banking, Mobile banking, on-line bill payment, on-line fee collection, depository services, online e trade services, Cash Management Services, merchant banking services, RTGS / NEFT facility, IMPS, EFEE (school fee management) etc. as part of its strategy in enhancing the convenience to its customers. Federal Bank has 5000 + Point of Sale (PoS) deployed at various merchant locations. A 24 hour Toll free Helpline ensures that the customers are taken care of round the clock.
Two Factor Authentications (2FA) for Internet Banking Transactions

2FA will ensure more security for our internet banking customers. Customers will be benefited with more security and he/she can choose from various available options.

Bangalore Metro Rail Corporation (BMRCL)

The Bank has won the bid floated by BMRCL as a Merchant Acquirer Bank. The Bank will be deploying Point of Sale terminals at Bangalore Metro stations for issuing tickets, will be integrating POS machines with Ticket Vending Machines and also will be issuing NFC (contactless) COMBO cards which can be used as travel cards and Debit / Prepaid Cards.

Online Account Opening for NRIs

Bank is providing the facility for Online account Opening for our NRI customers at our Website. Customers can key in required details online, take a printout and send it along with the mandatory documents to our NRI division to get the account opened.

Mobile Banking

Considering the high penetration of mobile phones in the country, Bank has taken various initiatives in popularizing mobile banking through numerous awareness campaigns. The Bank is currently providing various facilities like balance enquiries, account statement and transaction services through its mobile banking platform – Fed Mobile.

The Bank has an active alliance with National Payment Corporation of India (NPCI) in enabling Interbank Mobile Payment Service (IMPS) and is the first mover in introducing this facility through Internet Banking. Mobile Banking is also extended to making merchant payments like mobile top ups and ticket booking. The Bank
is poised to provide native applications for all popular Smart phones, which will take the convenience of mobile banking to the next level.

**Internet Banking**

Bank’s Internet Banking platform – FEDNet is already popular among its retail and corporate customers. After considering various customer needs and requirements, we have further enhanced in its security, convenience and scalability. The Bank also enhanced customer convenience by adding more arrangements for e-commerce, and integration of mobile and DTH top up directly from FEDNet. The system was also scaled up to handle more number of concurrent transactions with faster response times.

**4.2.2 Ratnakar Bank Ltd.**

Inspired by the clarion call for self reliance given by National leaders in the pre-independence era, a group of patriotic, eminent personalities from various walks of life came together to launch a crusade for economic independence.

On the then scenario of industrialist owned banks catering to the needs of the rich and realizing the limitations of co-operative societies and co-operative banks, the idea of establishing a commercial bank with the objective of meeting the needs of the low and middle income segment of the society engaged in trade and commerce was conceived, motivated by the driving force of Shri. Babgonda Bhujgonda Patil, a distinguished Advocate of Sangli and Shri. Gangaram Siddhappa Chougule, a renowned merchant of Kolhapur. The idea was brought into reality.

Ratnakar Bank believes that financial inclusion is key for promoting the country’s economic growth in the long run. Historically, the Bank has successfully served the agricultural and rural economy through its extensive semi-urban and rural branch network and is
further enhancing its reach by opening more branches and setting up a Business Correspondent network to provide doorstep services. Given the demographic diversity of our country, delivery of high quality banking services require a deep understanding of the demands and risks, at a macro and a household level, involvement of the local communities and repositioning to understand customers’ expectations and perspective in the informal rural business environment.

Bank’s primary initiative was to set up new ATM sites outside of their branch locations. The bank has now over 45 such offsite ATMs and this number will go on increasing. In that sense, Bank’s customers need not come to the branch for cash withdrawals or for account level inquiries. To extend the ATM offering, Bank has recently launched their International Debit Card, both in Platinum and Classic variants in association with Visa. This card can be used for any shopping, dining and entertainment, just like any other credit or debit card.

Internet Banking is now a omnipresent channel that helps customers access their bank accounts anytime from the convenience of their homes or wherever they choose. Bank’s Internet Banking is specially designed to provide information, help a customer reach the bank and also transact seamlessly. The bank’s website has been designed to look elegant and enhance usability through simplicity.

