### CHAPTER – 4

**ANALYSIS OF PROFITABILITY IN PUBLIC SECTOR BANK**

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CHAPTER – 4
ANALYSIS OF PROFITABILITY IN PUBLIC SECTOR BANK

4.1 Introduction Of Banks In India :

India has a well developed banking system. Most of the banks in India were founded by Indian entrepreneurs and visionaries in the Pre-independence era to provide financial assistance to traders, agriculturists and budding Indian industrialists. The Origin of banking in India can be traced back to the last decades of late 18th century. The General Bank of India and the Bank of Hindustan, which started in 1786 were the first banks in India. Both the banks are now defunct.

The largest bank, and the oldest still in existence, is the State Bank of India, which originated in the Bank of Calcutta in June 1806, which almost immediately became the Bank of Bengal. This was one of the three presidency banks, the other two being the Bank of Bombay and the Bank of Madras, all three of which were established under charters from the British East India Company. The three banks merged in 1921 to form the Imperial Bank of India, which, upon India's independence, became the State Bank of India in 1955. For many years the presidency banks acted as quasi-central banks, as did their successors, until the Reserve Bank of India was established in 1935. Reserve Bank was nationalized in 1947 and was given broader powers.

In 1969 the Indian government nationalized all the major banks that it did not already own and these have remained under government ownership. They are run under a structure know as 'profit-making public sector undertaking' (PSU) and are allowed to compete and operate as commercial banks. The Indian banking sector is made up of four types of banks, as well as the PSUs and the state banks; they have been joined since the 1990s by new private commercial banks and a number of foreign banks. Indian banks can be broadly classified into public sector banks (those banks in which the Government of India holds a stake), Private Banks (government does not have a stake in these banks; they may be publicly listed and traded on stock exchange) and foreign banks.
4.2 Public Sector Banks In India:

The Central Government entered the banking business with the nationalization of the Imperial Bank of India in 1955. A 60% stake was taken by the Reserve Bank of India and the new bank was named as the State Bank of India. The seven other state banks became the subsidiaries of the new bank when nationalized with deposits over 200 crores on 19 July 1960. These subsidiaries of SBI were State Bank of Bikaner and Jaipur (SBBJ), State Bank of Hyderabad (SBH), State Bank of Indore (SBIR), State Bank of Mysore (SBM), State Bank of Patiala (SBP), State Bank of Saurashtra (SBS) and State Bank of Travancore (SBT).

However, the major nationalization of banks happened in 1969 by the then – Prime Minister Indira Gandhi. The major objective behind nationalization was to spread banking infrastructure in rural areas and make cheap finance available to Indian farmers. The nationalized 14 major commercial banks were Allahabad Bank, Andhra Bank, Bank of Baroda, Bank of India, Corporation Bank, Dena Bank, Indian Bank, Indian Overseas Bank, Oriental Bank of Commerce (OBC), Punjab and Sind Bank, Punjab National Bank (PNB), Syndicate Bank, UCO Bank, Union Bank of India, United Bank of India, Union Bank of India (UBI), and Vijaya Bank. The total deposits in the banks nationalized in 1969 amounted to 50 crores. This move increased the presence of nationalized banks in India, with 84% of the total branches coming under government control.

The next round of nationalization took place in April 1980. The government nationalized six banks. The total deposits of these banks amounted to around 200 crores. This move led to a further increase in the number of branches in the market, increasing to 91% of the total branch network of the country. The objectives behind nationalization where:

To break the ownership and control of banks by a few business families,

- To prevent the concentration of wealth and economic power,
- To mobilize savings from masses from all parts of the country,
- To cater to the needs of the priority sectors.....

Public sector banks before the economic liberalization:

The share of the banking sector held by the public banks continued to grow through the 1980s, and by 1991 the public sector banks accounted for 90% of the banking sector. A year later, in March, 1992, the combined total of branches held by public sector banks was 60,646 across India, and deposits accounted for Rs. 1,10,000 crores. The majority of these banks were profitable, with only one out of the 27 public sector banks reporting a loss.
Problems with nationalized banks were reporting a combined loss of Rs. 1160 crores. However, the early 2000s saw a reversal of this trend, such that in 2002-03 a profit of Rs. 7780 crores by the public sector banks: a trend that continued throughout the decade, with a Rs. 16856 crores profits in 2008-2009.

4.2.1 Bank of Baroda:

Bank of Baroda (BoB) is an Indian state-owned banking and financial services company headquartered in Vadodara (earlier known as Baroda) in Gujarat, India. It offers a range of banking products and financial services to corporate and retail customers through its branches and through its specialized subsidiaries and affiliates in the areas of retail banking, investment banking, credit cards, and asset management. During the FY 2012-13, its total global business was ₹8,021 billion, making it the second largest bank in India after State Bank of India. In addition to its headquarters in its home state of Gujarat, it has a corporate headquarters in the Bandra Kurla Complex in Mumbai.

Based on 2012 data, it is ranked 715 on Forbes Global 2000 list. BoB has total assets in excess of ₹3.58 trillion (short scale), ₹3,583 billion (long scale), a network of 4283 branches (out of which 4172 branches are in India) and offices, and over 2000 ATMs.

The bank was founded by the Maharaja of Baroda, H. H. Sir Sayajirao Gaekwad III on 20 July 1908 in the Princely State of Baroda, in Gujarat. The bank, along with 13 other major commercial banks of India, was nationalized on 19 July 1969, by the Government of India and has been designated as a profit-making public sector undertaking (PSU).

Bank of Baroda is one of the Big Four banks of India, along with State Bank of India, ICICI Bank and Punjab National Bank

➢ History:

In 1908, Maharaja Sayajirao Gaekwad III, one of the knights of the Maratha Kingdom, set up the Bank of Baroda (BoB) with other stalwarts of industry such as Sampatrao Gaekwad, Ralph Whitenack, Vithaldas Thakersey, Tulsiadas Kilachand and N. M. Chokshi. Two years later, BoB established its first branch in Ahmedabad. The bank grew domestically, until after World War II. Then in 1953 it crossed the Indian Ocean to serve the communities of Indians in Kenya and Indians in
Uganda by establishing a branch each in Mombasa and Kampala. The next year it opened a second branch in Kenya, in Nairobi, and in 1956 it opened a branch in Dar-e-Salaam. Then in 1957 BoB took a giant step abroad by establishing a branch in London. London was the center of the British Commonwealth and the most important international banking center. 1959 saw BoB complete its first domestic acquisition when it took over Hind Bank.

In 1961, BoB merged in New Citizen Bank of India. This merger helped it increase its branch network in Maharashtra. BoB also opened a branch in Fiji. The next year it opened a branch in Mauritius. In 1963, BoB acquired Surat Banking Corporation in Surat, Gujarat. The next year BoB acquired two banks: Umbergaon People’s Bank in southern Gujarat and Tamilnadu Central Bank in Tamilnadu state. In 1965, BoB opened a branch in Guyana. That same year BoB lost its branch in Narayanjanj (East Pakistan) due to the Indo-Pakistani War of 1965. It is unclear when BoB had opened the branch. In 1967 it suffered a second loss of branches when the Tanzanian government nationalized BoB’s three branches there (Dar-e-Salaam, Mwanga, and Moshi), and transferred their operations to the Tanzanian government-owned National Banking Corporation. In 1969 the Indian government nationalized 14 top banks, including BoB. BoB incorporated its operations in Uganda as a 51% subsidiary, with the government owning the rest.

In 1972, BoB acquired Bank of India’s operations in Uganda. Two years later, BoB opened a branch each in Dubai and . Back in India, in 1975, BoB acquired the majority shareholding and management control of Bareilly Corporation Bank (est. 1928) and Nainital Bank (est. in 1954), both in Uttar Pradesh. Since then, Nainital Bank has expanded to Uttarakhand state. International expansion continued in 1976 with the opening of a branch in Oman and another in Brussels. The Brussels branch was aimed at Indian firms from Mumbai (Bombay) engaged in diamond cutting and jewellery having business in Antwerp, a major center for diamond. Two years later, BoB opened a branch in New York and another in the Seychelles. Then in 1979, BoB opened a branch in Nassau, the Bahamas.

In 1980, BoB opened a branch in Bahrain and a representative office in Sydney, Australia. BoB, Union Bank of India and Bank established IUB International Finance, a licensed deposit taker, in Hong Kong. Each of the three banks took an equal share. Eventually (in 1998), BoB would buy out its partners.
A second consortium or joint-venture bank followed in 1985. BoB (20%), Bank of India (20%), Central Bank of India (20%) and ZIMCO (Zambian government; 40%) established Indo-Zambia Bank in Lusaka. That same year BoB also opened an Offshore Banking Unit (OBU) in Bahrain. Back in India, in 1988, BoB acquired Traders Bank, which had a network of 34 branches in Delhi.

In 1990, BoB opened an OBU in Mauritius, but closed its representative office in Sydney. The next year BoB took over the London branches of Union Bank of India and Punjab & Sind Bank (P&S). P&S’s branch had been established before 1970 and Union Bank’s after 1980. The Reserve Bank of India ordered the takeover of the two following the banks’ involvement in the Sethia fraud in 1987 and subsequent losses. Then in 1992 BoB incorporated its operations in Kenya into a local subsidiary with a small tranche of shares quoted on the Nairobi Stock Exchange. The next year, BoB closed its OBU in Bahrain. In 1996, BoB Bank entered the capital market in December with an Initial Public Offering (IPO). The Government of India is still the largest shareholder, owning 66% of the bank’s equity. In 1997, BoB opened a branch in Durban. The next year BoB bought out its partners in IUB International Finance in Hong Kong. Apparently this was a response to regulatory changes following Hong Kong’s reversion to the People’s Republic of China. The now wholly owned subsidiary became Bank of Baroda (Hong Kong), a restricted license bank. BoB also acquired Punjab Cooperative Bank in a rescue. BoB incorporated wholly owned subsidiary BOB Capital Markets Ltd. for broking business. 1999, BoB merged in Bareilly Corporation Bank in another rescue. At the time, Bareilly had 64 branches, including four in Delhi. In Guyana, BoB incorporated its branch as a subsidiary, Bank of Baroda Guyana. BoB added a branch in Mauritius and closed its Harrow Branch in London.

In 2000, BoB established Bank of Baroda in Botswana. In 2001, BoB acquired Benares State Bank (BSB) at the Reserve Bank of India’s request. BSB was established in 1946 but traced its origins back to 1871 and its function as the treasury office of the Benares state. In 1964, BSB had acquired Bareilly Bank (est. 1934), with seven branches; it also had taken over Lucknow Bank in 1968. The acquisition of BSB brought BoB 105 new branches. In 2002, Bank of Baroda (Uganda) was listed on the Uganda Securities Exchange (USE). In 2003, BoB opened an OBU in Mumbai. In 2004, BoB acquired the failed Gujarat Local Area Bank, and returned to Tanzania by establishing a subsidiary in Dar-e-Salaam. BoB also opened a representative office each in Kuala Lumpur, Malaysia, and Guangdong, China. In 2005, BoB built a Global Data Centre (DC) in Mumbai for running its centralized banking solution (CBS) and other applications in more than 1,900 branches across India and 20 other counties where the bank operates. BoB also opened a representative office in Thailand. In 2006 BoB
established an Offshore Banking Unit (OBU) in Singapore. In 2007, in its centenary year, BoB’s total business crossed 2.09 trillion (short scale), its branches crossed 2000, and its global customer base 29 million people. In 2008, BoB opened a branch in Guangzhou, China (02/08/2008) and in Kenton, Harrow United Kingdom. BoB opened a joint venture life insurance company with Andhra Bank and Legal and General (UK) called India First Life Insurance Company.

In 2010, Malaysia awarded a commercial banking license to a locally incorporated bank to be jointly owned by Bank of Baroda, Indian Overseas Bank and Andhra Bank. That same year, BoB also opened a branch in New Zealand. In 2011, BoB opened an Electronic Banking Service Unit (EBSU) was opened at HaMr.iya Free Zone, Sharjah (UAE). It also opened four new branches in existing operations in Uganda, Kenya (2), and Guyana. BoB closed its representative office in Malaysia in anticipation of the opening of its consortium bank there. BoB received ‘In Principle’ approval for the upgrading of its representative office in Australia to a branch. The Malaysian consortium bank, India International Bank Malaysia (IIBM), finally opened in Kuala Lumpur, which has a large population of Indians. BOB owns 40%, Andhra Bank owns 25%, and IOB the remaining 35% of the share capital. IIBM seeks to open five branches within its first year of operations in Malaysia, and intends to grow to 15 branches within the next three years.

➤ **Subsidiaries:**

BOB Capital Markets (BOBCAPS) is a SEBI-registered investment banking company based in Mumbai, Maharashtra. It is a wholly owned subsidiary of Bank of Baroda. Its financial services portfolio includes initial public offerings, private placement of debts, corporate restructuring, business valuation, mergers and acquisition, project appraisal, loan syndication, institutional equity research, and brokerage.

➤ **International presence:**

In its international expansion, the Bank of Baroda followed the Indian Diaspora, especially that of Gujarati’s. The Bank has 101 branches/offices in 24 countries including 61 branches/offices of the bank, 38 branches of its 8 subsidiaries and 1 representative office in Thailand. The Bank of Baroda has a joint venture in Zambia with 16 branches.
Among the Bank of Baroda’s overseas branches are ones in the world’s major financial centers (e.g., New York, London, Dubai, Hong Kong, Brussels and Singapore), as well as a number in other countries. The bank is engaged in retail banking via the branches of subsidiaries in Botswana, Guyana, Kenya, Tanzania, and Uganda. The bank plans has recently upgraded its representative office in Australia to a branch and set up a joint venture commercial bank in Malaysia. It has a large presence in Mauritius with about nine branches spread out in the country.

The Bank of Baroda has received permission or in-principle approval from host country regulators to open new offices in Trinidad and Tobago and Ghana, where it seeks to establish joint ventures or subsidiaries. The bank has received Reserve Bank of India approval to open offices in the Maldives, and New Zealand. It is seeking approval for operations in Bahrain, South Africa, Kuwait, Mozambique, and Qatar, and is establishing offices in Canada, New Zealand, Sri Lanka, Bahrain, Saudi Arabia, and Russia. It also has plans to extend its existing operations in the United Kingdom, the United Arab Emirates, and Botswana. The tagline of Bank of Baroda is "India's International Bank".

➢ **Affiliates:**

India’s First Life Insurance Company is a joint venture between Bank of Baroda (44%) and fellow Indian state-owned bank Andhra Bank (30%), and UK’s financial and investment company Legal & General (26%). It was incorporated in November, 2009 and has its headquarters in Mumbai. The company started strongly, achieving a turnover in excess of ₹2 billion in its first four and half months.

➢ **Baroda Manipal postgraduate diploma in banking and finance:**

Bank of Baroda and Manipal University have established the Baroda Manipal School of Banking, which offers a Postgraduate Diploma in Banking & Finance (PGDBF) from Manipal University. The duration of the course is just one year, after which, successful graduates will join Bank of Baroda as management trainees.

**Bank of Baroda financials 2012**

- Sales ₹24,695 crores
- Profits ₹5,006 crores
- Assets ₹3,58,397 crores
4.2.2 IDBI Bank Ltd.:

IDBI Bank Limited (IDBI) is an Indian financial service company headquartered in Mumbai, India. RBI has categorized IDBI as an "other public sector bank". It was established in 1964 by an Act of Parliament to provide credit and other facilities for the development of the fledgling Indian industry.

It is currently 10th largest development bank in the world in terms of reach with 1945 ATMs, 1159 branches including one overseas branch at DIFC, Dubai and 779 centers including two overseas centers at Singapore & Beijing. IDBI Bank is on a par with nationalized banks and the SBI Group as far as government ownership is concerned. It is one among the 26 commercial banks owned by the Government of India. The Bank has an aggregate balance sheet size of INR 3.2 trillion as on 31 March 2013.

➢ History:

In 1964, The Company was incorporated on 1st July, at Mumbai. The Bank was established as a wholly owned subsidiary of the Reserve Bank of India on 1st July, under a special statute, viz., Industrial Development Bank of India Act. In 1965, with effect from 1st April, the Bank introduced a scheme for rediscounting usance bills/promissory notes arising out of sale of indigenous machinery on deferred payment basis. IDBI Bank decided to supplement its refinance operations with a measure of risk-sharing with other institutions on a systematic basis and introduced a participation scheme for this purpose, with effect from 1st April, 1966. The Development Assistance Fund was established on 27th March, in terms of Notification dated 16th March, issued by the Government of India.

In 1972, The IDBI took initiative in establishing a technical consultancy service centre at the State level in Kerala in February called the Kerala Industrial and Technical Consultancy Organization and contributed 51% to its paid-up capital of Rs 2 lakhs. In 1973, North Eastern Industrial and Technical Consultancy Organization, Ltd. (NEITCO), was sponsored by the IDBI in May. Another technical consultancy organization, viz., Bihar Industrial and Technical Consultancy Organization, Ltd. (BITCO), was set up. Refinance facilities are provided to eligible banks, which are authorized dealers in foreign exchange, against medium-term export credits granted to exporters in the private sector, who are manufacturers, recognized export houses or other exporters of standing. The Bank as an apex institution has also been vested with
the responsibility of strengthening the resources position of the term financing institutions with a view to enabling them to expand and diversify their activities. The Bank received various lines of credit from IDA/World Bank from time to time beginning from the year in US Dollars. In 1976, With a view to promoting fuller utilization of capacity, technological upgradation and export development, the Government of India established in March, the Technical Development Fund (TDF). Two Seed Capital Assistance Schemes were introduced by IDBI during the year viz. (I) SFC's Special Share Capital Scheme and (II) IDBI's own scheme. In 1977, IDBI introduced in January, at the instance of the Government of India, a scheme for providing rupee assistance, to industrial units receiving import licenses*, under the TDF. IDBI, apart from giving resource support for setting up of IFCI, UTI and SFCs, helped in establishing Shipping Credit and Investment Corporation of India, Ltd., Stock Holding Corporation of India Ltd., Securities and Exchange Board of India, Discount and Finance House of India, Ltd., Tourism Finance Corporation of India Ltd., Over The Counter (OTC) Exchange of India, Biotech Consortium India Ltd., and Indian Investment Management Company Ltd. In 1982, IDBI issued 55,00,000 shares. In 1983, 130,00,000 shares issued. In 1984, IDBI introduced equipment finance scheme in September.

In 1985, a new scheme known as Equipment Refinance Scheme was introduced with effect from July 1st. The Bank introduced a new scheme called the Foreign Currency Refinance scheme. Under this Scheme, the Bank would extend foreign currency refinance facility to SIDCs/SIICs under the Bank's Normal Refinance Scheme. A new scheme known as Equipment Refinance Scheme was introduced with effect from July 1st. The Bank introduced a new scheme called the Foreign Currency Refinance scheme. Under this Scheme, the Bank would extend foreign currency refinance facility to SIDCs/SIICs under the Bank's Normal Refinance Scheme. A special scheme of assistance for installing in-house quality testing facilities was introduced under SIDF. Presently, this scheme is being operated by SIDBI. In 1986, Small industries development fund was set up in May to pay concentrated attention to the provision of financial and non-financial inputs to the small scale sector.

In 1987, 20,00,000 shares issued. The National Equity Fund Scheme was introduced in August for providing equity type support to new tiny and small scale industrial units which are engaged in manufacturing activities and also for rehabilitation of potentially viable sick SSI units. In 1988, IDBI issued 45,00,000 shares. In 1991, with effect from 1st April, DAF was merged with the General Fund. The Bank's resources can be augmented through issue of bonds and debentures with or without Government guarantee. IDBI introduced 3-year 9% capital for sale to the public in the domestic market. 66,00,000 shares has been issued by IDBI. In 1992, The
Bank issued unsecured bonds for a minimum aggregate amount of Rs 300 crores as follows: Deep Discount Bond had a face value of Rs. 1,00,000 was issued at a deeply discounted price of Rs 2,700 with a maturity period of 25 years from the date of allotment, Double Option Bond had a face value of Rs 5,000 bears an interest of 15% payable at the end of 10th year on redemption with a premium of Rs 250 per bond. Part a of Rs 5,000 and Part B of Rs 16,500 are tradable separately on Stock Exchanges at Ahmedabad Mumbai, Bangalore, Calcutta, Delhi and Mumbai and Regular Return Bond had a face value of Rs 5,000 where interest on principal sum is payable half-yearly. These bonds are redeemable at a premium of 5% at the end of 10 years from the date of allotment. The bank entered the area of merchant banking to provide professional advice and services to industry for raising resources from capital market, acquisition of assets on lease and mergers/take-over of existing units. The Bank set up a foreign exchange dealing room to deal with all foreign exchange transactions. The bank had set up Investor Services of India Ltd. with a view to providing registrar and transfer services based on high technology system. - In order to provide wider range of direct finance to meet the specific requirements of clients, the bank introduced new products such as Asset Credit and Equipment Finance. Also introduce equipment leasing to meet the increasing demand for such services.50,00,000 shares issued by IDBI.

In 1993, Authorized Capital reclassified. Equity Shares sub-divided. 25, 30,00,000 Pref. shares issued. Under Section 4 of IDBI Act, 1964, Government of India by the notification in Official Gazette date 16.11.1994 converted 25,30,00,000 No. of equity shares into Preference shares. In 1994, The Bank obtained the membership of National Stock Exchange. IDBI Bank Ltd. promoted and incorporated in September as a commercial bank with an authorized capital of Rs. 500. The Bank had set up a Mutual Fund as a trust with a view to offering innovative investment products to investors backed by high quality servicing. 17,30,93,300 shares allotted to public. In 1995, 17 new ventures were sanctioned. The beneficiary industries were electronics, industrial automation, industrial products and machinery, computer software etc. The bank entered into an Umbrella Grant Agreement with the World Bank for US $ 50 million aimed at phasing out use of ozone Depleting Substances in industry as part of ongoing efforts to reduce environmental degradation. Loan was approved by the World Bank as part of the financial sector development of select commercial banks underwrite, the bank acts as pass through Agent. The Bank offered 16,80,00,000 No. of Equity shares of Rs 10 each to Public at a premium of Rs 120 each along with 1,44,20,000 No. of equity shares of Rs 10 each at a price of Rs 130 per share was offered for sale by Government of India. Out of the above 3,36,00,000 shares offered to UTI, Exim Bank and IRBI. 5,80,000 shares offered to employees, 10,02,20,000 shares were offered to public along with 19,78,000 shares not taken up in various categories (all were taken up along with unsubscribed portion of shares offered to other categories).
In 1997, The Bank accepted 68 debenture trusteeship assignments in respect of bonds and debentures aggregating to Rs 2,743 crores. IDBI became the first financial institution to apply NSDL as DP.

IDBI has signed an agreement with National Securities Depository Ltd (NSDL) to get its equity shares admitted for dematerialization. IDBI has signed a $50-million bilateral seven-year loan facility arranged by Asahi Finance Ltd with Asahi Bank Ltd, Hong Kong as the lender. The Reserve Bank of India has shot down the IDBI’s proposal to privately place equity shares of its subsidiary, IDBI Bank, with the shareholders of the financial institution. The largest financial institution of the country IDBI has merged its foreign exchange and domestic treasury operations following rapid deregulation of the money and foreign exchange markets in the country. The 500 MW Pench thermal power project, promoted by Pench Power Ltd, has tied up its financing arrangement with IDBI. The IDBI has signed a $150 million line of credit with the Export-Import Bank of Japan (EXIM-J) at Tokyo. IDBI is set to become the first all-India financial institution to float capital gains bonds. In 1998, The Industrial Development Bank of India (IDBI) has commissioned a study on the country's debt market. The IDBI has tied up a $150 million line of credit with the Export-Import Bank of Japan for financing Indo-Japanese joint venture projects in India. The IDBI is set to enter the capital market with a public issue of four crores shares with a face value of Rs 40 crores. IDBI has tied the knot with US based $75.9 billion Principal Financial Group for management of provident & pension funds in the country. The Industrial Development Bank of India has tied up with 8 commercial banks for extension of loans against its Flexi bonds V issue slated to be launched from December 21.

IDBI Bank has entered into a strategic alliance with leading travel and financial service company American Express Bank. The Industrial Development Bank of India would enter the capital market with a public issue of four crores shares with a face value of Rs 40 crores. IDBI may tie the knot with US based $75.9 billion Principal Financial Group for management of provident & pension funds in the country. The Industrial Development Bank of India has tied up with 8 commercial banks for extension of loans against its Flexi bonds V issue slated to be launched from December 21.

In 1999, IDBI Bank Ltd, came out with a maiden public offering of four crores equity shares of Rs 10 each at a premium of Rs 8 per share aggregating Rs 72 crores, said four Lacs shares were reserved for its employees and another 40 Lacs shares were reserved for IDBI's equity holders on a competitive basis. The issue will close on February 16, 1999. The shares are proposed to be listed on BSE, NSE, and the Indore Stock Exchange. IDBI Bank, promoted by two premier financial institutions -
Industrial Development Bank of India (IDBI) and Small Industries Development Corporation of India (SIDBI) - is coming out with a public issue of 40 million equity shares of Rs.10 each at a premium of Rs.8 per share aggregating Rs.72 crores. THE IDBI is all set to launch the sixth issue of Flexi bonds, from February 22 to mobilize Rs. 1,500 crores, inclusive of a green shoe option of Rs. 750 crores.

