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Chapter - II

Profile of Selected Public and Private Banks in Karnataka - An Analysis

2.1 History of Banking in India

There are three different phases in the history of banking in India.

1. Pre-Nationalization Era.
2. Nationalization Stage.

2.2 Pre-Nationalization Era

In India the business of banking and credit was practiced even in early times. The remittance of money through Hundies, an indigenous credit instrument, was very popular. The hundies were issued by bankers known as Shroffs, Sahukars, Shahus or Mahajans in different parts of the country. The modern type of banking, however, was developed by the Agency Houses of Calcutta and Bombay after the establishment of Rule by the East India Company in 18* and 19* centuries. During the early part of the 19* Century, the volume of foreign trade was relatively small. Later on as the trade expanded, the need for banks of the European type was felt and the government of the East India Company took interest in having its own bank. The government of Bengal took the initiative and the first presidency bank, the Bank of Calcutta (Bank of Bengal) was established in 1820. In 1840, the Bank of Bombay and in 1843, the Bank of Madras was also set up. These three banks were also known as “Presidency Bank”. The Presidency Banks had their branches in important trading centres but mostly lacked in uniformity in their operational policies. In 1899, the
Government proposed to amalgamate these three banks into one so that it could also function as a Central Bank, but the Presidency Banks did not favour the idea. However, the conditions during world war period (1914-1918)* emphasized the need for a unified banking institution, as a result of which the Imperial Bank was set up in 1921. The Imperial Bank of India acted like a Central bank and as a banker for other banks.

The Reserve Bank of India (RBI) was established in 1935 as the Central Bank of the Country. In 1949, the Banking Regulation act was passed and the RBI was nationalized and acquired extensive regulatory powers over the commercial banks. In 1950, the Indian Banking system comprised of the RBI, the Imperial Bank of India, Cooperative banks, Exchange banks and Indian Joint Stock banks.

2.3 Nationalization Stages

After Independence, All India Rural Credit survey, committee under the Direction of Shri. A. D. Gorwala as Chairman recommended amalgamation of the Imperial Bank of India and ten other banks into a newly established bank called the State Bank of India (SBI). The Government of India accepted the recommendations of the committee and introduced the State Bank of India bill in the Lok Sabha on 16th April 1955 and it was passed by Parliament and got the president’s assent on 8th May 1955. The Act came into force on 1st July 1955, and the Imperial Bank of India was nationalized in 1955 as the State Bank of India." In 1959, the SBI (Subsidiary Bank) act was proposed and the following eight state-associated banks were taken over by the SBI as its subsidiaries.

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69 The lok sabha secretariat (conduct) rules, 1955
<table>
<thead>
<tr>
<th>Name of the Bank</th>
<th>Subsidiary with effect from</th>
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<tr>
<td>1. State Bank of Hyderabad</td>
<td>1st October 1959</td>
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<tr>
<td>2. State Bank of Bikaner</td>
<td>1st January 1960</td>
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<tr>
<td>4. State Bank of Saurashtra</td>
<td>1st May 1960</td>
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<td>5. State Bank of Patiala</td>
<td>1st April 1960</td>
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<td>7. State Bank of Indore</td>
<td>1st January 1968</td>
</tr>
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<td>8 State Bank of Travancore</td>
<td>1st January 1960</td>
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Thus, seven subsidiary banks formed the State Bank of India. The SBI Group under statutory obligations was required to open new offices in rural and semi-urban areas and modern banking was taken to this unbanked remote areas. In 1969, the Lead Bank Scheme was introduced to extend banking facilities to every corner of the country. Later in 1975, Regional Rural Banks were set up to supplement the activities of the commercial banks and to especially meet the credit needs of the weaker sections of the rural society. Nationalization of banks paved way for retail banking and as a result there has been an all-round growth in the branch network, the deposit mobilization, credit disposals and of course employment. The first year after nationalization witnessed the total growth in the agricultural loans and the loans made to SSI by 87% and 48% respectively.

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The overall growth in the deposits and the advances indicates the improvement that has taken place in the banking habits of the people in the rural and semi-urban areas where the branch network has spread. Such credit expansion enabled the banks to achieve the goals of nationalization, it was however, achieved at the cost of profitability of the banks.

2.4 Post-Liberalization Era

By the beginning of 1990, the social banking goals set for the banking industry made most of the public sector resulted in the presumption that there was no need to look at the fundamental financial strength of this bank. Consequently they remained undercapitalized. Revamping this structure of the banking industry was of extreme importance, as the health of the financial sector in particular and the economy was a whole would be reflected by its performance.