Bank has also introduced SMS Banking. It is now very easy for any customer of the Bank to make simple enquiries on their account on the go. This is easy and inexpensive and all mobile phones can be used to access the account.
Table 4.1: Performance of the Ratnakar Bank for F.Y.07 to FY 12

<table>
<thead>
<tr>
<th>Particulars</th>
<th>FY 07</th>
<th>FY 08</th>
<th>FY 09</th>
<th>FY 10</th>
<th>FY 11</th>
<th>FY 12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital</td>
<td>116.56</td>
<td>104.72</td>
<td>104.72</td>
<td>104.72</td>
<td>214.95</td>
<td>214.95</td>
</tr>
<tr>
<td>Reserves &amp; Surplus</td>
<td>82.68</td>
<td>218.29</td>
<td>236.52</td>
<td>248.26</td>
<td>870.03</td>
<td>928.25</td>
</tr>
<tr>
<td>Net worth</td>
<td>196.03</td>
<td>319.74</td>
<td>338.12</td>
<td>349.03</td>
<td>1074.55</td>
<td>1130.99</td>
</tr>
<tr>
<td>CRAR, (%)</td>
<td>34.34</td>
<td>49.15</td>
<td>44.87</td>
<td>36.01</td>
<td>59.42</td>
<td>22.69</td>
</tr>
<tr>
<td>Deposits</td>
<td>876.39</td>
<td>1101.07</td>
<td>1307.05</td>
<td>1585.04</td>
<td>2042.16</td>
<td>4739.33</td>
</tr>
<tr>
<td>Advances</td>
<td>530.52</td>
<td>585.79</td>
<td>801.11</td>
<td>1170.44</td>
<td>1905.17</td>
<td>4132.27</td>
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<tr>
<td>Investments</td>
<td>315.83</td>
<td>361.32</td>
<td>404.48</td>
<td>507.22</td>
<td>892.48</td>
<td>2333.83</td>
</tr>
<tr>
<td>Gross NPA</td>
<td>38.05</td>
<td>37.09</td>
<td>17.28</td>
<td>27.64</td>
<td>21.51</td>
<td>33.11</td>
</tr>
<tr>
<td>NET NPA</td>
<td>10.20</td>
<td>5.81</td>
<td>5.45</td>
<td>11.35</td>
<td>6.89</td>
<td>8.39</td>
</tr>
<tr>
<td>Net Profit</td>
<td>3.01</td>
<td>17.01</td>
<td>30.53</td>
<td>19.11</td>
<td>12.33</td>
<td>65.73</td>
</tr>
<tr>
<td>Dividend</td>
<td>0</td>
<td>5</td>
<td>10</td>
<td>6</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Business Per Employee</td>
<td>2.54</td>
<td>3.10</td>
<td>3.73</td>
<td>3.91</td>
<td>4.35</td>
<td>6.69</td>
</tr>
<tr>
<td>No. of Employees</td>
<td>553</td>
<td>544</td>
<td>565</td>
<td>704</td>
<td>907</td>
<td>1328</td>
</tr>
<tr>
<td>Earning Per share</td>
<td>0.81</td>
<td>1.69</td>
<td>2.91</td>
<td>1.82</td>
<td>0.96</td>
<td>3.06</td>
</tr>
<tr>
<td>ROA</td>
<td>0.31</td>
<td>1.31</td>
<td>1.96</td>
<td>1.05</td>
<td>0.53</td>
<td>1.38</td>
</tr>
</tbody>
</table>

Source: Bank’s website

4.3 New Generation Private Sector Banks

4.3.1 HDFC Bank Ltd.

Housing Development Finance Corporation Limited (HDFC Ltd.) was established in 1977 with the primary objective of meeting a social need of encouraging home ownership by providing long-term finance to households. Over the last three decades, HDFC has turned the concept of housing finance for the growing middle class in India into a world-class enterprise with excellent reputation for professionalism, integrity and impeccable service.

A pioneer and leader in housing finance in India, since inception, HDFC has assisted more than 4.02 million customers to own a home of their own, through cumulative housing loan approvals of over Rs. 4.63 trillion and disbursements of over Rs. 3.74 trillion as at March 31, 2012.
HDFC has a wide network of 322 offices (which includes 77 offices of HDFC’s wholly owned distribution company HDFC Sales Private Limited) catering to over 2,400 towns & cities spread across the country. It also has offices in Dubai, London and Singapore and service associates in the Middle East region, to provide housing loans and property advisory services to Non-Resident Indians (NRIs) and Persons of Indian Origin (PIOs).