American Express Bank (Amex) has entered into a strategic alliance with IDBI Bank for its personal financial services (PFS) division to jointly explore the development of products such as smart card and debit card, and market complementary products and services to customers of both the banks. The Board for Industrial and Financial Reconstruction (BIFR) has declared ATV Projects a sick company and appointed IDBI as operating agency (OA) for preparing the rehabilitation package for the company. IDBI has succeeded in entering into one-time settlement for 77 cases for fiscal year 1998-99 as compared to 45 cases in the previous year. - The IDBI has decided to enter the market for the first time this fiscal to borrow Rs 1500 crores through its Flexi bond-VII issue. A Memorandum of Understanding (MoU) between IDBI and Principal Financial Group was signed in Mumbai.

In 2000, The Company proposal for the forfeiture of 3,03,100 No. of equity shares of Rs. 10/- each for non-payment of allotment money. - The Bank has been made the nodal agency for disbursing the Montreal Protocol-approved $80 million compensation package to four Indian companies, including SRF Ltd., and Gujarat Fluorocarbons. IDBI and CIDC would set up a joint working group to chalk out modalities for lending to the construction industry and risk assessment of the business. The Company has proposed to undertake a capital restructuring exercise to reduce the Government stake to 51 per cent through an American Depository Share issue. IDIB Principal Asset Management Company, the 50:50 joint ventures between Industrial Development Bank of India and Principal Financial Group-USA, has brought about several changes in its top management. The company is launching a special deposit scheme- IDBI Suvidha - to mop-up Rs 2,200 crores worth of outflow on account of premature redemption of the discount bonds issued five years back. Crisil has assigned the highest safety rating of ‘AAA’ to various bonds issue of the company. IDBI has become the first all-India financial institution to qualify for the ISO 9002 certification for its treasury operations. Industrial Development Bank of India and the Export-Import bank of the United States have signed an memorandum of understanding for financing in the amount of $300 million to support import of US-sourced goods for Indian borrowers. Hughes Tele.com (India) has tied up an Rs 250-crores loan with the Industrial Development Bank of India. The Industrial and Development Bank of India has sold 36,500 No. of equity shares of Pan Foods Ltd. to the promoters at a price of Rs
Industrial Development Bank of India (IDBI), one of the country's leading financial institutions, launched a novel investment concept of asset allocation "future goals" in a 50:50 joint venture with the US-based principal financial group. IDBI has appointed I-Flex Solutions Ltd, the information technology arm of Citibank, to implement an integrated banking solutions package in a phased manner over 12-18 months.

Industrial Development Bank of India has set up two internal task forces, one to explore opportunities to enter the insurance sector, while the other to lead IDBI Intec, a newly formed IT subsidiary. Industrial Development Bank of India is considering hiving off its venture capital scheme as a separate company before the end of the year.

18,074,300 partly paid up equity shares of face value of Rs 10/- each were forfeited on August 25. Consequently, (i) the aggregate face value of Rs 180,743,000 has been reduced from the Subscribed and Paid up equity capital, (ii) allotment money in Arrears of Rs 135,557,250 has been written down fully and (iii) Forfeited shares account has been credited by Rs 45,185,750 being the amount actually paid up on the forfeited shares. The Bank is re-entering the retail market after about eight months, with its Flexibonds-9 issue. The Company proposes to exercise the call option and redeem Easy Exit Bond and Regular Income Bond at face value plus interest accrued and outstanding at the end of 5 years from the date of allotment, i.e. March 18, 2001.

IDBI issued bonus equity shares in the ratio of 3:5 that is, three bonus shares for every five equity shares held.

In 2001, India Post and Industrial Development Bank of India (IDBI) Principal Asset Management Company have entered into a joint partnership to make available current and future investment opportunities through post offices across India. The Industrial Development Bank of India and Morgan Guaranty Trust Company of New York have entered into a long-term rupee interest rate swap. The Industrial Development Bank of India has launched a new company - "IDBI Trusteeship Services Ltd." for carrying out trusteeships and other related business. Industrial Development Bank of India has formed a new company -- IDBI Trusteeship Services Ltd. for carrying out trusteeship and related businesses. IDBI has sold 1,40,845 No. of equity shares for Rs 15 each of Pennar Profiles to P Udaya Bhaskara Reddy, a strategic investor, as part of the arrangements entered into by the promoters of Pennar Profiles with IDBI. The Bank has launched a non-convertible debentures issue to raise at least Rs 500 crores. The Government has re-appointed Mr. S.K. Chakraborty as the acting Chairman and Managing Director of Industrial Development Bank of India (IDBI). Mr. Chakraborty has been given an extension of three months beginning May 1 or till a regular CMD is appointed. Credit Rating and Information Services of
India Ltd (Crisil) has downgraded the outstanding bond issues and the certificate of deposit program of the Industrial Development Bank of India. Industrial Development Bank of India has picked up over 30 per cent equity stake in a Chennai-based high-end animation and motion graphics company, MUV Technologies, by investing Rs 2.7 crores.

MUV Technologies, which has already set up the studio, is engaged in the development, production and creation of high concept, professional computer animation, visual effects and motion graphics. The Credit Rating Information Services of India Ltd (Crisil) has assigned a rating of ‘AA+’, indicating high safety to the Industrial Development Bank of India’s (IDBI) Rs 2,500-crores ‘Flexi bonds’ and Rs 6,343 crores ‘Omni bonds’ program. IDBI bank has plans to open over 200 ATMs soon in a bid to expand its operations in India and thus position itself to become a fast growing entity. The Finance Ministry did a last-minute volte face on July 30, asking Mr. S.K. Kapur to temporarily head the Industrial Development Bank of India (IDBI). This is the fourth time that the Ministry has hesitated from appointing a full-time Chairman for the top term-lender. In 2001, India's largest term lender Industrial Development Bank of India raised Rs 55 crores ($11.68 million) through a private placement of 90-day commercial paper, debt dealers said. In 2002, Industrial Development Bank of India has informed that Mr. T. M. Nagarajan has been appointed as Whole Time Director (designated as Deputy Managing Director) of IDBI for the period from the date of taking charge and up to September 30, 2002. Industrial Development Bank of India has informed that Govt. of India, vide notification dated July 19, 2002 has appointed Shri D. C. Gupta, Secretary Financial Sector, Ministry of Finance, Dept of Economic Affairs as a Director on the Board of Industrial Development Bank of India w.e.f. July 19, 2002. Industrial Development Bank of India has informed BSE that the shareholders other than Central Government have elected the following three Directors in the AGM held on August 02, 2002.

Mr. Ravi Veera Gupta, Mr. Manohar Gopal Bhide, Mr. Jamshed J. Irani appointed as the lead manager to the 1000 MW Maithon Power Company. Board accords in-principal approval for group’s entry into non-life/reinsurance broking business receives from the Asian Development Bank a line of credit worth $100 million. Slashes interest rates on Flexibonds by 25 basis points. Gives revamping package for Natco Pharma Ltd. Enters domestic market with Omni bonds worth Rs 250 crores sets up a body of Rs 100 crores exclusively for providing support to the film industry. Promoters of Visaka Industries Ltd buy-back 4,63,858 equity shares of face value Rs.10/- each held by Industrial Development Bank of India at a price of Rs.23/- per share. ICRA assigns downward rating to IDBI long-term program. FIIs, banks
given more power to recover NPAs through Asset Reconstruction Ordinance. Comes out with the issue of Flexibonds-14 with four bonds on July 26 to collect a total of Rs. 200 crores. Refuses to accept GE-Bechtel offer to restart Dabhol Power Company (DPC). Mops up Rs 337 crores by securitizing loans to three firms. Buys back Float Rate Notes of $250 Million. Hits market with 9.4% interest for five-year retail bonds. Reports drop in non-performing assets (NPAs) at Rs 1,300 crores. Raises Rs 415 crores through Flexibonds-15. Government gives nod for the restructuring package for the company by repealing the IDBI Act and facilitating the conversion of the development financial institution into a stand-alone bank. Endorses proposal to purchase DPC power at Rs 2.80/unit. Reduces Flexibonds interest rate by 25-85 basis points. Sells 2,98,174 fully paid equity shares of Rs 10/- each of InfoTech Enterprises, reduces the holding in the company to 4.51%.

In 2003, Refunds $100,000 deposit amount to DPC bidders with a view to sell assets of DPC. IDBI board Okays 50 % Asset Management Company (AMC) stake sell off to Principal Financial Group of the USA. Offloads 25 Lakes Discount and Finance House of India (DFHI) equity shares to State Bank of India (SBI). Seizes salt refinery of Ganesh Benzoplast under Securitization Act. Centre permits IDBI to reissue Statutory Liquidity Ratio (SLR) bonds. Divests its 50% stake in AMC & Trustee Company in favor of Principal Financial Group of the USA for Rs 94 crores. Takes possession on the second resort of Suman Motels Ltd. under the Securitization Act. Modifies its financing pattern for films by doing away with profit-sharing or overflow, and the completion bond guarantee. Acquires entire stake of Tata Finance Ltd. in Tata Home finance Ltd. for Rs 49.98 crores, enters housing finance sector. Offloads its stake in Gujarat Borosil Ltd. to Vulcan Exports Ltd. sells 7.56 crores shares in Mangalore Refinery & Petrochemicals Ltd. (MR.PL) to Oil & Natural Gas Corporation Ltd. (ONGC). Signs a formal subscription Agreement on July 7, 2003 with Nepal Development Bank Ltd. (NDBL), a private sector development bank in Nepal. Buys 10% stake in NDBL. Acquires the knit processing unit of Suditi Industries Ltd on July 4 which is situated close to Navi Mumbai under the Securitization Act. Sues Spectrum Power Generation Limited (SPGL) for allotment of shares worth Rs 23.25 crores in SPGL. J. K. Corp allots 26, 53,500 shares to IDBI by way of conversion of part of rupee term loans into equity shares of the company under restructuring scheme. IDBI, IFCI ink deal to launch SLR bonds. Lok Sabha introduces IDBI (Transfer of Undertaking and Repeal) Bill, 2002 on August 14 which will pave the way for the transformation of the institution into a bank. Acquires CMM Studios under Securitization Act. Appointed P. P. Vora, chairman and managing director, IDBI, as the chairman of its new housing finance arm. IDBI Home Finance mops up $20 million through external commercial borrowings. -Clears restructuring package for Stone India Ltd. IDBI Home Finance reduces home loan rates up to 150 basis points. Ties up with
Andhra Bank to sell Government of India (GOI) saving bonds. Acquires 1,62,87,668 shares amounting to 5.51% of the total paid up capital of Recron Synthetics Ltd. UTI Chairman & Managing Director (CMD) Mr. M. Damodaran takes charge as CMD of IDBI and holds concurrent charge from October 1 as part of an interim arrangement. Mr. P. P. Vora has withdrawn from the board of IDBI Bank w.e.f. November 4, 2003. Further, Industrial Development Bank of India (IDBI) has notified nomination of Mr. M. Damodaran, CMD, and IDBI as its nominee director on the Board of the bank w.e.f. November 4, 2003 in place of Mr. P. P. Vora. Lok Sabha clears Industrial Development Bank (transfer of undertaking & repeal) Bill of 2002.

In 2004, IDBI rejoins debt borrowing program. IDBI gets a bonanza out of IFCI-PNB amalgamation. Industrial Development Bank of India (IDBI) has informed that the Government of India, Ministry of Finance vide notification dated February 4, 2004 states that in super session to the notification dated September 29, 2003 and consequent upon the approval of the Appointment Committee of the Cabinet, it has decided to entrust the additional charge of the post of Chairman and Managing Director (CMD), IDBI to Shri M. Damodaran, Chairman, Unit Trust of India W.e.f. October 1, 2003 to March 31, 2004. Standard & Poor's (S&P) Ratings Services on February 19 assigned Industrial Development Bank of India's (IDBI) proposed $300 million senior unsecured notes a 'BB' rating. An obligation rated "BB" is less vulnerable to non-payments and other speculative issues. However, it faces major ongoing uncertainties or exposures to adverse business, financial or economic conditions, which could lead to obligor’s inadequate capacity to meet its financial commitments on the obligation. Industrial Development Bank of India [IDBI] has acquired 17,60,000 shares amounting to 12.11% of the total paid up capital of Soma Textiles Limited. The promoters of Eastern Threads Ltd (ETL) have purchased 4 Lacs equity shares of face value of Rs 10 each of ETL, from Industrial Development Bank of India, at a price of Re 1 per share. The transaction constituted over one per cent of the paid up capital of the ETL. IDBI acquires 46 Lacs shares of Mysore Cements. Mr. Damodaran has been appointed CMD at IDBI with effect from June 1, 2004 till May 31, 2007. IDBI - Launch of sixth branch of IDBI Omni bonds (2004-2005).

In 2005, Industrial Development Bank of India Ltd (IDBI) has informed that the Public Issue of IDBI Flexibonds - 23, which was opened for subscription on March 21, 2005 has been closed on March 29, 2005. IDBI enters into CO-Financing tie-up with SIDBI.
In 2006, IDBI signs MoU with Fortis. IDBI bags "IT Team of the Year Award 2005". IDBI sets up new branch in Andheri, Mumbai. IDBI - Tripartite MOU with Federal Bank & Forties Insurance International. IDBI bags Asia money's "Best India Deal of the Year Award 2005. IDBI Launches No Frills 'Sabka' Savings Bank Account. In 2007, Industrial Development Bank Of India Limited has informed that as per provisions of Article 134 to 138 of the Articles of Association of IDBI Ltd., read with Sections 255 and 256 of the Companies Act, 1956, the shareholders have re-appointed the following two directors after retirement by rotation on the Board of Directors of IDBI Ltd. in the 3rd Annual General Meeting of IDBI Ltd. held on June 22, 2007. IDBI Wins Three Awards at the ABCI. IDBI signs MOU with IFC for cooperation in Clean Development Mechanism (CDM) Projects. IDBI, Federal Bank and Fortis Sign Joint Venture Agreement To Establish A New Life Insurance Company In India. IDBI Launches new 600 days ‘Suvidha plus’ FD Scheme. In 2008, Industrial Development Bank Of India Limited has submitted to a copy of the Resolution passed by the Board by circulation on March 12, 2008 in respect of change of name of the Bank to "IDBI Bank Limited" by passing a Special Resolution through Postal Ballot in terms of Section 192A of the Companies Act. In 2009, IDBI Bank has slashed its benchmark prime-lending rate (BPLR) by 25 basis points to 12.75 per cent. The reduction will come into effect from July 1 and will apply to all loans linked to the BPLR, including home loans, according to a press release from the bank. The bank cut deposit rates by 25-50 basis points earlier this week. IDBI Bank bags IBA's prestigious Banking Technology award. IDBI Bank Ltd and Tata Motors Limited (TML) sign MoU for Vehicle Loan Financing.

In 2010, IDBI Bank has opened its first overseas branch at the Dubai International Financial Centre. In 2011, IDBI Federal Life launches new plan for senior citizens. IDBI bank has decided to opt for ‘Mystery Shopping’ method in order to keep an eye on the feedback on customer experience, their perception and expectations. IDBI Bank Ltd has informed BSE that Government of India (GoI) has, vide its letter dated December 27, 2011, advised that GoI is actively considering the Bank's request for capital support and intends to infuse capital funds in the Bank by way of Preferential Allotment of Equity in favor of GoI, subject to necessary approvals from the Board of Directors and various other statutory bodies. IDBI Bank Ltd has informed BSE that consequent upon posting of Shri. S. N. Baheti, CGM & Company Secretary to Priority Sector Group of the Bank, Shri. Pawan Agrawal, CGM, Board Department has been appointed as Company Secretary & Compliance Officer of the Bank vide approval of the Board of Directors accorded by Circular Resolution passed on May 18, 2011 in terms of the Provisions of Clause 47(a) of the Listing Agreement and Section 383A of the Companies Act, 1956 read with Article 156 of the Articles of Association of the Bank. Despite the low fee quoted in the bid to match, IDBI bank managed to win the
mandate of the public offer (IPO) of National Building Construction Corp Ltd (NBCC). The bid invited was supposed to appoint two merchant bankers for the issue, last month. Further, selection of the bankers was through a two stage-process of technical and financial bids. In 2012, IDBI Mutual Fund launched a new open ended fund of funds scheme named “IDBI Gold Fund”. IDBI Bank cuts interest rates on home loans, slashes deposit. IDBI Bank appoints B K Batra as whole time director. IDBI Bank has launched an online portal, IDBI Samriddhi, to sell its Certificate of Deposits (CDs) to the individual and institutional investors, thus adding another milestone in the increasing role of technology in the banking sector.

4.2.3 State Bank Of India:

State Bank of India (SBI) is a multinational banking and financial services company based in India. It is a corporation with its headquarters in Mumbai, Maharashtra. As of December 2013, it had assets of US$388 billion and 17,000 branches, including 190 foreign offices, making it the largest banking and financial services company in India by assets. State Bank of India is one of the Big Four banks of India, along with ICICI Bank, Punjab National Bank and Bank of Baroda.

The bank traces its ancestry to British India, through the Imperial Bank of India, to the founding in 1806 of the Bank of Calcutta, making it the oldest commercial bank in the Indian Subcontinent. Bank of Madras merged into the other two presidency banks—Bank of Calcutta and Bank of Bombay—to form the Imperial Bank of India, which in turn became the State Bank of India. Government of India owned the Imperial Bank of India in 1955, with Reserve Bank of India taking a 60% stake, and renamed it the State Bank of India. In 2008, the government took over the stake held by the Reserve Bank of India. SBI is a regional banking behemoth and has 20% market share in deposits and loans among Indian commercial banks.

History:

The roots of the State Bank of India lie in the first decade of 19th century, when the Bank of Calcutta, later renamed the Bank of Bengal, was established on 2 June 1806. The Bank of Bengal was one of three Presidency banks, the other two being the Bank of Bombay (incorporated on 15 April 1840) and the Bank of Madras (incorporated on 1 July 1843). All three Presidency banks were incorporated as joint stock companies and were the result of the royal charters. These three banks received the exclusive right to issue paper currency till 1861 when with the Paper Currency Act, the right was taken over by the Government of India. The Presidency banks amalgamated on 27 January 1921, and the re-organized banking entity took as its
name Imperial Bank of India. The Imperial Bank of India remained a joint stock company but without Government participation.

Pursuant to the provisions of the State Bank of India Act of 1955, the Reserve Bank of India, which is India's central bank, acquired a controlling interest in the Imperial Bank of India. On 1 July 1955, the Imperial Bank of India became the State Bank of India. In 2008 the government of India acquired the Reserve Bank of India's stake in SBI so as to remove any conflict of interest because the RBI is the country's banking regulatory authority.

In 1959, the government passed the State Bank of India (Subsidiary Banks) Act, which made eight state banks associates of SBI. A process of consolidation began on 13 September 2008, when the State Bank of Saurashtra merged with SBI.

SBI has acquired local banks in rescues. The first was the Bank of Bihar (est. 1911), which SBI acquired in 1969, together with its 28 branches. The next year SBI acquired National Bank of Lahore (est. 1942), which had 24 branches. Five years later, in 1975, SBI acquired Krishnaram Baldeo Bank, which had been established in 1916 in Gwalior State, under the patronage of Maharaja Madho Rao Scindia. The bank had been the Dukan Pichadi, a small moneylender, owned by the Maharaja. The new banks first manager was Jall N. Broacha, a Parsi. In 1985, SBI acquired the Bank of Cochin in Kerala, which had 120 branches. SBI was the acquirer as its affiliate, the State Bank of Travancore, already had an extensive network in Kerala.

The State Bank of India and all its associate banks are identified by the same blue keyhole logo. The State Bank of India word mark usually has one standard typeface, but also utilizes other typefaces.

On October 7, 2013, Arundhati Bhattacharya became the first woman to be appointed Chairperson of the bank.

**Operations:**

SBI provides a range of banking products through its network of branches in India and overseas, including products aimed at non-resident Indians (NRIs). SBI has 14 regional hubs and 57 Zonal Offices that are located at important cities throughout India.
Domestic presence:

SBI had 14,816 branches in India, as on 31 March 2013, of which 9,851 (66%) were in Rural and Semi-urban areas. In the financial year 2012-13, its revenue was INR 200,560 Crores (US$ 36.9 billion), out of which domestic operations contributed to 95.35% of revenue. Similarly, domestic operations contributed to 88.37% of total profits for the same financial year.

International presence:

As of 28 June 2013, the bank had 180 overseas offices spread over 34 countries. It has branches of the parent in Moscow, Colombo, Dhaka, Frankfurt, Hong Kong, Tehran, Johannesburg, London, Los Angeles, Male in the Maldives, Muscat, Dubai, New York, Osaka, Sydney, and Tokyo. It has offshore banking units in the Bahamas, Bahrain, and Singapore, and representative offices in Bhutan and Cape Town. It also has an ADB in Boston, USA.

The Canadian subsidiary, State Bank of India (Canada) also dates to 1982. It has seven branches, four in the Toronto area and three in the Vancouver area.

SBI operates several foreign subsidiaries or affiliates. In 1990, it established an offshore bank: State Bank of India (Mauritius). SBI (Mauritius) has 15 branches in major cities/towns of the country including Rodriguez.

In 1982, the bank established a subsidiary, State Bank of India (California), which now has ten branches – nine branches in the state of California and one in Washington, D.C. The 10th branch was opened in Fremont, California on 28 March 2011. The other eight branches in California are located in Los Angeles, Artesia, San Jose, Canoga Park, Fresno, San Diego, Tustin and Bakersfield.

In Nigeria, SBI operates as INMB Bank. This bank began in 1981 as the Indo-Nigerian Merchant Bank and received permission in 2002 to commence retail banking. It now has five branches in Nigeria.

In Nepal, SBI owns 55% of Nepal SBI Bank, which has branches throughout the country. In Moscow, SBI owns 60% of Commercial Bank of India, with Canara Bank owning the rest. In Indonesia, it owns 76% of PT Bank Indo Monex.
The State Bank of India already has a branch in Shanghai and plans to open one in Tianjin.

In Kenya, State Bank of India owns 76% of Giro Commercial Bank, which it acquired for US$8 million in October 2005.

- **Associate Banks:**

  SBI has five associate banks; all use the State Bank of India logo, which is a blue circle, and all use the "State Bank of" name, followed by the regional headquarters’ name:

  - State Bank of Bikaner & Jaipur
  - State Bank of Hyderabad
  - State Bank of Mysore
  - State Bank of Patiala
  - State Bank of Travancore

Earlier SBI had seven associate banks, all of which had belonged to princely states until the government nationalized them between October 1959 and May 1960. In tune with the first Five Year Plan, which prioritized the development of rural India, the government integrated these banks into State Bank of India system to expand its rural outreach. There has been a proposal to merge all the associate banks into SBI to create a "mega bank" and streamline the group's operations.

The first step towards unification occurred on 13 August 2008 when State Bank of Saurashtra merged with SBI, reducing the number of associate state banks from seven to six. Then on 19 June 2009 the SBI board approved the absorption of State Bank of Indore. SBI holds 98.3% in State Bank of Indore. (Individuals who held the shares prior to its takeover by the government hold the balance of 1.77%).

The acquisition of State Bank of Indore added 470 branches to SBI's existing network of branches. Also, following the acquisition, SBI's total assets will inch very close to the ₹10 trillion marks (10 billion long scales). The total assets of SBI and the State Bank of Indore stood at ₹9,981,190 million as of March 2009. The process of merging of State Bank of Indore was completed by April 2010, and the SBI Indore branches started functioning as SBI branches on 26 August 2010.
Non-banking subsidiaries:

Apart from its five associate banks, SBI also has the following non-banking subsidiaries:

- SBI Capital Markets Ltd
- SBI Funds Management Pvt. Ltd
- SBI Factors & Commercial Services Pvt. Ltd
- SBI Cards & Payments Services Pvt. Ltd. (SBICPSL)
- SBI DFHI Ltd
- SBI Life Insurance Company Limited
- SBI General Insurance

In March 2001, SBI (with 74% of the total capital), joined with BNP Paribas (with 26% of the remaining capital), to form a joint venture life insurance company named SBI Life Insurance company Ltd. In 2004, SBI DFHI (Discount and Finance House of India) was founded with its headquarters in Mumbai.

Other SBI service points:

SBI has 27,000+ ATMs and SBI group (including associate banks) has 32,752 ATMs. SBI has become the first bank to install an ATM at Drass in the Jammu & Kashmir Kargil region. This was the Bank's 27,032nd ATM on 27 July 2012.

Logo and slogan:

- The logo of the State Bank of India is a blue circle with a small cut in the bottom that depicts perfection and the small man the common man - being the center of the bank's business. The logo came from National Institute of Design (NID), Ahmedabad and it was inspired by Kankaria Lake, Ahmedabad.

Listings and shareholding:

As on 30 June 2013, Government of India held around 62% equity shares in SBI. Over 800,000 individual shareholders hold approx. 5.7% of its shares. Life Insurance Corporation of India is the largest non-promoter shareholder in the company with 10.9% shareholding.
<table>
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<th>Shareholders</th>
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<td>Promoters: Government of India</td>
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<tr>
<td>Insurance Companies</td>
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<td>Foreign Institutional Investors</td>
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<td><strong>Total</strong></td>
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The equity shares of SBI are listed on the Bombay Stock Exchange, where it is a constituent of the BSE SENSEX index, and the National Stock Exchange of India, where it is a constituent of the S&P CNX Nifty. Its Global Depository Receipts (GDRs) are listed on the London Stock Exchange.

