PERFORMANCE ANALYSIS OF SELECT BANKS IN AIZAWL CITY, MIZORAM

(A DISSERTATION SUBMITTED FOR THE AWARD OF THE DEGREE OF MASTER OF PHILOSOPHY IN ECONOMICS)

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CERTIFICATE

This is to certify that the dissertation entitled **"Performance Analysis of Select Banks in Aizawl City, Mizoram"** by Shri K.T. Buansing has been written under my guidance. This dissertation is the result of his investigation into the subject and was never submitted to any other University for any research degree.

DECLARATION

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2017

I, K.T. Buansing, do hereby declare that the subject matter of this dissertation is the record of work done by me, that the contents of this dissertation did not form the base of the award of any previous degree to me or to do the best of my knowledge to anybody else, and that the dissertation has not been submitted by me for any research degree in any other University/ Institute.

This is being submitted to the Mizoram University for the degree of Master of Philosophy in Economics.

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K.T. BUANSING

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1.1 INTRODUCTION:

Banks are basically meant for accepting of deposits from the customers and advancing of loans to the customers. Some banks may perform the task much more than the basic function of every bank. The terms and conditions for deposit and advances are also varied from one bank to another and from country to country. Whatever the terms and conditions might be, it is the fact that banks are the backbone of every nation’s economy and that the apex bank is responsible for the sustainability of the money in circulation. Banks play a vital role for the growth and development of an economy, the political administration and the banking sectors go hand-in-hand for the development of an economy. Generally, there are Private Sector Banks and Public Sector Banks in the banking industry. Private Sector Banks are maintained, controlled and regulated by the private owner, whereas Public Sector Banks are fully managed by the public.

In this modern time money and its necessity is inevitable. A developed financial system of the country can ensure scope for attaining economic development. A modern bank provides valuable services to a country. To attain development there should be a good developed financial system to support not only the economic but also the society. So, a modern bank plays a vital role in the socio economic matters of the country. Among the numerous importance and signinificance of banking institutions some of the prominent can be disclosed in points as follows:

1) Promote Saving Habits among People.
2) Capital Formation and Promoting of Industries.
3) Easiness of Trade and Commerce Functions.
4) Generate Employment Opportunities.
5) Promote Agricultural Development.
6) Implementation of Monetary Policy.
7) Balanced Development.
8) Discounting bill of Exchange.
9) Financing internal and External Trade.
10) Issue of Traveller’s Cheque.
11) Act as an Agent.
12) General utility services.
13) Money transfer

1.2 THE APEX BANK

The apex bank of a country holds the supreme power over all the public and private banks within the country. In India, the Reserve Bank of India (RBI) is the apex bank which control and monitored all the banking systems and strategy within the country. It formulates implements and monitors India's monetary policy. Reserve bank of India was established in 1935 and nationalized in 1949. It is fully owned by the Government of India and its headquarters are located in Mumbai. RBI has 22 regional offices in the various state capital of India.

Some of the current norms as laid by the RBI for the smooth functioning of the banking institutions within the country are as follows.

Repo Rate : also known as the benchmark interest rate is the rate at which the RBI lends money to the banks for a short term. Repo Rate signifies the rate at which liquidity is injected in the banking system by RBI. Current Repo Rate in India is 6%.

Reverse Repo Rate : it is the short term borrowing rate at which RBI borrows money from banks. The Reserve bank uses this tool when it feels there is too much money floating in the banking system. The existing Reverse Repo Rate in India is 5.75%. Reverse Repo rate signifies the rate at which the central bank absorbs liquidity from the banks.

CRR - Cash Reserve Ratio (CRR): Banks in India are required to hold a certain proportion of their deposits in the form of cash known as Cash Reserve Ratio. The latest CRR in India is 4%.

The higher the ratio, the lower is the amount that banks will be able to use for lending and investment.

Statutory Liquidity Ratio (SLR)(20%) - Every bank is required to maintain at the close of business every day, a minimum proportion of their Net Demand and Time Liabilities as liquid assets in the form of cash, gold and un-encumbered approved securities. Currently the SLR in India is 20%, the RBI is empowered to increase the ratio up to 40%.

Call Rate: Inter bank borrowing rate - Interest Rate paid by the banks for lending and borrowing funds with maturity period ranging from one day to 14 days. Call money market deals with extremely short term lending between banks themselves.

Marginal Standing Facility (MSF): It is a special window for banks to borrow from RBI against approved government securities in an emergency situation like an acute cash shortage. MSF rate is higher than the Repo rate and the current MSF Rate is 6.25%.

Bank Rate: This is the long term rate (Repo rate is for short term) at which central bank (RBI) lends money to other banks or financial institutions. Bank rate is not used by RBI for monetary management now. It is now same as the MSF rate and the current bank rate is 6.25%.

Credit Deposit Ratio (CDR) of Banks in Rural and Semi-Urban Areas: Banks have been advised to achieve a credit deposit ratio of 60% in respect of their rural and semi-urban branches separately on an all-India basis. While it is not necessary that this ratio should be achieved separately branch-wise, district-wise or region-wise, the banks should nevertheless, ensure that wide disparity in the ratios between different States / Regions is avoided in order to minimise regional imbalance in credit deployment. The credit dispensation in certain districts is very low, as a result of various factors such as lack of necessary infra-structure, varying ability of different regions to absorb credit, etc. The banks may review the performance of their bank branches in such areas and take necessary steps to augment the credit flow. The lead banks may discuss the problem in all its aspects with the other financial institutions in the district and also in the DCC forums.

There are certain ongoing guidelines implemented by RBI as on the 21st November2017.

RBI has formed a working group to review the guidelines for hedging of commodity price risk. The RBI today came out with simplified norms for hedging exchange rate risk under which companies can take exposure of up to USD 30 million on gross basis.

In relation to Know Your Customers (KYC), RBI's Master Direction is interoperability of wallets eliminates the need for the sender and recipient of a mobile payment to be using the same mobile wallet service for a payment. The RBI said revised framework will pay the way for inter-operability into usage of PPIs, as per the vision for Payment and Settlement Systems in the country. Accordingly, mobile wallets, which have been conforming to a minimum KYC format will have convert to full KYC wallet within 12 months of opening it.

RBI will soon instruct banks on facilities for senior citizens and physically challenged person. The regulator said that it would instruct banks to put in place explicit mechanisms for meeting the needs of such customers so that they do not feel marginalised.

RBI also allows retail investors in G-sec primary market. The move is expected to broaden the investor base easing buy-sale transactions. With regards to peer-to-peer lending platform, fund transfer between the participants on the P2P lending platform shall be through escrow account and cash transaction is strictly prohibited.

RBI raises the FPI's limit in government bonds where foreigners can own 5 per cent outstanding of central government bonds. Reserve Bank of India has said that two crucial decisions on digital payments will be released next year without giving the timeframe.

1.3 BANKING PROFILE OF MIZORAM

The population (as per 2011 census) served per branch comes to 5931. However, the location of branches in the state has been skewed in cities and urban centres. There are many villages devoid of banking services even with a radius of 80-100 kms. The main reason is setting up of scattered village with a small number of household which makes branch banking unviable. There are a total of 204 Bank Branches in Mizoram as on 31st March, 2017 comprising branches of Public Sector Bank, Regional Rural Bank, State Cooperative Apex Bank branches as well as Private Sector Banks including Non-Banking Financial Institution (NBFIs).

The State Level Bankers' Committee (SLBC) has been constituted in April 1977, as an apex inter-institutional forum to create adequate coordination machinery in all States, on a uniform basis for development of the State. SLBC is chaired by the Chairman & Managing Director (CMD) of the convenor bank/Executive Director of the convenor bank It comprises representatives of commercial banks, RRBs, State Cooperative Banks, RBI, NABARD, heads of Government departments including representatives from National Commission for Scheduled Castes/Tribes, National Horticulture Board, Khadi & Village Industries Commission etc. and representatives of financial institutions operating in a State, who come together and sort out coordination problems at the policy implementation level. Representatives of various organizations from different sectors of the economy like industry bodies, retail traders, exporters and farmers' union etc. are special invitees in SLBC meetings for discussing their specific problems, if any. The SLBC meetings are held on quarterly basis.

1.4 STUDY AREA

Aizawl is the capital of the state of Mizoram. It holds the heart of all administrations in terms of political, social and economy. It becomes the most populated city within the state and occupied by 4, 00,309 population. Since more than 30 percent of the state population is living in the city, it is sufficient to represent the banking performances within the state which is why the area has been chosen for the study area.

According to the State Level Bankers' Committee (SLBC), the record for Quarter Ended booklet of December 2015 and March 2016 reveals that there are 25 commercial banks within Aizawl city. The banking industry plays a crucial role for the survival as well as for the competition among the various sectors of the economy within the city. They serve the financial stability and transparency of the state. Banking sectors are well organized within the city of Aizawl under The State Level Bankers' Committee.

1.5 OBJECTIVES OF THE STUDY

1. To analyse the Credit Deposit Ratio (CDR) of select banks in Aizawl City within the fiscal years of 2012-13 to 2016-2017.
2. To examine the performances of the select banks in financing students under educational loans during the study period.
3. To study the agricultural loans advanced by the select banks in the study area.

4. To compare the overall performances of these selected banks based on other selected indicators such as-

    a) Housing Finance Financing of Self-Help Groups (SHGs)
    b) Micro Small and Medium Enterprises (MSME)
    c) Prime Minister's Employment Generation Programme (PMEGP)
    d) Kisan Credit Card (KCC)

1.6 RESEARCH QUESTIONS

1. How far, the ten select banks advanced loans to women under Other Sensitive Sector during the study period?

2. Do the select banks finance the physically handicapped within Aizawl City during the five fiscal years?

1.7 METHODOLOGY

There are 25 banks in Aizawl out of which 10 banks were randomly selected for the study. The study was based on secondary data of the State Level Bankers Committee (SLBC)'s quarterly reports from 2012-2013 to 2016-2017 which were analysed for the study.

The performances of these selected banks was analyzed based on the randomly selected indicators such as, Credit

Deposit Ratio (CDR), Agricultural Loans, Educational Loans, Housing Finance, Self-Help Groups (SHGs), PMEGP, KCC,MSME, Finance of Women and Physically Handicapped. The ten banks selected for the study were:

Table 1.1: The 10 Select Banks in Aizawl City

Sl.No	Abbreviations	Expansion	Estd.	Main Branch Address
1	VJB	Vijaya Bank	1977	Bazar Bungkawn
2	MCAB	Mizoram Cooperative Apex Bank Ltd.	1982	Treasury
3	UBI	United Bank of India	2006	Chanmari
4	AXIS	Axis Bank Ltd	2006	Chanmari
5	BoB	Bank of Baroda	2008	Upper Zarkawt
6	ICICI	ICICI Bank Ltd.	2008	Upper Zarkawt
7	HDFC	HDFC Bank Ltd.	2010	Upper Zarkawt
8	BoI	Bank of India	2011	Thuampuii
9	CAN	Canara Bank	2012	Zodin
10	BoM	Bank of Maharastra	2012	Bawngkawn

Source: SLBC Meeting for Mizoram, Quarter Ended 2015-16

Based on the methodology, the objectives and research questions were analysed to highlight the performance of the select banks in Aizawl city.

2.1: INTERNATIONAL BANKING

Agu (2004) studies the efficiency of commercial banking in the Gambia. The study examined the efficiency of the Gambia's financial sector in terms of the functions of a financial sector. These functions are: i) the provision of financial resources to meet borrowing needs of individuals and households, enterprises and governments. ii) the provision of facilities to collect and invest savings funds; and iii) the provision of a sound payments mechanism. These functions are translated into payments mechanism delivery functions, intermediation or allocative function and operational function. The study also examined the impact of regulation in the performance of these functions. The Gambia, a small open country of West Africa, has an oligopolistic banking market. There are six commercial banks in the system with two of them controlling more than 50 percent of the market. Evidence from the analysis indicates that the Gambia's banking system has not performed the functions as efficiently as it ought to. The causes of inefficiencies in the performance of the various functions include the heavy regulatory framework, the oligopolistic market structure and the small banking market. The study give the notion that in analyzing a banking sector of any developing country, the level and growth of any banking sector depends on the level of growth and development of the economy. Consequently, the result of any such analysis is likely to be influenced very much by the general underdevelopment of the system in which the banks operate.

Feakins (2004) enquires into the commercial bank lending to Small and Medium Enterprises (SMEs) in Poland.The study explores the processes of financial intermediation that are used by commercial banks in their interactions with SMEs in Poland. The paper develops an argument for examining the empirical realities of commercial bank involvement with the SME sector within the context of economic transformation by suggesting that the connection between them influences the trajectories of economic change within transition. The paper provides a history of reorganisation of the commercial banking sector in Poland, paying particular attention to the involvement of foreign capital and foreign banks as the trend towards increasing foreign participation is apparent in the Central European transition economies. The findings from this research suggest that there are some significant variations within the commercial banking sector in the approach to, and practices for, lending to the SME sector.

Sobhee (2004) studies implications of deficit financing for lending rates of commercial banks in Mauritius. The study revitalises the debate on the impacts of fiscal deficits on interest rates, by empirically investigating into the case of a small open island emerging economy that of Mauritius, and, particularly analysing the lending rates of commercial banks. Applying data for the post-independence period spanning across 1973-99, it is observed that government deficits do indeed increase lending rates. The channel through which this occurs pertains to the combined effective changes occurring in both goods and money markets. Altogether, the study establish a direct relationship between lending rates and expected inflation rates, showing that commercial banks do 'lean against the wind'. However, this relationship is not one-to-one, thereby rejecting, firstly, the Fisher Effect contention in its strict sense, and the idea of complete and efficient information set among banks. Also, it is found that a long-term relationship exists between lending rates of commercial banks, per capita Gross Domestic Product (GDP) and expected inflation. The study do not investigate into the short run dynamics which could be equally interesting to ascertain how lending rates respond to small changes in income and expected inflation in the short period. Increases in lending rates generated by fiscal deficits could have serious implica tions for private sector spending in general and private investment in particular in the long run.

Udegbunam (2004) examines the asset portfolio composition, size, and bank stock risk in Nigerian Commercial Banks. In this study, an attempt is made to conduct an empirical analysis of the behavior of commercial banks' stock returns, with the objective of examining the effect of portfolio composition and bank size on the risk associated with the returns on bank stocks. Using a simple return-generating model of the Arbitrage Pricing Theory (APT) form, and a pooled time-series/cross-section data, a simple Generalized Least Square (GLS) regression analysis is run. The evidence from the regression results provides strong support for the proposition that portfolio composition and bank size exert strong influence on both market and non-market risks of bank stock returns. The results are largely in conformity with the risk hierarchy of the risk-based capital guidelines recently adopted by the regulators of the Nigerian banking system. This aspect of the results suggests that the Nigeria's emerging stock market can evaluate bank risk, and the outcome is fairly in accordance with the risk hierarchy of the capital guidelines

Ashton et.al (2005) take into study the competition and the provision of banking services to SMEs in the United Kingdom. Their study examines the report produced by the Competition Commission on the provision of SME banking services in the U.K. The report is assessed in terms of under- lying assumptions used to describe and assess how banks operate and perform. The Competition Commission suggested "remedies" are drawn from a specific economic model assumed to be representative of the U.K. banking industry. It is concluded the remedies proposed by the Competition Commission are misplaced and may impose a substantial future cost on both banks and SMEs receiving banking services. It is proposed that the ramifications of this case are substantial for the present system of allocating bank funding to SMEs, in both the U.K. and international economies where similar antitrust or competition guidelines are employment**.**

Lin (2005) works on the empirical analysis of bank mergers and cost efficiencies in Taiwan. This study compiled input and output panel data of 46 commercial banks in Taiwan during the period from 1997 to 1999 and used the two-stage method to evaluate the effects of bank mergers on bank efficiency. Generally speaking, a bank's cost efficiency would be improved if the bank mergers happened between banks with different culture backgrounds. On the other hand, if the mergers happened between homogeneous banks, there would be little financial innovation and the cost efficiency would be unsubstantially improved. Another finding is that small banks have superior performance than larger banks in Taiwan. Also, efficiency would seem to dictate against mergermania. The empirical study findings revealed the following: Firstly, the size of the nonperforming loan ratio, loan-to-deposit ratio, gross assets, and the mergers mode are factors determining the cost inefficiency of banks. A merger between a sound bank and an unsound bank does not have a significant effect on the bank cost efficiency. As a result, only a limited improvement could be achieved in terms of cost efficiency.4 Secondly, small banks have superior performance. Efficiency would seem to dictate against merger mania. Evidence revealed smaller banks in general are not inferior to larger banks in Taiwan.