HDFC’s unrelenting focus on Corporate Governance, high standards of ethics and clarity of vision, percolate through the organization. Trust, Integrity, Transparency and Professional Service are the important pillars of the brand HDFC and most importantly, people - both employees and customers - are its brand ambassadors.

Customer satisfaction is the hallmark of all HDFC offerings. The first touch of HDFC’s personalized service begins as soon as a customer approaches HDFC, and over time it progresses into a long and meaningful relationship. State-of-the-art information systems supported by strong in-house training programmes conducted at its specialized training centre in Lonavla, have equipped HDFC to respond swiftly to the ever-changing customer needs and thereby empower customers in making the right home buying decision. This is what sets apart HDFC’s customer service philosophy - ‘With You, Right Through’.

HDFC’s specialist team of over 1,700 (as on 31st March, 2012) trained and experienced professionals follows a ‘single-window concept’ for providing smooth and value added services at all stages. The team guides the customers right through the entire process of property purchase - be it property search assistance, technical support prior to finalizing the property, legal advice on property related documentation, personalized home loan counseling or
providing tailor-made repayment options to suit the customer's specific requirements.

HDFC’s wide product range includes loans for purchase and construction of a residential unit, purchase of land, home improvement loans, home extension loans, non-residential premises loans for professionals and loan against property, while its flexible repayment options include Step Up Repayment Facility (SURF) and Flexible Loan Installment Plan (FLIP).

HDFC also has a robust Deposits mobilization programme. HDFC has been able to mobilise deposits from over 14 lakh depositors. Outstanding deposits grew from Rs. 1,458 crores in March 1994 to Rs 36,569 crores in March 2012. In addition, HDFC has received 'AAA' rating for its Deposit products for highest safety from both CRISIL and ICRA for eighteen consecutive years.

Over the years, HDFC has emerged as a financial conglomerate with its presence in the entire gamut of financial services including banking, insurance (life and non-life), asset management, real estate venture capital and more recently education loans.

Today, HDFC is recognized as one of the Best Managed Companies in India and is a model housing finance company for developing countries with nascent housing finance markets. HDFC has undertaken several consultancy assignments in various countries across Asia, Africa and East Europe to support and establish their housing finance institutions.

At HDFC, 'Corporate Social Responsibility' has always been an evolving concept, akin to its 'learning by doing' philosophy. As part of its social objectives, HDFC has always endeavoured to contribute to economic development and social upliftment of the weaker sections of
society and has professionally nurtured each of its social initiative as an investment. HDFC has undertaken development oriented work and supported several social initiatives in the areas of education, child welfare, medical research, welfare for the elderly and the handicapped among several others.

HDFC is how millions of Indian families spell the word 'Home' as the brand not only offers Housing Finance, but also Total Housing Solutions.

**The HDFC Advantage**

- Pioneers of Housing Finance in India with over 34 years of lending experience.
- Widest range of home loan & deposit products.
- Vast network of over 322 interconnected offices which includes 3 international offices.
- Most experienced and empowered personnel to ensure smooth & easy processing.
- Online loan application facility at www.hdfc.com and across-the-counter services for new deposits, renewals & repayments.
- Counseling and advisory services for acquiring a property.
- Flexible loan repayment options
- Free & safe document storage.

As of March 31, 2012, the Bank had a distribution network with 2,544 branches and 8,913 ATMs in 1,399 localities.

For the quarter ended March 31, 2012, the Bank's total income was INR 88.8 billion (Rs. 8,880 crore) as against INR 67.243 billion (Rs. 6,724.3 crore) for the quarter ended March 31, 2011. Net revenues (net interest income plus other income) were INR 48.803 billion (Rs. 4,880.3 crore) for the quarter ended March 31, 2012, as
against INR 40.952 billion (Rs. 4,095.2 crore) for the corresponding quarter of the previous year. Net Profit for the quarter ended March 31, 2012, was INR 14.531 billion (Rs. 1,453.1 crore), up by 30.4% over the corresponding quarter ended March 31, 2011.

The Bank's total balance sheet size increased by 21.8% to INR 3,379.09 billion (Rs. 337,909 crore) as of March 31, 2012. Total deposits were INR 2,467.06 billion (Rs. 246,706 crore) as of March 31, 2012.

Total income for the year ended March 31, 2012, was INR 325.3004 billion (Rs. 32,530.04 crore).

Leading Indian and international publications have recognized the bank for its performance and quality.