**Employees:**

SBI is one of the largest employers in the country having 228,296 employees as on 31st March 2013, out of which there were 46,833 female employees (21%) and 2,402 disabled employees (1%). On the same date, SBI had 43,550 Schedule Caste (19%) and 16,764 Schedule Tribe employees (7%). The percentage of Officers, Assistants and Sub-staff was 35%, 48% and 17% respectively on the same date.

**Hiring drive:** The bank hired 20,682 Assistants in FY 2012-13, from over 30 lacs applicants, for expansion of the branch network and to mitigate staff shortage, particularly at rural and semi-urban branches. In the same year, it recruited 847 probationary officers from around 17 lacs candidates which applied for officers’ position.

**Staff productivity:** As per its Annual Report for FY 2012-13, each employee contributed to revenues of INR 944 Lacs and net profit of INR 6.45 Lacs.

**Recent awards and recognitions:**

- SBI was ranked 298th in the Fortune Global 500 rankings of the world's biggest corporations for the year 2012.
- SBI won "Best Public Sector Bank" award in the D&B India's study on 'India's Top Banks 2013.'

• SBI won National Award for its performance in the implementation of Prime Minister’s Employment Generation Program (PMEGP) scheme for the year 2012.

• Best Online Banking Award, Best Customer Initiative Award & Best Risk Management Award (Runner Up) by IBA Banking Technology Awards 2010

• SKOCH Award 2010 for Virtual corporation Category for its e-payment solution

• SBI was the only bank featured in the "top 10 brands of India" list in an annual survey conducted by Brand Finance and *The Economic Times* in 2010.

• The Bank of the year 2009, India (won the second year in a row) by The Banker Magazine

• Best Bank – Large and Most Socially Responsible Bank by the Business Bank Awards 2009

• Best Bank 2009 by Business India

• The Most Trusted Brand 2009 by The Economic Times.

• SBI was named the 29th most reputed company in the world according to *Forbes* 2009 rankings

• Most Preferred Bank & Most preferred Home loan provider by CNBC

• Visionaries of Financial Inclusion By FINO

• Technology Bank of the Year by IBA Banking Technology Awards

• SBI was 11th most trusted brand in India as per the Brand Trust Report 2010.

➤ **Major competitors:**

Some of the major competitors for SBI in the banking sector are Axis Bank, ICICI Bank, HDFC Bank, Punjab National Bank, Bank of Baroda, Canara Bank and Bank of India. However in terms of average market share, SBI is by far the largest player in the market.

4.2.4 **State Bank Of Bikaner And Jaipur:**

*State Bank of Bikaner & Jaipur* (SBBJ) is an associate bank of State Bank of India. As of 2012, SBBJ had 1,037 branches, mostly located in the state of Rajasthan, India. Its branch network out of Rajasthan covers all the major business centers of India. In 1997, the Bank entered in the capital market with an Initial Public Offering of 13,60,000 shares at a premium of Rs 440 per share.
History:

In YEAR EVENTS 1944, The Bank was incorporated at Bikaner. The Bank transacts general banking business of every description. The Bank also transacts Government Treasury work. The name of the Bank at the time of incorporation was The Bank of Bikaner Ltd. In 1960, The Bank became a subsidiary of the State Bank of India under the State Bank of India (Subsidiary Bank) Act, 1959. The Bank assists small scale industries and co-operatives and grants advances against warehouse receipts. In 1963, The State Bank of Jaipur with its 49 offices was taken over by the Bank and the name of the Bank was changed to the State Bank of Bikaner and Jaipur. The business of the Govind Bank (Pvt.) Ltd., Mathura was taken over by the Bank with effect from 25th April, 1966. The issued capital was raised to Rs 80 lacs to enable the compensation to be paid to the shareholders of the State Bank of Jaipur upon its amalgamation with the Bank.

In 1968, The Bank formulated a scheme to render direct finance to small business which covered the entire spectrum of financial assistance to the agriculturists. Under the scheme of provision of credit to transport operators, financial assistance was extended to operators of taxis and auto rickshaws for meeting working capital requirements and for purchase of new or second-hand vehicles. In 1984, The Bank opened another Regional Rural Bank in Ganganagar district under the name Ganganagar Kshetriya Gramin Bank. In 1985, A Bank named the Bikaner Kshetriya Gramin Bank was opened in Bikaner district. In 1995, 15,60,000 right equity shares issued (prem. of Rs 300 per share) in prop. 3:4. In 1997, The Bank offered 13,60,000 shares at a premium of Rs 440 per share. Of which, 1,38,800 shares were offered to SBI, 1,22,100 shares were offered to employees, 1,52,700 shares were offered to NRIs, OCBs, FIIs, and the balance 9,46,400 shares were offered to the public. All were accepted. The State Bank of Bikaner & Jaipur (SBBJ), an associate bank of the State Bank of India (SBI), is entering the capital market with a maiden initial public offering (IPO) to augment its capital base and its long-term resources. The face value of the share is Rs 100. The shares will be listed at the Jaipur and Mumbai stock exchanges, in addition to National Stock Exchange. The State Bank of Bikaner and Jaipur is the latest public sector bank come to the primary market with a Rs 73.44 crores issue. The bank is offering Rs 100 each for cash at a premium of Rs 440 per share. The equity issue of State Bank of Bikaner and Jaipur (SBB&J) has been oversubscribed by 1.5 times. During the year, the bank will also install an ATM at one of its branches.

In 1998, The State Bank of Bikaner and Jaipur (SBBJ) had issued 12.21 lac shares at a premium of Rs 440, IndusInd Bank had offered 4 crores equity shares at Rs 45. State Bank of Travancore and State Bank of Bikaner and Jaipur shares'
dematerialization is facing a roadblock as a State Bank of India (Subsidiaries Banks) Act, 1959; clause says that no person can acquire shares in excess of 200 units in any of the bank's subsidiaries. In 1999, The bank is gearing itself to improve efficiency by technological up-gradation, refinement of skills and motivating employees to improve upon services and products.

The State Bank of Bikaner and Jaipur, the SBI associate bank, has reported huge non-performing assets of Rs 310.02 crores for 1998-99 because of defaults from its large accounts.

In 2002, State Bank of Bikaner & Jaipur has informed about that Shri S D S Minhas has taken over as Director of the Bank in place of Shri V P Grover who has since ceased to be a Director of the bank weft March 20, 2002. State Bank of Bikaner and Jaipur has informed BSE that Mr. K S V Krishna Chari has taken over as Director of the Bank as State Bank of India nominee. Mr. L N Jalani has been allowed by the Ministry of Finance to continue weft July 09, 2002 as workman Director on the Board of the Bank. State Bank of Bikaner & Jaipur has informed Mr. Ramesh Chand Bhandari was elected as Director of the Bank for a period of 3 years weft August 09, 2002 in place of Mr. M K Patodia whose tenure of office expired on August 04, 2002.

In 2003, Appoints Mr. K R Srikantan as Managing Director. Mr. J.B Bhoria takes over as the Director of the Bank as nominee in place of Mr. Karuna Sagar. Shri C Bhattacharya, Dy MD & Group Executive (A & S group), SBI takes over as the Director of the bank as SBI nominee. Shri A R Samajdar has since ceased to be a Director of the bank on account of his reaching superannuation on September 30, 2003.

In 2004, State Bank Of Bikaner And Jaipur has informed that Shri. Yashovardhan Sinha, Dy. General Manager (A&S), State Bank of India has taken over as Director of State Bank of Bikaner and Jaipur, in terms of Section 25(1) (c) of the State Bank of India (Subsidiary Banks) Act, 1959 with effect from January 1, 2004. Further informed that, Shri. S. Ramaswami, General Manager, Reserve Bank of India, Rural Planning & Credit Deptt. Bhopal has taken over as Director of the Bank under Clause (b) of Subsection (1) of Section 25 of State Bank of India (Subsidiary Banks) Act, 1959 with effect from January 5, 2004 in place of Shri. J.B.Bhoria, Regional Director, RBI, Jammu. SBBJ, join hands with Honda Siel for sale of LPG generator sets.

In 2007, State Bank of Bikaner & Jaipur has appointed Shri. Ashok Kumar Shukla, Special Asstt., of the Bank, Birhana Road, Kanpur as a workmen director for a period of three years on the Board of the Bank in place of Shri. L N Jalani by Central Govt. in terms of clause (ca) of sub-section 25 read with sub section (2A) of section 26 of State Bank of India, (Subsidiary Banks) Act 1959. In 2008, State Bank of Bikaner & Jaipur
has informed that Shri. Arun Shandilya, has taken over as Managing Director of the Bank with effect from March 03, 2008. State Bank of Bikaner & Jaipur has informed that Shri. Amrik Singh has been appointed on the Board of the Bank in place of Shri. M K Malhotra with immediate effect in terms of Section 25(1)(e) of the State Bank of India (Subsidiary Banks) Act, 1959. The Company has splits its face value from Rs100/- to Rs10/-. In 2009, State Bank of Bikaner and Jaipur (SBBJ) slashed its benchmark-lending rate by 0.5 per cent to 12.25 per cent. The bank revised its Benchmark Prime Lending Rate (BPLR) from 12.75 per cent to 12.25 per cent. In 2010, State Bank of Bikaner declared a dividend of 144 % i.e. Rs 14.40 per share Mrs. Aruna Nitin Dak has been appointed as Company Secretary of the company.

In 2011, Shri D. K. Jain has been appointed as Workmen Employee Director on the Board of State Bank of Bikaner & Jaipur. MCS LIMITED, Delhi is appointed as Registrar and Share Transfer Agent (RTA) of the State Bank of Bikaner & Jaipur. State Bank Of Bikaner and Jaipur Issues Rights in the Ratio of 2:5 In 2012, State Bank Of Bikaner have declared interim dividend at the rate of 145% being Rs. 14.50/- per share on equity shares of Rs. 10/- each. Smt. Malvika Sinha, Chief General Manager, Reserve Bank of India, New Delhi as RBI Nominee Director on the Board of State Bank of Bikaner & Jaipur.

4.2.5 Canara Bank:

Canara Bank is an Indian state-owned bank headquartered in Bangalore, Karnataka. It was established in 1906, making it one of the oldest banks in the country. As of February 2014, the bank had a network of 4600 branches and more than 5500 ATMs spread across India. The bank also has offices abroad in London, Hong Kong, Moscow, Shanghai, Doha, and Dubai. Widely known for customer centricity, Canara Bank was founded in 1906 by Shri Ammembal Subba Rao Pai, a great visionary and philanthropist, at Mangalore, then a small port in Karnataka. The bank was nationalized in 1969. Today, Canara Bank occupies a premier position in the comity of Indian banks with an unbroken record of profits since its inception. Canara Bank was ranked at 816 in the Forbes Global 2000 list.
History:

Ammembal Subba Rao Pai, a philanthropist, established the Canara Hindu Permanent Fund in Mangalore, India, on 1 July 1906. The bank changed its name to Canara Bank Limited in 1910 when it incorporated.

Canara Bank's first acquisition took place in 1961 when it acquired Bank of Kerala. Bank of Kerala had been founded in September 1944 and at the time of its acquisition on 20 May 1961 had three branches. The second bank that Canara Bank acquired was Seasia Midland Bank (Alleppey), which had been established on 26 July 1930 and had seven branches at the time of its takeover.

In 1958, the Reserve Bank of India had ordered Canara Bank to acquire G. Raghumathmul Bank, in Hyderabad. This bank had been established in 1870, and had converted to a limited company in 1925. At the time of the acquisition G. Raghumathmul Bank had five branches. The merger took effect in 1961. Later in 1961, Canara Bank acquired Trivandrum Permanent Bank. Trivandrum Permanent Bank had been founded on 7 February 1899 and had 14 branches at the time of the merger.

Next, Canara Bank acquired four banks in 1963: the Sree Poornathrayeesa Vilasam Bank, Thrippunithura, Arnad Bank, Tiruchirapalli, Cochin Commercial Bank, Cochin, and Pandyan Bank, Madurai. Sree Poornathrayeesa Vilasam Bank had been established on 21 February 1923 and at the time of its acquisition it had 14 branches. Arnad Bank had been established on 23 December 1942 and at the time of its acquisition had only one branch. Cochin Commercial Bank had been established on 3 January 1936, and at the time of its acquisition had 13 branches.

The Government of India nationalized Canara Bank, along with 13 other major commercial banks of India, on 19 July 1969. In 1976, Canara Bank inaugurated its 1000th branch. In 1985, Canara Bank acquired Lakshmi Commercial Bank in a rescue. This brought Canara Bank some 230 branches in northern India.

In 1996 Canara Bank became the first Indian Bank to get ISO certification for "Total Branch Banking" for its Seshadripuram branch in Bangalore. Canara Bank has now stopped opting for ISO certification of branches.
➢ **Overseas subsidiaries, branches and offices:**

Canara Bank established its International Division in 1976. In 1983, Canara Bank opened its first overseas office, a branch in London. Two years later, Canara Bank established a subsidiary in Hong Kong, Indo Hong Kong International Finance. In 2008-09, Canara Bank opened its third foreign operation, this one a branch in Shanghai. Later Canara Bank established a branch each in Leicester and Bahrain, and converted its Hong Kong subsidiary into a branch. It also has a representative office in Sharjah. Together with State Bank of India, Canara Bank established a joint venture in Moscow, Commercial Bank of India LLC.

Canara Bank provides the general manager and the branch managers for Al Razouki Intl Exchange Co (LLC), which a number of business leaders and Non-Resident Indians (NRIs) established in 1981 in the United Arab Emirates to facilitate remittances to India by tourists and NRIs.

Since 1983, Canara Bank has been responsible for the management of Eastern Exchange Establishment, Doha, Qatar, which Abdul Rahman M.M. Al Muftah had established in 1979.

➢ **Subsidiary companies:**

- Canfin Homes Limited
- Canbank Factors Limited
- Canbank Venture Capital Fund Limited
- Canbank Computer Services Limited
- Canara Bank Securities Limited
- Canara Robeco Asset Management Company Limited
- Canbank Financial Services Limited
- Canara HSBC Oriental Life Insurance Company Limited

➢ **Regional rural banks:**

Canara Bank sponsors two regional rural banks (RRB).

- Kerala Gramin Bank – is the largest RRB in India. Its headquarters are at Malappuram and it operates in all districts in Kerala. It was established in 1976 as a Scheduled Commercial Bank.
• Pragathi Gramin Bank has its headquarters at Bellary, Karnataka, and has 405 branches spread over seven districts.

Canara Bank is a state level lead bank in Kerala.

➢ Development projects:

Canara Bank partnered with UNEP to initiate a solar loan program. It was a four-year $7.6 million effort, launched in April 2003, to help accelerate the market for financing solar home systems in southern India.

➢ Major IT initiative:

Canara Bank had a major IT initiative to network all branches and move them to a single software platform. Canara Bank chose Flex cube from Oracle Financial Services Software as the application. The Bank entered into an agreement with IBM for rolling out flex cube to over 1000 branches as part of Phase I. This phase has just been concluded, with Karaikudi Branch in Tamil Nadu being the 1000th branch to go live. Over 22 million customers are benefiting from this initiative. Now, all the branches of Canara Bank are live on core banking application Flexcube.

4.2.6 State Bank Of Travancore:

State Bank of Travancore (SBT) was originally established as Travancore Bank Ltd. in 1945 sponsored by the erstwhile princely state of Travancore. Under a special statute of the Indian Parliament (SBI subsidiary Banks Act 1959) it was made an Associate of the State Bank of India and a member of the State Bank Group, the largest banking group in India.

Registered Office/Head Office at: Poojapura, Trivandrum 695 012, Kerala state, India

➢ History:

In 1945, The Bank was incorporated at Travancore. The Bank transacts general banking business of every description including foreign exchange business. The Bank also undertakes Government treasury work. In 1960, The Bank became a subsidiary of the State Bank of India under the State Bank of India (Subsidiary Banks) Act, 1959. In 1961, three banking companies, namely The Travancore Forward Bank Ltd. The Kottayam Orient Bank Ltd., and the Bank of New India Ltd., which were under moratorium from 18th December, 1960, was amalgamated with the Bank under schemes of amalgamation prepared by the Reserve Bank of India. The Cochin Nayar
Bank Ltd., and the Latin Christian Bank Ltd., which were under moratorium from 13th October, 1963 and 23rd February 1964 respectively were amalgamated with the Bank with effect from 8th February and 17th August, 1964 respectively. In 1965, The Bank commenced conducting government cash business. The Bank assists in the development of small scale units and co-operative institutions. The Bank also extends credit facilities to the users of warehouses set up by the Central and State Warehousing Corporations in its area of operation. In 1985, 3,00,000 No. of equity shares issued at par to State Bank of India.

In 1991, 16,00,000 No. of equity shares issued to State Bank of India. In 1992, to extend more personalized and effective services to the NRIs, the bank created the NRI division/cells in 24 branches and proposed to open four specialized branches for NRI business in the state. A Branch Health Card was also introduced during the year in order to assess, monitor and take corrective action of various aspects of branch functioning as well as supervision by the Controllers. In 1995, 15,00,000 No. of equity shares issued on Rights basis at a prem. of Rs 450 per share. In 1996, The Bank's Rights Issue of Equity shares of Rs.100 each at a premium of Rs.450 per share aggregating to Rs.82.50 crores opened for subscription on the 7th February 1996 and closed on the 7th March. The Bonds issue opened for subscription on the 15th January and closed on the 27th March. As against the issue size of Rs.100 crores. In 1997, The Bank launched `Liquid Gold' a new loan product against security of gold to meet the needs of customers in the personal as well as trading segments and to impart liquidity to their savings locked up in the form of gold. Another new concept, loan scheme viz. `Homestead Farming' was launched for farmers taking into accounts the small and medium holding pattern in Kerala. The Bank also launched `Nava Swarna Vaisha', a modified version of the bank's insurance linked deposit scheme `Saptha Varsha' that enables depositor to avail exception from capital gain tax. A few other deposit/loan schemes were also to be introduced during 1998-99. Six new branches were opened taking the total branch network to 660.

As at the end of March 1998, the bank had 12 pending licenses/authorization for opening of new branches/offices. The Bank's homepage on internet was launched. 15,00,000 No. of equity shares issued through a prospectus at a prem. of 500 per share. Of these 3,46,000 shares were issued and allotted to SBI.
Balance 11,54,000 shares issued to the public. State Bank of Travancore has entered into a second arrangement with City Exchange LIC in Dubai for special drawing facilities to improve the coverage of the large Gulf NRI clientele from Kerala. The Bangalore-based Sonata Software Ltd has developed two Internet commerce modules, Web Alert and Web Trader for State Bank of Travancore (SBT) on their SBT accounting systems. The bank had earlier become the first Kerala-based bank to undertake the management of an exchange company in West Asia, when it started the City Exchange Company, LLC in Dubai earlier this year. Bank sources said the incremental credit-deposit ratio for SBT in Kerala stood at over 60 per cent. The Rs 130-crores Asianet Communications Limited, the only Malaysian television channel, is all set to make a major foray into value-added services to meet the challenges posed by the proposed direct-to-home (DTH) services and other developments in communications technology. In the first phase, Asianet is tying up with the State Bank of Travancore (SBT) for providing interconnectivity to all its branches through its cable network. State Bank of Travancore (SBT) is the second SBI associate bank to hit the primary market with a Rs. 90-crores issue a week after the closing of the State Bank of Bikaner and Jaipur (SBBJ) Rs.65.94-crores issue. The bank is a member of the SWIFT which enables satellite connectivity of its zonal offices and main branches. State Bank of Travancore (SBT), a subsidiary of State Bank of India, has been granted autonomy by the Union Government. Two other subsidiaries of SBI -- State Bank of Patiala and State Bank of Bikaner and Jaipur -- have also been accorded autonomy status.

In 1998, State Bank of Travancore and State Bank of Bikaner and Jaipur shares' dematerialization are facing a roadblock as a State Bank of India (Subsidiaries Banks) Act, 1959, clause says that no person can acquire shares in excess of 200 units in any of the bank's subsidiaries. The Bank launched new products tailored to meet the differing needs of various customers. "Liquid Gold", a new loan product (against the security of gold), was launched to meet the needs of customers in the Personal as well as Trading segments and impart liquidity to their savings locked up in the form of gold. "Homestead Farming", a new composite loan scheme for farmers taking into account the small land holding pattern in Kerala, was also launched. "Nava Swarna Varsha", a modified version of our insurance linked deposit scheme. "Saptha Varsha", which enables the depositor to avail exemption from Capital Gains Tax was also introduced in the market during 1997-98. The Bank's maiden Public Issue of 11,54,000 equity shares of Rs. 100 each at a premium of Rs. 500 per share. In 1999, The State Bank of Travancore (SBT) has launched a 'kissan credit card' scheme aimed at catering to the
short-term credit requirements of farmers. State Bank of Travancore (SBT) in coming out with a welfare scheme for non-resident Indians from Kerala in association with United India Insurance Co. Ltd. The scheme provides personal accident cover for NRIs as well as health cover for their family members. Parents can all also be covered under the same policy. State Bank of Travancore (SBT) has slapped a legal notice on the beleaguered Essar Steel for non-payment of dues to the tune of Rs 2.88 crores even as the new generation steel major hoping for a last-minute bailout by financial institutions on its $250 million floating rate notes (FRN) due for redemption on July 20.

State Bank of Travancore (SBT) has introduced an education loan scheme, Gyan Jyothi, for students pursuing higher education in recognized institutions in India and abroad. State Bank of Travancore which entered into a tie-up with Al Fardan Exchange in Abu Dhabi, to offer speedy remittances in both rupees and dollars, plans to attract more deposits by widening correspondent arrangements with exchange houses and banks in the Gulf. State Bank of Travancore (SBT) has opened its millennium branch at Kumaranaloor in Kottayam district.

The Bank launched SUPER SURPLUS - A recurring deposit scheme that offers flexibility to depositors to vary their amount of monthly installments in accordance with monthly surplus available.

- THE 786 SCHEME - A new Deposit Scheme for those discerning customers who do not wish to earn interest on their deposits.

- SAHAYA VARSHA - Clean demand loan facility for meeting the short term personal requirements of customers repayable within 36 months.

- MITRA VARSHA - An overdraft scheme available to individuals to avail a single advance against a basket of securities like gold, NSCs, KVPs, IVPs, Units of US 64 of UTI, LIC Policies etc.

- KISAN CARD - A running Agricultural Cash Credit facility to meet the short term requirements of farmers with provision for meeting their family's contingent needs to a limited extent.
- **NRI FAMILY WELFARE SCHEME** - A unique and innovative insurance scheme for personal accident cover for NRIs and medical expenses cover for their families up to 6 persons including parents.

- **CITY FLASH** - A Telex/Fax Fund transfer arrangement with City Exchange LLC., Dubai, guaranteeing credit to the customers' account within 24/48 hrs., in 60 selected branches.

The Bank has also joined the RBI VSAT network, "INFINET" by subscribing to two VSATs initially. The Bank has been honored with "Sevaratna" Award instituted by the Indo Arab Confederation Council and NRI Welfare Committee, for providing excellent customer service.

In 2000, State Bank of Travancore launched Net Banking. The Bank proposes to introduce high-tech mobile banking facility for the bank's on-line customers. Mr. P.N. Venkatachalam, deputy managing director of State Bank of India, has taken over as managing director of State Bank of Travancore from Mr. Vepa Kamesan, former managing director of the bank. The Bank has entered into a remittance arrangement with Al Rajhi Banking and Investment Corporation of Saudi Arabia. In 2001, State Bank of Travancore is likely to accept all the voluntary retirement scheme applications it received. In 2002, Amitabha Guha appointed as Managing Director of State Bank of Travancore. In 2003, SBT slashes deposit rates on FCNR deposits on US dollar, pound sterling and Euro. P. V. Shivasankara Pillai is the new officer Employee Director on the Board of the company.

In 2004, State Bank of Travancore (SBT) has launched a new personal loan scheme for the employees of institutions and companies. Under the scheme, namely Akshaya, rated institutions and companies such as universities, Maruti Udyog Ltd, Kochi Refineries, Kerala Minerals and Metals Ltd, Travancore Titanium Products and Cochin Shipyard can get into an agreement with SBT to enable their employees avail themselves of loans from the bank. The State Bank of Travancore and Cochin University of Science and Technology has entered into an agreement to implement the new SBT Akshaya Overdraft Scheme for the benefit of CUSAT employees. As per the scheme, employees can avail themselves of loans ranging from Rs 50,000 to Rs 2 lac depending upon their eligibility. Maithri, the house journal from State Bank of
Travancore (SBT) has been adjudged the "best journal devoted to women" by the Public Relations Society of India (PRSI). SBT’s SSI (Small Scale Industry sector) branches at Thiruvananthapuram, Thrissur and Alappuzha, and the non-resident Indian branch at Attingal have received the ISO 9001:2000 recognition. State Bank of Travancore has launched a special loan scheme for the purchase of tractors. Called the ‘tractor special loan scheme’, the initiative is targeted at farmers, non-governmental organizations, agro-business centers and so on. State Bank of Travancore (SBT) has unveiled a loan scheme for the benefit of nurses seeking employment abroad. Under the "SBT nurses suvidha scheme", loans are available to meet the expenses for migration abroad, registration, test and interview, agency commission, visa charges and airfare. The State Bank of Travancore has opened its cross-selling department at SBT Bhavan in Kochi. Mr. K. K. Chattopadhyay new General Manager of Commercial, Institutional and International Banking wing. State Bank of Travancore has launched a housing loan scheme for employees of the Kerala State Electricity Board (KSEB). State Bank of Travancore (SBT) has launched a new "Bhavanasree" rural housing loan scheme for those below the poverty line. G Damodaran has joined State Bank of Travancore (SBT) as the General Manager in charge of the Vigilance & Inspection Wing. BAL ties up with State Bank of Travancore. SBT launches RTGS services to customers. SBT wins national award for lending to SSI sector. SBT introduces new gold card scheme for exporters. SBT unveils new scheme for senior citizens.