The need for restructuring the banking industry was felt greater with the initiation of the real sector reform process in 1992.

The reforms have enhanced the opportunities and challenges for the real sector making them operate in a borderless global market place. However, to harness the benefits of globalization, there should be an efficient financial sector to support the structural reforms taking place in the real economy. Hence, along with the reforms of the real sector, the banking sector reformation was also addressed. The root causes for the lacklustre performance of banks, formed the elements of the banking sector reforms. Some of the factors that led to the dismal performance of banks were.

✓ Regulated interest rate structure.
✓ Lack of focus on profitability.
Lack of transparency in the bank's balance sheet.

- Lack of competition.

- Excessive regulation on organization structure and managerial resource.

- Excessive support from government.

In this context, the recommendations made by a high level committee on financial sector, chaired by M. Narasimham\textsuperscript{71}, laid the foundation for the banking sector reforms. These reforms tried to enhance the viability and efficiency of the banking sector. The Narasimham Committee suggested that there should be functional autonomy, flexibility in operations, dilution of banking strangulations, reduction in reserve requirements and adequate financial infrastructure in terms of supervision, audit and technology. The committee further advocated introduction of prudential forms, transparency in operations and improvement in productivity, only aimed at liberalizing the regulatory framework, but also to keep them in time with international standards.

\subsection*{2.5 Entry of Private Sector Banks}

Private banking in India was practiced since the beginning of banking system in India. The first private bank in India to be set up in Private Sector Banks in India was IndusInd Bank. IDBI ranks the tenth largest development bank in the world as Private Banks in India and has promoted a world class institution in India. The first Private Bank in India to receive an in principle approval from the Reserve Bank of India was Housing Development Finance Corporation Limited (HDFC), to set up a bank in the private sector

\textsuperscript{71}Nithi Bhasin(2007) Banking Developments in India 1947-2007, Growth, Reforms and Outlook, new century publications, new Delhi, pg 1-18.
banks in India as part of the RBI's liberalization of the Indian Banking Industry. It was incorporated in August 1994 as HDFC Bank Limited with registered office in Mumbai and commenced operations as Scheduled Commercial Bank in January 1995. ING Vaysya, yet another Private Bank of India was incorporated in the year 1930. Bangalore has a pride of place for having the first branch inception in the year 1934. With successive years of patronage and constantly setting new standards in banking, ING Vaysya Bank has many credits to its account. There has been a paradigm shift in mindsets both at the Government level in the banking industry over the years since Nationalization of Banks in 1969, particularly during the last decade (1990-2000).

The RBI prescribed a minimum paid up capital of Rs. 100 crores for the new bank and the shares are to be listed at stock exchange. Also the new bank after being granted license under the Banking Regulation Act shall be registered as a public limited company under the companies Act, 1956. Subsequently 9 new commercial banks were been granted license to start banking operations. The new private sector banks have been very aggressive in business expansion and is also reporting higher profile levels taking the advantage of technology and skilled manpower. In certain areas, these banks have even our crossed the other group of banks including foreign banks.\(^{72}\)

### 2.6 Banking in Karnataka

The fervor of Swadeshi movement lead to establishing of many private banks in Dakshina Kannada and Udupi district which were unified earlier and known by the name South Canara (South Kanara) district.

\(^{72}\)B.S Khubchandani (2000) practice and law of banking, Macmillan India ltd, pg 1-17.
Four nationalized banks started in this district and also a leading private sector bank. Hence undivided Dakshina Kannada district is known as "Cradle of Indian Banking". This is because seven of the country's leading banks, Canara Bank, Syndicate Bank, Corporation Bank, Vijaya Bank, Karnataka Bank, Vysya bank and the State Bank of Mysore originated from this state. The first five in the above list of banks were established in the districts of Udupi and Dakshina Kannada. These districts have one among the best distribution of banks in India - a branch for every 500 persons. Between 1880 and 1935, 22 banks were established in coastal Karnataka, nine of them in the city of Mangalore.