4.3.2 ICICI Bank Ltd.

ICICI Bank is India's second-largest bank with total assets of Rs. 4,736.47 billion (US$ 93 billion) at March 31, 2012 and profit after tax Rs. 64.65 billion (US$ 1,271 million) for the year ended March 31, 2012. The Bank has a network of 2,894 branches and 10,021 ATMs in India, and has a presence in 19 countries, including India.

ICICI Bank offers a wide range of banking products and financial services to corporate and retail customers through a variety of delivery channels and through its specialised subsidiaries in the areas of investment banking, life and non-life insurance, venture capital and asset management.

The Bank currently has subsidiaries in the United Kingdom, Russia and Canada, branches in United States, Singapore, Bahrain, Hong Kong, Sri Lanka, Qatar and Dubai International Finance Centre and representative offices in United Arab Emirates, China, South
Africa, Bangladesh, Thailand, Malaysia and Indonesia. Our UK subsidiary has established branches in Belgium and Germany.

ICICI Bank’s equity shares are listed in India on Bombay Stock Exchange and the National Stock Exchange of India Limited and its American Depositary Receipts (ADRs) are listed on the New York Stock Exchange (NYSE).

History
ICICI Bank was originally promoted in 1994 by ICICI Limited, an Indian financial institution, and was its wholly-owned subsidiary.

Board of Directors
ICICI Bank's Board members include eminent individuals with a wealth of experience in international business, management consulting, banking and financial services.

Investor Relations
All the latest, in-depth information about ICICI Bank's financial performance and business initiatives.

Career Opportunities
Explore diverse openings with India's second-largest bank.

Awards
Time and again our innovative banking services has been recognized and rewarded world over.

News Room
Catch up with ICICI Bank’s latest business and social initiatives, as well as innovative product launches.
Corporate Social Responsibility

ICICI Bank is deeply engaged in human and economic development at the national level. The Bank works closely with ICICI Foundation across diverse sectors and programs.

Accounts & Deposits

ICICI Bank has designed a gamut of accounts and deposits to cater to depositors’ unique banking needs. Add this to their extensive branch & ATM network and facilities like mobile, phone, internet and doorstep banking, and experience banking at its best.

4.4 Large Sized Urban Cooperative Banks

4.4.1 Cosmos Cooperative Bank Ltd.

Established in 1906, the Cosmos Co-operative Bank Ltd. is the second oldest bank in the country. The Bank has recently completed glorious 106 years of service successfully. It has attained multi state scheduled status in 1997. The Bank is a professionally managed 'Financial Institution', a benchmark of credibility and innovation.

Bank has nurtured its traditional values in business practices and in serving the small customers. At the same time it has adopted new technologies and advanced banking tools to add value to its services. Cosmos Bank has carved a niche in the banking sector due to its rich heritage, integrity, adherence to prudent banking practices, technology advancement, customized products and services and most of all due to its experienced, qualified and professional Board of Directors.

Setup – Financial & Geographical

Financial setup of the bank as on 31.03.2011 was Rs.15521 crore, comprising of Deposits of Rs. 9136.68 crore and Advances Rs. 6384.27 crore.
Cosmos Bank operates through 110 branches and 9 Extension Counters in India spread across 5 States and in 28 Major Cities, which are as follows:

<table>
<thead>
<tr>
<th>State</th>
<th>Branches</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maharashtra</td>
<td>Mumbai, Pune, Nagpur, Aurangabad, Nashik,</td>
</tr>
<tr>
<td></td>
<td>Baramati, Jalna, Kolhapur, Satara, Phaltan,</td>
</tr>
<tr>
<td></td>
<td>Sangli, Solapur, Bhusaval, Jalgaon, Amravati,</td>
</tr>
<tr>
<td></td>
<td>Yavatmal.</td>
</tr>
<tr>
<td>Madhya Pradesh</td>
<td>Indore.</td>
</tr>
<tr>
<td>Andhra Pradesh</td>
<td>Hyderabad, Vijaywada</td>
</tr>
<tr>
<td>Karnataka</td>
<td>Bangalore, Belgaum, Nipani.</td>
</tr>
<tr>
<td>Gujarat</td>
<td>Surat, Ahmedabad, Baroda, Ankaleshwar,</td>
</tr>
<tr>
<td></td>
<td>Rajkot, Bhuj, Gandhidham, Bhavnagar</td>
</tr>
</tbody>
</table>

**Social Obligations**

Cosmos Foundation is a public charitable trust founded under the initiative of shareholders of Cosmos Co-op Bank on 16.10.1987.

