

"Exploring Retail Banking Dynamics: A Comprehensive Analysis at IDBI Bank, Hyderabad"

KAVALI RANGAIAH M.Com, MBA, (Ph.D), *1, D.Anjana M. Com, MBA, *2,
P. Mamatha *3.

*1. Assistant Professor in Commerce, Siva Sivani Degree College, NH-44 Kompally, Secunderabad-500100, Telangana, India.

*2, Assistant Professor in Commerce, HOD, Siva Sivani Degree College, NH-44 Kompally, Secunderabad-500100, Telangana, India.

*3. Principal, Siva Sivani Degree College, NH-44 Kompally, Secunderabad-500100, Telangana, India

Abstract: Retail banking is when a bank executes transactions directly with consumers, rather than corporations or other banks. Services offered include savings and transactional accounts, mortgages, personal loans, debit cards, and cards. Today, retail banking is being considered as one of the most innovative financial services provided by the various commercial Public Sector Banks (PSBs), private sector and foreign banks. Retail banking has a huge potential considering the growing demand for its products namely, term deposits, consumer durable loans, auto loans, debit card, credit cards, ATM facilities, insurance, online banking, etc. The growing sector of retail lending has contributed significantly to the development of the economy. Like other developed countries, India too, has a developed retail banking sector which accounts for one-fifth of all banks credit. Retail lending across the globe has been a showcase of innovative services in the commercial banking sector. Countries, like China and India, have emerged as potential markets with changing investment opportunities. The higher growth of retail lending in emerging economies can be attributed to the rapid growth of personal wealth, favorable demographic profile, rapid development in information technology, the conducive macroeconomic environment, financial market reforms and small micro-level supply side factors. The retail banking strategies of banks are undergoing a major transformation, as banks are beginning to adopt a mix of strategies like organic growth acquisition and alliance formation. This has resulted in a paradigm shift in the marketing strategies of the banks. PSBs are adopting aggressive strategies, leveraging their branch network to garner a large share of the retail market. This article attempts to highlight the prospects and the future role of retail banking in India. Retail banking is widely recognized as an important factor for the economic development of a country. Retail banking helps the Indian banking industry by providing a wide range of innovative services. Retail loan is estimated to have accounted for nearly one-fifth of all bank credit. Over the past few years housing sector is experiencing a boom in its availability of credit. The retail loan market has decisively got transformed from a seller's market to a buyer's market. The days are gone when getting a retail loan was difficult. All the above statements bring out the speed of development that retail banking is experiencing in India. Retail banking is a very wide term that refers to the dealings of commercial banks with individual customers, both on liabilities and assets side. Mortgages, loans (e.g., personal/housing, auto and educational) on the asset side are the more important products offered by the banks. Related ancillary services include credit cards and depository services.

INTRODUCTION TO RETAIL BANKING

“We don’t want satisfied customers...we want delighted customers.” It is the new marketing mantra today. The same applies to banking as well. Retail banking and rural banking were once considered as taboos by the leading foreign and domestic banks. But cut-throat competition, innovation and advanced technology have altogether changed the face of banking sector. Now all banks have recognized the importance of retail banking. Retail banking also known as Consumer Banking is the provision of services by a bank to individual consumers, rather than to companies, corporations or other banks. Services offered include savings and transactional accounts, mortgages, loans, debit, and credit cards. The term is generally used to distinguish these banking services from investment banking, commercial banking or wholesale banking. It may also be used to refer to a division or department of a bank dealing with retail customers. In the US the term Commercial bank is used for a normal bank to distinguish it from an investment bank. After the great depression, through the Glass–Steagall Act, the U.S. Congress required that banks only engage in banking activities, whereas investment banks were limited to capital markets activities. This separation was repealed in the 1990s. Commercial bank can also refer to a bank or a division of a bank that mostly deals with deposits and loans from corporations or large businesses, as opposed to individual members of the public (retail banking). Retail banking is that part of a bank that offers products and services primarily to individual customers, professional, self-employed individuals or small businesses. The focus is on creating products and services that meet the needs of the target customers and are profitable for the bank as well. The approach to retail banking products is more is more on a mass production basis wherein all risk and operations are based on and geared to cater to a large number of customers. This is therefore, significantly different from corporate banking or wholesale banking where focus is on large sized customer accounts rather than large numbers of customers.

REVIEW OF LITERATURE

Dr. R Srinivasa (2014), has tried to bring light on role and prosper of retail bank sector in India and its future role in country’s development. Data required for the study has been collected from secondary source like RBI reports, publications and other national and international sources. The study started from gave introduction to industry then to trends later on its role in economic development. Challenges like customers retention, money laundering, ineptness, network management issues and few more have taken part in the study. The study had concluded by giving prime importance to improve retain banking sector in order to make its further more contribution to country’s development.