Craigwell et.al (2006) studies the non income and financial performances at Commercial banks in Barbados. This study discusses the trends in non-interest income at commercial banks in Barbados between 1985 and 2001, as well as investigates the determinants of non interest income and its impact on commercial bank financial performance. The paper reveals that the incidence of non-interest income in Barbados declined over the period, contrary to the findings in Jamaica and Trinidad and Tobago as well as the wider developed world. A review of the literature and a panel data regression model confirm that the result for Barbados may be consequences of the absence of some of the factors that were zenith to the generation of non-interest income in developed countries, such as deregulation and technological change, especially for the development of loan securitization and credit scoring. The empirical evidence supports bank characteristics and the ATM technology as the most influential factors shaping the trend of non-interest income in the banking industry in Barbados and suggests that non-interest income is positively related to both bank profitability and earnings volatility.

Chen et.al (2010) studies the operational performances of commercial banks in Chinese traditional economy. This study used items in balance sheet and income statement for individual banks over the period 1996-2002, controlling for bank characteristics and output mix to examine the disparity in operating costs between SCBs and shareholding commercial banks. Since the process of economic reform began in China, the Chinese banking system impressively. The aim of this paper is therefore to examine the differences in operational between China's State-owned Commercial Banks (SCBs) and shareholding commercial pooled cross-section and time-series data to observe the period between 1996 and 2002 showed that, on average, shareholding commercial banks have lower operating costs SCBs; that is to say, they display a higher level of "vitality", and greater efficiency. The results also indicated that there has been a significant improvement in the overall performance of China's commercial banks in the last few years. By 2002, average operating were much lower than during the period 1996-1998. This improvement is clearly related growth of the shareholding commercial banks. The results showed that, on average, shareholding commercial banks have lower operating costs than the SCBs; that is to say, they display a higher level of "vitality", and greater efficiency.

Srairi (2010) studies the cost and profit efficiency of conventional and Islamic banks in GCC countries. The study uses thestochastic frontier approach, where investigations are made on ground of the cost and profit efficiency levels of 71 commercial banks in Gulf cooperation council countries over the period 1999-2007. This study also conducts a comparative analysis of the efficiency across countries and between conventional and Islamic banks. Moreover, we examine the bank-specific variables that may explain the sources of inefficiency. The empirical results indicate that banks in the Gulf region are relatively more efficient at generating profits than at controlling costs. We also find that in terms of both cost and profit efficiency levels, the conventional banks on average are more efficient than Islamic banks. Furthermore, we observe a positive correlation of cost and profit efficiency with bank capitalization and profitability, and a negative one with operation cost. Higher loan activity increases the profit efficiency of banks, but it has a negative impact on cost efficiency. Taking all gulfs together, the result of second part of the analysis show that cost efficiency scores (56%) are lower than profit efficiency scores (71%). This means that banks in these countries are more efficient at generating profit than controlling costs.

Huidobro (2014) compares and identify the effects of some of the factors that influence interest rate margins on loans granted by commercial and development banks to private businesses in Mexico. In this country, commercial banks are privately-owned and development banks are government-owned. Traditionally, the purpose of development banks has been to foster the development of specific economic sectors by providing first and second tier lending and credit guarantees. This paper compares the effects of a set of factors that influence the interest rate margins charged on loans granted by commercial and development banks to private businesses in Mexico. The database comprises more than 330 000 records of outstanding loans on December 2007. By means of WLS and ANOVAS, empirical evidence about differences between the effects of the studied determinants is found. The results suggest that development banks do not seem to mimic private banks, at least regarding the determination of interest rate margins, but that does not necessarily mean that they are solving a well-identified market failure.

Liscow (2016) enquires and made a study on the counter-cyclical bankruptcy law in Colombia. Bankruptcy judges consider both value to creditors and harm to employees in deciding whether to liquidate or reorganize firms. The study proposes to systematize what is currently an ad hoc trade-off by making bankruptcy law explicitly counter-cyclical - that is, placing more weight on preserving employment during times of high unemployment. Although the suggestion that bankruptcy law should consider employment effects runs counter to decades of economic analysis of bankruptcy law, this study bases its analysis on the traditional law and economics efficiency norm. During times of high unemployment, significant social benefits flow from maintaining employment, as evidenced by the hundreds of billions of dollars that the government has recently spent to maintain employment. The simple argument of the finding here is that when bankruptcy law can preserve employment more cheaply than government spending can, it should do so. More broadly, the Article suggests a framework for thinking macroeconomic considerations in the law. The methodology for measuring the shadow of value of a job saved could be applied to other areas of the law.

2.2: INDIAN BANKING

Das et.al (2005) studies the liberalization, ownership and efficiency in Indian banking. The study is conducted using the empirically estimates and analyses various efficiency scores of Indian banks during 1997-2003 using data envelopment analysis (DEA). In spite of gradual liberalisation aimed at strengthening the operational efficiency of the financial system in the 1990s, it is observed that Indian banks are still not much differentiated in terms of input- or output-oriented technical efficiency and cost efficiency. However, they differ sharply in respect of revenue and profit efficiencies. The study reveals that bank size, ownership, and being listed on the stock exchange are some of the factors that have a positive impact on average profit efficiency, and to some extent, revenue efficiency scores. Finally, the findings in this study disclosed that the median efficiency scores of Indian banks, in general, and of bigger banks, in particular, have improved during the post-reform period.

Mohan et.al (2005) study on the Reforms, Productivity, and Efficiency of banking in India. According to the study India embarked on a strategy of economic reforms in the wake of a serious balance-of- payments crisis in 1991. The objective of the banking sector reforms was to promote a diversified, efficient and competitive financial system with the ultimate objective of improving the allocative efficiency of resources through operational flexibility, improved financial viability and institutional strengthening. Beginning from 1992, Indian banks were gradually exposed to greater domestic and international competition. The study reveals that improvements in efficiency of the banking system were reflected in a number of indicators, such as, a gradual reduction in cost of intermediation in the post reform period across various bank groups, and decline in the non-performing loans. As a result of these changes, there has been an all-around productivity improvement in the Indian banking sector. Such productivity improvements in the banking sector could be driven by two factors: technological improvements, which expands the range of production possibilities and a catching up effect. The study reveals that as far as the future of Indian banking is concerned, a number of issues, such as the credit to small and medium enterprises, customers' interests and financial inclusion, reducing procedural formalities, listing of the public sector banks in the stock exchange and related market discipline are of crucial importance. The research paper concluded by adding that India and Pakistan banks to set up foreign branches in the step for liberalising trade in financial services, the strengthening ties between Pakistan about developing the financial system from each other.

Sensarma (2005) Examines the cost and profit efficiency of Indian banking during 1986-2003 using the Stochastic Frontier Analysis. This study examines efficiency of all scheduled commercial banks in India for whom data was available for the period 1986-2003.On using the technique of stochastic frontier analysis to estimate bank-specific cost and profit efficiency it has been founded that while cost efficiency of the banking industry increased during the period, profit efficiency underwent a decline. This result is expected in an emerging economy undergoing a process of deregulation. In terms of bank groups, domestic banks appear to be more efficient than foreign banks. The study concluded by mentioning the deregulation of banking sector since the early 1990s together with the presence of a variety of ownership groups makes it imperative that performance measurement be taken up as an important area of research. While there have been a number of studies in this context, none so far have looked at Indian banking from the cost and profit efficiency aspects.

Shah et.al (2007) make a review on the Rural Credit in 20th Century India. This brief overview of rural credit in India begins in the 19th and ends in the 21st century but it is primarily concerned with the major episodes of the 20th century. In each case this overview of rural credit in 20th century India finds a remarkable continuity in the problems faced by the poor throughout the period. These include dependence on usurious moneylenders and the operation of a deeply exploitative grid of interlocked, imperfect markets. They articulate the theoretical and historical case for nationalisation of banks and provide evidence of its positive impact on rural credit and development. Certain excesses led to the reforms of the 1990s, which did increase bank profitability but at the cost of the poor and backward regions. While the microfinance institution model is unsustainable, the self- help group-bank linkage approach of MF can make a positive impact on security and empowerment of the disadvantaged. Much more than MF is, however, needed to overcome the problems that have persisted over the last 100 years, the findings suggested.

Sinha et.al (2008) enquires into the fund-based activity of Indian commercial banks. This study is in view of the changed scenario in the Indian banking sector during the reform period, effort is made to a comparison of fund based operating performance and total factor productivity growth of select Indian commercial banks (20 public sector, eight private sector and two foreign commercial banks) for the five year period 2000-01 to 2004-05 using Data Envelopment Analysis (DEA) and Malmquist total factor productivity (TFP) index. The results obtained from the exercise represent substantial fluctuations in mean technical efficiency scores for the observed years. The mean technical efficiency of the in-sample private and foreign banks is somewhat higher than the in-sample public sector banks. Further, most of the in-sample banks exhibit decreasing returns to scale, the study added. In so far as total factor productivity growth is concerned, the in-sample public sector commercial banks exhibited relatively higher Malmquist Total

Factor Productivity index than the in-sample private sector banks. The study concluded by disclosing that decomposition of the total factor productivity growth rate into technical efficiency change and technical change components reveals that across the groups the commercial banks exhibit rising technical efficiency but negative technical change.

Brindadevi (2013) conduct a Study on Profitability Analysis of Private Sector Banks in India. The objective of this study was overall profitability analysis of different private sectors banks in India based on the performances of profitability ratios like interest spread, net profit margin, return on long term fund, return on net worth & return on asset. The study concluded by suggesting profitability is a measure of efficiency and control it indicates the efficiency or effectiveness with which the operations of the business are carried on. Recording profitability for the past period or projecting profitability for the coming period, measuring profitability is the most important measure of the success of the business. A business that is not profitable cannot survives what the paper is inclined to. Conversely, a business that is highly profitable has the ability to reward its owners with a large return on their investment. Increasing profitability is one of the most important tasks of the business managers. Managers constantly look for ways to change the business to improve profitability. These potential changes can be analyzed with a support of income statement and balance sheet.

Kandasamy et.al (2013) conduct a study on financial performance of new generation private sector commercial banks in India. The research aimed at studying the financial performance of new generation private sector commercial banks. Private sector banks an important role in the development of Indian economy. The study is conducted using ANOVA table for selected banks.Accordingly there are also non- banking institutions which provide certain banking services without meeting the legal definition of a banks are a subset of the financial services industry. A banking system is also referred to as a system provided by the bank which offers cash management, services for customers, reporting the transactions of their accounts and portfolios throughout the day. The findings reveals that the situation has changed in Indian banking system where private sector banks with use of technology and professional management has gained a reasonable position in the banking industry in contrast with the public sector banks. The study also reveals that Indian banking system for the past three decades has several outstanding achievement to its credit. The most striking is its extensive reach. Besides, it is no longer confined to only metropolitans or cosmopolitans in India. In fact, Indian banking system has reached even to the remote corners of the country is what the study discovered.

Chaudhary (2014) examines the performance comparison of private sector banks with the public sector banks in India. According to the study, the Indian economy has recently witnessed the emergence of many banks in the private sector. There are several reasons behind the increasing number of commercialization of banks. The growth of such banks is not possible unless they witness some success in the context of customer satisfaction or may it be the net assets held by these banks, efficiency of their management or the networks of each bank both in private as well as the public sector bank. The study covers the performance comparison of private sector banks and the public sector banks and to give the reasons and suggestions for the same. The study has been witnessed that the major area of concern for any bank is the customer service and customer satisfaction, thus just like the private sector banks, it is high time that the public sector banks also start concentrating more on the customers and the services provided to them. Top most rank held by a private bank is a clear indicator of the better performance of the private banks due to their higher concern towards customer feedback, their efficient management and thus yielding to higher productivity and networks throughout India. The study suggested that to strive the cut throat competition given to the public sector banks by the private sector banks, the public sector will have to pull up their shoes to be at the better half part of the race else the time is very near which can make these public sector banks just a memory or a history for everyone.

2.3: PURE COMPETITION

Vives (2001) studies competition in the world of banking. This paper reviews the role of competition in banking against the background of a transforming uses industrial organization and modern financial intermediation analysis to study the relationships between the level of competition, risk-taking incentives, and the regulatory frame. The consequences market structure of the liberalization process and the need for competition policy in the sector lighted. The findings of the study are revealed into two perspective: at the retail level, despite the inroads made by electronic banking and improvements in information processing, market power is still a concern. Frictions are important and competition policy has an active role to play. At the wholesale and investment banking level the game is global, competition intense, and the equilibrium market structure may be a natural oligopoly. In this case efforts to change it may not prove fruitful. It is an open question as to what, if any, is the role of competition policy in this area.

Boyd et.al (2004) studies crises in competitive versus monopolistic banking system. The study covers a monetary, general equilibrium economy in which banks exist because they provide inter-temporal insurance to risk-averse depositors. The study defined banking crisis as a case in which banks exhaust their reserve assets. This may be associated with liquidation of a storage asset. When such liquidation does occur, the result is a real resource loss to the economy and we label this a costly banking crisis. There a monetary authority whose only policy choice is the long-run, constant rate of growth of the money supply, and thus the rate of inflation. Under different model specifications, the banking industry is either a monopoly bank or a competitive banking industry. It is shown that the probability a banking crisis may be higher either under competition or under monopoly. This is shown to depend on the rate of inflation. In particular, if the nominal rate of interest is below some threshold, a monopolistic banking system will always result in a higher crisis probability. Thus, the relative crisis probabilities under the two banking systems cannot be determined independently of the conduct of monetary policy. We further show that the probability of a costly banking crisis is always higher under competition than under monopoly. However, this apparent advantage of the monopoly banking is strictly due to the fact that it provides relatively less valuable inter-temporal insurance.

Claessens et.al (2004) examine on what drives the bank competition. Using bank-level data, the study apply the Panzar and Rosse (1987) methodology to estimate the extent to which changes in input prices are reflected in revenues earned by specific banks in 50 countries' banking systems. Furthermore this competitiveness measure is then relate to indicators of countries' banking system structures and regulatory regimes. In the study it is found systems with greater foreign bank entry and fewer entry and activity restrictions to be more competitive. There is no evidence that their competitiveness measure negatively relates to banking system concentration. The final findings confirm that contestability determines effective competition especially by allowing (foreign) bank entry and reducing activity restrictions on banks. They disclosed that results on the lack of importance of market structure suggest that competition policy in the financial sector is more complicated than perhaps previously thought. In part, this may be because financial services industries have been undergoing rapid changes, triggered by deregulation and technology.

Chen (2005) conduct a study on financial liberalization, competition, and bank loan quality. The paper studies the relationship between financial liberalization, characterized by removing entry restrictions, and bank loan quality. It shows that if a banking market is liberalized, the opportunity cost of screening loan applicants is driven lower by competition. Thus, a bank facing an entry threat is more likely to invest in screening instead of relying on collateral requirements. Removing entry restrictions may improve loan quality stability and reduce correlation between bank performance and asset price fluctuations. The paper presents a simple model demonstrating that after removing entry restrictions, banks are more likely to rely on screening loan applicants instead of on collateral requirements to deal with information asymmetry. The final result of the study coincides with the fact that removing entry restrictions often does not result in significant foreign entry, and that foreign banks usually have small market shares. However, competitive pressure created by the removal of entry restrictions does not disappear for this reason. Besides, foreign bank may enter into a host country in the form of a representative office and does not directly engage in competition with domestic banks, but the convenience of its further permeation into the local market can pose a persistent and significant threat to the domestic banks. Finally, the positive effect of lifting entry restrictions on screening activities depends on the efficiency of screening technology.

Utrero-Gonzalez et.al (2007) studies whether Monetary Union can enhance banking competition. This paper makes a comparative analysis of the market conditions for banking sectors in Spain and France (EMU participation countries) and UK and Denmark (not participating in EMU) in order to assess the effects of the adoption of the Single currency in banking market conditions. This comparison is made distinguishing between commercial banks and non-profit financial institutions. The deregulation of financial services in the European Union and the development of information technology have fostered recent changes in the European banking industry. The study reveals thatthis process, which has affected market competition, has been accelerated by the establishment of the Economic and Monetary Union (EMU). The results highlight first, that the competitive environment evolves differently outside and inside the single monetary union. It added that EMU adoption helps to increase competition both for Spanish and French banking systems (both for commercial and savings banks) whereas, in the same period, the UK and Danish systems show a decrease or remain nearly unchanged. Hence, there is evidence of the positive effect of the Single currency on the degree of competition in the banking.