In 2005, SBT inks pact with Punjab Tractors on Jan 18, 2005. SBT ties up with UAE Exchange Centre. State Bank of Travancore unveils Malayalam website. SBT launches new loan scheme for road transport operators on April 26, 2005. SBT join hands with Almoayyed for exchange house in Bahrain. State Bank of Travancore has bagged national award instituted by the Ministry of Small Scale Industries for excellence in lending to the small-scale industries sector.

State Bank of Travancore (SBT) launches an all-India toll-free info line (1600 425 5566) here on Nov 11. To be ‘live’ 8 a.m. through 8 p.m. seven days a week. In 2006, SBT appoints Sitaramam as new MD. In 2008, Thiruvananthapuram: State Bank of Travancore (SBT) has inked a memorandum of understanding with Crisil for rating of small and medium enterprises. As per the MoU, Crisil will give rating services to the clients of SBT at a concessional fee. State Bank of Travancore has set up an extension counter with core banking facilities at Malikappuram Buildings in Sabarimala. The Company has splits its face value from Rs100/- to Rs10/-.
In 2009, State Bank of Travancore (SBT) has announced the opening of its branch at Kukatpally, which is the seventh of SBT in Andhra Pradesh.

The State Bank of Travancore (SBT) has slashed interest rates on various agricultural loans for the period of 16th September to 31st March next to help the farmers in view of the weak monsoon.

In 2010, Smt. Jameela Prakasam has been appointed as Compliance Officer of the bank. State Bank of Travancore (SBT) has signed a memorandum of understanding (MoU) with the Unique Identification Authority of India (UIDAI) and thus becomes the first bank in Kerala to be a registrar for the Aadhaar project. In 2011, Shri Pratip Chaudhuri has been appointed as Chairman of the bank. State Bank of Travancore has declared a final dividend of Rs 10 per share. In 2012, State Bank of Travancore has declared a final dividend of Rs. 2/- per share in addition to the interim dividend of Rs. 16/- per share.

4.2.7 Indian Overseas Bank:

Indian Overseas Bank (IOB) (BSE: 532388) is a major bank based in Chennai(Madras), with more than 3078 domestic branches, 3 extension counters and six branches overseas as of 31.03.2012. Indian Overseas Bank has an ISO certified in-house Information Technology department, which has developed the software that 3003 branches use to provide online banking to customers; the bank has achieved 100% networking status as well as 100% CBS status for its branches. IOB also has a network of about 2100 ATMs all over India and IOB's International VISA Debit Card is accepted at all ATMs belonging to the Cash Tree and NFS networks. IOB offers internet Banking (E-See Banking) & Mobile Banking and is one of the banks that the Govt. of India has approved for online payment of taxes. The bank's business more than doubled in the last four years.

The net profit for the year ended March 31, 2012 stood at Rs 1,050.13 crores. Total income stood at Rs 19,578.13 crores as against Rs 13,326.56 crores registered during the same period last financial year. For the full year, the total business grew by 24 per cent to Rs 3,21,707 crores from Rs 2,59,020 crores. IOB has planned to achieve total business of Rs 3.85 trillion to Rs 4 trillion this fiscal.
HISTORY:

IN YEAR EVENTS 1937, Indian overseas bank was founded on 10th February, and had the distinction of three branches, at Chennai, Karaikudi and Rangoon simultaneously commencing business on the inaugural day. The founder Chairman was M.Ct.Chidambaram Chettiyar. In 1969, When it was nationalized, the bank had 208 branches and business mix of Rs.156 crores. In 1990, The Bank of Tamil Nadu was merged with the Bank. The bank has launched credit card in tie up arrangement with Cancard. In 1995, The Bank signed on July 26, a MOU with the three Regional Rural Banks (RRBs) sponsored by it - Puri Gramya Bank (in Orissa), Pandyan Grama Bank (in Tamil Nadu) and Dhenkanal Gramya Bank (also in Orissa). Under the MOU, the RRBs committed themselves to achieve targets under various business parameters for turning the corner within a span of five years. In 1998, Ms. P. Bolina, Deputy Secretary, Ministry of Finance was appointed director of the Bank with effect from September 4, in the place of Shri Paramjit Singh. Shri K. Nagappan was appointed director representing workmen employees with effect from October 12, in the place of Shri Bhadresh U. Banker. The Bank launched its improved version of Kisan Credit Card on November 27. The Scheme is gaining popularity speedily. Branches distributed 2,369 cards, disbursing a credit of Rs. 538.0 lac within the four months of inception of the Scheme.

In 1999, The Bank launched a Housing Scheme called `Subha Gruha' with simplified and borrower friendly features. To benefit students undergoing studies in India and abroad, the Bank's `Vidya Jyothi' educational loan scheme was further modified. Loan amounts for inland and foreign studies were increased and interest rates were reduced. With effect from March 1, a new system was introduced for reconciling high value demand drafts.

In year 2000, Indian Overseas Bank has launched its customer care cell in Chennai. Chennai-based Indian Overseas Bank is all set to go public on September 25 with an IPO to raise Rs 111.20 crores. The IPO is for an issue of 11,12,00,000 No. of equity shares of Rs 10 each at par. The public sector Indian Overseas Bank will be setting aside about Rs 75 crores for offering voluntary retirement scheme package to about 1,500 of its employees. Indian Overseas Bank (IOB) has tied up with Dabur-All State Insurance to market the joint venture's life insurance products. Indian Overseas Bank, the first public sector bank to introduce anywhere banking at its 129 branches in the four metros, is extending the connectivity to another 100 branches in Hyderabad, Bangalore, Ahmedabad and Ludhiana. One more public sector bank, Indian Overseas Bank is coming out with a public issue of 11,12,00,000 shares of Rs 10 each for cash at par aggregating Rs 111.20 crores. Indian Overseas Bank (IOB) has launched its "gold
Loan scheme’ for exporters taking advantage of the uniform sales tax on bullion adopted by the states recently. Indian Overseas Bank the first public sector bank in the country to introduce mobile banking services using Wireless Application Protocol (WAP). The Bank has launched its Any Branch Banking service in Hyderabad.

In 2001, Indian Overseas Bank is set to raise Rs 125 crores through bond issue. Crisil has given a rating of ‘AA’ for the issue and ‘P1+’ for its certificate of deposit. Indian Overseas Bank chairman and managing director R. V. Shastri is expected to take over from R. J. Kamath as the new head of the nationalized Canara Bank. S C Gupta, executive director of Indian Overseas Bank will take over as the chairman and managing director of the bank. Mr. R Natarajan has been appointed as executive director of Indian Overseas Bank.

In 2002, Indian Overseas Bank has informed that the Government of India has nominated Smt. Usha Mathur, Joint Secretary, Department of Expenditure, Ministry of Finance, Government of India, New Delhi in place of Shri Ram Mohan as Government Director in the Board with effect from March 20, 2002. Ananda Kumar nominated as Director in the Board of Indian Overseas Bank. Rohit M Desai appointed as a Director on the Board of Indian Overseas Bank. Indian Overseas Bank has informed that in the EGM held on December 07, 2002, the 4 candidates were declared elected as Directors of the Bank representing shareholders other than the Central Government. Mr. M N Venkatesan, Mr. Christopher Thomas Kurien, Dr Harsh Mahajan and Mr. S K Seghal. In 2003, IOB slapped notices to 70 defaulters and has seized a number of properties. Indian Overseas Bank decides not to return any share capital to the government. Mr. Sivaram Swamy has been appointed as Compliance Officer in the place of Mr. V Raigopalani. IOB hands over ‘Credence Mercury-fx’ inter branch messaging software contract to Credence Analytics(I) Pvt. Ltd. Shri Pradeep K Deb has been appointed as the Director of Indian Overseas Bank. B Swaminathan, General Manager started a new Automated Teller Machine (ATM) at the IOB in Pondicherry. IOB’s non food credit has surged up by Rs.650 crores. Government has appointed Shri Anand Sinha, Chief General Manager, DICGC, RBI, Mumbai in place of Shri B Ghosh, RBI Director in the Board of IOB. IOB along with other 3 banks have tied up for ATM networks on cards with Canara Bank. Comes out with Initial Public Offering (IPO) of 10 crores equity shares of Rs 10 each at a premium of Rs 24 aggregating Rs 240 crores, issue was 7 times oversubscribed. High Court restricts order on IOB staff dismissal. In 2004, the government has chosen Indian Overseas Bank (IOB) for channelizing government credit to other countries which runs into billions of dollars. Indian Overseas Bank (IOB) ties up with Times Online Money to launch an Internet-based remittance product, e-Cash Home, targeted
at NRIs in the US wishing to transfer money to India. IOB sets up new ATM in Vizag. IOB pact with Chola for MF products.

In 2005, IOB joins hand with Visa to offer debit cards. IOB joins hand with Jatropha to promote bio-fuel-Indian Overseas Bank has tied up with the Export Credit Guarantee Corporation of India to distribute the latter's products. ECGC products would be initially distributed through 21 AD (authorized dealer) branches of IOB. In 2006, IOB inks MoU with CRI Pumps. IOB launches new tax saving deposit scheme. IOB to acquire BhOB for Rs 170 crores. In 2007, Indian Overseas Bank has announced a scheme to extend housing loan facility up to a maximum of Rs 20,000 for such beneficiaries at 4 per cent interest rate. IOB, Regional Office, Karaikudi, disbursed loans to 639 beneficiaries to the tune of Rs 2.07 crores. In 2008, Chennai: Indian Overseas Bank has inked the pact with Rotary International - District 3230 for implementation of 'IOB- Rotary Sampoorna Scheme'. Indian Overseas Bank has forged an alliance with Alankrit Assignment Ltd, a Delhi-based financial services company. Indian Overseas Bank has inked a Memorandum of Understanding with Coir Board for implementation of rejuvenation, modernization and technology up-gradation of the coir industry. In 2009, IOB signs MoU with Asia Motor Works. In 2010, Indian Overseas Bank has inked a memorandum of understanding with Tata Motors for extending loans. This is for the purchase of commercial transport vehicles. As per a release, loans under this MoU will be extended without any processing charges.

In 2011, Amex in credit card tie-up with Indian Overseas Bank. It has been reported that about $500 million (about Rs 2,250 crores) has been raised by the Indian Overseas Bank (IOB) from global markets. Bank received SKOCH AWARD for Financial Inclusion. Platinum Jubilee Celebrations. Indian Overseas Bank appoints Ajoy Misra as Director and Executive Director. In 2012, Integration of Sector-26 Branch with Nithari Branch. Blocking of cards as a preventive measure. IOB has launched ‘Domestic Money Transfer – Relaxations’. Smt. Deepa Chellam, Board Services Department has been designated as Company Secretary and Compliance Officer of the Bank.

4.2.8 Andhra Bank:

Andhra Bank is a medium-sized public sector bank (PSB), with a network of 2000+ branches, 15 extension counters, 38 satellite offices and 1563 automated teller machines (ATMs) as on 30 Nov 2013. During 2011–12, the bank entered the states of Tripura and Himachal Pradesh. The bank now operates in 25 states and three Union Territories.
The Government of India owns 58% of its share capital and is going to increase it to 62.14% by infusing ₹2 billion (US$33 million) in capital. The state owned Life Insurance Corporation of India holds 10% of the shares. The bank has done a total business of ₹2230 billion (US$36 billion) for the fiscal year ended 31 March 2013.

Andhra Bank is 100% CBS as on date. This will benefit the customers, who will have access to banking and financial services anytime, anywhere through multiple delivery channels. Andhra Bank is a pioneer in introducing Credit Cards in the country in 1981.

Andhra Bank introduced Internet Banking Facility (AB INFI-net) to all customers of cluster linked branches. Rail Ticket Booking Facility is made available to all debit card holders as well as to internet banking customers through IRCTC Website through a separate gateway. Corporate Website is available in English, Hindi and Telugu Languages communicating Bank's image and information. Bank has been given 'BEST BANK AWARD' a banking technology award by IDRBT, Hyderabad for extensive use of IT in Semi Urban and Rural Areas on 2 September 2006. IBA Jointly with TFCI has conferred the Joint Runner-up Award to the Bank in the Bet Payments initiative in recognition of outstanding achievement of the Bank in promoting ATM Channel. Bank successfully conducted "Bancon 2006", a two-day event at Hyderabad, deliberating on Inclusive Growth – A New Challenge. Kiddy Bank Scheme, with insurance benefits, was re-launched to inculcate savings habit among the children. Bank has mobilized nearly 90000 new accounts during 2007–08.

As a part of "Financial Inclusion", Andhra Bank adopted two districts, namely, Srikakulam in Andhra Pradesh and Ganjam in Orissa and achieved 100% coverage. Andhra Bank has introduced Smart Card Scheme Pilot project in Warangal District and the same will be extended to other Lead Districts in due course. Bank has opened 211,000 accounts under "No-frill accounts" category till 30 June 2008.

Andhra Bank, along with A P State Government, NABARD, Canara Bank, Indian Bank, IOB and SBH sponsored the Andhra Pradesh Banker's Institute of Entrepreneurship Development, which will offer training to unemployed youth for improving their skills in Andhra Pradesh.
Andhra Bank adopted Gundugolanu village, West Godavari District, Andhra Pradesh – the birthplace of its founder, Dr. Bhogaraju Pattabhi Sitaramayya.

A comprehensive budget with an outlay of ₹55.5 million (US$900,000) is finalized for improving health, sanitation, education and social service facilities in the village.

Andhra Bank has ranked No.1 in terms of number of Life Insurance Policies mobilized amongst all the agency banks dealing with the Life Insurance Corporation of India. The bank also has tie-up with United India Insurance Company Limited under Bank assurance (Non-Life).

Andhra Bank was ranked 532nd for the year ended 31 March 2007 amongst Top 1000 Banks in the world by "The Banker" – a London based publication based on Tier I Capital as defined by Basel's Bank for International Settlements (BIS).

Andhra Bank entered MoU with Bank of Baroda and Legal & General Group of UK to form a joint venture life insurance company India’s First Life Insurance Company. The shareholders' agreement has already been signed and necessary formalities are being completed for setting up of the company. The JV Company is already incorporated in June'08 and is in the process of filing for approvals from IRDA etc. India First has commenced operations.

**History:**

Dr. Bhogaraju Pattabhi Sitaramayya founded Andhra Bank in 1923 in Machilipatnam, Andhra Pradesh. The bank was registered on 20 November 1923 and commenced business on 28 November 1923 with a paid up capital of ₹100000 (US$1,600) and an authorized capital of ₹1 million (US$16,000) In 1956, linguistic division of States was promulgated and Hyderabad was made the capital of Andhra Pradesh. The registered office of the bank was subsequently shifted to Andhra Bank Buildings, Sultan Bazaar, Hyderabad, Andhra Pradesh. In the second phase of nationalization of commercial banks commenced in April 1980, the bank became a wholly owned Government bank. In 1964, the bank merged with Bharat Lakshmi Bank and further consolidated its position in Andhra Pradesh.
India First Life Insurance Company is a life insurance company in India. It is a joint venture between two of India’s public sector banks – Bank of Baroda (44%) and Andhra Bank (30%), and UK’s financial and investment company Legal & General (26%). It was incorporated in November 2009. It has its headquarters in Mumbai. India First Life made more than ₹2 billion (US$33 million) in turnover in just four and half months since the insurance company became operational. India First Life insurance company is headquartered in Mumbai. India First is the first life insurance company to be recommended for ISO certification within 7 months of inception.

➢ Products and services:

The products and services provided by the bank mainly categorized into businesses of Retail, Corporate, NRI, MSME, and Agricultural industries. Under the Retail Business, the bank offers deposits, loans, cards, DMAT services, P payment services, insurance, and mutual funds to individual customers. Under the Corporate Business, the bank offers loans & advances, project appraisals, and loan syndication. Under the NRI business segment, the bank offers Deposit schemes, loans, remittance services, and investment services to the non-resident Indians. Under the MSME business segment, the bank offers different schemes that aimed at providing loan and transaction services to Micro Small and Medium Enterprises (MSME). Some of the MSME schemes available are OTS Scheme, Composite loan scheme, Open cash credit (OCC), Artisans Credit Card (ACC), AB Laghu Udhyami Credit Card (LUCC), AB Power Tools (Shakti), Technology up gradation fund scheme (TUFs), Credit guarantee fund trust for small industries (CGTSI), AB Doctor Plus...etc. Under the Agriculture business segment, bank provides different credit schemes to farmers, Women Empowerment schemes, and Andhra Bank Rural Development Trust (ABRDT) helps Rural Self Employment Training Institutes (RSETIs).

Following are the various Deposit Schemes available

- AB Current Accounts
- AB Term Deposits
- AB Arogyadaan Scheme
- AB Banc assurance Life
- AB Banc assurance (Non Life)
- Retail Loans
- Agricultural Loans
- Corporate Banking
- NRI Banking
- NRI Products and Services
- NOSTOR details for remittance
Western Union Money Transfer

Following are the various Technology Products available –

- Internet Banking
- Credit cards (Either on the basis of Fixed Deposit or latest Income Tax returns)
- Multi City Cheque Facility
- On-Line Tax Accounting System (OLTAS)
- Real Time Gross Settlement (RTGS)
- Instant Funds Transfer
- ATM Services
- Any Branch Banking
- Electronic Clearing Service (ECS)
- National Electronic Funds Transfer

During FY 2011–12, your Bank has taken many I.T. initiatives to improve Customer Service like:

- Bank has launched e-Donations facility for donations to Shri Siddhivinayak Temple, Mumbai. Customer of any Bank having Mobile Banking Facility can donate funds by sending an SMS in a prescribed format to 810814400 with MMID (Mobile Identification Number) 9011111
- Bank launched new e-banking centers at Nanakramguda and vidyanagar branches on 31 December 2011. The facilities include:

  1. ATM Machines,
  2. Self Service Pass Book Printer,
  3. Automated Cheque Deposit Machine,
  4. Kiosk to carry out Internet Banking
  5. Hot Line to call-centers. Customers will be able to Draw Cash, Deposit Cheques, Update their Pass Books and carry out Internet Banking on a 24X7 basis on all days.

- Bank introduced a new Loan Scheme for practicing Professionals named "AB Professional Loan" from 30 January 2012, to cater to the potential segment consisting of practicing Chartered Accountants, Architects, Engineers, Valuers, Management & Financial Consultants, Company Secretaries, Cost Accountants, etc.,
- Bank recently launched a new Product named "Abhaya First Wealth Pack" in all its Branches, combining features of four products, viz., Recurring Deposit, Savings Bank Account, Unit Linked Plan (Equity Option) and Life Insurance Cover. This is available in three denominations of Silver (₹25000 (US$410)), Gold (₹50000 (US$820)) and Platinum (₹100000 (US$1,600)).
• The prepaid cards launched by the bank in September 2011 under gift and international travel received good response from the customers. The gift cards are available in flexi denomination from ₹ 250/- to ₹ 50,000/-. Gift cards, like international travel prepaid cards, are issued initially in US dollars. The cards are issued with an initial load of US$200 and reloading in multiples of US$10.

➢ International expansion:

Andhra Bank opened a representative office in Dubai in May 2006 and another at Jersey City, New Jersey (USA), in June 2009. A foothold in New Jersey is strategic for the bank as the state has a large number of Indians from Andhra Pradesh.

In 2010 Malaysia awarded a commercial banking license to a locally incorporated bank to be jointly owned by Bank of Baroda, Indian Overseas Bank and Andhra Bank. The new bank, India BIA Bank (Malaysia), will have its headquarters in Kuala Lumpur, which has a large population of Indians. Andhra Bank will hold a 25% stake in the joint-venture. Bank of Baroda will own 40% and IOB the remaining 35%.

➢ Awards:

• BEST BANK MID-SIZE Business world – PricewaterhouseCoopers Survey for India’s Best Banks 2010 “BEST BANK-for the Quality of Assets by Business Today”
• BEST PUBLIC SECTOR BANK by State Forum of Bankers’ Club Kerala
• MSME NATIONAL AWARD

4.2.9 Vijaya Bank:

Vijaya Bank is a medium sized Public Sector Bank with presence across India. It is one of the nationalized banks in India.

➢ History:

In YEAR EVENTS 1980, The Bank came into existence on 15th April, as a consequence of the Government of India taking over the undertaking of Vijaya Bank Ltd. The Bank is engaged in transacts all types of banking business including foreign exchange and is a Government of India undertaking. In 1984, Capital worth Rs. 10 lacs subscribed by Government. In 1985, The Bank sponsored its first Regional Rural Bank under the name and style “Visweswaraya Grameena Bank” in March. This

In 1992, Rs 2500 lacs subscribed by Government. The bank has introduced automatic renewal facility up to four times in respect of short term deposits accepted for periods from forty six days to one year for the convenience of the customers. The novel scheme of `Vijaya Vichar Vihar' was introduced by the Bank in 1989 and is now flourishing in 25 centers as on March. In October, a new and unique scheme viz., 'VIJAYASHREE UNITS DEPOSIT SCHEME' combining the features of term deposit and the flexibility of savings bank deposit was launched. The Bank introduced `Vijaya Stockinvest' scheme in May. To make it more investor friendly, the special features of Vijaya Shree Units Scheme were incorporated to this scheme and the scheme is gaining in popularity among the investing public. In 1993, Rs 5000 lacs subscribed by Government. The Bank has installed 68 ATMs in 25 branches. The 'Vijaya Bank Diamond Jubilee Scholarship Scheme' was introduced as a part of Diamond Jubilee Celebrations of the Bank, with the objective of awarding scholarships to such of those children of serving permanent sub-staff employees. The Bank had entered into the Memorandum of Understanding with the Reserve Bank of India, undertaking to fulfill definite performance commitments. The Bank introduced the new schemes viz. Vijaya Gift Bond Scheme and Vijaya Service Card for enlarging its services to its business clientele. The Bank introduced three new loan schemes, viz., V-Cash meant for salaried class, V-Equip for professionals and V-Stock for individual investors. The Bank has introduced a recovery incentive scheme viz. 'Loan Recovery Motivation Scheme 1994'. The Bank opened its third exclusive NRI branch at Mapuca (Goa) and established special NRI Cells at the branches in Tiruvalla, Kottayam, Trivandrum and Kozhencherry (all in the Kerala State). The Bank launched its "V-Invest" Scheme in January. 1995 - Rs 6231 lacs subscribed by Government. The Bank opened 33 new branches taking the total to 810 branches. The three new loan schemes, namely V-Cash, V-Equip and V-Stock introduced by the Bank last year were well received by the public. The Bank opened five Hi-tech Agricultural Finance branches at Bangalore, Coimbatore, Delhi, Hyderabad and Lucknow. The Visveshvaraya Grameena Bank has entered into a Memorandum of Understanding with the Bank, setting performance parameters for improving its financial health.

The Bank entered into an agreement with M/s. Oriental Exchange Co., WLL Manama, Bahrain providing for the Bank's participation in the said exchange company's day-to-day management. The Bank entered into strategic alliance with
leading private sector banks and branches of foreign banks in India viz Citi Bank, N. A. India, Catholic Syrian Bank Ltd, HDFC Bank Ltd, Centurion Bank Ltd, UTI Bank Ltd, etc. The Bank introduced Office Automation by providing state-of-the-art word processors at 45 branches, 13 Regional Offices and Head office departments. The Bank's house magazine Vijaya Vikas entered its 20th year of publication and was awarded the coveted "Best House Journal of the Year" award by the Public Relations Society of India. Vijaya Bank launched a fully operational Custodial Services Division at Mumbai on 29th March. 1996 - The Bank opened its first subsidiary, VIBANK HOUSING FINANCE LTD to add impetus to housing finance. Vijaya Bank introduced three new loan schemes, namely, 'Vijaya Nivruthi', 'Vijaya Krishi Vikas' and 'Vijaya Mangala' to cater to the credit needs of pensioners, farmers and working women respectively. The Bank has also entered into tie-up arrangements with ICICI Banking Corporation Limited and Oman International Bank Ltd. The Bank introduced innovative banking service called 'Any Branch Banking.

In 1997, Vijaya Bank has introduced a novel way to improve customer service. The bank has introduced a system of rating its branches once in six months to evaluate the quality of service and the facilities extended to the clientele. Vijaya Bank has launched a special agriculture credit plan targeted specifically at agriculture and other, rural advances. The bank launched the 'special loan recovery motivation scheme' which helped reduce the level of NPAs from 11.6 per cent to 9.6 per cent. The Bank has recently introduced a new 'trade finance' scheme. In 1998, Vijaya bank has introduced a jewel scheme under which loans are granted by the bank to fund the purchase of jewellery by keeping the purchased item as collateral till the loan has been repaid. The Bank introduced several novel loan schemes viz. 'Liquidity Finance Scheme' to help SSI entrepreneurs to meet the shortfall in net working capital and 'Flexible Credit Scheme' with built in flexibility to utilize bank credit as pre sale or post sale finance by SSI units. The Bank has entered into domestic correspondent banking arrangements with various private sector banks and foreign banks. In 1999, Vijaya Bank has entered into Rs 200-crores take-out financing agreement with the Housing and Urban Development Corporation (Hudco) for funding infrastructure projects. The Housing and Urban Development Corporation (Hudco) has entered into a three-year reversible securitization deal with the public sector Vijaya Bank, to raise funds for meeting some of its infrastructure financing commitments.

