4.1 PUBLIC SECTOR BANKS

4.1.1 STATE BANK OF INDIA

The roots of the State Bank of India rest in the first decade of 19th century, when the bank of Calcutta, later renamed the Bank of Bengal was established on 2 June, 1806. The Bank of Bengal and two other Presidency banks, namely, the Bank of Bombay (incorporated on 15 April 1840) and the Bank of Madras (incorporated on 1 July 1843). All three Presidency banks were incorporated as Joint Stock Companies, and were the result of the Royal Charters. These three banks received the exclusive right to issue paper currency in 1861 with the Paper Currency Act, a right they retained until the formation of the Reserve Bank of India. The Presidency banks amalgamated on 27 January 1921 and the reorganized banking entity took as its name Imperial Bank of India. The Imperial Bank of India continued to remain a joint stock company.

Pursuant to the provisions of the State Bank of India Act (1955), the Reserve Bank of India, which is India’s Central Bank, acquired a controlling interest in the Imperial Bank of India. On 30 April 1955 the Imperial Bank of India became the State Bank of India. The Government of India recently acquired the Reserve Bank of India's stake in SBI so as to remove any conflict of interest because the RBI is the country's banking regulatory authority. SBI has acquired local banks in rescues. For instance, in 1985, it acquired Bank of Cochin in Kerala, which had 120 branches. SBI was the acquirer as its affiliate State Bank of Travancore already had an extensive network in Kerala. The State bank of India is the 29th most reputed company in the world according to Forbes. Also SBI is the only bank to get featured in coveted 'top 10 brands of India' list in an annual survey conducted by Brand Finance and The Economic Times in 2010.

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State Bank of India is the largest of the *Big Four Banks* of India, along with ICICI Bank, Punjab National Bank and Canara Bank — its main competitors.

**Key dates of History**

1806: The Bank of Calcutta is established as the first Western-type bank.

1809: The bank receives a charter from the imperial government and changes its name to Bank of Bengal.

1840: A sister bank, Bank of Bombay, is formed.

1843: Another sister bank is formed: Bank of Madras, which, together with Bank of Bengal and Bank of Bombay become known as the presidency banks, which had the right to issue currency in their regions.

1861: The Presidency Banks Act takes away currency issuing privileges but offers incentives to begin rapid expansion, and the three banks open nearly 50 branches among them by the mid-1870s.

1876: The creation of Central Treasuries ends the expansion phase of the presidency banks.

1921: The presidency banks are merged to form a single entity, Imperial Bank of India.

1955: The nationalization of Imperial Bank of India results in the formation of the State Bank of India, which then becomes a primary factor behind the country's industrial, agricultural, and rural development.

1969: The Indian government establishes a monopoly over the banking sector.³

Nigeria, Mauritius, and the United Kingdom, and more than 50 branch offices in 30 countries. Long an arm of the Indian government's infrastructure, agricultural, and industrial development policies, SBI has been forced to revamp its operations since competition was introduced into the country's commercial banking system. As part of that effort, SBI has been rolling out its own network of automated teller machines, as well as developing anytime-anywhere banking services through Internet and other technologies. SBI also has taken advantage of the deregulation of the Indian banking sector to enter the banc assurance, assets management, and securities brokering sectors. In addition, SBI has been working on reigning in its branch network, reducing its payroll, and strengthening its loan portfolio.²

SBI COMPANIES

- SBI Capital Markets Ltd
- SBI Mutual Fund (A Trust)
- SBI Factors and Commercial Services Ltd
- SBI DFHI Ltd
- SBI Cards and Payment Services Pvt Ltd
- SBI Life Insurance Co-Ltd (Banc assurance)
- SBI Funds Management Pvt Ltd
- SBI Canada
- SBI Gilt's Ltd
- SBI Home Finance Ltd
- SBI Securities Ltd

THE SUBSIDIARIES OF SBI TILL THE DATE

In 1959 the Government passed the State Bank of India (Subsidiary Banks) Act, enabling the State Bank of India to take over eight former State-associated banks

² Times (26-August-2010). "State Bank of Indore branches to become SBI units from Aug 26 : SBI". The Times Of India.
as its subsidiaries. On 13 September, 2008, State Bank of Saurashtra. One of its Associate Banks merged with State Bank of India.

- State Bank of Saurashtra (Merged in SBI)
- State Bank of Indore
- State Bank of Bikaner and Jaipur
- State Bank of Hyderabad
- State Bank of Mysore
- State Bank of Patiala
- State Bank of Travancore.

4.1.1.1 STATE BANK OF SAURASHTRA (MERGED IN SBI)

State Bank of Saurashtra (SBS) is one of the Associate Banks of State Bank of India (Now with State Bank of India). The history of the establishment of SBS can be traced back to pre-independence period. Prior to 1948, the region of Saurashtra (a part of the present day Gujarat), consisted many small, medium and large princely states. The larger states of Saurashtra included Bhavnagar, Rajkot and Porbandar, while Palitana and Vadia were its smaller states. These states established their own Darbar (palace). Out of the Darbars, the oldest one was Bhavnagar Darbar Bank, founded in 1902.

The Darbar banks were established to cater to the needs of the governments of their respective princely states. Local savings were deposited in the banks. The banks of the princely states were amalgamated, when the state of Saurashtra was established in 1948. The Bhavnagar Darbar Bank came to be known as the State Bank of Saurashtra in 1950, under Saurashtra State Bank (Amalgamation) Ordinance, 1950. On 1 July 1950, the other four Darbar Banks, including Rajkot State Bank, Porbandar State Bank, Palitana Darbar Bank and Vadia State Bank, became the branches of State Bank of Saurashtra.\(^5\)

BRANCHES
After the formation of a separate state of Gujarat in 1960, SBS started its main area of operation from Saurashtra, which then became a part of Gujarat. It was in the same year, when State Bank of India took over State Bank of Saurashtra, under the State Bank of India (Subsidiary Banks) Act, 1959. By this time, SBS had 24 branches. SBS became one of the seven Associate Banks of SBI, with which it was merged with it on 13 August 2008. At the time of the merger, SBS had a network of 423 branches spread over 15 states and the Union Territory of Daman and Diu.

4.1.1.2 STATE BANK OF INDORE
State Bank of Indore popularly known as Indore Bank in Malwa Region, originally known as Bank of Indore Ltd. was incorporated under a special charter of His Highness Maharaja Tukojirao Holker-III, the then ruler of this region. In terms of State Bank of India (Subsidiary Banks) Act, 1959 the Bank of Indore Ltd. became a subsidiary of State Bank of India i.e. 1st January 1960 and was renamed as State Bank of Indore The Bank acquired business of The Bank of Dewas Ltd. in 1962 and The Dewas Senior Bank Ltd. in 1965 and was up-graded to class ‘A’ category bank in 1971. Ever since the Bank has been making steady progress and at the end of Mar. 2009, the business turnover has crossed Rs.50000 crore.

Originally known as the Bank of Indore Ltd, the State bank of Indore is a nationalized bank of India. The State bank of Indore is popularly known as Indore Bank in Malwa Region and it is a subsidiary body of the State bank of India. The economy of Indore is an expanding one and the State bank of Indore is an integral part of that growth. The State bank of Indore operates with certain objectives in mind, these include:

1. The State bank of Indore wants to maintain its position as a premier financial institution of Indore and serve their customers well.
2. The State bank of Indore contributes to all the facets of banking operations including, developmental, traditional and innovative
3. The State bank of Indore wants to secure its position as an important part of the State bank group.⁶

4.1.1.3 STATE BANK OF BIKANER AND JAIPUR

It came into existence on 1963. It comprised what earlier were two banks, State Bank of Bikaner (established in 1944) and State Bank of Jaipur (established in 1943). The Bank has been made a subsidiary of the State Bank of India under the State Bank of India (Subsidiary Bank) Act, 1959 in 1960. On April 25, 1966 SBBJ took over Govind Bank Pvt. Ltd., Mathura. Currently, SBBJ has over 848 branches, mostly located in the state of Rajasthan, India. Its branch network out of Rajasthan covers all the major business centers of India. In 1997, the Bank entered in the capital market with a maiden IPO with 13,60,000 shares at a premium of Rs 440 per share.