Juan (2008) studies competition in local markets based on some evidence from Spanish Retail Banking Market. This study uses the entry threshold concept developed by Bresnahan and Reiss (Brookings Pap Econ Act 3:833-882, 1987 which examines how competitive conditions vary in independent local banking markets when the number of depository branches grows. With data on the Spanish retail banking sector in 2003, the study estimate a discrete choice model to calculate the entry thresholds. The empirical evidence suggests that the entry of a new branch implies competition on a local level. Local branches seem to have some scope for changing prices fixed on national and regional levels. Moreover, the entry of new branches increases the competition among branches with instruments other than price (e.g., advertising, location, and promotion. The main empirical results are the following: First, 2,392 inhabitants is the minimum population required for two branches to be established in a town, whereas 4,465 inhabitants is the minimum population required to establish five branches. Second, in towns with more than two branches, each branch serves approximately the same number of consumers (around 900), whereas in towns with two branches, each branch serves 31.4% more consumers than those established in towns with three branches. Third, local branches seem to have some scope for changing prices fixed on a national or regional level, as shown by the variation in variable profits per customer as new branches open in a town.

Prior et.al (2009) studies the Best Practices on Credit Accessibility and Corporate Social Responsibility in Financial Institution. The purpose of this article is to present and discuss some of the best practices of financial industry, in three emerging economies: Colombia, Ecuador, and Peru. The main thesis is that, notwithstanding the importance of certain specific deficiencies, such as an inadequate regulatory context or the lack of financial education among the population, the main factor that explains the low banking levels in emerging and developing economies, affecting mostly lower-income segments, is the use of inefficient financial service distribution models. The study reveals that the main reason for the low usage of financial services by the low-income population in Colombia, Ecuador, and Peru is shortage of supply. The supply is inadequate because the prices of financial are too high, the financial services network are limited in scope and too expensive, and the credit assessment method are unsuited for developing countries.

Schaeck et.al (2009) studies whether competitive banking system are more stable or not for the long run economic development. They put forward to question that When banks compete, does it make banking crises more frequent? A rationale for regulating banks is that too much competition among them could threaten the solvency of individual institutions and ultimately threaten stability of the banking system. This paper examines empirically using data on likelihood and timing of banking crises, whether increased competition indeed leads to take on greater risks than would be prudent from a systematic perspective. In this study they imply the Panzar and Rosse H-statistic as a measure of competition in 45 countries, where they find more competitive banking systems are less prone to experience a systemic crisis and exhibit increased time to crisis. This result holds even when they control for banking system concentration, which is associated with higher probability of a crisis and shorter time to crisis. Their results indicate that competition and concentration capture different characteristics of banking systems, meaning that concentration is an inappropriate proxy for competition. The findings suggest that policies promoting competition among banks, if well executed, have the potential to improve systemic stability.

Luca et.al (2010) studies foreign bank penetration, resource allocation and economic growth evidence from emerging economies. This paper examines the implications of foreign bank penetration on economic growth from the perspective of resource allocation in host countries. The study use aggregate banking data, constructed from bank-level balance sheet and income statement information covering more than 1200 banks in the 35 emerging economies of Asia, Latin America and Eastern and Central Europe for the period from 1996 to 2003. By applying pooled OLS and fixed effects estimators, the study present consistent evidence that the effect of gross fixed capital formation on output growth is higher in an economy with a more pronounced level of foreign bank penetration relative to an economy with a lower level of foreign bank penetration. This finding suggests that foreign banks play an important role in allocating capital in a more productive way, thus leading to a higher economic growth rate. One of the main policy implications of our findings in this paper is that foreign banks may serve as a channel in enhancing the economic integration of emerging economies with the advanced economies that are home countries of foreign banks.

Agostino et.al (2010) enquire into whether banking competition is beneficial to Small and Medium Enterprises. The study adopt a large panel of Italian firms, spanning the years from 1995 to 2003, this study investigates the relationship between bank debt and non-financial SMEs' performance, evaluating whether and to what extent this link is affected by the degree of competition characterising the local credit market where firms operate. Controlling for inertia, unobserved heterogeneity and the endogeneity of some performance determinants, we find that the (negative) impact of bank debt on firms' performance is weaker for firms running in more competitive banking markets. We interpret this result as evidence that a more intense banking competition may lead to better credit conditions for small and medium-sized firms. From a a methodological perspective the study specified a multiplicative interaction model where the marginal effect of bank debt is conditional on the level of local banking competition. The marginal effect under scrutiny is obtained by controlling for performance persistence. The impact of unobserved firms characteristics and the endogeneity of some explanatory variables, stemming from the potential correlation between idiosyncratic shocks to performance and some of its determination.

Zakaria et.al (2015) studies the banking deregulations and unemployment in South Asia. The paper empirically examines the effects of banking deregulations on overall and youth unemployment rates in South Asian countries using panel data for the period 1991 to 2005. The results show that banking deregulations have decreased the youth unemployment rate in the region. The results also reveal that high consumption level, per capita income and bank credit have reduced the unemployment rate, while bank crisis and high wage rate have increased the unemployment rate in the region. The results suggest that banking liberalization may help to reduce unemployment particularly youth unemployment in South Asian countries. The study has some important policy implications. South Asian countries need to further relax the entry of foreign banks as these banks would provide foreign capital, banking technology, and new financial instruments. It would increase competitiveness within the banking sector, which would increase the efficiency of the banking sector and more loans would be available to borrowers at low cost.

Levitin (2016) argues for splitting the lending function from the safekeeping function in both traditional- and shadow-banking markets through what it termed ‘Pure Reserve Banking’, where safe banks would offer safekeeping and payment services, and nothing else. Loans would be a function solely of capital markets, which would operate without government facilitation of shadow-banking deposit substitutes. The paper argues that currently, financial regulation and monetary policy heavily intertwined because banks are the “transmission belt” monetary policy. The combination of financial regulation and monetary has two negative consequences. First, bank regulation becomes warped because it is serving two masters: prudential regulation and monetary policy. And second, because monetary policy tied to bank regulation, the political choices in monetary are obscured and thus not as susceptible to democratic account-ability as transparent policy. The paper suggested that Pure Reserve Banking would increase the transparency hence the democratic accountability of monetary policy where all monetary creation would be governmental, rather than indirect through the bank transmission belt.

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3.1 INTRODUCTION TO INDIAN BANKING INDUSTRY

Banking in India originated in the first decade of the 18th century with the Central Bank of India coming into existence in 1786. This was followed by Bank of Hindustan. Both these banks are now defunct. The oldest bank in India in existence is the State Bank of India being established as “The Bank of Bengal” in Calcutta in June 1806. A couple of decades later, foreign banks like Credit Lyonnais stated their Calcutta operations in the 1850s. At that point of time, Calcutta was the most active trading port, mainly due to the trade of the British Empire, and due to which banking activity took roots there and prospered.

The first fully Indian owned bank was the Allahabad Bank, which was established in 1865. By the 1900s, the market expands with the establishment of banks such as Punjab National Bank, in 1895 in Lahore and Bank of India, in 1906, in Mumbai – both of which were funded under private ownership. The Reserve Bank of India formally took on the responsibility of regulating the Indian banking sector from 1935. After India’s independence in 1947, the Reserve Bank of India was nationalised and given broader powers.

The public sector emerged as the driver of economic growth consequent in the industrial revolution in Europe. With the advent of globalisation, the public sector faced new challenges in the developed economies. No longer the public sector and the privilege of operating in a seller market and had to face competition both from domestic and international competitors. Further, in the second half of the 20th century in the developed economies, the political opinion started swinging towards the view that the intervention as well as investment by government in commercial activities should be reduced to the extent possible. This chapter presents the general overview of the select banks in India.

3.2 VIJAYA BANK

Vijaya Bank was established by a group of farmers led by Shri. Attavar Balakhrishna Shetty on the 23 October 1931 in Mangaluru in Dakshina Kannada District of Karnataka State. Since it was established on the auspicious Vijayadashami Day, it was named 'Vijaya Bank'.

Vijaya Bank is a public sector bank with its corporate office in Bangalore, Karnataka, India. It is one of the nationalised banks in India. The bank offers a wide range of financial products and services to the customers through its various delivery channels. The bank has a network of 2031 branches (March 2017) throughout the country and over 4000 customer touch points including 2001 ATMs.

Vijaya’s bank total business is over Rs.2, 29,000 crores comprising deposits of Rs. 1, 33,012 crores and advances of Rs. 96,821 crores as at 31 March 2017. Basically being a retail bank, its top line growth owes quite a lot to the retail segments. Retail advances of the bank constitute 30% of the gross credit.

As on 31 March 2017, the bank had a wide branch network of 2031 branches. Improving the presence and performance under alternative delivery channels, especially internet and mobile banking channel are key focus areas of the bank. The bank has 2001 ATMs as on 31 March 2017. Vijaya Bank provides access to over 2.21 lakh ATMs connected under National Financial Switch across the country.

In line with the country's inclusive growth framework, Vijaya Bank has been actively pursuing the agenda of financial inclusion. The bank's initiatives in this direction aim at financial empowerment and reaching banking services to the rural masses. Vijaya Bank has stood up-to the mandate of our Prime minister's call, by opening Basic Savings Bank Accounts under Pradhan Mantri Jan Dhan Yojana and providing all the account holders with Rupay debit cards. The bank is actively participating in promoting social security schemes. The bank is also actively implementing the modified Direct Benefit Transfer (DBT) programme of the Government of India.

The bank has adopted formal CSR activities as per government directives. The bank's various corporate social responsibilities include, among others, serving national priorities, promoting rural development, adopting girl children up to their graduation, supporting primary health and providing drinking water facilities etc. Besides this, the bank has been supporting various initiatives to help the needy people by extending donations. In response to Prime Minister’s announcement on implementation of Swachchh Vidyalay, the bank has provided sanitation facilities to 56 Government Schools mostly in rural areas. The bank has established 32 Rural Health Centres where patients are provided primary healthcare and medicines free of cost. The Bank is always in the forefront to offer its products and services to customers based on latest technology. Some new initiatives of the banks are FreeBuzz, V-GyanSagar, V-Abacus, V-Quick Pay, V-Fee Hive and V-eWallet.

3.3 CO-OPERATIVE BANKS

The co-operative banks in India are well established financial service organization. The first legislation on cooperation was passed in 1904. In 1914, the Maclagen Committee envisaged a three tier structure of cooperative banking, viz., Primary Agricultural Credit Services (PACs) at the grass root level, Central Co-operative Banks at the district level and State Co-operative Banks at State level or Apex level. The first urban cooperative bank in India was formed nearly 100 years back in Baroda. The co-operative banks arrived in India in the beginning of 20th Century as an official effort to create a new type of institution based on the principles of co-operative organization and management, suitable for problems peculiar to Indian conditions.

The cooperative banks were conceived as substitutes for money lenders, to provide timely and adequate short-term and long-term institutional credit at reasonable rates of interest. In the formative stage, Co-operative banks were urban co-operative societies run on community basis and their lending activities were restricted to meeting credit requirements of their members. The concept of Urban Cooperative Bank was first spelt out by Mehta Bhansali Committee in 1939 which defined on Urban Co-operative Bank. Provisions of Section 5 (CCV) of Banking Regulations Act, 1949 (as applicable to Co-operative Societies) defined an Urban Co-operative Bank as a Primary Co-operative Bank other than a Primary Co-operative Society was made applicable in 1966.

The co-operative banking structure in India is bifurcated into Short term structure and Long-term structure. While the short-term structure is three tier structures, long-term co-operative banking structure is the two tier structures as mentioned below:

Short-Term Co-operative Bank Structure:

- A State Co-operative Bank works at the apex level (i.e. Works at state level).
- The Central Co-operative Bank works at the Intermediate Level (i.e., District Co-operative Banks ltd. works at district level)
- Primary co-operative credit societies at base level (At village level)

Long-Term Co-operative Bank Structure:

- State Co-operative Agriculture and Rural Development Banks (SCARDBs) at the apex level.
- Primary Co-operative Agriculture and Rural Development Banks (PCARDBs) at the district level or block level.

The co-operative banks in India play an important role even today in rural financing. The businesses of co-operative banks in the urban areas also have increased phenomenally in recent years due to the sharp increase in the number of primary co-operative banks. The co-operative banks are expected to perform some duties, namely, extend all types of credit facilities to customers in cash and kind, advance consumption loans, extend banking facilities in rural areas, mobilize deposits, supervise the use of loans etc.

The needs of co-operative bank are different where the Co-operative banks in India finance for rural areas are: Farming, Cattle Milk, Hatchery and Personal finance, and that of the Co-operative banks in India finance urban areas are: Self employment, Industries, Small scale units, Home finance, Consumer finance, Personal finance.

The State Co-operative Banks (SCBs) or the Apex Banks occupy a crucial position in the three tier co-operative credit structure in India.

These Apex Banks or State Co-operative Banks are formed by federating DCCBs in each state. The Apex Banks assume a key-position in the co-operative credit structure because the financial assistance from RBI and the National. Bank for Agriculture and Rural Development are invariably routed through the cooperative banks in the states. These banks provide most services such as savings and current accounts, safe deposit lockers, loan or mortgages to private and business customers. For middle class users, for whom a bank is where they can save their money, facilities like Internet banking or phone banking is not very important. Although they are not better than private banks in terms of facilities provided, their interest rates are definitely competitive.

3.4 United Bank of India (UBI)

The United Bank of India (UBI) is Indian government-owned financial institution headquartered in Kolkata, India. As of now, the bank has a three-tier organizational setup consisting of its head office in Kolkata, 35 regional offices and 2005 branches spread all over India. However, its major presence is in the Northern India. The bank has three full-fledged overseas branches, one each at Kolkata, New Delhi and Mumbai. United Bank of India now aims to expand its international activities.

The performance of UBI under Financial Inclusion Policy as on the first quarter of Financial Year of 2016-17 is quite adorable. Bank has covered 3070 Sub Service Areas (SSAs) covering 13250 unbanked villages and 4252 Bank Mitras are extending basic banking services from a fixed point location. 3.19 lakh accounts have been opened during the quarter ended June 2016. Thus, the total Basic Savings Bank account has increased from 98.38 lakh to 101.57 lakh with a total deposit of Rs.585.83 crore as at the end of Jun'16. Out of the above, Bank Mitras have mobilized Rs.542.22 crore CASA deposit in75.68 lakh accounts. Credit linkage through Bank Mitra channel has been established in 19.05 lakh FI customers with an outstanding amount of Rs.373.93 crore. Bank has rolled out Joint Liability Groups (JLG) Loan module through Bank Mitras. 52323 FI customers have availed JLG loan where outstanding balance is Rs.6095.41 lakh as on Jun'16 without any default.

Under PMJDY, 78.16 lakh accounts have been opened till the end of June 2016 where Rs.4655.51 crore deposits has been mobilized in PMJDY Accounts up to June 2016. Out of 78.16 lakh accounts opened, 11.41 lakh accounts (14.60%) are under 'Zero' balance category. As much as 48.11 lakh RuPay Debit Cards have been issued. There are 21.74 Lakh PMJDY Accounts which have been linked with Aadhaar.

Under Pradhan Mantri Jan Suraksha Yojana (PMSBY), 19.63 Lakh customers have been enrolled. Beside these, 3.17 Lakh customers haves ubscribed for insurance cover under Pradhan Mantri Jeevan Bima Yojana (PMJJBY). Out of 580 death claims lodged under PMJJBY, 429 claims have been settled by Life Insurance Corporation of India. Under PMSBY, as against 59 accidental insurance claims, NIC has settled 37 cases and repudiated 5 cases.

United Bank of India has sponsored 4 Regional Rural Banks, Bangiya Gramin Vikash Bank (West Bengal), Assam Gramin Vikas Bank (Assam), Tripura Gramin Bank (Tripura) and Manipur Rural Bank (Manipur). Combined branch network of the sponsored RRBs is 1165 with a combined business of Rs.35209 crore as on 30th june.2016. Out of the above, Bangiya Gramin Vikas Bank is second largest in the country in terms of branch net work All the branches of the RRBs are Core Banking Solutions (CBS) enabled.

3.5 AXIS BANK LTD

Axis Bank Ltd. is the third largest of the private sector banks in India offering a comprehensive suite of financial products. The head office of Axis bank is in Mumbai and that of the Registered Office is in Ahmedabad. It has 3300 branches, 13,003 ATMs, and nine international offices. The bank has been employing over 50,000 people and had a market capitalization of 1.0583 trillion (US$16 billion) as on March 31, 20160. It offers the entire spectrum of financial services large and mid-size corporate, SME, and retail business.

Axis Bank became the first Indian bank to launch the travel currency card in 2003. Again in 2005, Axis Bank got listed on London Stock Exchange. The bank has opened a branch in Colombo in October 2011, as a Licensed Commercial Bank supervised by the Central Bank of Sri Lanka. Also in 2011, Axis Bank opened a representative office in Abu Dhabi. In 2013, Axis Bank's subsidiary, Axis Bank UK commenced banking operations. Axis Bank UK has a branch in London. This bank is also in reliance with great personalities of India and that actress Deepika Padukone, a Bollywood star is the brand ambassador of the bank. As in 2015, Axis Bank opens its representative office in Dhaka. The bank has over 50,000 employees (as of 31 March 2016). The bank incurred 26.7 billion (US$410 million) employee benefits during the FY 2012–13. The average age of an Axis Bank employee is 29 years.