In 2000, Vijaya Bank has introduced a new scheme named V-Star savings bank account scheme. Vijaya Bank Chairman and Managing Director S. Gopalakrishnan have been elected as the president of Indian Banks' Association, Bangalore. - Vijaya Bank is entering the capital market with an initial public offering of
10 crores shares of Rs 10 each for cash at par aggregating Rs 100 crores, bringing down the shareholding of the government from 100 to 72.16 per cent. Vijaya Bank's maiden public issue of 100 million shares of Rs 10 each which opened for public has been oversubscribed by 1.84 times. Vijaya Bank is increasing its focus on technology and, given the VRS pressure on its HR, the bank set up more networked ATMs. In 2002, Vijaya Bank has informed BSE that Government of India appointed Mr.. M. S. Kapur as the Chairman & Managing Director of the Bank and Mr.. M. S. Kapur took charge as Chairman & Managing Director of the Bank w.e.f. August 16, 2002.

Bank has further informed that Sri Michael Bastian, Executive Director of Bank has been posted as the Chairman & Managing Director Syndicate Bank. Mr. Michael Bastian was relieved as the Executive Director of the Bank on August 24, 2002.

In 2003, Vijaya Bank signs a pact with LIC to offer Life insurance cover to all its existing as well as its new deposit-holders. Bank officials are undertaking road shows where senior officials carry placard, giving reasons about their visit. This is an innovative way to deal with defaulters for repaying loans without publicly naming them. Vijaya Bank has unveiled a new electronic fund remittance facility called V-REMIT, under which the bank customers can electronically remit funds to the account holders in any bank. P. A. Sethi has been appointed as the Executive Director of the Vijaya Bank. Vijaya Bank has signed a Memorandum of Understanding with M/s National Insurance Company Limited for marketing banc assurance products. Vijaya Bank has named its merchant bankers for its public issue amounting to Rs.100cr and slated to be released from the next month. Bank has decided to amalgamate its own subsidiary VIBANK Housing Finance Ltd. (VHFL) with the Vijaya Bank. Vijaya Bank has informed that GOI has appointed Sri. K. R. Aananda (Director, RBI Nominee), the bank's board now consists of the following: Mr. M. S Kapur, CMD Mr. P. A Sethi (Ex. Director) Mr. R. Ranganath (Director) Mr. K. R Anand (Director). Mr. K. Kiran (Director) Mr. Babuseth Tyrewala (Director) Mrs. Sukdha Misra ( Director) Mr. Pawan Kumar sharma (Director) Mr. S. A. Nanthan (Director) Mr. R Ashok Kumar (Director) Mr. S. P Krishna Swami (Director) Mr. B. K. Jagdish Chandra (Director). Vijaya Bank has opened a Kiosk that is exclusively for retail lending at its Ashoknagar Branch in Mangalore. Vijaya Bank has hiked the rate of interest on FCNR (B) deposits for all the three currencies accepted by it. Bank has signed MoU with Punjab National Bank and Principal Financial Group of USA for a joint venture participation in Asset Management Company. Vijaya Bank decides to open training centre for employees in Bangalore. The Union government has bought back Rs 240-crores high-yielding government securities from Vijaya Bank. In 2004, Vijaya Bank ties up with NIC to
offer free insurance policy. US-based Principal Group enters distributorship tie-ups with Vijaya Bank. Delhi based Punjab National Bank (PNB) and Bangalore-based Vijaya Bank enter into a four-way partnership with Principal Financial of the US and Berger Paints to set up an insurance broking company. Vикanк Housing Finance Ltd. becomes wholly owned subsidiary of Vijaya Bank.

Vijaya Bank has entered into a memorandum of understanding (MoU) with two tractor manufacturers International Tractors and Mahindra Gujarat Tractors to provide finance on softer terms to farmers for purchase tractors and power tillers. Vijaya Bank signs pact with Nabard to co-finance agriculture, agro processing, hi-tech agriculture and rural development projects. Vijaya Bank too enters RTGS bandwagon. Principal Asset Management Company (AMC) formally re-launches itself as Principal PNB Asset Management Company in association with Vijaya Bank on July 2, 2004. Vijaya Bank launched the bank's second city specific credit card - the 'Hyderabad Card'. Vijaya Bank has entered a Memorandum of Understanding with M/S. Eicher Tractors with a view to facilitate farmers for purchase of tractors on softer terms. Vijaya Bank has entered into a Memorandum of Understanding with Punjab Tractors Limited with a view to help farmers purchase tractors on softer term loans. Bangalore-based Vijaya Bank has launched a new credit facility for farmers who are caught up in the clutches of private money-lenders and help them to improve their financial status. Vijaya Bank ties up with New Holland Tractors. Vijaya Bank ties up with National Insurance.

In 2005, Vijaya Bank ties up with TAFE. Vijaya Bank sets up new branches. In 2007, Vijaya Bank has informed that Shri G B Singh has been nominated as GOI Nominee Director of the Bank vice Shri Atul Kumar Rai, vide letter dated August 20, 2007 received from Government of India, Ministry of Finance, Department of Financial Services with immediate effect. In 2008, Vijaya Bank inked a memorandum of understanding with credit rating agency, Crisil, for rating its corporate customers. Vijaya Bank has inked a pact with Credit Analysis & Research Ltd (CARE), one of the RBI accredited rating agency, to provide bank loan ratings to its corporate clients at a concessional fee. Vijaya Bank has informed that Shri. Sridhar Cherukuri has been nominated as part-time non-official Director of the Bank with immediate effect, vide letter dated July 10, 2008 received from Government of India, Ministry of Finance, Department of Financial Services. Vijaya Bank has informed that Shri. Ranjan Shetty has been nominated as Officer Employee Director of the Bank with immediate effect, vide letter dated September 09, 2008 received from Government of India, Ministry of Finance, Department of Financial Services. In 2009, Vijaya bank has plans to issue 1,000 biometric smart cards to account-holders residing
in villages by the end of this fiscal. Vijaya Bank forged an alliance with VE Commercial Vehicles, a leading auto brand, to become a preferred financier for the latter's commercial vehicles. In 2012-13, there were 12,500 employees working in the Vijaya Bank. In 2014, the bank has built a network of 1502 branches, 864 centers, 48 Extension Counters and 1500 ATMs as on 12.02.2014, that span all 28 states and 4 union territories in the country. All branches are functioning on the CBS (Core Banking Solution) platform, covering 100% of the Bank's business.

4.2.10 Allahabad Bank:

Allahabad Bank is a nationalized bank with its headquarters in Kolkata, India. It is the oldest joint stock bank in India. It was founded in Allahabad in 1865.

As of 31 March 2012, it had over 2,500 branches across India. The bank did a total business of INR 3.1 trillion during the FY 2012-13. The bank has a branch in Hong Kong and a representative office in Shenzhen.

The bank's market capitalization in May 2013 was US$ 1.28 billion and it ranked No.1466 on the Forbes Global 2000 list.

History:

In YEAR EVENTS 1865, Allahabad Bank was set up on 24th April, at Allahabad by a Group of Europeans with subscribed capital of Rs.3 lac. It is the oldest Bank in the country at present. In 1920, The P & O Banking Corporation took over the bank by acquiring its shares. In 1965, The Bank celebrated Centenary. In 1969 it was nationalized. The bank has reached all social banking targets. It has introduced the Crop Credit Card (Fasli Shigra Ring Patra). It has launched the credit card "India Card - Allahabad Bank". In 1992, during the year the country faced its economic challenges boldly and emerged with creditable achievements despite the following constraints. Longer maturities Treasury Bills (364 days) have been introduced. The Bank has adopted 23 villages as `Model villages' for their integrated development. International Branch at Moradabad became the first nationalized bank outside a metropolitan city to handle foreign exchange business. The Bank has been designated as one of the banks to handle India Development Bonds Scheme under which the Bank mobilized subscriptions of Rs. 14.85 crores.
The Bank's Computer Based Terminal was commissioned at International Branch, Mumbai. The Bank has joined the elite group of 3000 banking/financial institutions in 72 countries for rapid transfer of standardized messages among SWIFT members by using state of art communication technology. A dedicated communication line was set up between the mainframe computer and the Central Accounts Department to accelerate data-transfer and update data files. The Bank has an effective vigilance set up to handle the Bank's vigilance matters. The Bank was awarded Fourth Prize by the RBI under the Reserve Bank of India Shield Scheme for its commendable work regarding implementation of Hindi in Region `C'. It was awarded a certificate and the Third Prize in the Indira Gandhi Official Language Shield Competition 1991. The Rajbhasha Shield was awarded to the Bank as Second Prize for its best performance by the Official Language Implementation Committee of Calcutta for the year 1991. Rajbhasha Shields were awarded to Patna, Kanpur and Lucknow Zones and Hyderabad Regional Office. The Bank organized an Official Language Conference at Jaipur during December 1991, It is regularly publishing the House Journal 'Triveni Dhara' which contains Hindi section. The Head Office Official Language Department has been publishing the journal 'Ila Bharati' in Hindi. The Bank has introduced mechanization of Draft Reconciliation System at 11 Service Branches. In 1993, it has been proposed to set up a Securities Trading Corporation. During the year, a Memorandum of Understanding was signed with Bank of India for issuing the Bank's INDIACARD with Master card affiliation. The Bank implemented the new scheme of the Government called "Simplified Scheme for payment of income tax by shopkeepers and other retail traders". The International Branch, Mumbai, has been connected to the SWIFT network. During the year Shresthta Ka Pramanpatra was awarded to the Bank by TOLIC, Calcutta.

In 1994, International Divisions have been opened at Nadesar Varanasi, Agra City and Kanpur. In the year 1995, The Bank has entered into an MOU with the Small Industries Development Bank of India (SIDBI) for financing small scale industrial units. The Bank will shortly be setting up a housing subsidiary with a proposed name "All Housing Finance Ltd." The Bank has 5 International Branches and 4 International Divisions. The Bank organized 123 Hindi Workshops at different training centers and at Zonal Office level during the year in which 2389 officers/employees were imparted practical training in Hindi. The Reserve Bank of India has awarded first prize to the Bank for commendable work in Hindi in Region `A' during the year. The Bank emerged as the champion in the 8th All-India Inter Bank Football Tournament, sponsored by the Banks' Sports Board, IBA, held in Calcutta in February 1995, in which 10 banks participated. In 1996, The Bank set up Information Technology Centre to provide in depth computer training to officers at Calcutta and Lucknow. The Bank emerged as the runners-up in the 7th Inter-Bank Football
Tournament (Eastern Region), sponsored by the Banks' Sports Board, IBA, held at Durgapur from 15.2.1996 to 21.2.1996 in which 8 banks participated.

In 1997, a one-day token strike was observed in all the 475 branches of Allahabad Bank in West Bengal to protest the management's alleged apathetic attitude towards the employees' long standing demand. Wipro, the Indian computer giant, is set to win the first phase of the computerization contract from the Calcutta based Allahabad Bank. The Calcutta based Allahabad Bank has decided to close down all its 11 zonal offices and relocate some of its regional offices as part of the restructuring process in the bank. Allahabad Bank, the Calcutta-based public sector bank, which has received an in-principle clearance from the Reserve Bank of India (RBI) for setting up a housing finance subsidiary, is reviewing its decision to do so in the light of the present market scenario. Allahabad Bank has set up a committee in order to evolve a new formula for advancing loans for working capital requirements of businesses. The Calcutta-based public sector Allahabad Bank has recently beefed up its Tier-II capital by a revaluation of its assets, chiefly real estate assets, by Rs 132 crores. This has enabled an increase in the bank's capital adequacy ratio (CAR) by one percentage point to above 10 per cent. Allahabad Bank has set up a committee in order to evolve a new formula for advancing loans for working capital requirements of businesses. An expert committee has set up around two days ago which is studying the issue. In 1998, Allahabad Bank is scouting for foreign tie-ups in the area of gold trading, for which it has recently received permission from the Reserve Bank of India (RBI).

The Allahabad Bank has become one of the first banks in the country to draw up a credit management policy following the dismantling of the Reserve Bank of India-prescribed Maximum Permissible Bank Finance (MPBF) norms. Allahabad Bank has entered into an arrangement, informally though, with IDBI and ICICI in regard to funding of infrastructure projects. Allahabad Bank is all set to widen its term deposit portfolio with the launch of its Flexifit Deposit Scheme on January 1. Flexifit Deposit offers to the customers' high interest returns of the fixed deposit scheme along with the option of withdrawing a part of their deposits prematurely without affecting the rate of interest or maturity date of the balance part of the deposits. The bank is installing 14 automated teller machines (ATMs) in eight cities throughout India, the Rs.1.20 crores contracts for which has been awarded to Siemens Nixdorf Information Systems Ltd. The Allahabad Bank launched the Allahabad Bank Green Card for farmers to enable adequate and timely credit support to them, not just to meet cultivation costs but also domestic needs. In 1999, Allahabad Bank has launched two new schemes to increase the pace of credit off take. TATA Consultancy Services (TCS) has entered into a contract with Allahabad Bank for implementing the Integrated Standard Banking
System (ISBS), a branch mechanization package, at 60 branches of the bank. The city-based Allahabad Bank has bagged three major core sector clients - National Thermal Power Corporation (NTPC), Power Grid Corporation and Indian Railway Finance Corporation Ltd (IRFC). All Bank Finance Ltd the 100-percent subsidiary of Allahabad Bank will seek the approval from the Reserve Bank of India (RBI) for accepting public deposits.

Allahabad Bank is launching a new trading finance scheme to bolster the growth of its merchant segment. The scheme, which already has the board's approval, was recently formulated by the bank's business promotion committee (BPC).

In 2000, Allahabad Bank launched 56 boutique branches on Friday. Allahabad Bank is to float global tender inviting bids from international vendors for supplying both hardware and software to network 250 of its branches including regional and zonal offices. Allahabad Bank has launched a new portal, the second of its kind, for sanctioning car loans through the Internet. - Allahabad Bank becomes the first public sector bank to have an exclusive Web site of its own, www.allbankcarloans.com, dedicated to sanctioning car loans through the Internet. The Bank is making a foray into housing finance with the opening of 38 housing finance cells. The bank introduced a wide range of personal finance products such as car, personal, consumer, housing loans and flexifix deposit schemes et al. Calcutta-based Allahabad Bank has developed three new products - collect and pay services, guaranteed credit services and direct deposit services. The Bank has installed an automatic teller machine at its Vashi branch under the shared payment network of the Indian Banks' Association. Allahabad Bank's Gariahat branch in the city will offer 24-hour Tele-banking facility from 28th June. The Bank has tied up with Zenith InfoTech to provide Internet banking. Allahabad Bank has launched Allnet - the bank's internet banking service at its industrial finance branch in Mumbai. Allahabad Bank as introduced its voluntary retirement scheme and a sabbatical for its officers and employees. Allahabad Bank has proposed to expand its depository services in Calcutta by opening collection centers at five strategic locations in the city.

Allahabad Bank set up a first aid centre in the Science City, at Calcutta. In 2001, Allahabad Bank has launched its new personal loan scheme for pensioners.

In 2002, Allahabad has tied up with National Institute of Banking Management, Crisil and Earnest & Young for development of HRM, risk Management and general business strategy. Allahabad bank has posted a 101% growth in the net profit to Rs.80.21cr with a business of 34,481. ICICI Bank has opposed Allahabad
Bank's petition seeking Kothari Petro wind up. Allahabad Bank cuts its Prime Lending Rates; its revised rates will be 11.5% as against the present 12%. Allahabad Bank takes the possession of property worth Rs. 3cr in the city using the powers given by the securitization and reconstruction of Financial Assets and Enforcement of security ordinance. Bank serves notices to 700 defaulters involving Rs.100crores. In 2003, Allahabad Bank has seized the commercial assets of the Gurantors of Ramolene Fabrics (P) Ltd in Mumbai. The rural banking department of Allahabad Bank has provided loans to farmers of the rural areas for agriculture. Allahabad bank signs a Memorandum of Understanding with Corporation Bank for mutual sharing of their ATM Network. Bank has been able to prune non-performing assets by Rs.540crs through a mix of cash recoveries, compromise, upgradation and wire-offs. Dr. B. Sama, Chairman and MD of the bank have retired at the close of the business on date due to its superannuation interim of GOI.

Mr. Omkar Nath Singh has assumed charge of Chairman and Managing Director of the Bank in terms of Notification No. F.No.9/14/2003-B.O.I. dated December 04, 2003 of Government of India, Ministry of Finance, Department of Economic Affairs (Banking Division). In 2004, Allahabad Bank slashes prime lending rates by 50 basis points. Allahabad Bank participates in the equity of an ARC being floated by UTI. Allahabad Bank has informed that the Central Government after consultation with the Reserve Bank of India has nominated Smt. Sewali Chowdhary, Chief General Manager, Rural Planning and credit Department Reserve Bank of India, Kolkata, as Director on the Board of Directors of Allahabad Bank in place of Sri Surinder Kumar with effect from January 9, 2004 and until further Orders. Consequently, Sri Surinder Kumar has ceased to be a Director of the Bank. Allahabad Bank has informed that it has entered into an MOU with the Export Credit Guarantee Corporation of India (ECGC) for distribution of their products to the exporters. UTI Mutual Fund and Allahabad Bank on April 5, 2004 announced a strategic tie-up for distribution of UTI MF schemes. Allahabad Bank has on April 24, 2004 stepped into the 140th year of its glorious existence in the Indian Financial sector. Life Insurance Corporation of India and Allahabad Bank enter into a strategic tie up to develop banc assurance. Allahabad Bank MD gets award from Wisitex.

In 2005, Allahabad Bank sets the price band for the public issue of 100,000,000 equity shares of Rs 10 each for cash through book-building route, which is opening on April 06, 2005. The price band is Rs 75 to Rs 82 per share of face value of Rs 10/- each. Rs 75/- was being floor price and Rs 82 being was the cap price. Accordingly bid lot has been decided at 75 shares and in multiples of 75 shares thereafter. Allahabad Bank public issue oversold 3.32 times. The follow-on Public
Issue of 100,000,000 Equity Shares of the Bank through the book building process opened for bidding on April 06, 2005 and closed on April 12, 2005. The price band fixed for the same was Rs.75 to Rs.82. Based on the response to the follow-on Public Issue and after consultation with the Book Running Lead Managers; the Bank has fixed the Issue Price at Rs. 82/- per Equity Share for the purpose of allotment of equity shares in the said follow-on Public Issue of the Bank. Allahabad Bank signs memorandum of understanding with Mahindra Gujarat Tractor Ltd for financing Hindustan brand tractor under special finance scheme. Allahabad Bank has begun 12-hr banking in 33 branches.

In 2006, Allahabad Bank appointed Shri. A C Mahajan as Chairman & Managing Director (CMD) on August 01, 2006 up to July 31, 2010. Allahabad Bank has informed that Sri S. L. Jain, Chief Manager will act as Company Secretary of the Bank w.e.f. November 01, 2006 in place of Sri Peter Barua, Company Secretary who will retire from Bank's Service on date. Allahabad Bank merges six RRBs in UP. Allahabad Bank launches first overseas office in China. In 2007, Allahabad Bank has informed that Government of India, Ministry of Finance, Departmental of Financial Services vide notification dated December 19, 2007 nominated Shri K. K. Dogra, Sr. Manager of the Bank as Officer Employee Director on the Board of Directors of the Bank for a period of three years from the date of notification or till he ceases to be an officer of the Bank or until further orders, whichever is the earliest. In 2008, Allahabad Bank has informed that Government of India, Ministry of Finance, Department of Financial Services vide notification dated June 25, 2008, has appointed Shri. A C Mahajan, Chairman & Managing Director of the Bank as Chairman & Managing Director of Canara Bank from the date of his taking charge on or after July 01, 2008. Allahabad Bank has informed that in exercise of the powers conferred by clause (a) of sub-section (3) of section 9 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 / 1980, read with sub-clause (1) of clause (3) and sub clause 8 of the Nationalized Banks (Management and Miscellaneous Provisions) Scheme, 1970 / 1980, the Central Government, in consultation with Reserve Bank of India hereby appoints Shri. K R Kamath as Chairman & Managing Director, Allahabad Bank for a period of five years on and from August 02, 2008 or until further orders whichever is earlier.

In 2009, Allahabad Bank has appointed Shri. Dina Nath Kumar as company secretary of the Bank. Shri. Dina Nath Kumar will act as Company Secretary of the Bank w.e.f. April 02, 2009 in place of Shri. S.L. Jain. Allahabad Bank has informed that Shri. Dina Nath Kumar has been appointed as Company Secretary of the Bank. Shri. Dina Nath Kumar will act as Company Secretary of the Bank w.e.f. April
02, 2009 in place of Shri. S. L. Jain. Allahabad Bank has informed that Bank has received only (1) valid application for contesting the election against one casual vacancy of shareholders' director as detailed below: - Name: Dr. Vasant Baburao Kaujalgi, S/O Shri Baburao G. Kaujalgi, Address: N 220 Ushas Apt. 16 Main, 4 Block, Jayanagar, Bangalore 560011. In view of this Dr. Vasant Baburao Kaujalgi is deemed to have been elected as Director representing shareholders forthwith and shall hold office till June 29, 2011. In view of the above, there shall not be any election as set out in item No. 4 of the Notice for convening AGM. Allahabad Bank has informed that consequent upon the appointment of Shri. A. K. Mohapatra as Member, Appellate Authority for Industrial & Financial Reconstruction (A.A.I.F.R) Ministry of Finance, Govt. of India, Shri. A. K. Mohapatra, resigned as director representing shareholder of the Bank w.e.f. June 26, 2009. Allahabad Bank decided to cut its benchmark prime-lending rate by 25 basis points from July 1. Allahabad Bank has appointed M/s. P A & Associates Chartered Accountants, M/s. M R Narain & Co. Chartered Accountants, M/s. S Ghose & Co. Chartered Accountants, and M/s. K M Agarwal & Co. Chartered Accountants, as the Statutory Central Auditors of the Bank in place of M/s. Rasool Singhal & Co, M/s. Dass Gupta & Associates, M/s. Anand Rungta & Co. and M/s. K S Bothra & Co. Allahabad Bank has appointed Shri D. Sarkar as whole time director (designated as Executive Director) of the Bank.

In 2010, Allahabad Bank has set up a branch in the Union Territory of Dadra and Nagar Haveli under the bank's zonal office, Ahmedabad. Allahabad Bank has appointed Shri A. B. Bhattacharjee, as General Manager (F&A) and Chief Financial Officer (CFO) of the Bank. In 2013, As on 31 March 2013, the bank had 22,557 employees, out of which 3,293 were women (15%). Out of the total employees, 51% were officers, 30% were clerks and remaining 19% were subordinate staff. The bank recruited 1,950 employees (1,421 Officers, 390 Clerks and 139 subordinate staff) during the same financial year. The company incurred INR 20 billion on employee benefit expenses during the same financial year. Employee productivity: During the FY 2012-13, the business per employee was INR 13.73 crores and it earned a net profit of INR 5.25 lacs per employee.
Allahabad Bank's equity shares are listed on Bombay Stock Exchange and the National Stock Exchange of India.

<table>
<thead>
<tr>
<th>Shareholders (as on 31-Dec-2013)</th>
<th>Shareholding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promoter Group (Government of India)</td>
<td>58.90%</td>
</tr>
<tr>
<td>Insurance Companies</td>
<td>13.54%</td>
</tr>
<tr>
<td>Individual shareholders</td>
<td>12.10%</td>
</tr>
<tr>
<td>Foreign Institutional Investors (FII)</td>
<td>08.74%</td>
</tr>
<tr>
<td>Banks/Financial Institutions/Mutual Funds/UTI</td>
<td>04.86%</td>
</tr>
<tr>
<td>Others</td>
<td>01.86%</td>
</tr>
<tr>
<td>Total</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

4.3 Profitability Ratios:

A class of financial metrics that are used to assess a business's ability to generate earnings as compared to its expenses and other relevant costs incurred during a specific period of time. For most of these ratios, having a higher value relative to a competitor's ratio or the same ratio from a previous period is indicative that the company is doing well.

Some examples of profitability ratios are profit margin, return on assets and return on equity. It is important to note that a little bit of background knowledge is necessary in order to make relevant comparisons when analyzing these ratios.