The registered office of the foundation is at 269/270, Shaniwar Peth, Pune-30.

**The main objectives of the foundation are** –

1. To give loans to Cosmos Bank members at concessional rates for pursuing higher education abroad.
2. To give medical help to members upto specified limits.
3. To felicitate the awards of members who excel in Std. X & XII examinations.
4. To promote educational spirit and to maintain, support, propagate intellectual qualities educational facilities, etc.
5. To arrange educational seminars, conferences, etc.
6. To grant relief in the event of natural calamities such as earthquakes, floods, famine.
7. The Foundation also provides outsourcing facility
8. Special arrangement as Executor & Trustee for preparation & execution of Will especially for the Senior Citizens.

Future Plans
1. Internet Banking
2. Utility Terminal

Table 4.2: Financial Performance of Cosmos Cooperative Bank Ltd. for the three years. (Rs. in crores / in %)

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Indicators</th>
<th>31/03/2010</th>
<th>31/03/2011</th>
<th>31.3.2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Deposits</td>
<td>7212.96</td>
<td>9136.68</td>
<td>12060</td>
</tr>
<tr>
<td>2</td>
<td>Advances</td>
<td>4621.66</td>
<td>6384.27</td>
<td>8510</td>
</tr>
<tr>
<td>3</td>
<td>Share Capital</td>
<td>91.92</td>
<td>121.11</td>
<td>290.94</td>
</tr>
<tr>
<td>4</td>
<td>Reserves</td>
<td>786.85</td>
<td>931.09</td>
<td>1040.08</td>
</tr>
<tr>
<td>5</td>
<td>Owned Funds</td>
<td>878.77</td>
<td>1052.20</td>
<td>1331.02</td>
</tr>
<tr>
<td>6</td>
<td>Investments</td>
<td>2943.98</td>
<td>3003.79</td>
<td>3989.22</td>
</tr>
<tr>
<td>7</td>
<td>Profit</td>
<td>55.37</td>
<td>111.13</td>
<td>137.03</td>
</tr>
<tr>
<td>8</td>
<td>Working Capital</td>
<td>8433.48</td>
<td>10599.54</td>
<td>13823.80</td>
</tr>
<tr>
<td>9</td>
<td>C.D. Ratio</td>
<td>64.07</td>
<td>69.88</td>
<td>70.56</td>
</tr>
<tr>
<td>10</td>
<td>Gross NPA Percentage</td>
<td>5.91%</td>
<td>4.77%</td>
<td>7.89</td>
</tr>
<tr>
<td>11</td>
<td>Net NPA Percentage</td>
<td>1.78%</td>
<td>1.54%</td>
<td>5</td>
</tr>
<tr>
<td>12</td>
<td>CRAR</td>
<td>12.32%</td>
<td>12.03%</td>
<td>12.56</td>
</tr>
<tr>
<td>13</td>
<td>No. Of Branches</td>
<td>96</td>
<td>106</td>
<td>110</td>
</tr>
<tr>
<td>14</td>
<td>No. Of Extension Counters</td>
<td>8</td>
<td>9</td>
<td>21</td>
</tr>
<tr>
<td>15</td>
<td>No. Of Employees</td>
<td>1994</td>
<td>2212</td>
<td>2461</td>
</tr>
<tr>
<td>16</td>
<td>No. Of Members</td>
<td>56160</td>
<td>60968</td>
<td>75520</td>
</tr>
</tbody>
</table>

Source: Bank’s website

4.4.2 Janseva Sahakari Bank Ltd.

Prior 1972 that is before the establishment of this bank Hadpsar, Mundhawa, Wanwori, Sade Sataranali, Ghorpadi area was forming rural area of Haveli Taluka. In order to make the workers financially stable there was no means to provide requisite capital input. The then Reserve Bank of India’s policies were also not conducive to establish any bank. Some time in the year 1970-71 there
was change in the Reserve Bank’s policy for establishing cooperative banks to mobilize savings and to put them to productive use of the rural and semi urban areas. It is on this back drop Janseva Bank was established in the year 1972. The bank has been formally registered on the 26th October 1972 and the actual working of the bank started from 7th November 1972, the auspicious day of Diwali Padawa. Right from the beginning the bank’s objective is to ensure that the life of the common should be prosperous and bearable.