The Axis Bank offers various loan and fee-based products and services to Large and Mid-corporate customers and Small Medium Enterprise (SME) businesses. The main services are; cash credit facilities, demand and short-term loans, project finance, export credit, factoring, channel financing, structured products, discounting of bills, foreign exchange and derivative products. Liability products including current accounts, documentary credits, guarantees, certificates and deposits and time deposits are also offered to large and mid-corporate segments.

Under the Transaction of banking, as on April 2015, the bank provides integrated products and services to customers in areas of current accounts, cash management services, capital market services, trade, foreign exchange and derivatives, cross-border trade and correspondent banking services and tax collections on behalf of the Government and various State Governments in India.

The Treasury manages the funding position of the Bank and also manages and maintains its regulatory reserve requirements. It invests in sovereign and corporate debt instruments and engages in proprietary trading in equity and fixed income securities, foreign exchange, currency futures and options. It also invests in commercial papers, mutual funds and floating rate instruments as part of the management of short-term surplus liquidity. In addition, it also offers a wide range of treasury products and services to corporate customers.

The Bank also provides services of placement and syndication in the form of local currency bonds, rupee and foreign term loans and external commercial borrowings. The Bank provides investment banking and trusteeship services through its owned subsidiaries. Axis Capital Limited provides investment banking services relating to equity capital markets, institutional stock broking besides M&A advisory. Axis Trustee Services Limited is engaged in trusteeship activities, acting as debenture trustee and as trustee to various securitization trusts.

At the international level the Bank continues to offer corporate banking, trade finance, treasury and risk management solutions through the branches at Singapore, Hong Kong, DIFC, Shanghai and Colombo, and also retail liability products from its branches at Hong Kong and Colombo.

3.6 BANK OF BARODA (BoB)

The Bank of Baroda was founded by the Maharaja of Baroda, Maharaja Sayajirao Gaekwad III in the late 20^{th} July 1908, in the Princely state of Baroda in Gujarat. The bank, along with 13 other major commercial banks of India, was nationalised on 19 July 1969, by the Government of India and has been designated as a profit-making public sector undertaking (PSU).

Bank of Baroda (BoB) is an Indian state owned International banking and financial services company headquartered in Vadodara (earlier known as Baroda) in Gujarat and the Corporate Office is in Mumbai, India. It is the second largest bank in India, next only to State Bank of India (SBI).

In its international expansion, the Bank of Baroda followed the Indian diaspora, especially that of Gujaratis. The Bank has 107 branches/offices in 24 countries (excluding india) including 61 branches or offices of the bank, 38 branches of its 8 subsidiaries and 1 representative office in Thailand. The Bank of Baroda has a joint venture in Zambia with 16 branches.

Among the Bank of Baroda's overseas branches are ones in the world's major financial centres (e.g., New York, London, Hong Kong, Dubai, Singapore and Brussels.), as well as a number in other countries. The bank is engaged in retail banking via the branches of subsidiaries in Botswana, Guyana, Kenya, Tanzania, and Uganda. The bank plans has recently upgraded its representative office in Australia to a branch and set up a joint venture commercial bank in Malaysia. It has a large presence in Mauritius with about nine branches spread out in the country.

The Bank of Baroda has received permission or in-principle approval from host country regulators to open new offices in Trinidad and Tobago and Ghana, where it seeks to establish joint ventures or subsidiaries. The bank has received Reserve Bank of India (RBI), approval to open offices in the Maldives, and New Zealand. It is seeking approval for operations in Bahrain, South Africa, Kuwait, Mozambique, and Qatar, and is establishing offices in Canada, New Zealand, Sri Lanka, Bahrain, Saudi Arabia, and Russia. It also has plans to extend its existing operations in the United Kingdom, the United Arab Emirates, and Botswana. The tagline of Bank of Baroda is "India's International Bank". Based on 2017 data, BoB has ranked 1145 on Forbes global 2000 list. BoB has total assets in excess of 3.58 trillion, a network of 5538 branches in India and abroad, and 10441 ATMs as of July, 2017.

Bank of Baroda has opened Financial Literacy and Credit Counseling Centres as a CSR initiative. The centre opened is christened as "SAARTHEE" amply indicating its basic objective of steering those under financial distress and educating to others to avoid financial mess.

3.7 INDUSTRIAL CREDIT AND INVESTMENT CORPORATION OF INDIA (ICICI) BANK LTD.

ICICI Bank is an Indian multinational financial services company and banking headquartered in Mumbai and Maharashtra in India with its registered office in Vadodara. It was the second largest bank in India in terms of assets and third in term of market capitalism in the year 2014. It offers a wide range of banking products and financial services for corporate and retail customers through a variety of delivery channels and specialized subsidiaries in the areas of management assets, non-life insurance, investment banking, life and venture capital. The bank has a network of 4,850 branches and 14,404 ATMs in India, and has a presence in 19 countries including India.

The bank has subsidiaries in the United Kingdom and Canada; branches in United States, Hong Kong, Bahrain, Singapore, Sri Lanka, Qatar, Oman, Dubai International Finance Centre, China and South Africa; and representative offices in United Arab Emirates, Bangladesh, Malaysia and Indonesia. The company's UK subsidiary has also established branches in Belgium and Germany.

In 2000, ICICI Bank became the first Indian bank to list on the New York Stock Exchange with its five million American depository shares issue generating a demand book 13 times the offer size.

In October 2001, the Boards of Directors of ICICI and ICICI Bank approved the merger of ICICI and two of its wholly owned retail finance subsidiaries, ICICI Personal Financial Services Limited and ICICI Capital Services Limited, with ICICI Bank. The merger was approved by shareholders of ICICI and ICICI Bank in January 2002, by the High Court of Gujarat at Ahmadabad in March 2002 and by the High Court of Judicature at Mumbai and the Reserve Bank of India in April 2002.

To enhance mobile payments easier, ICICI Bank has launched a payment service using a smart phone keyboard named ‘iMobile SmartKeys’. Users will be able to make quick and secure payments on any mobile application, including chat, messenger, email, games or search browser, without having to exit their current application on their smart phone. This reduces the time taken by customers having to switch tabs or applications within their smart phone to access the bank’s application ‘iMobile’.

ICICI Merchant Services represents an alliance formed in 2009 between ICICI Bank, India’s largest private sector bank, and First Data, a global leader in electronic commerce and payment services. First Data is the majority stakeholder in the alliance with ICICI Bank holding.

On the other hand ICICI Bank has also certain drawbacks in the past few years. A few years after its rise to prominence in the banking sector, ICICI bank faced allegations on the recovery methods it used against loan payment defaulters. A number of cases were filed against the bank and its employees for using "brutal measures" to recover the money. Most of the allegations were that the bank was using goons to recover the credit card payments and that these "recovery agents" exhibited inappropriate and in some cases, inhuman behaviour. Incidents were reported wherein the defaulters were put to "public shame" by the recovery agents.

The bank also faced allegations of inappropriate behaviour in recovering its loans. These allegations started initially when the "recovery agents" and bank employees started threatening the defaulters. Such charges faced by the bank rose to a peak when suicide cases were reported wherein the suicide notes spoke of the Bank's recovery methods as the cause of the suicide. This led to a lot of legal battles and the bank paying huge compensations.

ICICI Bank was one of the leading Indian banks accused of money laundering through violation of RBI guidelines in the famous Cobrapost sting operation which shook up Indian banking industry during April–May 2013.

3.8 HDFC BANK LIMITED

The Housing Development Finance Corporation Limited (HDFC) was amongst the first to receive an 'in principle' approval from the Reserve Bank of India (RBI) to set up a bank in the private sector, as part of the RBI's liberalization of the Indian Banking Industry in 1994. The bank was incorporated in August 1994 in the name of 'HDFC Bank Limited', with its registered office in Mumbai, India. HDFC Bank commenced operations as a Scheduled Commercial Bank in January 1995.

It is the largest bank in India by market capitalization as of February 2016. HDFC Bank was ranked 69th in 2016 BrandZ Top 100 Most Valuable Global Brands. This bank provides a number of products and services which comprises wholesale banking, Retail banking, Treasury, Auto (car) Loans, Two Wheeler Loans, Personal loans etc.

In 2008, Centurion Bank was acquired by HDFC Bank. Also this bank was merged with Times Bank in February 2000. This was the first merger of two private banks in the New Generation Private Sector Banks category. HDFC Bank Board approved the acquisition of Centurion Bank Of Punjab (CBoP) for 95.1 billion INR in one of the largest mergers in the financial sector in India. The equity share of HDFC Bank is listed in the Bombay Stock Exchange and National Stock Exchange of India. The shares of this bank are listed on the Luxembourg Stock Exchange where two Global Depositary Receipt (GDRs) represents the equity shares of HDFC Bank.

HDFC Bank Ltd (bidder bank) and Centurion Bank of Punjab Ltd (Target Bank) were merged on the 23rd May 2008. The main motive behind the merger and acquisition in the banking industry is to achieve economies of scale and scope. For HDFC Bank, this merger provided an opportunity to add scale, geography (northern and southern states) and management bandwidth. In addition, there was a potential of business synergy and cultural fit between the two organizations.

After merger HDFC bank with CBOP the main issue was that of the labour turnover. But after merger it has gone to unsatisfactory level due to this problem most of the employees feel very stressful and under pressure that is why labour turnover problem arise and it has become a matter of human resource department and mostly this problem is arise in

Wholesale Banking Operation (WBO) because the most of the operation is based on WBO and all the financial transaction are related to the WBO. The employee of CBOP was taken by HDFC bank but there was also a software problem because every bank's software is different from each other. After merger employees were unknown to the different software of the bank that was also a big problem for the bank.

3.9 BANK OF INDIA (BoI)

Bank of India (BoI) is basically a commercial bank with its headquarters in Mumbai. The BoI was founded on the 7th September, 1906 by a group of eminent businessmen from Mumbai, Maharashtra, India. The Bank was under private ownership and control till July 1969 when it was nationalized along with 13 other banks Bank of India has 5100 branches as on 31 January 2017, including 56 offices outside India, which includes five subsidiaries, five representative offices, and one joint venture. BoI is a founder member of Society for Worldwide Inter Bank Financial Telecommunications (SWIFT), which facilitates provision of cost-effective financial processing and communication services.

As on 31st December 2016, BoI is the third largest bank in India in terms of total assets among nationalized banks according to the Reserve Bank of India (RBI) Annual Report. The Bank has an extensive network of over 5,028 branches across India, including specialized branches. These branches are controlled by 54 zonal offices. Presently, the Bank has an overseas presence in 22 foreign countries. The Bank's core business lines are divided into five separate, strategic business units (SBUs) each headed by a General Manager. The SBUs cover the following sectors: (i) Large corporate; (ii) Mid-sized corporate; (iii) SMEs; (iv)Retail and (v) Agriculture.

3.10 CANARA BANK (CAN)

Canara Bank is a public sector banks owned by the Government of India with its headquarters in Bengaluru. It was established at Mangalore in 1906, and is one of the oldest public sector banks in the country. Ammembal Subba Rao Pai, a philanthropist, established the Canara Hindu Permanent Fund in Mangalore, India, on the 1st July 1906. The bank changed its name to Canara Bank Limited in 1910.

The Government of India nationalised Canara Bank, along with 13 other major commercial banks of India, on 19 July 1969. In 1976, Canara Bank inaugurated its 1000th branch. In 1985, Canara Bank acquired Lakshmi Commercial Bank in a rescue. This brought Canara Bank some 230 branches in northern India. As of 31 March 2017, the bank had a network of 6083 branches and more than 10519 Automated Teller Machine (ATM) spread across India. The bank also has offices abroad in London, Hong Kong, Shanghai, Moscow, South Africa, Bahrain, Doha, Tanzania, Dubai and New York.

In 1996, Canara Bank became the first Indian Bank to get International Organization for Standardization (ISO) certification for "Total Branch Banking" for its Seshadripuram branch in Bangalore. It has now stopped opting for ISO certification of branches. This bank had established its international division in 1976. Again in 1983 Canara Bank opened its first overseas office, a branch in London. Two years later, Canara Bank established a subsidiary in Hong Kong, Indo Hong Kong International Finance. In 2008-9, Canara Bank opened its third foreign operation, this one a branch in Shanghai. Later it established a branch each in Leicester and Bahrain, and converted its Hong Kong subsidiary into a branch. It also has a representative office in Sharjah.

As on 20th January 2017, the performance of Canara Bank are that the Net profit for third quarter of the Financial Year 2016-17 rose to Rs. 322 crores, up by 279% Year Over Year (YOY). The Gross profit has increased to Rs.1981 crores, up by 27.63% y.o.y. but the Total expenditure declined by 3.81% y.o.y. The Interest expenses, including interest paid on deposits declined by 9.03% y.o.y. and that of Cost of deposits came down to 6.31% from 7.01% last year. The Current Account, Saving account (CASA) Deposits increased to Rs.1.54 lakh crores, up by 30.12% y.o.y. whereas the CASA share (domestic) improved to 32.12% from 25.71% last year. The Non-Interest Income grew by 53.32% to Rs.1792 crores and the share of non-interest income in total income improved to 14.83 %, up from 9.70% a year ago.

Regarding the Gross NPA, the ratio marginally stood up at 9.97 % from 9.81% at September 2016 where the Net NPA ratio increase to at 6.72% compared to 6.69% as at September 2016. The cash recovery during the same quarter was Rs.1021 crores taking the cumulative figure to Rs.2979 crores for the past nine months. Their provision coverage ratio arises to 52.52 %, from 51.75% in September 2016.

Canara bank's Net Interest Margin (NIM) (Domestic) stood at 2.34% and NIM (Global) at 2.19% respectively. The Return on Assets (ROA) improved to 0.22% and ROE improved to 4.58%. Capital adequacy ratio has improved to 12.28%, up from 11.54% a year ago. Their global business reached Rs.8.42 lakh crores comprising global deposits of Rs.5.10 lakh crores and net advances of 3.32 lakh crores as on 20th January of 2017.

As on the 20th of January 2017, the sustained growth in retail were also highlighted that the assets (y.o.y)- Agriculture was 9.83%, whereas MSME was 6.34%. The Retail Lending was that of 13.47% while Direct Housing was 16.11%. The growth of Vehicle loans financed was 14.98%, while Educational Loan finance was 14.85% and that of Other Personal loans was 13.33%. Total number of branches was as much as 5972 and number of ATMs at Rs.10394. 40.31 lakh Mobile Banking and Rs.27.08 lakh Net Banking users are also engaged.

3.11 BANK OF MAHARASHTRA (BOM)

Bank of Maharashtra is a major public sector bank where the government of India holds 81.61% of the total shares. The bank has 15 million customers across the country served through 1897 branches as of 5 April 2016. It has largest network of branches by any public sector bank in the state of Maharashtra. The bank was founded by a group of visionaries led by the late V. G. Kale and the late D. K. Sathe and was registered as a banking company on 16 September 1935 at Pune.

This bank was registered on 16 September 1935 with an authorised capital of 1 million, and began business on 8 February 1936. Bank of Maharashtra key Products/Revenue Segments include Interest & Discount on Advances & Bills which contributed Rs 8469.96 Crore to Sales Value (70.22 % of Total Sales), Income From Investment which contributed Rs 2829.47 Crore to Sales Value (23.45 % of Total Sales), Interest On Balances with RBI and Other Inter-Bank Funds which contributed Rs 401.91 Crore to Sales Value (3.33 % of Total Sales) and Interest which contributed Rs 360.62 Crore to Sales Value (2.98 % of Total Sales)for the year ending 31-Mar-2017.

The Bank has reported a Gross Non Performing Assets (Gross NPAs) of Rs 18049.23 Crore (18.59 % of total assets) and Net Non Performing Assets (Net NPAs) of Rs 11259.04 Crore (12.48% of total assets). For the quarter ended 30-06-2017, the company has reported a

Standalone Interest Income of Rs 1824.16 Crore, down -6.61 % from last quarter Interest Income of Rs 1953.17 Crore and down -19.11 % from last year same quarter Interest Income of Rs 2255.14 Crore. The bank has reported net profit after tax of Rs -412.20 Crore in latest quarter.

Bank of Maharashtra has been one of the leading public sector banks as stated in the above statement. This bank has a deep interrelation to the Bombay Stock Exchange (BSE) and is one of the great dynamic financial institutions for India in the modern economy.