For instance, some industries experience seasonality in their operations. The retail industry, for example, typically experiences higher revenues and earnings for the Christmas season. Therefore, it would not be too useful to compare a retailer's fourth-quarter profit margin with its first-quarter profit margin. On the other hand, comparing a retailer's fourth-quarter profit margin with the profit margin from the same period a year before would be far more informative. Profitability ratios are the most popular metrics used in financial analysis.
4.3.1 Gross Profit Margin:

The table of gross profit margin is as under:

Table – 4.1

Gross Profit Margin (In Percentages) of Public Sector Banks

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2002-03</td>
<td>0.95</td>
<td>-1.81</td>
<td>-1.21</td>
<td>1.46</td>
<td>0.14</td>
<td>-0.33</td>
<td>0.57</td>
<td>-0.83</td>
<td>-6.77</td>
<td>-0.33</td>
</tr>
<tr>
<td>2003-04</td>
<td>-3.14</td>
<td>-11.87</td>
<td>-5.75</td>
<td>-1.02</td>
<td>-6.46</td>
<td>-1.78</td>
<td>1.80</td>
<td>0.43</td>
<td>4.58</td>
<td>-13.19</td>
</tr>
<tr>
<td>2006-07</td>
<td>11.01</td>
<td>-5.61</td>
<td>7.10</td>
<td>9.20</td>
<td>8.83</td>
<td>14.78</td>
<td>16.39</td>
<td>11.82</td>
<td>10.65</td>
<td>11.00</td>
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<tr>
<td>2007-08</td>
<td>4.58</td>
<td>-5.43</td>
<td>4.93</td>
<td>2.36</td>
<td>-0.90</td>
<td>0.05</td>
<td>13.41</td>
<td>8.79</td>
<td>3.09</td>
<td>5.65</td>
</tr>
<tr>
<td>2008-09</td>
<td>8.47</td>
<td>-1.34</td>
<td>4.31</td>
<td>6.36</td>
<td>-4.38</td>
<td>10.40</td>
<td>5.83</td>
<td>6.56</td>
<td>1.26</td>
<td>6.06</td>
</tr>
<tr>
<td>2009-10</td>
<td>7.36</td>
<td>1.31</td>
<td>-1.79</td>
<td>4.50</td>
<td>4.14</td>
<td>10.22</td>
<td>-2.13</td>
<td>8.47</td>
<td>-1.86</td>
<td>2.42</td>
</tr>
<tr>
<td>2010-11</td>
<td>19.06</td>
<td>-4.40</td>
<td>11.69</td>
<td>4.21</td>
<td>10.42</td>
<td>6.68</td>
<td>4.97</td>
<td>12.64</td>
<td>1.71</td>
<td>8.03</td>
</tr>
<tr>
<td>2011-12</td>
<td>17.38</td>
<td>-4.18</td>
<td>16.17</td>
<td>4.21</td>
<td>5.58</td>
<td>2.63</td>
<td>2.14</td>
<td>12.99</td>
<td>3.61</td>
<td>8.30</td>
</tr>
<tr>
<td>Mean</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4.6371</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

[Source: www.moneycontrol.com/financials/selectedbanks/ratios
www.money.rediff.com/companies/selected-banks/ratios

Chart-4.1

GROSS PROFIT MARGIN (IN PERCENTAGE) OF PUBLIC SECTOR BANKS
The table 4.1 clears the position regarding the gross profit margin in the selected bank of public sector banks.

The gross profit margin of Bank of Baroda was 0.95 percent in the year 2002-03, it was significantly reduced to negative 3.14 percent in the year 2003-04, which heavily increased to 8.83 percent in the year 2004-05 and again decreased to 7.04 percent in the year 2005-06. It was stepped up to 11.01 percent in the year 2006-07 after that it was stepped down to 4.58 percent during the year 2007-08, which heavily raised to 8.47 percent in the year 2008-09 and decreased to 7.36 percent in the year 2009-10, after that it was increased to 19.06 percent in the year 2010-11 and again it was reduced to 17.38 percent in the year 2011-12 and the average was 8.154 percent.

The gross profit margin of IDBI Bank Ltd. was totally negative result to 1.81 percent, 11.87 percent, 8.73 percent, 12.14 percent, 5.61 percent, 5.43 percent, 1.34 percent during the year 2002-03 to 2008-09. In the year 2009-10, it was raised to 1.31 percent, further stepped up to 4.40 percent in the year 2010-11 but it was reduced to 4.18 percent during the year 2011-12 and the average was -3.704 percent.

The gross profit margin of State Bank of India was down to 1.21 percent, 5.75 percent during the year 2002-03 and 2003-04, which heavily increased to 8.22 percent and 10.51 percent in the year 2004-05 and 2005-06, further it stepped down to 7.10 percent 4.93 percent and 4.31 percent during the year 2006-07, 2007-08 and 2008-09, again it was negative to 1.79 percent in the year 2009-10 which heavily increased to 11.69 percent and 16.17 percent during the year 2010-11 and 2011-12 and the average was 5.418 percent.

The gross profit margin of State Bank of Bikaner and Jaipur was 1.46 percent in the year 2002-03. It was negative to 1.02 percent in the year 2003-04 which heavily increased to 11.53 percent in the year 2004-05. It was reduced to 9.45 percent, 9.20 percent, 2.36 percent during the year 2005-06 to 2007-08, further it stepped up to 6.36 percent in the year 2008-09. It was reduced to 4.50 percent in the year 2009-10. It was same to 4.21 percent during the year 2010-11 and 2011-12 and the average was 5.226 percent.

The gross profit margin of Canara Bank was 0.14 percent in the year 2002-03. It was negative to 6.46 percent in the year 2003-04, which was continuously increased to 3.10 percent, 6.88 percent and 8.83 percent during the year 2004-05 to
In the year 2006-07, it was negative to 0.90 percent, further stepped up to 4.38 percent in the year 2008-09, again it was decreased to 4.14 percent in the year 2009-10, which heavily increased to 10.42 percent in the year 2010-11. It was reduced to 5.58 percent during the year 2011-12 and the average was 3.611 percent.

The gross profit margin of State Bank of Travancore was negative to 0.33 percent and 1.78 percent in the year 2002-03 to 2003-04, which was heavily increased 19.89 percent during the year 2004-05 respectively, again it was down to 12.04 percent in the year 2005-06. It was raised to 14.78 percent in the year 2006-07, which was heavily reduced to 0.05 percent in the year 2007-08. It was raised to 10.40 percent in the year 2008-09, again it was continuously decreased to 10.22 percent, 6.68 percent and 2.63 percent during the year 2009-10 to 2011-12 and the average was 5.458 percent.

The gross profit margin of Indian Overseas Bank was heavily increased to 0.57 percent, 1.80 percent, 10.18 percent 13.88 percent and 16.39 percent during the year 2002-03 to 2006-07 further it stepped down to 13.41 percent in the year 2007-08 and 5.83 percent in the year 2008-09. It was negative to 2.13 percent in the year 2009-10. Finally it was raised to 4.97 percent in the year 2010-11 but during the year 2011-12, it was down 2.14 percent and the average was 6.704 percent.

The gross profit margin of Andhra Bank was negative to 0.83 percent in the year 2002-03, which heavily raised to 0.43 percent, 9.99 percent, 10.73 percent, 11.82 percent during the year 2003-04 to 2006-07, again it was decreased to 8.79 percent, 6.56 percent in the year 2007-08 and 2008-09. It was increased to 8.47 percent, 12.64 percent and 12.99 percent in the year 2009-10 to 2011-12 respectively and the average was 8.159 percent.

The gross profit margin of Vijaya Bank was also negative in the year 2002-03. It was increased to 4.58 percent in the year 2003-04, again it was reduced to 0.12 percent in the year 2004-05, which heavily increased to 9.62 percent and 10.65 percent in the year 2005-06 and 2006-07. It was heavily decreased to 3.09 percent and 1.26 percent in the year 2007-08 and 2008-09, again it was negative to 1.86 percent in the year 2009-10 which increased to 1.71 percent, 3.61 percent in the year 2010-11 and 2011-12 and the average was 2.601 percent.
The gross profit margin of Allahabad Bank was negative to 0.33 percent, 13.19 percent in the year 2002-03 and 2003-04, which heavily increased to 11.86 percent in the year 2004-05. It was unstable to 11.86 percent, 7.64 percent, 11 percent, 5.65 percent, 6.06 percent, 2.42 percent, 8.03 percent and 8.30 percent during the year 2005-06 to 2011-12 respectively and the average was 4.744 percent.

F-test (ANOVA):

Testing hypothesis by one way classification.

H₀: There would be no significant difference in average gross profit margin of selected public sector banks.

H₁: There would be significant difference in average gross profit margin of selected public sector banks.

| Table 4.2 |
| Analysis of Gross Profit Margin of Public Sector Banks for One-way ANOVA |

<table>
<thead>
<tr>
<th>Source of Variation</th>
<th>Sum of square (SS)</th>
<th>Degrees of Freedom (Df)</th>
<th>Mean Square(MS)</th>
<th>F-Ratio</th>
<th>5 % F-Limit (From the F-Table)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between Groups</td>
<td>1123.43</td>
<td>9</td>
<td>124.83</td>
<td>3.43</td>
<td>1.99</td>
</tr>
<tr>
<td>Within Groups</td>
<td>3274.06</td>
<td>90</td>
<td>36.38</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>4397.49</td>
<td>99</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The above ANOVA table 4.2 shows that the calculated value of F is 3.43, which is more than the table value of 1.99 at 5% level of significant. Hence, the null hypothesis stands rejected. It means that there would be significant difference in average gross profit margin of selected public sector banks.
4.3.2 Operating Margin:

The table of operating margin is as under:

**Table – 4.3**

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>2002-03</td>
<td>2.41</td>
<td>0.32</td>
<td>-0.20</td>
<td>0.54</td>
<td>1.77</td>
<td>0.93</td>
<td>1.73</td>
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<td>2003-04</td>
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<td>1.57</td>
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<td>15.14</td>
<td>12.56</td>
<td>11.35</td>
<td>8.42</td>
</tr>
<tr>
<td>2007-08</td>
<td>6.55</td>
<td>-4.39</td>
<td>6.32</td>
<td>4.32</td>
<td>0.29</td>
<td>6.21</td>
<td>14.35</td>
<td>10.22</td>
<td>3.86</td>
<td>6.49</td>
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<tr>
<td>2008-09</td>
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<td>-0.89</td>
<td>5.51</td>
<td>7.44</td>
<td>5.41</td>
<td>11.40</td>
<td>6.88</td>
<td>8.08</td>
<td>1.96</td>
<td>6.82</td>
</tr>
<tr>
<td>2009-10</td>
<td>8.74</td>
<td>1.90</td>
<td>0.47</td>
<td>5.75</td>
<td>4.97</td>
<td>11.20</td>
<td>-1.04</td>
<td>10.07</td>
<td>-0.92</td>
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<tr>
<td>2010-11</td>
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<td>5.09</td>
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<td>2.50</td>
<td>8.63</td>
</tr>
<tr>
<td>2011-12</td>
<td>18.32</td>
<td>4.68</td>
<td>17.11</td>
<td>16.07</td>
<td>6.09</td>
<td>3.37</td>
<td>2.76</td>
<td>13.82</td>
<td>4.11</td>
<td>8.77</td>
</tr>
</tbody>
</table>

Average: 7.652

Mean: 6.7717

[Source: www.moneycontrol.com/financials/selectedbanks/ratio
www.money.rediff.com/companies/selected-banks/ratios]

**Chart 4.2**

**OPERATING MARGIN (IN PERCENTAGE) OF PUBLIC SECTOR BANKS**
The table 4.3 clears the position regarding the Operating Margin in the selected bank of Public Sector Banks.

The operating margin of Bank of Baroda was 2.41 percent in the year 2002-03, which was negative to 1.91 percent in the year 2003-04. It was fluctuated to 10.10 percent, 8.61 percent, 13.12 percent, 6.55 percent, 10.00 percent, 8.74 percent, 20.17 percent and 18.32 percent in the year 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11 and 2011-12 respectively and the average was 9.611 percent.

The operating margin of IDBI Bank Ltd. Was 0.32 percent in the year 2002-03, which was continuously negative to 11.28 percent, 5.57 percent, 6.19 percent, 3.69 percent, 4.39 percent and 0.89 percent in the year 2003-04, 2004-05, 2005-06, 2006-07, 2007-08 and 2008-09. It was increased to 1.90 percent and 5.09 percent in the year 2009-10 and 2010-11 but it was decreased to 4.68 percent in the year 2011-12 and the average was -2.002 percent.

The operating margin of State Bank of India was negative to 0.20 percent, 3.46 percent in the year 2002-03 to 2003-04, which heavily increased to 16.71 percent in the year 2004-05. It was continuously decreased to 12.54 percent, 8.62 percent, 6.32 percent, 5.51 percent, and 0.47 percent during the year 2005-06 to 2009-10 after that it was increased to 12.90 percent and 17.11 percent during the year 2010-11 and 2011-12 and the average was 7.652 percent.

The operating margin of State Bank of Bikaner and Jaipur was increased to 0.54 percent, 1.57 percent and 14.47 percent in the year 2002-03, 2003-04 and 2004-05 but it was decreased to 12.91 percent, 11.52 percent 4.32 percent during the year 2005-06, 2006-07 and 2007-08 further it stepped up to 7.44 percent in the year 2008-09, again it was decreased to 5.75 percent in the year 2009-10. It was raised to 14.57 percent and 16.07 percent in the year 2010-11 and 2011-12 and the average was 8.916 percent.

The operating margin of Canara Bank was 1.77 percent in the year 2002-03 but it was negative to 4.83 percent in the year 2003-04, which heavily increased to 4.85 percent, 8.54 percent and 10.13 percent in the year 2004-05, 2005-06 and 2006-07. It was fall down to 0.29 percent in the year 2007-08 which was raised to
5.41 percent in the year 2008-09. It was fluctuated to 4.97 percent, 11.07 percent and 6.09 percent during the year 2009-10, 2010-11 and 2011-12 and the average was 4.829 percent.

The operating margin of State Bank of Travancore was fluctuated to 0.93 percent, 0.16 percent, 21.76 percent, 14.33 percent, 16.26 percent, 6.21 percent, 11.40 percent, 11.20 percent, 7.58 percent and 3.37 percent during the year 2002-03, 2003-04, 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11 and 2011-12 respectively and the average was 9.32 percent.

The operating margin of Indian Overseas Bank was raised to 1.73 percent, 2.85 percent, 11.36 percent, 15.14 percent and 17.44 percent in the year 2002-03, 2003-04, 2004-05, 2005-06 and 2006-07 which was reduced to 14.35 percent, 6.88 percent in the year 2007-08 and 2008-09. In the year 2009-10, it was negative to 1.04 percent, which heavily increased to 5.84 percent in the year 2010-11. Again it was decreased to 2.76 percent in the year 2011-12 and the average was 7.731 percent.

The operating margin of Andhra Bank was continuously increased to 1.44 percent, 3.17 percent and 12.63 percent in the year 2002-03, 2003-04 and 2004-05. It was decreased to 12.56 percent in the year 2005-06, further stepped up to 13.50 percent in the year 2006-07. Again it was decreased to 10.22 percent and 8.08 percent in the year 2007-08 and 2008-09 which was increased to 10.07 percent and 13.93 percent in the year 2009-10 and 2010-11, further it stepped down to 2011-12 and the average was 9.942 percent.

The operating margin of Vijaya Bank was 5.59 percent in the year 2002-03 which was increased to 5.87 percent and 14.33 percent in the year 2003-04 and 2004-05. It was decreased to 11.35 percent in the year 2005-06 further stepped up to 12.07 percent in the year 2006-07 which heavily decreased to 3.86 percent and 1.96 percent in the year 2007-08 and 2008-09 and it was negative to 0.92 percent in the year 2009-10. It was increased to 2.50 percent and 4.11 percent in the year 2010-11 and 2011-12 and the average was 6.072 percent.

The operating margin of Allahabad Bank was 1.18 percent in the year 2002-03, which was negative to 11.88 percent in the year 2003-04. It was fluctuated to 12.88 percent, 8.42 percent, 11.98 percent, 6.49 percent, 6.82 percent, 3.17 percent, 8.63...
percent and 8.77 percent during the year 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11 and 2011-12 respectively and the average was 5.646 percent.

- **F-test (ANOVA)**

  Testing hypothesis by one way classification.

  H₀: There would be no significant difference in average operating margin of selected public sector banks.

  H₁: There would be significant difference in average operating margin of selected public sector banks.

  **Table 4.4**

  Analysis of Operating Margin of Public Sector Banks for One-way ANOVA

<table>
<thead>
<tr>
<th>Source of Variation</th>
<th>Sum of Square (SS)</th>
<th>Degrees of Freedom (Df)</th>
<th>Mean Square (MS)</th>
<th>F-Ratio</th>
<th>5% F-Limit (From the F-Table)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between Groups</td>
<td>1134.08</td>
<td>9</td>
<td>126.01</td>
<td>3.47</td>
<td>1.99</td>
</tr>
<tr>
<td>Within Groups</td>
<td>3267.93</td>
<td>90</td>
<td>36.31</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>4402.01</td>
<td>99</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

  The above ANOVA table 4.4 shows that the calculated value of F is 3.47, which is more than the table value of 1.99 at 5% level of significant. Hence, the null hypothesis stands rejected. It means that there would be significant difference in average operating margin of selected public sector banks.
4.3.3 Net Profit Margin:

The table of net profit margin is as under:

**Table – 4.5**

**Net Profit Margin (In Percentages) of Public Sector Banks**

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2005-06</td>
<td>10.76</td>
<td>8.47</td>
<td>11.21</td>
<td>7.00</td>
<td>13.82</td>
<td>10.59</td>
<td>16.44</td>
<td>15.83</td>
<td>5.23</td>
<td>16.92</td>
</tr>
<tr>
<td>2007-08</td>
<td>10.38</td>
<td>7.84</td>
<td>11.65</td>
<td>9.00</td>
<td>9.61</td>
<td>10.08</td>
<td>13.94</td>
<td>11.84</td>
<td>8.65</td>
<td>13.69</td>
</tr>
<tr>
<td>Mean</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>11.1798</td>
</tr>
</tbody>
</table>

[Source:www.moneycontrol.com/financials/selectedbanks/ratios  
www. money.rediff.com/companies/selected-banks/ratios]

**Chart 4.3**

**NET PROFIT MARGIN (IN PERCENTAGE) OF PUBLIC SECTOR BANKS**
The table 4.5 clears the position regarding the Net Profit Margin in the selected bank of Public Sector Banks.

The net profit margin of Bank of Baroda was fluctuated to 10.50 percent, 12.13 percent, 9.77 percent, 10.76 percent, 10.22 percent and 10.38 percent during the year 2002-03, 2003-04, 2004-05, 2005-06, 2006-07 and 2007-08. It was increased to 12.86 percent, 15.37 percent and 17.17 percent in the year 2008-09, 2009-10 and 2010-11, further stepped down to 15.12 percent in the year 2011-12 and the average was 12.428 percent.

The net profit margin of IDBI Bank Ltd. Was 6.30 percent in the year 2002-03 which was decreased to 5.65 percent in the year 2003-04. It was increased to 9.39 percent in the year 2004-05, which was decreased to 8.47 percent in the year 2005-06, further stepped up to 8.74 percent in the year 2006-07. It was decreased to 7.84 percent, 6.71 percent and 5.95 percent in the year 2007-08, 2008-09 and 2009-10. It was raised to 8.12 percent in the year 2010-11, again it was reduced to 7.99 percent in the year 2011-12 and the average was 7.516 percent.

The net profit margin of State Bank of India was fluctuated to 8.52 percent, 9.79 percent, 11.56 percent, 11.21 percent, 10.12 percent, 11.65 percent, 12.03 percent, 10.54 percent, 8.50 percent and 9.68 percent during the year 2002-03, 2003-04, 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11 and 2011-12 respectively and the average was 10.36 percent.

The net profit margin of State Bank of Bikaner and Jaipur was 11.41 percent in the year 2002-03 further stepped up to 14.57 percent in the year 2003-04, which was reduced to 11.36 percent and 7.00 percent in the year 2004-05 and 2005-06, after that it was increased to 10.93 percent in the year 2006-07. Again it was decreased to 9.00 percent in the year 2007-08, further stepped up to 9.38 percent, 9.91 percent and 10.14 percent in the year 2008-09, 2009-10 and 2010-11. It was decreased to 9.49 percent in the year 2011-12 and the average was 10.319 percent.

The net profit margin of Canara Bank was fluctuated to 12.47 percent, 14.73 percent, 12.81 percent, 13.82 percent, 11.60 percent and 9.61 percent in the year 2002-03, 2003-04, 2004-05, 2005-06, 2006-07 and 2007-08. It was raised to 10.89 percent, 13.77 percent 15.65 percent in the year 2008-09, 2009-10 and 2010-11 which was decreased to 9.76 percent in the year 2011-12 and the average was 12.511 percent.
The net profit margin of State Bank of Travancore was 9.11 percent in the year 2002-03, which heavily increased to 11.09 percent and 12.45 percent in the year 2003-04 and 2004-05, further stepped down to 10.59 percent in the year 2005-06, again it was increased to 11.05 percent in the year 2006-07. It was decreased to 10.08 percent in the year 2007-08, after that it was increased to 13.04 percent and 13.89 percent in the year 2008-09 and 2009-10, again it was decreased to 12.53 percent and 6.84 percent in the year 2010-11 and 2011-12 and the average was 11.067 percent.

The net profit margin of Indian Overseas Bank was 10.52 percent in the year 2002-03, which heavily increased to 11.40 percent, 14.27 percent and 16.44 percent in the year 2003-04, 2004-05 and 2005-06, after that it was decreased to 16.18 percent, 13.94 percent, 11.87 percent and 6.14 percent during the year 2006-07, 2007-08, 2008-09 and 2009-10, further stepped up to 8.04 percent in the year 2010-11 but it was down to 5.41 percent in the year 2011-12 and the average was 11.721 percent.

The net profit margin of Andhra Bank was raised to 14.42 percent, 15.96 percent and 18.18 percent in the year 2002-03, 2003-04 and 2004-05, which heavily decreased to 15.83 percent, 14.53 percent, 11.84 percent and 10.96 percent in the year 2005-06, 2006-07, 2007-08 and 2008-09, after that it was raised to 14.17 percent in the year 2009-10, again it was reduced to 13.79 percent and 11.06 percent during the year 2010-11 and 2011-12 and the average was 14.074 percent.

The net profit margin of Vijaya Bank was increased to 9.82 percent, 16.75 percent and 17.87 percent in the year 2002-03, 2003-04 and 2004-05 which heavily decreased to 5.23 percent in the year 2005-06. It was raised to 11.12 percent in the year 2006-07, after that it was reduced to 8.65 percent and 4.51 percent in the year 2007-08 and 2008-09. It was raised to 8.36 percent in the year 2009-10, again it was down to 8.24 percent and 6.87 percent in the year 2010-11 and 2011-12 and the average was 9.742 percent.

The net profit margin of Allahabad Bank was raised to 5.36 percent, 13.32 percent, 15.31 percent and 16.92 percent in the year 2002-03, 2003-04, 2004-05 and 2005-06, which was reduced to 14.65 percent, 13.69 percent and 9.43 percent in the year 2006-07, 2007-08 and 2008-09, after that it was increased to 12.07 percent in the year 2009-10, again it was decreased to 11.61 percent and 11.24 percent in the year 2010-11 and 2011-12 and the average was 12.36 percent.
F-test (ANOVA):

Testing hypothesis by one way classification.

H₀: There would be no significant difference in average net profit margin of selected public sector banks.

H₁: There would be significant difference in average net profit margin of selected public sector banks.

Table 4.6

Analysis of Net Profit Margin of Public Sector Banks for One-way ANOVA

<table>
<thead>
<tr>
<th>Source of Variation</th>
<th>Sum of Square (SS)</th>
<th>Degrees of Freedom (DF)</th>
<th>Mean Square (MS)</th>
<th>F-Ratio</th>
<th>5% F-Limit (From the F-Table)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between Groups</td>
<td>300.74</td>
<td>9</td>
<td>33.42</td>
<td>4.53</td>
<td>1.99</td>
</tr>
<tr>
<td>Within Groups</td>
<td>663.77</td>
<td>90</td>
<td>7.38</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>964.51</td>
<td>99</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The above ANOVA table 4.6 shows that the calculated value of F is 4.53, which is more than the table value of 1.99 at 5% level of significant. Hence, the null hypothesis stands rejected. It means that there would be significant difference in average net profit margin of selected public sector banks.

4.3.4 Cash Profit Ratio:

The table of cash profit ratio is as under:

Table – 4.7

Cash Profit Ratio (In Percentages) of Public Sector Banks

<table>
<thead>
<tr>
<th>Year</th>
<th>Bank of Baroda</th>
<th>IDBI Bank</th>
<th>State Bank of India</th>
<th>State Bank of Bikaner and Jaipur</th>
<th>Canara Bank</th>
<th>State Bank of Travan core</th>
<th>Indian Overseas Bank</th>
<th>Andhra Bank</th>
<th>Vijaya Bank</th>
<th>Allah abad Bank</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004-05</td>
<td>10.95</td>
<td>14.87</td>
<td>14.54</td>
<td>14.19</td>
<td>14.34</td>
<td>14.34</td>
<td>15.17</td>
<td>22.60</td>
<td>19.75</td>
<td>17.05</td>
</tr>
<tr>
<td>2005-06</td>
<td>15.12</td>
<td>10.55</td>
<td>13.06</td>
<td>10.28</td>
<td>15.31</td>
<td>12.74</td>
<td>16.69</td>
<td>20.09</td>
<td>6.88</td>
<td>18.02</td>
</tr>
<tr>
<td>2006-07</td>
<td>12.03</td>
<td>7.96</td>
<td>11.43</td>
<td>13.00</td>
<td>12.81</td>
<td>12.46</td>
<td>17.12</td>
<td>16.03</td>
<td>11.05</td>
<td>15.58</td>
</tr>
<tr>
<td>2009-10</td>
<td>16.54</td>
<td>6.48</td>
<td>11.62</td>
<td>10.98</td>
<td>14.46</td>
<td>14.75</td>
<td>7.10</td>
<td>15.54</td>
<td>8.78</td>
<td>12.71</td>
</tr>
<tr>
<td>2010-11</td>
<td>18.16</td>
<td>8.76</td>
<td>9.51</td>
<td>11.19</td>
<td>16.23</td>
<td>13.35</td>
<td>8.82</td>
<td>14.95</td>
<td>8.92</td>
<td>12.15</td>
</tr>
<tr>
<td>2011-12</td>
<td>15.96</td>
<td>7.92</td>
<td>10.51</td>
<td>10.27</td>
<td>10.22</td>
<td>7.52</td>
<td>5.97</td>
<td>11.82</td>
<td>7.29</td>
<td>11.68</td>
</tr>
<tr>
<td>Mean</td>
<td>12.5161</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

[Source:www.moneycontrol.com/financials/selectedbanks/ratio
www. money.rediff.com/companies/selected-banks/ratios]
The table 4.7 clears the position regarding the Cash Profit Ratio in the selected bank of Public Sector Banks.