In 1984 in Ganganagar district Regional Rural Bank as the name Ganganagar Kshetriya Gramin Bank is opened by SBBJ. Then in 1985 in Bikaner district the Bikaner Kshetriya Gramin Bank had been opened. Later Marwar gramin bank opened in the same way for Pali Jalore and Sirohi districts. Later on 12 June 2006 these all three banks Ganganagar Kshetriya Gramin Bank, Bikaner Kshetriya Gramin Bank and Marwar Gramin Bank merged and made one bank as MGB Gramin Bank, which having headquarter in Pali.

4.1.1.4 STATE BANK OF HYDERABAD

The bank originated as the central bank of the erstwhile Nizam state under the name, Hyderabad State Bank. It was established in 1942, during the reign of the last Nizam of Hyderabad, Mir Osman Ali Khan. The bank also managed

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the Osmania Sikka, the currency of Hyderabad state, which had the distinction of having its own currency during British rule. The first branch of Hyderabad State Bank opened at Gun foundry, Hyderabad on April 5, 1942.

In 1956, the bank absorbed, by merger, the Mercantile Bank of Hyderabad, which Raja Pannalal Pitti had founded in 1935. (Other accounts give year of founding as 1946 and that of merger as 1952).

Hyderabad State Bank was renamed State Bank of Hyderabad in 1956, and its entire share capital was vested with the Reserve Bank of India. Later, after the Subsidiary Banks Act was passed in 1959, it and the other banks of the princely states became subsidiaries of SBI. SBH was the first subsidiary of State Bank of India.

State Bank of Hyderabad (SBH) is an associate bank of State Bank of India (SBI), and is one of the scheduled banks in India. The Bank's Head Office is situated at Gun foundry Area, in Hyderabad, India. SBH has over 1031 branches and about 12,800 employees. Assets are in excess of Rupees 767 billion.7

4.1.1.5 STATE BANK OF MYSORE

State Bank of Mysore was established in the year 1913 as Bank of Mysore Ltd. under the patronage of the erstwhile Govt. of Mysore, at the instance of the banking committee headed by the great Engineer-Statesman, Late Dr. Sir M.Visweswaraiah (Bharat Ratna). Subsequently, in March 1960, the Bank became an Associate of State Bank of India. State Bank of India holds 92.33% of shares. The Bank's shares are listed in Bangalore, Chennai, and Mumbai stock exchanges.

Bengaluru, Mysore, Mangalore, Mandya, Hassan, Shimoga, Davanegere, Bellary, Tumkur, Kolar, Chennai, Coimbatore, Hyderabad, Mumbai and New Delhi. The bank's

Turnover in the year 2008-2009 was around US$10 Billion and Profit about US$65 Million. Bank has a network of 654 branches and 20 extension counters spread across the country. The bank has 6 specialized SSI branches, 4 Industrial Finance branches, 3 Corporate Accounts Branches, 4 specialized Personal Banking Branches, 10 Agricultural Development Branches, 3 Treasury branches, 1 Asset Recovery Branch and 7 Service Branches, offering wide range of services to the customers. Bank has 319 ATM's networked with the State Bank Groups' over 8400 ATMs for the convenience of the customer.8

4.1.1.6 STATE BANK OF PATIALA

The rich heritage of State Bank of Patiala dates back to the year 1917, when it was founded by Late His Highness Bhupinder Singh, Maharaja of erstwhile Patiala state, with one branch by the name of 'Chowk Fort, Patiala' to begin with. The Bank, then known as the 'Patiala State Bank' was state owned and setup for the explicit purpose of fostering growth of agriculture, trade and industry. The constitution, scope and operations of the Bank underwent a sea change with the formation of the Patiala and east Punjab States Union (PEPSU) in 1948. The Bank was then reorganized and brought under the control of Reserve Bank of India.9

It was christened as the Bank of Patiala. Another milestone in history of the Bank was its becoming a subsidiary of the State Bank of India on 1st April, 1960 when it was named as the State Bank of Patiala and since then it has grown significantly both in size and volume of business. During these glorious years, the Bank has been playing an important role in banking sphere. The business of State Bank of Patiala has grown manifold since its establishment. Recent records say that State Bank of Patiala is networked by its 830 service outlets. There are as many as 750 branches of SBP, spread across the major cities of India, out of

which, the majority of branches are located in its home State, Haryana, Himachal Pradesh, Rajasthan, Jammu & Kashmir, Delhi and Chandigarh. The Bank provides easy access to money to its customers through its ATMs spread over 16 states of India.

4.1.1.7 STATE BANK OF TRAVANCORE

The bank was established in 1945 as the Travancore Bank Ltd, at the initiative of C.P. Ramaswami Iyer, then Divan of Travancore. Following violent resentment against the dictatorial rule of Sir. C.P. Ramaswamy Iyer, the bank no longer credits his role. Instead, the Bank now credits the Maharaja of Travancore as the founder, though the Raja had little to do with the founding. Although the Travancore government put up only 25% of the capital, the bank undertook government treasury work and foreign exchange business, apart from its general banking business. Its registered office was at Madras. In 1960, it became a subsidiary of State Bank of India under the SBI subsidiary Banks Act, 1959, enacted by the Parliament of India. Between 1959 and 1965, SBT has taken over numerous small, private banks in Kerala.  

- 1959: SBT acquired the assets and liabilities of Indo-Mercantile Bank, which Sri Popatlal Goverdhan Lalan had helped found in Cochin in 1937.
- 1961: SBT took over Travancore Forward Bank, Kottayam Orient Bank and Bank of New India (est. 1944) after the Reserve Bank of India put the banks under moratorium.
- 1963: SBT took over Vasudeva Vilasom Bank.
- 1964: SBT took over Cochin Nayar Bank (est. 1929) and Latin Christian Bank after the Reserve Bank of India put the banks under moratorium. It also acquired Champakulam Catholic Bank.

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4.1.2 BANK OF INDIA

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

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

- 1906: Founded with Head Office in Mumbai.
- 1921: BoI entered into an agreement with the Bombay Stock Exchange to manage its clearing house.
- 1946: BoI opened a branch in London, the first Indian bank to do so. This was also the first post-WWII overseas branch of any Indian bank.
- 1950: BoI opened branches in Tokyo and Osaka.
- 1951: BoI opened a branch in Singapore.
- 1953: BoI opened a branch in Kenya and another in Uganda.
- 1953 or 54: BoI opened a branch in Aden.
- 1955: BoI opened a branch in Tanganyika.
- 1960: BoI opened a branch in Hong Kong.
- 1962: BoI opened a branch in Nigeria.
- 1967: The Government of Tanzania nationalized BoI's operations in Tanzania and folded them into the government-owned National Commercial Bank, together with those of Bank of Baroda and several other foreign banks.
- 1969: The Government of India nationalized the 14 top banks, including Bank of India. In the same year, the People's Democratic Republic of Yemen nationalized BoI's branch in Aden, and the Nigerian and Ugandan governments forced BoI to incorporate its branches in those countries.
• 1970: National Bank of Southern Yemen incorporated Bol's branch in Yemen, together with those of all the other banks in the country; this is now National Bank of Yemen. Bol was the only Indian bank in the country.
• 1972: Bol sold its Uganda operation to Bank of Baroda.
• 1973: Bol opened a rep in Jakarta.
• 1974: Bol opened a branch in Paris. This was the first branch of an Indian bank in Europe.
• 1976: The Nigerian government acquired 60% of the shares in Bank of India (Nigeria).
• 1978: Bol opened a branch in New York.
• 1970s: Bol opened an agency in San Francisco.
• 1980: Bank of India (Nigeria) Ltd, changed its name to Allied Bank of Nigeria.
• 1986: Bol acquired Parayur Central Bank (Karur Central Bank or Parur Central Bank) in Kerala in a rescue.
• 1987: Bol took over the three UK branches of Central Bank of India (CBI). CBI had been caught up in the Sethia fraud and default and the Reserve Bank of India required it to transfer its branches.
• 2003: Bol opened a representative office in Shenzhen.
• 2005: Bol opened a representative office in Vietnam.
• 2006: Bol plans to upgrade the Shenzen and Vietnam representative offices to branches, and to open representative offices in Beijing, Doha, and Johannesburg. In addition, Bol plans to establish a branch in Antwerp and a subsidiary in Dar-es-sallam, marking its return to Tanzania after 37 years.
• 2007: Bol acquired 76 percent of Indonesia-based P. T Bank Swadesi. ¹¹