There are 25 banks in Aizawl city, out of which ten banks were selected for the study. The ten banks selected are Vijaya Bank, Mizoram Co-operative Apex Bank, United Bank of India, Axis Bank Ltd, Bank of Baroda, ICICI Bank Ltd, HDFC Bank Ltd, Bank of India, Canara Bank and Bank of Maharashtra.The performances of these banks were analysed for the period of 2012-13 to 2016-17.

The performance of the selected banks were analysed based on certain indicators which were proposed for the study, they are:

1) Credit Deposit Ratio (CDR),
2) Kisan Credit Card (KCC),
3) Other Sensitive Sector (i.e. Women),
4) Other Sensitive Sector (i.e. Physically Handicapped Person),
5) Housing Loan Financed,
6) Educational Loan Financed,
7) Self Help Group Financed,
8) Agricultural Loan Financed,
9) Micro, Small and Medium Enterprise Financed, and
10) Prime Minister's Employment Generation Programme (PMEGP) Financed, respectively.

The performance comparison is then carried out on a single indicator basis under which the selected banks were compared. The data are based on the quarter-end reports i.e. March end, of the State Level Bankers' Committee (SLBC) of the five consecutive study period.

4.1 Credit Deposit Ratio:

Credit Deposit Ratio (CDR) is that ratio showing what proportion of the amount invested in the banks are advances to loans. It indicates whether the banks are making progress or not in terms of advances with regards to whatever they received. Banks often make increase in CDR because their budget is ought to increase each financial year as a general rule. But there are certain cases which lead to a reduction of theCDR for some particular banks which was mainly due to decline in deposits and competition from other banks. The CDR for the selected ten banks are also varying to a wide range as their activities and scope also varied across the state. The salient feature of this CDR is that the performance is taken as ratio and it statistically valid. The CDR of the select ten banks SLBC record was analysed as below.

The following table shows the CDR of the selected banks during five consecutive financial years

Table 4.1: Business and Credit Deposit Ratio of Mizoram During Five Consecutive Financial Years:

Sl. No.	Bank Name	2012-13		2013-14		2014-15		2015-16		2016-17		TOTAL
		Total Credit(TC)	CDR	Total Credit(TC)	CDR	Total Credit(TC)	CDR	Total Credit(TC)	CDR	Total Credit(TC)	CDR	CDR
1	**VJB**	3438.07	19	4428.03	19.01	5965	29.29	6900	31.38	7445.96	30.19	**128.87**
2	**MCAB**	29009.83	69	34127.03	68.8	36648.02	70.84	40038.95	67.63	42308.16	58.43	**334.7**
3	**UBI**	2352.67	34	2679.62	33.44	2626.17	35.72	3394.25	37.2	4944.79	43.93	**184.29**
4	**AXIS**	808	3	4913.33	21.04	2901.81	11.34	4843.89	16.8	4854.84	19.28	**71.46**
5	**BOB**	220.25	12	259.77	12.68	344	30.15	398	17.13	552	30.05	**102.01**
6	**ICICI**	191	8	195	7.07	73.06	3.15	130.06	3.54	91.38	2.57	**24.33**
7	**HDFC**	2102.17	18	3415.68	31.34	4832.81	29.82	5821.1	24.57	6887.84	22.63	**126.36**
8	**BOI**	266.42	26	450.77	35.75	955.37	49.71	1218	48.41	1461	50.8	**210.67**
9	**CAN**	365.5	88	908.46	114.92	2043.16	163.44	3187.33	200.35	4247.29	211.1	**777.81**
10	**BOM**	146.16	110	373.83	167.09	388.75	194.66	404.2	104.83	434.63	101.59	**678.17**
											Total	**2638.67**

Source: SLBC Record for Mizoram, 2012-13 to 2016-17.

The analysis table shows thatVijaya Bank (VJB) in Mizoram has a steady progress in CDR. It is also observed that the CDR goes on increasing each year except in the Financial Year (FY) of 2016-17 which falls to 30.19 from 31.38 in Financial Year of 2015-16. The CDR is at its maximum in FY 2015-16 reaching as high as 31.38 whereas the lowest is in FY 2012-13 reaching 19. This reveals that during five consecutive financial years, Vijaya Bank is making not much progress in terms of CDR although it does not show a decline. According to the statement given by the workers in this bank, the main reasons for not much progress is due to competition from other banks and yet this bank in particular is not yet expanding in Mizoram as of now.

Considering the performance ofMizoram Co-operative Apex Bank Ltd. (MCAB), our analysis table shows that the CDR of MCAB has reached its highest point during FY 2014-15 marking at 70.84 where the lowest point is in FY 2016-17. The CDR progressed during the first three Financial Years whereas it began to fall since the fourth and the fifth Financial Years. According to the statement given by the banks, the reason behind the downfall of the CDR eversince the Fourth Financial Year was due to lesser deposits from the public and also due to competition from other banking institutions within the state.

The United Bank of India (UBI), as the table reflects, has been making a moderate progress in terms of the CDR. The bank reach its highest point during FY 2016-17 making the ratio to 43.93, whereas the lowest is in FY 2013-14 reaching 33.44. As a general rule the UBI is making progress in CDR each year although the ratio is not much high compare to the previous year. This is due the increase in deposits by the public besides the target made by the banks. As of now, the UBI is the only bank that has been rendering its service to the Mizoram University, Tanhril, Aizawl. This service is greatly improving the various sectors of their liquidity transaction, which is also why the CDR has been improving each year.

As seen in the table above, the CDR of AXIS Bank is lowest in FY 2012-13 which is marked as 3, despite the highest point in FY 2013-14 which has been marked as 21.04. Although there is a low CDR in the first financial year every year there has been progress to an extent and which is indicating the bank is making progress. The reason for the ups and downs of the CDR during the first, second and third financial year is that, during this year the bank in Mizoram is making transition for a stable progress as far as AXIS Bank is concerned. One crucial reason for the low CDR rate in Axis Bank is that the bank does not cover a vast area of the rural areas which in turn leads to fewer amounts of deposits.

Bank of Baroda (BOB) has been making a good progress each year, reaching its own zenith during FY 2014-15 making as high as 30.15, where the lowest point is earmarked as 12 during the FY 2012-13.The uniqueness of BOB during five consecutive financial years is that, there is no decline in the CDR during these five years. Although the progress is not very high, their CDR remain stable in contrast to other select banks. The good reason here is that, this bank set their targets at a moderate level which can be achieved by them within their limits.

The table reveals thatthe performances ofICICI Bank Ltd.(ICICI) hasthe worst performance with regards to CDR. The highest point of CDR has marked 8, in FY 2012-13 whereas the lowest is in FY 2016-17 marking as low as 2. This indicates that the bank CDR was very limited during the five consecutive financial years. There is no progress in CDR, instead it keeps on declining each year eversince FY 2012-13 till FY 2016-17.

In our analysis table HDFC Bank Ltd. has been making a progress from the lowest CDR record of FY 2012-13 which is marked as 18 to its highest point 31.34 in FY 2013-14. After the second financial year their CDR started declining till the last financial year under study. The reason for great improvement during the second financial year is because of the increase in bank's acceptance of deposit and reverse is the reason after this particular financial year. Besides, the bank has undergone competition from other banks within the state.

Bank of India (BOI), as the analysis table revealed, has made progress in CDR except in FY 2015-16 which decline to 48.41 from 49.71 in FY 2014-15. The bank reached its highest point in FY 2016-17 which is 50.8 compared to its lowest record in FY 2012-13 which is 26.There is no significant cause for slight decline in CDR during FY 2015-16 except the lesser amount of deposit, as the bank's workers stated. As a whole the BOI is making good progress with regards to the CDR as far as the study area is concerned.

In accordance to our analysis table, Canara Bank (CAN) is making a good progress in terms of CDR. There is no decline in CDR during the study period. While there are often ups and downs in the progress of other banks with regards to CDR, Canara Bank progress is constantly increasing. The highest point during five years is in FY 2016-17 marking 211.1 whereas the lowest is in FY 2012-13 marking 88.The reason for the good progress of CAN bank is due to higher acceptance of deposits from the customers added by the managers' and workers' efficiency. It reveals that the bank is competitive and efficient despite its limited branch within Aizawl City.

Among the selected ten banks Bank of Maharashtra (BOM) is the second next to Canara bank in terms of CDR as revealed by our analysis. BOMhas reached its own zenith duringFY 2014-15 which pinned at 194.66, whereas the lowest point is in FY 2012-13 marked as 110.It has been observed that BOM is making progress during the first three financial years which is due to the increased in deposit by existing and new customers. But then in the last two financial years their CDR slightly declined due to lack of depositors as well as the emerging new competitors.

Based on the above discussion for each particular bank we can observe that:

- United Bank of India (UBI) and Canara Bank (CAN) are the only banks whose CDR never declines during the study period i.e, 2012-13 to 2016 to 2017.
- Of all the selected ten banks for our study, Canara Bank has the highest CDR during five years where the total CDR is 777.81 and

that of the lowest CDR is ICICI Bank Ltd. Where the total CDR is 24.33.

- There are two banks whose CDR is below 100 viz., AXIS Bank and ICICI Bank Ltd.

- There are six banks whose CDR is above 100 but below 500 as in general purview, viz., Vijaya Bank, Mizoram Co-op Apex Bank, United Bank of India, Bank of Baroda, HDFC Bank and Bank of India.

- There are two banks whose CDR crossed above 500, viz.,Canara Bank and Bank of Maharashtra.

Therefore, it can be concluded that based on the indicator of CDR, ICICI Banks performance was the worst and the best performing bank is Canara Bank during our study period.

4.2 Kisan Credit Card (KCC):

Kisan Credit Card (KCC) was first introduced in India by the NDA government under the Finance Minister YashwantSinha in the Financial Year 1998-98. The main objective of the scheme is to provide easily accessible short term credit to the farmers to meet their intermediaries needs during the cropping season. Initially, Reserve Bank of India (RBI) along with National Bank for Agriculture and Rural Development (NABARD) took up the responsibility and implemented the Kisan Credit Cards in India. The card is now offered by cooperative banks, public sector banks, and regional rural banks.

The operation of KCC is transparent and handy. The cards are issued based on the on the basis of land holdings and income earned by the farmers. It is a must that the farmer should have good credit history in order to be eligible for the issue of KCC. The card provides facilities like: passbook with the holder's name, particulars of the land holdings, address, validity proof, credit limit etc., representing the unique identification as well as system for tracking their transactions. The credit card also served as the outlets, as well as to withdraw cash to make the necessary purchases.

If a farmer is eligible for a production credit of Rs. 5000 or more, then he/she is eligible for a Kisan Credit Card. Security, margin, rate of interest, etc. are set as per RBI norms. KCC is a single credit facility/ term loan for all agricultural requirements. Banks are benefited by this scheme as it is time and cost-efficient. The scheme doesn't require any further process of documentation or continuos appraisals. Withdrawal of cash through KCC requires very little paperwork and is simple and hassle-free either for the banks and the card holders as well. Also there is low transaction cost and lesser risk in loan recovery

Let us analyse the performance of the selected ten banks under the second indicator, Kisan Credit Card.

Table 4.2 below reveals thatVijaya Bank (VJB) did not finance Kisan Credit Card (KCC) during the study period. The manager of the bank stated that it is not the bank's motive to finance KCC, as of now in Aizawl City. Table 4.2 also shows that Mizoram Co-operative Apex Bank Ltd. (MCAB) financed KCC loan throughout the study period. There are 949 beneficiaries with a total sanctioned amount of Rs. 1,154.47 during these five years. The MCAB has stated that it is their motive to develop the rural and the urban areas as far as the state of Mizoram is concerned, which leads to the regularity in financing under KCC till today.

As far as United Bank of India (UBI) is concerned, the analysis table reveals that this particular bank has good performance under KCC financed during the five consecutive years. The total financed here is Rs. 157.24 lakhs with 139 beneficiaries.

The following table represents the status of the selected banks under the issue of KCC within five consecutive Financial Year:

Table 4.2: Financing Under Kisan Credit Card (KCC) in Mizoram during Five Consecutive Financial Years, (Rs. In lakhs)

Sl.No.	Bank Name	2012-13		2013-14		2014-15		2015-16		2016-17		Total No. of Cards issued	Total amount of sanctioned
		No.of Cards Issued	Limited Sanctio-ned	No.of Cards Issued	Limited Sanctio-Ned	No.of Cards Issued	Limited Sanctio-ned	No.of Cards Issued	Limited Sanctio-ned	No.of Cards Issued	Limited Sanctio-ned		
1	**VJB**	0	0	0	0	0	0	0	0	0	0	**0**	**0**
2	**MCAB**	290	262.3	216	278.52	83	238.35	202	202.47	158	172.83	**949**	**1154.47**
3	**UBI**	10	9.6	10	9	22	18.62	44	32	53	88.02	**139**	**157.24**
4	**AXIS**	0	0	0	0	0	0	0	0	0	0	**0**	**0**
5	**BOB**	4	2	0	0	0	0	0	0	0	0	**4**	**2**
6	**ICICI**	0	0	0	0	0	0	0	0	0	0	**0**	**0**
7	**HDFC**	1	5.11	6	73.99	4	72.24	2	52.85	24	42.75	**37**	**246.94**
8	**BOI**	0	0	3	1.47	13	10.22	0	0	0	0	**16**	**11.69**
9	**CAN**	45	23.94	137	88.5	35	50	0	0	0	0	**217**	**162.44**
10	**BOM**	0	0	0	0	0	0	0	0	0	0	**0**	**0**
											Total	**1362**	**1734.78**

Source: SLBC Record for Mizoram, 2012-13 to 2016-17.

The above analysis table reveals there has been total absence in the financed of KCC under Axis Bank Ltd. in Aizawl City. The bank stated that their motive is not inclined towards KCC since most of the Axis Banks in Mizoram are situated in the urban areas and which is very inconvenient for the banks to deal with this particular scheme.Bank of Baroda (BOB) financed KCC only in the FY 2012-13, where 10 persons were benefited with a total amount of Rs. 9.6 lakhs. In the following years, the bank did not finance any customers under KCC due to their high record of Non Performing Assets (NPA) in the past years experienced under KCC financed as stated by this bank.

Our study also reveals that there is lack of finance under KCC during the study period under ICICI Bank. According to the statement of the bank, the absence in the finance of KCC is due no applicants during these five years. Our analysis table reveals that the total financed under HDFC bank for KCC amounted to Rs 246.94 lakhs with 37 beneficiaries during these five years. Our analysis found that the finances under this scheme declines from the second year of study till the last year.Which were mainly due to lesser applicants each year and also the few applicants are ineligible to avail the loans with respect to the criteria. Total financed for KCC during five years under Bank of

India(BOI) is Rs. 11.69 lakhs with 16 beneficiaries as the analysis table has shown. The table also disclosed that there is absence in finance during three financial years which is the consequences of high NPA during the respective previous year as experienced by the bank.Our analysisfurther shows that the total finance under KCC by Canara Bank during the five years wasRs. 162.44 laks with 217 beneficiaries. There are also two consecutive financial years where financed of KCC is totally absent which were due to the high NPA from the previous year's experienced. Also, the incoming applicants during these two years did not meet the criteria. Also, there is complete absence in KCC financed by Bank of Maharashtra (BOM) during the study period. Our finding shows that the total absence in KCC is the consequence of high NPA during the past year's experienced.

The overall analysis of KCC financed in Aizawl City by the select banks reveals that Mizoram Co-operative Apex Bank Ltd. is the best performer and the banks which did not advanced KCC during the study period are Vijaya Bank, Axis Bank Ltd, ICICI and Bank of Maharastra.

. **4.3 OTHER SENSITIVE SECTOR: WOMEN**

Under sensitive sectors, the banks in Aizawl financed different categories of sensitive section of the society, out of which financed of women and physically handicapped were chosen for the study. This section is an analysis of financed under women.The SLBC maintained a record of women's finance under the other sensitive sector whereas the select banks kept finances advanced to women under separate heads of Micro Units Development and Refinance Agency Ltd (MUDRA) and Micro Small and Medium Enterprises (MSME).

The performances of the selected banks under financing of women was analysed as presented in table 4.3 below.

