## CHAPTER – 5
ANALYSIS OF PROFITABILITY IN PRIVATE SECTOR BANK

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CHAPTER – 5
ANALYSIS OF PROFITABILITY IN PRIVATE SECTOR BANK

5.1 Introduction of Private Sector Banks in India:

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

Banking in India has been dominated by public sector banks since the 1969 when all major banks were nationalized by the Indian government. However since liberalization in government banking policy in 1990s, old and new private sector banks have re-emerged. They have grown faster and bigger over the two decades since liberalization using the latest technology, providing contemporary innovations and monetary tools and techniques.

The private sector banks are split into two groups by financial regulators in India, old and new. The old private sector banks existed prior to the nationalization in 1969 and kept their independence because they were either too small or specialist to be included in nationalization. The new private sector banks are those that have gained their banking license since the liberalization in the 1990s.

➤ History and Evolution:

Private-sector banks have been functioning in India since the very beginning of the banking system. Initially, during 1921, the private banks like bank of Bengal, bank of Bombay and bank of Madras were in service, which all together formed Imperial Bank of India.

Reserve Bank of India (RBI) came in picture in 1935 and became the center of every other bank taking away all the responsibilities and functions of Imperial bank. Between 1969 and 1980 there was rapid increase in the number of branches of the private banks. In April 1980, they accounted for nearly 17.5 percent of bank branches in India. In 1980, after 6 more banks were nationalized, about 10 percent of the bank branches were those of private-sector banks. The share of the private bank branches stayed nearly same between 1980 and 2000.
Then from the early 1990s, RBI's liberalization policy came in picture and with this the government gave licenses to a few private banks, which came to be known as new private-sector banks.

There are two categories of the private-sector banks: "old" and "new". The old private-sector banks have been operating since a long time and may be referred to those banks, which are in operation from before 1991 and all those banks that have commenced their business after 1991 are called as new private-sector banks.

Housing Development Finance Corporation Limited was the first private bank in India to receive license from RBI as a part of the RBI's liberalization policy of the banking sector, to set up a bank in the private-sector banks in India.

➢ **Old Private-Sector Banks:**

The banks, which were not nationalized at the time of bank nationalization that took place during 1969 and 1980, are known to be the old private-sector banks. These were not nationalized, because of their small size and regional focus. Most of the old private-sector banks are closely held by certain communities their operations are mostly restricted to the areas in and around their place of origin. Their Board of directors mainly consists of locally prominent personalities from trade and business circles. One of the positive points of these banks is that, they lean heavily on service and technology and as such, they are likely to attract more business in days to come with the restructuring of the industry round the corner.

➢ **New Private-Sector Banks:**

The banks, which came in operation after 1991, with the introduction of economic reforms and financial sector reforms are called "new private-sector banks". Banking regulation act was then amended in 1993, which permitted the entry of new private-sector banks in the Indian banking sector. However, there were certain criteria set for the establishment of the new private-sector banks, some of those criteria being: The bank should have a minimum net worth of Rs. 200 crores.

1. The promoters holding should be a minimum of 25% of the paid-up capital.
2. Within 3 years of the starting of the operations, the bank should offer shares to publicans their net worth must increased to 300 crores.
5.1.1 Federal Bank:

Federal Bank Limited is a major Indian commercial bank in the private sector, headquartered at Aluva, Kochi, Kerala. It is the fourth largest bank in India in terms of capital base. As of 9 February 2014, Federal Bank has 1150 branches spread across 24 states and 1272 ATMs across 108 metro centers, 224 urban centers, 384 semi-urban locations and 87 rural areas in India.

➢ History:

In year 1931, The Bank was incorporated in 1931 as Travancore Federal Bank Limited to cater to the banking needs of Travancore Province by a small group of local citizens. It embarked on a phase of sustained growth under the leadership of K.P. Hormist. The bank along with six other banks co-promoted Bharat Overseas Bank Ltd. In 1949, The Board of Directors of the Bank was reconstituted and fresh Articles of Association were adopted and the Bank was renamed as The Federal Bank Limited. In 1993, During March, the bank issued 25,25,000 No. of equity shares of Rs 10 each at a premium of Rs 25 per share in proportion 1:2. Another 5,25,000 No. of equity shares were offered to the employees on an equity basis. Only 30,47,894 shares of the above taken up (2,106 shares kept in abeyance). Another 30,00,000 No. of equity shares were allotted at a prem. of Rs 30 per share to ICICI associates companies. In 1994, During March, the company offered to the public 35,45,500 shares at a prem. of Rs 80 per share. Additional 1,72,600 shares were allotted to retain oversubscription. During January 1996, the bank issued 74,08,122 rights equity shares (prem. Rs 140; prop. 1:2) 73,51,734 shares taken up. In 1995, 50,50,000 No. of equity shares were issued and paid-up of which 3,318 No. of equity shares were issued for consideration other than cash on 27.1.1965 to shareholders of erstwhile St. George Union Bank Ltd., Puthenpully, Kerala.

In 1996, The Company undertook as 3 year Information Technology Strategic Plan 2000 for automating its branches in a phased program. In 1997, the bank has developed "Fedsoft" the automation software package in-house which is being used by 40 branches. An Automatic Teller Machine (ATM) was installed at the Vile Parle branch in Mumbai during the year. The bank is the second largest private sector bank with a network of more than 360 branches which till recently was restricted to the southern States. The Aluva-based Federal Bank Ltd. has set up its site on the World Wide Web on the Internet, Information about the bank and its products and services can
be accessed from http://www.federal-bank.com. Federal Bank has infused an additional Rs.10 crores in the equity capital of its investment banking subsidiary, Fedbank Financial Services in 1996-97. The Federal Bank Limited, the largest scheduled bank in Kerala, had developed its own computer software named FedSoft. The software was developed by the bank in collaboration with Datanet Corporation, Bangalore and the package was based on state-of-the-art technology and the latest workflow concepts. Industrial Credit and Investment Corporation of India (ICICI) has entered into a strategic alliance with two Kerala-based private sector banks and Federal Bank Ltd (FBL) and South Indian Bank Ltd (SIBL)-to share business interests and strategies. Federal Bank Ltd, the largest scheduled bank in Kerala, with a network of over 350 branches throughout the country. The Federal Bank Limited, the largest private sector banking network in the country, has taken over an Abu Dhabi-based financial institution Exchange Bank dealing in foreign exchange. The Federal Bank, the largest banking network in India in the private sector, is working on various customer-friendly schemes in the wake of the liberalization globalization measures unleashed by the government. In 1998, The Federal Bank Limited has launched a new deposit scheme named Fed Flexi. The Kochi-based Federal Bank will open 100 more branches spread across the country by the turn of the century. With this, the total branch strength of the bank will cross 500. The Alwaye-based Federal Bank has launched three tailor-made loan schemes.

In 1999, as part of its plan to widen the retail credit portfolio, the Aluva-based Federal Bank has launched three new schemes to promote travel and tourism, fund short and long-term needs of the trading community and to finance payments of premium of LIC’s Bima Nivesh. Federal Bank, one of the country’s old private banks, opened its first specialized branch for asset recovery in Mumbai on December 16, '99. The Bank has also set up a target of Rs 86 crores in the current year for the recovery of the non-performing assets (NPAs). The bank has set up an asset recovery department at it corporate office at Alwaye and strengthened asset recovery cells at regional offices. In 2000, Federal Bank is to foray into internet banking and E-commerce in the month April. The Bank will be the first among the old private sector banks in the country to diversify into internet banking. The Bank has entered into marketing pacts with some commercial agencies for its E-commerce business. In 2001, The Aluva-based Federal Bank has tied up with Escotel Communications to launch mobile banking services using SMS technology. Federal Bank has launched a new deposit scheme christened as `Suraksha' for senior citizens. In 2003, Unveils Anywhere
Banking provides the convenience of doing transactions from 300-plus interconnected branches. ICICI Bank divests 0.31% stake in Federal Bank. Federal Bank cuts Home loan interest rates. In 2004, Achieves 100% interconnectivity among all its branches. Bank has Launches Equity Subscription Scheme, a new retail product for financing the IPOs and public issue applications of its customers. Bank has Acquires a prime property in Chennai-owned by Ramco Super Leathers under Securitization and Reconstruction of Financial Assets and Enforcement of Security Act. The property, spread over six grounds and 26,000 sq ft on Anna Salai, is estimated to have a market value of Rs 16 crores. Federal Bank unveils treasurer's calendar. Federal Bank joins hands with ICICI Prudential Life Insurance Co. Ltd. for premium collection through its branches. Federal Bank introduces new Fed e-Pay services.


In 2009, Federal Bank in association with Geojit Financial Services has unveiled its online trading product called Fed-e-Trade as part of the bank's efforts to provide various products and services to customers. However, the retail clients of the bank will now have the access to online trading in equities as well as the derivatives, IPOs and mutual funds through Geojit's online trading platform. Federal Bank Ltd has informed that Dr. M Y Khan has been appointed on the Board of the Bank as a non-executive, independent director. Federal Bank has launched a call center facility where the 24-hour service of the contact center would be available on dialing a toll-free number 18004251199. In 2010, Federal Bank unveiled FedSelect, a premium product for their high net worth individual (HNI) customers. Shyam Srinivasan has taken charge as the Managing Director & CEO of Federal Bank with effect from September 23. Federal Bank Ltd has appointed Shri Shyam Srinivasan as Managing Director &
Chief Executive Officer of the Bank. In 2011, Federal Bank signs deal with Al Ansari Exchange. Shri Nilesh S. Vikamsey has been appointed Director of the Bank. In 2012, Federal Bank has introduced its 1000th branch at Muthoor near Thiruvalla in Kerala to become the first Kerala based bank to cross this mark. Federal Bank has launched a real time funds transfer service for its customers for transferring funds to merchants and enterprises through mobile phones.

5.1.2 HDFC Bank:

HDFC Bank Limited is an Indian financial services company based in Mumbai, Maharashtra. It was incorporated in 1994. HDFC Bank is the fifth largest bank in India by assets. It is the largest bank in India by market capitalization as of 24 February 2014. As on Jan 2 2014, the market cap value of HDFC was around USD 26.88B, as compared to Credit Suisse Group with USD 47.63B. The bank was promoted by the Housing Development Finance Corporation, a premier housing finance company (set up in 1977) of India.

As of 31 March 2013, the bank had assets of INR 4.08 trillion. For the fiscal year 2012-13, the bank has reported net profit of INR 69 billion, up 31% from the previous fiscal year. Its customer base stood at 28.7 million customers on 31 March 2013.

➢ History:

In 1994, The Bank was incorporated on 30th August. A new private sector Bank promoted by housing Development Corporation Ltd. (HDFC), a premier housing finance company. The bank is the first of its kind to receive an in-principle approval from the RBI for establishment of a bank in the private sector. Certificate of Commencement of Business was received on 10th October 1994 from RBI. The Bank transacts both traditional commercial banking as well as investment banking. HDFC, the promoter of the bank has entered into an agreement with National Westminster Bank P.c. and its subsidiaries (NatWest Group) for subscribing 20% of the banks issued capital and providing technical assistance in relation to the banks proposed banking business. In 1995, 70 No. of equity shares issued to subscribers to the Memorandum & Articles of Association on 30th August 1994. On the same date 500,00,000 equity shares were allotted to HDFC promoters. 509,20,000 shares were allotted to HDFC Employees Welfare Trust and HDFC Bank Employees Welfare Trust on 22nd December, 1994. On 16.1.1995, 90,79,930 No. of equity shares were allotted to
Jarrington Pte. Ltd. Another 400,00,000 equity shares were allotted on private placement basis to NatWest Group on 9.5.1995. 500,00,000 shares were allotted to the public on 9.5.95 (all were taken up). The Bank opened its first branch in Ramon House at Church gate, Mumbai on January 16th. The Bank has created an efficient operating system using well tested state-of-the-art software. In 1996, HDFC Bank has entered the banking consortia of over 50 corporate, including some leading multinational companies, flagship companies of local business houses and strong public sector companies. HDFC Bank has set up a state-of-the-art dealing room to handle all transactions possible in Indian financial markets. The Certificates of Deposits were awarded a PP1+ rating which is the highest rating for short term instruments indicating superior capacity for repayment.

In 1997, the bank is one of the largest mobilizes of retail deposits through its network of 20 branches. Its credit deposits ratio was 53.8%. The bank has set up a ultra-modern hub at Powai in Mumbai where the bank's central computer is housed. This hub housed in 35,000 square feet of space, houses data of all the branches and facilitates the introduction of new products and services. HDFC has installed state-of-the-art systems to facilitate inter-connectivity between branches and link up with online system. The bank has also recently signed up as a depository participant, under the newly set up NSDL, wherein the members clearing accounts settlement for dematerialized shares can be done through the bank. HDFC Bank, one of the nine new-generation private sector banks, has planned to set up an all-India on-line automated teller machine (ATM) network. HDFC Bank proposed to launch tele-banking for the first time in June in Mumbai at its Chandiveli branch. HDFC Bank has drawn up plans to become a niche player in corporate banking by sticking to top-rung corporate. HDFC Bank has become the first private sector bank to conclude a structured interest rate option deal. HDFC Bank has launched its Versova branch, the 11th branch in Mumbai. HDFC Bank, as part of its expansion plans in the South, has opened another branch in Chennai.- HDFC Bank has entered into strategic alliances with 10 overseas banks to provide customers with a wide range of derivatives including interest rate and foreign currency swaps. HDFC Bank on October 14 introduced ATMs that converse in a regional language. HDFC Bank has introduced the Freedom Account for the average retail customer located in the major metros as a means to wean away the middle-income market from nationalized banks. HDFC Bank has launched an account in all its 28 branches across India that seeks to free depositors from minimum balance requirement, for the first time in the country. HDFC has introduced a new loan product for the
payment of betterment fees announced by the Bangalore Mahanagar Palika. - HDFC Bank is all set to launch its debit card by April 1998.

In 1998, HDFC Bank has tied up with the Ahmedabad Stock Exchange (ASE) to act as its clearing bank. HDFC Bank proposes to strengthen its branch network in Calcutta with the addition of two new branches in the first quarter of the next fiscal. HDFC Bank has signed an agreement with the National Stock Exchange (NSE) which will give it a second charge over the brokers deposit for providing loan against share facility to NSE brokers. The bank has also entered into a similar understanding with the Bombay Stock Exchange (BSE) whereby the bourse will provide support for recovery of money against the card for loan against share facility. The bank has also entered into 'Cirrus' arrangements by which all master card holders across the globe will be able to transact at HDFC Bank in India. The bank will also provide phone-banking facility in Bangalore. HDFC has tied up with Visa International to offer its Debit Card. - HDFC Bank Ltd has entered into a memorandum of understanding for strategic business collaboration with Chase Manhattan Bank. HDFC Bank has become the first bank in India to link up its automated teller machine (ATM) network with all the three major payment systems world-wide. HDFC Bank will be the first bank in the Asia-Pacific region to connect the American Express (Amex) payment system. The HDFC Bank is expanding its ATM network to connect to American Express Interchange based in Phoenix, Arizona, USA. With this connectivity, HDFC Bank has become the first bank in the Asia-pacific region to connect to the Amex Interchange. HDFC Bank was the first to sign up with AMEX in December of 1998. The Bank has tied up with ITC Threadneedle Mutual Fund to provide its investors with the High Interest Fund (HIF), a facility to encash their units through the bank's Automated Teller Machines in addition to a cheque book facility also to be provided by the bank. Sony India Ltd (SIL) has joined hands with HDFC Bank to work out an innovative car finance package under which a Sony car audio system would be installed to a new car for no additional upfront cash outflow. The bank has decided to issue 1,33,10,000 equity shares of Rs. 10 each to HDFC and a wholly-owned subsidiary of it at a price of Rs. 94 per share. The bank will also issue 13,70,000 equity shares to India Private Equity Fund and 51,20,000 shares to Indocean Financial Holding, the two equity funds controlled by Chase Manhattan Bank. HDFC Bank has tied up with BPL Ltd to offer Internet-enabled supply-chain management and business-to-consumer (B2C) e-commerce services to corporate. Hutchison Max Telecom and HDFC Bank introduced the country's first-ever mobile-banking services in the city.
In 2000, HDFC Bank also signed a memorandum of understanding with Singapore Telecom's e-commerce arm Sesami.Com Pvt. Ltd. The Bank later also entered into a partnership agreement with National Computer Systems, the e-commerce unit of SingTel. A new company called SESAMi.com (India) has been formed by a strategic alliance between HDFC Bank and Singapore Telecom's e-commerce company SESAMi.com, to offer e-commerce solutions for the Indian market. HDFC Bank has a tie-up with Maxtouch for giving the facility to the latter's customers in Mumbai. This is the first and only service of this sort in the country, he said. HDFC Bank is also launching an online electronic banking solution called E-net which will allow corporate to access their accounts over the net and carry out trade related transactions and cash management functions. HDFC Bank entered into a tie-up with Telco by which the bank would provide preferential financing options for Tata's range of passenger cars including the Indica, Sumo, Safari, Estate and Sierra. HDFC Bank is also set to become the first bank in the country to offer wireless application protocol (WAP) services to customers. SkyCell Communications Ltd, one of the two cellular service providers in Chennai, has launched `Sky Banking', for which the company has tied up with ICICI Bank and HDFC Bank. The bank has tied up with 12 utility companies nationwide including BSES, MSEB, BEST, Orange, BPL and MTNL.

The Bank has tied up with financial portals, e-brokerages and the National Stock Exchange to enable broker payments for e-broking ventures. The Bank has set up 100 new electronic data capture (EDC) terminals in Mumbai. HDFC Bank has launched its first B2C payment gateway which allows Visa and MasterCard credit card-holders to do transaction online and real-time.

CYBERITMALL.COM has joined hands with HDFC Bank to provide VISA/MasterCard users with an online payment gateway solution to enable them to have a secure e-shopping experience. HDFC Bank plans to extend its mobile phone banking services introduced in select metros to mobile phone broking when it introduces its Internet on-line trading in July. HDFC Bank and portal clickforsteel.com have signed a memorandum of understanding for offering online credit and services to facilitate 'post transaction' activities through the portal's `allied services providers' program. Indianfoline.com signed an agreement with HDFC bank for the use of payment gateway to enable online financial transactions. The Company has introduced a new scheme whereby it will provide loans to individuals for payment of self assessment tax on their properties in Bangalore. The Foreign Investment Promotion
Board has cleared the proposal of the HDFC Group to enter into a joint venture with Singapore Telecom's e-commerce company for providing a comprehensive range of business-to-business e-commerce solutions to companies in India.

The Company proposes to pick up an equity stake in Softcell Trade and Technologies Ltd., a Mumbai-based software company. BPL Mobile has tied up with HDFC Bank to offer Internet banking through the mobile phone. HDFC Bank launched ‘eInstant Car Loans’ a new scheme for offering customers a range of net-enabled loan products. HDFC Bank launched depository services on the net. HDFC Bank tied up with NSE.IT, a wholly owned subsidiary of the National Stock Exchange, for providing payment gateway services for the latter's Internet trading operations. HDFC Bank has been identified as the best domestic commercial bank for the second consecutive year by FinanceAsia.com, which provides a network for financial decision makers. The Mumbai-based Geojit Securities Ltd. has tied up with HDFC Bank for Internet trading of shares. Calcutta's cellular services provider Modi Telstra, and HDFC Bank have entered into a collaboration to provide mobile commerce in Calcutta.

HDFC Bank has got the Kerala-based Nedungadi Bank as its first customer for its new joint venture company with I-Flex Solutions. HDFC Bank has set a target of attaining a business of over Rs 15,000 crores this fiscal mainly through expansion and new product launches, including a credit card. HDFC Bank, in association with Tata Cellular, has launched Mobile Commerce Service, for customers in Hyderabad and Vishakhapatnam. HDFC Bank has tied up with about 25 equity brokerages for enabling third party transfer of funds and securities through its business-to-business portal - 'e-Net'. The Bank has entered into an alliance with Deloitte Haskins and Sells, a member firm of Deloitte and Touch, to offer banking services to its non-resident Indian customers. HDFC Bank has launched its 123rd outlet at Delhi Stock Exchange building at Asaf Ali Road. The Bank proposes to acquire up to 24.5 per cent stake in the MIEL e-Security Pvt. Ltd., which is engaged in the business of developing and marketing of security products and services for a range of e-commerce and enterprises security applications. The Bank has tied up with Rajan Raheja-owned Hathway for providing banking at home as part of the Net-over-cable initiative of the latter in Mumbai. - HDFC Bank launched its on-line bill payment facility in alliance with the Maharashtra State Electricity Board has also begun to offer bridge loans against fixed deposits of parent Housing Development Finance Corporation the financial institution.
HDFC Bank has tied up with portal brainvisa.com to retail education loans to students. - The Gujarat Cellular operator Fascel, has signed up with the HDFC Bank to introduce mobile commerce for the first time in the State. HDFC Bank has tied up with BPL Mobile for mobile commerce facility. CricketNext.com, a sports e-commerce site has tied up with HDFC Bank to provide an on-line payment gateways and marketing opportunities for a wide range of cricket sports gear on its on-line shop BatNext. Singapore-based Growasia.com has entered into an understanding with HDFC Bank and credit rating agency ICRA, for picking up equity in the company's Indian subsidiary Gasia.com. The Bank has launched 'Freedom - The e-Age Savings Account' for cellular phone users. Spice Cell has tied up with Citibank N A, HDFC Bank and ICICI Bank for mobile bill settlements. HDFC Bank and Cosmos Bank launched a co-branded ATM card. The Chatterjee Group-promoted Captech Online Ltd. has signed memorandum of understanding with HDFC Bank and UTI Bank for setting up a payment gateway for its debt negotiation platform, Riskxpress.com. HDFC Securities Ltd., promoted by the HDFC group with equity participation from the Housing Development Finance Corporation Ltd., HDFC Bank and Chase Capital Partners, has launched its brokerage services for retail investors in the Capital. The HDFC Bank and Airtel launched their mobile-banking service through WAP in Delhi. HDFC Bank has launched wireless application protocol-based mobile-banking in Coimbatore and Trichy in association with Aircel.

In 2001, The Bank has opened its first branch in Aurangabad. HDFC Standard Life Insurance has entered into a memorandum of understanding with the Chennai-based Indian Bank. The Bank has launched the international Maestro debit card in association with Master Card. HDFC Bank will launch its credit card in June through link-ups with MasterCard and Visa. LTtrade.com has entered into a strategic tie-up with HDFC Bank to provide Net banking services to online investors. Standard Chartered Bank, HDFC Bank and Bharat Petroleum Corporation have joined the eCash Forum which has been set up by the Smart Card Forum of India. HDFC Bank has launched a new campaign for its edge savings account. HDFC Bank entered into a strategic tie-up with Tally Solutions Pvt. Ltd. to offer online real time accounting services to small and medium enterprises. The Bank has opened four ATMs outlets in Bangalore at Coles Road, RT Nagar, Rajaji Nagar and Jaya Nagar on March 26. HDFC Standard Life Insurance has launched a 'Development Insurance Plan' a low cost life insurance product developed specifically to meet the needs of economically weaker sections. Two Directors, Mr. S.S. Thakur and Mr. Amit Judge, have resigned from the
board of the bank effective from March 30. HDFC Bank files with US regulators to list more than 11 million American Depositary Shares on the New York Stock Exchange.

In 2002, HDFC Bank unveiled a new online account aggregation service 'OneView'. HDFC launched 'One View' service to customers. HDFC Bank launched its 9th branch in Karnataka. HDFC opens its branch in Mangalore. HDFC Bank unveils Silver card in Hyderabad. HDFC Bank opens first overseas representative office. HDFC Bank unveils gold card. Mediclaim facilities to HDFC Bank gold cardholders. HDFC Bank Ltd has informed BSE that Mr. Deepak Satwalekar has submitted his resignation as Director of the Bank. The Board of Directors has accepted the same. The Board of Directors has co-opted Mrs. Renu Karnad as Additional Director of the Bank. Mrs. Renu Karnad has been co-opted as an Additional Director of the Bank. Mrs. Karnad shall represent the promoters of the bank i.e. HDFC Ltd. Also Mr. Deepak Satwalekar, Managing Director of HDFC Standard Life Insurance Company Ltd, has been on the Board of the Bank as nominee of HDFC Ltd since September 12, 1994 and shall complete the period of 8 yrs before the next scheduled board meeting. In view of the provisions of the Banking Regulation Act, 1949, Mr. Satwalekar has submitted his resignation as Director of the Bank and the Board has accepted the same. HDFC Bank launched new products to its wealth management program to increase its customer base. The bank introduced a non-interactive product named "Financial Planner", which would be available for all its customers for an annual fee starting from Rs 10,000. The bank is offering fee based advisory program to the "mass affluent" segment, which was earlier offered to high net worth customers. The wealth management program would cater to individual needs taking into account various factors such as customer's age, financial goals and risk profile, which includes equity, MFs and debt instruments such as RBI Relief Bonds.

In 2003, HDFC Bank unveils resident foreign currency account. HDFC Bank unveils co-branded credit card with e-Seva. The Board of Directors of HDFC Bank Ltd at their meeting held on January 15, 2003 approved the appointment of Mr. Arvind Pande as an Additional Director pursuant to section 260 of the Companies Act, 1956. EPFO JV with HDFC Bank for its pension distribution. HDFC enters into agreement with HDFC Bank to source housing loans. HDFC Bank, IRCTC in tie up for online railway booking. HDFC Bank inks pact with ANB for remittance service. HDFC Bank introduces 'HDFC Bank Health Plus Credit Card'. Uma Krishnan resigns HDFC Bank as country head. Escotel ties up with HDFC Bank for Global Debit Card. HDFC
Bank launches India's first mobile payment solution. HDFC Bank's debt program of Rs 400-crores has received triples “A” (ind) rating from CREDIT rating agency FITCH. Mumbai - HDFC Bank in collaboration with Tally Solutions is planning to launch electronic data interchange (EDI) system for small and medium enterprises (SMEs). Warburg Pincus sells 2% stake in HDFC for Rs 235 crores. HDFC Bank began selling home loans of its promoter Housing Development Finance Corporation (HDFC). Board approved to allot 4,16,400 equity shares to the employees of the Bank under the Employee Stock Option Scheme.