C. Padmavathi, M.S. Balaji, V.J. Sivakumar (2002), authors have designed the study to evaluate effectiveness of customer relationship management (CRM) in Indian retail banking and to examine its relationship with key customer response variable. Data has been collected from primary sources and statistical methods such as Kaiser –meyer- olkin measure (KMO), Bartlett test of sphericity and exploratory factor analysis have adopted. Since study have conducted on the five basic parameters, authors have expressed their findings with the hope that banks woulddo better by concentrating on these dimension to improve the customer satisfaction and there by managers can retain their customers.

Lianxi Zhou (2004), author has studied customer satisfaction in chines retail banking sector with help of specifies performance dimension - quality of service. 373 customers have met for collect data regard service quality of the industry and results have been measured and expressed its implication in international setting. Statistical tools percentage calculation and T-test have done to know significant values. As per the study, specific quality dimension to know customers to satisfy was insufficient since they looking for assurance and reliability from local banks and study has suggested managers there to focuses on assurance and reliability in formulation of strategies to satisfy and retain their customers.

R.F Balachandra, TSB Bank plc and RL Galloway (1994), It was the period where the concept of „quality in banking services“ getting definition all over the world, authors have studied customers and bank staff (TSB bank plc) requirements of quality services in banking. This was carried out during 1991-1992 on one of the largest bank in UK – TSB Bank plc. The data was collected from large number of customers across the 71 branches by personal interview at their home by wide range of questionnaire. Data was analysed with the help of SERVQUAL classification and Gap model too used to link data with staff perception. As per the study customer were seeking for responsive services with assurance, competence and credibility. And staffs have expressed various reasons for failure of quality in services and the study has discussed wide range of issues to overcome the same issues.

Terrence Levesque and Gordon H.G Mc Dougall (1996), deregulation of banking sector was create a issue of maintain loyal customers in Canada during the study, authors have studied the determinants of customer satisfaction in retail banking in Canada. Data required for the study was collected from church members and university member where they collected data directly from customer with designed questionnaire. Their study found the core and relative performance both would helps to retain loyal customer where these performance helps to satisfy customers need.

RESEARCH METHODOLOGY

OBJECTIVES OF THE STUDY:

My project entitled “A study on Retail Banking In Hyderabad at IDBI Bank” aims at studying the scope of retail banking business in Hyderabad. The objective of doing this project is defined as under.

- 1) To study the retail banking business in Hyderabad.
- 2) To study the retail banking business of IDBI in Hyderabad.
- 3) To study how can IDBI improve on its retail banking business.
- 4) To analyse company’s financial statements using comparative and common size analysis.
- 5) To study the profitability of „IDBI BANK“.
- 6) To study the liquidity position of the company.
- 7) To analyse future financial position of the IDBI Bank.

SCOPE OF THE STUDY:

- To achieve the above objective I have not restricted my study to just IDBI Bank. In order to study about the retail banking business in Hyderabad, and to understand the scope that IDBI has in this business, I have extended my project to do a detailed study of retail banking in the peer banks of the bank undertaken.
- Through a comparative study between the peer banks and IDBI, I could arrive to a conclusion of the scope of retail business in Hyderabad.
- The analysis is made by taking financial statements of „IDBI BANK“ into consideration.
- The study is based on the information of last 5 years.
- The study is conducted purely to understand financial position of the company.
- The study attempts at analysing the liquidity and profitability position of the company, as well as preparing common size balance sheet and common size income statement by interpreting the results.

NEED OF THE STUDY:

Banks are in the business of giving several services to its customers. Retail Banking and Corporate Banking are its two main sections. Retail banking is the section where banks cater the individual

customers. It accepts deposits, give out loans and provide several other value added benefits such as phone banking, internet banking, sms banking and many more. Through retail banking banks get personally connected to the customers and deal them individually.

1. To evaluate different factors impacting the retail business of the IDBI bank.
2. To study the scope that retail banking has in Hyderabad with special reference to IDBI Bank.
3. To find the outcome of retail business of peer banks which will give the bank understudy an idea of its position to its peer banks in the area.
4. **Financial statement analysis** is used to identify the trends and relationships between financial statement items. Both internal management and external users (such as analysts, creditors, and investors) of the financial statements need to evaluate a company's profitability, liquidity, and solvency.