The cash profit ratio of Bank of Baroda was fluctuated to 11.70 percent, 13.08 percent, 10.95 percent, 15.12 percent, 12.03 percent and 12.06 percent during the year 2002-03, 2003-04, 2004-05, 2005-06, 2006-07 and 2007-08. It was raised to 14.19 percent, 16.54 percent and 18.16 percent in the year 2008-09, 2009-10 and 2010-11 which was reduced to 15.96 percent in the year 2011-12 and the average was 14.051 percent.

The cash profit ratio of IDBI Bank Ltd. Was also fluctuated to 10.55 percent, 9.89 percent, 14.87 percent, 10.55 percent, 7.96 percent, 8.73 percent, 7.02 percent, 6.48 percent, 8.76 percent, 7.92 percent during the year 2002-03, 2003-04, 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11 and 2011-12 respectively and the average was 9.273 percent.

The cash profit ratio of State Bank of India was raised to 9.88 percent, 13.50 percent and 14.54 percent in the year 2002-03, 2003-04 and 2004-05, further stepped down to 13.06 percent and 11.43 percent in the year 2005-06 and 2006-07,
again it was increased to 12.81 percent 13.04 percent in the year 2007-08 and 2008-09 but it was down to 11.62 percent and 9.51 percent in the year 2009-10 and 2010-11, again it was raised to 10.51 percent in the year 2011-12 and the average was 11.99 percent.

The cash profit ratio of State Bank of Bikaner and Jaipur was increased to 13.03 percent, 16.54 percent and 14.19 percent in the year 2002-03, 2003-04 and 2004-05, which was down to 10.28 percent in the year 2005-06, after that it was increased to 13.00 percent in the year 2006-07. It was decreased to 10.71 percent and 10.33 percent in the year 2007-08 and 2008-09, which was increased to 11.19 percent in the year 2009-2010, again it was decreased to 10.27 percent in the year 2011-12 and the average was 12.052 percent.

The cash profit ratio of Canara Bank was 13.78 percent, 15.98 percent, 14.34 percent, 15.31 percent, 12.81 percent and 10.65 percent during the year 2002-03, 2003-04, 2004-05, 2005-06, 2006-07 and 2007-08. It was continuously increased to 11.80 percent, 14.46 percent and 16.23 percent in the year 2008-09, 2009-10 and 2010-11, which was decreased to 10.22 percent in the year 2011-12 and the average was 13.558 percent.

The cash profit ratio of State Bank of Travancore was increased to 10.12 percent, 12.60 percent and 14.34 percent in the year 2002-03, 2003-04 and 2004-05, which heavily decreased to 12.74 percent, 12.46 percent and 11.33 percent in the year 2005-06, 2006-07 and 2007-08. It was raised to 13.93 percent and 14.75 percent in the year 2008-09 and 2009-10, after that it was decreased to 13.35 percent and 7.52 percent in the year 2010-11 and 2011-12 and the average was 12.314 percent.

The cash profit ratio of Indian Overseas Bank was continuously increased to 11.51 percent, 12.24 percent, 15.17 percent, 16.69 percent, 17.12 percent in the year 2002-03, 2003-04, 2004-05, 2005-06 and 2006-07, after that it was decreased to 14.79 percent, 12.16 percent and 7.10 percent in the year 2007-08, 2008-09 and 2009-10, further stepped up to 8.82 percent in the year 2010-11, again it was decreased to 5.97 percent in the year 2011-12 and the average was 12.157 percent.

The cash profit ratio of Andhra Bank was fluctuated to 19.41 percent, 18.19 percent, 22.60 percent, 20.09 percent, 16.03 percent, 13.10 percent, 12.32 percent, 15.54 percent, 14.95 percent and 11.82 percent during the year 2002-03, 2003-

The cash profit ratio of Vijaya Bank was 10.80 percent in the year 2002-03, which heavily increased to 17.16 percent and 19.75 percent in the year 2003-04 and 2004-05, after that it was decreased to 6.88 percent in the year 2005-06, again it was raised to 11.05 percent in the year 2006-07. It was decreased to 9.12 percent and 4.20 percent in the year 2007-08 and 2008-09, which heavily increased to 8.78 percent and 8.92 percent in the year 2009-10 and 2010-11, further stepped down to 7.29 percent in the year 2011-12 and the average was 10.395 percent.

The cash profit ratio of Allahabad Bank was continuously raised to 6.61 percent, 11.30 percent, 17.05 percent and 18.02 percent in the year 2002-03, 2003-04, 2004-05 and 2005-06, which was reduced to 15.58 percent, 14.44 percent and 10.12 percent in the year 2006-07, 2007-08 and 2008-09, after that it was increased to 12.71 percent in the year 2009-10, again it was decreased to 12.15 percent and 11.68 percent in the year 2010-11 and 2011-12 and the average was 12.966 percent.

F-test (ANOVA):

Testing hypothesis by one way classification.

H₀: There would be no significant difference in average cash profit ratio of selected public sector banks.

H₁: There would be significant difference in average cash profit ratio of selected public sector banks.

Table - 4.8

Analysis of Cash Profit ratio of Public Sector Banks for One-way ANOVA

<table>
<thead>
<tr>
<th>Source of Variation</th>
<th>Sum of Square (SS)</th>
<th>Degrees of Freedom (DF)</th>
<th>Mean Square (MS)</th>
<th>F-Ratio</th>
<th>5 % F-Limit (From the F-Table)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between Groups</td>
<td>344.46</td>
<td>9</td>
<td>38.27</td>
<td>4.26</td>
<td>1.99</td>
</tr>
<tr>
<td>Within Groups</td>
<td>809.12</td>
<td>90</td>
<td>8.99</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>1153.58</td>
<td>99</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The above ANOVA table 4.8 shows that the calculated value of F is 4.26, which is more than the table value of 1.99 at 5% level of significant. Hence, the null hypothesis stands rejected. It means that there would be significant difference in average cash profit ratio of selected public sector banks.

4.3.5 Return On Net Worth Ratio:

The table of return on net worth ratio is as under:

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2002-03</td>
<td>18.81</td>
<td>5.75</td>
<td>18.05</td>
<td>22.50</td>
<td>25.28</td>
<td>23.51</td>
<td>28.41</td>
<td>36.09</td>
<td>26.23</td>
<td>14.18</td>
</tr>
<tr>
<td>2006-07</td>
<td>11.86</td>
<td>7.24</td>
<td>14.47</td>
<td>18.48</td>
<td>17.51</td>
<td>20.38</td>
<td>25.97</td>
<td>17.03</td>
<td>15.61</td>
<td>16.75</td>
</tr>
<tr>
<td>2008-09</td>
<td>17.35</td>
<td>11.35</td>
<td>15.74</td>
<td>19.71</td>
<td>20.63</td>
<td>27.02</td>
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<td>17.89</td>
<td>8.95</td>
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<td>2009-10</td>
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</tr>
<tr>
<td>2011-12</td>
<td>18.22</td>
<td>10.78</td>
<td>13.94</td>
<td>15.65</td>
<td>15.91</td>
<td>13.22</td>
<td>9.71</td>
<td>17.96</td>
<td>11.76</td>
<td>19.35</td>
</tr>
</tbody>
</table>

Mean 18.3034

[Source:www.moneycontrol.com/financials/selectedbanks/ratio
www.money.rediff.com/companies/selected-banks/ratios]

Chart 4.5

RETURN ON NET WORTH RATIO (IN PERCENTAGE) OF PUBLIC SECTOR BANKS
The table 4.9 clears the position regarding the Return on Net Worth Ratio in the selected bank of Public Sector Banks.

The return on net worth ratio of Bank of Baroda was 18.81 percent in the year 2002-03, which was increased to 20.32 percent in the year 2003-04, after that it was decreased to 10.54 percent in the year 2004-05. It was continuously increased to 11.86 percent, 12.99 percent, 17.35 percent and 20.24 percent in the year 2005-06, 2006-07, 2007-08, 2008-09 and 2009-10, after that it was decreased to 20.15 percent and 18.22 percent in the year 2010-11 and 2011-12 and the average was 16.306 percent.

The return on net worth ratio of IDBI Bank Ltd. was fluctuated to 5.75 percent, 7.86 percent, 5.02 percent, 8.70 percent, 7.24 percent and 10.71 percent in the year 2002-03, 2003-04, 2004-05, 2005-06, 2006-07 and 2007-08. It was continuously increased to 11.35 percent, 12.55 percent and 13.04 percent in the year 2008-09, 2009-10 and 2010-11, which was decreased to 10.78 percent in the year 2011-12 and the average was 9.3 percent.

The return on net worth ratio of State Bank of India was continuously increased to 18.05 percent, 21.64 percent and 19.35 percent in the year 2002-03, 2003-04 and 2004-05, which heavily reduced to 15.93 percent, 14.47 percent, 13.70 percent in the year 2005-06, 2006-07 and 2007-08, after that it was increased to 15.74 percent in the year 2008-09, again it was down to 13.91 percent and 12.71 percent in the year 2009-10 and 2010-11, further stepped up to 13.94 percent in the year 2011-12 and the average was 15.944 percent.

The return on net worth ratio of State Bank of Bikaner and Jaipur was fluctuated to 22.50 percent, 26.25 percent, 15.85 percent, 10.31 percent, 18.48 percent, 18.38 percent, 19.71 percent, 18.82 percent, 19.32 percent and 15.65 percent during the year 2002-03, 2003-04, 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 20010-11 and 2011-12 respectively and the average was 18.527 percent.

The return on net worth ratio of Canara Bank was also continuously fluctuated to 25.28 percent, 26.07 percent, 18.50 percent 19.13 percent, 17.51 percent, 18.85 percent, 20.63 percent, 24.07 percent, 22.43 percent and 15.91 percent in the year
The return on net worth ratio of State Bank of Travancore was raised to 23.51 percent and 26.37 percent in the year 2002-03 and 2003-04, which heavily decreased to 21.86 percent and 19.42 percent in the year 2004-05 and 2005-06, after that it was increased to 20.38 percent, 22.46 percent and 27.02 percent in the year 2006-07, 2007-08 and 2008-09, again it was down to 24.08 percent, 21.02 percent and 13.22 percent in the year 2009-10, 2010-11 and 2011-12 and the average was 21.934 percent.

The return on net worth ratio of Indian Overseas Bank was fluctuated to 28.41 percent, 26.47 percent, 26.53 percent, 24.21 percent, 25.97 percent and 25.31 percent in the year 2002-03, 2003-04, 2004-05, 2005-06, 2006-07 and 2007-08. It was decreased to 21.16 percent and 11.10 percent in the year 2008-09 and 2009-10, after that it was increased to 13.12 percent in the year 2010-11, again it was reduced to 9.71 percent in the year 2011-12 and the average was 21.199 percent.

The return on net worth ratio of Andhra Bank was continuously decreased to 36.09 percent, 31.89 percent, 28.31 percent and 16.76 percent in the year 2002-03, 2003-04, 2004-05 and 2005-06, after that it was increased to 17.03 percent, 17.70 percent, 17.89 percent and 23.70 percent in the year 2006-07, 2007-08, 2008-09 and 2009-10, again it was reduced to 19.50 percent and 17.96 percent in the year 2010-11 and 2011-12 and the average was 22.683 percent.

The return on net worth ratio of Vijaya Bank was fluctuated to 26.23 percent, 30.99 percent, 24.78 percent, 7.83 percent, 15.61 percent, 16.61 percent, 8.95 percent, 16.83 percent, 12.82 percent and 11.76 percent during the year 2002-03, 2003-04, 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11 and 2011-12 respectively and the average was 17.241 percent.

The return on net worth ratio of Allahabad Bank was raised to 14.18 percent, 23.08 percent and 24.53 percent in the year 2002-03, 2003-04 and 2004-05, which was decreased to 19.61 percent, 16.75 percent in the year 2005-06 and 2006-07, after that it was raised to 18.57 percent in the year 2007-08, again it was reduced to 15.43 percent in the year 2008-09. It was increased to 20.51 percent in the year 2009-
10, further stepped down to 18.61 percent in the year 2010-11. It was raised to 19.35 percent in the year 2011-12 and the average was 19.062 percent.

➢ **F-test (ANOVA):**

Testing hypothesis by one way classification.

H₀: There would be no significant difference in average return on net worth ratio of selected public sector banks.

H₁: There would be significant difference in average return on net worth ratio of selected public sector banks.

**Table - 4.10**

**Analysis of Return on Net Worth Ratio of Public Sector Banks for One-way ANOVA**

<table>
<thead>
<tr>
<th>Source of Variation</th>
<th>Sum of Square (SS)</th>
<th>Degrees of Freedom (DF)</th>
<th>Mean Square (MS)</th>
<th>F-Ratio</th>
<th>5% F-Limit (From the F-Table)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between Groups</td>
<td>1395.43</td>
<td>9</td>
<td>155.05</td>
<td>6.30</td>
<td>1.99</td>
</tr>
<tr>
<td>Within Groups</td>
<td>2215.75</td>
<td>90</td>
<td>24.62</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>3611.17</td>
<td>99</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The above ANOVA table 4.10 shows that the calculated value of F is 6.30, which is more than the table value of 1.99 at 5% level of significant. Hence, the null hypothesis stands rejected. It means that there would be significant difference in average return on net worth ratio of selected public sector banks.
4.3.6 Return On Assets Ratio:

The table of return on assets ratio is as under:

**Table – 4.11**

Return on Assets Ratio (In Percentages) of Public Sector Banks

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2002-03</td>
<td>1.01</td>
<td>0.75</td>
<td>0.83</td>
<td>1.13</td>
<td>1.24</td>
<td>0.89</td>
<td>1.01</td>
<td>1.99</td>
<td>1.54</td>
<td>0.59</td>
</tr>
<tr>
<td>2003-04</td>
<td>1.14</td>
<td>0.89</td>
<td>1.07</td>
<td>1.49</td>
<td>1.34</td>
<td>1.02</td>
<td>1.08</td>
<td>1.73</td>
<td>1.65</td>
<td>1.03</td>
</tr>
<tr>
<td>2004-05</td>
<td>0.71</td>
<td>0.51</td>
<td>0.94</td>
<td>0.88</td>
<td>1.01</td>
<td>0.86</td>
<td>1.28</td>
<td>1.79</td>
<td>1.30</td>
<td>1.20</td>
</tr>
<tr>
<td>2005-06</td>
<td>0.93</td>
<td>0.63</td>
<td>0.89</td>
<td>0.53</td>
<td>1.01</td>
<td>0.81</td>
<td>1.32</td>
<td>1.36</td>
<td>0.40</td>
<td>1.28</td>
</tr>
<tr>
<td>2006-07</td>
<td>0.72</td>
<td>0.61</td>
<td>0.80</td>
<td>0.89</td>
<td>0.86</td>
<td>0.86</td>
<td>1.23</td>
<td>1.13</td>
<td>0.68</td>
<td>1.11</td>
</tr>
<tr>
<td>2007-08</td>
<td>0.80</td>
<td>0.56</td>
<td>0.93</td>
<td>0.77</td>
<td>0.87</td>
<td>0.88</td>
<td>1.18</td>
<td>1.02</td>
<td>0.63</td>
<td>1.18</td>
</tr>
<tr>
<td>2008-09</td>
<td>0.10</td>
<td>0.50</td>
<td>0.95</td>
<td>0.87</td>
<td>0.78</td>
<td>1.23</td>
<td>1.10</td>
<td>0.95</td>
<td>0.33</td>
<td>0.79</td>
</tr>
<tr>
<td>2009-10</td>
<td>1.10</td>
<td>0.44</td>
<td>0.87</td>
<td>0.84</td>
<td>1.14</td>
<td>1.15</td>
<td>0.54</td>
<td>1.16</td>
<td>0.69</td>
<td>0.99</td>
</tr>
<tr>
<td>2010-11</td>
<td>1.18</td>
<td>0.65</td>
<td>0.60</td>
<td>0.88</td>
<td>1.20</td>
<td>1.03</td>
<td>0.60</td>
<td>1.16</td>
<td>0.64</td>
<td>0.94</td>
</tr>
<tr>
<td>2011-12</td>
<td>1.12</td>
<td>0.65</td>
<td>0.88</td>
<td>0.90</td>
<td>0.88</td>
<td>0.59</td>
<td>0.48</td>
<td>0.92</td>
<td>0.60</td>
<td>1.02</td>
</tr>
<tr>
<td>Average</td>
<td>1.12</td>
<td>0.619</td>
<td>0.876</td>
<td>0.918</td>
<td>1.033</td>
<td>0.932</td>
<td>0.982</td>
<td>1.321</td>
<td>0.846</td>
<td>1.013</td>
</tr>
<tr>
<td>Mean</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.966</td>
</tr>
</tbody>
</table>

[Source:www.moneycontrol.com/financials/selectedbanks/ratio
  www.money.rediff.com/companies/selected-banks/ratios]

**Chart 4.6**

RETURN ON ASSETS RATIO (IN PERCENTAGE) OF PUBLIC SECTOR BANKS

The table 4.11 clears the position regarding the Return on Assets Ratio in the selected bank of Public Sector Banks.
The return on assets ratio of Bank of Baroda was fluctuated to 1.01 percent, 1.14 percent, 0.71 percent, 0.93 percent, 0.72 percent, 0.80 percent, 0.10 percent, 1.10 percent, 1.18 percent and 1.12 percent during the year 2002-03, 2003-04, 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11 and 2011-12 respectively and the average was 1.12 percent.

The return on assets ratio of IDBI Bank Ltd. was unstable to 0.75 percent, 0.89 percent, 0.51 percent, 0.63 percent, 0.61 percent and 0.56 percent in the year 2002-03, 2003-04, 2004-05, 2005-06, 2006-07 and 2007-08. It was decreased to 0.50 percent and 0.44 percent in the year 2008-09 and 2009-10. It was same to 0.65 percent during the year 2010-11 and 2011-12 and the average 0.619 percent.

The return on assets ratio of State Bank of India was 0.83 percent in the year 2002-03, which highly increased to 1.07 percent in the year 2003-04, after that it was decreased to 0.94 percent, 0.89 percent and 0.80 percent in the year 2004-05, 2005-06 and 2006-07, again it was raised to 0.93 percent and 0.95 percent in the year 2007-08 and 2008-09. It was continuously reduced to 0.87 percent, 0.60 percent in the year 2009-10 and 2010-11, further stepped up to 0.88 percent in the year 2011-12 and the average was 0.876 percent.

The return on assets ratio of State Bank of Bikaner and Jaipur was fluctuated to 1.13 percent, 1.49 percent, 0.88 percent, 0.53 percent, 0.89 percent, 0.77 percent, 0.87 percent, 0.84 percent, 0.88 percent and 0.90 percent during the year 2002-03, 2003-04, 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11 and 2011-12 and the average was 0.918 percent.

The return on assets ratio of Canara Bank was raised to 1.24 percent and 1.34 percent in the year 2002-03 and 2003-04. It was same to 1.01 percent in the year 2004-05 and 2005-06, after that it was reduced to 0.86 percent in the year 2006-07, further stepped up to 0.87 percent in the year 2007-08, again it was decreased to 0.78 percent in the year 2008-09. It was increased to 1.14 percent and 1.20 percent in the year 2009-10 and 2010-11, further stepped down to 0.88 percent in the year 2011-12 and the average was 1.033 percent.

The return on assets ratio of State Bank of Travancore was unstable 0.89 percent, 1.02 percent, 0.86 percent, 0.81 percent, 0.86 percent, 0.88 percent, 1.23
percent, 1.15 percent, 1.03 percent and 0.59 percent during the year 2002-03, 2003-04, 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11 and 2011-12 respectively and the average was 0.932 percent.

The return on assets ratio of Indian Overseas Bank was continuously raised to 1.01 percent, 1.08 percent, 1.28 percent, 1.32 percent in the year 2002-03, 2003-04, 2004-05 and 2005-06, which was reduced to 1.23 percent, 1.18 percent, 1.10 percent and 0.54 percent in the year 2006-07, 2007-08, 2008-09 and 2009-10, further stepped up to 0.60 percent in the year 2010-11, again it was decreased to 0.48 percent in the year 2011-12 and the average was 0.982 percent.

The return on assets ratio of Andhra Bank was 1.99 percent in the year 2002-03, which was down to 1.73 percent in the year 2003-04, further stepped up to 1.79 percent in the year 2004-05. It was continuously decreased to 1.36 percent, 1.13 percent, 1.02 percent and 0.95 percent in the year 2005-06, 2006-07, 2007-08 and 2008-09. It was same to 1.16 percent in the year 2009-10 and 2010-11. It was 0.92 percent in the year 2011-12 and the average was 1.321 percent.

The return on assets ratio of Vijaya Bank was fluctuated to 1.54 percent, 1.65 percent, 1.30 percent, 0.40 percent, 0.68 percent, 0.63 percent, 0.33 percent, 0.69 percent, 0.64 percent and 0.60 percent during the year 2002-03, 2003-04, 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11 and 2011-12 respectively and the average was 0.846 percent.

The return on assets ratio of Allahabad Bank was continuously raised to 0.59 percent, 1.03 percent, 1.20 percent and 1.28 percent in the year 2002-03, 2003-04, 2004-05 and 2005-06, which was reduced to 1.11 percent in the year 2006-07. It was unstable to 1.18 percent, 0.79 percent, 0.99 percent, 0.94 percent and 1.02 percent in the year 2007-08, 2008-09, 2009-10, 2010-11 and 2011-12 and the average was 1.013 percent.

➢ **F-test (ANOVA):**

Testing hypothesis by one way classification.

$H_0$: There would be no significant difference in average return on assets ratio of selected public sector banks.

$H_1$: There would be significant difference in average return on assets ratio of selected public sector banks.
Table 4.12

Analysis of Return on Assets Ratio of Public Sector Banks for One-way ANOVA

<table>
<thead>
<tr>
<th>Source of Variation</th>
<th>Sum of Square (SS)</th>
<th>Degrees of Freedom (DF)</th>
<th>Mean Square (MS)</th>
<th>F-Ratio</th>
<th>5% F-Limit (From the F-Table)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between Groups</td>
<td>2.81</td>
<td>9</td>
<td>0.31</td>
<td>3.99</td>
<td>1.99</td>
</tr>
<tr>
<td>Within Groups</td>
<td>7.03</td>
<td>90</td>
<td>0.08</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>9.84</td>
<td>99</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The above ANOVA table 4.12 shows that the calculated value of F is 3.99, which is more than the table value of 1.99 at 5% level of significant. Hence, the null hypothesis stands rejected. It means that there would be significant difference in average return on assets ratio of selected public sector banks.

4.3.7 Interest Spread Ratio:

The table of interest spread ratio is as under:

Table – 4.13

Interest Spread Ratio (In Percentages) of Public Sector Banks

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2002-03</td>
<td>4.32</td>
<td>2.89</td>
<td>5.71</td>
<td>5.28</td>
<td>4.71</td>
<td>3.69</td>
<td>5.18</td>
<td>5.42</td>
<td>4.80</td>
<td>4.93</td>
</tr>
<tr>
<td>2003-04</td>
<td>4.87</td>
<td>3.47</td>
<td>4.50</td>
<td>4.34</td>
<td>4.25</td>
<td>3.97</td>
<td>5.18</td>
<td>5.22</td>
<td>4.34</td>
<td>4.29</td>
</tr>
<tr>
<td>2004-05</td>
<td>4.57</td>
<td>1.44</td>
<td>4.28</td>
<td>4.00</td>
<td>3.54</td>
<td>3.41</td>
<td>4.53</td>
<td>4.68</td>
<td>4.46</td>
<td>4.14</td>
</tr>
<tr>
<td>2005-06</td>
<td>3.71</td>
<td>2.15</td>
<td>4.31</td>
<td>4.08</td>
<td>3.47</td>
<td>3.01</td>
<td>3.81</td>
<td>4.72</td>
<td>3.84</td>
<td>3.62</td>
</tr>
<tr>
<td>2007-08</td>
<td>4.21</td>
<td>1.76</td>
<td>4.32</td>
<td>3.74</td>
<td>3.47</td>
<td>3.68</td>
<td>4.26</td>
<td>4.04</td>
<td>3.06</td>
<td>3.19</td>
</tr>
<tr>
<td>2008-09</td>
<td>4.02</td>
<td>2.88</td>
<td>4.34</td>
<td>3.57</td>
<td>3.47</td>
<td>3.98</td>
<td>4.29</td>
<td>3.78</td>
<td>3.92</td>
<td>3.63</td>
</tr>
<tr>
<td>2009-10</td>
<td>4.15</td>
<td>2.14</td>
<td>3.82</td>
<td>3.53</td>
<td>3.32</td>
<td>3.98</td>
<td>4.69</td>
<td>4.48</td>
<td>3.87</td>
<td>4.13</td>
</tr>
<tr>
<td>2010-11</td>
<td>_</td>
<td>2.77</td>
<td>_</td>
<td>4.33</td>
<td>3.47</td>
<td>3.95</td>
<td>3.89</td>
<td>4.59</td>
<td>3.73</td>
<td>4.28</td>
</tr>
<tr>
<td>2011-12</td>
<td>_</td>
<td>3.03</td>
<td>_</td>
<td>4.51</td>
<td>3.80</td>
<td>4.35</td>
<td>3.93</td>
<td>4.77</td>
<td>3.95</td>
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<td>3.8071</td>
</tr>
</tbody>
</table>

[Source:www.moneycontrol.com/financials/selectedbanks/ratio
www. money.rediff.com/companies/selected-banks/ratios]
The table 4.13 clears the position regarding the Interest Spread Ratio in the selected bank of Public Sector Banks.