In 2004, Mr. Ranjan Kapur & Mr. Bobby Parikh appointed as Additional Directors. HDFC Bank Launches Quickremit, a unique online service that enables NRIs in the US to send money to their relatives in India from the comfort of their homes. Andhra Bank has entered into an alliance with HDFC Bank for sharing its network of automated teller machines (ATMs). On March 29, 2004 HDFC Bank and Bahraini Saudi Bank (BSB) have announced an alliance to cater to service the needs of the non-resident Indians (NRIs) in Bahrain. HDFC Bank launches new scheme for Maruti 800 buyers, providing 85 per cent finance on the on-road price of the car for seven years. HDFC Bank wins Asiamoney award for Best Domestic Bank. HDFC Bank has entered into an agreement with Shrachi Securities Ltd, the flagship company of the Kolkata-based Rs 300-crores Shrachi Group, for financing of multi-utility vehicles all over India. HDFC Bank has launched an online bill payment facility for its customers who are also subscribers to Tata Teleservices. HDFC Bank join hands with NCR Corporation to offer managed ATM services. IKF Finance Ltd has entered in to a Joint Lending Arrangement with HDFC Bank Ltd. In 2005, HDFC Bank inaugurates first ATM in Hotel. HDFC Bank ties up with the International Bank of Qatar (IBQ) to launch banking services in Qatar. HDFC Bank launches loyalty rewards program for its debit and credit cardholders under the name InstaWonderz. HDFC Bank along with MasterCard International launched credit card targeted at small and medium-sized enterprises. HDFC Bank unveils credit card for farmers.

In 2006, HDFC sets up two more branches in AP. Osim to join hands with HDFC Bank for consumer loans. HDFC Bank inaugurates VbV facility for online shopping. HDFC sets up two more branches in AP. In 2007, HDFC Bank has signed an agreement with Tata Pipes to offer credit facilities to farmers across the country. HDFC Bank Ltd has appointed Mr. Pandit Palande as an additional Director of the Bank at the Board Meeting held today i.e. on 24th April 2007. HDFC Bank Ltd has informed that
the Board of Directors of the Bank at its meeting held on October 12, 2007, has been appointed Mr. Paresh Sukthankar & Mr. Harish Engineer as Executive Directors on the Board of Directors of the bank. Mr. Sukthankar & Mr. Engineer have been senior employees of the Bank since 1994 and have held various positions of responsibility. The appointments as Executive Directors of the Bank are subject to approval of Reserve Bank of India and of the Bank's shareholders.

In 2008, HDFC Bank Ties Up With Postal Department, Extends Rural Reach. HDFC Bank Wins ‘Nasscom IT User Award the Year’. HDFC Bank Opens Its First Overseas Branch In Bahrain. HDFC Bank and Centurion Bank of Punjab merger at share swap ratio of 1:29. HDFC Bank Launches India’s First Rural Banking BPO At Tirupathi. HDFC Bank Launches India’s First "Online Market Linkage Program" For Self Help Groups. In 2009 HDFC Bank Bags Asiamoney Award for the "Best Domestic Bank". HDFC Bank offers electronic payment collection facility to Guruvayoor Devaswom. HDFC Bank launches ‘Meritus’ Scholarship Program. - The Asian Banker declares HDFC Bank the Best Retail Bank. In 2010, With a view to attract long term deposits and prevent premature withdrawal when the interest rates peak, HDFC, the housing finance major, has decided to pay variable interest rate on recurring deposits. HDFC Bank on Feb 19 increased the fixed deposit rates by up to 150 basis points across maturities, a move that follows the Cash Reserve Ratio hike of 75 basis points by the Reserve Bank of India last month. HDFC rolls out systematic savings plan with variable interest rates. HDFC Bank replaces ICICI as Number 1 private retail bank in India. HDFC ties up with UAE bank for online remittances. HDFC Bank approved the appointment of Mr. C. M. Vasudev, who is a Director of the Bank, as Non Executive Chairman of the Bank on a part time basis for a period of three years effective July 06, 2010 in replace of Mr. Jagdish Capoor retires from his services on the same date.

In 2011 HDFC Bank looking at 3G services to boost mobile banking share. The Housing Development Finance Corporation Limited (HDFC), one of the largest private sector banks in India, which had a network of 1,725 branches as at March 2010, opened 275 new branches in the current fiscal. The bank now has a total network of 2,000 branches spread across 1,000 cities. The bank also acquired Centurion Bank of Punjab in 2008, which adds around 404 branches to its network. The Asian Banker magazine has declared that the strongest bank in Asia Pacific region is HDFC. India's private banking major ,HDFC Bank has launched its new credit card offering
called Infinia in direct competition with global credit card major American Express (Amex). The new HDFC product is exclusively for the bank's high net worth and super rich clients in the country. Company has splits its Face value of Shares from Rs 10 to Rs 2. In 2012, the third-largest US lender by assets, Citigroup Inc has sold its complete 9.85 per cent stake in Housing Development Finance Corporation Ltd (HDFC) for USD 1.9 billion. HDFC Bank which is a major Indian financial services company based in Mumbai stated that they have collaborated with Punjab Grains Procurement Corporation Ltd (PUNGRAIN) with an aim to make easy and faster payment to its agents who are dealing in agricultural products in about 350 mandis in Punjab. HDFC Bank ties up with IOC to offer banking services in rural areas. Carlyle offloads entire stake in HDFC for $841 million through bulk deals. HDFC Bank opens office in Abu Dhabi. HDFC Bank has launched its mobile banking application in Hindi on targeting about 560-million Hindi-speaking population of India. HDFC Bank opens 87 branches in Punjab, Haryana in a single-day.

5.1.3 ICICI Bank:

ICICI Bank is an Indian multinational banking and financial services company headquartered in Mumbai. It is the second largest bank in India by assets and by market, as of 2014. It offers a wide range of banking products and financial services to corporate and retail customers through a variety of delivery channels and through its specialized subsidiaries in the areas of investment banking, life, non-life insurance, venture capital and asset management. The Bank has a network of 3,539 branches and 11,162 ATMs in India, and has a presence in 19 countries.

ICICI Bank is one of the Big Four banks of India, along with State Bank of India, Punjab National Bank and Bank of Baroda. The bank has subsidiaries in the United Kingdom, Russia, and Canada; branches in United States, Singapore, Bahrain, Hong Kong, Sri Lanka, Qatar and Dubai International Finance Center; and representative offices in United Arab Emirates, China, South Africa, Bangladesh, Thailand, Malaysia and Indonesia. The company's UK subsidiary has also established branches in Belgium and Germany.
In March 2013, Operation Red Spider showed high-ranking officials and some employees of ICICI Bank involved in money laundering. After a government inquiry, ICICI Bank suspended 18 employees and faced penalties from the Reserve Bank of India in relation to the activity.

**History:**

In 1994, The Bank was incorporated on 5th January at Baroda. ICICI Bank was promoted by ICICI and erstwhile SCICI Ltd. and received the Certificate for Commencement of Business on 24th February. It does banking business of all kinds. It was founded as an institution to provide quality banking services using state-of-the-art technology. The Bank has established a well diversified branch network with 24 branches in 15 centers covering 12 states. The bank set up a fully computerized environment with the State-of-the-art technology at all offices continuously upgrading its strong systems and procedures with special emphasis on risk management. In 1996, The deposit products and other services of the bank were branded with names such as ‘Maxicash’ for services accounts, ‘Money Plus’ for Current Account, ‘Quantum’ for fixed deposit account, ‘Power Pay’ for payroll accounts treasure chest for locker facilities and ‘Trice’ for automated teller machine facility. The Bank had, in compliance with a directive issued by RBI, deposited in aggregate Rs 88.16 crores with small Industrial Development Bank of India and National Bank for Agricultural & Rural Development. The ’B’ category branches were authorized to handle full range of foreign exchange transaction of customers and five other branches were placed in ’C’ category to handle limited foreign exchange transactions. Seven branches of the bank with substantial foreign exchange business were linked to the society for worldwide Interbank Telecommunication (SWIFT) network which enables them to transmit Letter of Credit and fund transfer messages promptly worldwide. 700 No. of equity shares subscribed for by signatories to the Memorandum of Association. 1500,00,000 No. of equity shares allotted to ICICI Ltd in 1996.

In 1997, the bank introduced electronic funds transfer facility. The bank has fully fledged vigilance and inspection department. The bank opened 11 branches and 2 extension counters thereby increasing the total network of branches to 33 and extension counters to 4. The Bank offered 150,00,000 No. of equity shares of Rs 10 each at a prem., of Rs 25 per share to ICICI. The Bank offered for sale 412,50,200 No. of equity shares of Rs 10 each at a price of Rs 35 per share. Sicom Ltd. has entered into an agreement with ICICI Bank and Dresdner Bank for providing a counter guarantee.
against letters of credits (LCs) opened by its clients. The merger of SCICI with ICICI effective from April 1, the bank has become a wholly-owned subsidiary of ICICI. ICICI Banking Corporation, a fully-owned subsidiary of Industrial Credit & Investment Corp of India Ltd, has finalized an offer for sale of 4 crores equity shares of Rs.10 each at a premium of Rs.30 per share, according to merchant banking sources. In 1998, ICICI Bank, which introduced Internet banking in India, is set to launch various technology-based new services in the near future. Some of the new services include setting up of call centers and the introduction of fund transfers between own accounts in its branches. ICICI Banking Corporation Ltd, the first bank in the country to go in for Internet banking, is now all set to provide its account-holders with the facility of transferring funds across their accounts on the Net. In 1999, ICICI Bank has signed an agreement to use the NCR switchmark technology for online-networking all its ATMs, the officials said they network would come into place in September. ICICI Bank recently restructured its organizational structure by setting up strategic business units for retail banking, corporate banking and forex and treasury operations, as independent profit centers. ICICI is all set to launch a 60-second television commercial on August 15, 1999.

In 2000, ICICI Bank became the first Indian bank to list on the New York Stock Exchange with its $175-million American depository shares issue generating a demand book 13 times its size at $2.2 billion. The Bank proposes to bring credit cards to the "large, underserved population" in rural and semi-urban areas. SkyCell Communications Ltd, one of the two cellular service providers in Chennai, has launched ‘Sky Banking’, for which the company has tied up with ICICI Bank and HDFC Bank. The ICICI has announced the launch of mobile banking services for its customers, using the wireless application protocol (WAP) technology. Ford India has tied up with ICICI Bank to introduce a scheme, enabling non-resident Indians (NRIs) to purchase a Ford Ikon car for their friends and relatives in India. ICICI Bank has set up a ATM facility at a Indian Oil Corporation petro diesel outlet at Chennai. ICICI Bank has tied up with Chennai Telephones to provide Internet bill payment facility to its customers. ICICI Bank has tied up with the Siddhivinayak temple trust to enable the bank’s infinity (Internet banking) customers to order and pay for a pooja online, on the occasion of "Aangaraki Chaturthi". The Bank proposes to extend its area of operation by opening about 35 to 40 offices and extension counters during the current fiscal subject to the Reserve Bank of India’s approval.
ICICI Bank will launch a slew of new schemes in the personal segment ranging from launch of co-branded credit cards to providing loans against share within the next three months. - The Company has offered higher rates of interest on its regular income bonds and multiplier bonds while pruning it on tax saving bonds. - The Finance portal India Infoline has tied up with ICICI Bank and HDFC Bank for banking back-ends. Tata Teleservices Ltd. has tied up with ICICI Bank and Global Trust Bank to enable its customers to use Internet banking facilities for the payment of telephone bills. ICICI Bank will provide credit for online transactions over chem-B.com, the online trading site for chemicals and chemical products, launched by Chembazaar Online Pvt. Ltd. ICICI became the first financial institution to go for placement of dematerialized debt securities. Mumbai-based ICICI Bank launched its Kid-e-bank facility in Bangalore. - ELECTRICMELA.com, the B2B portal for the electrical industry is entering into an alliance with ICICI Bank for payment gateways. Spice Cell has tied up with Citibank N A, HDFC Bank and ICICI Bank for mobile bill settlements. ICICI Bank and UAE Exchange Center have entered into a wire transfer arrangement, for electronic and telex transfer of funds. The Bank has tied up with MunshiKaka.com to provide value added services to its customers.

ICICI has signed a tripartite agreement with Amitabh Bachchan Corporation Ltd. and Mr. Amitabh Bachchan, appointing him as its brand ambassador. The new generation ICICI Bank has extended its business multiplier scheme to current account holders in Coimbatore. ICICI Bank has launched the Business Multiplier Account in Kerala. The swap ratio for the merger of Bank of Madura (BoM) with ICICI Bank has been pegged at 1:2 i.e., two shares of ICICI Bank for every one share of BoM. The Kerala Government has joined hands with ICICI Bank to introduce Internet banking facility in the State's public sector undertakings. ICICI Bank launched its debit card under the brand name "ICICIN-cash."

In 2001, ICICI Is all set to become the first domestic financial institution to get a financial strength rating by the Moody's Interbank Credit Services, the bank credit rating arm of the international credit rating agency Moody's Investors Services. The Bank of Madura (BOM) got merged with ICICIBK. The share exchange ratio was fixed at two shares of ICICIBK for one share of BOM. With this merger ICICIBK has become one of the largest private sector banks in India. Commenting on the merger Shri H. N. Sinor, Managing Director and CEO ICICIBK said that "This merger would lead to considerable synergies in the operations of the merged entity and would benefit
ICICI Bank and Deutsche Bank have entered into a long-term rupee interest rate swap benchmarked to Government bond yields. ICICI Bank has tied up with Advantage E- Accounting to offer an on-line taxation and personal finance services along with off-line services like filing. The Bank has entered into a wire-transfer arrangement called 'Money2India' with the United Arab Emirates largest foreign exchange house for transfer of funds to India. ICICI emerged as the largest fund mobilizer during 2000-01 by privately placing debts with more than one year tenure for Rs 6,413 crores, even as public sector State Bank of India placed the single largest placement of the year for Rs 2,500 crores, according to Prime Database. ICICI Bank and BPL Mobile have tied-up to launch a co-branded credit card. To be named ICICI bank-BPL Mobile Credit Card, the card will be operational by the end of August this year. ICICI Bank has launched its interactive touch screen kiosk 'Sparsh' at its automated teller machine (ATM) centers and branches allowing free access to its online services. ICICI Bank has introduced a Web-based product that facilitates on-line conclusion of forex deals in the city.

ICICI Bank has launched its hundredth ATM in Mumbai. With this, the bank will have a network of 574 ATMs spread across 54 cities. According to a press release, ICICI Bank continues to focus attention on newer functions that will enable the ATM network to be a key tool of its customer acquisition and retention strategy. ICICI Bank launched its 100th ATM in Mumbai at the bank’s branch in Nariman Point. The bank now has a network of 574 ATMs spread over 54 cities in India. Visa international and ICICI bank on September 10 announced a pilot program for facilitating e-commerce in the country. As part of its drive to introduce alternate delivery channels, ICICI Bank has launched mobile banking facilities in conjunction with Spice Communications. ICICI Bank has aligned the compensation structure of officers of Bank of Madura and made it performance-linked in line with ICICI Bank - The ICICI Bank, Teynampet, Chennai, has been directed by the District Consumer Disputes Redressal Forum, Chennai (South) to pay a compensation of Rs 50,000 to a credit-card holder of the bank for 'deficiency in service'.

In the run-up to the reverse merger with ICICI Bank, ICICI has slashed its management grades to have an identical administrative structure like that of the banking subsidiary. ICICI had changed its management structure by combining two levels and cutting down the management structure to eight levels. ICICI Bank plans to tap the debt market to raise Rs 350 crores for meeting Tier-II capital requirements.
ICICI Bank and BPL Mobile have tied-up to launch a co-branded credit card. To be named ICICI Bank-BPL Mobile Credit Card. The bank has developed multiple access channels comprising lean brick and mortar branches, ATMs, call centers and Internet banking. As on June 2001, the bank had a network of 357 branches and 37 extension counters. Its network of 546 ATMs is the largest in the country accounting for nearly 18% of all ATMs in the country. Customers in 37 cities can now access account information over the telephone. These investments in channel infrastructure have enabled the bank to achieve rapid growth in its retail business.

In 2002, CICI Bank Ltd has informed that the Board of Directors inducted Shri N. Vaghul, as an Additional Director on the Board of the Bank. The board of directors of ICICI Bank and ICICI in separate meeting at Mumbai approved the merger of ICICI with ICICI Bank. The merger of two wholly-owned subsidiaries of ICICI, ICICI Personal Financial Services and ICICI Capital Services, with ICICI Bank was also approved by the respective Boards. The high court of Mumbai and Gujarat, and the Government of India (GOI) as may be required. Consequently, the appointed date of merger is proposed to be March 31, 2002, or the date from which RBI's approval becomes effective, whichever is later. The scheme of amalgamation envisages a share exchange ratio of one domestic equity share of ICICI Bank for two domestic equity shares of ICICI. As each American Depositary Share (ADS) of ICICI represents five domestic equity shares while each ADS of ICICI Bank represents two domestic equity shares, the ADS holders of ICICI Bank would be issued five ADS of ICICI Bank in exchange for four ADS of ICICI. ICICI Bank Ltd has informed BSE that Reserve Bank of India on April 26, 2002 approved the merger of ICICI Ltd and two of its wholly owned subsidiaries, ICICI Personal Financial Services Ltd and ICICI Capital Services Ltd with ICICI Bank Ltd. ICICI Bank acquire Shimla and Darjeeling Branches from Standard Chartered Grindlays Bank.

In 2002, ICICI Bank sells 3 million equity shares of Bhushan Steel. ICICI Bank Ltd has sold 2,75,000 equity shares of Bhushan Steel & Strips Ltd on August 07, 2002 at Rs 35 per share on spot delivery basis. S&S Power Switchgear Ltd has informed BSE that ICICI bank has appointed Mr. S. C. Bhatia as Nominee director on Board of the Company with effect October 24, 2002. Further the Board has accepted the resignation of Mr. A. R. Santhanakrishna as director with effect from August 18, 2002. BPL Ltd has informed BSE that ICICI Bank Ltd has nominated Mr. V. A. Raghu as their nominee on the Board of the Company with effect from September 30, 2002.
ICICI Bank Ltd has informed that the Government of India has nominated Ms Vinita Rai, Secretary (Banking & Insurance) as the Government Nominee on the Board of the Bank in place of Mr. D. C. Gupta with effect from October 31, 2002. ICICI Bank has launched eCheques facility for its internet banking. Moody's upgrades ICICI's Rating above India's Rating. ICICI Bank Enters into agreement with Bharti Cellular paving consumers to recharge the Bharti's pre-paid cash cards (Magic) at ICICI ATM machines.

ICICI Bank Launches a scheme called 'Mutual Fund Sweep Account' which enables its customers to invest surplus funds in their current accounts in high-liquidity mutual funds through an automatic sweep facility. ICICI Bank has Clinches a deal with the govt. of Karnataka for partial payment of services. High Court approves ICICI, ICICI Bank merger. RBI approves ICICI Bank--ICICI merger. ICICI Bank deposits Rs 3,000 crores with RBI to meet Cash Reserve Ratio (CRR) requirements. Placed itself as a one-stop financial solutions supplier with a branch out and de-risked business model. ICICI Bank - with ICICI, ICICI Personal Finance Services and ICICI Capital merged with itself - is the biggest private sector bank in the nation with a balance sheet size of Rs 1,04,000 crores, capital adequacy of 11.44 per cent, 500 outlets and 1,005 ATMs. ICICI Bank ties up with Bharti for pre-paid mobile cards via ATMs. BPL Mobile and ICICI Bank tie up to enable to recharge BPL's prepaid cellular service ability (branded `mots') at any of the bank's 1000 plus ATMs across the nation. Mr. K. V. Kamat appointed MD and CEO, Lalita D. Gupte Joint MD. ICICI Bank ties up with NCR Corporation, ATM manufacturer. Merged ICICI Bank makes debut on BSE and NSE. Rallis terminates contract farming agreement with ICICI Bank. ICICI Bank Allots equity shares to erstwhile equity shareholders of ICICI. ICICIdirect.com, the brokerage arm, launches online trading in derivatives. Introduces first home loan securitization scheme of Rs 58 crores. ICICI Bank buys 190 Ajmera residential flats for Rs 37 crores.

Sanctions debt restructuring package to Aluflouride Ltd. Takes over Shimla and Darjeeling branches of Standard Chartered Bank. Bank of India (BoI) ties up with ICICI Bank to utilize former's wide branch network covering 1,000 branches for the latter's cash management services. ICICIdirect.com unveils Direct Alerts. AirTel, in tie-up with the ICICI Bank, declares the launch of re-charge facility for the AirTel Magic pre-paid cards on ICICI Bank's ATM network in the twin cities of Hyderabad & Secunderbad in Andhra Pradesh. Replaces Rs 7000 crores high cost
borrowings of ICICI. ICICI Bank Sets up Private Banking Division to target high net
worth individuals. ICICI Bank has Bagged Best Internet Bank award by Global
Finance, organizer of the World's Best Internet Bank Awards 2002. ICICI Bank ties up
with IL&FS Mutual Fund to offer to mutual fund products online. ICICI Bank gets
Debt Recovery Appellate Tribunal (DRAT) approval to divest Daewoo's Surajpur
assets. ICICI Bank Figures among the Top 1000 world banks. Soma Textile Board
allots Optionally Fully Convertible Debentures (OFCD) to ICICI Bank aggregating Rs
3.22 crores. ICICI Bank Classifies loans to Dabhol Power Company as NPAs. SREI
International Finance Ltd (SREI) forays into debt securitization alliance with ICICI
Bank. ICICI Bank bags UK Banker Magazine award. ICICI Bank introduces Roaming
Current Account, a new current account product. Launches call center in Hyderabad.
Hamblin Watsa Investment Council acquires 42.31 million equity shares of ICICI
Bank. Orcasia acquires 42.31 million equity shares of ICICI Bank. SBI, ICICI Bank
feature among top 100 banks in Asia. ICICI Bank launches chip-based credit card for
transporters. Launches new initiative called '180 degree feedbacks'. ICICI Bank Signs
MoU with Food Ministry for optimal utilization of Plan funds and to bring in
professional appraisal in project financing.

SBI divests 10 lack shares of ICICI Bank. ICICI Bank introduces ATM
in Bengali language. ICICI Bank takes over Patheja group assets under securitization
law. ICICI Bank Home Shoppe starts operations in Pune. Launches 'ATM on Wheels'
in Mumbai. Euromoney Asia poll reports ICICI Bank as the best managed bank in Asia
in the category of banking and finance. Skoda Auto ties up with ICICI Bank to offer
Skoda Monthly Installment (SMI), rather than an equated monthly installment, for its
cars. ICICI Bank secures special one-time approval from RBI for issuing tax-free bonds
worth Rs. 2500 Crores. ICICI Bank becomes the first Indian bank to launch a Resident
Foreign Currency (RFC) account. ICICI Bank chairman Mr. N. Vaghul heads Asset
Reconstruction Company (ARC). ICICI Bank, HPCL launch co-branded Visa Electron
Debit Card. Launches 'Welcome Kit' which will help the person, who opens an account
with ICICI Bank to operate its account immediately.

In 2003, ICICI Bank Launched a micro-finance programs. ICICI
OneSource deploys new recruitment system. ICICI Bank Sets up NRI advisory service.
Singapore govt. offloads 2-cr shares of ICICI Bank. Bank Chief K. V. Kamath
appointed head of finance panel for river linking project. ICICI Bank Launches
'Give2India' to facilitate donations by NRIs. Launches 'ICICI Bank Pure Gold'-certified
and tamper proof 24-carat pure gold coins in Chennai. Rama Newsprint & Papers Ltd allots 5632129 no. of Equity shares to ICICI Bank Ltd on conversion right exercised by them. HDFC, ICICI buy 33-pc stake in Hindustan Coca-Cola Beverages, the Indian bottling subsidiary of the Atlanta-based carbonated soft drinks giant Coca-Cola. Reliance Info forges alliance with ICICI for bill receivables. ICICI Bank ties up with Employees Provident Fund Organization to distribute pension across the country. ICICI Bank ties up with Tel-Net for micro-banking. ICICI Starts 12-hours banking services. ICICI Bank restructures organizational structure. Air India ropes in ICICI Bank as authorized dealers for hedging. ICICI Bank along with others set up Rs 800-cr "India Advantage Fund". ICICI Decides to scrap '97 series deep discount bonds. ICICI Bank has obtained approval to set up Overseas Banking Units (OBU). Communication ministry engages ICICI Bank, IIT to study viability of telecom firms. ICICI Bank has launched unveils NRI remittance product in Canada. ICICI Bank, Amway launch co-branded international credit card.