The following table represents the performance of the selected banks under Other Sensitive Sector concerning particularly for women:

Table 4.3: Advances to Other Sensite Sector (i.e., Women) during five Consecutive Financial Years

Sl.No.	Bank	2012-13		2013-14		2014-15		2015-16		2016-17		Total No.	Total
	Name	No. of Women benefi-ciaries	Amt. of sanction in lakh rupees	No. of Women benefi-ciaries	Amt. of sanction in lakh Rupees	No. of Women benefi-ciaries	Amt. of sanction in lakh rupees	No. of Women benefi-ciaries	Amt. of sanction in lakh rupees	No. of Women benefi-ciaries	Amt. of sanction in lakh Rupees	of women benefi-ciaries	Amt. of sanction in lakh rupees
1	**VJB**	482	2441.6	0	0	0	0	465	3051	0	0	**947**	**5492.6**
2	**MCAB**	4945	8794.07	0	0	236	1834.51	1561	3841.38	935	3821.73	**7677**	**18291.7**
3	**UBI**	0	0	38	432	22	115.23	68	323.3	43	173.5	**171**	**1044.03**
4	**AXIS**	1	43	0	0	0	0	0	0	6	9.78	**7**	**52.78**
5	**BOB**	49	69.25	0	0	16	54	0	0	0	0	**65**	**123.25**
6	**ICICI**	8	4	7	8	0	0	0	0	23	10.65	**38**	**22.65**
7	**HDFC**	129	259.15	91	257.44	118	327.48	185	420.89	181	518.99	**704**	**1783.95**
8	**BOI**	29	7.25	0	0	150	558	0	0	0	0	**179**	**565.25**
9	**CAN**	255	257	0	0	410	560	673	1509.42	807	1094.44	**2145**	**3420.86**
10	**BOM**	10	57.24	19	116.28	4	10.45	4	3.63	0	0	**37**	**187.6**
											Total	**11970**	**30984.7**

Source: SLBC Record for Mizoram, 2012-13 to 2016-17.

The analysis table 4.3 reveals that Vijaya Bank (VJB) has financed sensitive sector for women loans only during FY 2012-13 and FY 2015-16. The sanctioned amount was Rs. 2,441.6 lakhs to 482 beneficiaries in the first year and Rs. 3,051 lakhs to 465 beneficiaries in the second year respectively. The analysis also showed that the bank has not sanction advances for women sector during the three financial years that is during FY 2013-14, 2014-15 and 2016-17. The reason behind the absence of finance during the three financial years was due to the absence of applicants.

In the context ofMizoram Cooperative Apex Bank (MCAB) the total financed under women during the five years was as much as Rs. 18,291.70 with 7,677 beneficiaries. There is only one financial year where absence of financed was observed that is during FY 2013-14. The highest financed was during FY -2012-13 where the sanctioned amount wasRs. 8,794.07. As per the bank, the reason for the absence of financed in the FY 2013-14 was due to the wrong entry of data by the operators of the SLBC. Furthermore, the bank stated that the financed of women is not particularly separated from other sector, instead it is more likely to be included in the MSME financed. The bank added that each year there is no absence in financed for women even if they are not mentioned in the sensitive sector.

The table reveals that the total financed by United bank of India (UBI) during five years amounted to Rs. 1,044.03 lakhs with the total beneficiaries of 171 persons. There has been financed each except in FY 2012-13 as the table revealed. According to the statement of the bank, the absence in financed is due to miss recorded by SLBC record since UBI has been submitting the record each financial.

Axis Bank Ltd. has not much record under women as sensitive sector according to our analysis table. The total financed during five years amounted to Rs. 52.78 lakhs with the total beneficiaries of 7 persons. The main reason for the absence of financed during three financial, that is FY 2013-14, 2014-15 and 2015-16, is due to the inclusion of women financed under MSME sector as stated by the bank. As shown in the analysis table above, Bank of Baroda (BOB)has the total financed of Rs. 123.25 lakhs with 65 beneficiaries during the included period of observations. There are three financial years where absence of financed has been disclosed. One reason behind the absence of financed record is due to no submission of report from the banks during these years as stated by the bank.

Our analysis table reveals that the financed of ICICI Bank Ltd. during the study period amounted to Rs.22.65 lakhs with 38 beneficiaries. There has been absence of financed during FY 2014-15 and FY 2015-16. The reason for the absence in finance during these two years is due to wrong data entry by the SLBC as the bank has financed under this sector every year.

The table described that the financed of HDFC Bank Ltd. has amounted to Rs. 1,783.95 lakhs with 704 beneficiaries. This particular bank has continuous increased in the financed of women during the study period. The total financed of Bank of Baroda (BOI) as our analysis table shows during the five years wasRs 565.25 lakhs with 179 beneficiaries. There are three financial years where finance of womenwasabsent, the reason behind the absence of the financed is that women financed are not kept separately under sensitive sector by the bank; instead the bank incorporated this particular finance under MSME.

The analysis table shows that the total finance by Canara Bank (CAN) for women indicated as a sensitive sector during the five years of study was Rs. 3,420.86 laks with 2,145 beneficiaries. There was absence of financed in the FY 2013-14 which was due to inclusion of women in the MSME sector. According to our analysis, the total financed under Bank of Maharashtra (BOM)for women, amounted to Rs. 187.60 lakhs with 37 beneficiaries. The study also found that the financed of women are included in the MSME sector, which is why there are often absence in the data of finance under other sensitive sector for women. The table shows that there was also an absence of financed during FY 2016-17, which can be attributed to the technical inefficiency of the bank and the SLBC.

As a whole the performance of MCAB is the highest in the financing women where 7,677 persons are benefitted with the financed of Rs. 5,492.60 lakhs and that of the lowest financed is ICICI Bank where Rs. 22.65 lakhs is sanctioned to 38 persons during five years.

The three prominent reasons for the absence in financed is that

- Other Sensitive Sector for Women financed is not particularly separated from MSME sector
- There is no submission of report to SLBC by certain banks
- The SLBC themselves often made an error in entering data submitted by the banks, which clearly reflect the technical inefficiency of the SLBC.

4.4 OTHER SENSITIVE SECTOR: PHYSICALLY HANDICAPPED

The banking system in India provides equal opportunities for persons who are physically handicapped. Several banks and government entities have come up with loans prioritizing for these persons at a low rate of interest. Among the various banks, bank of India (BOI), VijayaBank,SBI etc., arethe good promoter of this type of loans that caters exclusively the disabled. National Handicapped Finance and Development Corporation (NHFDCF) has implemented a scheme for professionally educated unemployed disabled youth known as Scheme for Disabled Young Professional.

It has become a crucial issue for the banking institutions to deal with the physically disabled as far as their economic and social life is concern. This issue of financing the physically handicapped is not much efficient in Mizoram as of now. The banking institutions which were randomly selected usually did not advance loans for these persons even if they are included in the Sensitive Sector under the strategy laid by the Lead Bank, SBI which is reflected in the SLBC record for five consecutive financial years.

Let us compare the performances of these selected banks in terms of their financing the physically handicapped persons. The data will reflects how much attention has been paid by each bank for the so called sensitive sector concerning physically handicapped.

Our analysis Table 4.4 below reveals that banks in Aizawl did not finance the physically handicapped at all during the study period. During the period from 2012-13 to 2016-17, only Vijaya Bank sanctioned loans under physically handicapped by the name during the FY 2012-13 where an amount of 7.18 lacs rupees was sanctioned to 4 individuals. After this financial year even the Vijaya Bank discontinued financing the physically handicapped. According to the Statement of the workers in Vijaya Bank, this type of loans are absent in the next financial years due to no applicant particularly under this category.

Table 4.4: Advances to Sensitive sector (i.e., PHYSICALLY HANDICAPPED) During Five Consecutive Financial Year (Rs In Lakhs)

Sl.No.	Bank Name	2012-13		2013-14		2014-15		2015-16		2016-17		Total	Total
		No. of Lending	Amt. of Lending	No. of Lending	Amt. of Lending	No. of Lending	Amt. of Lending	No. of Lending	Amt. of Lending	No. of Lending	Amt. of Lending	No. of Lending	Amt. of Lending
1	**VJB**	4	7.18	0	0	0	0	0	0	0	0	**4**	**7.18**
2	**MCAB**	0	0	0	0	0	0	0	0	0	0	**0**	**0**
3	**UBI**	0	0	0	0	0	0	0	0	0	0	**0**	**0**
4	**AXIS**	0	0	0	0	0	0	0	0	0	0	**0**	**0**
5	**BOB**	0	0	0	0	0	0	0	0	0	0	**0**	**0**
6	**ICICI**	0	0	0	0	0	0	0	0	0	0	**0**	**0**
7	**HDFC**	0	0	0	0	0	0	0	0	0	0	**0**	**0**
8	**BOI**	0	0	0	0	0	0	0	0	0	0	**0**	**0**
9	**CAN**	0	0	0	0	0	0	0	0	0	0	**0**	**0**
10	**BOM**	0	0	0	0	0	0	0	0	0	0	**0**	**0**
											Total	**4**	**7.18**

Source: SLBC Record for Mizoram, 2012-13 to 2016-17.

As revealed by the analysis table, financing of the physically handicapped in Aizawl City was completely absent among the nine banks out of the selected ten banks in Mizoram. Our analysis reveals that financed under this particular sector failed in the study area. The reason for the failure or absence of record of financed is due to the following prominent factors.

a) No applicant
b) Even if there is an applicant they often do not meet the criteria for financing under the scheme.

Also, most of the person who are physically handicapped do not disclosed the truth to the banks during the time of applying loans. The banks added that even if the applicant do not apply for physically handicapped loans, if they declare themselves as physically handicapped with supporting documents, then, preference will be given to them.

4.5 HOUSING LOAN FINANCED:

Housing is one of the basic needs of human beings and that the necessities and the demand for it has been growing each day in every corner of this globe. Housing constructions, its finances and expenditures on them has deeply reflects the economic condition of the owners and that of the state. With the growing economy day after day, the finance for housing has now become a crucial issue even in the field of financial institutions and markets where the banking institutions have been playing a crucial role. Housing loan finance is one of the effective functions for commercial banks in India. Different banks have different criteria for housing loans. Some bank set the criteria quite high that a low income group might not be able to access it while some banks did not finance housing loans. According to the the majority opinion of the banking institutions, housing loan is one of the secured loans if they are carried out systematically because there is lesser risk to undergone as the land itself is considered as the security.

Let us take into consideration how the randomly selected ten banks in Mizoram have contributed so far for housing finance during five consecutive financial years as follows.

The performance of the Selected banks under housing loans financed is disclosed in the following table:

Table 4.5: Financing Under Housing Scheme of Mizoram during Five Consecutive Financial Year (Rs. In Lakhs)

Sl.No.	**Bank Name**	**2012-13**		**2013-14**		**2014-15**		**2015-16**		**2016-17**		**Total**	**total**
		Number of Loans	**Amount Sanction**	**Number of Loans**	**Amount Sanction**	**Number of loans**	**Amount Sanction**	**Number of loans**	**Amount Sanction**	**Number of Loans**	**Amount Sanction**	**Number of Loans**	**Amount Sanction**
1	**VJB**	209	643.23	218	600.04	0	780.91	175	910	0	0	**602**	**2934.18**
2	**MCAB**	2421	9451.82	2899	10521.29	2173	8218.54	2010	8664.1	0	0	**9503**	**36855.75**
3	**UBI**	16	196	28	217	62	852.2	60	525	3	18	**169**	**1808.2**
4	**AXIS**	0	0	0	0	0	0	0	0	0	0	**0**	**0**
5	**BOB**	6	71.03	6	70.15	0	0	0	0	0	0	**12**	**141.18**
6	**ICICI**	0	0	0	0	0	0	0	0	0	0	**0**	**0**
7	**HDFC**	0	0	0	0	0	0	0	0	0	0	**0**	**0**
8	**BOI**	0	0	0	0	0	0	0	14	0	0	**0**	**14**
9	**CAN**	1	20	2	40.47	47	487.33	71	871.34	0	0	**121**	**1419.14**
10	**BOM**	9	138.17	17	182.11	18	183.09	17	172.68	0	0	**61**	**676.05**
											Total	**10468**	**43848.5**

Source: SLBC Record for Mizoram, 2012-13 to 2016-17.

The analysis table reveals that the total housing financed under Vijaya Bank (VJB) during five the years was Rs. 2,934.18 lakhs where 602 customers were benefitted. There is absence of finance in FY 2016-17 which was due to the lack of applicants during this financial year. Though there were few applicants who applied for the said loan but they did not met the minimum criteria. According to the analysis table performance of the Mizoram Co-operative Apex bank Ltd.**(**MCAB) is quite high under housing loan financed during the first four years of the our study period was Rs. 36,855 lakh with 9,504 beneficiaries. The table also reveals that there is absence of finance during FY 2016-17. According to the statement of the workers in this bank, every year the MCAB has been financing housing loans to the people and that the absence in record could be the outcome of inefficient data entry either from their side or the SLBC.

The analysis table also reveals that the finance of housing during five years under United Bank of India **(**UBI) in Mizoram amounts to Rs. 1,808.20 lakhs with 169 beneficiaries. There is a great decline in the housing finance by UBI during FY 2016-17 in contrast to the previous financial years. As seen in table 4.5 there is total absence in the finance of housing finance by Axis

Bank Ltd.during the study period. The housing loan scheme itself is not under the different means of financing of the bank.

Our analysis table showed that Bank of Baroda (BOB) has financed housing loans only for the first two financial years with the total sanction of Rs. 141.18 lakhs with 12 beneficiaries. In our analysis table there is total absence in housing loans finance under ICICI Bank Ltd. in Mizoram during the five years of study period. It is not the bank motive to finance housing loans in Aizawl city. There is total absence of loans in housing finance under HDFC Bank Ltd. as the analysis table has revealed. The main reason here is that it is not the motive of the bank to finance housing loans. Our analysis table further reveals that the Bank of India did not finance there housing loan during the same period. According to the statement of the worker in this bank, the reason for absence in finance until 2016 is that there has been technical misunderstanding between Guwahati Zonal Office of BOI and that of the Land Revenue Department of Mizoram. But from FY 2016-17 they started housing loan finance which could be due to miss record by the SLBC.

In accordance to the analysis table the finance under housing loans by Canara Bank (CAN) amounts to Rs. 1,419.14 lakhs with 121 beneficiaries during the study period. The absence in record during FY 2016-17 is due to miss recorded by the SLBC as the bank stated. As shown in the analysis table the financed of Bank of Maharashtra (BOM) under hosing loans amounted to Rs. 676.05 lakhs with 61 beneficiaries. The absence in the record of financed during FY 2016-17 is due the fact that this bank financed housing loans in the urban areas only.

As a whole, the Mizoram Co-operative Apex Bank Ltd. has the best performance under housing loan finance in Mizoram among the selected ten banks and within the five years of study.

4.6 EDUCATIONAL LOAN FINANCED:

The financing of promising students from various educational steams in in India has started in the year 2001. With the passage of time, a number of things have changed regarding this financing. Some students failed to repay the loans in time making the scheme itself a Non Profit Asset. This leads to the pessimistic view of the banking institutions regarding their monetary policy which very often leads to non financing of educational loans.

With the intervention of RBI regarding the criteria and strategy for advancing of educational loans to students, the banks are more secured to finance this loan. Accordingly, educational loans are given to students. Mention may be made here that all the applicants were not financed, the banks choose the students based on their subject or stream and the institution in which they are enrolled.

The banking institutions in Mizoram are also having a keen observation on the matters relating to educational loans and that some banks are not yet financing this particular type of loans. As mentioned, educational loans very often leadsto bad-debts which is again the loss or NPA for the banks. The various banks are having their own perspective and that it is not convenient to blame even if some banks do not sanction loans on education; as it could be the non motives of the banks. So far, the banking institutions in Mizoram are also contributing to a considerable extends regarding the financing of educational loans. Let us take in to consideration the performance of the banks regarding the educational loans during the study period.

The following table represents the performance of the selected banks under Educational Loans Financed:

table 4.6: Education Loan Scheme of Mizoram during Five Consecutive Financial Years(Rs. In Lakhs)

Sl.No.	Bank Name	2012-13		2013-14		2014-15		2015-16		2016-17		Total	Total
		Number of Sancti-oned	Amount of Sancti-oned	Number of Sancti-oned	Amount of Sancti-oned	Number of Sancti-oned	Amount of Sancti-oned	Number of Sancti-oned	Amount of Sancti-oned	Number of Sancti-oned	Amount of Sancti-oned	Number of Sancti-oned	Amount of Sancti-oned
1	**VJB**	0	0	0	0	0	0	0	0	4	**15.2**	**4**	**15.2**
2	**MCAB**	0	0	0	0	0	0	0	0	0	0	**0**	**0**
3	**UBI**	0	0	0	0	2	8	2	3.5	1	2.5	**5**	**14**
4	**AXIS**	0	0	0	0	0	0	0	0	0	**0**	**0**	**0**
5	**BOB**	0	0	1	3.35	0	0	0	0	0	**0**	**1**	**3.35**
6	**ICICI**	0	0	0	0	0	0	0	0	0	**0**	**0**	**0**
7	**HDFC**	0	0	0	0	1	1.24	1	3.27	0	**0**	**2**	**4.51**
8	**BOI**	0	0	0	0	0	0	0	0	0	**0**	**0**	**0**
9	**CAN**	0	0	0	0	0	0	0	0	27	**470.49**	**27**	**470.49**
10	**BOM**	0	0	0	0	0	0	0	0	0	**0**	**0**	**0**
											Total	**39**	**507.55**

Source: SLBC Record for Mizoram, 2012-13 to 2016-17.