The origin of banking in Karnataka's coastal region can be traced to the year 1868 when the Presidency Bank of Madras opened a branch to cater to the needs of British companies involved in exporting plantation produce. In the year 1912, the Indian Cooperative Societies Act in 1912 further energized the financial sector in this region leading to the establishment of a lot of co-operative societies. The freedom movement of India also played a crucial role as can be seen in the establishment of Karnataka Bank which was created as an offshoot of the Swadeshi movement of 1905. These banks were earlier created to address the main sector in the economy i.e. agriculture but later they diversified to address other economic sectors as well. The Indian Government's notification of nationalization of banks in the year 1969 and 1980 resulted in lot of these banks being nationalized with the Indian Government now owning some amount of control over these banks.

As of today, State Bank of Mysore, Canara Bank, Vijaya Bank and Vysya Bank has their headquarters in Bangalore, Corporation Bank and Karnataka Bank is headquartered in Mangalore while Syndicate Bank is headquartered in Manipal. The entry of the private sector into the banking sector with aggressive marketing has led these banks to rethink some of their strategies. Earlier, banking was the main activity that was undertaken by these banks but due to the competition, they have been forced to diversify into other areas like insurance, equity and mutual funds. They have also been forced to upgrade their technology and introduce services like ATMs and online-banking transactions.

2.7 A Brief History of the Selected Public Banks

2.7.1 Canara Bank

In the early part of the century, there was only a branch of Madras Bank, a British bank in Mangalore, considered as a rich man’s bank, charging exorbitant interest rate and employing only British officers, only the clerks and peons were Indians.

Pai saw it as a total disgrace and wanted to start a bank if only to make Indians occupation to position that’s how Canara Bank took birth to his genius though he did not live long to see the meteoric rise of Canara Bank in to veritable financial behemoth.

2.7.2 Corporation Bank

Corporation Bank is an India-based banking company based in Mangalore, India. The bank was founded with an initial capital of Rs. 5000 (USD 100), and first day’s canvassed resources of less than one USD 1, has currently (31 March 2004) 12,724 full time employees, and operates from several branches in India. The Bank is a Public Sector Unit with 57.17% of Share Capital held by the Government of India. The Bank came out
with its Initial Public Offer (IPO) in October 1997 and 37.87% of Share Capital is presently held by the Public and Financial Institutions. The Bank’s Net Worth stood at Rs.3, 054.92Crores as on 31 March 2005. The bank has the distinction of the first Indian bank to publish its financial results (1998-99) conforming to US GAAP.

2.7.3 State Bank of India (SBI)

The evolution of State Bank of India can be traced back to the first decade of the 19th century. It began with the establishment of the Bank of Calcutta in Calcutta. The bank was redesigned as the Bank of Bengal. It was the first ever joint-stock bank of the British India, established under the sponsorship of the Government of Bengal. An important turning point in the history of State Bank of India is the launch of the first Five Year Plan of independent India, in 1951. The Plan aimed at serving the Indian economy in general and the rural sector of the country, in particular. Moreover, they were not equipped to respond to the growing needs of the economic revival taking shape in the rural areas of the country. Therefore, in order to serve the economy as a whole and rural sector in particular, the All India Rural Credit Survey Committee recommended the formation of a state-partnered and state-sponsored bank. Subsequently, an Act was passed in the Parliament of India in May 1955. As a result, the State Bank of India (SBI) was established on 1 July 1955. This resulted in making the State Bank of India more powerful, because as much as a quarter of the resources of the Indian banking system were controlled directly by the State.

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77 En.wikipedia.org/wiki/Banking-in-Karnataka
75 Business Standard (21-June-2010)
2.7.4 State Bank of Mysore

State bank of Mysore (SBM) was established in the year 1913 under the name Bank of Mysore Ltd. In the year 1960, this bank was made an associate bank of the State bank of India which holds 92.33% of shares of SBM. As of Mar-2007, SBM has 644 branches and provides employment to 9604 employees.

2.7.5 Allahabad Bank

Allahabad Bank is one of the premier nationalized banks in India. It is also the oldest joint stock bank of India. It was incorporated by a group of Europeans at Allahabad on April 24, 1865. It was the time Indian economy had started shifting towards organized trade and business affairs. After some years in 1920, the P&O Bank brought Allahabad Bank and its headquarters at Kolkata. The Allahabad bank got an entirely new identity when it was nationalized in 1969 along with 13 other banks in India.