ICICI direct introduces tax-free Savings Bond '03 online. Videsh Sanchar Nigam Limited (VSNL) and ICICI Bank have announced a tie-up for the distribution of Tata Indicom’s dial-up Internet services. ICICI Bank offers rail ticket booking facility to its customers. ICICI Bank has Bought Apple Credit's 30-pc stake in Transamerica Apple Distribution Finance Ltd. (TADFL). ICICI Bank Takes over 100-pc of TADFL. Outgoing ICICI Bank joint Managing Director Mr. H N. Sinor becomes new chief executive and secretary of Indian Banks Association (IBA). ICICI Bank, ICICI Bank ties up with Indian Railway Catering and Tourism Corporation (IRCTC) for online rail bookings. ICICI Bank, DaimlerChrysler team up for new finance scheme. ICICI Bank Gets Insurance Regulatory Development Authority (IRDA) nod for India Advantage Fund. ICICI Bank announces VRS, the first for the new generation private sector banks, Bags DM Review World Class Solution Award 2003.

ICICI Bank enters into an institutional agreement with Dubai Bank wherein ICICI Bank would be the principal correspondent bank of Dubai Bank in India. It discontinues the contract with Bollywood Superstar Amitabh Bachchan since it finds him too expensive, embarks on market making securitized instruments. Global Finance Magazine awards ICICI Bank as the "Best consumer internet Bank in India". ICICI Bank empanelled for JNPT's Electronic Data Interchange (EDI) project. ICICI Bank signs option contract with BHEL. ICICI Bank's 1350 employees opt for VRS. Textile sector leads ICICI Bank's NPA. Birla Tyres ties up with ICICI bank to offer Rs 2 lac
life insurance benefit to the truck drivers on the purchase of every pair of tyres. ICICI Bank inaugurates its first Offshore Banking Unit (OBU) at SEEPZ Special Economic Zone, Mumbai. ICICI implements NCR solution (Cheque Mark PDC Module) for post dated cheques. ICICI Bank picks up www.timesofmoney.com’s e-filing service. ICICI Bank acquires 17.75% stake in NDTV. ICICI Bank launches 'Insta Transfer', an NRI remittance product, which will enable NRIs in the Gulf to transfer funds to India within two hours. ICICI Bank acquires 36,000,000 shares amounting to 12.65% of Himachal Futuristic Communications Ltd (HFCL). ICICI Bank in alliance with Federation of Automobile Dealers Association (FADA) unveils credit card for vendors to dealers and opens a business-to-business (B2B) section in FADA's Web site.

West Coast signs agreement to acquire ICICI's 34 percent stake in Rama Newsprint & Papers Ltd. (RNPL). Investmentz.com forges alliance with ICICI Bank for offering payment gateway to its customers for real-time transfer of funds. Banker Magazine of UK confers its 'Best Multi-Channel Strategy 2003' and Bank of the Year 2003' awards to ICICI Bank. ICICI Bank in association with the Federation of Automobile Dealers Association (FADA) unveils a credit card for vendors to dealers and opens a business-to-business (B2B) section in FADA's Web site. ICICI bank gets Banker magazine awards for the year. Crisil assigns highest ratings to instruments issued under ICICI Bank's securitization program. ICICI bank gets 'Best emerging market Bank ' award from the Global Finance Magazine. Mr. R. Seshasayee who was appointed as Director on the Bank on May 03, 2002 has tendered his resignation as a Director of the Bank. ActionAid has signed up with ICICI to launch the Karm Mitra credit card. The trading of ICICI issued bond October 2000- Tax Saving Bond - Option I ICIC1100 N1 (benefit u/s 88) was suspended. ICICI Bank introduced foreign currency term deposit scheme for non-residents including NRI's at its offshore banking unit (OBU) in Mumbai. ICICI tie up with Big Bazaar to introduce Co-branded Card specifically for Big Bazaar customers. The company's asset-backed securities (ABS) worth Rs 835 crores on October 09 obtained highest safety ratings from ICRA. The company unveiled its global deposits scheme for individuals from its Singapore branch. Five persons have been arrested on the charge of duping ICICI Bank of Rs 1.34 crores by encashing a cheque purported to have been issued by Fortis Banque of France.

In 2004, ICICI bank credit cards cross two million mark. ICICI Banks 300 million dollars Eurobond has been awarded for being the best bond issue of India and emerging Asian market during 2003, by two foreign magazines. ICICI ePayments
Ltd. has informed that they have acquired 8008357 shares amounting to 69.99% of the total paid up capital of Tata Infomedia Limited. ICICI Bank Ltd has informed that the Bank has allotted 1,25,444 equity shares of the face value of Rs 10/- each on December 22, 2003 under the Employees Stock Option Scheme, 2000 (ESOS). The government has allowed ICICI Bank to keep the Rs 350 crores 20-year preference shares (subscribed to by ITC) in its books for five years. ICICI Bank Ltd has informed that the Bank has allotted 73,980 equity shares of the face value of Rs 10/- each on December 29, 2003 under the Employees Stock Option Scheme, 2000 (ESOS).

Bahrain Monetary Agency issues license to ICICI Bank's overseas unit. It also extended a special concession for offering NRI banking services in the island nation as well as in the international markets. ICICI Bank inks pact with Mohan Bagan to unveil co-branded credit card. CICI-Overdrive awards for Honda City, Bajaj Pulsar. ICICI Bank opens new premises in Mangalore. ICICI Bank acquires numero uno position in new remittance scheme. ICICI Bank sets up ATM in Thiruvananthapuram. ICICI Bank launches its new home Loan Scheme With Variable EMI. ICICI Bank Ltd has informed that the shares of the Bank are delisted from The Delhi Stock Exchange Association Limited with effect from February 11, 2004. ICICI Bank, Mohun Bagan launch co-branded credit card. The world's largest micro-finance securitization deal of $4.3mn completed between ICICI Bank and Share Microfin Ltd., a Hyderabad based micro financing organization.

ICICI Bank signs a memorandum of understanding with Jammu and Kashmir Bank to share the ATM network. ICICI Bank and Andhra Bank have announced a tie-up that enables sharing of their ATM networks. Global Finance magazine has named ICICI Bank as one of the "Best Emerging Market Banks Asia" in an exclusive survey to be published in the May 2004 issue. ICICI Emerging Sector, the private equity arm of ICICI Bank, has acquired a 54 per cent stake in the Bangalore-based Arvind Brands, the apparel arm of the Sanjay Lalbhai-promoted Arvind Mills. ICICI Bank unveils Car Overdraft facility. ICICI Bank, SBI, LIC in pact for Rs 20,000-cr projects. ICICI Bank and Punjab National Bank have signed a memorandum of understanding (MoU) for ATM network sharing, giving customers an access to over 2,200 ATMs in India. ICICI Bank unveils co-branded credit card ICICI Bank Ebony. ICICI Bank has won the best bank award instituted by Asia money in the category of best domestic commercial bank in India. ICICI Bank has bagged the prestigious award of 'Best Retail Bank in India' in the category 'The Asian Banker Excellence in Retail
Financial Services Program 2003’. ICICI Bank-Aircel jointly unveil new co-branded credit card. Punjab and Sind Bank (PSB) and ICICI Bank on July 02 announced the launch of co-branded credit card that will be available in three variants - Gold, Silver and Blue credit card. ICICI Bank in association with Reliance Infocomm has launched an interactive mobile banking service in India. ICICI Bank has introduced a pre-approved personal loan product for Global Trust Bank (GTB) customers.

ICICI Bank bags Internet awards from Global Finance magazine. ICICI Bank Home Loans and ICICI Bank Home Search have launched `Home Utsav’, a property exhibition at the Institute of Engineers. ICICI Bank Ltd on August 9, 2004, opened its representative office in Dhaka further increasing its international presence. In light of the significant bilateral trade links between the two countries, the bank greatly values the need to have an on-the-ground presence. ICICI Bank offers new service to Canada emigrants. Launches `Hello Canada Newcomers Account’ designed to provide instant access to banking services in Canada for Indians migrants on August 23. ICICI Bank introduces an easy deposit card at an interest rate of 0.99 per cent. ICICI Bank rolls out kisan credit card in AP. Launches `Easy Deposit Card’, which charges an interest of 0.99 per cent per month. ICICI Bank launches new mobile phone banking service. ICICI launches a new service for pre-paid subscribers of Airtel, Hutch, Orange and IDEA in association with Euronet to recharge cards through bank's ATMs or by sending SMS. ICICI Bank has signed a deal with SunTec Business Solutions Private Ltd. ICICI Bank in ally with CESC launches new co-branded credit card. Godrej Sara Lee ties up with ICICI Bank to finance distributors across the country through the channel financing model. Hindustan Petroleum Corporation Ltd (HPCL), ICICI Bank on December 23rd launches Drive smart.

In 2005, ICICI Bank overtakes Citibank in credit cards with 3 million credit cards while Citibank says it has 2.5 million cards. ICICI inks pact with Godrej Sara Lee for channel financing. Merc have Joined hands with ICICI Bank to offer loans. ICICI Bank unveils office in Johannesburg. Britain's Lloyds TSB, in association with ICICI Bank, on April 18, 2005, launches new services offering free money transfers between India and the UK, as well as access to rupee mortgage for Indian property purchases. ICICI Bank-Air Deccan credit card unveiled. ICICI Bank acquires bank in Russia. ICICI Bank, HLN jointly launch co-branded credit card. ICICI Bank launches online Public Provident Fund (PPF) scheme on July 01, 2005. ICICI Bank forges alliance with Fortis to serve NRIs on July 22, 2005. ICICI Bank buys Apnaloan.
ICICI Bank Home Loans launched a `Home Utsav' property exhibition on August 18th. Bharti Tele-Ventures on September 19 announced a tie-up with ICICI Bank and Visa to launch credit card on the mobile phone.

ICICI Bank rolls out travel smart MasterCard. ICICI wins Microsoft Corporate Challenge. ICICI Bank teams up with Hong Kong's Bank of East Asia to offer services to its clients with operations in greater China. ICICI Bank inaugurates 1st branch in Hong Kong. ICICI bank ties up with Grameen Foundation USA to set up Grameen Capital India. ICICI Bank's $500 million American depository shares (ADS) issue has been subscribed six times the issue size. The issue closes tomorrow concurrently with the Rs 5,750 crores public issue of equity shares in the domestic market. The domestic issue has received subscriptions for 1.86 times the 9.90 crores shares on offer. ICICI Bank sets up pilot project in Guntur dist. ICICI Bank as outperformer: CLSA report.

In 2006, ICICI Bank sets up Russian subsidiary. ICICI Bank sets up new branch at Banjara Hills. ICICI bank teams up with Spanish MNC. ICICI Bank sets up branch in Belgium. JBIC inks agreement with ICICI Bank. Indian inks deal with ICICI Bank. Dishman inks $60mn deal with ICICI Bank. ICICI Bank inks MoU with Mitsubishi UFJ Securities. NIIT partners with ICICI Bank on 26, September, 2006 to enter Financial Services Training. - ICICI Bank has rolled out a new product 'NRI Smart Save Deposits', a fixed deposit scheme for non-resident Indians. ICICI Bank has inked a memorandum of understanding with Export Development Canada (EDC), a Canadian export credit agency, for financing support to Indian purchasers of capital goods and professional services from Canada. ICICI Bank opens 3 representatives’ offices abroad. In 2007, ICICI Bank has come out with loan-on-the-spot (LOTS) product for car loans. ICICI Bank launches card-based remittance product in Kerala. ICICI Bank is looking at increasing its share of the growing Indian remittance market. ICICI Bank on February 8 rolled out a rupee-denominated remittance card that is primarily targeted at beneficiaries of non-resident Indians (NRIs). Mumbai: ICICI Bank has inked a co-operation pact with Austria-based Raiffeisenlandesbank Oberösterreich (RLB) for covering several business areas and increasing co-operation in funding commercial and syndicated credit business, and cash management services.

ICICI bank sets up first branch in Madikeri. Indian Railways and ICICI Bank inked a memorandum of understanding for extending the sale of e-tickets via
merchant establishments located in 125 cities across the country. ICICI bank mops up $500mn through five-year bond. BMW India and ICICI Bank on February 23 signed an agreement for offering financing solutions that will benefit the prospective buyers. Thomas Cook (I) Ltd (TCIL) has joined hands with ICICI Bank to introduce a first of its kind premium card named Thomas Cook Titanium MasterCard. ICICI Bank, India's second largest Bank, and Export Development Canada (EDC), Canada's Export Credit Agency, on March 13, signed a USD 50 million Line of Credit (Loc) agreement. ICICI Bank inks agreement with Emirates Bank. CRISIL assigns highest ratings to ICICI Bank's loan receivables securitization program. ICICI Bank and apparel discount chain Mega mart April 10, joined hands to unveil a co-branded credit card. ICICI Bank Ltd has informed that Reserve Bank of India has approved the Scheme of Amalgamation of The Sangli Bank Ltd with the Bank. The Scheme of Amalgamation shall come into effect from April 19, 2007. ICICI Bank has declared Rs 100-crores fund to support innovation and development of green businesses in India. SOTC has joined hands with ICICI bank to offer-holiday now pay later (HNPL) facility to travelers. ICICI Bank offers cheaper loans for cutting down CFC. -ICICI sets up branch in Birmingham.

In 2008, ICICI Bank Ltd has informed that the Government of India has nominated Shri Arun Ramanathan, on the Board of the Bank effective January 18, 2008 in place of Shri Vinod Rai who has resigned effective January 06, 2008. ICICI Bank Ltd has informed that the Government of India has nominated Shri Arun Ramanathan, on the Board of the Bank effective January 18, 2008 in place of Shri Vinod Rai who has resigned effective January 06, 2008. ICICI Bank has forayed into Rs 1,150-crores equity-cum-debt deal with Jaypee Infratech, which is to build and operate the 165-km six lanes Taj Expressway linking Noida with Agra. Standard & Poor's Ratings Services lowered ICICI Bank Ltd.'s $300 million U.S. commercial paper program's short-term issue credit rating to 'A-1' from 'A-1+', following the agency's downgrade of Fortis Bank SA/NV. In 2009, ICICI Bank appointed N S Kannan as the Executive Director and Chief Financial Officer on the board with effect from May 1 following the vacancy caused by the elevation of Chanda Kochhar as Managing Director and CEO of the bank, with effect from May 1. ICICI Bank has announced the cut in the interest rates on floating home loans for new borrowers by 25-50 basis points, with immediate effect. The interest rates on existing home loans would reduce only if the floating reference rate is cut. ICICI Bank with Singapore Airlines launched “ICICI Bank Singapore Airlines Visa Platinum Credit Card”, the Card has exclusive privileges especially designed for the members. ICICI Bank Limited acting through its Hong Kong Branch
ICICI Bank signed a loan agreement with the Export-Import Bank of China (China Exim) for USD 98 million under the Two-step Buyer Credit (Export Credit) arrangement. ICICI Bank is the first Indian Bank to have entered into this arrangement with China Exim.

In 2010, ICICI Bank has increased deposit rates on select maturities. The bank has raised the interest rate on deposits maturing in 270 days to less than one year by 25 basis points to 5.75 per cent for deposits of Rs 15 lac to Rs 1 crores. ICICI Bank increased its deposit rates in select tenures by up to 0.50% with instant effect, signaling hardening of interest rates in the industry. ICICI Bank has announced the appointment of Mr. Rajiv Sabharwal as a whole-time director of the bank. The bank said Mr. Sabharwal is designated as an Executive Director effective June 24. Mr. Sabharwal was heading the bank's retail banking operations. ICICI Bank announced the appointment of Mr. Rajiv Sabharwal as a whole-time director of the bank.


In 2011, ICICI Bank offers cash withdrawal at POS terminals. ICICI Bank & Vodafone Essar ink pact for financial inclusion. ICICI Bank & Aircel sign MoU for financial inclusion. ICICI Bank & Indian Army sign MoU for banking services. ICICI Bank and Intuit launch "Money Manager". ICICI Bank launches EMV Standard Cards. ICICI Bank Limited Opens Second Retail Branch in Singapore. ICICI Bank launches the first dual Platinum Credit Card. ICICI Bank closes the first rupee Credit Default Swap transaction. In 2012; ICICI Bank opens its second branch in Hong Kong. ICICI Bank rolls out 25 electronic branches and launches many next generation banking solutions. ICICI Bank was the first private sector bank in India to offer PPF account facility at all bank branches. Among the first banks to introduce account portability and also the only bank to offer portability on two additional channels - Internet banking and Phone Banking. ICICI Bank launches first Electronic Toll Collection project on NH-1. A first of its kind project initiated by the Ministry of Road,
Transport & Highways, National Highway Authority of India (NHA) and ICICI Bank. ICICI Bank receives approval from RBI to set up an Infrastructure Debt Fund. It is the first debt fund to get government's go ahead. ICICI Bank launches its official Face book Page. First bank in India to offer one-of-its kind "Your Bank Account" Applications, which allows access to bank account information on Facebook. In 2013, CLSA maintains ICICI Bank as its top pick in banking space; scrip rallies to 4-year high.

5.1.4 Axis Bank:

Axis Bank Limited (formerly UTI Bank) is the third largest private sector bank in India. It offers financial services to customer segments covering Large and Mid-Corporate, MSME, Agriculture and Retail Businesses. Axis Bank has its headquarters in Mumbai, Maharashtra.

➢ History:

In the year 1993, The Bank was incorporated on 3rd December and Certificate of business on 14th December. The Bank transacts banking business of all description. UTI Bank Ltd. was promoted by Unit Trust of India, Life Insurance Corporation of India, General Insurance Corporation of India and its four subsidiaries. The bank was the first private sector bank to get a license under the new guidelines issued by the RBI. In 1997, The Bank obtained license to act as Depository Participant with NSDL and applied for registration with SEBI to act as `Trustee to Debenture Holders'. Rupees 100 crores was contributed by UTI, the rest from LIC Rs 7.5 crores, GIC and its four subsidiaries Rs 1.5 crores each. In 1998, The Bank has 28 branches in urban and semi urban areas as on 31st July. All the branches are fully computerized and networked through VSAT. ATM services are available in 27 branches. The Bank came out with a public issue of 1,50,00,000 No. of equity shares of Rs 10 each at a premium of Rs 11 per share aggregating to Rs 31.50 crores and Offer for sale of 2,00,00,000 No. of equity shares for cash at a price of Rs 21 per share. Out of the public issue 2,20,000 shares were reserved for allotment on preferential basis to employees of UTI Bank. Balance of 3,47,80,000 shares were offered to the public. The company offers ATM cards, using which account-holders can withdraw money from any of the bank's ATMs across the countries which are inter-connected by VSAT. UTI Bank has launched a new retail product with operational flexibility for its customers. UTI Bank will sign a co-brand agreement with the market, leader, Citibank NA for entering into the highly
promising credit card business. UTI Bank promoted by India's pioneer mutual fund Unit Trust of India along with LIC, GIC and its four subsidiaries.

In 1999, UTI Bank and Citibank have launched an international co-branded credit card. UTI Bank and Citibank have come together to launch an international co-branded credit card under the MasterCard umbrella. UTI Bank Ltd has inaugurated an offsite ATM at Ashok Nagar here, taking the total number of its offsite ATMs to 13.m. In 2000, The Bank has announced the launch of Tele-Depository Services for its depository clients. UTI Bank has launch of 'iConnect', its Internet banking Product. UTI Bank has signed a memorandum of understanding with equitymaster.com for e-broking activities of the site. Infinity.com financial Securities Ltd., an e-broking outfit is typing up with UTI Bank for a banking interface. Geojit Securities Ltd, the first company to start online trading services, has signed a MoU with UTI Bank to enable investors to buy/sell demat stocks through the company's website. Indiabulls has signed a memorandum of understanding with UTI Bank. UTI Bank has entered into an agreement with Stock Holding Corporation of India for providing loans against shares to SCHCIL's customers and funding investors in public and rights issues. ICRA has upgraded the rating of UTI Bank's Rs 500-crores certificate of deposit program to A1+. UTI Bank has tied up with L&T Trade.com for providing customized online trading solution for brokers. In 2001, UTI Bank launched a private placement of non-convertible debentures to rise up to Rs 75 crores. - UTI Bank has opened two offsite ATMs and one extension counter with an ATM in Mangalore, taking its total number of ATMs across the country to 355. UTI Bank has recorded a 62 per cent rise in net profit for the quarter ended September 30, 2001, at Rs 30.95 crores. For the second quarter ended September 30, 2000, the net profit was Rs 19.08 crores. The total income of the bank during the quarter was up 53 per cent at Rs 366.25 crores.

In 2002, UTI Bank Ltd has informed BSE that Shri B. R. Barwale has resigned as a Director of the Bank w.e.f. January 02, 2002. A C Shah, former chairman of Bank of Baroda, also retired from the bank’s board in the third quarter of last year. His place continues to be vacant. M. Damodaran took over as the director of the board after taking in the reins of UTI. B S Pandit has also joined the bank’s board subsequent to the retirement of K G Vassal. UTI Bank Ltd has informed that Shri Paul Fletcher has been appointed as an Additional Director Nominee of CDC Financial Service (Mauritius) Ltd of the Bank. And Shri Donald Peck has been appointed as an Additional Director (nominee of South Asia Regional Fund) of the Bank. UTI Bank Ltd
has informed that on laying down the office of Chairman of LIC on being appointed as Chairman of SEBI, Shri G. N. Bajpai, Nominee Director of LIC has resigned as a Director of the Bank. UTI Bank Ltd has informed that in the meeting of the Board of Directors following decisions were taken: Mr. Yash Mahajan, Vice Chairman and Managing Director of Punjab Tractors Ltd were appointed as an Additional Director with immediate effect. Mr. N. C. Singhal former Vice Chairman and Managing Director of SCICI was appointed as an Additional Director with immediate effect. UTI Bank Ltd has informed BSE that a meeting of the Board of Directors of the Bank is scheduled to be held on October 24, 2002 to consider and take on record the unaudited half yearly/quarterly financial results of the Bank for the half year/Quarter ended September 30, 2002. UTI Bank Ltd has informed that Shri J. M. Trivedi has been appointed as an alternate director to Shri Donald Peck with effect from November 2, 2002.

In 2003, UTI Bank Ltd has informed BSE that at the meeting of the Board of Directors of the company held on January 16, 2003, Shri R. N. Bharadwaj, Managing Director of LIC has been appointed as an Additional Director of the Bank with immediate effect. UTI Bank, the private sector bank has opened a branch at Nellore. The bank’s Chairman and Managing Director, Dr. P.J. Nayak, inaugurating the bank branch at GT Road on May 26. Speaking on the occasion, Dr Nayak said, ”This marks another step towards the extensive customer banking focus that we are providing across the country and reinforces our commitment to bring superior banking services, marked by convenience and closeness to customers. UTI Bank Ltd. has informed the Exchange that at its meeting held on June 25, 2003 the BOD has decided the following: 1) to appoint Mr. A. T. Pannir Selvam, former CMD of Union Bank of India and Prof. Jayanth Varma of the Indian Institute of Management, Ahmedabad as additional directors of the Bank with immediate effect. Further, Mr. Pannir Selvam will be the nominee director of the Administrator of the specified undertaking of the Unit Trust of India (UTI-I) and Mr. Jayanth Varma will be an Independent Director. 2) To issue Non-Convertible Unsecured Redeemable Debentures up to Rs.100 crores, in one or more tranches as the Bank's Tier - II capital. UTI has been authorized to launch 16 ATMs on the Western Railway Stations of Mumbai Division. UTI filed suit against financial institutions IFCI Ltd in the debt recovery tribunal at Mumbai to recover Rs.85cr in dues. UTI bank made an entry to the Food Credit Program; it has made an entry into the 59 cluster which includes private sector, public sector, old private sector and co-operative banks. Shri Ajeet Prasad, Nominee of UTI has resigned as the director of the
Banks Chairman and MD Dr. P. J. Nayak inaugurated a new branch at Nellore. UTI bank allots shares under Employee Stock Option Scheme to its employees. Unveils pre-paid travel card 'Visa Electron Travel Currency Card'. Shri B S Pandit, nominee of the Administrator of the Specified Undertaking of the Unit Trust of India (UTI-I) has resigned as a director from the Bank w.e.f. November 12, 2003. UTI Bank unveils new ATM in Sikkim.

In 2004, UTI comes out with Rs. 500 million Unsecured Redeemable Non-Convertible Debenture Issue, issue fully subscribed. UTI Bank Ltd has informed that Shri Ajeet Prasad, Nominee of the Administrator of the Specified Undertaking of the Unit Trust of India (UTI - I) has been appointed as an Additional Director of the Bank w.e.f. January 20, 2004. UTI Bank opens new branch in Udupi. UTI Bank, Geojit in pact for trading platform in Qatar. UTI Bank ties up with Shriram Group Companies. UTI unveils premium payment facility through ATMs applicable to LIC & UTI Bank customers. Metal Junction (MJ)- the online trading and procurement joint venture of Tata Steel and Steel Authority of India (SAIL)- has roped in UTI Bank to start off own equipment for Tata Steel. DIEBOLD Systems Private Ltd, a wholly owned subsidiary of Diebold Incorporated, has secured a major contract for the supply of ATMs and services to UTI Bank. HSBC completes acquisition of 14.6% stake in UTI Bank for $67.6 million. UTI Bank installs ATM in Thiruvananthapuram. UTI Launches 'Remittance Card' in association with Remit2India, a Web site offering money-transfer services.