RESEARCH METHODOLOGY

HO. THERE IS NO DIFFERENCE BETWEEN OBSERVED AND EXPECTED FREQUENCIES.

H1: THERE IS DIFFERENCE BETWEEN OBSERVATION AND EXPECTATION

All the findings and conclusions obtained are based on the survey done in the working area within the time limit. I tried to select the sample representative of the whole group during my job training. I have collected data from people linked with different profession at Pune.

COLLECTION OF DATA:

1: Secondary Data: It was collected from internal sources. The secondary data was collected on the basis of organizational file, official records, newspapers, magazines, management books, preserved information in the company's database and website of the company.

2: Primary data: All the people from different profession were personally visited and interviewed. They were the main source of Primary data. The method of collection of primary data was direct personal interview through a structured questionnaire.

LIMITATIONS OF THE STUDY:

To make mistake is human nature and I'm no exception. I have tried to make this project approachable and helpful for the bank, but at the same time I accept the occurrence of intermittent mistakes and do accept them sincerely.

Limitations of this project are:-

- The project was constrained by time limit of two months.
- Getting appointment from the concern person was very difficult.
- People mind set about the survey was an obstacle in acquiring complete information & positive interaction.
- Respondents were very busy in their schedule. So it was very time consuming for them to answer all the questions properly.
- As stipend, money was not given it was difficult to continue the project work.
- All the work was limited in some limited areas of Hyderabad so the findings should not be generalized.
- The area of research was Hyderabad and it was too vast an area to cover within 60 days.

COMPANY PROFILE

Bank's Profile

IDBI Bank Ltd., today, is operating as a full service universal bank that serves the customers from all segments.

IDBI Bank Ltd. has inherited a rich legacy from its predecessor entity - Industrial Development Bank of India – which was an apex Development Financial Institution (DFI) in the realm of industry from July 1, 1964 to September 30, 2004. As a DFI, the erstwhile IDBI stretched its canvas beyond mere project financing to cover an array of services that contributed towards balanced geographical spread of industries, development of identified backward areas, emergence of a new spirit of enterprise and evolution of a deep and vibrant capital market.

On October 1, 2004, the erstwhile IDBI was converted into a banking company – IDBI Ltd. - to undertake the entire gamut of banking activities while continuing to play its secular DFI role. Desirous of fuelling its business growth, IDBI Ltd. merged its subsidiaries - the erstwhile IDBI Bank, IDBI Home Finance Ltd., IDBI Gilts, the erstwhile United Western Bank Ltd., with itself over a period of time. IDBI Ltd. also changed its name to IDBI Bank Ltd. to reflect its widened business functions. As an universal bank, IDBI Bank Ltd. touches the lives of millions of Indians through a wide array of banking products and services. Besides, the Bank has an established presence in associated financial sector businesses including capital market, investment banking and mutual fund business.

DATA ANALYSIS AND INTERPRETATION

FINANCIAL STATEMENT ANALYSIS:

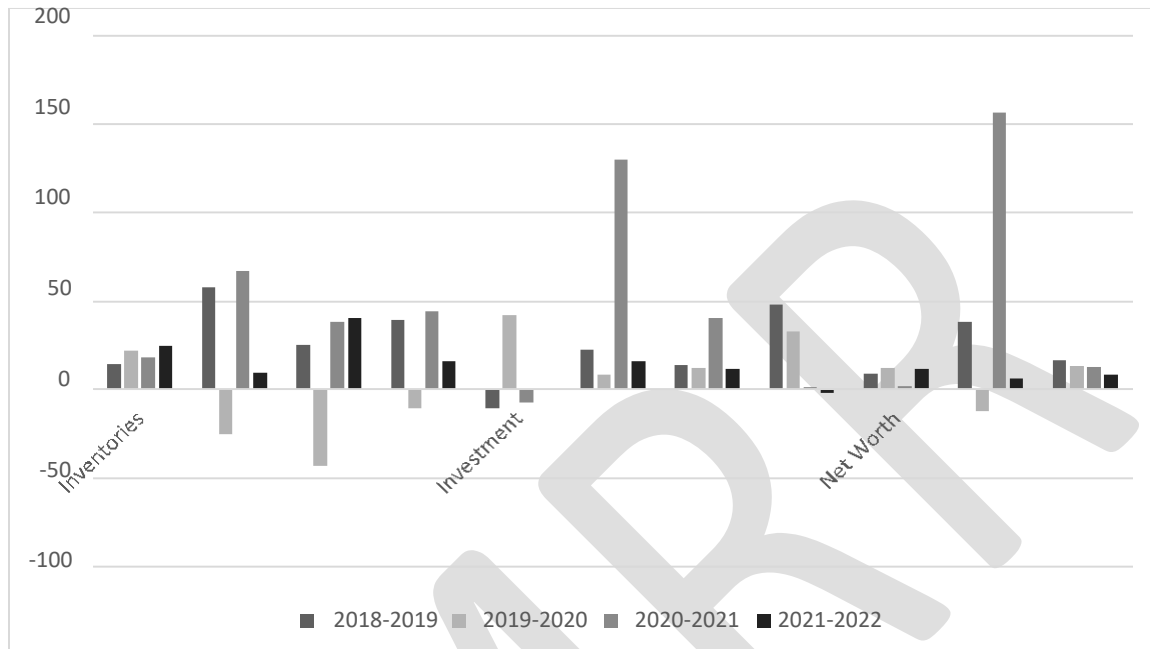
1. COMPARATIVE BALANCE SHEET:

Comparative balance sheet analysis concentrates only the balance sheet of the concern at different periods. Under this analysis, the balance sheets are compared with previous year's figures or one-year balance sheet figures are compared with other years. Comparative balance sheet analysis may be horizontal or vertical basis. This type of analysis helps to understand the real financial position of the concern as well as how the assets, liabilities and capitals are placed during a particular period.

Table-4.1

IDBI BANK COMPARATIVE BALANCE SHEET				
(GROWTH IN PERCENTAGE)				
Particulars	2018-2019	2019-2020	2020-2021	2021-2022
Inventories	14.69	22.08	18.48	24.78
Sundry Debtors	58.15	-25.30	66.95	9.77
Cash and Bank Balances	25.47	-43.18	38.20	40.63
Total Current Assets	39.44	-10.42	44.58	15.98
Investment	-10.36	42.23	-7.19	0.64
Fixed Assets	22.62	8.66	129.93	15.96
Total Assets	13.72	12.40	40.39	11.47
Current Liabilities	47.93	32.71	1.39	-1.97

Net Worth	9.30	12.46	1.78	11.59
Long Term Liabilities	38.50	-12.04	156.53	6.13
Total Liabilities	16.54	13.58	12.57	8.36



INTERPRETATION:

- The working capital of the company has been increased by Rs. 256.33 Cr. There has been an increase in both the current assets and current liabilities of the company. However, the increase in current assets has been more than the increase in the current liabilities.
- There is a decrease in the investments from Rs. 2080.71 Cr. in 2017-2018 to Rs. 1865.1 Cr. in 2018-2019.
- The fixed assets have also been increased by 22.62% .the company is encouraging new technology and adding assets for large production.
- The shareholder funds have also been increased by 9.30%, which means the shareholders are investing money to expand the business activities.
- The working capital of the company has been decreased by Rs. 147.20 Cr. There has been a drastically decrease in current assets and very high rise in the current liabilities of the company. This is not a good sign for the company.
- There is an increase in the investments from Rs. 1865.10 Cr. in 2018-2019 to Rs. 2652.7 Cr. in 2019-2020.
- There is a decrease in the investment from Rs. 2652.7 Cr. in 2019-2020 to Rs. 2462 Cr. in 2020-2021.
- The fixed assets have also been increased by 129.93%.The company is encouraging new technology and adding assets for large production.
- There is increase in investment from Rs. 2462 Cr. in 2020-2021 to Rs. 2477 Cr. in 2019-2020. This means that the company has been making long term investments to increase its profits.