To day the bank has enlightened Board of Directors comprising of 17 members drawn from various walks of life which take keen interest in the overall development of the bank. The board has representative from specialized field like banking, accounts, industry, agriculture and legal field. It also has two workmen representative on the Board. The Bank is headed by Shri Uddhav T. Kakirde as its Chairman and Mr. D. P. Patki is its Chief Executive Officer. The bank has a well thought of organization structure and the bank is being managed professionally. The bank is embarked upon a massive dose of technological up-gradation and has its own data centre, and has introduced number of new services to its customer which are technology oriented. The bank has its own training centre wherein the bank ensures that the operational skills of the staff are sharpened to meet the growing expectation of its customer base.

As on 31st March 2011, the bank has a network of 22 branches mostly spread over in Pune, Satara, New Bombay area. The bank has 24257 members and 350 staff members. The Bank has a paid up capital of Rs.2277.12 lakhs and reserves of Rs.8863.25 lakhs. The bank’s total deposits are Rs.931.73 crores and total advances stood at Rs.546.78 crores. The Bank’s CD ratio is 60.62% and the working capital of 1080.98 crores. The net profit of the bank as on 31.3.2011 was Rs.10.45 crores and the bank has paid 12% dividend. The bank has registered 0% Non Performing Assets. The bank has achieved
CRAR of 16.01% which is well above the prescribed level by the Reserve Bank of India.

The bank has an ambitious plan of expansion and wants to open few branches in the immediate future.

Table 4.3: Financial performance of Janaseva Sahakari Bank Ltd.
Pune

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>No Of Branches</td>
<td>18</td>
<td>19</td>
<td>19</td>
<td>21</td>
<td>22</td>
</tr>
<tr>
<td>2</td>
<td>No Of Members</td>
<td>18884</td>
<td>20968</td>
<td>21593</td>
<td>22834</td>
<td>24257</td>
</tr>
<tr>
<td>3</td>
<td>No Of Employees</td>
<td>359</td>
<td>362</td>
<td>362</td>
<td>357</td>
<td>350</td>
</tr>
<tr>
<td>4</td>
<td>Paid Up Capital</td>
<td>1211.89</td>
<td>1443.81</td>
<td>1668.63</td>
<td>1921.89</td>
<td>2277.11</td>
</tr>
<tr>
<td>5</td>
<td>Statutory and Other Reserves</td>
<td>4431.59</td>
<td>5516.21</td>
<td>6796.45</td>
<td>7976.0</td>
<td>8863.25</td>
</tr>
<tr>
<td>6</td>
<td>Deposits</td>
<td>48535.2</td>
<td>59169.44</td>
<td>66338.33</td>
<td>77397.93</td>
<td>93172.76</td>
</tr>
<tr>
<td>7</td>
<td>Loans and Advances</td>
<td>30613.82</td>
<td>37786.79</td>
<td>41224.27</td>
<td>44495.45</td>
<td>56478.96</td>
</tr>
<tr>
<td>8</td>
<td>C D Ratio</td>
<td>63.08%</td>
<td>63.86%</td>
<td>62.14%</td>
<td>57.49%</td>
<td>60.62%</td>
</tr>
<tr>
<td>9</td>
<td>Total Business</td>
<td>79149.02</td>
<td>96956.23</td>
<td>107562.6</td>
<td>121893.38</td>
<td>149651.72</td>
</tr>
<tr>
<td>10</td>
<td>Net Profit</td>
<td>502.03</td>
<td>752.47</td>
<td>832.84</td>
<td>695.29</td>
<td>1044.63</td>
</tr>
<tr>
<td>11</td>
<td>Dividend</td>
<td>11%</td>
<td>12%</td>
<td>13%</td>
<td>10%</td>
<td>Proposed</td>
</tr>
<tr>
<td>12</td>
<td>Per Employee Business</td>
<td>220.47</td>
<td>267.83</td>
<td>297.14</td>
<td>341.44</td>
<td>427.58</td>
</tr>
<tr>
<td>13</td>
<td>NPA</td>
<td>2.86%</td>
<td>1.87%</td>
<td>1.25%</td>
<td>0.76%</td>
<td>0%</td>
</tr>
<tr>
<td>14</td>
<td>CRAR</td>
<td>12.62%</td>
<td>14.67%</td>
<td>13.78%</td>
<td>14.91%</td>
<td>16.01%</td>
</tr>
</tbody>
</table>

Source: Bank’s website