The interest spread ratio of Bank of Baroda was 4.32 percent in the year 2002-03, which was raised to 4.87 percent in the year 2003-04, after that it was decreased to 4.57 percent and 3.71 percent in the year 2004-05 and 2005-06. It was raised to 4.31 percent in the year 2006-07, which was reduced to 4.21 percent, 4.02 percent and 4.15 percent in the year 2007-08, 2008-09 and 2009-10. In the year 2010-11 and 2011-12, it was nil and the average was 3.416 percent.

The interest spread ratio of IDBI Bank Ltd. was raised to 2.89 percent and 3.47 percent in the year 2002-03 and 2003-04, which was reduced to 1.44 percent in the year 2004-05, after that it was increased to 2.15 percent and 2.25 percent in the year 2005-06 and 2006-07. It was fluctuated to 1.76 percent, 2.88 percent, 2.14 percent, 2.77 percent and 3.03 percent in the year 2007-08, 2008-09, 2009-10, 2010-11 and 2011-12 and the average was 2.478 percent.

The interest spread ratio of State Bank of India was reduced to 5.71 percent, 4.50 percent and 4.28 percent in the year 2002-03, 2003-04 and 2004-05, further stepped up to 4.31 percent in the year 2005-06, again it was reduced to 4.20
percent in the year 2006-07. It was increased to 4.32 percent and 4.34 percent in the year 2007-08 and 2008-09, further stepped down to 3.82 percent in the year 2009-10. It was nil in the year 2010-11 and 2011-12 and the average was 3.548 percent.

The interest spread ratio of State Bank of Bikaner and Jaipur was decreased to 5.28 percent, 4.34 percent, 4.00 percent in the year 2002-03, 2003-04 and 2004-05, which was raised to 4.08 percent and 4.14 percent in the year 2005-06 and 2006-07, after that it was decreased to 3.74 percent, 3.57 percent and 3.53 percent in the year 2007-08, 2008-09 and 2009-10, further stepped up to 4.33 percent and 4.51 percent in the year 2010-11 and 2011-12 and the average was 4.152 percent.

The interest spread ratio of Canara Bank was same to 3.47 percent during the year 2005-06, 2007-08, 2008-09 and 2010-11 respectively. It was 4.71 percent, 4.25 percent, 3.54 percent, and 3.57 percent. 3.32 percent and 3.80 percent in the year 2002-03, 2003-04, 2004-05, 2006-07, 2009-10, 2010-11 and 2011-12 and the average was 3.707 percent.

The interest spread ratio of State Bank of Travancore was raised to 3.69 percent and 3.97 percent in the year 2002-03 and 2003-04, which was reduced to 3.41 percent and 3.01 percent in the year 2004-05 and 2005-06, after that it was increased to 3.18 percent, 3.68 percent, 3.98 percent and 3.98 percent in the year 2006-07, 2007-08, 2008-09 and 2009-10, again it was down to 3.95 percent in the year 2010-11. It was raised to 4.35 percent in the year 2011-12 and the average was 3.72 percent.

The interest spread ratio of Indian Overseas Bank was same to 5.18 percent in the year 2002-03 and 2003-04, which was reduced to 4.53 percent and 3.81 percent in the year 2004-05 and 2005-06. It was fluctuated to 4.79 percent, 4.26 percent, 4.29 percent, 4.69 percent, 3.89 percent and 3.93 percent in the year 2006-07, 2007-08, 2008-09, 2009-10, 2010-11 and 2011-12 and the average was 4.455 percent.

The interest spread ratio of Andhra Bank was fluctuated to 5.42 percent, 5.22 percent, 4.68 percent, 4.72 percent, 4.72 percent, 4.04 percent, 3.78 percent, 4.48 percent, 4.59 percent and 4.77 percent in the year 2002-03, 2003-04, 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11 and 2011-12 respectively and the average was 4.642 percent.
The interest spread ratio of Vijaya Bank was also fluctuated to 4.80 percent, 4.34 percent, 4.46 percent, 3.84 percent, 3.48 percent, 3.06 percent, 3.92 percent, 3.87 percent, 3.73 percent and 3.95 percent in the year 2002-03, 2003-04, 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11 and 2011-12 respectively and the average was 3.945 percent.

The interest spread ratio of Allahabad Bank was continuously reduced to 4.93 percent, 4.29 percent, 4.14 percent, 3.62 percent and 3.12 percent in the year 2002-03, 2003-04, 2004-05, 2005-06 and 2006-07, which was increased to 3.19 percent, 3.63 percent, 4.13 percent, 4.28 percent and 4.75 percent in the year 2007-08, 2008-09, 2009-10, 2010-11 and 2011-12 and the average was 4.008 percent.

F-test (ANOVA):

Testing hypothesis by one way classification.

H$_0$: There would be no significant difference in average interest spread ratio of selected public sector banks.

H$_1$: There would be significant difference in average interest spread ratio of selected public sector banks.

<table>
<thead>
<tr>
<th>Source of Variation</th>
<th>Sum of Square (SS)</th>
<th>Degrees of Freedom (DF)</th>
<th>Mean Square (MS)</th>
<th>F-Ratio</th>
<th>5% F-Limit (From the F-Table)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between Groups</td>
<td>32.99</td>
<td>9</td>
<td>3.67</td>
<td>3.98</td>
<td>1.99</td>
</tr>
<tr>
<td>Within Groups</td>
<td>82.81</td>
<td>90</td>
<td>0.92</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>115.80</td>
<td>99</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The above ANOVA table 4.14 shows that the calculated value of F is 3.98, which is more than the table value of 1.99 at 5% level of significant. Hence, the null hypothesis stands rejected. It means that there would be significant difference in average interest spread ratio of selected public sector banks.
4.3.8 Return On Long Term Fund Ratio:

The table of return on long term fund ratio is as under:

Table – 4.15
Return on Long Term Fund (In Percentages) of Public Sector Banks

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2002-03</td>
<td>117.72</td>
<td>84.68</td>
<td>153.32</td>
<td>134.40</td>
<td>142.70</td>
<td>184.39</td>
<td>186.94</td>
<td>180.54</td>
<td>167.27</td>
<td>156.07</td>
</tr>
<tr>
<td>2003-04</td>
<td>99.55</td>
<td>129.65</td>
<td>119.61</td>
<td>118.21</td>
<td>116.78</td>
<td>155.93</td>
<td>149.51</td>
<td>137.96</td>
<td>128.43</td>
<td>130.98</td>
</tr>
<tr>
<td>2004-05</td>
<td>76.67</td>
<td>46.82</td>
<td>105.35</td>
<td>90.84</td>
<td>95.13</td>
<td>131.85</td>
<td>125.82</td>
<td>105.53</td>
<td>98.42</td>
<td>105.16</td>
</tr>
<tr>
<td>2005-06</td>
<td>66.45</td>
<td>87.61</td>
<td>97.89</td>
<td>86.50</td>
<td>95.07</td>
<td>126.78</td>
<td>107.40</td>
<td>71.26</td>
<td>91.73</td>
<td>81.45</td>
</tr>
<tr>
<td>2006-07</td>
<td>81.71</td>
<td>99.28</td>
<td>99.20</td>
<td>116.41</td>
<td>111.05</td>
<td>134.33</td>
<td>119.88</td>
<td>84.98</td>
<td>112.20</td>
<td>88.78</td>
</tr>
<tr>
<td>2007-08</td>
<td>91.52</td>
<td>120.38</td>
<td>86.83</td>
<td>146.43</td>
<td>151.48</td>
<td>180.68</td>
<td>146.37</td>
<td>116.48</td>
<td>163.48</td>
<td>106.77</td>
</tr>
<tr>
<td>2008-09</td>
<td>103.70</td>
<td>151.49</td>
<td>100.35</td>
<td>166.34</td>
<td>149.13</td>
<td>164.09</td>
<td>145.71</td>
<td>126.87</td>
<td>161.20</td>
<td>126.10</td>
</tr>
<tr>
<td>2009-10</td>
<td>99.27</td>
<td>174.83</td>
<td>95.02</td>
<td>143.38</td>
<td>134.69</td>
<td>136.06</td>
<td>126.87</td>
<td>127.15</td>
<td>141.84</td>
<td>127.11</td>
</tr>
<tr>
<td>2010-11</td>
<td>89.02</td>
<td>131.48</td>
<td>98.20</td>
<td>133.58</td>
<td>112.95</td>
<td>128.69</td>
<td>116.16</td>
<td>102.46</td>
<td>99.54</td>
<td>116.06</td>
</tr>
<tr>
<td>2011-12</td>
<td>92.37</td>
<td>124.19</td>
<td>97.33</td>
<td>119.22</td>
<td>132.08</td>
<td>148.64</td>
<td>131.42</td>
<td>125.45</td>
<td>132.59</td>
<td>130.00</td>
</tr>
<tr>
<td>Average</td>
<td>91.798</td>
<td>115.04</td>
<td>105.31</td>
<td>125.531</td>
<td>124.106</td>
<td>149.144</td>
<td>135.608</td>
<td>117.686</td>
<td>129.67</td>
<td>116.848</td>
</tr>
<tr>
<td>Mean</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3.8071</td>
</tr>
</tbody>
</table>

[Source:www.moneycontrol.com/financials/selectedbanks/ratio
www.money.rediff.com/companies/selected-banks/ratios]

Chart 4.8
RETURN ON LONG TERM FUND RATIO (IN PERCENTAGE) OF PUBLIC SECTOR BANKS
The table 4.15 clears the position regarding the Return on Long Term Fund Ratio in the selected bank of Public Sector Banks.

The return on long term fund ratio of Bank of Baroda was fluctuated to 117.72 percent, 99.55 percent, 76.67 percent, 66.45 percent, 81.71 percent, 103.70 percent, 99.27 percent 89.02 percent and 92.37 percent during the year 2002-03 to 20011-12 and the average was 91.798 percent.

The return on long term fund ratio of IDBI Bank Ltd. was raised to 84.68 percent and 129.65 percent in the year 2002-03 and 2003-04, which was reduced to 46.82 percent in the year 2004-05, after that it was continuously increased to 87.61 percent, 99.28 percent, 120.38 percent, 151.49 percent and 174.83 percent in the year 2005-06, 2006-07, 2007-08, 2008-09 and 2009-10, again it was reduced to 131.48 percent and 124.19 percent in the year 2010-11 and 2011-12 and the average was 115.041 percent.

The return on long term fund ratio of State Bank of India was continuously decreased to 153.32 percent, 119.61 percent, 105.35 percent and 97.89 percent in the year 2002-03, 2003-04, 2004-05 and 2005-06, further stepped up to 99.20 percent in the year 2006-07, again it was down to 86.83 percent in the year 2007-08, after that it was increased to 100.35 percent in the year 2008-09. It was 95.02 percent in the year 2009-10, further stepped up to 98.20 percent in the year 2010-11, again it was decreased to 97.33 percent in the year 2011-12 and the average was 105.31 percent.

The return on long term fund ratio of State Bank of Bikaner and Jaipur was continuously down to 134.40 percent, 118.21 percent, 90.84 percent and 86.50 percent in the year 2002-03, 2003-04,2004-05 and 2005-06, which heavily increased to 116.41 percent, 146.43 percent and 166.34 percent in the year 2006-07, 2007-08 and 2008-09,after that it was decreased to 143.38 percent, 133.58 percent and 119.22 percent in the year 2009-10, 2010-11 and 2011-12 and the average was 125.531 percent.

The return on long term fund ratio of Canara Bank was reduced to 142.70 percent, 116.78 percent, 95.13 percent and 95.07 percent in the year 2002-03, 2003-04, 2004-05 and 2005-06, which heavily increased to 111.05 percent and 151.48 percent in the year 2006-07 and 2007-08, after that it was decreased to 149.13 percent, 134.69 percent and 112.95 percent in the year 2008-09, 2009-10 and 2010-11, again it was raised to 132.08 percent in the year 2011-12 and the average was 124.106 percent.
The return on long term fund ratio of State Bank of Travancore was 184.39 percent in the year 2002-03, which was reduced to 155.93 percent, 131.85 percent and 126.78 percent in the year 2003-04, 2004-05 and 2005-06, after that it was increased to 134.33 percent, 180.68 percent in the year 2006-07 and 2007-08, again it was down to 164.09 percent, 136.06 percent and 128.69 percent in the year 2008-09, 2009-10 and 2010-11, further stepped up to 148.64 percent in the year 2011-12 and the average was 149.144 percent.

The return on long term fund ratio of Indian Overseas Bank was decreased to 186.94 percent, 149.51 percent, 125.82 percent and 107.40 percent in the year 2002-03, 2003-04, 2004-05 and 2005-06, which was increased to 119.88 percent and 146.37 percent in the year 2006-07 and 2007-08, after that it was down to 145.71 percent, 126.87 percent and 116.16 percent in the year 2008-09, 2009-10 and 2010-11, again it was raised to 131.42 percent in the year 2011-12 and the average was 135.608 percent.

The return on long term fund ratio of Andhra Bank was down to 180.54 percent, 137.96 percent, 105.53 percent and 71.26 percent in the year 2002-03, 2003-04, 2004-05 and 2005-06, which heavily increased to 84.98 percent, 116.48 percent, 126.87 percent and 127.15 percent in the year 2006-07, 2007-08, 2008-09 and 2009-10, further stepped down to 102.46 percent in the year 2010-11 and it was raised to 125.45 percent in the year 2011-12 and the average was 117.868 percent.

The return on long term fund ratio of Vijaya Bank was also decreased to 167.27 percent, 128.43 percent, 98.42 percent and 91.73 percent in the year 2002-03, 2003-04, 2004-05 and 2005-06, which heavily increased to 112.20 percent and 163.48 percent in the year 2006-07 and 2007-08, after that it was decreased to 161.20 percent, 141.84 percent and 99.54 percent in the year 2008-09, 2009-10 and 2010-11, again it was raised to 132.59 percent in the year 2011-12 and the average was 129.67 percent.

The return on long term fund ratio of Allahabad Bank was 156.07 percent in the year 2002-03, which was decreased to 130.98 percent, 105.16 percent, and 81.45 percent in the year 2003-04, 2004-05 and 2005-06, after that it was increased to 88.78 percent, 106.77 percent, 126.10 percent and 127.11 percent in the year 2006-07, 2007-08, 2008-09 and 2009-10, again it was down to 116.06 percent in the year 2010-11 and it was raised to 130.00 percent in the year 2011-12, and the average was 116.848 percent.
F-test (ANOVA):

Testing hypothesis by one way classification.

H₀: There would be no significant difference in average return on long term fund ratio of selected public sector banks.

H₁: There would be significant difference in average return on long term fund ratio of selected public sector banks.

Table 4.16
Analysis of Return on Long Term Fund Ratio of Public Sector Banks for One-way ANOVA

<table>
<thead>
<tr>
<th>Source of Variation</th>
<th>Sum of Square (SS)</th>
<th>Degrees of Freedom (Df)</th>
<th>Mean Square (MS)</th>
<th>F-Ratio</th>
<th>5% F-Limit (From the F-Table)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between Groups</td>
<td>22722.3</td>
<td>9</td>
<td>2524.7</td>
<td>4.11</td>
<td>1.99</td>
</tr>
<tr>
<td>Within Groups</td>
<td>55263.86</td>
<td>90</td>
<td>614.04</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>77986.16</td>
<td>99</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The above ANOVA table 4.16 shows that the calculated value of F is 4.11, which is more than the table value of 1.99 at 5% level of significant. Hence, the null hypothesis stands rejected. It means that there would be significant difference in average return on long term fund ratio of selected public sector banks.
4.3.9 Return On Capital Employed:

The table of return on capital employed is as under:

Table – 4.17

Return on Capital Employed (In Percentages) of Public Sector Banks

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2002-03</td>
<td>0.21</td>
<td>-0.03</td>
<td>-0.02</td>
<td>0.05</td>
<td>0.15</td>
<td>0.09</td>
<td>0.16</td>
<td>0.14</td>
<td>-0.51</td>
</tr>
<tr>
<td>2003-04</td>
<td>-0.14</td>
<td>-1.33</td>
<td>-0.26</td>
<td>0.14</td>
<td>-0.37</td>
<td>0.01</td>
<td>0.24</td>
<td>0.28</td>
<td>0.50</td>
</tr>
<tr>
<td>2004-05</td>
<td>0.73</td>
<td>-0.14</td>
<td>0.83</td>
<td>1.20</td>
<td>0.40</td>
<td>1.72</td>
<td>0.95</td>
<td>0.95</td>
<td>1.08</td>
</tr>
<tr>
<td>2005-06</td>
<td>0.57</td>
<td>-0.64</td>
<td>0.78</td>
<td>1.04</td>
<td>0.72</td>
<td>1.16</td>
<td>1.23</td>
<td>0.89</td>
<td>0.88</td>
</tr>
<tr>
<td>2006-07</td>
<td>0.90</td>
<td>-0.25</td>
<td>0.67</td>
<td>0.92</td>
<td>0.29</td>
<td>1.34</td>
<td>1.35</td>
<td>0.99</td>
<td>0.86</td>
</tr>
<tr>
<td>2007-08</td>
<td>0.46</td>
<td>-0.29</td>
<td>0.48</td>
<td>0.36</td>
<td>0.02</td>
<td>0.53</td>
<td>1.20</td>
<td>0.82</td>
<td>0.29</td>
</tr>
<tr>
<td>2008-09</td>
<td>10.00</td>
<td>-0.06</td>
<td>0.41</td>
<td>0.67</td>
<td>0.45</td>
<td>1.04</td>
<td>0.58</td>
<td>0.67</td>
<td>0.18</td>
</tr>
<tr>
<td>2009-10</td>
<td>9.02</td>
<td>0.13</td>
<td>-0.03</td>
<td>4.44</td>
<td>0.36</td>
<td>0.86</td>
<td>-0.08</td>
<td>1.31</td>
<td>-0.07</td>
</tr>
<tr>
<td>2010-11</td>
<td>1.27</td>
<td>0.38</td>
<td>0.94</td>
<td>0.43</td>
<td>0.78</td>
<td>0.59</td>
<td>0.41</td>
<td>1.09</td>
<td>0.18</td>
</tr>
<tr>
<td>2011-12</td>
<td>1.25</td>
<td>0.39</td>
<td>1.45</td>
<td>0.68</td>
<td>0.51</td>
<td>0.28</td>
<td>0.23</td>
<td>1.29</td>
<td>0.35</td>
</tr>
<tr>
<td>Average</td>
<td>2.427</td>
<td>-0.184</td>
<td>0.525</td>
<td>0.993</td>
<td>0.331</td>
<td>0.762</td>
<td>0.627</td>
<td>0.843</td>
<td>0.374</td>
</tr>
</tbody>
</table>

Mean 0.7119

[Source:www.moneycontrol.com/financials/selectedbanks/ratios
www.money.rediff.com/companies/selected-banks/ratios]

Chart 4.9

RETURN ON CAPITAL EMPLOYED (IN PERCENTAGE) OF PUBLIC SECTOR BANKS
The table 4.17 clears the position regarding the Return on Capital Employed in the selected bank of Public Sector Banks.

The return on capital employed of Bank of Baroda was 0.21 percent in the year 2002-03, which was negative to 0.14 percent in the year 2003-04. It was fluctuated to 0.73 percent, 0.57 percent, 0.90 percent, 0.46 percent, 10.00 percent, 9.02 percent, 1.27 percent and 1.25 percent in the year 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11 and 2011-12 respectively and the average was 2.427 percent.

The return on capital employed of IDBI Bank Ltd. was continuously negative to 0.03 percent, 1.33 percent, 0.14 percent, 0.64 percent, 0.25 percent, 0.29 percent and 0.06 percent in the year 2002-03, 2003-04, 2004-05, 2005-06, 2006-07, 2007-08 and 2008-09, after that it was raised to 0.13 percent, 0.38 percent and 0.39 percent in the year 2009-10, 2010-11 and 2011-12 and the average was -0.184 percent.

The return on capital employed of State Bank of India was negative to 0.02 percent, 0.26 percent and 0.03 percent in the year 2002-03, 2003-04 and 2009-10. It was 0.83 percent, 0.78 percent, 0.67 percent, 0.48 percent, 0.41 percent, 0.94 percent and 1.45 percent during the year 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2010-11 and 2011-12 and the average was 0.525 percent.

The return on capital employed of State Bank of Bikaner and Jaipur was fluctuated to 0.05 percent, 0.14 percent, 1.20 percent, 1.04 percent, 0.92 percent, 0.36 percent, 0.67 percent, 4.44 percent, 0.43 percent and 0.68 percent in the year 2002-03, 2003-04, 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11 and 2011-12 respectively and the average was 0.993 percent.

The return on capital employed of Canara Bank was 0.15 percent in the year 2002-03, which was negative to 0.37 percent in the year 2003-04, after that it was increased to 0.40 percent and 0.72 percent in the year 2004-05 and 2005-06. It was fluctuated to 0.29 percent, 0.02 percent, 0.45 percent, 0.36 percent, 0.78 percent and 0.51 percent in the year 2006-07, 2007-08, 2008-09, 2009-10, 2010-11 and 2011-12 and the average was 0.331 percent.
The return on capital employed of State Bank of Travancore was also fluctuated to 0.09 percent, 0.01 percent, 1.72 percent, 1.16 percent, 1.34 percent, 0.53 percent, 1.04 percent, 0.86 percent, 0.59 percent and 0.28 percent in the year 2002-03, 2003-04, 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11 and 2011-12 and the average was 0.762 percent.

The return on capital employed of Indian Overseas Bank was continuously increased to 0.16 percent, 0.24 percent, 0.95 percent, 1.23 percent and 1.35 percent in the year 2002-03, 2003-04, 2004-05, 2005-06 and 2006-07, which was decreased to 1.20 percent and 0.58 percent in the year 2007-08 and 2008-09, after that it was negative to 0.08 percent in the year 2009-10 and it was 0.41 percent and 0.23 percent in the year 2010-11 and 2011-12 and the average was 0.627 percent.

The return on capital employed of Andhra Bank was fluctuated to 0.14 percent, 0.28 percent, 0.95 percent, 0.89 percent, 0.99 percent, 0.82 percent, 0.67 percent, 1.31 percent, 1.09 percent and 1.29 percent during the year 2002-03, 2003-04, 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11 and 2011-12 respectively and the average was 0.843 percent.

The return on capital employed of Vijaya Bank was negative to 0.51 percent and 0.07 percent in the year 2002-03 and 2009-10. It was same to 0.18 percent in the year 2008-09 and 2010-11. It was 0.50 percent, 1.08 percent, 0.88 percent, 0.86 percent, 0.29 percent and 0.35 percent in the year 2003-04, 2004-05, 2005-06, 2007-08 and 2011-12 respectively and the average was 0.374 percent.

The return on capital employed of Allahabad Bank was 0.11 percent in the year 2002-03, which was negative to 0.96 percent in the year 2003-04. It was fluctuated to 0.75 percent, 0.62 percent, 0.91 percent, 0.51 percent, 0.64 percent, 0.22 percent, 0.65 percent and 0.76 percent in the year 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11 and 2011-12 respectively and the average was 0.421 percent.
F-test (ANOVA):

Testing hypothesis by one way classification.

H₀: There would be no significant difference in average return on capital employed of selected public sector banks.

H₁: There would be significant difference in average return on capital employed of selected public sector banks.

Table 4.18

Analysis of Return on Capital Employed of Public Sector Banks for One-way ANOVA

<table>
<thead>
<tr>
<th>Source of Variation</th>
<th>Sum of Square (SS)</th>
<th>Degrees Freedom (Df)</th>
<th>Mean Square (MS)</th>
<th>F-Ratio</th>
<th>5% F-Limit (From the F-Table)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between Groups</td>
<td>42.29</td>
<td>9</td>
<td>4.70</td>
<td>2.66</td>
<td>1.99</td>
</tr>
<tr>
<td>Within Groups</td>
<td>159.14</td>
<td>90</td>
<td>1.77</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>201.43</td>
<td>99</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The above ANOVA table 4.18 shows that the calculated value of F is 2.66, which is more than the table value of 1.99 at 5% level of significant. Hence, the null hypothesis stands rejected. It means that there would be significant difference in average return on capital employed of selected public sector banks.
REFERENCES

1. Ravi M. Kishore (2004), Financial Management, Published by Texmann Allied Services Pvt. Ltd.
17. www.moneycontrol.com/financials/selectedbanks/balance-sheet
20. www.money.rediif.com/companies/selected-banks/ratios