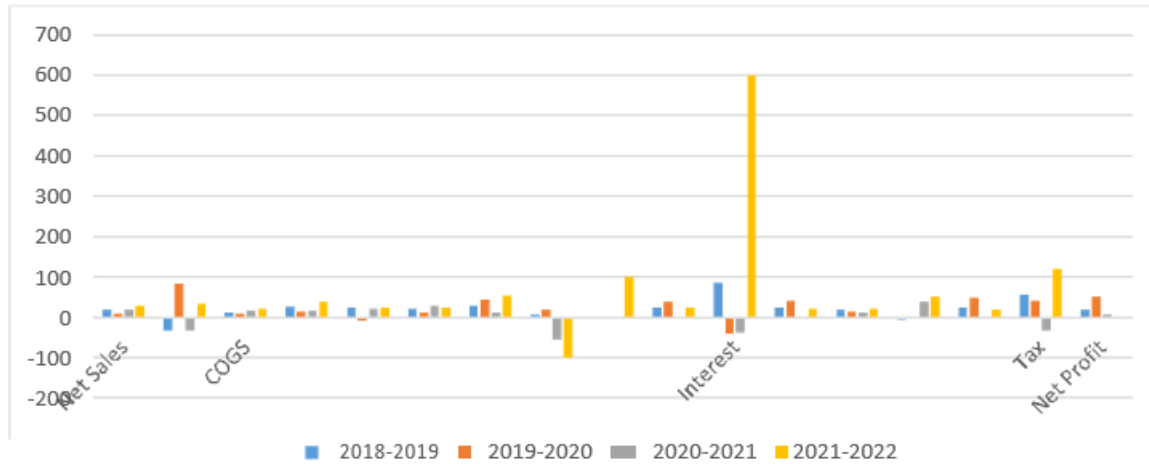
- The fixed assets have also been increased by 15.96% .The company is encouraging new technology and adding assets for large production.
- The current liabilities of the company have decreased. The company is paying off the short term credits and liabilities. This means that the company is in a good liquidity position as it has been able to meet its short term obligations.
- The shareholder funds have also been increased by 11.58% which means the shareholders are investing more money to expand the business activities and also there has been an increase in the reserves and surplus.

2. COMPARATIVE PROFIT AND LOSS ACCOUNT:

Another comparative financial statement analysis is comparative profit and loss account analysis. Under this analysis, only profit and loss account is taken to compare with previous year’s figure or compare within the statement. This analysis helps to understand the operational performance of the business concern in a given period. It may be analyzed on horizontal basis or vertical basis.

Table-4.2

IDBI BANK COMPARATIVE PROFIT AND LOSS ACCOUNT				
(GROWTH IN PERCENTAGE)				
Particulars	2018-2019	2019-2020	2020-2021	2021-2022
Net Sales	19.61	9.90	18.04	28.87
Stock Adjustments	-31.71	83.00	-32.65	32.66
Less: COGS	11.52	9.09	16.65	20.85
Gross Profit	26.67	13.24	16.80	37.59
Less: Selling and Administration Expenses	24.69	-7.27	21.23	23.69
Less: Miscellaneous Expenses	20.99	11.70	28.46	23.54
Operating Profit	30.08	43.60	12.03	52.66
Add: Non-Operating Incomes	7.56	19.70	-53.94	-100
Less: Non-Operating Expenses	0	0	0	100
Profit Before Depreciation, Tax and Interest	24.39	38.37	-0.45	24.94
Less: Interest	86.52	-41.61	-38.12	598.99
Profit Before Depreciation and Tax	23.19	40.70	0.0075	20.65
Depreciation	19.51	14.88	11.47	21.46
Other Written Off	-4.88	-2.03	38.86	50.37
Profit Before Tax	25.21	48.70	-3.03	19.70
Less: Tax	54.85	41.58	-33.60	118.80
Net Profit	18.40	50.85	5.59	2.12



INTERPRETATION:

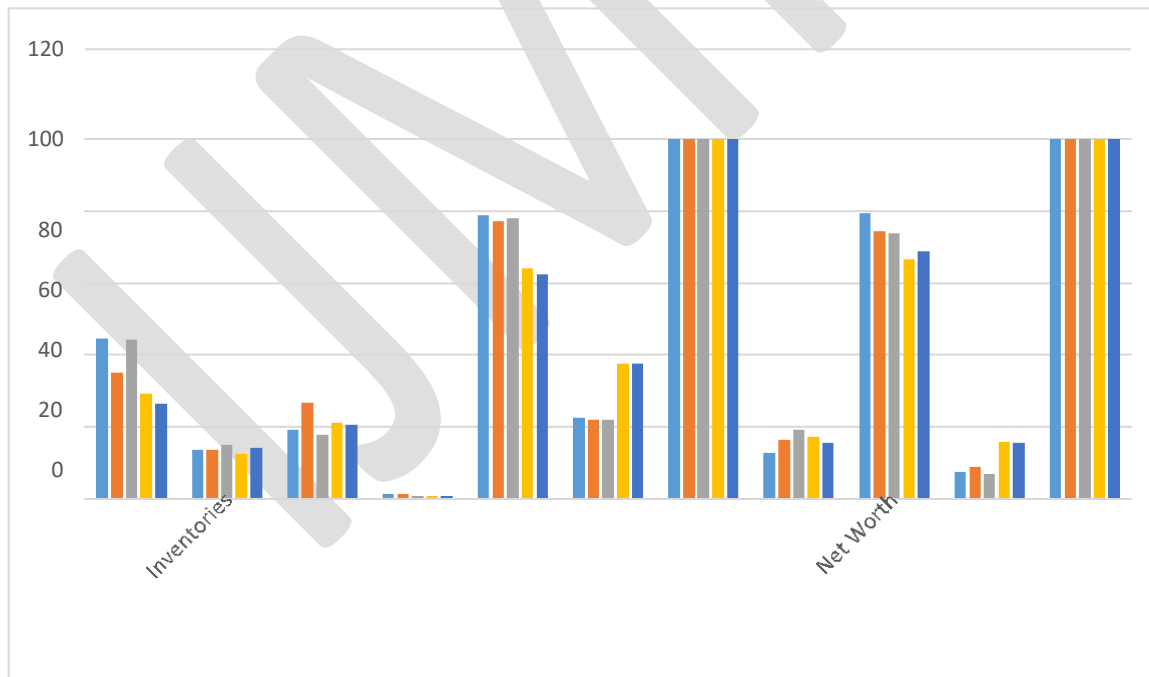
- The net sales of the company have increased from last year to current year by Rest. 655.61 Cr.
- The cost of goods sold has also increased due to increase in sale.
- The expenses incurred on sale have increased but the company has to minimize the selling expenses.
- The gross profit of the company has increased from Rs. 1516.68 Cr. to Rs. 1921.20 Cr. This is a good sign for the company.
- There is just a slight increase in the net profited by Rs. 87.18 Cr. The company has to minimize the indirect expenses and encourage more sales.
- The net sales of the company have increased from last year to current year by Rs. 396.10 Cr.
- The gross profit of the company has increased from Rs. 1921.20 Cr. to Rs. 2175.20 Cr. This is a good sign for the company.
- There is an increase in the net profit. The net profit has increased by Rs. 285.20 Cr.
- The net sales of the company have increased by Rs. 792.90 Cr. in 2020-2021.
- The gross profit of the company has increased from Rs. 2175.70 Cr. to Rs. 2541.20 Cr. This is a good sign for the company.

3. COMMON SIZE BALANCE SHEET:

Common size balance sheet presents not only the standard information contained in a balance sheet, but also a column that notes the same information as a percentage of the total assets (for asset line items) or as a percentage of total liabilities and shareholders' equity (for liability or shareholders' equity line items). It is extremely useful to construct a common size balance sheet that itemizes the results as of the end of multiple time periods, so that you can construct trend lines to ascertain changes over longer time periods. The common size balance sheet is also useful for comparing the proportions of assets, liabilities, and equity between different companies, particularly as part of an industry analysis or an acquisition analysis. A company balance sheet that displays all items as percentages of a common base figure. This type of financial statement can be used to allow for easy analysis between companies or between time periods of a company.

Table-4.3

(GROWTH IN PERCENTAGE)					
Particulars	2018	2019	2020	2021	2022
Investments	44.52	35.09	44.40	29.36	26.50
Inventories	13.71	13.83	15.02	12.68	14.19
Sundry Debtors	19.21	26.71	17.75	21.11	20.79
Cash and Bank Balance	1.44	1.59	0.80	0.79	0.99
Total Current Assets	78.87	77.22	77.98	63.93	62.48
Fixed Assets	22.78	22.02	22.02	37.52	37.52
Total Assets	100	100	100	100	100
Current Liabilities	12.98	16.47	19.25	17.33	15.68
Net Worth	79.40	74.46	73.73	66.67	68.65
Long Term Liabilities	7.63	9.06	7.02	16.00	15.67
Total Liabilities	100	100	100	100	100



INTERPRETATION:

- The shareholders fund of the company has reduced from 79.40% to 73.73%.
- The long-term liabilities have reduced from 7.63% to 7.02%.
- The investments have reduced from 44.51% to 35.09%.
- The fixed assets have reduced from 22.78% to 22.02%.

- The total current assets have reduced from 77.22% to 77.98%.
- The total current liabilities have increased from 12.97% to 16.47%.
- The shareholders fund of the company has reduced from 73.73% to 66.67%.
- The long-term liabilities have increased from 7.02% to 16.99%.