The Bank has 3021 branches in India spread over all states/union territories including 136 specialised branches. These branches are controlled through 48

¹¹URL: http://en.wikipedia.org/wiki/Bank_of_India.Htm 15, April, 2011 10:00 AM
Zonal Offices. There are 28 branches/offices (including three representative offices) abroad. The Bank came out with its maiden public issue in 1997 and followed on Qualified Institutions Placement in February 2008. Total number of shareholders as on 31/03/2009 is 2,355,89.

4.1.3 BANK OF BARODA

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 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.

The Maharaja of Baroda, a princely state of British India, by name Sir Sayyajirao Gaekwad III, had the same vision in establishing a bank for servicing the public at large and the citizens of Baroda State, a Guajarati population in particular. On 20th July 1908, Bank of Baroda was established under the rules of Companies Act 1897, in a small building at Baroda, by the Maharaja with a paid up capital of Rs.10 lakhs. The guidelines set by the Maharaja for the bank was to serve the people of the State of Baroda as well as the neighboring regions with money lending, saving, transmission and encouraging the development of arts, science, commerce and trade for the people. Even during the worst financial disaster caused by the First World War, during the period 1913 to 1917, when as many as 87 banks closed their shutters, Bank of India survived the turbulence with its clear vision, ethical standards and financial prudence to grow from strength to strength. There were heroes to sustain the development of this bank to its present glory, from ordinary people as customers and the heirs of the Royal family of Baroda.
The success story of the Bank of Baroda is studded with many a leaps and strides it made in the International presence, apart from establishing branches all over the Indian nation, by acquisition of already popular banking entities, as also commencing new commercial banking establishments, in the unique Gujarathi style. During the years of 1908 to 2007 (and the century year being round the corner) Bank of Baroda’s growth owes to the excellence in rendering financial products and services to the national and international population. Countries beginning from America to Zambia, in the alphabetical order have been enjoying the services of Bank of Baroda as of today. A brief statistics will reveal the magnitude of growth Bank of India has achieved today: fifth largest bank in India; total assets over 1,78,000 crores; number of offices and branches 2800; more than 1000 ATMs, notwithstanding affiliates, subsidiaries and delivery channels all over the world.12

In its international expansion, the Bank of Baroda followed the Indian diasporas, especially that of the Gujaratis. It has significant international presence with a network of 72 offices in 25 countries, six subsidiaries, and four representative offices.

- 1908: Maharaja Sayajirao Gaekwad-III set up Bank of Baroda (BOB).
- 1910: BOB established its first branch in Ahmedabad.
- 1953: BOB established a branch in Mombasa and another in Kampala.
- 1954: BOB opened a branch in Nairobi.
- 1956: BOB opened a branch in Dar-es-Sallam.
- 1957: BOB established a branch in London.
- 1961: BOB merged in New Citizen Bank of India. This merger helped it
- 1962: BOB opened a branch in Mauritius.
- 1963: BOB acquired Surat Banking Corporation in Surat, Gujarat

12 "India's International Bank - About Us". Bank of Baroda. Retrieved 2010-07-16
• 1964: BOB acquired two banks, Umbergaon People’s Bank in southern Gujarat and Tamil Nadu Central Bank in Tamil Nadu state.
• 1964: BOB lost its branch in Narayanjanj (East Pakistan) due to the Indo-Pakistan war. It is unclear when BOB had opened the branch.
• 1965: BOB opened a branch in Guyana.
• 1967: The Tanzanian government nationalized BOB’s three branches there and transferred their operations to the Tanzanian government-owned National Banking Corporation.
• 1969: The Government of India nationalized 14 top banks, including BOB.
• 2006: BOB established an Offshore Banking Unit (OBU) in Singapore.
• 2007: In its centenary year, BOB’s total business crossed 2.09 lakh crores, its branches crossed 1000, and its global customer base 29 million people.
• 2008: BOB opened a branch in Guangzhou, China (02/08/2008).
• 2009: Bank of Baroda registered with the Reserve Bank of New Zealand. it to trade as a bank in New Zealand (2009/09/01)\textsuperscript{13}

4.1.4 CANARA BANK

In 1906 the late Sri. Ammembal Subba Rao Pai philanthropist, established the Canara Bank Hindu Permanent Fund in Manglore India. The bank changed its name to Canara Bank Limited in 1910 when it incorporated. In 1958, the Reserve Bank of India ordered Canara Bank to acquire G. Raghumathmul Bank, in Hyderabad. This bank had been established in 1870, and had converted to a limited company in 1925. At the time of the acquisition the bank had five branches.

The Government of India nationalized Canara Bank, along with 13 other major commercial banks of India, on 19 July 1969. In 1983, Canara Bank opened its first overseas office, a branch in London. In 1985, Canara Bank acquired

Lakshmi Commercial Bank in a rescue.

**Significant Milestones**

1 July 1906 Canara Hindu Permanent Fund Ltd. formally registered with a capital of 2000 shares of Rs.50/- each, with 4 employees.\(^\text{14}\)

1910: Canara Hindu Permanent Fund renamed as Canara Bank Limited

1969: 14 major banks in the country, including Canara Bank, nationalized on July

1976: 1000th branch inaugurated

1983: Overseas branch at London inaugurated Cancard (the Bank’s credit card) launched

1984: Merger with the Laksmi Commercial Bank Limited

1985: Commissioning of Indo Hong Kong International Finance Limited

1987: Canbank Mutual Fund & Canfin Homes launched

1989: Canbank Venture Capital Fund started

1989-90: Canbank Factors Limited, the factoring subsidiary launched

1992-93: Became the first Bank to articulate and adopt the directive principles of “Good Banking”.

1995-96: Became the first Bank to be conferred with ISO 9002 certification for one of its branches in Bangalore

2001-02: Opened a 'Mahila Banking Branch', first of its kind at Bangalore, for catering exclusively to the financial requirements of women clientele.

2002-03: Maiden IPO of the Bank

2003-04: Launched Internet & Mobile Banking Services

2004-05: 100% Branch computerization

2005-06: Entered 100th Year in Banking Service Launched Core Banking Solution in select branches Number One Position in Aggregate Business among Nationalized Banks

2006-07: Retained Number One Position in Aggregate Business among Nationalized Banks. Signed MoUs for Commissioning Two JVs in Insurance and Asset Management with international majors viz., HSBC (Asia Pacific) Holding and Robeco Groep N.V respectively

2007-08: Launching of New Brand Identity Incorporation of Insurance and Asset Management JVs Launching of ‘Online Trading’ portal launching of a ‘Call Centre’ Switchover to Basel II New Capital Adequacy Framework

2008-09: The Bank crossed the coveted Rs. 3 lakh crore in aggregate business the Bank’s 3rd foreign branch at Shanghai commissioned

4.1.5 CORPORATION BANK

Corporation Bank, the oldest banking Institution in the erstwhile undivided Dakshina Kannada District of Karnataka and one of the oldest banks in India, was founded in 12th March 1906 in the Temple Town of Udupi by a small group of philanthropists led by Khan Bahadur Haji Abdulla Haji Kasim Saheb Bahadur. The need to start this bank was felt because there was no such facility at Udupi, an important trading centre next to Mangalore in D.K. District. The indigenous banking was largely in the hands of a few rich private individuals and something had to be done to provide relief to the common man from the clutches of the money lenders who held full sway. The first branch of a modern bank established in the district was the Bank of Madras one of the three Presidency Banks, which set up its office in Mangalore in 1868 largely to cater to the business needs of a few British firms dealing in export of plantation products. Its agent used to visit
Udupi once a fortnight or so, to do banking. Money remittances had to be made only through postal medium.