Our analysis table revealed that under Vijaya Bank (VJB) there has been educational financed during FY 2016-17 where 4 persons were benefitted with Rs. 15.2 lakhs. Regarding the performance of Mizoram Co-operative Apex Bank Ltd (MCAB), the analysis table reveals that the MCAB did not advance any educational loans during these years. The reason for the absence in financed is that this loan is particularly for long term and that the MCAB has no motives for it. Our analysis table also reveals that the total finance of United Bank of India (UBI) under educational loans amounted to Rs. 14 lakhs during the study period where five individuals were benefitted. The absence of finance during the first two financial years was that the applicants did not meet the criteria of the bank.

The analysis table further revealed that Axis bank Ltd did not advance any educational loans during the study period. The Bank of Baroda (BOB) financed educational loan only in the FY of 2013-14 to a single beneficiary, with the total amount of Rs. 3.35 lakhs. The analysis table further reveals that there is total absence in the educational loan financed by ICICI Bank during five years and that is outcome of the bank's motive not to finance educational loans as of now. In our analysis table 4.6, the total financed of educational loans during five years by HDFC Bank Ltd. amounted to Rs. 4.15 lakhs with 2 beneficiaries during FY

2014-15 and FY 2015-16. The reason for the absence in the remaining three financial years is that there is no eligible applicant who fulfilled the criteria during these three years. The total absence in the educational financed remain unchanged even in case of Bank of India (BOI)during five years. The workers of BOI stated that the reason for the absence record here is that the bank failed to report to SLBC.

The analysis table reveals that Canara Bank (CAN) has sanctioned educational loans only in FY 2016-17 where 27 students are benefitted with the total amount of Rs. 470.49 lakhs. The workers stated that the reason for the absence in record here is that the bank often failed to report to SLBC apart from the miss entry by data entry operators. The Bank of Maharashttra (BOM) also did not financed educational loan. The main reason here is that there is lack of applicant who fulfilled the criteria of this particular loan.

From the above analysis it can be concluded that the lack of financing educational loan in Aizawl city is mainly due the following

- Unqualified applicant
- It is not the bank motive

From our analysis it can be stated that Canara Bank is the the best performing bank in Aizawl city with regards to educational loan financed during the study period. The financed by Canara Bank alone is more than the total financed of the remaining nine branches.

4.7 FINANCING OF SELF HELP GROUPS (SHGs):

Self Help Groups are mainly confined in villages usually having a common socio-economic background. They are the villagers consisting of 10 to 20 members of men and women. The members are mainly from low economic status group who formed a group to generate certain level of income through various economic activities. In India, these SHGs-banks linkage programme has recently been one important aspects of financial inclusion.

Self Help Groups can be registered or non registered to government undertaking especially to the National Bank for Agriculture and Rural Development (NABARD). They are typically micro-finance entrepreneurs who come together voluntarily agreeing to save regular sums of money and meet their emergency needs on the basis of mutual help. Self-help groups are seen as instruments for goals including empowering women, developing leadership abilities among poor and the needy people, increasing school enrolments, and improving nutrition and the use of birth control.

Despite the crucial contribution for socio-economic development of the rural areas, the financed of these SHGs are not sufficient in Mizoram. As of now NABARD is the leading institution in financing the rural areas in India, whereas in the state of Mizoram the Mizoram Rural Bank (MRB) is performing the major role. It is mandatory for the SHGs to be registered under the government undertakings in order to avail financial support from the banks. Let us analysed how the banks in Mizoram have been operating under the Self Help Groups Financing based on the SLBC record.

The performances of the selected under Self Help Group Financing is shown in tabulation as follows:

Table 4.7: Financing Under SELF HELP GROUP of Mizoram During Five Consecutive Financial Years (Rs In Lakhs)

Sl.No.	Bank Name	2012-13		2013-14		2014-15		2015-16		2016-17		Total	Total
		No. of Linkages (NRLM + SHG)	Amount of Credit made to Linkages	No. of Linkages (NRLM + SHG)	Amount of Credit made to Linkages	No. of Linkages (NRLM + SHG)	Amount of Credit made to Linkages	No. of Linkages (NRLM + SHG)	Amount of Credit made to Linkages	No. of Linkages (NRLM + SHG)	Amount of Credit made to Linkages	No. of Linkages (NRLM + SHG)	Amount of Credit made to Linkages
1	**VJB**	0	0	0	0	0	0	0	0	0	0	**0**	**0**
2	**MCAB**	9	5.43	0	0	0	0	2	6	18	6	**29**	**17.43**
3	**UBI**	1	5	0	0	0	0	0	0	0	0	**1**	**5**
4	**AXIS**	0	0	0	0	0	0	0	0	0	0	**0**	**0**
5	**BOB**	0	0	0	0	0	0	0	0	0	0	**0**	**0**
6	**ICICI**	0	0	0	0	0	0	0	0	0	0	**0**	**0**
7	**HDFC**	0	0	0	0	0	0	0	0	0	0	**0**	**0**
8	**BOI**	0	0	0	0	0	0	0	0	0	0	**0**	**0**
9	**CAN**	0	0	0	0	0	0	0	0	0	0	**0**	**0**
10	**BOM**	0	0	0	0	0	0	0	0	0	0	**0**	**0**
											Total	**30**	**68.64**

Source: SLBC Record for Mizoram, 2012-13 to 2016-17.

The analysis table, Table 4.7above shows that there has been absence of financing of SHGs by Vijaya Bank (VJB) during the study period as financing this group is not within the purview of this bank. But in the case of Mizoram Co-operative apex Bank Ltd (MCAB), there are three financial years where financed has been rendered to the self help group with the total amount of Rs. 17.43 lakhs where 29 SHGs are benefitted despite the non allocation of budget in two financial years, as the bank stated. United Bank of India (UBI) financed only one SHG during FY 2012-13 with Rs. 5 Lakhs. During the study period Axis bank Ltd. did not finance SHGs since this particular loan is not included in the scheme of their finance. Similarly in the case of Bank of Baroda (BOB), there has been total absence in the financed of SHGs, their reason of not financing is the same as that of other banks.

Our analysis table has shown that ICICI bank did not finance any SHG within the study period as they did not receive any applicant. The same case can also be concluded for HDFC bank. HDFC bank has been proceeding for a new type of agricultural loan yet to be disclosed in the future date so as to finance SHGs and its concern loans. The condition of total absence in SHGs is the same even I the case of Bank of India (BOI). The absence of SHGs finance by BOI during the five consecutive financial years wasby lack of applicants who fulfilled the criteria and most of the applicant groups did not have registration under the government. In the case of Canara Bank (CAN), financing of SHGs was also absent. This bank has bad experience in the years prior to our study period which let them closed financing this scheme.

Like most of the select banks in Aizawl city, Bank of Maharashtra (BOM) there is also total absence of finance.

After a series of analysis for each individual bank, the overall analysis here is that there has been almost total absence in SHGs financed during the study period in Aizawl city. The main reason may be concluded as the following

- It is not the bank motive
- There is no SHGs who fulfill the criteria to access SHGs loans
- The high NPA from the previous years experiences

The outstanding performer with regards to SHGs financed in Aizawl city during the study period among the selected banks is Mizoram Co-operative Apex Bank Ltd. (MCAB), where 29 SHGs were financed with the total sanction amount of Rs. 17.43 lakhs.

4.8 FINANCING AGRICULTURAL LOAN:

Agricultural sector in the modern age requires a huge investment to meet the basic need for purchase of crops, chemical fertilizers, machinery and equipment. In Indian agriculture sector, the agricultural workers often faced different natural calamities which leads to a loss of their production. The farmers therefore requires refinancing to recover their loss or to start up a new venture. In this regard, the participation of the banks comes into the picture by way of providing seed capital for these farmers. Therefore, financing this sector is of atmost importance in uplifting the status of the agriculturists.

The need for financial assistance is essential for the successful implementation of any agricultural policy either in the micro level and the macro level as well. In due course, the financial resources could no longer be supported by the government alone, it demands the supply of other financial resources and this insist the involvement of the banking institutions throughout the country. One of the major contributor of agricultural finance in India is that of the National Bank for Agriculture and Rural Development (NABARD). Under the function of NABARD, various agricultural loans are sanctioned with respect short term, medium term and long term respectively.

While the financed from NABARD is also contributing much to the development of agricultural sector, the contribution of other banking institutions are inevitable for the fulfilment as well. The condition is also applicable even in the state of Mizoram where various banks are participating in the agricultural financing apart from NABARD financed.

So far, the participation of the banking institution for agricultural finance is not sufficient despite the great requirements from the farmers and cultivators. Speaking of agricultural sector it is a vast subject and that farming alone is not the aim here. The various agricultural sector like fisheries, cultivation in terms of Wet Rice Cultivation, jhuming cultivation, poultry, dairy farming, livestock etc. are included in the agricultural sector. To finance abundantly to entire sector may be far from the reach due to economic instability within the state. But there are certain extent to which the various banks contribute to this agricultural sector from the state of Mizoram.

The contribution of the various banks under the agricultural sector can be compared with the data maintained by the SLBC during five consecutive financial years.

The following table represents the performances of the selected banks under agricultural financed during the study period:

Table 4.8: AGRICULTURAL LOANS advances during Five Consecutive Financial Years (Rs In Lakhs)

Sl.No.	Bank Name	2012-13 Amount Advances	2013-14 amount Advances	2014-15 amount Advances	2015-16 Amount Advances	2016-17 amount Advances	Total Amount Advances
1	**VJB**	230.62	40	233.8	0	0	**504.42**
2	**MCAB**	3781.58	692	11539.18	11938.23	1458.62	**29409.61**
3	**UBI**	545.93	223	736.27	824.5	641.34	**2971.04**
4	**AXIS**	35	85	90.84	160.09	0	**370.93**
5	**BOB**	28.5	45	82	27	66	**248.5**
6	**ICICI**	0	1	2.58	1.9	0	**5.48**
7	**HDFC**	111.1	74	220.06	156.16	120.16	**681.48**
8	**BOI**	0	19	24.67	37	30	**110.67**
9	**CAN**	129.61	208	510.64	603.17	552.93	**2004.35**
10	**BOM**	0	0	0	0	0	**0**
						Total	**36306.48**

Source: SLBC Record for Mizoram, 2012-13 to 2016-17

In the given analysis table we observed that Vijaya Bank (VJB) has sanctioned Rs. 504 lakhs under the agricultural loans during the first three years, despite the absence of financingin the last two financial years. In the context of Mizoram Co-operative Apex Bank Ltd. our analysis table shows that MCAB has financed as much as Rs 29,409.61 lakhs under agricultural loan scheme in all the five years of study. Considering the financed by United Bank of India (UBI), the total amount sanctioned wasRs.

2,971.04 lakhs under agricultural loan financed during the study period, there is noabsence of finance by the bank.

Axis Bank Ltd. has sanctioned a total amount of Rs. 370.93 lakhs during the first four years despite the absence of finance in the FY 2016-17. Also, Bank of Baroda (BOB), has been sanctioning the total amount of Rs. 248.5 lakhs during five years for agricultural loans without any absence in finance.

Our analysis table also showed that ICICI Bank Ltd. in Mizoram has been financing the Rs. 5.4 lakhs during the second to fourth years, but there was absence of finance in the first and last financial years. The lack of finance during these two years was due to absence of applicant who fulfilled the criteria for the sanctioning of agricultural loans under this bank. From the analysis table we found that HDFC Bank Ltd. in Aizawl city has financed a total amount of Rs. 681.48 lakhs during the five years of study.

The analysis table revealed that Bank of India (BOI) has financed as much as Rs. 110.67 lakhs during the last four years under agricultural loans. The bank did not finance agricultural loans in the FY of 2012-13. According to the statement of the worker in BOI, The reason here was due to the transformation and set up in bank in this particular year.It can also be stated from the analysis table that Canara Bank (CAN) has sanctioned Rs. 2,004.35 lakhs during five consecutive financial years and there is no financial year without sanction of agricultural loans. Bank of Maharashtra (BOM) is the only bank that did not advance financing of agricultural loans among the ten select banks in Aizawl city. The manager of BOM main branch in Aizawl stated that in Aizawl city there was no eligible applicant who could access agricultural loans from their bank during these five years.

Therefore it can be concluded that the best performing bank among the selected ten banks that financed agricultural loans during five consecutive financial years is the MCAB. At the same time Bank of Maharashtra (BOM) is the only bank which completely lacked financing under the agricultural loans. The reasons for the absence and minimal finance of agricultural loans by the selected banks can be stated as:

- Transformation of banking administration for certain banks in particular financial years;
- There was no eligible applicant in some particular financial year.

4.9 FINANCING OF MICRO, SMALL AND MEDIUM ENTERPRISES (MSME):

The Micro, Small and Medium Enterprises are broadly classified into two major enterprises, viz, enterprise that manufacture or produce or process or preserve goods and enterprises that provide service and whose investment in equipment, land or building is not directly related to the service that it renders. Although the various enterprises are categorised under two heads, the banks in Mizoram mostly go for the producers rather than the service sector. During the study it was found that majority of the financed were benefitted by women or.

The performances of the select banks are presented in the following table, Table 4.9

Table 4.9: Financing Under MSME Sector of Mizoram During Five Consecutive Financial Years

Sl.No.	Bank Name	2012-13	2013-14	2014-15	2015-16	2016-17	Total
		Amount Financed Rs Lakhs	Amount Financed Rs Lakhs	Amount Financed Rs Lakhs	Amount Financed Rs Lakhs	Amount Financed Rs Lakhs	Amount Financed Rs Lakhs
1	**VJB**	3001.1	0	0	1910	0	**1910**
2	**MCAB**	2213.4	657	2563.93	2650.73	2661.49	**10746.55**
3	**UBI**	0	810	626.16	583	1767.88	**3787.04**
4	**AXIS**	612	0	757.61	697.68	821.32	**2888.61**
5	**BOB**	29.3	32	47.25	0	0	**108.55**
6	**ICICI**	1	0	0	16.8	1630	**1647.8**
7	**HDFC**	299.89	589	1567.53	2631.2	3389.46	**8477.08**
8	**BOI**	57.3	32	218.1	936	0	**1243.4**
9	**CAN**	10.94	175	959.92	2629.17	2292.49	**6067.52**
10	**BOM**	6.52	8	7.13	18.74	35.52	**75.91**
						Total	**36952.46**

Source: SLBC Record for Mizoram, 2012-13 to 2016-17

The analysis table above shows that Vijaya Bank (VJB) has financed Rs. 1,910 lakhs for MSME loans during five years even with the absence of financed in three financial years. Our analysis table has also revealed that Mizoram Co-operative Apex Bank (MCAB) has sanctioned the total amount of Rs. 10,746.55 lakhs under MSME loans during five consecutive financial years. The United Bank of India (UBI) has sanctioned as much as Rs. 3,787.04 lakhs for MSME loans four years and it was only in one financial year that MSME loans was not financed. Our analysis table shows that Axis Bank Ltd., in Mizoram has been financing the total amount of Rs. 2,888.61 lakhs under MSME loans during the five years despite the absence in FY 2013-14, and that was due to the lack of applicant who meet the criteria during this particular year.

Bank of Baroda (BOB), according to our analysis, has sanctioned the total amount of Rs. 108.55 lakhs for MSME loans. However, there was two financial years where the financed of MSME loans was not sanctioned. The analysis table has revealed that ICICI Bank Ltd. in Mizoram has sanctioned as much as Rs. 1,647.80 lakhs during the study period, despite the absence of loans in two financial years. The performance of HDFC Bank Ltd. is quite compare to other select banks where Rs. 8,477.08 lakhs has been sanctioned for MSME loans by this bank during the five years of study period. Bank of India (BOI) has financed Rs. 1,243.40 lakhs as a means of MSME finance during the four years of study period. There is absence of finance in FY 2016-17 under BOI.

Our analysis table also reveals that Canara Bank (CAN) in Mizoram has sanctioned as much as Rs. 6,067.52 lakhs for MSME loans during these financial years taken for consideration, meanwhile the financed by Bank of Maharashtra (BOM) for MSME loans amounted to Rs. 75.91 lakhs during these five years.

From the analysis it can be concluded that, among the selected ten banks within five consecutive financial years, Mizoram co-operative Apex Bank Ltd. (MCAB) is the leading bank that has maximum financed under MSME loans, followed by HDFC Bank Ltd. and Canara Bank (CAN) in the second and third place respectively, and the poorest performer was Bank of Maharashtra (BOM).