- The investments have increased from 35.09% to 44.40%, which means the company has been effective in utilizing its idle funds to make productive investments.
- The fixed assets have remained same for the two years at 22.02%.
- The total current assets have reduced from 78.87% to 77.22% as the inventories as increased and the sundry debtors and the cash balance has reduced.
- The total current liabilities have reduced from 16.47% to 19.25%.
- The shareholders fund of the company has reduced from 74.46% to 73.73%.
- The long-term liabilities have increased from 9.07% to 7.02%.
- The investments have reduced from 44.40% to 29.36%.
- The fixed assets have increased from 22.02% to 37.52%, which implies that the long-term funds have been used to finance the fixed assets.
- The total current assets have reduced from 77.98% to 62.48% as the inventories and cash balance has reduced while the sundry debtors have increased.
- The total current liabilities have reduced from 19.25% to 17.33%.
- The shareholders fund of the company has increased from 66.67% to 68.65%.
- The long-term liabilities have reduced from 16.99% to 15.67%.
- The investments have reduced from 29.36% to 29.36%.
- The fixed assets have remained same for the two years at 37.52%.
- The total current assets have reduced from 63.93% to 62.48% even though the inventories and the cash balance have increased while the sundry debtors have reduced. The higher value of inventories at 14.19% indicates that the money is blocked in inventories.
- The total current liabilities have reduced from 17.33% to 15.68%.

4. COMMON SIZE INCOME STATEMENT:

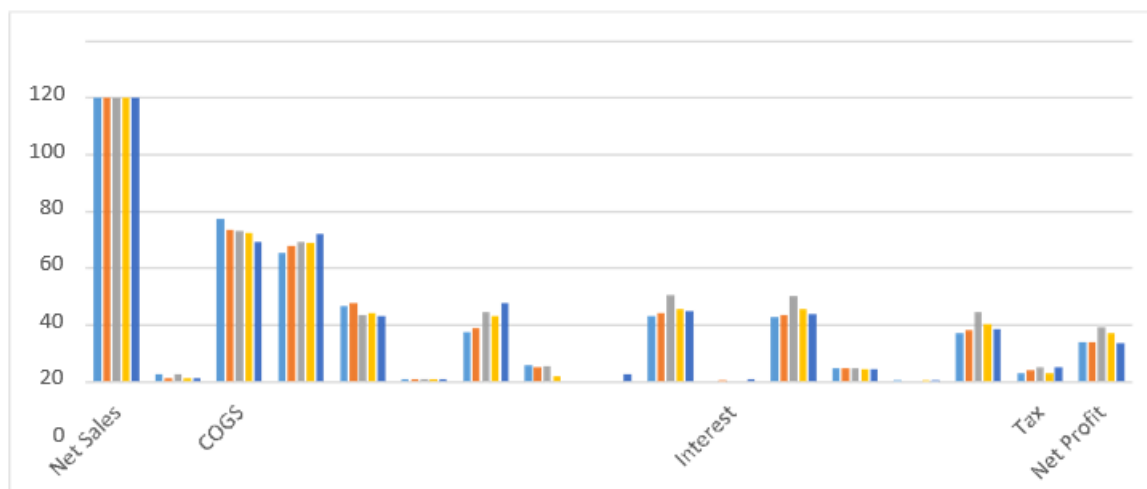
Common size income statement analysis allows an analyst to determine how the various components of the income statement affect a company's profit.

It is used for analysis purposes where each item on the face of income statement is expressed in relation to revenue so that users can easily understand that how different expenses and other incomes and gains add up to gross profit and net profit. This is widely used in ratio analysis and serves as a vital tool start up a financial analysis of the key areas of performance and then detailed ratios are applied on each item afterwards.

Although common size income statements do not provide a detailed financial analysis of income statement and its items but it does help in comparing the financial performance of the company with the preceding accounting periods known as trend-analysis or time-series analysis. We can also compare financial information of one company with other companies in the industry, which is known as cross-sectional analysis. The good thing about common-size analysis is that it is easy to do and also interpreting the results is not so difficult. Even the users who are not proficient in analysis techniques can gain insight of company's financial performance to some extent from common size financial statements i.e. income statement and statement of financial position.

Table-4.4

IDBI BANK COMMON SIZE PROFIT AND LOSS ACCOUNT					
(GROWTH IN PERCENTAGE)					
Particulars	2018	2019	2020	2021	2022
Net Sales	100	100	100	100	100
Stock Adjustments	2.81	1.6	2.67	1.52	1.57
Less: COGS	57.45	53.57	53.17	52.55	49.28
Gross Profit	45.36	48.04	49.5	48.98	52.29
Less: Selling and Administration Expenses	26.81	27.95	23.58	24.22	23.25
Less: Miscellaneous Expenses	1.12	1.13	1.15	1.25	1.2
Operating Profit	17.43	18.95	24.76	23.5	27.84
Add: Non-Operating Incomes	5.9	5.31	5.78	2.25	0
Less: Non-Operating Expenses	0	0	0	0	2.87
Profit Before Depreciation, Tax and Interest	23.33	24.26	30.54	25.76	24.97
Less: Interest	0.44	0.69	0.36	0.19	1.03
Profit Before Depreciation and Tax	22.89	23.57	30.18	25.57	23.94
Depreciation	4.84	4.84	5.06	4.78	4.5
Other Written Off	0.62	0.49	0.44	0.52	0.6
Profit Before Tax	17.42	18.24	24.68	20.27	18.83
Less: Tax	3.26	4.22	5.43	3.05	5.19
Net Profit	14.17	14.02	19.25	17.22	13.65