"The Canara Banking Corporation (Udupi) Ltd.", as the institution was called then, started functioning as a ‘Nidhi’ with a humble beginning. The initial capital was Rs.5000/- and at the end of the first day, its resources stood at 38 Rupees – 13 Annas and 2 Pies. The setting up of the Canara Banking Corporation Ltd. seems to have given a fillip to co-operative Banking and also to regular banking elsewhere in the district. Between 1909 and 1917, six co-operative banks came into being and during the decade immediately after the First World War (1914-18) South Kanara gave birth to as many as eight banks. It is to the credit of this Bank that despite two world wars, economic depression and stiff competition, the Bank not only quite survived, but also made satisfactory progress.\footnote{URL: http://en.wikipedia.org/wiki/Corporation_Bank 3 APRIL 2011, 6:30 PM}

Having been started at Udupi, the Bank first branched out by opening a branch at Kundapur in 1923. The second branch of the Bank was opened in Mangalore at Car Street in 1926. The Bank stepped into Kodagu District in 1934 by opening its seventh branch in Madikeri. In 1937, the Bank was included in the second schedule of Reserve Bank of India Act, 1934. In 1939, the Bank's name changed from "Canara Banking Corporation (Udupi) Ltd." to "Canara Banking Corporation Ltd." The Bank graduated into a Regional Bank in 1945 when the total number of its branches stood at 28. In the year 1961, it took over 'Bank of Citizens, Balgaum, In the same year, the Bank's Administration Office shifted from Udupi to Mangalore.

The second change in the name of the Bank occurred in 1972, from 'Canara Banking Corporation Ltd.' to 'Corporation Bank Limited.' The Bank was nationalised in 1980 along with 5 other private sector banks. After Nationalization, the pace of growth of the Bank accelerated and it made all-round progress. Started as a common man's bank, it changed with the times to meet the aspirations of the people but never swerved from its motto- "Sarve Janah
Sukhino Bhavantu” meaning Prosperity for All. It endeavored and succeeded in striking a right balance between traditional values and innovative approach, personalized service and professional outlook and commercial considerations and public concern. One of the unique achievements of the Bank is that it has been paying dividend continuously for the last 98 years since its inception. Today, with the most modern technology-driven products and services and nationwide branches & ATMs, Corporation Bank stands tall among the Public Sector Banks in the country and is hailed as one among the well-managed Public Sector Banks with excellent track record in all the key parameters of banking. The Bank has the second largest ATM network in the public sector.

Corporation Bank completed 100 years of existence on 12 March 2006. The Centenary celebrations were launched by Shri V. Leeladhar, Deputy Governor, Reserve Bank of India with the Bank's Foundation Day lecture on 12 March 2005. As a part of the Bank's centenary celebrations, a number of programmes and projects were planned and executed. As a first step, the Bank has launched the Corp Kissan Card - debit card tied up with VISA international, to enable the farmers make timely purchases for agricultural operations at Yeshwantpur-Malur in Kolar District on 13 March 2005. A modern public library was dedicated to the citizens of Mangalore in DK District, the birth place of the Bank by Shri P. Chidambaram, Hon'ble Union Finance Minister on 2 March 2006. The library building also houses a Numismatic Museum and a multipurpose hall for intellectual activities. The Bank has also set up libraries in 25 villages and given away scholarship to 100 meritorious students of such villages for the pursuit of their higher education. Such libraries will be set up in 75 more villages in a phased manner. Corporation Bank - A Corporate Journey, the history of the Bank and Haji Abdullah Saheb a biography of the Bank's Founder President have been published on the occasion of the valedictory function of the Bank's Centenary Celebrations.
4.1.6 DENA BANK

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. It is one of the most prestigious banks of India having a good market share. Dena Bank was nationalized (and therefore dropped the 'Ltd.' from its name) in 1969 along with 13 other banks in India. Dena Bank was one of the six Public Sector Banks which had been chosen by the World Bank in the year 1995 for granting a loan of Rs. 72.3 Crores under Financial Sector Development project. Also, it is one of the few banks which have been given a loan by the World Bank for technological advancement and training. Dena Bank has maintained a strong technological infrastructure with state-of-the-art IT innovations and solutions implemented at its branches and back-end. 100% branches of the bank have been fully computerized, and the bank has established its own network called “DENANET” to ensure seamless connectivity and smooth workflow all the way through its banking process. DENANET is comprised of VSATs, leased lines, dial-up lines and ISDN backups, and is completely integrated with the Indian Financial Network (INFINET) of the Reserve Bank of India (RBI). Dena Bank offers a host of Regular Banking Services to its customers, including Personal Banking Services comprising of Deposit, Loan and Investment Services, Priority and Small & Medium Enterprises (SME) services, International Banking Services, Corporate Banking Services and a host of other Value Added Services.

Dena Bank one of the premier public sector banks, has introduced Dena Smart Card, to facilitate anywhere banking. Dena Bank is the first bank to launch this unique customer friendly product. It is for the first time in India that a Bank is using Smart Card for storing account details.16

4.1.7 INDIAN OVERSEAS BANK

1937: Shri. M. Ct. M. Chidambaram Chettyar establishes the Indian Overseas Bank (IOB) to encourage overseas banking and foreign exchange operations. IOB started up simultaneously at three branches, one each in Karaikudi, Madras (Chennai) and Rangoon (Yangan). It then quickly opened a branch in Penang and another in Singapore. The bank served the Nattukottai Chettiars who were a mercantile class that at the time had spread from Chettinad in Tamilnadu state to Ceylon (Sri Lanka), Burma (Myanmar), Malaya, Singapore, Java, Sumatra and Saigon. As a result, from the beginning IOB specialized in foreign exchange and overseas banking (see below).

1960s: The banking sector in India was consolidating by the merger of weak private sector banks with the stronger ones; IOB absorbed five banks, including Kulitkali Bank (est. 1933). 1969: The Government of India nationalized IOB. At one point, probably before nationalization, IOB had twenty of its eighty branches located overseas. After nationalization it, like all the nationalized banks, turned inward, emphasizing the opening of branches in rural India.\textsuperscript{17}

1988-89: IOB acquired Bank of Tamil Nadu in a rescue. 2000: IOB engaged in an Initial Public Offering (IPO) that brought the government's share in the bank's equity down to 75%. Indian Overseas Bank (IOB) has tied up with Dabur-All State Insurance to market the joint venture's life insurance products. Indian Overseas Bank, the first public sector bank to introduce anywhere banking at its 129 branches in the four metros, is extending the connectivity to another 100 branches in Hyderabad, Bangalore, Ahmedabad and Ludhiana. Indian Overseas Bank has inked a memorandum of understanding with Tata Motors for extending loans. This is for the purchase of commercial transport vehicles. As per a release, loans under this MoU will be extended without any processing charges.