In 2005, UTI Bank enters into a banc assurance partnership with Bajaj Allianz General for selling general insurance products through its branch network. UTI Bank launches its first Satellite Retail Assets Center (SRAC) in Karnataka at Mangalore. In 2006, UTI Bank unveils priority banking lounge. UTI Bank launches operations of UBL Sales, its Sales Subsidiary - Inaugurates its first office in Bengaluru. UTI Bank announces the launch of its Credit Card Business. UTI Bank becomes the first Indian Bank to successfully issue Foreign Currency Hybrid Capital in the International Market. UTI Bank Business Gold Debit Card MasterCard Launched - Designed for business related spending by SMEs and self employed professionals. In 2007, AXIS Bank Ltd has informed that consequent upon handing over charge as Administrator of the Specified Undertaking of the Unit Trust of India SUUTI), Shri. S B Mathur, the Nominee Director of SUUTI has resigned as a Director of the Bank w.e.f. December 06, 2007. AXIS Bank Ltd has informed that Fitch Ratings on
December 14, 2007, has upgraded the Bank's National Long-term rating to 'AAA (ind)' from 'AA+ (ind)'. AXIS Bank Ltd has appointed Shri K N Prithviraj as an Additional Director on the Board at Directors of the Bank. Company name has been changed from UTI Bank Ltd to Axis Bank Ltd. In 2008, Axis Bank launches Platinum Credit Card, India's first EMV chip based card. Axis Bank set up its branch at Ilanji at Meenakshi Nagar on the Coultralam-Madurai road on April 16.

In 2009, Axis Bank today said its board has recommended the appointment of Shikha Sharma, currently chief of ICICI group's life insurance business, as its next managing director and CEO. Axis Bank has set up a new branch at Perumbavoor. The bank has a network of 832 branches along with 8 extension counters and 3622 ATMs across the country. Axis Bank, on Wednesday entered into a strategic alliance with Motilal Oswal, the financial services firm, in order to facilitate the online trading for the bank's customers. AXIS Bank Ltd has informed that the Board of Directors of the Bank at its meeting held on June 01, 2009, inducted Smt. Shikha Sharma as an Additional Director of the Bank. Axis bank has received final clearance from the Securities and Exchange Board of India (SEBI) to begin its mutual fund operations and will launch debt and equity schemes soon whereas IDBI Bank is awaiting the regulator's permit for an entry. Axis Bank opened the new branch at Irinjalakuda while it has a network of 892 branches, 8 extension counters and 3,806 ATMs across the country. In 2010, Axis Bank Limited has informed that at the meeting of the Board of Directors held on January 15, 2010, the following decisions were taken:

1) To appoint Dr. Adarsh Kishore, former Finance Secretary, Government of India and former Executive Director, International Monetary Fund representing Bangladesh, Bhutan, India and Sri Lanka, as the Non-Executive Chairman of the Bank, subject to RBI approval; (2) To appoint Shri S.B. Mathur, former Chairman, LIC and the National Stock Exchange of India, as an Additional Independent Director, with immediate effect. AXIS Bank Ltd has appointed Shri M. Pvt. Ltd in an all stock deal for Rs.2,067 Cr (around $456 Million) in order to expand its broking and investment banking business.

In 2011, Axis Bank launches online trading platform Axis Direct. Axis Bank has launches pre-paid VISA card i.e. MY MONEY CARD. Axis Bank opens new representative office in Abu Dhabi. In 2012, Axis Bank partners with NIIT IFBI to introduce PG Diploma Course in Retail Banking. Axis Bank inducts Schroders as a 25% partner in Axis AMC. Axis Bank, Axis Capital, joined hands with Baird, an international, employee-owned financial services firm, to offer investment banking
services. S. Sundara Rajan, former CMD, Indian Bank as an Additional Independent Director with immediate effect. Axis bank acquires 4 percent stake in Max New York Life. Axis Bank has bought a property in central Mumbai from Bombay Dyeing where it will shift its corporate headquarters. Axis Bank is acquiring investment banking and securities unit of Enam Securities

5.1.5 IndusInd Bank:

IndusInd Bank Limited is a Mumbai based Indian new generation bank, established in 1994. The bank offers commercial, transactional and electronic banking products and services. IndusInd Bank was inaugurated in April 1994 by Dr. Manmohan Singh the then Union Finance Minister. IndusInd Bank is the first among the new-generation private banks in India.

The bank started its operations with a capital amount of Rs.100 crores among which Rs.60 crores was donated by the Indian Residents and Rs.40 crores was raised by the Non-Resident Indians. The bank has specialized in retail banking services and continuously upgrades its support systems by introducing newer technologies. It is also working on expanding its network of branches all across the country along with meeting the global benchmark. According to the bank, its name is derived from the rich and vivid Indus Valley Civilization.

IndusInd Bank has 573 branches, and 1055 ATMs spread across 392 geographic locations of the country as on September 30, 2012 with 2 representative offices, one each in London and Dubai. Mumbai has the maximum number of bank branches followed by New Delhi and Chennai.

➢ History:

In year events 1994, the bank was incorporated on January and obtained Certificate of Commencement of Business in February 1994. The bank was promoted by IndusInd Enterprises and Finance Ltd. (IEFL) and five Mauritius based companies viz. IndusInd International Holdings Ltd. (IIHL) IndusInd (Mauritius) Holdings Ltd. (IMHL) IndusInd Ltd. (IL) IndusInd Investments Ltd. (IIL) DeFive Mauritius Holdings Ltd. (DFMHL). The bank commenced commercial operation in April. It undertook all
kinds of banking business. The bank proposed to set up an investment bank as a subsidiary of the bank for concentrating on various faces of investment banking viz. issue management, corporate advisory service, infrastructure financing, mergers and acquisitions, trading and depository services etc. It was also proposed to introduce the concept of "investment boutique" at selected branches viz. Ahmedabad, Chennai, Mumbai etc. All operating outlets have direct access to Nostro Accounts through sophisticated computerized system "SWIFT". 1995. The Company joined hands with Krediet bank NV, (KB) - Brussels, Belgium and a Memorandum of Understanding for strategic alliance has been signed with them in order to enhance capability to global standards. - The Bank has made a preferential offer of 2 crores equity shares of Rs. 10 each for cash at a premium of Rs. 40 per share aggregating Rs. 100 crores on private placement basis to the shareholders of the Bank, (other than promoters), shareholders of the promoter companies, and the employees of the Bank and of the promoter companies.

In 1996, The Bank has a state-of-the-art dealing room at Nariman Point, Mumbai, catering to several additional positions of dealers and corporate analysts aimed at further enhancing the profitability of its investments. The bank caters to the needs of NRI customers from 40 countries with deposits totaling Rs 905 crores. 9 branches were added to the network and the number of branches doubled to 18. In 1997, The Company issued 400,00,000 No. of equity shares of Rs 10 each for cash at a premium of Rs 35 per share to the public. The Company has successfully launched the 'anywhere banking' concept and bank's customers can look at it as 'one Bank'. IndusInd Bank has launched Fast Forex to wipe out delays in sending and receiving funds to and from foreign centers. Fast Forex is an international remittance product utilizing the 24-hour processing and communication capabilities of SBC Warburg, the bank's USD clearing agent, through their electronic banking system Keylink. The bank's shares were admitted for dematerialization under a tripartite agreement signed by the bank, its registrars, Spectrum Corporate Services, and NSDL.

In 1998, IndusInd Bank Ltd has launched its Banking on the Net service on March 24. This facility will serve as an alternate delivery channel that IndusInd Bank offers its customers in addition of branch banking, on-line ATM's and tele-banking. The customer can access Internet access Internet banking facilities not only through the Net but also through dial-up access on a common browser platform. IndusInd Bank has launched its new product, Fast Forex, which can remit funds to any
part of the world at the fastest possible speed. Bank has introduced net bank a product offering on the internet and the site can be visited on www.IndusInd.com by any customer who can register for this service. In 1999, The Bank has entered into an agreement with National Securities Clearing Corporation Ltd. of National Stock Exchange (NSE) whereby the Bank will act as official banker to NSE. The private sector bank has also introduced a number of technologically superior products--like fast forex, anywhere banking, Internet banking and depository services--through the electronic delivery channels.

In 2000, IndusInd Bank signed a memorandum of understanding (MoU) with HSBC for issuing global credit card under the MasterCard franchise to its customers. IndusInd Bank Limited has launched its exclusive international remittance system-FAST (Fully Automated Straight Through) Forex. IndusInd Bank has appointed Tata Consultancy Services for implementation of the asset-liability management (ALM) plan of the bank. The Bank has tied up with the cellular company, Orange, for short messaging service facilities for mobile banking in Mumbai. The Bank has signed an agreement with Financial Software and Systems for acquisition of the BASE24-ATM switch. The Bank has opened its 28th Branch in Surat, Gujarat. The Bank has launched its global credit card, to be issued in association with the Hong Kong and Shanghai Banking Corporation Ltd. under the MasterCard franchise. IndusInd Bank has launched an e-broking platform, eTrading, at its Mumbai main branch to facilitate online trading of equity shares. Kothari Pioneer Mutual Fund and IndusInd Bank have joined hands to enter into an alliance.

In 2001, The Bank has entered into a strategic alliance with Sri Lanka-based National Mercantile Bank. In 2002, IndusInd Bank Ltd has informed that the Board of Directors has appointed Mr. S. Venkitramanan as Additional Director and Non-executive Chairman subject to approval of Reserve Bank of India. In 2003, IndusInd Bank gets RBI permission to set up offices abroad. Bank secures ISO 9001:2000 certifications for all its branches in the 10th year of its operations. IndusInd hires KPMG Consulting for assisting the bank to develop an enterprise wide risk management framework to cover risks across all function streams. Shareholders approved delisting of shares from Pune Stock Exchange. IndusInd, Corp Bank sign agreement for sharing of ATMs. IndusInd Bank Board approves scheme of merger of Ashok Leyland Finance. In 2004, IndusInd Bank Ltd has informed that the Bank has received approval for delisting of its shares from Pune Stock Exchange (PSE) with
effect from January 16, 2004. IndusInd Bank on April 30 launched Indus AIM (anywhere instant money) for inter-bank real time gross settlement (RTGS) transactions. IndusInd Bank Ltd has accepted the resignation of Mr. Gopal Lohiya, Company Secretary of the Bank with effect from July 5, 2004. Nagarajan selected as IndusInd Joint MD. IndusInd Bank has offered personal loans for the salary account holders at Global Trust Bank (GTB). IndusInd Bank inks pact with DDA.

In 2005, IndusInd Bank opens its 11th branch in Gujarat at Bhavnagar. Morvi Royal Family launches IndusInd International Mahila Card in Gujarat. IndusInd Bank sets up new branch at Malappuram. IndusInd Bank opens Branch at Trichy. IndusInd Bank opens branch at Allahabad. IndusInd Bank introduces new services for retail customers. In 2006, IndusInd Bank Ltd has announced that Doha Bank, Qatar and the Bank, India announced their strategic alliance in Doha. IndusInd joins hand with 2 Gulf banks. IndusInd Bank Ltd has informed that the Board of Directors of the Bank at its meeting held on October 31, 2006 has appointed Mr. Ajay Hinduja and Mr. Premchand Godha as Additional Directors of the Bank, subject to the approval of Reserve Bank of India. In 2007, On January 16, 2007 Aviva Life Insurance and IndusInd Bank Ltd has announced their tie-up as Banc assurance partners. IndusInd Bank Ltd has appointed Mr. R. Seshasayee has been appointed, with the approval of Reserve Bank of India, Part-time Non-Executive Chairman of the Bank for a period of two years. IndusInd Bank Ltd has appointed Mr. R Seshasayee as the Non-Executive Chairman for a period of two years. IndusInd Bank opens its 19th branch in Tamil Nadu at Sivakasi. Cholamandalam MS enters into a strategic partnership with IndusInd Bank. In 2008, IndusInd Bank Ltd has tied up with TVS Motors. IndusInd Bank signs Rs 150-cr deal with SKS Micro. IndusInd Bank signs co-partner agreement with World Gold Council. In 2009, IndusInd Bank launches "new look branch model" at Bandra. IndusInd Bank signs MoU with ICRA. IndusInd Bank inaugurates its first Solar-powered ATM in Mumbai. IndusInd Bank Ties Up With Maruti Suzuki India Ltd.

In 2010, IndusInd Bank ties-up with Tata Motors for dealer financing. Indus Bank ties up with Toyota Kirloskar Motor. IndusInd Bank ties-up with Ashok Leyland for Channel Financing. IndusInd Bank ties up with Unistream Bank for Remittances. In 2011, Mahindra's Automotive Sector ties up with IndusInd Bank for vehicle finance. IndusInd Bank bags the IBA award for 'Best use of technology in E-learning – 2010. IndusInd Bank awarded the ‘Most Improved Bank Performance of the Year’. IndusInd Bank enters into an agreement with Deutsche Bank to acquire its credit

5.1.6 ING Vysya Bank:

ING Vysya Bank is a privately owned Indian multinational bank based in Bangalore, with retail, wholesale, and private banking platforms formed from the 2002 purchase of an equity stake in Vysya Bank by the Dutch ING Group. This merger marks the first between an Indian bank and a foreign bank. Prior to this transaction, Vysya Bank had a seven-year-old strategic alliance with erstwhile Belgian bank, Banque Bruxelles Lambert, which was also acquired by ING Group in 1998.

As of March 2013, ING Vysya is the seventh largest private sector bank in India with assets totaling ₹54836 crores (US$9.2 billion) and operating a pan-India network of over 1,000 outlets, including 527 branches, which service over two million customers. ING Group, the highest-ranking institutional shareholder, currently holds a 44% equity stake in ING Vysya Bank, followed by Aberdeen Asset Management, private equity firm Chrys Capital, Morgan Stanley, and Citigroup, respectively. ING Vysya has been ranked the "Safest Banker" by the New Indian Express and among "Top 5 Most Trusted Private Sector Banks" by the Economic Times.

➢ History:

In year events 1930, The Bank was incorporated at Bangalore City. The Bank transacts general banking business of every description. In 1958, The Bank was granted a license by the Reserve Bank of India to carry on banking business. In 1972, with effect from 1st January, the Bank was upgraded to `B’ class. In 1978, 80,000 Right shares issued at par 1977 in prop. 2:1. in 1985, 6, 00,000 Rights equity shares issued at par in prop. 1:2. In 1987, The Vysya Bank Leasing, Ltd. was incorporated on 4th January, as a subsidiary of the Company to take up equipment leasing and such other forms of business as are permissible through the subsidiary. The Vysya Bank
Housing Finance, Ltd. is also a subsidiary of the bank. 6,00,000 Rights equity shares issued at par in prop. 1:2. in 1990, the bank introduced the Investors' club activity to render buying and selling of capital market investments on behalf of its members apart from giving loans and providing security for the scripts deposited with the bank. In 1993, At the Extraordinary General Meeting held on 27th September, a Special Resolution was passed for issue of Rights Shares to the shareholder and Preferential Allotment of Shares to the Management Group and Employees. The allotment of 24 lakh shares was made to Management Group on 10th December, which was kept in abeyance vide RBI directive dated 15th December.

In 1994, The Bank launched new products like VYS STORE - credit facility for constructions of godowns, agri-vehicles for transportation of produce and inputs and cash credit for agricultural lending. A new division was set up to strengthened merchant banking activities of the bank. The bank underwrote 118 capital issues aggregating Rs 34.47 crores. A separate cell managed by professionals specialized in investment management was formed to look after the equity investments of the bank. The Company's schemes such as vysprime and vysinvest exist exclusively for NRIs. ING Vysya Bank introduced Vysbuy for facilitating purchase of consumer articles, vysmobile for purchase of vehicles and vysequity facilitating purchase of shares. 2, 43,600 shares were allotted at a premium of Rs 10 per share to the employees of the bank and subsidiary companies. The RBI has revoked its order letter dated 29th September, and permitted allotment as follows: (i) Issue of 2,66,500 shares of Rs 10 each in the ratio of 50 shares to each employee of its subsidiary companies at a premium of Rs 10 per shares, (ii) Issue of 6,00,000 shares of Rs 10 each to the Management Group at a premium of Rs 364.25 per shares, (iii) After Completion of the above issues, rights issues to the shareholders including (i) and (ii) in the ratio of 5 shares for every share at a price in accordance with pricing guidelines of RBI. 6 lakhs shares were allotted to Management Group at a premium of Rs 364.25 as approved by RBI.

In 1995, the bank launched two new schemes, namely Vysdouble Scheme - doubles money in less than 57 months & Vyswift Scheme - A scheme for fast collection of out station cheques. - The banks have signed a MOU with Bank Brussels Lambert for strategic alliance. It enables the bank to globalize its operations. The bank has appointed M/s. KPMC Peat Marwick to conduct a study of the bank for re-engineering the business processes of the bank and suggest an appropriate business
strategy to remodel the bank as a World Class Bank. 131,32,830 No. of equity shares of Rs 10 each at a prem. of Rs 25 per share allotted to the existing shareholders on rights basis in the ratio of 5:1. In 1996, A MOU was signed with MC Securities Ltd., London a group company of Bank Brussels Lambert for establishing a joint venture company for International Investment Banking. 834,800 No. of equity shares of Rs 10 each at a premium of Rs 316.07 per share allotted on preferential basis to BBL Mauritius Holdings, a wholly owned subsidiary of Bank Brussels Lavibert, Belgium and 13,435 No. of equity shares of Rs 10 each at a premium of Rs 25 per share allotted out of abeyance cases of Rights issue. In 1998, Sri T. B. Dhananjaya Rao, Director, expired on 1st October. The Bank set-up V-SATs in 6 Metros using DAMA technology as an internal communication support system through which 200 of the Bank's Branches are proposed to be linked to the Bank's Corporate Office for data transmission and E-Mail Communication. In 1999, The Bank launched Insurance linked "Premium Savings Bank Account" for individuals. The Bank has signed an MOU with ING for distribution of Life Insurance products, as and when the insurance industry opens up in India.

In 2000, Indus Software Private Limited a Pune-based software products company has signed an agreement with the Vysya Bank Ltd., a leading private sector bank in India for the implementation of its product, ISI (lending solutions from Indus). Vysya Bank Ltd. signed a MoU with Global Tele-Systems Ltd. to utilize their e-commerce payments processing infrastructure. The Bank has signed a memorandum of understanding with the ING group to pick up 26% stake in ING Asset Management Company for a nominal amount of Rs 10 crores. Vysya Bank has signed a MoU with Satyam Infoway for its foray into e-commerce. The Vysya Bank signed a MoU with Siri Technologies Pvt. Ltd for a technical and marketing partnership to develop, customize and implement remittance/payment processing, software solutions according to a press release issued by Vysya Bank.

ING Insurance, a sub-holding company of Dutch financial major ING Group, has tied up with Bangalore-based Vysya Bank to enter the Indian life insurance market. Vysya Bank is likely to review its joint venture agreement with Citibank for the credit card business. Bangalore-based private sector bank Vysya Bank is to launch a floating rate deposit. ING Insurance, Vysya Bank Ltd. and the Damani Group have signed an agreement to form a life insurance joint venture in India. The Bank announced launching of "VysyaMulya" project, envisaging an investment of about Rs.
60 Crores spread over two financial years, which involves setting up of a Data Center and networking of 125 branches for online real-time Centralized Processing through Sanchez's Core banking suite of products - "PROFILE/Anywhere - IBS". The Bank has entered into an agreement with IBM India Ltd for the IT related hardware/software supply and system integration. The Bank has also entered into an agreement with M/s. Bangalore Labs for providing suitable and stable communications network design and layout, which will allow the Bank to operate 24 hours, seven days a week. The Bank launched, during the year, two new technology aided products viz., - "Vys-Sambandh" and "Access Plus". Sri K. R. Ramamoorthy, has been re-appointed as the Chairman and Chief Executive Officer of the Bank for a period of three years. In 2001, Vysya Bank named a new Managing Director Mr. K. Balasubramanian, sees this as the first step in its long-term succession plan for the Bank's top job. Vysya Bank Ltd as part of its restructuring exercise has merged six regional offices and will be opening 30 branches, including extension counters, in the next three years.

In 2002, Vysya Bank announces Employees Voluntary Retirement scheme. Vysya Bank Ltd has informed that the following changes have been approved consequent to increase in the stake of equity of BBL (ING Group) from 20% to 43.99%. The following Directors resigned from the office of Director w.e.f September 09, 2002: (a) Mr. M. K. Ramachandra, (b) Mr. H. N. Tarachandani, (c) Mr. Yadalam A Subramanyam, (d) Mr. K. V. K. Seshavataram (e) Mr. G. B. S. Raju. Mr. Peter Alexander Smyth, a nominee of ING Group has been appointed as Director in the casual vacancy caused by the resignation of Mr. M. K. Ramachandra w.e.f. September 09, 2002. Mr. Jacques P. M. Kemp, a nominee of ING Group has been appointed as Director in the casual vacancy caused by the resignation of Mr. G R S Raju w.e.f. September 09, 2002. Vysya Bank Ltd has informed that RBI has sanctioned the appointment of Mr. Bart Hellemans as Managing Director & Chief Executive Officer and Mr. G. Mallikarjuna Rao as part time Chairman of the Bank. Mr. K. Balasubramanian the outgoing Managing Director will continue as non-executive Director of the Bank. G. Mallikarjuna Rao takes charge as part time Chairman of Vysya Bank. Vysya Bank Ltd has informed BSE that The Board of Directors through a Circular Resolution passed on November 9, 2002 has noted the resignation of Mr. Leo Willy Janssen, nominee of ING from the Board of the Bank.

In 2003, Vysya Bank Ltd has informed BSE that the Board of Directors of Vysya Bank Ltd at their meeting held on January 30, 2003 took on record the
following: 1. Appointment of Arun Thiagrajan as Additional Director 2. ING Vysya Bank has appointed Mr. K. R. Ramamorthy as Additional Director effective February 12, 2003 3 after resignation of A. P. Rao as Director effective Jan 30, 2003. Western Union, the top American money transfer firm has tied up with ING Vysya Bank for inward money transfer. ING Group acquired 23.99% equity of Vysya Bank, and the name has been changed to ING Vysya Bank Ltd. Change in the Management Structure: Appointment of Mr. Arun Thiagrajan as Additional Director Appointment of K. Ramamorthy as Additional Director and Resignation of Mr. A. P. Rao as the Director.

Mr. Robin Roy, the point man for retail banking of ING Vysya Bank Ltd has resigned.

Mr. Prakash G. Apte has been appointed as Additional Director on the board of the bank. ING Vysya has launched 3 new endowment products: Powering Life - Limited payment endowment plan Creating Life - Child Protection plan Reassuring Life - Endowment plan with revisionary bonus. ING Vysya Bank Ltd has reported a 26% growth in its net profit for the year. ING Vysya Bank has entered into a subscription and shareholders agreement with Nationale Nederlanden Interfinance BV, Kirti Equities Pvt. Ltd. and ING Investment Management (India) Pvt. Ltd. Crisil assigns AA+ rating for the 200cr bond program of ING Vysya bank. ING Vysya bank has launched new Saving Bank Account called Orange, with facilities like personal accident cover, free annual accident cover. ING Vysya's new Registered office: at No 22, M G Road Bangalore 560001. Phone Nos: 080-5005000 & 5559222 Fax No. 080-5005555. ING-Vysya has raised Rs.200cr through tier-II capital bonds at 6.25%. The bonds are rated AA plus by both Fitch and Crisil.

Medvin Finance Private Ltd., shareholder of the Bank and a constituent of GMR Group of Companies, Indian Promoters, sells 452521 equity shares amounting to 2% of the paid up capital of the company. Mr. Ramsay Alexander Urquhart and Mr. Jacques P M Kemp have resigned from the Board of the Bank. Further, the Board of Directors appointed i) Mr. Lars Kramer; ii) Mr. Cees Ovelgonne and iii) Mr. Peter Staal as Directors of the Bank in the casual vacancies arising out of resignation of Mr. Jacques P M Kemp, Mr. Ramsay Alexander Urquhart and Mr. K Balasubramanian respectively as Directors. ING Vysya Bank received Rs 4.35 crores to take back bad loans from its erstwhile housing finance arm that had been acquired by Dewan Housing Finance iGate Global Solutions signs outsourcing deal worth approx $20 million with ING Vysya Bank. Toyota signs agreement with ING Vysya for auto finance. ING Vysya Life signed an agreement with public sector Madras Fertilizers Ltd (MFL) to sell
its life insurance policies to farmers, using the fertilizer company's dealer network in rural sector.

In 2004, Dolphin Milk forges alliance with ING Vysya Bank. ING was on course to amalgamate with Vysya venture. ING Vysya inks pact with Madras Fertilizer. ING Vysya Bank introduced Protected Home Loans - a housing loan product. In 2005, ING Vysya Bank names Mr. Ned Swarup as CEO. ING Vysya Bank introduced Solo - My Own Account for youth and Customer Service Line – Phone Banking Service. ING Vysya Bank launches an ‘Advantage Current Account' for mid-sized businesses. ING Vysya Bank rolls out online money transfer service. ING Vysya Bank Issues Rights in the Ratio of 3:1. In 2006, ING Vysya Bank Ltd has informed that the Company has appointed Mr. Vaughn Richtor as its new Chief Executive Officer (CEO) and Managing Director for a three-year term, following approval from the Reserve Bank of India. ING Vysya Bank Ltd delists securities of the Bank from Bangalore Stock Exchange Ltd. ING Vysya forays into portfolio management biz. Bank has networked all the branches to facilitate ‘AAA’ transactions i.e. Anywhere, Anytime & Anyhow Banking.

In 2007, ING Vysya Bank has unveiled a scheme called ‘Freedom Savings Account.’ The features of the account are a zero quarterly balance requirement and a zero penal charge for non-maintenance of minimum quarterly balance. In 2008, ING Vysya Bank Ltd has appointed Mr. M. Damodaran as a Non-Executive & Non Independent Director of the Bank. In 2009, ING Vysya Bank Ltd has appointed Mr. Vaughn Nigel Richtor as an Additional Director on the Board, effective June 01, 2009. He will be a Non-Executive and Non-Independent Director. In 2010, ING Vysya Bank Limited has appointed Mr. Peter Henri Maria Staal as a Non-Executive & Non-Independent Director of the Bank effective January 21, 2010. ING Vysya Bank Ltd has informed that the Board of Directors of the Company at its meeting held on January 21, 2010, has approved the appointment of Mr. Peter Henri Maria Staal as a Non-Executive & Non-Independent Director of the Bank effective January 21, 2010.