2.7.6 Baroda Bank

Bank of Baroda was founded by Maharaja Sayajirao Gaekwad II of Baroda on July 20, 1908. Since its inception the bank has traversed an eventful and successful journey of almost 100 years. Today bank of Baroda has a network of 2337 branches including 39 overseas branches spread over 20 countries. In 1953 overseas branch was opened in Mombasa Kenya. In 1957 it opened its first European branch in London. Currently the bank has 63 branches spread across 17 countries. Prior to independence from the British Rule, the ancient India was ruled by princely states, scattered over the width and breadth of the large Indian nation. The Maharajas of the inner States of colonial India contributed to

http://en.wikipedia.org/wiki/Allahabad-bank
the welfare of their respective regions as well as the Indian nation as a whole. Their
vision and foresight in founding various financial, charitable, social and philanthropic
organizations during their time is still cherished by any one going into the history of
modern India and its achievements in every walk of life.

2.7.7 Syndicate Bank

Is one of the oldest and major commercial banks in India? At the time of its
establishment, the bank was known as Canara Industrial and Banking Syndicate Limited.
The bank, along with 13 major commercial banks of India, was nationalized on 19 July
1969, by the Government of India. The business started with a capital of Rs. 8000. The
first branch of the bank started its operations in the year 1928 at Brahmavar in Dakshina
Kannada District. By 1937, it had secured its membership as a clearing house at Mumbai.
The primary objective of the business was to extend the financial assistance to local
weavers. Initially, the bank collected as low as two annals from the door steps of the
depositors daily through its agents. This type of system wherein the agents of the bank
comes doorsteps to collect deposit is still prevailing in India and is referred to as the pigmy
Deposit Scheme.

2.7.8 UCO Bank

Uco Bank, formerly United Commercial Bank, established in 1943 in Kolkata, is
one of the oldest and major commercial bank of India. Ghanshvam Das Birla, an eminent
Indian industrialist, during the Quit India Movement 1942, had conceived the idea of

house, New Delhi Pp 126.
78http://www. Syndicatebank.in
organizing a commercial bank with Indian capital and management and the United Commercial Bank Limited was incorporated to give shape to that idea. The bank, along with 13 other major commercial banks of India, was nationalized on 19 July 1969.

2.7.9 IDBI Bank

The Industrial Development Bank of India Limited (IDBI) is one of India's leading public sector banks and 4th largest Bank in overall ratings. RBI categorized IDBI as an "other public sector bank". It was established in 1964 by an Act of Parliament to provide credit and other facilities for the development of the fledgling Indian industry. It is currently 10th largest development bank in the world in terms of reach.

2.7.10 Union Bank of India

Union Bank of India (UBI) is one of India's largest state-owned banks (the government owns 55.43% of its share capital), is listed on the Forbes 2000. It has assets of USD 13.45 billion and all the bank's branches have been networked with its 1135 ATMs. Its online Tele-banking facility is available to all its Core Banking Customers - individual as well as corporate. It has representative offices in Abu Dhabi, United Arab Emirates, and Shanghai, Peoples Republic of China, and a branch in Hong Kong.

2.7.11 Indian Overseas Bank

Indian Overseas Bank (IOB) is a major bank based in Chennai, with 2018 domestic branches and six branches overseas. Indian Overseas Bank has an ISO certified in-house Information Technology department, which has developed the software that 2018 branches
use to provide online banking to customers; the bank has achieved 100% networking status as well as 100% CBS status of branches with a total number of 2018 CBS branches and Extension Counters.

2.7.12 Vijaya Bank

Vijaya Bank a medium sized bank with presence across India was founded on October 23, 1931 by A.B Shetty and other enterprising farmers in Mangalore, Karnataka in India. The objective of the founders was essentially to promote banking habits, thrift and entrepreneurship among the farming community of Dakshina Kannada district in Karnataka State. The bank became a Scheduled bank in 1958. Vijaya Bank steadily grew into a large All India bank, with nine smaller banks merging with it from 1963-68.

2.7.13 Central Bank of India

Central Bank of India, a government-owned bank, is one of the oldest and largest commercial banks in India based in Mumbai. The bank currently has 3,563 branches and 270 extension counters across 27 Indian states. To improve the Bank's capital adequacy ratio and enable it to support the credit requirements of the productive sectors of the economy, the Centre has recently decided to infuse Rs 1,400 crore in the Bank.