\textsuperscript{17} URL: http://en.wikipedia.org/wiki/Indian_Oversseas_Bank.htm, April, 2011 4:52 PM
4.1.8 ORIENTAL BANK OF COMMERCE

Oriental Bank of Commerce, established on 19 February, 1943, in Lahore (then a city of British, India and currently in Pakistan), is one of the Public Sector Banks in India. Oriental Bank of Commerce made a modest beginning under its Founding Father, Late Rai Bahadur Lala Sohan Lal, the first Chairman of the Bank. Within four years of coming into existence, the Bank had to face the holocaust of partition. Branches in the newly formed Pakistan had to be closed down and the Registered Office had to be shifted from Lahore to Amritsar. Late lala Karam Chand Thapar, the then Chairman of the Bank, in a unique gesture honoured the commitments made to the depositors from Pakistan and paid every rupee to its departing customers. The foundation of customer service thus laid has ever since remained Oriental Bank's prime philosophy and has been nurtured well as a legacy by all its successors, year after year. The Bank has witnessed many ups and downs since its establishment. It has seen many upheavals in the 66 years of its existence and on every trying situation; it has emerged successful. The period of 1970-76 is said to be the most challenging phase in the history of the Bank. At one time profit plummeted to Rs.175 million that prompted the owner of the bank, the Thapar House, to sell / close the bank. Then employees and leaders of the Bank came forward to rescue the Bank. The owners were moved and had to change their decision of selling the bank and in turn they decided to improve the position of the bank with the active cooperation and support of all the employees. Their efforts bore fruits and performance of the bank improved significantly. This was the turning point in the history of the bank. The bank was nationalized on 15th April, 1980. At that time total working of the bank was Rs.483 crores having 19th position among the 20 nationalized banks. Within a decade, the bank could turn over a new leaf to come out as the most efficient and best performing bank of the country. Today our Bank has progressed on several fronts, such as crossing the Business Mix mark of Rs.1.50 lacs crores,

achievement of 100% CBS, reorienting of lending strategy through Large & Mid Corporates and establishment of new wings viz., Rural Development and Retail & Priority Sector. The Bank has to its utmost credit lowest staff cost with highest productivity in the whole of banking industry. But today there is stiff competition in the industry and challenges are at every front. OBC’s Grameen Project aims to reduce poverty & to identify the reasons which are responsible for the failure or success. OBC is implementing a Grameen Project in Dehradun District (UP) and Hanumangarh District (Rajasthan). This Scheme has a unique feature of disbursing small loans, ranging from Rs. 75 onwards. The OBC has various Agriculture Loan Schemes for farmers, such as, Composite Credit Scheme for Agricultural Leading, Overdraft Facility to Farmers, Advance against Warehouse Receipts to Farmers & Purchase of Land for Agriculture Purposes.

On 13 April 1997 at the occasion of Baisakhi, OBC launched another unique scheme, ‘The Comprehensive Village Development Programme’ in three villages of Punjab. After the success of this scheme in these villages, the Bank extended the programme to more villages. Today, it covers 10 villages in Punjab, 4 in Haryana and 1 in Rajasthan. This programme focuses on providing a comprehensive and integrated package, which offers finance to the villagers to women. Under this scheme bank provide various loans to women, such as, Oriented Mahila Vikas Yojana, Scheme for Professional & self Employed Women, Scheme for Beauty Parlor/ Boutiques/ Saloons/Tailoring, Scheme for Financing Working Women, etc.

4.1.9 UNION BANK OF INDIA

1919 UBI was registered on November 11, 1919 as a limited company in Mumbai. It was inaugurated by Mahatma Gandhi.  

19 URL:http://www.bseindia.com/bseplus/StockReach/AdvanceStockReach.aspx?scripcode=532477
inaugurated by Mahatma Gandhi and the Bank started its operations in 1920. Union Bank of India is a Public Sector Unit consisting of 60.85% Share Capital held by the Government of India. 1947 UBI had only 4 branches - 3 in Mumbai and in Saurashtra, all concentrated in key trade centres. 1975 The Government nationalized UBI. At the time of its nationalization, UBI had 240 branches in 28 states. After nationalization, UBI merged in Belgaum Bank, a private sector bank established in 1930. 1985 UBI merged in Miraj State Bank, established in 1929. 1999 UBI acquired Sikkim Bank in a rescue at the request of the Reserve Bank of India. After the discovery of extensive irregularities at the non-scheduled bank. Sikkim Bank had eight branches located in the North-east, which was attractive to UBI. 2007 UBI opened representative offices in Abu Dhabi, United Arab Emirates, and Shanghai, Peoples Republic of China. 2008 UBI opened a branch in Hong Kong, its first branch outside India. Union Bank of India (UBI) is one of India’s largest state-run banks and is also listed on the Forbes 2000.

The Bank’s principal activities are to provide Commercial Banking Services which include Merchant Banking, Direct Finance, Infrastructure Finance, Venture Capital Fund, Advisory, Trusteeship, Forex, Treasury and other related financial services. The Bank operates through 2082 Branches In India. In addition to the Regular Banking Facilities provided by Union Bank Of India, customers can also avail a variety of other services like Cash Management Service, Insurance, Mutual Funds, Demat from the Bank. Over the years Union Bank Of India has earned the reputation of being a Techno-Savvy Bank and is one of the front runners amongst public sector bank in the field of technology. The Bank has launched multiple Electronic Delivery Channels and has installed nearly 423 networked ATMs.

4.1.10 VIJAYA BANK

Vijaya Bank, a medium sized bank with presence across India was founded on 23 October 1931 by the late Shri A.B. Shetty and other enterprising farmers in
Manglore, 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 during the 1963-68. The credit for this merger as well as growth goes to late Shri M.Sunder Ram Shetty, who was then the Chief Executive of the bank. The bank was nationalised on 15 April 1980.

Vijaya Bank grew steadily by merging nine smaller banks into it between 1963-68. Shri M.Sunder Ram Shetty, who was then the Chief Executive of the bank is largely credited with these mergers. The bank was nationalized on 15, April, 1980. The bank has built a network of 1065 branches, 45 Extension Counters and 352 ATMs as at 03.01.2009, that span all 28 states and 4 union territories in the country. The Bank has chosen Finacle from Infosys as centralized banking solution. In line with the prevailing trends, the bank has been giving greater thrust towards technological up gradation of its operations. The bank has network of 1101 branches, 43 Extension Counters and 364 ATMs. [ As at 31.03.2009] All 1101 branches, 37 extension counters, 12 service branches are functioning on CBS platform, and at 703 centers, covering 100 % of Bank's business. Realizing your constantly evolving and diverse needs, the bank has diversified too. Entering several new areas such as credit card, merchant banking, hire purchase and leasing, and electronic remittance services. 1031 - Branches /offices are under RTGS and 1030 - Branches / offices are under NEFT Vijaya Bank is one among the few banks in the country to take up principal membership of VISA International and MasterCard International. The driving force behind Vijaya Bank's every initiative has been its 12107 strong dedicated workforce.

In line with the prevailing trends, the bank has been giving greater thrust towards technological upgrading of its operations. The bank has network of 1158 branches, 46 extension counters and 435 ATMs.

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20 URL: http://en.wikipedia.org/wiki/Vijaya_Bank. 4, April 2011, 5:
4.2 PRIVATE SECTOR BANKS IN INDIA

Profiles of 10 Private Sector Banks are as under.

4.2.1 ICICI BANK

1955 The Industrial Credit and Investment Corporation of India Limited (ICICI) was incorporated at the initiative of World Bank, the Government of India and representatives of Indian industry, with the objective of creating a development financial institution for providing medium-term and long-term project financing to Indian businesses. 1994 ICICI established Banking Corporation as a banking subsidiary. Formerly Industrial Credit and Investment Corporation of India. Later, ICICI Banking Corporation was renamed as 'ICICI Bank Limited'. ICICI founded a separate legal entity, ICICI Bank, to undertake normal banking operations - taking deposits, credit cards, car loans etc. 21

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

2002. Boards of Directors of ICICI and ICICI Bank approved the reverse merger of ICICI. ICICI Personal Finance Services Ltd and ICICI Capital Services Ltd into ICICI Bank. After receiving all necessary regulatory approvals, ICICI integrated the group’s financing and banking operations, both wholesale and retail, into a single entity. Also in 2002, ICICI Bank bought the Shimla and Darjeeling branches that Standard Chartered Bank had inherited when it acquired Grindlays Bank. ICICI started its international expansion by opening representative offices in New York and London.

2003 ICICI opened subsidiaries in Canada and the United Kingdom (UK), and in the UK it established an alliance with Lloyds TSB. It also opened an Offshore

Banking Unit (OBU) in Singapore and representative offices in Dubai and Shanghai.