In 2011, ING Vysya Bank signs MoU with LIC. ING Vysya Bank signs MoU with Oriental Insurance. In 2012, ING Vysya Bank and Visa Launch India’s first Multi Currency Prepaid Card. ING Vysya Bank have appointed Mr. Sanjeev Aga as an Additional Director.
5.1.7 Karur Vysya Bank:

Karur Vysya Bank is a private-sector Indian bank, headquartered in Karur in Tamil Nadu. It was set up in 1916 by M. A. Venkatarama Chettiar and Athi Krishna Chettiar.

History:

IN YEAR EVENTS 1916, The Bank was incorporated at Karur, Tamil Nadu State. The Bank is engaged in Bank Transacts and all kinds of banking business. In 1964, The Bank took over the assets and liabilities of the Pathenen Gram Vasishya Bank Ltd., Salem, Shri Kannika Parameshwari Bank Ltd. (4 branches) and Arya Visya Bank Ltd. (14 branches). It was also decided to take over the assets and liabilities of the Coimbatore Bhagya Lakshmi Bank Ltd. In 1982, 40,000 right shares issued at par in prop. 1:3. In 1984, 40,000 right shares issued at par in prop. 1:4. In 1987, 2,50,000 No. of equity shares issued at par in prop. 1:2. In 1988, 2,50,000 No. of equity shares issued at par in prop. 1:3. In 1990, 5,00,000 No. of equity shares issued at par as rights in prop. 1:2. In 1991, 5,00,000 No. of equity shares issued at par in rights in prop. 1:3. In 1993, 45,000 Bonus equity shares issued in prop. 1:1. In 1994, 20,00,000 bonus shares issued in prop 1:1.

In 2002, Karur Vysya Bank Ltd has informed that the Chairman and Chief Executive Officer of the Bank A. D. Navaneethan have laid down of office after the close of office hours on May 31, 2002. In terms of the approval of Reserve Bank of India, P. T. Kuppuswamy has assumed the charge as Chairman and Chief Executive Officer of the Bank on June 01, 2002 and he would hold the office for a period of 3 years. In 2003, KVB ties up with UTI to unveil a shared ATM network across the country. Shri G. Sarangan gives his resignation as the Director of the Bank. Mr. K. S. Ramabadran and Mr. M. K. Venkatesan have been appointed as Directors w.e.f. November 26, 2003. In 2004, Shri K. P. Kumar was appointed as a director of the bank with effect from December 29, 2003 and the said new Director of the bank is holding Nil shares of the bank. Karur Vysya Bank Ltd has informed that Shri A. K. Praburaj and Shri G. Venkatesam have resigned as Directors of the Bank with effect from March 08, 2004 and April 01, 2004 respectively. In 2006, Karur Vysya Bank has given the Bonus in the Ratio of 1:2. In 2008, Karur Vysya Bank Ltd has appointed Shri A.S. Janarhanan as Part-time Non-executive Chairman of the Board of Directors for a period of 2 years. In 2009, Karur Vysya Bank Ltd has appointed Shri. S. Ganapathi
Subramanian as an Additional Director of the Bank. Karur Vysya Bank has been conferred the Gold CIO award in the more than Rs. 1,000-crores category of the Enterprise Connect Awards 2009 instituted by Cyber media India Online-Dataquest and the award was received by S. Sekhar, CIO of the bank, at a function organized in Mumbai on August 28. Karur Vysya Bank Ltd has set up its branch in Himayat Nagar in Hyderabad. With this, the total number of branches of the bank has reached 320 across the country. The bank would be opening two more branches in Meerut and Dharmapuri soon.

In 2010, Karur Vysya Bank (KVB) will be adding five new branches to its existing network of 68 branches in Andhra Pradesh. Karur Vysya Bank has announced setting up of its 323rd branch at Amalapuram, East Godavari district on Feb 19. Karur Vysya Bank has joined hands with Reliance Money Express Ltd, an Anil Dhirubhai Ambani Group company. The arrangement is expected to enable not just the customers of KVB but also the general public receive funds from anywhere across the globe through the branches of KVB. Karur Vysya Bank Limited has informed that Shri G. Rajasekaran has been co-opted as an Additional Director of the Bank in the Board Meeting held on June 20, 2010. In terms of SEBI (Prohibition of Insider trading) Regulations 1992, Regulation 13(2), regarding Initial Disclosure of holding of shares by Director, the Bank has informed that Shri G. Rajasekaran, Additional Director of the bank is holding 1,26,529 equity shares in the bank. Karur Vysya Bank has given the Bonus in the Ratio of 2:5. In 2011, KVB has been recognized as "The Best Small Bank" and "The Fastest Growing Small Bank" business World in their evaluation of the Best Banks of 2011. KVB has appointed Shri. K. Venkataraman as the Managing Director & Chief Executive Officer of the Bank. Karur Vysya Bank Ltd Issues Rights in the Ratio of 2:5. In 2012, Karur Vysya Bank Ltd has opening the 501st branch at the following address : (1) Address of the Branch - No.471 Salem Main Road, Chinna Salem, Kallakurichi Taluk, Villupuram Dist 606201; Date of Opening - December 26, 2012. Karur Vysya Bank has been ranked as the Best Private Sector Bank at the Bloomberg - UTV Financial Leadership Awards, 2012. KVB have been selected by Institute for Development and Research in Banking Technology (IDRBT) an RBI wing for their Annual Technology Excellence Awards 2011.
5.1.8 Kotak Mahindra Bank:

Kotak Mahindra Bank is an Indian bank and financial service firm established in 1985. It was previously known as Kotak Mahindra Finance Limited, a non-banking financial company.

In February 2003, Kotak Mahindra Finance Ltd, the group's flagship company was given the license to carry on banking business by the Reserve Bank of India (RBI). Kotak Mahindra Finance Ltd. is the first company in the Indian banking history to convert to a bank. As of 2011 to October 2013, it has more than 500 branches, over 1,000 ATMs and a consolidated balance sheet of approx. US$ 2.9 billion. The Bank has its registered office at Nariman Bhavan, Nariman Point, Mumbai.

➢ History:

In the year 1985, The Company was incorporated on 21st November 1985 under the name Kotak Capital Management Finance Ltd. The Company has been promoted by Mr. Uday S. Kotak, Mr. S.A.A. Pinto and Kotak & Company. The company obtained the certificate of commencement of business on 11th February 1986 and the Existing promoters were joined by Mr. Harish Mahindra and Mr. Anand Mahindra. The company's name was changed on 8th April 1986 to its present name Kotak Mahindra Finance Ltd. The Company deals in Bill discounting, leasing and hire purchase, corporate finance, management of fixed deposit mobilization, financing against securities, money market operations, consumer finance, investment banking and clients' money management. 1990. 3,08,770 No. of equity shares subscribed for by the promoters, directors, 3,41,230 No. of equity shares allotted as rights as on 28.3.89. 19,50,000 shares issued as bonus (6,50,000 shares in prop. 1:1 as on 29.7.89 and 13,00,000 shares in prop. 1:1 as on 27.2.91). In 1991, An application was made to SEBI for approval for setting up a Mutual Fund trust and an asset management company. The newly set up Corporate Advisory Services Group received several mandates for advice on mergers and acquisitions and re-structuring. The Company's newly established Foreign Exchange Risk Management Service caters to the vast potential demand for price risk management. The Company established itself as a major leasing and hire-purchase company and as a source of finance for purchasers of automobiles.
In 1992, in January, the Company offered and allotted 15,50,000 - 14% secured partly convertible debentures of Rs 90 each for a total value of Rs 13.95 crores in the following manner: (i) 2,00,000 debentures to promoters, directors, etc. (ii) 77,500 debentures to employees (including working directors)/workers on preferential basis (iii) 12,72,500 debentures to Indian public through prospectus. Additional 30,000 debentures to promoters, directors, etc., 9,500 debentures to employees and 1,93,000 debentures to Indian public were allotted to retain oversubscription. As per the terms of debenture issue, a portion of Rs 45 of each debenture of Rs 90 was to be converted into 1 equity share of Rs 10 each at a premium of Rs 35 per share as on the date of allotment of the debentures. Accordingly 17,82,500 No. of equity shares allotted as on 25th February, 1992, being the date of allotment of the debentures. The non-convertible portion of Rs 45 of each debenture would be redeemed at par in three equal installments of Rs 15, Rs 15 and Rs 15 at the end of the 7th, 8th and 9th year respectively from the date of allotment of the debentures. In April, the Company has raised Rs. 18 crores by issue of Commercial Paper which has been awarded P1 + rating by Credit Rating and Information Services of India limited (CRISIL) indicating highest standards of safety.

In 1993, during February, the Company issued 69,82,500 Rights equity shares of Rs 10 each at a premium of Rs 15 per share in proportion 1:1 (all were taken-up). Additional 13,950 shares were allotted to those who had applied for additional shares. The Company issued through a Prospectus 44,00,000 No. of equity shares of Rs 10 each for cash at a premium of Rs 140 per share of which the following were reserved for allotment (i) 1,30,000 shares to promoters, directors, their relatives etc., (ii) 25,000 shares to Foreign/Indian Financial Institutions (all were taken up). Of the remaining 50,000 shares reserved for allotment on a preferential basis to employees (only 34,600 shares taken up). Another 5,55,000 shares to NRIs were reserved on non-repatriation basis (all were taken up). Balance 36,40,000 shares, along with 15,400 shares not taken up by employees’, were offered for public subscription. At the 8th Annual General Meeting held on 28th September, the Company has reserved 61,22,000 No. of equity shares of Rs 10 each for cash to be allotted at such issue price as may be decided by the board to Foreign Institutional Investors and/or, Foreign and/or Indian Pension and/or Mutual and/or other Funds and/or Institutions, Banks, Companies, Bodies and/or individuals and/or Groups of Individuals. The Company's newly set up Corporate Advisory Services Group received several mandates for advice on mergers and acquisitions and re-structuring and some have already been executed with success.
In 1994, The Company entered into a Memorandum of Understanding with KB Currency Advisors Inc. USA to market their Foreign Exchange Fund Management program. 183,65,500 Rights equity shares issued in prop. 1:1. 11,800 No. of equity shares forfeited. The Company has received the approval of Securities and Exchange Board of India (SEBI) for setting up a Mutual Fund. In 1995, The Company issued 4,00,000 - 17% Secured Redeemable Non-convertible Debenture of Rs 2500 each including 96000 - 16% NCDs reserved for NRIs/URB (only 9510 taken-up). Unsubscribed portion of 90 debentures issued to the public. These are redeemable at par on 7.3.2001 with an option for early redemption up to a maximum of 5% of the issue amount every year. The Company entered into a joint venture agreement with Ford Credit International Inc. (FCI), a subsidiary of Ford Motor Credit Co., USA. It was proposed to finance all non Ford Passenger cars. Kotak Mahindra Capital Company became a subsidiary of the Company.

In 1996, The Company's operations were affected by the liquidity crunch, scarcity of resources, sluggishness in the capital markets and the overall deceleration of economic growth. The Company has entered into a MOU with the Chubb Corporation, New Jersey, U.S.A., one of the largest American Insurance firms, to develop a Joint Venture dedicated to the conduct of causality and property insurance business in India. The Company has invested a sum of about Rs 200 lakhs in Matrix Information Services private Ltd. (Matrix), a company formed for providing comprehensive value added information to business and general users. Matrix is a wholly owned subsidiary of the company. The Company has divested its entire holding of 20,00,070 No. of equity shares of Rs 10 each of Kotak Mahindra Securities Ltd. (KMSL) and 20,00,000 ordinary shares of US $ 1 each of Kotak Mahindra International Ltd. Hamko Financial Services Ltd., Kotak Mahindra Securities Ltd., provides of broking services to institutional and corporate clients, Kotak, Mahindra Asset Management Company, Kotak Mahindra International Ltd., an offshore company and Kotak Mahindra (UK) Ltd., are all subsidiaries of the Company. The Company's public issue of 4,00,000 16-17% has Secured Redeemable Non-Convertible Debentures of Rs.2500 each for cash at par aggregating Rs.100 crores in January.

In 1997, In recognition of the Company's prudent funds management, CRISIL has assigned a rating of AA+ to the Company's public issue of Non-Convertible Debentures and P1+ for all short term borrowings up to Rs.35000 lakhs. Kotak Mahindra Finance Ltd, has decided to venture into health insurance business.
Kotak Mahindra Finance has launched a new consumer finance product called Kotak Mahindra K-Value. Hamko is a 100 per cent subsidiary of KMFL and investment in it was structured to avoid limitations of Section 372 under the Companies Act. The company has diversified into various activities for which it has set up subsidiaries including broking, capital market activities, auto finance, etc. In 1998, Kotak Mahindra Asset Management Company Limited (KMAMCL) launched its mutual fund schemes in December. The Company it would launch its mutual fund with two schemes -- KGilt Unit Scheme and K30 Unit Scheme. Kotak Mahindra Finance is a joint venture with Goldman Sachs. In 1999, The `FAA' (pronounced `F double A') rating assigned to the fixed deposit program of Ford Credit Kotak Mahindra (FCKM) has been reaffirmed. With the allotment to the Company of 50,000 equity shares of Rs. 10 each by Kotak Mahindra Trustee Company Limited (KMTCL) on 12th May.

In 2000, Kotak Mahindra Finance Ltd (KMFL) and Chubb Corporation of the US have decided to call off their joint venture for entering the general insurance business in India. The Company has decided to set up a venture capital fund with an initial corpus of Rs. 100 crores. KMFL has set up a new asset reconstruction division to offer recovery management services to players in the financial services industry. The Company Issue of 91,82,500 No. of Equity Shares of Rs. 10/- each for cash at a premium of Rs. 90/- per share aggregating Rs. 91,82,50,000 to the Equity Shareholders of the Company on Rights basis in the ratio of one equity share for every our equity shares held on 15th February. Mr. K.K. Sheth has resigned effective from May 8. Kotak Securities an affiliate of Kotak Mahindra Finance Ltd., has launched electronic broking services for retail investors. Kotak Mahindra Finance is in talks with foreign insurers for a joint venture in the life insurance business. The Company has proposed to start-up capital of Rs 150 crores in its life insurance joint venture with Old Mutual, the UK based financial services group. The Company proposes to make the necessary applications to the RBI and the Insurance Regulatory and Development Authority for entering the life insurance business. OM Kotak Mahindra Life Insurance Company, the recently formed joint venture company of Kotak Mahindra Finance and Old Mutual Plc has filed its application for approval of life insurance license on 1st September. Kotak Mahindra Finance Ltd has been assigned Ind AAA rating (indicating highest credit quality) for its Rs.510 million medium term borrowing program. Fitch India has assigned a rating of Ind AAA to the Rs 51-crores medium term borrowing program of Kotak Mahindra Finance Ltd for high credit quality and negligible risk factor.
In 2001, The Company recommended a swap ratio of 25 shares of KMFL for every share of Pannier Trading which has a 75 per cent equity stake in Kotak Securities. The Bharath Petroleum Corporation Ltd (BPCL) has decided to part ways with Kotak Mahindra, one of the leading domestic financial services company, in its convenient store venture In & Out. In 2002, KMFL's business has seen a fast growth with the total disbursement of commercial vehicle loan of the company in the last fiscal was tuned to Rs. 250cr. RBI has given in-principle approval to Kotak Mahindra Finance Ltd to convert itself into a bank, thereby becoming the first ever non-banking finance company converted into a bank. Mr. Uday Kotak says, there won't be any fresh capital infusion in the bank in the near future. KMFL informed BSE the FITCH ratings assigned: Fixed Deposit Program - Ind AAA Non-Convertible Debenture - Ind AAA. Mr. Ajay Sondhi has been appointed as the Additional Director of Kotak Mahindra Finance Ltd. Kotak Mahindra Finance Company has shortlisted i-flex solutions 'Flexicube' and 'Infosys', 'Finnacle' for its core banking solutions. KMFL has raised 76.22cr by selling securitized commercial vehicle loans to investors. CRISIL has assigned ‘AAA (SO)’ rating for Rs.83cr securitization Program of Kotak Mahindra Finance Ltd. Mr.Uday Kotak has been appointed as the Executive Vice Chairman and Managing Director of the company. Kotak Mahindra Finance Ltd has mobilized Rs.104.89cr, asset-backed securitization of commercial vehicle receivables. Business Standard and Business Standard digital have ceased to be the subsidiaries of Kotak Mahindra Finance Ltd. Mr.C. Jayaram and Mr. Dipak Gupta are appointed as whole time Directors on the Board of Kotak Mahindra Finance Ltd.

In 2003, Madison Communications has won the Rs.30cr Kotak Mahindra's media AOR account. The proposal of changing the name from 'Kotak Mahindra Finance Ltd' to 'Kotak Mahindra Bank Ltd' and the proposal to change the Authorized capital from 100,00,00,000 divided into 10,00,00,000 equity shares of Rs.10 each has been approved by the company shareholders. RBI has granted license to Kotak Mahindra Finance Ltd to embark on its banking business. O & M has got the creative account of Kotak Mahindra Bank, and has said to be working professionally. Kotak Mahindra Bank has received a lot of interest from portfolio investors, private equity investors and potential strategic investors. Kotak Mahindra Bank has entered into an ATM sharing agreement with UTI Bank, which would allow KMB's customer free access to around 800 ATM's. Kotak Mahindra Bank has started its operations in New Delhi by inaugurating a branch Connaught place office. Dr. Shankar Acharya has been appointed as the Additional Director to the board of the bank. The Board of Kotak
Mahindra Bank Ltd accepts the resignation of Mr. S.A.A. Pinto and Mr. M. R. Punja as the Directors of the Bank. Kotak Mahindra Investment Co Ltd. PCC a subsidiary of Kotak Mahindra Capital Company has constituted itself from a private company to a public limited co. and has changed its name to 'Global Investment Opportunities Fund Ltd'. Kotak Mahindra bank has unveiled several home finance products options which includes Home loan, Home equity Loan, Home loan transfer and Home improvement loans. Kotak Mahindra Bank launches online remittance services called, FUNDSToHOME for Non-resident Indians. In response to the repo rate cut by the RBI, the Kotak Mahindra Bank has reduced its lending rates in home loans. Kotak Mahindra Bank Limited has informed that the equity shares of the Bank have been delisted from the Delhi Stock Exchange Association Ltd w.e.f. December 10, 2003.


In 2009, Kotak entered into tie up with Russia's top investment bank. Kotak Mahindra Bank Wins IT Team of the Year for 3rd Consecutive Time at the Banking Technology Awards 2008. In 2010, Kotak Mahindra Bank has launched a credit card called Kotak Trump Card that offers 10% cash back on dining as well as movie and play spends. Kotak Mahindra Bank (KMB) has introduced Stock Ace, a new product offering for individual customers which provides them the power of instant liquidity. Company has splits its Face value of Shares from Rs 10 to Re 1. In 2011, Kotak Bank opens 300th branch. Kotak Mahindra Bank launches interbank
mobile payment service. In 2012, Kotak Mahindra Bank has implemented the advanced core banking platform Finacle 10 universal solution across 355 bank branches in association with the IT bellwether Infosys.

5.1.9 Dhanlaxmi Bank:

Dhanlaxmi Bank Ltd is an old private sector bank headquartered in Thrissur City, Kerala, India. The bank was focusing mostly on Southern states like Karnataka, Tamil Nadu, Andhra Pradesh and Kerala but it is looking for a pan-India presence since the last few years.

History:

IN THE YEAR EVENTS 1927, The Dhanlaxmi Bank Limited (DBL) was incorporated. It took banking business of all kinds. In 1991, 2,30,000 shares issued. In 1992, The Bank opened a branch at Veerappan Chatram. It also opened an Extension Counter at Hyderabad; Our Extension Counter at Nanthencode, Trivandrum was upgraded to a fully fledged branch. On 22nd April, the bank opened a branch at Peelamedu. 3,50,000 shares issued to the public. In 1993, Modernization has begun in the Bank with the inauguration of EDP Section in the Central Office on 28-01-'93. Computer support has been extended to all the three Regional Offices also. Computer supported banking will be introduced in several selected branches during the course of the year 1993-'94. Some of the branches will be provided with on-line computer facilities. Efforts are also on to build up in house expertise in software development. In 1994, Rights equity shares issued at a prem. of Rs 25 per share. In 1995, The Bank has co-managed 5 issues, participated in 60 public issues in the capacity of Bankers to the Issue and extended underwriting support to 104 Public Issues. The Bank has entered in the field of project appraisal. Requests for 26 bridge loans were also entertained. New branches of the bank were opened at Chevarambalam (Kozhikode Dist.), Ponnani (Malappuram Dist.) and Muvattupuzha (Ernakulam Dist.). 80,00,000 No. of equity shares of Rs 10 each issued at a prem. of Rs 40 per share.

In 1996, the bank had offered 80 lakhs equity shares of Rs.10/- each at a premium of Rs.40/- on each share aggregating to Rs.40 crores. The bank entered into leasing business. New branches of the bank were opened at Karur (Tamilnadu), Dasarahalli (Bangalore), Chembur Mumbai (Maharashtra), T. Nagar Chennai (Tamilnadu) and Valancherry (Kerala). 82,35,545 No. of equity shares of Rs 10 each
issued at a prem. of Rs 40 per share allotted through public issue. In 1997, The bank is celebrating the 70th year of service to the nation. The Bank’s corporate philosophy is `service to the poor and needy'. The Bank opened five more branches during the year at Surat, Ahmedabad, Fort Mumbai, Service Branch at Chennai and Industrial Finance Branch at Kochi. The Bank also opened five Extension Counters including the one at Guruvayur. 11 branches were fully computerized during the year thereby totaling the fully computerized branches to 26. Back offices of five branches were also computerized. The Investment Information and Credit Rating Agency has rated the bank's bond issue with a 'LA' rating, indicating adequate safety. The Trichur-based Dhanlaxmi Bank has been granted a full-fledged foreign exchange license by the Reserve Bank of India (RBI). The bank had made a public issue of 80,00,000 equity shares of Rs.10 each at a premium of Rs.40 per share in February, 1996. Prior to the public issue, the shares of the bank were spread over 18,000 shareholders.

In 1998, Dhanlaxmi Bank has launched two new deposit schemes -- Dhanam Plus and Dhanam Double Plus -- in Bangalore. The bank had offered 82 lakhs shares at a premium of Rs. 40 per share through the public issue. In 1999, DHANLAXMI Bank, which has computerized 70 per cent of its business transactions, is now globally accessible on the Internet and can be visited at http://www.dhanbank.com, an official release from the bank has said. THE Dhanam Kisan card will be launched by Dhanlaxmi Bank on October 28. Thrissur-based Dhanlaxmi Bank proposes to introduce Web-based banking services in the new millennium. In 2000, The new rates for domestic deposits had become effective April 22 and for NRE/NRNR deposits from May 1. The Kerala-based Dhanlaxmi Bank has received clearance from the RBI to allot shares on a pro rata basis to the subscribers of its public issue held in 1996. The Bank has opened seven-day banking in select branches in Thiruvananthapuram, Ernakulam and Bangalore. In 2001, Dhanlaxmi Bank inaugurated its first ATM Center in Chennai at Anna Nagar on August 23. Dhanlaxmi Bank has opens its first ATM in Bangalore. In 2002, Dhanlaxmi Bank introduces new home loan scheme called Dhanam platinum jubilee home loan advantage. The Dhanlaxmi Bank Ltd has fixed February 16, 2002 as the record date for the purpose of issue of four equity shares of Rs 10/- each at a premium of Rs 5/- per share on rights basis for every three existing equity shares held. Bank ties up with MetLife India to distribute life insurance products of MetLife India.
In 2003, Dhanlaxmi Bank sets up 3 branches in Thrissur - Unveils co-branded product DhanLife with MetLife India, makes foray into insurance. Bank Ties up with United India Insurance Co. in order to market insurance products via all the bank's branches. Mr. B. Muthuswamy, Managing Director and CEO has resigned and the charge handed over to Mr. K. A. Menon, Executive Director. Dhanlaxmi Bank inaugurates its Mumbai Treasury Department on Oct 29. Dhanlaxmi Bank has taken over a 18,000 square feet property of Pentasoft Technologies under Securitization Act.


In 2008, Dhanlaxmi Bank Ltd has appointed Mr. S. Santhanakrishnan as Additional Director, at the Board meeting held on June 30, 2008. The company has issued rights in the ratio of 1:1 at a premium of Rs. 52/-Per Share. Dhanlaxmi Bank Ltd Issues Rights in the Ratio of 1:1. In 2009, Dhanlaxmi Bank has appointed Mr. Bipin Kabra as Chief Financial Officer (CFO), who has over 16 years of experience in financial services industry. His past assignments include stints in ICICI as well as SBI and Reliance group. Prior to joining the Dhanlaxmi Bank, he was associated with Zee group. He has spent considerable period in banking, insurance, merchant banking and treasury. Dhanlaxmi Bank Ltd has informed that Mr. Ghanshyam Dass and Mr. Sateesh Kumar Andra have been appointed as Director liable to retire by rotation at the Annual General Meeting of the Bank held on July 31, 2009. Thrissur Dhanlaxmi Bank has unveiled a mini dairy funding project in the Idukki district of Kerala and has plans to start a similar project in Tamil Nadu in two weeks' time. Dhanlaxmi Bank forged an alliance with rating agency CRISIL In order to introduce CRISIL SSI/SME rating for over 500 of its small and medium enterprise (SME) customers,

5.1.10 City Union Bank:

City Union Bank is an Indian bank. The Kumbakonam Bank Limited, as it was at first called, was incorporated as a limited company on 31 October 1904. The bank initially preferred the role of a regional bank in the Thanjavur District Tamil Nadu. Currently Larsen & Toubro holds 10% of this bank.