2.7.14 Dena Bank

Dena Bank was founded 26 May 1938 is one of the earliest banks in India headquarteried in Mumbai. Dena Bank was founded by the family of Devkaran Nanjee under the name Devkaran Nanjee Banking Company Ltd. It found its new name, Dena Bank Ltd. when it was incorporated as a Public Company in Dec 1939. Dena Bank was
nationalized (and therefore dropped the 'Ltd.' from its name) in 1969 along with 13 other banks in India. It is one of the earliest Banks in India. Dena bank introduced core banking on March 2007 at its Mahim branch in Mumbai.

2.7.15 Bank of India

Bank of India was founded on September 7, 1906 by a group of eminent businessmen from Mumbai. In July 1969 Bank of India was nationalized along with 13 other banks. Beginning with a paid-up capital of Rs.50 lakh and 50 employees, the Bank has made a rapid growth over the years. It has evolved into a mighty institution with a strong national presence and sizable international operations. In business volume, Bank of India occupies a premier position among the nationalized banks. Presently, Bank of India has 2609 branches in India spread over all states/union territories including 93 specialized branches. These branches are controlled through 48 Zonal Offices. The Bank has been the first among the nationalized banks to establish a fully computerized branch and ATM facility at the Mahalaxmi Branch at Mumbai way back in 1989.

2.8 Brief History of the Private Banks in Karnataka

2.8.1 Vysya Bank

Vysya Bank was established in 1930, in Bangalore (now Bengaluru) with the aim of offering banking services to those who were currently not privileged enough to do so. In 1948 Vysya Bank became a scheduled bank. On 7 October 2002 ING Group took over the

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80Dena Bank of India on achieving better results: The Hindu (Chennai, India). 2007
Management of the Bank. ING Vysya Bank currently has about 470 branches spread all over India.

2.8.2 Karnataka Bank

The Bank was incorporated on February 18, 1924 as The Karnataka Bank Ltd at Mangalore in Karnataka state to cater to the banking needs of the South Kanara Region. The Bank was promoted by Late Shri B.R. Vysarayachar and other leading members of the South Kanara Region. Under the guidance of Shri K.S.N. Adiga, the second Chairman of the Bank who held the post for a period of 21 years from 1958 to 1979, the Bank made significant progress thereby providing a strong foundation and as a result grew in stature in terms of number of branches, deposits, advances etc. Over the years bank grew with the merger of Sringeri Sharada Bank Ltd., Chitladurg Bank Ltd and Bank of Karnataka. At present the Bank provides wide gamut of financial services to cater to the needs of trade, industry, commerce and agriculture.

2.8.3 Catholic Syrian Bank

Catholic Syrian Bank Limited is a private sector bank situated in Thrissur city of Kerala state India. Catholic Syrian Bank has 363 branches, 1 extension counter and over 125 ATMs, and a net profit of Rs 36.56 crore in 2007-08 on revenues of Rs 50 crore. Catholic Syrian Bank has a strong presence in rural India and around 80% of the bank's branches are located in the semi-urban and rural areas of India. The Catholic Syrian Bank was founded on November 26, 1920 in Thrissur city and commenced business on January 1, 1921 with an authorized capital of Rs 5 lakhs and a paid up capital of Rs 4,5270.
2.8.4 Dhanlaxmi Bank

Dhanlaxmi Bank Ltd is an old private sector bank headquartered in Thrissur city, Kerala. The bank is focusing mostly on Southern states of India like Karnataka, Tamil Nadu, Andhra Pradesh and Kerala. Dhanalakshmi Bank Ltd was incorporated on 14th November 1927 by a group of enterprising entrepreneurs at Thrissur city.

2.8.5 IndusInd Bank

The idea behind IndusInd Bank, named after the Indus Valley civilization, was conceived by Mr. Srichand P. Hinduja, the head of the Hinduja Group. One of the first new-generation private banks in India, IndusInd Bank was inaugurated in April 1994, Dr. Manmohan Singh, the present Prime Minister of India, who was then the Finance Minister of the country. It was established with the help of collective contributions from the NRI community, towards the economic and social development of India. A decade after its establishment i.e. in June 2004, IndusInd Bank was merged with Ashok Leyland Finance Ltd, which was one of the largest leasing finance and hire purchase companies in India at that time. With this, the bank increased its customer base and geographical penetration.

2.8.6 Federal Bank

Federal Bank has a banking history of around 70 years and its head office located at Alwaye near Kochi, Kerala. Federal bank has a wide network of more than 450 offices covering almost all major cities in the country with a major share in the state of Kerala, God's Own Country with more than 300 branches. At present Federal Bank has network of over 200 plus ATMs all over India and is being expanded. Federal Bank has the largest
number of ATMs in Kerala covering almost every town. The Federal Bank's ATM card also includes International Visa Debit Card enabling the bank's customers to use the card at any of the over 8,40,000 networked ATMs round the world and pay for shopping.