2004. ICICI opens a rep office in Bangladesh to tap the extensive trade between that country, India and South Africa. 2005 ICICI acquired Investitsionno-Kreditny Bank (IKB), a Russia bank with about US$4mn in assets, head office in Balabonova in the Kaluga region, and with a branch in Moscow. ICICI renamed the bank ICICI Bank Eurasia. Also, ICICI established a branch in Dubai International Financial Centre and in Hong Kong. 2006 ICICI Bank UK opened a branch in Antwerp, in Belgium. ICICI opened representative offices in Bangkok, Jakarta and Kuala Lumpur.

2007 ICICI amalgamated Sangli Bank, which was headquartered in Sangli in Maharashtra State, and which had 158 branches in Maharashtra and another 31 in Karnataka State. Sangli Bank had been founded in 1916 and was particularly strong in rural areas. ICICI also received permission from the government of Qatar to open a branch in Doha.

ICICI Bank (formerly Industrial Credit and Investment Corporation of India) is a major banking and financial services organization in India. 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 2,016 branches (as on 31 March 2010) and about 5,219 ATMs in India and presence in 18 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. (These data are dynamic.) ICICI Bank is also the largest issuer of credit cards in India. ICICI Bank's shares are listed on the stock exchanges at BSE, NSE, Kolkata and Vadodara (formerly Baroda); its ADRs trade on the New York Stock Exchange (NYSE).

The Bank is expanding in overseas markets and has the largest international balance sheet among Indian banks. ICICI Bank now has wholly owned subsidiaries, branches and representatives offices in 19 countries, including an offshore unit in Mumbai. This includes wholly owned subsidiaries in Canada, Russia and the UK (the subsidiary through which the Hi SAVE savings brand is operated), offshore banking units in Bahrain and Singapore, an advisory branch in Dubai, branches in Belgium, Hong Kong and Sri Lanka, and representative offices in Bangladesh, China, Malaysia, Indonesia, South Africa, Thailand, the United Arab Emirates and USA. Overseas, the Bank is targeting the NRI (Non-Resident Indian) population in particular. ICICI reported a 1.15% rise in net profit to ₹1,014.21 crore on a 1.29% increase in total income to ₹9,712.31 crore in Q2 September 2008 over Q2 September 2007. The bank's CASA ratio increased to 30% in 2008 from 25% in 2007.

4.2.2 HDFC BANK

Housing Development Finance Corporation Limited, more popularly known as HDFC Bank Ltd, was established in the year 1994, as a part of the liberalization of the Indian Banking Industry by Reserve Bank of India (RBI). It was one of the first banks to receive an 'in principle' approval from RBI, for setting up a bank in the private sector. The bank was incorporated with the name 'HDFC Bank Limited', with its registered office in Mumbai. The following year, it started its operations as a Scheduled Commercial Bank. Today, the bank boasts of as many as 1412 branches and over 3275 ATMs across India.

Amalgamations
In 2002, HDFC Bank witnessed its merger with Times Bank Limited (a private sector bank promoted by Bennett, Coleman & Co. / Times Group). With this, HDFC and Times became the first two private banks in the New Generation Private Sector Banks to have gone through a merger. In 2008, RBI approved the amalgamation of Centurion Bank of Punjab with HDFC Bank. With this, the
Deposits of the merged entity became Rs. 1,22,000 crore, while the Advances were Rs. 89,000 crore and Balance Sheet size was Rs. 1,63,000 crore.

Tech-Savvy
HDFC Bank has always prided itself on a highly automated environment, be it in terms of information technology or communication systems. All the branches of the bank boast of online connectivity with the other, ensuring speedy funds transfer for the clients. At the same time, the bank's branch network and Automated Teller Machines (ATMs) allow multi-branch access to retail clients. The bank makes use of its up-to-date technology, along with market position and expertise, to create a competitive advantage and build market share.

Capital Structure.

At present, HDFC Bank boasts of an authorized capital of Rs 550 crore (Rs5.5 billion), of this the paid-up amount is Rs 424.6 crore (Rs.4.2 billion). In terms of equity share, the HDFC Group holds 19.4%. Foreign Institutional Investors (FIIs) have around 28% of the equity and about 17.6% is held by the ADS Depository (in respect of the bank's American Depository Shares (ADS) Issue). The bank has about 570,000 shareholders. Its shares find a listing on the Stock Exchange, Mumbai and National Stock Exchange, while its American Depository Shares are listed on the New York Stock Exchange (NYSE), under the symbol 'HDB'.

Retail banking services

The objective of the Retail Bank is to provide its target market customers a full range of financial products and banking services, giving the customer a one-stop window for all his/her banking requirements. The products are backed by world-class service and delivered to customers through the growing branch network, as well as through alternative delivery channels like ATMs, Phone Banking, Net Banking and Mobile Banking. HDFC Bank was the first bank in India to launch an International Debit Card in association with VISA (VISA Electron) and issues the...
Master card Maestro debit card as well. The Bank launched its credit card business in late 2001. By March 2009, the bank had a total card base (debit and credit cards) of over 13 million. The Bank is also one of the leading players in the “merchant acquiring” business with over 70,000

**Wholesale banking services**

blue-chip manufacturing companies in the Indian corp to small & mid-sized corporates and agri-based businesses. For these customers, the Bank provides a wide range of commercial and transactional banking services, including working capital finance, trade services, transactional services, cash management, etc. The bank is also a leading provider of for it’s to corporate customers, mutual funds, stock exchange members and banks.23

4.2.3 BANK OF RAJASTHAN

It was set up at Udaipur in 1943 with an initial capital of Rs.10.00 lacs. An eminent Industrialist Late Seth Shri Govind Ram Seksaria was the founder Chairman. It was classified as the Scheduled Bank in 1948. The Bank also established a rural (Gramin) bank Mewar Anchlik Gramin Bank in Udaipur District in Rajasthan on 26th January, 1983. The bank's central office is located at Jaipur, while registered office is in Udaipur. Presently the bank has 463 branches. The Bank is engaged in the activities of accepting deposits, advances, treasury investment management, international banking, export credit, merchant banking, lending to priority sector etc. Kali Mohan Bhattacharya has joined Bank of Rajasthan as managing director. The Bank has tied up with Infosys Technologies for revamping its InfoTech Infrastructure, which will allow the bank to fully

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Computerize 50 branches, Besides paving the way for a into internet banking and other e-commerce services to customers.

Bank of Rajasthan Ltd plans tie-ups with Bajaj Allianz and Tata AIG for Distributing general insurance and life insurance products respectively. The board of directors of the bank has recently approved the bank's entry into insurance Distributorship and the letters of intention (LoIs) were being signed with these two Companies in this regard, said Mr. K.M. Bhattacharya. Introduces a new scheme called 'gaadi-bangla scheme' to provide loan to buy house and car. Implements a comprehensive IT infrastructure called Net Services Software Developed By Novell Software Ltd. Receives RBI permission to start its new eight branches and three extension counters. Devyani Foods acquires 14% equity stake in the bank. Navin Tayal resigns from the Directorship of Bank of Rajasthan. Bank of Rajasthan Ltd has informed that RBI has approved the appointment of Mr. Pravin Kumar Tayal as part-time Chairman of the Bank for a period of 2 years August 10, 2002 on honorary basis. Signs a memorandum of understanding with Bajaj Allianz General Insurance Company to act as its exclusive corporate agent in Rajasthan Bank of Rajasthan Ltd has informed BSE that members at their AGM of the Bank passed resolution regarding appointment of Mr Saurabh Tayal2, Mr Ajay Gupta. Signs a MoU with Birla Sun Life Insurance for distributing Insurance Products. Corporation Bank ties up with the bank for sharing the teller machine networks. The Hon'ble High Court, Jaipur has approved the scheme of merger of Rajasthan Bank Financial Services Ltd into the Bank Promoters shifted their shares to their own private corporate companies. NOBO blames the CEO & MD of the bank for illegally purchasing shares worth Rs.9 cr for Rs.1.2cr. Members approve for the delisting of the company from 3 stock exchanges.