- **History:**

  In the year events 1904, The Bank was incorporated at Chennai. The Bank transacts all kinds of banking business. In 1966, 669 Shares were forfeited of dissenting shareholders of the Kumbakonam Bank Ltd. In 1982, 6,486 right shares issued at par. In 1986, Equity shares subdivided prior to 1986. 1, 00,000 No. of equity shares of Rs 10 each issued at par as rights in prop. 1:1 during the year. In 1987, With effect from 9th December, the name of the bank was changed from The Kumbakonam City Union Bank, Ltd. to City Union Bank, Ltd. 3,00,000 rights equity shares issued at par in prop. 3:2. in 1990, a fully fledged international banking division of the bank was inaugurated at 706, Mount Road, Chennai. This division was to deal in all types of foreign exchange business undertaken by the bank. 5,00,000 rights equity shares issued at par in prop. 1:1. In 1993, 30,00,000 rights equity shares issued at par. In 1995, The Bank came out with a simultaneous unlinked issue of 90,000 No. of equity shares of Rs 10 each at a premium of Rs 10 per share and 45,000 unsecured zero interest FCD's of Rs 1000 each for cash at par. In 1997, 60,00,000 bonus shares issued in prop. 1:2. 66,00,000 No. of equity shares issued on conversion of FCDs.
In 2000, The Bank opened its branches at Purasawalkam, Chennai on December 13 and at Anna Nagar, Chennai on December 14. In 2001, The Bank has opened its branch at Srirangam, Tiruchi district on January 29. In 2002, The Bank introduces various loan schemes like CUB Sulabh CUB Consumer loan, CUB Swayam Griha and CUB Vidhya Vaani. Opens a branch at Rajahmundry on March 27, at fort-Mumbai and Thrissur (Kerala). Shri S. Rajarathnam and Mr. Venkatasubban, co-opted as the Director of the company. Appoints Mr. Jayaraman as the Director on the Board of the company. In 2003, Ties-up with National Insurance for banc assurance. Opens two branches at Kakinada, Bhimavaram and Tenali in Andhra Pradesh. The Bank starts a branch at Kovilpatti, Tamilnadu.City Union Bank Ltd joins hands with LIC for offering Insurance linked banking products which will add value to depositors and borrowers. Shri P. Vaidhyathanathan is co-opted as the Director on the Board of the company. The Bank opens branch at Ashok Nagar, Chennai (Tamilnadu State). In 2004, City Union Bank Ltd has opened a Branch at Kozhikode (Kerala State) on May 21, 2004. City Union Bank Ltd has informed that they have opened the Branch at Eluru (Andhra Pradesh) on July 5, 2004. City Union Bank launches new 'Any Branch Banking' services on 28 October, 2004. In 2005, City Union Bank opens Branch at Udumalpet (Tamil Nadu) on April 22, 2005. City Union Bank Ltd has tied up with Export Credit & Guarantee Corporation Ltd (ECGC) for marketing export credit insurance products through its branch network. City Union Bank unveils debit cards.

In 2007, City Union Bank has inked an 'e-remittance' service agreement with Qatar-headquartered Doha Bank QSC. The agreement envisages electronic remittance of funds by NRI clients of CUB (in West Asian countries) to designated beneficiaries accounts in any of the 165 branches of the bank stating that this is first agreement for CUB with a foreign bank. City Union Bank Ltd has informed that the Bank has opened the Branch at Nandyal (Andhra Pradesh) on August 03, 2007. In 2008, City Union Bank Ltd has appointed Shri R. G. Chandramogan as a Director by the Board at its meeting held on July 30, 2008. City Union Bank has rolled out a 1,000-days deposit scheme called 'CUB 1000'. The Company has splits its face value from Rs10/- to Rs1/-. In 2009, City Union Bank Ltd Issues Rights in the Ratio of 1:4. In 2010, City Union Bank Ltd has informed that Shri C. R. Muralidharan and Justice. S. R. Singharavelu has been co-opted as directors by the Board at its meeting held on February 25, 2010. In 2011, The Bank has opened the following branches Rohini - (New Delhi), Alandhar - (Punjab), Karim Nagar (Andhra Pradesh), Perundurai (Tamil Nadu), Arani (Tamilnadu), Vellakovil (Tamil Nadu), Chandini Chowk (Delhi), Thilai
Nagar (Trichy), Siddiamber Bazaar (Hyderabad). Dr. N. Kamakodi has assumed his office as Managing Director & Chief Executive Officer of the Bank. In 2012, Best Mid-sized Bank on Profitability and Efficiency - Business Today Survey 2012. Industrial Economist Excellence Award -2012. The Bank has opened the following branches Chitlapakkam- (Chennai), Mudichur-(Chennai), Tindivanam - (Tamil Nadu), Thirunageswaram - (Tamil Nadu), Vriddhachalam - (Tamil Nadu), Nammangalam-(Chennai), Oddanchatram-(Dindigul), Palani-(Dindigul), Banaswadi-(Bangalore). City Union Bank Ltd Issues Rights in the Ratio of 1:4.

5.2 Profitability Ratios:

Profitability ratios are as under.

5.2.1 Gross Profit Margin :

The table of gross profit margin is as under:

<table>
<thead>
<tr>
<th>Table – 5.1</th>
</tr>
</thead>
</table>

Gross Profit Margin (In Percentages) of Private Sector Banks

<table>
<thead>
<tr>
<th>Year</th>
<th>FedERAL Bank</th>
<th>HDFC Bank</th>
<th>ICICI Bank</th>
<th>Axis Bank</th>
<th>Indus Ind Bank</th>
<th>ING Vysya Bank</th>
<th>Karur Vysya Bank</th>
<th>Kotak Mahindra Bank</th>
<th>Dhan laxmi Bank</th>
<th>City Union Bank</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002-03</td>
<td>-3.87</td>
<td>7.35</td>
<td>-20.37</td>
<td>-6.17</td>
<td>-21.96</td>
<td>-22.74</td>
<td>8.37</td>
<td>0.87</td>
<td>-22.97</td>
<td>0.21</td>
</tr>
<tr>
<td>2004-05</td>
<td>4.42</td>
<td>16.69</td>
<td>-3.60</td>
<td>8.27</td>
<td>15.43</td>
<td>-7.44</td>
<td>12.05</td>
<td>-3.52</td>
<td>-3.50</td>
<td>8.85</td>
</tr>
<tr>
<td>2005-06</td>
<td>8.96</td>
<td>8.38</td>
<td>-7.89</td>
<td>5.30</td>
<td>-0.46</td>
<td>-7.44</td>
<td>10.30</td>
<td>-6.35</td>
<td>-1.97</td>
<td>9.74</td>
</tr>
<tr>
<td>2008-09</td>
<td>17.38</td>
<td>18.05</td>
<td>12.36</td>
<td>20.74</td>
<td>4.72</td>
<td>9.36</td>
<td>20.39</td>
<td>11.72</td>
<td>6.67</td>
<td>15.19</td>
</tr>
<tr>
<td>2009-10</td>
<td>16.88</td>
<td>22.39</td>
<td>15.06</td>
<td>24.06</td>
<td>13.27</td>
<td>11.78</td>
<td>21.32</td>
<td>22.18</td>
<td>-5.03</td>
<td>12.53</td>
</tr>
<tr>
<td>Mean</td>
<td>5.6869</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></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]
The table 5.1 clears the position regarding the Gross Profit Margin in the selected bank of Private Sector Banks.

The gross profit margin of Federal Bank was negative to 3.87 percent and 5.80 percent in the year 2002-03 and 2003-04, which continuously increased to 4.42 percent, 8.96 percent and 13.04 percent in the year 2004-05, 2005-06 and 2006-07 and it was decreased to 8.23 percent in the year 2007-08, again it was increased to 17.38 percent in the year 2008-09. It was reduced to 16.88 percent and 14.81 percent in the year 2009-10 and 2010-11, which heavily increased to 19.17 percent in the year 2011-12 and the average was 9.322 percent.

The gross profit margin of HDFC Bank was continuously increased to 7.35 percent, 13.72 percent and 16.69 percent in the year 2002-03, 2003-04 and 2004-05, which was decreased to 8.38 percent in the year 2005-06. It was 16.24 percent in the year 2006-07, after that it was down to 12.78 percent in the year 2007-08, again it was raised to 18.05 percent and 22.39 percent in the year 2008-09 and 2009-10 and decreased to 17.01 percent and 13.58 percent in the year 2010-11 and 2011-12 and the average was 14.618 percent.
The gross profit ratio of ICICI Bank was negative to 20.37 percent, 12.10 percent, 3.60 percent, 7.89 percent, 9.63 percent and 11.53 percent during the year 2002-03, 2003-04, 2004-05, 2005-06, 2006-07 and 2007-08. It was raised to 12.36 percent and 15.06 percent in the year 2008-09 and 2009-10, which was reduced to 9.23 percent and 8.59 percent in the year 2010-11 and 2011-12 and the average was -1.988 percent.

The gross profit ratio of Axis Bank was negative to 6.17 percent and 6.14 percent in the year 2002-03 and 2003-04. It was 8.27 percent in the year 2004-05, which was decreased to 5.30 percent, 3.95 percent and 1.87 percent in the year 2005-06, 2006-07 and 2007-08, after that it was increased to 20.74 percent and 24.06 percent in the year 2008-09 and 2009-10, again it was decreased to 11.76 percent and 9.14 percent in the year 2010-11 and 2011-12 and the average was 7.278 percent.

The gross profit ratio of IndusInd Bank was also negative to 21.96 percent and 6.18 percent in the year 2002-03 and 2003-04, which heavily increased to 15.43 percent in the year 2004-05, again it was negative to 0.46 percent, 8.56 percent and 6.39 percent in the year 2005-06, 2006-07 and 2007-08. It was continuously increased to 4.72 percent, 13.27 percent and 16.19 percent in the year 2008-09, 2009-10 and 2010-11, further stepped down to 13.49 percent in the year 2011-12 and the average was 1.955 percent.

The gross profit ratio of ING Vysya Bank was continuously negative to 22.74 percent, 16.59 percent, 7.44 percent, 7.44 percent, 2.46 percent and 8.75 percent in the year 2002-03, 2003-04, 2004-05, 2005-06, 2006-07 and 2007-08. It was increased to 4.72 percent, 13.27 percent, 16.19 percent in the year 2008-09, 2009-10 and 2010-11, further stepped down to 13.49 percent in the year 2011-12 and the average was -1.692 percent.

The gross profit ratio of Karur Vysya Bank was 8.37 percent in the year 2002-03, which heavily increased to 19.15 percent in the year 2003-04. It was down to 12.05 percent and 10.30 percent in the year 2004-05 and 2005-06, after that it was raised to 14.66 percent in the year 2006-07, further stepped down to 13.20 percent in the year 2007-08, again it was increased to 20.39 percent, 21.32 percent and 22.83 percent in the year 2008-09, 2009-10 and 2010-11, further stepped down to 17.20 percent in the year 2011-12 and the average was 15.947 percent.
The gross profit ratio of Kotak Mahindra Bank was raised to 0.87 percent and 9.01 percent in the year 2002-03 and 2003-04, which was negative to 3.52 percent, 6.35 percent and 0.48 percent in the year 2004-05, 2005-06 and 2006-07. It was raised to 10.94 percent, 11.72 percent and 22.18 percent in the year 2007-08, 2008-09 and 2009-10, after that it was down to 12.99 percent and 10.96 percent in the year 2010-11 and 2011-12 and the average was 6.832 percent. The gross profit ratio of Dhanlaxmi Bank was negative to 22.97 percent, 15.43 percent, 3.50 percent, 1.97 percent, 5.03 percent, 7.36 percent and 16.11 percent during the year 2002-03, 2003-04, 2004-05, 2005-06, 2009-10, 2010-11 and 2011-12. It was 0.39 percent, 3.28 percent and 6.67 percent in the year 2006-07, 2007-08 and 2008-09 respectively and the average was -6.203 percent.

The gross profit ratio of City Union Bank was raised to 0.21 percent, 5.36 percent, 8.85 percent, 9.74 percent and 14.35 percent in the year 2002-03, 2003-04, 2004-05, 2005-06 and 2006-07, which was decreased to 11.35 percent in the year 2007-08, further stepped up to 15.19 percent in the year 2008-09, again it was decreased to 12.53 percent in the year 2009-10. It was raised to 18.73 percent in the year 2010-11 and down to 11.69 percent in the year 2011-12 and the average was 10.8 percent.

F-test (ANOVA):

Testing hypothesis by one way classification.

$H_0$: There would be no significant difference in average gross profit margin of selected private sector banks.

$H_1$: There would be significant difference in average gross profit margin of selected private 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>4968.84</td>
<td>9</td>
<td>552.09</td>
<td>6.11</td>
<td>1.99</td>
</tr>
<tr>
<td>Within Groups</td>
<td>8127.01</td>
<td>90</td>
<td>90.30</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>13095.84</td>
<td>99</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The above ANOVA table 5.2 shows that the calculated value of F is 6.11, 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 gross profit margin of selected private sector banks.

5.2.2 Operating Margin:

The table of operating margin is as under:

Table – 5.3

<table>
<thead>
<tr>
<th>Year</th>
<th>Federal Bank</th>
<th>HDFC Bank</th>
<th>ICICI Bank</th>
<th>Axis Bank</th>
<th>Indus Ind Bank</th>
<th>ING Vysya Bank</th>
<th>Karur Vysya Bank</th>
<th>Kotak Mahindra Bank</th>
<th>Dhanlaxmi Bank</th>
<th>City Union Bank</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004-05</td>
<td>6.72</td>
<td>21.35</td>
<td>2.67</td>
<td>12.51</td>
<td>19.39</td>
<td>-3.73</td>
<td>15.35</td>
<td>2.07</td>
<td>-0.33</td>
<td>9.91</td>
</tr>
<tr>
<td>2010-11</td>
<td>16.08</td>
<td>19.50</td>
<td>11.10</td>
<td>13.67</td>
<td>17.69</td>
<td>14.39</td>
<td>24.06</td>
<td>15.33</td>
<td>-5.67</td>
<td>20.07</td>
</tr>
<tr>
<td>2011-12</td>
<td>20.13</td>
<td>15.57</td>
<td>8.72</td>
<td>10.69</td>
<td>14.75</td>
<td>15.53</td>
<td>18.29</td>
<td>12.85</td>
<td>-14.03</td>
<td>12.47</td>
</tr>
<tr>
<td>Mean</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>8.3593</td>
<td></td>
</tr>
</tbody>
</table>

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

Chart 5.2

OPERATING MARGIN (IN PERCENTAGE) OF PRIVATE SECTOR BANKS
The table 5.3 clears the position regarding the Operating Margin in the selected bank of Private Sector Banks.

The operating margin of Federal Bank was negative to 2.13 percent and 3.77 percent in the year 2002-03 and 2003-04, which was increased to 6.72 percent, 10.75 percent and 14.36 percent in the year 2004-05, 2005-06 and 2006-07, further stepped down to 9.39 percent in the year 2007-08. It was unstable to 18.59 percent, 18.12 percent, 16.08 percent and 20.13 percent in the year 2008-09, 2009-10, 2010-11 and 2011-12 respectively and the average was 10.824 percent.

The operating margin of HDFC Bank was fluctuated to 15.19 percent, 18.65 percent, 21.35 percent, 12.37 percent, 19.43 percent, 15.47 percent, 19.38 percent, 24.36 percent, 19.50 percent and 15.57 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 18.127 percent.

The operating margin of ICICI Bank was negative to 14.97 percent, 6.04 percent, 3.36 percent and 7.26 percent in the year 2002-03, 2003-04, 2005-06 and 2006-07. It was 2.67 percent, 9.66 percent, 14.13 percent, 16.95 percent, 11.10 percent and 8.72 percent in the year 2004-05, 2007-08, 2008-09, 2009-10, 2010-11 and 2011-12 and the average was 3.16 percent.

The operating margin of Axis Bank was negative to 2.83 percent and 2.24 percent in the year 2002-03 and 2003-04, which heavily increased to 12.51 percent in the year 2004-05 after that it was decreased to 8.49 percent, 6.40 percent and 4.13 percent in the year 2005-06, 2006-07 and 2007-08 and it was increased to 22.13 percent and 25.58 percent in the year 2008-09 and 2009-10, again it was reduced to 13.67 percent and 10.69 percent in the year 2010-11 and 2011-12 and the average was 9.853 percent.

The operating margin of IndusInd Bank was negative to 18.56 percent, 2.46 percent, 6.29 percent and 4.30 percent in the year 2002-03, 2003-04, 2006-07 and 2007-08. It was 19.39 percent, 2.56 percent, 6.39 percent, 14.73 percent, 17.69 percent and 14.75 percent in the year 2004-05, 2005-06, 2008-09, 2009-10, 2010-11 and 2011-12 and the average was 4.39 percent.
The operating margin of ING Vysya Bank was negative to 17.22 percent, 12.18 percent, 3.73 percent, 4.40 percent and 6.44 percent in the year 2002-03, 2003-04, 2004-05, 2005-06 and 2007-08. It was 0.25 percent, 10.86 percent, 13.26 percent, 14.39 percent and 15.53 percent in the year 2006-07, 2008-09, 2009-10, 2010-11 and 2011-12 and the average was 1.032 percent.

The operating margin of Karur Vysya Bank was fluctuated to 10.48 percent, 21.42 percent, 15.35 percent, 13.80 percent, 17.19 percent, 14.93 percent, 21.65 percent, 22.47 percent, 24.06 percent and 18.29 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 17.964 percent.

The operating margin of Kotak Mahindra Bank was increased to 4.87 percent and 14.58 percent in the year 2002-03 and 2003-04, which reduced to 2.07 percent in the year 2004-05. It was negative to 2.09 percent and 0.48 percent in the year 2005-06 and 2006-07, after that it was increased to 10.94 percent, 13.85 percent and 24.64 percent in the year 2007-08, 2008-09 and 2009-10, which was reduced to 15.33 percent and 12.85 percent in the year 2010-11 and 2011-12 and the average was 9.656 percent.

The operating margin of Dhanlaxmi Bank was negative to 20.50 percent, 12.96 percent, 0.33 percent, 3.20 percent, 5.67 percent and 14.03 percent in the year 2002-03, 2003-04, 2004-05, 2009-10, 2010-11 and 2011-12. It was 1.43 percent, 3.96 percent, 5.82 percent and 8.43 percent in the year 2005-06, 2006-07, 2007-08 and 2008-09 respectively and the average was -3.705 percent.

The operating margin of City Union Bank was continuously increased to 1.46 percent, 6.28 percent, 9.91 percent, 11.04 percent and 16.99 percent in the year 2002-03, 2003-04, 2004-05, 2005-06 and 2006-07. It was fluctuated to 13.81 percent, 17.03 percent, 13.86 percent, 20.07 percent and 12.47 percent in the year 2007-08, 2008-09, 2009-10, 2010-11 and 2011-12 and the average was 12.292 percent.
F-test (ANOVA):
Testing hypothesis by one way classification.

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

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

Table 5.4
Analysis of Operating Margin of Private 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>4551.36</td>
<td>9</td>
<td>505.71</td>
<td>6.45</td>
<td>1.99</td>
</tr>
<tr>
<td>Within Groups</td>
<td>7061.27</td>
<td>90</td>
<td>78.46</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>11612.64</td>
<td>99</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The above ANOVA table 5.4 shows that the calculated value of F is 6.45, which is more than the table value of 1.99 at 5% level of significance. Hence, the null hypothesis stands rejected. It means that there would be significant difference in average operating margin of selected private sector banks.
5.2.3 Net Profit Margin:

The table of net profit margin is as under:

<table>
<thead>
<tr>
<th>Year</th>
<th>Federal Bank</th>
<th>HDFC Bank</th>
<th>ICICI Bank</th>
<th>Axis Bank</th>
<th>Indus Ind Bank</th>
<th>ING Vysya Bank</th>
<th>Karur Vysya Bank</th>
<th>Kotak Mahindra Bank</th>
<th>Dhanlaxmi Bank</th>
<th>City Union Bank</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002-03</td>
<td>7.85</td>
<td>15.53</td>
<td>9.86</td>
<td>10.27</td>
<td>9.05</td>
<td>6.91</td>
<td>19.23</td>
<td>18.63</td>
<td>5.79</td>
<td>11.61</td>
</tr>
<tr>
<td>2005-06</td>
<td>13.64</td>
<td>15.55</td>
<td>14.12</td>
<td>13.47</td>
<td>2.85</td>
<td>0.66</td>
<td>17.67</td>
<td>12.97</td>
<td>4.09</td>
<td>15.25</td>
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<tr>
<td>2006-07</td>
<td>13.91</td>
<td>13.57</td>
<td>10.81</td>
<td>12.01</td>
<td>3.79</td>
<td>5.97</td>
<td>16.47</td>
<td>8.84</td>
<td>5.84</td>
<td>15.98</td>
</tr>
<tr>
<td>2009-10</td>
<td>10.79</td>
<td>14.76</td>
<td>12.17</td>
<td>16.10</td>
<td>10.63</td>
<td>8.48</td>
<td>16.82</td>
<td>15.23</td>
<td>3.73</td>
<td>13.94</td>
</tr>
<tr>
<td>2010-11</td>
<td>12.88</td>
<td>16.18</td>
<td>15.79</td>
<td>17.12</td>
<td>13.43</td>
<td>9.56</td>
<td>16.87</td>
<td>16.46</td>
<td>2.49</td>
<td>15.72</td>
</tr>
<tr>
<td>2011-12</td>
<td>12.62</td>
<td>15.88</td>
<td>15.75</td>
<td>15.47</td>
<td>12.59</td>
<td>10.08</td>
<td>14.01</td>
<td>15.15</td>
<td>-7.56</td>
<td>14.77</td>
</tr>
<tr>
<td>Mean</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>11.7254</td>
<td></td>
</tr>
</tbody>
</table>

[Source: www.moneycontrol.com/financials/selectedbanks/ratios
www.money.rediff.com/companies/selected-banks/ratios]
The table 5.5 clears the position regarding the Net Profit Margin in the selected bank of Private Sector Banks.

The net profit margin of Federal Bank was fluctuated to 7.85 percent, 9.17 percent, 7.09 percent, 13.64 percent, 13.91 percent, 12.78 percent, 13.14 percent, 10.79 percent, 12.88 percent and 12.82 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 11.387 percent.

The net profit margin of HDFC Bank was raised to 15.53 percent, 16.81 percent and 17.77 percent in the year 2002-03, 2003-04 and 2004-05, which continuously decreased to 15.55 percent, 13.57 percent, 12.82 percent and 11.35 percent in the year 2005-06, 2006-07, 2007-08 and 2008-09, after that it was increased to 14.76 percent and 16.18 percent in the year 2009-10 and 2010-11 and decreased to 15.88 percent in the year 2011-12 and the average was 15.022 percent.

The net profit margin of ICICI Bank was increased to 9.86 percent, 13.67 percent and 16.32 percent in the year 2002-03, 2003-04 and 2004-05, after that it was decreased to 14.12 percent, 10.81 percent, 10.51 percent and 9.74 percent in the year 2005-06, 2006-07, 2007-08 and 2008-09, further stepped up to 12.17 percent and 15.79 percent in the year 2009-10 and 2010-11 and reduced to 15.75 percent in the year 2011-12 and the average was 12.874 percent.

The net profit margin of Axis Bank was raised to 10.27 percent, 13.14 percent and 14.33 percent in the year 2002-03, 2003-04 and 2004-05, which was down to 13.47 percent and 12.01 percent in the year 2005-06 and 2006-07, after that it was increased to 12.22 percent, 13.31 percent, 16.10 percent and 17.12 percent in the year 2007-08, 2008-09, 2009-10 and 2010-11 and reduced to 15.47 percent in the year 2011-12 and the average was 13.744 percent.

The net profit margin of IndusInd Bank was fluctuated to 9.05 percent, 19.87 percent, 16.98 percent, 2.85 percent, 3.79 percent, 3.45 percent, 5.29 percent, 10.63 percent, 13.43 percent and 12.59 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 9.793 percent.
The net profit margin of ING Vysya Bank was 6.91 percent in the year 2002-03, which was down to 4.74 percent in the year 2003-04, after that it was negative to 3.71 percent in the year 2004-05. It was raised to 0.66 percent, 5.97 percent and 7.45 percent in the year 2005-06, 2006-07 and 2007-08, further stepped down to 6.77 percent in the year 2008-09. It was raised to 8.48 percent, 9.56 percent and 10.08 percent in the year 2009-10, 2010-11 and 2011-12 and the average was 5.691 percent.

The net profit margin of Karur Vysya Bank was fluctuated to 19.23 percent, 22.12 percent, 16.28 percent, 17.67 percent, 16.47 percent, 16.12 percent, 14.35 percent, 16.82 percent, 16.87 percent and 14.01 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 16.994 percent.

The net profit margin of Kotak Mahindra Bank was raised to 18.63 percent and 20.57 percent in the year 2002-03 and 2003-04, which was reduced to 15.35 percent, 12.97 percent and 8.84 percent in the year 2004-05, 2005-06 and 2006-07, further stepped up to 10.37 percent in the year 2007-08, again it was down to 8.35 percent in the year 2008-09. It was increased to 15.23 percent and 16.46 percent in the year 2009-10 and 2010-11 and decreased to 15.15 percent in the year 2011-12 and the average was 14.192 percent.