2.8.7 ICICI Bank

ICICI bank is a major banking and financial services company based in Mumbai. It is the second largest bank in India and the largest private sector bank in India by market capitalization. The bank also has a network of 2,529 branches and about 6,102 ATMs in India and presence in 19 countries, as well as some 24 million customers (at the end of July 2007). ICICI Bank offers a wide range of banking products and financial services to corporate and retail customers through a variety of delivery channels and specialization subsidiaries and affiliates in the areas of investment banking, life and non-life insurance, venture capital and asset management.1

2.8.8 South Indian Bank

South Indian Bank Limited (SIB) is a private sector bank headquartered at Thrissur in Kerala. South Indian Bank has 580 branches and 3 extension counters spread across more than 26 states and union territories in India. It has set up 375 ATMS all over India. In the current year 2010-11, the bank is planning to add 60 more branches throughout India which aims in having presence in all the states of India. The current growth plan of the bank is to establish 750 branches, 750 ATMs and 75000 crores of business by the end of financial year 2013. The bank offers major services in various

1Financial and Strategic Analysis Review, Publication Date: Jul 2010, Pages: 25
segments of accounts and deposits, loans, mutual funds, insurance, money transfers and other value added services.

2.8.9 Lakshmi Vilas Bank

The Lakshmi Vilas Bank Limited (LVB) was founded in 1926 by seven people of Karur under the leadership of Shri V.S.N. Ramalinga Chettiar, mainly to cater to the financial needs of varied customer segments. The bank was incorporated on November 03, 1926 under the Indian Companies Act, 1913 and obtained the certificate to commence business on November 10, 1926. The Bank obtained its license from RBI in June 1958 and in August 1958 it became a Scheduled Commercial Bank. During 1961-65 LVB took over nine Banks and raised its branch network considerably. To meet the emerging challenges in the competitive business world, the bank started expanding its boundaries beyond Tamil Nadu from 1974 by opening branches in the neighbouring states of Andhra Pradesh, Karnataka, Kerala, Maharashtra, Madhya Pradesh, Gujarat, West Bengal, Uttar Pradesh, Delhi and Pondicherry.

2.8.10 Yes Bank

Yes Bank Limited is an India-based banking company engaged in providing a range of banking and financial services. The Bank’s business segments are Treasury, Corporate Wholesale Banking, Retail Banking and Other Banking Operations. It was founded by Ashok Kapur and Rana Kapoor, with the duo holding a collective financial stake of 27.16%.
2.8.11 Karur Vysya Bank

Karur Vysya Bank is a privately held Indian bank, headquartered in Karur in Tamil Nadu. It was set up in 1916 by M.A Venkarama Chettiar and Athi Krishna Chettiar. The bank has 350 branches — about 45 of them are in rural areas. The bank has installed 403 ATMS across the country so far. All the branches are powered with CBS — Core Banking Solution. The bank also offers Internet banking and mobile banking facilities to its customers.

2.8.12 Axis Bank

Axis Bank Limited, formerly UTI Bank, is a financial services firm that had begun operations in 1994, after the Government of India allowed new private banks to be established. The Bank was promoted jointly by the Administrator of the Specified Undertaking of the Unit Trust of India (UTI-I), Life Insurance Corporation of India (LIC), General Insurance Corporation Ltd., National Insurance Company Ltd., The New India Assurance Company, The Oriental Insurance Corporation and United India Insurance Company UTI-I holds a special position in the Indian capital markets and has promoted many leading financial institutions in the country.

2.8.14 Kotak Mahindra

The Kotak Mahindra group is a financial organization established in 1985 in India. It was previously known as the Kotak Mahindra Finance Limited, a non financing 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. Today it has more than 20,000 employees and Rs. 10,000 crore in revenue. The Bank has its registered office at Nariman Bhavan, Mumbai.

2.8.15 Ratnakar

Ratnakar Bank, a private sector bank with a strong Maharashtra footprint, embarked on an aggressive transformation plan that envisages a manifold growth of the organization in terms of size, geographic reach and business depth. The plan was founded on a robust platform of professional governance, relationships, technology infrastructure and capital.