SEBI bans Mr Pravin Kumar Tayal, Chairman of the bank and two other directors of KSIL, Mr Navin K Tayal and Mr Sanjay K Tayal from accessing the capital market for 2 years. UTI enters into ATM sharing venture by joining hands with the bank.
Bank of Baroda signs MoU with the bank to issue co-branded international Visa Electron DebitCard. Hon'ble High Court, Jaipur approved the scheme of merger of Rajasthan Bank Financial Services Ltd into the Bank. BoR set up Corp office in Mumbai Delists from M.P. Stock Exchange with effect from September 10, 2004. Bank of Rajasthan Ltd in a tie-up with Visa International is coming out with credit card in month's time. BoR forges alliance with SBI for ATM sharing Bank of Rajasthan Ltd has appointed Shri Vipual Dhirajlal Mehta and Shri K G Kurian as Directors of the Bank w.e.f. October 27, 2006.

Bank of Rajasthan Ltd has informed that Shri. Sekhar Bhatnagar and Shri. A Madhavan have been appointed as Additional Directors on the Board of the Bank by the Reserve Bank of India w.e.f. September 26, 2007 for a period not exceeding three years. The Company has issued Bonus Shares in the Ratio of 1:4. Bank of Rajasthan Ltd has informed that the Board of Directors in its meeting held on January 23, 2008 co-opted Shri. S B Mathur as an additional Director on the Board of the Bank subject to approval of Reserve Bank of India. The Company has issued Bonus Shares in the Ratio of 1:5.

Bank of Rajasthan Ltd has appointed Shri M. Ravindra Vikram, Chartered Accountant, and Shri V. Seshadri, Ex-General Manager, Bank of Baroda as Additional Directors on the Board of the Bank of Rajasthan Ltd. for a period of two years with effect from December 14, 2009.

**Merger with ICICI Bank**

RBI was critical of BOR's promoters not reducing their holdings in the company. BOR has been merged with ICICI Bank; ICICI paid Rs.3000 Crores for it. Each 118 shares of BOR will be converted into 25 shares of ICICI Bank.24

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4.2.4 DHANLAKSHMI BANK

Year events 1927 - The Dhanalakshmi Bank Limited [DBLs] was incorporated. It took banking business of all kinds. 1991 - 2,30,000 shares issued. 1992 - The Bank opened a branch at Veerappan Chatram. It also opened an Extension Counter Hyderabad; Our Extension Counter at Nanthencode, Trivandrum was upgraded to a full fledged branch. On 22nd April, the bank opened a branch at Peelamedu. 3,50,000 shares issued to the public.

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 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.

1994 - Rights equity shares issued at a prem. of Rs 25 per share.

1995 - The Bank has co-managed 5 issues, participated in 60 public issues in the capacity of Bankers to the Issue & 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 bank were opened at Chevarambalam [Kozhikode Dist.s], Ponnani [Malappuram Dist.s] & Muvattupuzha [Ernakulam Dist.s]. 80,00,000 No. of equity shares of Rs 10 each issued at a prem. of Rs 40 per share.

1996 - The bank had offered 80 lacs 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 bank were opened at Karur [Tamilnadus], Dasarahalli [Bangalores], Chembur Mumbai [Maharashtras], T. Nagar Chennai [Tamilnadus] & Valancherry [Keralas]. 82,35,545 No. of equity shares of Rs 10 each issued at a prem. of Rs 40 per share allotted through public issue.
1997 - The bank is celebrating the 70th year of service to the nation. The Bank 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 & Industrial Finance Branch at Kochi. The Bank also opened five Extension Counters including the one at Guruvayur.11 branches were fully computerised during the year thereby totalling the fully computerised branches to 26. Back offices of five branches were also computerised. The Investment Information & Credit Rating Agency has rated the bank bond issue with a `LA' rating, indicating adequate safety. The Trichur-based Dhanalakshmi Bank has been granted a full-fledged foreign exchange licence by Reserve Bank of India [RBIs].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 bank were spread over 18,000 shareholders.

1998 - Dhanalakshmi Bank has launched two new deposit schemes -- Dhanam Plus & Dhanam Double Plus -- in Bangalore. The bank had offered 82 lakh shares at a premium of Rs. 40 per share through the public issue.1999 - Dhanalakshmi Bank, which has computerised 70 per cent of its business transactions, is now globally accessible on the Internet & can be visited at http://www.dhanbank.com, an official release from the bank has said.

2000 - The new rates for domestic deposits had become effective April 22 & for NRE/NRNR deposits from May 1. The Kerala-based Dhanalakshmi 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 & Bangalore.

2001 - Dhanalakshmi Bank inaugurated its first ATM Centre in Chennai at Anna Nagar on August 23 Dhanalakshmi Bank has opens its first ATM in Bangalore

2002 - Dhanalakshmi Bank introduces new home loan scheme called Dhanam platinum jubilee home loan advantage The Dhanalakshmi Bank Ltd has fixed
February 16, 2002 as the record date for 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. Ties up with MetLife India to distribute life insurance products of MetLife India

**2003** - Dhanalakshmi Bank sets up 3 branches in Thrissur - Unveils co-branded product DhanLife with MetLife India, makes foray into insurance ties up with United India Insurance Co. in order to market insurance products via all the bank branches Mr B Muthuswamy, Managing Director & CEO has resigned & the charge handed over to Mr K A Menon, Executive Director. Dhanalakshmi Bank inaugurates its Mumbai Treasury Department on Oct 29 Dhanalakshmi Bank has taken over a 18,000 square feet property of Pentasoft Technologies under Securitisation Act

**2009** Dhanalakshmi Bank has appointed Mr Bipin Kabra as Chief Financial Officer [CFOs], who has over 16 years of experience in financial services industry. His past assignments include stints in ICICI as well as SBI & Reliance group. Prior to joining the Dhanalakshmi Bank, he was associated with Zee group. He has spent considerable period in banking, insurance, merchant banking & treasury.25

**4.2.5 CITY UNION BANK**

The bank, ‘The Kumbakonam Bank Limited’ as it was then called was incorporated as a limited company on 31st October,1904. The first Memorandum of Association was signed by twenty devoted and prominent citizens of Kumbakonam including Sarvashri R. Santhanam Iyer, S.Krishna Iyer, V.Krishnaswami Iyengar and T.S.Raghavachariar. Shri T.S.Raghavachariar was the First Agent of the Bank. In 1908, he was succeeded by Shri R. Santhanam

Iyer who became the Secretary of the bank under the amended Articles of Association which created the office of a Secretary to be in charge of the Bank's Management in the place of the Agent, which post he held till his death in 1926. He was succeeded by Shri. S. Mahalinga Iyer as Secretary who subsequently became the First full-time Managing Director of the bank in tune with the amendment of Articles in 1929. He held the position of Secretary from 1926 to 1929 and that of Managing Director from 1929 to 1963.

The bank in the beginning preferred the role of a regional bank and slowly but steadily built for itself a place in the Delta District Thanjavur. The first Branch of the Bank was opened at Mannargudi on 24th January 1930. Thereafter, branches were opened at Nagapattinam, Sannanallur, Ayyampet, Tirukattupalli, Tiruvarur, Manapparai, Mayuram and Porayar within a span of twenty five years. The Bank was included in the Second Schedule of Reserve Bank of India Act, 1934, on 22nd March 1945. From July, 1977 to September, 1979 the bank has opened ten more branches including those at George Town (Madras), Mount Road (Madras), Tirunelveli and Karaikudi. The first branch outside the state of Tamilnadu was opened at Sultanpet, Bangalore in Karnataka in September, 1980. Branches were also opened at the twin cities of Hyderabad and Secunderabad in Andhrapradesh. In tune with the national image attached to the Bank, the Bank's name was changed to 'City Union Bank Limited' with effect from December, 1987. To provide value added services, the Bank has entered into Memoranda of understanding with Life Insurance Corporation of India and National Insurance Company Limited for selling insurance products. The Bank has been accorded license by Insurance Regulatory Authority of India [IRDA] to act as Corporate Agent. The Bank has obtained License to function as Depository Participant under National Securities Depository Ltd., The Bank is having a network of 202 Branches spread in different parts of our Country as on 01/02/2009.26

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. Hornist. The bank along with six other banks co-promoted Bharat Overseas Bank Ltd.