The net profit margin of Dhanlaxmi Bank was raised to 5.79 percent and 6.99 percent in the year 2002-03 and 2003-04, which was negative to 12.60 percent in the year 2004-05, after that it was continuously increased to 4.09 percent, 5.84 percent, 8.07 percent and 11.76 percent in the year 2005-06, 2006-07, 2007-08 and 2008-09. It was decreased to 3.73 percent and 2.49 percent in the year 2009-10 and 2010-11, again it was negative to 7.56 percent in the year 2011-12 and the average was 2.86 percent.

The net profit margin of City Union Bank was continuously fluctuated to 11.61 percent, 16.76 percent, 14.72 percent, 15.25 percent, 15.98 percent, 14.96 percent, 13.26 percent, 13.94 percent, 15.72 percent and 14.77 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 14.697 percent.
F-test (ANOVA):  
Testing hypothesis by one way classification.

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

H₁: There would be significant difference in average net profit margin of selected private 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>1777.92</td>
<td>9</td>
<td>197.55</td>
<td>12.90</td>
<td>1.99</td>
</tr>
<tr>
<td>Within Groups</td>
<td>1378.71</td>
<td>90</td>
<td>15.32</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>3156.63</td>
<td>99</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The above ANOVA table 5.6 shows that the calculated value of F is 12.90, 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 private sector banks.
5.2.4 Cash Profit Margin:

The table of cash profit margin is as under:

Table – 5.7

<table>
<thead>
<tr>
<th>Year</th>
<th>Federal Bank</th>
<th>HDFC Bank</th>
<th>ICICI Bank</th>
<th>Axis Bank</th>
<th>Indus Ind Bank</th>
<th>ING Vysya Bank</th>
<th>Karur Vysya Bank</th>
<th>Kotak Mahindra Bank</th>
<th>Dhanlaxmi Bank</th>
<th>City Union Bank</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002-03</td>
<td>9.28</td>
<td>23.87</td>
<td>14.05</td>
<td>13.07</td>
<td>2.34</td>
<td>10.89</td>
<td>20.92</td>
<td>21.27</td>
<td>7.51</td>
<td>12.63</td>
</tr>
<tr>
<td>2003-04</td>
<td>10.79</td>
<td>24.06</td>
<td>18.20</td>
<td>15.81</td>
<td>21.46</td>
<td>7.98</td>
<td>24.13</td>
<td>24.60</td>
<td>8.87</td>
<td>17.51</td>
</tr>
<tr>
<td>2006-07</td>
<td>15.02</td>
<td>19.07</td>
<td>12.30</td>
<td>14.11</td>
<td>7.34</td>
<td>7.64</td>
<td>18.73</td>
<td>10.98</td>
<td>9.03</td>
<td>18.32</td>
</tr>
<tr>
<td>2009-10</td>
<td>11.95</td>
<td>16.71</td>
<td>13.64</td>
<td>17.63</td>
<td>13.03</td>
<td>9.91</td>
<td>17.93</td>
<td>17.76</td>
<td>5.27</td>
<td>15.13</td>
</tr>
<tr>
<td>2010-11</td>
<td>14.06</td>
<td>18.23</td>
<td>17.27</td>
<td>18.58</td>
<td>14.90</td>
<td>10.54</td>
<td>18.07</td>
<td>18.43</td>
<td>3.93</td>
<td>16.93</td>
</tr>
<tr>
<td>2011-12</td>
<td>13.75</td>
<td>17.55</td>
<td>15.85</td>
<td>16.72</td>
<td>13.76</td>
<td>11.16</td>
<td>15.08</td>
<td>16.79</td>
<td>-5.70</td>
<td>15.48</td>
</tr>
<tr>
<td>Average</td>
<td>12.72</td>
<td>19.739</td>
<td>15.326</td>
<td>15.841</td>
<td>11.322</td>
<td>7.82</td>
<td>18.801</td>
<td>16.806</td>
<td>5.161</td>
<td>15.986</td>
</tr>
<tr>
<td>Mean</td>
<td>13.9522</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


Chart 5.4

CASH PROFIT RATIO (IN PERCENTAGE) OF PRIVATE SECTOR BANKS
The table 5.7 clears the position regarding the Cash Profit Ratio in the selected bank of Private Sector Banks.

The cash profit ratio of Federal Bank was fluctuated to 9.28 percent, 10.79 percent, 9.25 percent, 15.05 percent, 15.02 percent, 13.80 percent, 14.25 percent, 11.95 percent, 14.06 percent and 13.75 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 12.72 percent.

The cash profit ratio of HDFC Bank was 23.87 percent in the year 2002-03, which was raised to 24.06 percent and 26.63 percent in the year 2003-04 and 2004-05, after that it was decreased to 23.11 percent, 19.07 percent, 15.01 percent and 13.15 percent in the year 2005-06. 2006-07, 2007-08 and 2008-09, again it was raised to 16.71 percent and 18.23 percent in the year 2009-10 and 2010-11 and reduced to 17.55 percent in the year 2011-12 and the average was 19.739 percent.

The cash profit ratio of ICICI Bank was increased to 14.05 percent, 18.20 percent and 21.14 percent in the year 2002-03, 2003-04 and 2004-05, which was reduced to 17.55 percent, 12.30 percent, 11.81 percent and 11.45 percent in the year 2005-06, 2006-07, 2007-08 and 2008-09, further stepped up to 13.64 percent and 17.27 percent in the year 2009-10 and 2010-11, again it was decreased to 15.85 percent in the year 2011-12 and the average was 15.326 percent.

The cash profit ratio of Axis Bank was continuously raised to 13.07 percent, 15.81 percent, 17.47 percent in the year 2002-03, 2003-04 and 2004-05, which was reduced to 16.07 percent and 14.11 percent in the year 2005-06 and 2006-07, after that it was increased to 14.19 percent, 14.76 percent, 17.63 percent and 18.58 percent in the year 2007-08, 2008-09, 2009-10 and 2010-2011, again it was down to 16.72 percent in the year 2011-12 and the average was 15.841 percent.

The cash profit ratio of IndusInd Bank was fluctuated to 2.34 percent, 21.46 percent, 21.11 percent, 5.99 percent, 7.34 percent, 5.32 percent, 7.97 percent, 13.03 percent, 14.90 percent and 13.76 percent in the year 2002-03, 2003-04, 2004-05, 2005-06, 2006-07, 2007-08, 2009-10, 2010-11 and 2011-12 respectively and the average was 11.322 percent.
The cash profit ratio of ING Vysya Bank was 10.89 percent in the year 2002-03, which was reduced to 7.98 percent in the year 2003-04. It was negative to 0.22 percent in the year 2004-05, after that it was raised to 3.19 percent, 7.64 percent and 9.04 percent in the year 2005-06, 2006-07 and 2007-08, further stepped down to 8.07 percent in the year 2008-09, again it was increased to 9.91 percent, 10.54 percent and 11.16 percent in the year 2009-10, 2010-11 and 2011-12 and the average was 7.82 percent.

The cash profit ratio of Karur Vysya Bank was fluctuated to 20.92 percent, 24.13 percent, 19.29 percent, 20.65 percent, 18.73 percent, 17.63 percent 15.58 percent, 17.93 percent, 18.07 percent and 15.08 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 18.801 percent.

The cash profit ratio of Kotak Mahindra Bank was raised to 21.27 percent and 24.60 percent in the year 2002-03 and 2003-04, which was increased to 19.48 percent, 16.18 percent and 10.98 percent in the year 2004-05, 2005-06 and 2006-07, after that it was increased to 12.12 percent in the year 2007-08, again it was decreased to 10.45 percent in the year 2008-09. It was raised to 17.76 percent and 18.43 percent in the year 2009-10 and 2010-11 and reduced to 16.79 percent in the year 16.79 percent in the year 2011-12 and the average was 16.806 percent.

The cash profit ratio of Dhanlaxmi Bank was negative to 9.23 percent and 5.70 percent in the year 2004-05 and 2011-12. It was fluctuated to 7.51 percent, 8.87 percent, 7.17 percent, 9.03 percent, 11.50 percent, 13.26 percent, 5.27 percent, 3.93 percent in the year 2002-03, 2003-04, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10 and 2010-11 and the average was 5.161 percent.

The cash profit ratio of City Union Bank was also fluctuated to 12.63 percent, 17.51 percent, 15.37 percent, 16.38 percent, 18.32 percent, 17.13 percent, 14.98 percent, 15.13 percent, 16.93 percent and 15.48 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 15.986 percent.
F-test (ANOVA) :
Testing hypothesis by one way classification.

H₀: There would be no significant difference in average cash profit ratio of selected private sector banks.
H₁: There would be significant difference in average cash profit ratio of selected private sector banks.

Table 5.8
Analysis of Cash Profit Ratio of Private 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>1980.59</td>
<td>9</td>
<td>220.07</td>
<td>12.37</td>
<td>1.99</td>
</tr>
<tr>
<td>Within Groups</td>
<td>1601.58</td>
<td>90</td>
<td>17.80</td>
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</tr>
<tr>
<td>Total</td>
<td>3582.16</td>
<td>99</td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

The above ANOVA table 5.8 shows that the calculated value of F is 12.37, 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 private sector banks.
5.2.5 Return on Net Worth Ratio:

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Federal Bank</th>
<th>HDFC Bank</th>
<th>ICICI Bank</th>
<th>Axis Bank</th>
<th>Indus Ind Bank</th>
<th>ING Vysya Bank</th>
<th>Karur Vysya Bank</th>
<th>Kotak Mahindra Bank</th>
<th>Dhanlaxmi Bank</th>
<th>City Union Bank</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002-03</td>
<td>21.47</td>
<td>20.84</td>
<td>17.38</td>
<td>25.22</td>
<td>-0.35</td>
<td>13.64</td>
<td>25.28</td>
<td>8.54</td>
<td>12.90</td>
<td>21.74</td>
</tr>
<tr>
<td>2007-08</td>
<td>9.39</td>
<td>13.83</td>
<td>8.94</td>
<td>12.21</td>
<td>6.76</td>
<td>11.00</td>
<td>17.50</td>
<td>8.17</td>
<td>16.52</td>
<td>17.94</td>
</tr>
<tr>
<td>2008-09</td>
<td>11.58</td>
<td>15.32</td>
<td>7.58</td>
<td>17.77</td>
<td>10.39</td>
<td>11.87</td>
<td>17.46</td>
<td>7.06</td>
<td>13.53</td>
<td>18.47</td>
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<td>2009-10</td>
<td>9.91</td>
<td>13.70</td>
<td>7.79</td>
<td>15.67</td>
<td>16.19</td>
<td>10.91</td>
<td>20.74</td>
<td>12.35</td>
<td>5.29</td>
<td>18.50</td>
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<td>2010-11</td>
<td>11.50</td>
<td>15.47</td>
<td>9.35</td>
<td>17.83</td>
<td>15.12</td>
<td>12.65</td>
<td>19.65</td>
<td>12.03</td>
<td>3.08</td>
<td>21.36</td>
</tr>
<tr>
<td>2011-12</td>
<td>13.62</td>
<td>17.26</td>
<td>10.70</td>
<td>18.59</td>
<td>17.79</td>
<td>11.77</td>
<td>18.52</td>
<td>13.65</td>
<td>-15.87</td>
<td>22.54</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></td>
<td>14.6213</td>
</tr>
</tbody>
</table>

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

Chart 5.5

RETURN ON NET WORTH RATIO (IN PERCENTAGE) OF PRIVATE SECTOR BANKS

City Union Bank
Dhanlaxmi Bank
Kotak Mahindra Bank
Karur Vysya Bank
ING Vysya Bank
IndusInd Bank
Axis Bank
ICICI Bank
HDFC Bank
Federal Bank

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The table 5.9 clears the position regarding the Return on Net Worth Ratio in the selected bank of Private Sector Banks.


The return on net worth ratio of HDFC Bank was also fluctuated to 20.84 percent, 24.38 percent, 23.67 percent, 22.73 percent, 23.57 percent, 13.83 percent, 15.32 percent, 13.70 percent, 15.47 percent and 17.26 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 19.077 percent.

The return on net worth ratio of ICICI Bank was raised to 17.38 percent and 20.93 percent in the year 2002-03 and 2003-04, which was reduced to 18.86 percent, 14.33 percent, 13.17 percent, 8.94 percent and 7.58 percent in the year 2004-05, 2005-06, 2006-07, 2007-08 and 2008-09, after that it was increased to 7.79 percent, 9.35 percent and 10.70 percent in the year 2009-10, 2010-11 and 2011-12 and the average was 12.903 percent.

The return on net worth ratio of Axis Bank was fluctuated to 25.22 percent, 26.39 percent, 18.28 percent, 19.37 percent, 12.21 percent, 17.77 percent, 15.67 percent, 17.83 percent and 18.59 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 18.952 percent.

The return on net worth ratio of IndusInd Bank was negative to 0.35 percent in the year 2002-03, which was heavily increased to 34.20 percent in the year 2003-04, after that it was decreased to 25.79 percent and 4.34 percent in the year 2004-05 and 2005-06. It was raised to 7.10 percent in the year 2006-07, again it was reduced to 6.76 percent in the year 2007-08. It was increased to 10.39 percent and 16.19 percent in the year 2008-09 and 2009-10, further stepped down to 15.12 percent in the year 2010-11 and increased to 17.79 percent in the year 2011-12 and the average was 13.733 percent.

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The return on net worth ratio of ING Vysya Bank was 13.64 percent in the year 2002-03, which was decreased to 9.77 percent in the year 2003-04. It was negative to 5.65 percent in the year 2004-05, after that it was increased to 1.11 percent, 9.36 percent, 11.00 percent and 11.87 percent in the year 2005-06, 2006-07, 2007-08 and 2008-09, further stepped down to 10.91 percent in the year 2009-10. It was raised to 12.65 percent in the year 2010-11 but in the year 2011-12, it was reduced to 11.77 percent and the average was 8.643 percent.

The return on net worth ratio of Karur Vysya Bank was fluctuated to 25.28 percent, 25.35 percent, 14.30 percent, 16.58 percent, 16.54 percent, 17.50 percent, 17.46 percent, 20.74 percent, 19.65 percent and 18.52 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 19.192 percent.

The return on net worth ratio of Kotak Mahindra Bank was also continuously unstable to 8.54 percent, 13.72 percent, 12.45 percent, 14.58 percent, 11.19 percent, 8.17 percent, 7.06 percent, 12.35 percent, 12.03 percent and 13.65 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 11.374 percent.

The return on net worth ratio of Dhanlaxmi Bank was 12.90 percent in the year 2002-03, further stepped up to 13.74 percent in the year 2003-04, after that it was negative to 17.41 percent in the year 2004-05. It was continuously increased to 7.66 percent, 11.46 percent, and 16.52 percent in the year 2005-06, 2006-07 and 2007-08, which was decreased to 13.53 percent, 5.29 percent and 3.08 percent in the year 2008-09, 2009-10 and 2010-11, again it was negative to 15.87 percent in the year 2011-12 and the average was 5.09 percent.

The return on net worth ratio of City Union Bank was fluctuated to 21.74 percent, 31.03 percent, 20.88 percent, 21.40 percent, 22.03 percent, 17.94 percent, 18.47 percent, 18.50 percent, 21.36 percent and 22.54 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 21.579 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 private sector banks.

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

Table 5.10
Analysis of Return on Net Worth Ratio of Private 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>2499.99</td>
<td>9</td>
<td>277.78</td>
<td>6.63</td>
<td>1.99</td>
</tr>
<tr>
<td>Within Groups</td>
<td>3768.31</td>
<td>90</td>
<td>41.87</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>6268.30</td>
<td>99</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The above ANOVA table 5.10 shows that the calculated value of F is 6.63, 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 private sector banks.
5.2.6 Return on Assets Ratio:

The table of return on assets ratio is as under:

**Table – 5.11**

<table>
<thead>
<tr>
<th>Year</th>
<th>Federal Bank</th>
<th>HDFC Bank</th>
<th>ICICI Bank</th>
<th>Axis Bank</th>
<th>Indus Ind Bank</th>
<th>ING Vysya Bank</th>
<th>Karur Vysya Bank</th>
<th>Kotak Mahindra Bank</th>
<th>Dhanlaxmi Bank</th>
<th>City Union Bank</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002-03</td>
<td>0.86</td>
<td>1.44</td>
<td>1.13</td>
<td>0.99</td>
<td>-0.02</td>
<td>0.74</td>
<td>2.02</td>
<td>2.09</td>
<td>0.71</td>
<td>1.27</td>
</tr>
<tr>
<td>2003-04</td>
<td>0.90</td>
<td>1.42</td>
<td>1.31</td>
<td>1.12</td>
<td>1.59</td>
<td>0.45</td>
<td>2.27</td>
<td>1.35</td>
<td>0.71</td>
<td>1.79</td>
</tr>
<tr>
<td>2004-05</td>
<td>0.54</td>
<td>1.66</td>
<td>1.20</td>
<td>0.86</td>
<td>1.35</td>
<td>-0.25</td>
<td>1.34</td>
<td>1.30</td>
<td>-0.82</td>
<td>1.33</td>
</tr>
<tr>
<td>2005-06</td>
<td>1.09</td>
<td>1.52</td>
<td>1.01</td>
<td>0.98</td>
<td>0.21</td>
<td>0.05</td>
<td>1.50</td>
<td>1.16</td>
<td>0.33</td>
<td>1.37</td>
</tr>
<tr>
<td>2006-07</td>
<td>1.17</td>
<td>1.52</td>
<td>0.90</td>
<td>0.90</td>
<td>0.33</td>
<td>0.05</td>
<td>1.44</td>
<td>0.71</td>
<td>0.47</td>
<td>1.34</td>
</tr>
<tr>
<td>2007-08</td>
<td>1.13</td>
<td>1.19</td>
<td>1.04</td>
<td>0.98</td>
<td>0.32</td>
<td>0.61</td>
<td>1.43</td>
<td>1.04</td>
<td>0.81</td>
<td>1.38</td>
</tr>
<tr>
<td>2008-09</td>
<td>1.29</td>
<td>1.22</td>
<td>0.99</td>
<td>1.23</td>
<td>0.54</td>
<td>0.59</td>
<td>1.38</td>
<td>0.96</td>
<td>1.02</td>
<td>1.32</td>
</tr>
<tr>
<td>2009-10</td>
<td>1.06</td>
<td>1.33</td>
<td>1.11</td>
<td>1.39</td>
<td>0.99</td>
<td>0.71</td>
<td>1.53</td>
<td>1.50</td>
<td>0.29</td>
<td>1.32</td>
</tr>
<tr>
<td>2010-11</td>
<td>1.14</td>
<td>1.42</td>
<td>1.27</td>
<td>1.40</td>
<td>1.27</td>
<td>0.82</td>
<td>1.47</td>
<td>1.61</td>
<td>0.18</td>
<td>1.47</td>
</tr>
<tr>
<td>2011-12</td>
<td>1.28</td>
<td>1.53</td>
<td>1.32</td>
<td>1.49</td>
<td>1.39</td>
<td>0.97</td>
<td>1.33</td>
<td>1.65</td>
<td>-0.79</td>
<td>1.53</td>
</tr>
<tr>
<td>Average</td>
<td>1.046</td>
<td>1.425</td>
<td>1.128</td>
<td>1.134</td>
<td>0.797</td>
<td>0.474</td>
<td>1.571</td>
<td>1.337</td>
<td>0.291</td>
<td>1.412</td>
</tr>
</tbody>
</table>

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

**Chart 5.6**

**RETURN ON ASSETS RATIO (IN PERCENTAGE) OF PRIVATE SECTOR BANKS**

![Chart showing the return on assets ratio for private sector banks from 2002-03 to 2011-12.](chart_5.6.png)
The table 5.11 clears the position regarding the Return on Assets Ratio in the selected bank of Private Sector Banks.

The return on assets ratio of Federal Bank was fluctuated to 0.86 percent, 0.90 percent, 0.54 percent, 1.09 percent, 1.17 percent, 1.13 percent, 1.29 percent, 1.06 percent, 1.14 percent and 1.28 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 1.046 percent.

The return on assets ratio of HDFC Bank was 1.44 percent in the year 2002-03, which was reduced to 1.42 percent in the year 2003-04, further stepped up to 1.66 percent in the year 2004-05. It was same to 1.52 percent in the year 2005-06 and 2006-07. It was 1.19 percent in the year 2007-08, after that it was continuously increased to 1.22 percent, 1.33 percent, 1.42 percent and 1.53 percent in the year 2008-09, 2009-10, 2010-11 and 2011-12 and the average was 1.425 percent.

The return on assets ratio of ICICI Bank was raised to 1.13 percent and 1.31 percent in the year 2002-03 and 2003-04, which was reduced to 1.20 percent, 1.01 percent and 0.90 percent in the year 2004-05, 2005-06 and 2006-07. It was 1.04 percent in the year 2007-08, after that it was decreased to 0.99 percent in the year 2008-09, again it was increased to 1.11 percent, 1.27 percent and 1.32 percent in the year 2009-10, 2010-11 and 2011-12 and the average was 1.128 percent.

The return on assets ratio of Axis Bank was fluctuated to 0.99 percent, 1.12 percent, 0.86 percent, 0.98 percent, 0.90 percent, 1.04 percent and 0.99 percent in the year 2002-03, 2003-04, 2004-05, 2005-06, 2006-07, 2007-08 and 2008-09. It was continuously increased to 1.11 percent, 1.27 percent and 1.32 percent in the year 2009-10, 2010-11 and 2011-12 and the average was 1.134 percent.

The return on assets ratio of IndusInd Bank was negative to 0.02 percent in the year 2002-03, which was fluctuated to 1.59 percent, 1.35 percent, 0.21 percent, 0.33 percent, 0.32 percent, 0.54 percent, 0.99 percent, 1.27 percent and 1.39 percent in the year 2003-04, 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11 and 2011-12 and the average was 0.797 percent.
The return on assets ratio of ING Vysya Bank was 0.74 percent in the year 2002-03, which was reduced to 0.45 percent in the year 2003-04, after that it was negative to 0.25 percent in the year 2004-05. It was same to 0.05 percent in the year 2005-06 and 2006-07. It was increased to 0.61 percent in the year 2007-08 but it was decreased to 0.59 percent in the year 2008-09, again it was increased to 0.71 percent, 0.82 percent and 0.97 percent in the year 2009-10, 2010-11 and 2011-12 and the average was 0.474 percent.

The return on assets ratio of Karur Vysya Bank was unstable to 2.02 percent, 2.27 percent, 1.34 percent, 1.50 percent, 1.44 percent, 1.43 percent, 1.38 percent, 1.53 percent, 1.47 percent and 1.33 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 1.571 percent.

The return on assets ratio of Kotak Mahindra Bank was 2.09 percent in the year 2002-03, which was reduced to 1.35 percent, 1.30 percent, 1.16 percent and 0.71 percent in the year 2003-04, 2004-05, 2005-06 and 2006-07, after that it was increased to 1.04 percent in the year 2007-08, again it was decreased to 0.96 percent in the year 2008-09. It was continuously increased to 1.50 percent, 1.61 percent and 1.65 percent in the year 2009-10, 2010-11 and 2011-12 and the average was 1.337 percent.

The return on assets ratio of Dhanlaxmi bank was same to 0.71 percent in the year 2002-03 and 2003-04, which was negative to 0.82 percent in the year 2004-05, after that it was continuously increased to 0.33 percent, 0.47 percent, 0.81 percent and 1.02 percent in the year 2005-06, 2006-07, 2007-08 and 2008-09. It was decreased to 0.29 percent and 0.18 percent in the year 2009-10 and 2010-11 and it was negative to 0.79 percent in the year 2011-12 and the average was 0.291 percent.

The return on assets ratio of City Union Bank was fluctuated to 1.27 percent, 1.79 percent, 1.33 percent, 1.37 percent, 1.34 percent, 1.38 percent, 1.32 percent, 1.32 percent, 1.47 percent and 1.53 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 1.412 percent.
F-test (ANOVA):

Testing hypothesis by one way classification.

H₀: There would be no significant difference in average return on assets ratio of selected private sector banks.

H₁: There would be significant difference in average return on assets ratio of selected private sector banks.