4.10 PRIME MINISTER'S EMPLOYMENT GENERATION PROGRAMME (PMEGP) FINANCED:

Through the promising scheme of the government, PMEGP, numbers of individuals were benefitted throughout the country. The extent to which each individual has been benefitted may differ according to the availability of the banking institutions within their respective state.

PMEGP is a credit linked subsidy programme administered by the Ministry of Micro, Small and Medium Enterprises, Government of India. The nodal agency at national level for implementation of the scheme is Khadi & Village Industries Commission (KVIC). At state level the scheme is implemented through KVIC, KVIB and District Industries center.

The scheme has two major objectives of:

Generating employment opportunities in rural as well as urban areas through setting up of self employment ventures.

Provide continuous and sustainable employment to a large segment of traditional and prospective artisans and unemployed youth, so as to help arrest migration of rural youth to urban areas.

Eligibility for the borrowers of PMEGP scheme

i. Any individual above 18 years

ii. Educational qualification of at least VIII standard, for setting up of project costing Rs. 10 lacs in the manufacturing sector and above Rs. 5 lacs in the business /service sector

iii. SHG including those belonging to BPL provided that they have not availed benefits under any other schemes

iv. Institutions registered under societies Registration Act, 1860

v. Production Co-operative Societies

vi. Charitable Trusts.

Furthermore, the selection of beneficiaries is done systematically by identifying and selecting at the district level by a task force consisting of representatives from KVIC/State KVIC/State KVIB/ State DICs and Banks and headed by the District Magistrate/Deputy Commissioner / Collector.

How much amount have been sanctioned by the selected banks in Mizoram within the five year period of is presented in following Table 4.10.

The performance of Vijaya Bank (VJB) as shown in our analysis table in terms of PMEGP financed is as much as Rs. 241.77 lakhs during five years despite the absence of finance in FY 2016-17. As seen in our analysis table MCAB has been financing a total amount of Rs. 931.54 lakhs under PMEGP during the first three years of study. The MCAB did not advance loans under this scheme during the last two years as recorded in the SLBC reports.. The United Bank of India (UBI) has sanctioned a total amount of Rs. 354 lakhs for PMEGP loans without any absence of finance during the study period.

Axis Bank Ltd. has financed Rs. 45.30 lakhs during five years for PMEGP loans and there were two financial years where the financed was absent. Bank of Baroda (BOB) has financed as much as Rs. 80.83 lakhs during the first, third and fifth year and were absent in the other two years. Our analysis reveals that ICICI Bank Ltd. in Mizoram has never financed the PMEGP loans.

With regard to HDFC Bank Ltd, during the entire period of study it was only in one financial year that the bank has financed PMEGP loan due to bad experienced in relation to PMEGP loans. The status of Bank of India (BOI) in financing PMEGP loan is that it was only in the first three financial years that the loan was sanctioned with the total amount of Rs. 171.38 lakhs while financing was absent in the last two financial years.

Table 4.10: Performance Under PMEGP of Mizoram During Five Consecutive Financial Years (Rs In Lakh)

Sl.No.	Bank Name	2012-13		2013-14		2014-15		2015-16		2016-17		Total	total
		Number of Sanc-tioned	Amount of Sanc-tioned	Number of Sanc-tioned	Amount of Sanc-tioned	Number of Sanc-tioned	Amount of Sanc-tioned	Number of Sanc-tioned	Amount of Sanc-tioned	Number of Sanc-Tioned	Amount of Sanc-tioned	Number of Sanc-tioned	Amount of Sanc-tioned
1	**VJB**	9	18.27	8	20	11	29.5	40	174	0	0	**68**	**241.77**
2	**MCAB**	112	351.02	53	184.57	132	395.95	0	0	0	0	**297**	**931.54**
3	**UBI**	8	40.06	11	45	15	64	74	80.24	30	125.63	**138**	**354.93**
4	**AXIS**	12	24	0	0	21	8.48	0	0	5	12.82	**38**	**45.3**
5	**BOB**	9	20.83	0	0	11	24	0	0	8	36	**34**	**80.83**
6	**ICICI**	0	0	0	0	0	0	0	0	0	0	**0**	**0**
7	**HDFC**	0	0	0	0	4	4.75	0	0	0	0	**4**	**4.75**
8	**BOI**	10	27	16	54.39	38	89.99	0	0	0	0	**64**	**171.38**
9	**CAN**	0	0	24	67.5	13	47	0	0	17	38.47	**54**	**152.97**
10	**BOM**	4	8.7	15	51	4	10.4	24	37.33	3	11.4	**50**	**118.83**
											Total	**747**	**2102.3**

Source: SLBC Record for Mizoram, 2012-13 to 2016-17.

Canara Bank (CAN) has sanctioned a total amount of Rs. 152.97 lakhs during the second, third and fifth years for PMEGP loans as shown in our analysis table. This loan was not financed in the first and fourth year. Maharashtra (BOM) has sanctioned as much as Rs. 118.83 lakhs during the five consecutive financial years as the analysis table has revealed.

From our analysis, the main reasons for the absence of financing PMEGP loans is due the non repayment of these loans by the beneficiaries which provoked the banks not to advance loans under this scheme any further.

Mizoram Co-operative Apex Bank Ltd. is the best performer that financed PMEGP loans among the selected ten banks within the study period. The United Bank of India (UBI) and Bank of India (BOI) stood in the second and third place respectively, whereas ICICI Bank Ltd. is the worst performer.

FINDINGS:

- Canara Bank (CAN) is the most progressive bank among the ten selected banks in terms of Cash-Deposit Ratio(CDR) in Aizawl city. There is no decline in the CDR of this bank during the five years study period.Bank of Maharashtra (BOM) is the second next to Canara bank followed by of the Mizoram Co-operative Apex Bank Ltd. (MCAB). The poorest among the banks in Aizawl based on their CDR is the ICICI Bank Ltd.Most of the banks' CDR were fluctuated during the study period. The reasons behind the low CDR in Aizawl city are poor rate of industrialization, poor infrastructure, absence of national level business and educational centre etc.(*Objective No. 1*)

- The banks in Aizawl city financed educational loans to the students based on their subject or streams and the institution in which they are enrolled. Canara Bank is the best performing bank in Aizawl city with regards to educational loan financed during the study period. The financed by Canara Bank alone is more than the total financed of the remaining nine banks. The Mizoram Co-operative Apex Bank Ltd, Axix Bank, ICICI Bank, BOI and BOM did not finance educational loans during the five fiscal years.*(Objective No. 2)*

- The agricultural loans financed by the select banks are not adequate to meet the needs of the farmers as a whole. Some of the applicants could not avail this loan due to the high criteria prescribed by the banks. Under this loan the best performing bank among the selected ten banks that financed agricultural loans during five years is the MCAB. At the same time Bank of Maharashtra (BOM) is the only bank which completely lacked financing under the agricultural loans. *(Objective No. 3)*

- Under the financing of housing loans some of the selected banks did not advance in different years because of failing to fulfil the minimum criteria. Despite the average performance is weak as a whole, the Mizoram Co-operative Apex Bank Ltd. has the best performance under housing loan finance in the study area among the ten selected banks during the study period. Vijaya Banks and UBI stood second and third. Whereas Axis Bank, ICICI and HDFC did not advanced any loans under the housing loan scheme during the five fiscal years. *(Objective No. 4a)*

- Financing of SHGs is almost out of service by these selected ten banks where only two banks had financed out of the ten banks. The outstanding performer with regards to SHGs financed in Aizawl city during the study period among the selected banks is Mizoram Co-operative Apex Bank Ltd. (MCAB) followed by United Bank of India. The remaining eight banks did not financed Self Help Group. The reason for the adverse performance is that the banks demanded full registration and affiliation of the banks under the government but which is often inconvenient for the SHGs. *(Objective No. 4b)*

- Mizoram Co-operative Apex Bank Ltd. (MCAB) is the leading bank that has maximum financed under MSME loans, followed by HDFC Bank Ltd. and Canara Bank (CAN) in the second and third place respectively, and the poorest performer was Bank of Maharashtra (BOM). The reason for the absence in the finance for particularly years are subjected to the improper entry by the SLBC.*(Objective No. 4c)*

- Mizoram Co-operative Apex Bank Ltd. is the best performer that financed PMEGP loans among the selected ten banks within the study period. The United Bank of India (UBI) and Bank of India (BOI) stood in the second and third place respectively, whereas ICICI Bank Ltd. is the worst performer. There has been a bad experienced by the banks in the sense that NPA is often very high because the beneficiaries of PMEGP fails to repay the loans in time. *(Objective No. 4d)*

- Under Kisan Credit Card (KCC) finances the performance of the Mizoram Co-operative Apex Bank Ltd. (MCAB) is the highest, followed by the HDFC Bank and Canara Bank. The Vijaya Bank, Axis Bank Ltd, ICICI Bank Ltd and Bank of Maharashtra did not advance loans under KCC during the study period. Since the finance under KCC is mainly confined to villagers particularly the farmers, the banks did not advance much to this particular loans because of the geographical location inconvenience.*(Objective No.4e)*

- All the ten banks in Aizawl city advances loans to women under Other Sensitive Sector. The Mizoram Co-operative Apex Bank Ltd. (MCAB)'s advanced the maximum finances among the ten select banks followed by the HDFC Bank and Canara Bank. The MCAB financed 7,677 women with a total amount of Rs. 5,492.60 lakhs during the study period and the poorest bank in financing women is the ICICI Bank where Rs. 22.65 lakhs was sanctioned to 38 persons during the five years. The most prominent reason for the absence in the financing of women loans under other sensitive sector is credited to the dual existence of MSME loans along with Other Sensitive Sector loans where most of the selected banks are confined to MSME loans. *This finding supports our first research question whether the select banks advanced loans to women under sensitive sector.*

- Financing the physically handicapped under the Other Sensitive Sector was made by Vijaya Bank only out of the ten selected banks in Aizawl city. The selected ten banks mainly argued that physically handicapped loans are not place in separation away from other loans which is why there was no particular sanction under this scheme. *This finding supports our second research question whether the select banks advanced loans to physically handicapped under sensitive sector.*

- Some of the select banks failed to report their quarterly achievement to the State Level Banker's Committee(SLBC), this leads to the missing record of SLBC data.

- During the study it was also found that the data submitted to the SLBC by the banks were often entered wrongly by the SLBC office. This reflects the technical inefficiency of SLBC.

- Many Self Help Group could not availed financed from the banks as they did not registered their groups which was required to availed the loans.

- Many agricultural workers could not avail the agricultural loans as they did not meet the minimum criteria.

- Some of the banks in certain cases discontinued advancing loans due to the high repayment of loans by the borrowers, which leads to the high NPAs of the banks.

SUGGESTIONS BASED ON FINDINGS:

- Banks are financially intermediaries which may contribute significantly in the economic development of the state. The CDR is not only relevance for the banks and their banking business. But, it is more useful in the measurement and minimization of regional disparities and promoting growth. Therefore the banks in Aizawl city should maintain their CDR at an increasing rate.

- As mentioned in the second finding mentioned above the banks in Aizawl city financed educational loans to the students based on their subject or streams and the institution in which they are enrolled. This selection strategy should be discontinued and educational loans should be given to all the applicants irrespective of their subjects or institutions.

- The third findings disclosed that there are certain years where the farmers did not meet the criteria for availing agricultural loans. The owners of agricultural lands are the low income group so the criteria for availing loans should be made simple and accessible even by the agriculture workers.

- In accordance to our findings No.4(a), Axis Bank, ICICI and HDFC did not advanced any loans under the housing loan scheme during the five fiscal years. As far as the Aizawl city is concerned, it is a must that banks should open their motive towards housing finance as the capital involved here is quite high which could only be meet through a strong finance. Moreover, the criteria laid for the accessing of housing loans should be moderate within the reach of those we who are in need.

- Our findings as per No. 4(b) disclosed that as much as eight banks out of the selected ten banks did not financed SHGs loans on the ground that the SHGs did not meet the criteria, especially the registration under the government. It is more likely to be effective if the demand for registration should not be the main criteria to avail the SHGs loans, instead banks should enquire into the previous performance for the existing SHGs and also the proposal and scheme of the coming newly SHGs should be considered, as most of the members who forms the SHGs are usually the low income group who are also not highly educated to avail the loans.

- As postulated in our findings No. 4c, the reason for the absence in the finance of MSME loans for particularly years are subjected to the improper entry by the SLBC. It is a must that the SLBC entry as well as the record should be strictly maintained such a way where each bank could read their past performance as well as their rivals banks that will create more transparency and healthy competition.

- The finding No.4(d) shows that there has been a bad experienced by the banks in the sense that NPA is often very high as the beneficiaries of PMEGP failed to repay the loans in time. As far as PMEGP loan is concerned, it is crucial for the banks to have keen attention to the moral subversive of their customers instead of a total termination to this loan.

- Our findings No.4(e) shows that the finance under KCC is mainly confined to villagers particularly the farmers, thus the banks did not advance much to this particular loans. The bank should extend their financial assistance even in the rural areas and that of the needy farmers. The bank should have their mindset that developing the subsistence level would create development in the secondary and tertiary sector as well.

- Under PMEGP loan finance with regards to our findings, the most prominent reason for the absence in the financing of women loans under other sensitive sector has been credited to the dual existence of MSME loans along with Other Sensitive Sector loans where most of the selected banks are confined to MSME loans. The banks should render more advances to Other Sensitive Sector, particularly to women, since MSME loans are meant for both men and women and women are not given special preference against men in MSME loans.

- According to our findings, the selected ten banks mainly claimed that physically handicapped loans are not place in separation away from other loans which is why there was no particular sanction under this scheme. It is a must to have special arrangement for those who are in physically and mentally handicapped if the financial institution really meant to implement the financial inclusion programme of the state in practical. Thus, earmarking for the Other Sensitive Sector should be initiated even in the case of financial marketings.

The banks in Aizawl have come to play a dominant and useful role in promoting economic development by mobilising the financial resources of the community and by making them flow into the desired channels through financing various investments. The findings and suggestions therefore, is hoped to have some policy implications for the banks to develop banking business not only in Aizawl City but also in Mizoram

LIST OF ABBREVIATIONS

APT	-	Arbitrage Pricing Theory
ATM	-	Automated Teller Machine
ATMs	-	Automated Teller Machines
AXIS	-	Axis Bank Ltd
BOB	-	Bank of Baroda
BoI	-	Bank of India
BOM	-	Bank of Maharashtra
BSE	-	Bombay Stock Exchange
CAN	-	Canara Bank, Bank of Maharastra
		CboP - Centurion Bank of Punjab
CBS	-	Core Banking Solutions
CDR	-	Credit Deposit Ratio
CMD	-	Chairman & Managing Director
CRR	-	Cash Reserve Ratio
CVV	-	Card Verification Value
DBT	-	Direct Benefit Transfer
EMU	-	Economic and Monetary Union
FPI	-	Free Price Index
FY	-	Financial Year
GDP	-	Gross Domestic Product
GDRs	-	Global Depository Receipts

GLS -	Generalized Least Square
HDFC -	Housing Development Finance Corporation Bank Ltd.
ICICI-	Industrial Credit and Investment Corporation of India Bank Ltd.
JLG -	Joint Liability Groups
KCC -	Kisan Credit Card
KYC -	Know Your Customers
MCAB -	Mizoram Cooperative Apex Bank Ltd.
MRB -	Mizoram Rural Bank
MSF -	Marginal Standing Facility
MSME -	Micro Small and Medium Enterprises
MUDRA -	Micro Units Development and Refinance Agency Ltd.
NABARD -	National Bank for Agricultural and Rural Development
NBFIs -	Non-Banking Financial Institutions
NHFDCF-	National Handicapped Finance and Development Corporation
NNPAs -	Net Non Performing Assets
PACS -	Primary Agricultural Credit Services
PCARDBs-	Primary Co-operative Agriculture and Rural Development Banks
PMEGP -	Prime Minister's Employment Generation Programme
PSU -	Public Sector Undertakings
RBI -	Reserve Bank of India
RRR -	Reverse Repo Rate
SBI -	State Bank of India

SCARDBs-	State Co-operative Agriculture and Rural Development Banks
SCBs -	State-owned Commercial Banks
SHGs -	Self-Help Groups
SLBC -	The State Level Bankers' Committee
SLR -	Statutory Liquidity Ratio
SMEs -	Small and Medium Enterprises
SSAs -	Sub Service Areas
SWIFT -	Society for Worldwide Interbank Financial Communication
UBI -	United Bank of India
USD -	US Dollar
VJB -	Vijaya Bank
WBO -	Wholesale Banking Operation

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