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.

1996 - The Company undertook a 3 year Information Technology Strategic Plan 2000 for automating its branches in a phased programme.

1997 - The bank has developed Fed soft, 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 Federal Bank Limited, the largest scheduled bank in Kerala, had developed its own computer software named Fed Soft.

2000 - Federal Bank is to foray into internet banking and E-commerce in the month April. The Bank will be he 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.

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. Federal Bank is a major Indian commercial bank in the private sector, headquartered at Aluva, Kochi, Kerala.  

27 Federal Bank's operating profit up 25 per cent The Hindu, Jan 26, 2007
4.2.7 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. Venkatrama Chettiar and Athi Krishna Chettiar. The Karur Vysya Bank limited popularly savings habit and to provide financial assistance to traders and small agriculturists in and around Karur, a textile town in Tamil Nadu. The Bank is professionally managed and guided by the Board of Directors drawn from different fields with vision, experience, and knowledge and business acumen.

Though it had inherited a regional flavour to start with, it has now spread its wings far wide with over 285 branches in 13 States and 2 Union Territories. The Bank has been conducting its affairs with meticulous care to be in conformance with all prudential norms and exacting statutory KVB is one of the early banks to adhere to the norm of Capital Adequacy Ratio stipulated by RBI right from its introduction. The Bank has been maintaining a healthy Capital Adequacy Ratio of over 15% as against the mandatory norm of 9% prescribed by the RBI, which will take care of future asset growth.

The bank has 300 branches — about 45 of them are in rural areas. The bank has installed 275 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.

4.2.8 KOTAK MAHINDRA BANK

Kotak Mahindra Bank is one of India's leading financial private banking institutions. It offers banking solutions that covers almost every sphere of life. Some of its financial services include commercial banking, stock broking, mutual

funds, life insurance and investment banking. Established under the brand of Kotak Mahindra Finance Ltd in 1984, it was given the license to carry on with banking business by the Reserve Bank of India in February 2003. It is the first company in the Indian banking history to convert to be converted from a private financial institution to a bank. Within a small span of 6 years, the bank has spread its wings in several sphere of finances. Presently, spread in 82 cities in India, the bank caters to the needs of its 5.9 million customers spread throughout the length and breadth of country and even abroad. By the end of FY 2007-2008, the Kotak Mahindra Bank had about 178 branches spread all over the country and it plans to add some more branches by the end of FY 2010. 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.29

The entire Kotak Mahindra group has a net worth of over Rs. 6,327 crore and at the end of FYP 2007-2008, it was reported that the consolidated profit of Kotak Mahindra Bank individually was Rs 991.2 crore which was 84% higher than the consolidated profit of Rs 538.2 crore in FY07. Kotak Mahindra Bank has 75 ATMs at 41 locations in the country which are 24x7 accessible. Before the free transactions facility of RBI was made mandatory to all the ATM operating banks in India from April 1, 2009, Kotak Mahindra Bank had underwent under a treaty with the HDFC Bank to provide free network free of cost to most of its customers through its 1335 ATMs spread in the country to ensure customers.

Kotak Mahindra Bank: Facilities and Customer Care

The facilities of Kotak Mahindra Bank are wide spread. It's banking sector acts as a central platform for customer relationships across the entire Kotak Mahindra group's various businesses. The bank marks its presence in the commercial vehicles, retail finance, corporate banking and treasury and housing finance

segments. It offers you several facilities like personal banking, commercial banking, insurance and investment banking. Apart from traditional facilities like deposits accounts, savings account, current account, term deposits, personal loans, home loans the bank has spread its wing in the investment services by providing its customer facilities like Demat, mutual fund and insurance. The bank has also opted for net banking, mobile banking and phone banking for convenience customers.

4.2.9 SOUTH INDIAN BANK

South Indian Bank Limited (SIB) is a private sector bank headquartered at Thrissur in Kerala, India. It is headed by Dr. V A Joseph, Managing Director & CEO of the bank. 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

1929 - South Indian Bank was established at Trichur, Kerala State. The Bank transacts general banking business of every description. The bank was selected by RBI to open and operate a currency chest on its behalf. This facility was to help the bank to reduce considerably their cash holdings.

1963 - The Bank took over the assets and liabilities of the Kshemavilasam Banking Co., Ltd., Trichur, and the Ambat Bank Private Ltd., Chittur, Cochin.

2000 - Credit Rating and Information Services of India has downgraded the ratings assigned to the Bank to `BBB-' from `BBB+'.

2001 - The Bank has launched its comprehensive and centralized banking solution, Sibertech, which will run on Finacle platform provided by Infosys Technologies of Bangalore. The South Indian Bank one of the leading private sector banks in Kerala, has entered into new alliances with three exchange houses in the Gulf.

2004- SIB introduces life insurance product. SIB inks pact with Dubai exchange
house. South Indian Bank kicks off RTGS operations. SIB partners with Al Razouki.

2005 - South Indian Bank ties up with Bahrain Financing
2006 - Franklin Templeton inks pact with SIB. SIB to roll out co-branded Citi credit card

The South Indian Bank Ltd. has appointed Dr N.J. Kurian as an Additional Director on the Board of Directors of the Bank at the Board Meeting held on May 23, 2007 pursuant to section 260 of the Companies Act, 1956. 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.

Milestones

- First among the private sector banks in Kerala to become a scheduled bank in 1946.
- First bank in the private sector in India to open a Currency Chest in April 1992.
- First private sector bank to open a NRI branch in November 1992.
- First bank in the private sector to start an Industrial Finance Branch in March 1993.
- First among the private sector banks in Kerala to open an "Overseas Branch" in June 1993.
- First bank in Kerala to develop an in-house, a fully integrated branch automation software.
- First Kerala based bank to implement Core Banking System.
- Third largest branch network among Private Sector banks in 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.

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4.2.10 AXIS (UTI) BANK

Axis Bank was formed as UTI when it was incorporated in 1994 when Government of India allowed private players in the banking sector. The bank was sponsored together by the administrator of the specified undertaking of the Unit Trust of India, Life Insurance Corporation of India (LIC) and General Insurance Corporation Ltd. and its subsidiaries namely National insurance company ltd., the New India Assurance Company, the Oriental Insurance Corporation and United Insurance Company Ltd. However, the name of UTI was changed because of the disagreement on terms and conditions of the bank authority over certain stipulations including royalty charged over the name from UTI AMC. The bank also wanted to have a new name from its pan-Indian as well as international business perspective. So, From July 30, 2007 onwards the UTI bank was named as Axis Bank Set up with a capital of Rs. 115 crore- with UTI contributing Rs. 100 crore, LIC contributing Rs. 7.5 crore and GIC and its four subsidiaries contributing Rs. 1.5 crores, the bank came in operation with its first registered office at Ahmedabad. Today, Axis Bank has more than 726 branch offices and Extension Counters spread over 341 cities, towns and villages of the country. Presently, the authorized share capital of Axis Bank is Rs. 300 Crores and the paid up share capital is Rs. 232.86 Crores. The Axis bank is currently capitalized with Rs. 282.65 Crores with a public holding of 57.05% apart from the promoters. The FY 2009 shows a net profit of Rs. 500.86 crore up by 63.24% yoy over the Net Profit of Rs. 306.83 crores for the thirdquarter of last year.

Axis Bank its customers with all kinds of facilities that should be provided by a modern Bank. As on the year ended March 31, 2009 the Bank had a total income of Rs. 13,745.04 crores and a net profit of Rs 1,812.93 crores. Axis Bank is the first bank in the country to provide a secure debit card-based payment service over IVR.31

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