Table 5.12
Analysis of Return on Assets Ratio of Private 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>16.09</td>
<td>9</td>
<td>1.79</td>
<td>13.50</td>
<td>1.99</td>
</tr>
<tr>
<td>Within Groups</td>
<td>11.92</td>
<td>90</td>
<td>0.13</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>28.00</td>
<td>99</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The above ANOVA table 5.12 shows that the calculated value of F is 13.50, 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 private sector banks.
5.2.7 Interest Spread Ratio:

The table of interest spread ratio is as under:

**Table – 5.13**

**Interest Spread Ratio (In Percentages) of Private Sector Banks**

<table>
<thead>
<tr>
<th>Year</th>
<th>Federal Bank</th>
<th>HDFC Bank</th>
<th>ICICI Bank</th>
<th>Axis Bank</th>
<th>Indus Ind Bank</th>
<th>ING Vysya Bank</th>
<th>Karur Vysya Bank</th>
<th>Kotak Mahindra Bank</th>
<th>Dhanlaxmi Bank</th>
<th>City Union Bank</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002-03</td>
<td>6.10</td>
<td>5.13</td>
<td>2.77</td>
<td>6.28</td>
<td>5.13</td>
<td>3.87</td>
<td>4.88</td>
<td>-</td>
<td>4.80</td>
<td>4.51</td>
</tr>
<tr>
<td>2003-04</td>
<td>5.84</td>
<td>4.80</td>
<td>3.76</td>
<td>5.66</td>
<td>5.14</td>
<td>4.13</td>
<td>4.16</td>
<td>8.34</td>
<td>5.64</td>
<td>4.88</td>
</tr>
<tr>
<td>2004-05</td>
<td>6.19</td>
<td>5.39</td>
<td>3.56</td>
<td>4.09</td>
<td>5.24</td>
<td>3.98</td>
<td>4.28</td>
<td>4.91</td>
<td>4.64</td>
<td>4.16</td>
</tr>
<tr>
<td>2006-07</td>
<td>5.01</td>
<td>5.47</td>
<td>3.43</td>
<td>3.27</td>
<td>3.64</td>
<td>4.26</td>
<td>4.24</td>
<td>5.38</td>
<td>6.27</td>
<td>4.81</td>
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<tr>
<td>2007-08</td>
<td>4.79</td>
<td>7.08</td>
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<td>3.77</td>
<td>4.12</td>
<td>4.18</td>
<td>4.05</td>
<td>6.01</td>
<td>6.79</td>
<td>4.86</td>
</tr>
<tr>
<td>2008-09</td>
<td>6.31</td>
<td>6.98</td>
<td>3.66</td>
<td>4.24</td>
<td>4.97</td>
<td>5.24</td>
<td>8.34</td>
<td>8.31</td>
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<tr>
<td>2009-10</td>
<td>5.21</td>
<td>5.89</td>
<td>3.66</td>
<td>3.95</td>
<td>6.07</td>
<td>5.01</td>
<td>4.81</td>
<td>8.11</td>
<td>3.26</td>
<td>4.87</td>
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<td>2010-11</td>
<td>5.12</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>6.42</td>
<td>3.99</td>
<td>4.30</td>
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<td>4.03</td>
<td>4.63</td>
</tr>
<tr>
<td>2011-12</td>
<td>5.04</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>5.34</td>
<td>3.97</td>
<td>4.37</td>
<td>-</td>
<td>4.20</td>
<td>4.62</td>
</tr>
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<td>Mean</td>
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<td></td>
<td>4.4837</td>
</tr>
</tbody>
</table>

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

**Chart 5.7**

**INTEREST SPREAD RATIO(IN PERCENTAGE) OF PRIVATE SECTOR BANKS**
The table 5.13 clears the position regarding the Interest Spread ratio in the selected bank of Private Sector Banks.

The interest spread ratio of Federal Bank was fluctuated to 6.10 percent, 5.84 percent, 6.19 percent, 4.84 percent, 5.01 percent, 4.79 percent, 6.31 percent, 5.21 percent, 5.12 percent and 5.04 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 5.445 percent.

The interest spread ratio of HDFC Bank was fluctuate to 5.13 percent, 4.80 percent, 5.39 percent, 5.25 percent in the year 2002-03, 2003-04, 2004-05 and 2005-06. It was increased to 5.47 percent and 7.08 percent in the year 2006-07 and 2007-08, which was down to 6.98 percent and 5.89 percent in the year 2008-09 and 2009-10, after that it was nil in the year 2010-11 and 2011-12 and the average was 4.599 percent.

The interest spread ratio of ICICI Bank was increased to 2.77 percent and 3.76 percent in the year 2002-03 and 2003-04, which was decreased to 3.56 percent and 2.67 percent in the year 2004-05 and 2005-06, after that it was continuously raised to 3.43 percent, 3.51 percent, 3.66 percent and 5.66 percent in the year 2006-07, 2007-08, 2008-09 and 2009-10. It was nil in the year 2010-11 and 2011-12 and the average was 2.902 percent.

The interest spread ratio of Axis Bank was 6.28 percent in the year 2002-03, which continuously decreased to 5.66 percent, 4.09 percent and 3.14 percent in the year 2003-04, 2004-05 and 2005-06, after that it was increased to 3.27 percent, 3.77 percent and 4.24 percent in the year 2006-07, 2007-08 and 2008-09, again it was down to 3.95 percent in the year 2009-10. It was nil during the year 2010-11 and 2011-12 and the average was 3.44 percent.

The interest spread ratio of IndusInd Bank was raised to 5.13 percent, 5.14 percent and 5.24 percent in the year 2002-03, 2003-04 and 2004-05, which was reduced to 4.25 percent, 3.64 percent in the year 2005-06 and 2006-07. It was continuously increased to 4.12 percent, 4.97 percent, 6.07 percent and 6.42 percent in the year 2007-08, 2008-09, 2009-10 and 2010-11, after that it was down to 5.34 percent in the year 2011-12 and the average was 5.032 percent.

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The interest spread ratio of ING Vysya Bank was fluctuated to 3.87 percent, 4.13 percent, 3.98 percent, 4.51 percent, 4.26 percent, 4.18 percent, 5.24 percent, 5.01 percent, 3.99 percent and 3.97 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 4.314 percent.

The interest spread ratio of Karur Vysya Bank was also fluctuated to 4.88 percent, 4.16 percent, 4.28 percent, 4.13 percent, 4.24 percent, 4.05 percent, 8.34 percent, 4.81 percent, 4.30 percent and 4.37 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 and the average was 4.756 percent.

The interest spread ratio of Kotak Mahindra Bank was nil in the year 2002-03. It was 8.34 percent in the year 2003-04, which was down to 4.91 percent and 4.66 percent in the year 2004-05 and 2005-06, after that it was raised to 5.38 percent, 6.01 percent and 8.31 percent in the year 2006-07, 2007-08 and 2008-09. It was reduced to 8.11 percent in the year 2009-10 and it was nil in the year 2010-11 and 2011-12 and the average was 4.572 percent.

The interest spread ratio of Dhanlaxmi Bank was 4.80 percent in the year 2002-03, which was raised to 5.64 percent in the year 2003-04, after that it was reduced to 4.64 percent in the year 2004-05. It was continuously increased to 5.49 percent, 6.27 percent, 6.79 percent in the year 2005-06, 2006-07 and 2007-08, which was reduced to 5.10 percent and 3.26 percent in the year 2008-09 and 2009-10. It was raised to 4.03 percent and 4.20 percent in the year 2010-11 and 2011-12 and the average was 5.022 percent.

The interest spread ratio of City Union Bank was fluctuated to 4.51 percent, 4.88 percent, 4.16 percent, 4.98 percent, 4.81 percent, 4.86 percent, 5.23 percent, 4.87 percent, 4.63 percent and 4.62 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 4.755 percent.
F-test (ANOVA):
Testing hypothesis by one way classification.

H₀: There would be no significant difference in average interest spread ratio of selected private sector banks.

H₁: There would be significant difference in average interest spread ratio of selected private sector banks.

Table 5.14
Analysis of Interest Spread Ratio of Private 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>53.03</td>
<td>9</td>
<td>5.89</td>
<td>1.98</td>
<td>1.99</td>
</tr>
<tr>
<td>Within Groups</td>
<td>266.98</td>
<td>90</td>
<td>2.97</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>320.01</td>
<td>99</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The above ANOVA table 5.14 shows that the calculated value of F is 1.98, which is less than the table value of 1.99 at 5% level of significant. Hence, the null hypothesis stands accepted. It means that there would be no significant difference in average interest spread ratio of selected private sector banks.
### 5.2.8 Return on Long Term Fund Ratio:

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

**Table – 5.15**

**Return on Long Term Fund Ratio (In Percentages) of Private Sector Banks**

<table>
<thead>
<tr>
<th>Year</th>
<th>Federal Bank</th>
<th>HDFC Bank</th>
<th>ICICI Bank</th>
<th>Axis Bank</th>
<th>Indus Ind Bank</th>
<th>ING Vysya Bank</th>
<th>Karur Vysya Bank</th>
<th>Kotak Mahindra Bank</th>
<th>Dhanlaxmi Bank</th>
<th>City Union Bank</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002-03</td>
<td>179.11</td>
<td>78.50</td>
<td>119.87</td>
<td>157.32</td>
<td>110.72</td>
<td>139.86</td>
<td>93.09</td>
<td>28.27</td>
<td>132.94</td>
<td>133.66</td>
</tr>
<tr>
<td>2003-04</td>
<td>153.09</td>
<td>71.74</td>
<td>106.69</td>
<td>129.51</td>
<td>126.60</td>
<td>120.10</td>
<td>77.01</td>
<td>39.25</td>
<td>112.62</td>
<td>126.65</td>
</tr>
<tr>
<td>2004-05</td>
<td>112.39</td>
<td>50.77</td>
<td>70.54</td>
<td>70.55</td>
<td>118.87</td>
<td>94.51</td>
<td>7.43</td>
<td>41.30</td>
<td>85.16</td>
<td>96.84</td>
</tr>
<tr>
<td>2005-06</td>
<td>89.71</td>
<td>60.06</td>
<td>56.24</td>
<td>88.56</td>
<td>108.15</td>
<td>83.65</td>
<td>63.05</td>
<td>59.26</td>
<td>105.99</td>
<td>89.47</td>
</tr>
<tr>
<td>2006-07</td>
<td>99.01</td>
<td>74.91</td>
<td>82.46</td>
<td>119.74</td>
<td>129.05</td>
<td>98.93</td>
<td>70.10</td>
<td>54.27</td>
<td>120.16</td>
<td>86.79</td>
</tr>
<tr>
<td>2007-08</td>
<td>55.12</td>
<td>62.34</td>
<td>62.34</td>
<td>17.17</td>
<td>152.76</td>
<td>100.14</td>
<td>90.21</td>
<td>47.47</td>
<td>146.42</td>
<td>94.48</td>
</tr>
<tr>
<td>2008-09</td>
<td>65.47</td>
<td>83.31</td>
<td>56.72</td>
<td>97.35</td>
<td>147.69</td>
<td>118.28</td>
<td>101.19</td>
<td>50.50</td>
<td>86.38</td>
<td>113.00</td>
</tr>
<tr>
<td>2009-10</td>
<td>65.91</td>
<td>56.08</td>
<td>44.72</td>
<td>66.34</td>
<td>110.36</td>
<td>79.93</td>
<td>99.90</td>
<td>48.71</td>
<td>95.83</td>
<td>105.47</td>
</tr>
<tr>
<td>2010-11</td>
<td>62.87</td>
<td>59.91</td>
<td>43.05</td>
<td>72.25</td>
<td>81.10</td>
<td>85.63</td>
<td>95.12</td>
<td>48.25</td>
<td>80.56</td>
<td>107.30</td>
</tr>
<tr>
<td>2011-12</td>
<td>82.22</td>
<td>75.20</td>
<td>52.33</td>
<td>88.84</td>
<td>107.43</td>
<td>85.21</td>
<td>110.47</td>
<td>66.29</td>
<td>141.36</td>
<td>123.89</td>
</tr>
<tr>
<td>Average</td>
<td>96.49</td>
<td>67.282</td>
<td>69.496</td>
<td>90.763</td>
<td>119.273</td>
<td>100.624</td>
<td>80.757</td>
<td>48.357</td>
<td>110.742</td>
<td>107.755</td>
</tr>
<tr>
<td>Mean</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>4.4837</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

[Source: www.moneycontrol.com/financials/selectedbanks/ratios]

**Chart 5.8**

**RETURN ON LONG TERM FUND RATIO (IN PERCENTAGE) OF PRIVATE SECTOR BANKS**

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The table 5.15 clears the position regarding the Return on Long Term Fund Ratio in the selected bank of Private Sector Banks.

The return on long term fund ratio of Federal Bank was 179.11 percent in the year 2002-03, which was reduced to 153.09 percent, 112.39 percent and 89.71 percent in the year 2003-04, 2004-05 and 2005-06, after that it was increased to 99.01 percent in the year 2006-07, again it was down to 55.12 percent in the year 2007-08. It was raised to 65.47 percent and 65.91 percent in the year 2008-09 and 2009-10. It was decreased to 62.87 percent in the year 2010-11 and increased to 82.22 percent in the year 2011-12 and the average was 96.49 percent.

The return on long term fund ratio of HDFC Bank was 78.50 percent in the year 2002-03, which was down to 71.74 percent and 50.77 percent in the year 2003-04 and 2004-05, after that it was raised to 60.06 percent and 74.91 percent in the year 2005-06 and 2006-07. It was fluctuated to 62.34 percent, 83.31 percent, 56.08 percent, 59.91 percent and 75.20 percent in the year 2007-08, 2008-09, 2009-10, 2010-11 and 2011-12 and the average was 67.282 percent.

The return on long term fund ratio of ICICI Bank was 119.87 percent in the year 2002-03, which was decreased to 106.69 percent, 70.54 percent and 56.24 percent in the year 2003-04, 2004-05 and 2005-06, further stepped up to 82.46 percent in the year 2006-07, again it was decreased to 62.34 percent, 56.72 percent and 44.72 percent in the year 2007-08, 2008-09 and 2009-10 and it was down to 43.05 percent in the year 2010-11. It was raised to 52.33 percent in the year 2011-12 and the average was 69.496 percent.

The return on long term fund ratio of Axis Bank was unstable to 157.32 percent, 129.51 percent, 70.55 percent, 88.56 percent, 119.74 percent, 17.17 percent, 97.35 percent, 66.34 percent, 72.25 percent and 88.84 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 90.763 percent.

The return on long term fund ratio of IndusInd Bank was raised to 110.72 percent and 126.60 percent in the year 2002-03 and 2003-04, which was reduced to 118.87 percent and 108.15 percent in the year 2004-05 and 2005-06, again it
was raised to 129.05 percent and 152.76 percent in the year 2006-07 and 2007-08, after that it was reduced to 147.69 percent, 110.36 percent and 81.10 percent in the year 2008-09, 2009-10 and 2010-11 and it was raised to 107.43 percent in the year 2011-12 respectively and the average was 119.273 percent.

The return on long term fund ratio of ING Vysya Bank was 139.86 percent in the year 2002-03, which was down to 120.10 percent, 94.51 percent and 83.65 percent in the year 2003-04, 2004-05 and 2005-06, after that it was raised to 98.93 percent, 100.14 percent and 118.28 percent in the year 2006-07, 2007-08 and 2008-09, again it was reduced to 79.93 percent in the year 2009-10. It was stepped up to 85.62 percent in the year 2010-11 and decreased to 85.21 percent in the year 2011-12 and the average was 100.624 percent.

The return on long term fund ratio of Karur Vysya Bank was 93.09 percent in the year 2003-03, which was reduced to 77.01 percent and 7.43 percent in the year 2003-04 and 2004-05, after that it was 63.05 percent, 70.10 percent, 90.21 percent and 101.19 percent in the year 2005-06, 2006-07, 2007-08 and 2008-09, again it was reduced to 99.90 percent and 95.12 percent in the year 2009-10 and 2010-11 then it was increased to 110.47 percent in the year 2011-12 and the average was 80.757 percent.

The return on long term fund ratio of Kotak Mahindra bank was continuously increased to 28.27 percent, 39.25 percent, 41.30 percent and 59.26 percent in the year 2002-03, 2003-04, 2004-05 and 2005-06, which was decreased to 54.27 percent and 47.47 percent in the year 2006-07 and 2007-08. It was raised to 50.50 percent in the 2008-09, after that it was down to 48.71 percent and 48.25 percent in the year 2009-10 and 2010-11 again it was raised to 66.29 percent in the year 2011-12 and the average was 48.357 percent.

The return on long term fund ratio of Dhanlaxmi Bank was 132.94 percent in the year 2002-03, which was reduced to 112.62 percent and 85.16 percent in the year 2003-04, after that it was raised to 105.99 percent, 120.16 percent and 146.42 percent during the year 2005-06, 2006-07 and 2007-08. It was fluctuated to 86.38 percent, 95.83 percent, 80.56 percent and 141.36 percent in the year 2008-09, 2009-10, 2010-11 and 2011-12 respectively and the average was 110.742 percent.
The return on long term fund ratio of City Union Bank was continuously decreased to 133.66 percent, 126.65 percent, 96.84 percent, 89.47 percent and 86.79 percent in the year 2001-03, 2003-04, 2004-05, 2005-06 and 2006-07, after that it was increased to 94.48 percent and 113.00 percent in the year 2007-08, 2008-09 again it was down to 105.47 percent in the year 2009-10. It was raised to 107.30 percent 123.89 percent in the year 2010-11 and 2011-12 and the average was 107.755 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 private sector banks.

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

Table 5.16

Analysis of Return on Long Term Fund Ratio of Private 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>45068.86</td>
<td>9</td>
<td>5007.65</td>
<td>7.52</td>
<td>1.99</td>
</tr>
<tr>
<td>Within Groups</td>
<td>59946.16</td>
<td>90</td>
<td>666.07</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>105015</td>
<td>99</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The above ANOVA table 5.16 shows that the calculated value of F is 7.52, 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 private sector banks.
5.2.10 Return on Capital Employed:

The table of return on capital employed is as under:

Table – 5.17

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Federal Bank</th>
<th>HDFC Bank</th>
<th>ICICI Bank</th>
<th>Axis Bank</th>
<th>Indus Ind Bank</th>
<th>ING Vysya Bank</th>
<th>Karur Vysya Bank</th>
<th>Kotak Mahindra Bank</th>
<th>Dhanlaxmi Bank</th>
<th>City Union Bank</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002-03</td>
<td>-0.20</td>
<td>1.14</td>
<td>-1.56</td>
<td>-0.22</td>
<td>-1.46</td>
<td>-1.44</td>
<td>0.91</td>
<td>0.43</td>
<td>-1.94</td>
<td>0.14</td>
</tr>
<tr>
<td>2003-04</td>
<td>-0.31</td>
<td>1.32</td>
<td>-0.50</td>
<td>-0.16</td>
<td>-0.17</td>
<td>-0.92</td>
<td>2.06</td>
<td>0.75</td>
<td>-1.08</td>
<td>0.56</td>
</tr>
<tr>
<td>2004-05</td>
<td>0.50</td>
<td>1.43</td>
<td>0.17</td>
<td>0.67</td>
<td>1.51</td>
<td>-0.26</td>
<td>1.21</td>
<td>0.14</td>
<td>-0.03</td>
<td>0.86</td>
</tr>
<tr>
<td>2005-06</td>
<td>0.78</td>
<td>0.84</td>
<td>-0.20</td>
<td>0.54</td>
<td>0.19</td>
<td>-0.35</td>
<td>1.04</td>
<td>-0.16</td>
<td>0.11</td>
<td>0.93</td>
</tr>
<tr>
<td>2006-07</td>
<td>1.09</td>
<td>1.73</td>
<td>-0.54</td>
<td>0.43</td>
<td>-0.49</td>
<td>0.02</td>
<td>1.40</td>
<td>-0.04</td>
<td>0.30</td>
<td>1.34</td>
</tr>
<tr>
<td>2007-08</td>
<td>0.77</td>
<td>1.34</td>
<td>-0.83</td>
<td>0.28</td>
<td>-0.38</td>
<td>-0.46</td>
<td>1.20</td>
<td>1.10</td>
<td>0.49</td>
<td>2.62</td>
</tr>
<tr>
<td>2008-09</td>
<td>1.18</td>
<td>0.31</td>
<td>-0.52</td>
<td>0.21</td>
<td>-0.66</td>
<td>-0.66</td>
<td>1.02</td>
<td>1.00</td>
<td>0.26</td>
<td>0.96</td>
</tr>
<tr>
<td>2009-10</td>
<td>0.88</td>
<td>0.53</td>
<td>-0.43</td>
<td>0.10</td>
<td>0.19</td>
<td>-0.52</td>
<td>1.04</td>
<td>1.45</td>
<td>-0.57</td>
<td>0.67</td>
</tr>
<tr>
<td>2010-11</td>
<td>0.95</td>
<td>3.74</td>
<td>0.74</td>
<td>0.88</td>
<td>0.61</td>
<td>-0.35</td>
<td>1.52</td>
<td>1.34</td>
<td>-0.50</td>
<td>1.51</td>
</tr>
<tr>
<td>2011-12</td>
<td>1.37</td>
<td>1.41</td>
<td>0.64</td>
<td>0.85</td>
<td>0.53</td>
<td>0.15</td>
<td>1.07</td>
<td>1.26</td>
<td>-1.55</td>
<td>0.94</td>
</tr>
<tr>
<td>Average</td>
<td>0.701</td>
<td>1.379</td>
<td>-0.303</td>
<td>0.358</td>
<td>-0.013</td>
<td>-0.479</td>
<td>1.227</td>
<td>0.727</td>
<td>-0.451</td>
<td>1.053</td>
</tr>
<tr>
<td>Mean</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.4199</td>
</tr>
</tbody>
</table>

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

Chart 5.9

RETURN ON CAPITAL EMPLOYED (IN PERCENTAGE) OF PRIVATE SECTOR BANKS
The table 5.17 clears the position regarding the Return on Capital Employed in the selected bank of Private Sector Banks.

The return on capital employed of Federal bank was negative to 0.20 percent and 0.31 percent in the year 2002-03 and 2003-04, which was raised to 0.50 percent, 0.78 percent and 1.09 percent in the year 2004-05, 2005-06 and 2006-07, further it was stepped down to 0.77 percent in year 2007-08. It was raised to 1.18 percent in the year 2008-09 then it was decreased to 0.88 percent in the year 2009-10, after that it was slightly increased to 0.95 percent in the year 2010-11 and then increased to 1.37 percent in the year 2011-12 and the average was 0.701 percent.

The return on capital employed of HDFC Bank was fluctuated to 1.14 percent, 1.32 percent, 1.43 percent, 0.84 percent, 1.73 percent, 1.34 percent, 0.31 percent, 0.53 percent, 3.74 percent and 1.41 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 1.379 percent.

The return on capital employed of ICICI Bank was negative to 1.56 percent, 0.50 percent, 0.20 percent, 0.54 percent, 0.83 percent, 0.52 percent and 0.43 percent in the year 2002-03, 2003-04, 2005-06, 2006-07, 2007-08, 2008-09 and 2009-10. It was 0.17 percent, 0.74 percent and 0.64 percent in the year 2004-05, 2010-11 and 2011-12 and the average was -0.303 percent.

The return on capital employed of Axis Bank was negative to 0.22 percent and 0.16 percent in the year 2002-03 and 2003-04. It was raised to 0.67 percent in the year 2004-05, which was reduced to 0.54 percent, 0.43 percent, 0.28 percent, 0.21 percent and 0.10 percent in the year 2005-06, 2006-07, 2007-08, 2008-09 and 2009-10, after that it was raised to 0.88 percent in the 2010-11, again it was decreased to 0.85 percent in the year 2011-12 and the average was 0.358 percent.

The return on capital employed of IndusInd Bank was negative to 1.46 percent, 0.17 percent, 0.49 percent, 0.38 percent and 0.66 percent in the year 2002-03, 2003-04, 2006-07, 2007-08 and 2008-09. It was same to 0.19 percent in the year 2005-06 and 2009-10. It was 1.51 percent, 0.61 and 0.53 percent in the year 2004-05, 2010-11 and 2011-12 and the average was -0.013 percent.
The return on capital employed of ING Vysya Bank was negative to 1.44 percent, 0.92 percent, 0.26 percent, 0.35 percent, 0.46 percent, 0.66 percent, 0.52 percent and 0.35 percent during the year 2002-03, 2003-04, 2004-05, 2005-06, 2007-08, 2008-09, 2009-10 and 2010-11. It was 0.02 percent and 0.15 percent in the year 2006-07 and 2011-12 and the average was -0.479 percent.

The return on capital employed of Karur Vysya Bank was fluctuated to 0.91 percent, 2.06 percent, 1.21 percent, 1.04 percent, 1.40 percent, 1.20 percent, 1.02 percent, 1.04 percent, 1.32 percent and 1.07 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 1.227 percent.

The return on capital employed of Kotak Mahindra bank was raised to 0.43 percent and 0.75 percent in the year 2002-03, 2003-04, which was reduced to 0.14 percent in the year 2004-05 after that it was negative to 0.16 percent and 0.04 percent in the year 2005-06 and 2006-07. It was increased to 1.10 percent in the year 2007-08 then after it was slightly stepped down to 1.00 percent in the year 2008-09. It was raised to 1.45 percent in the year 2009-10, after that it was decreased to 1.34 percent and 1.26 percent in the year 2010-11, 20011-12 and the average was 0.727 percent.

The return on capital employed of Dhanlaxmi Bank was negative to 1.94 percent, 1.08 percent, 0.03 percent, 0.57 percent, 0.50 percent and 1.55 percent in the year 2002-03, 2003-04, 2004-05, 2009-10, 20010-11 and 2011-12. It was 0.11 percent, 0.30 percent, 0.49 percent and 0.26 percent in the year 2005-06, 2006-07, 2007-08 and 2008-09 and the average was -0.451 percent.

The return on capital employed of City Union Bank was continuously increased to 0.14 percent, 0.56 percent, 0.86 percent, 0.93 percent, 1.34 percent and 2.62 percent in the year 2002-03, 2003-04, 2004-05, 2005-06, 2006-07 and 2007-08, which was reduced to 0.96 percent and 0.67 percent in the year 2008-09 and 2009-10, after that it was raised to 1.51 percent in the year 2010-11 and then it was reduced to 0.94 percent in the year 2011-12 and the average was 1.053 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 private sector banks.

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

Table 5.18
Analysis of Return on Capital Employed of Private 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>MeanSquare (MS)</th>
<th>F-Ratio</th>
<th>5% F-Limit (From the F-Table)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between Groups</td>
<td>44.26</td>
<td>9</td>
<td>4.92</td>
<td>11.45</td>
<td>1.99</td>
</tr>
<tr>
<td>Within Groups</td>
<td>38.67</td>
<td>90</td>
<td>0.43</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>82.92</td>
<td>99</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The above ANOVA table 5.18 shows that the calculated value of F is 11.45, 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 private sector banks.
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