INTERPRETATION

- The net sales of the company have increased by Rs. 655.61 Cr., which is a good sign for the company.
- The gross profit has gradually increased from 45.36% to 48.04%. The company has generated good profits in comparison to the last year.
- The operating profit has also increased by Rs. 175.3 Cr. This means that the company is running on good lines by generating profits and incurring expense for the sales.
- The net profit of the company after deducting tax, interest and depreciation has increased from 14.17% to Rs. 14.2%, which is decrease in net profit. This may be because of the expenses.
- The net sales of the company have increased by Rs. 396.1 Cr., which is a good sign for the company.
- The gross profit has gradually increased from 48.04% to 49.50%. The company has generated good profits in comparison to the last year.
- The operating profit has also increased by Rs. 330.5 Cr. This means that the company is running on good lines by generating profits and incurring expense for the sales.
- The net profit of the company after deducting tax, interest and depreciation has increased from 14.02% to 19.25%.
- The net sales of the company have increased by Rs. 792.9 Cr., which is a good sign for the company.
- The gross profit as percentage of net sales has gradually decreased from 49.50% to 48.98%.
- The operating profit has also increased by Rs. 131 Cr. This means that the company is running on good lines by generating profits and incurring expense for the sales.
- The net profit of the company has decreased from Rs. 19.25% to 17.22%. The company has to control the indirect expenses incurred for the sale of the product.
- The net sales of the company have increased by Rs. 1497.8 Cr., which is a good sign for the company.
- The gross profit has gradually increased from 48.98% to 52.29%. The company has generated good profits in comparison to the last year.
- The operating profit has also increased by Rs. 642.20 Cr. This means that the company is running on good lines by generating profits and incurring expense for the sales.
- There has been an increase in the finance cost from 0.19% to 1.03% as there has been an increase in the loans taken by the company.
- There has been an increase in the taxes from 3.05% to 5.19% while the net profit of the company has increased from Rs. 893.40 Cr. to Rs. 912.40 Cr., which indicates an improvement in the profitability of the company.

FINDINGS OF THE STUDY

- The credibility of IDBI BANK is good in comparison to its competitors as GOI (Government of India) is a major shareholder in the company.
- IDBI BANK has potential market in Hyderabad region and thus has opportunities for growth. The products of IDBI BANK has good credibility in the region and is in par with its competitors.
- The various rates of interest like the current interest rate of fixed deposit which is 9.5% for 500 days and an additional .75% for senior citizen is quite appreciated by the common mass.
- The network of IDBI in Hyderabad is lagging behind a little than its competitors like ICICI bank and Axis bank.
- It can be distilled from the research that IDBI BANK has good market share as compared to its competitors considering the amount of resources deployed by them in the market.
- The modern days technology like internet banking, phone banking, used by IDBI BANK for providing banking services has sent positive signals in the mind of consumers.

From the above comparative and common size analysis we can say that:

- The company has been able to maintain an appropriate level of working capital as the current assets are higher than current liabilities. However, only in the year 2019-2020 there has been a decrease mainly because of the decrease in sundry debtors and cash balance in current assets and an increase in current liability.
- They have been able to use their idle funds effectively to make productive investments as there has been an increase in investment in 2021-2022.
- The fixed assets of the company are increasing as the company is encouraging new technology by adding assets for large production.
- The company has been effective in increasing its sales in all the 5 years.
- It has been able to maintain profitability as it has been generating appropriate levels of net profit.
- The overall position of the company is satisfactory over the 5 years.

SUGGESTIONS

- IDBI is a much flourished bank. During the two months I could not find any flaw in the functioning of the bank. After doing my training in the bank and doing my research work I could reach to a few conclusion which are mentioned above. From these conclusions I could come to the following suggestions.
- The gross profit of the company is increasing year after year but it is not the same with net profit. To improve profits, the company needs to cut down on expenses by applying more effective costing and budgeting techniques.
- From ratio analysis, one can infer that the overall position of the company is good and all the ratios have improved.
- 2018-2019 seems to be the most profitable year as almost all the ratios in this year stand strong in comparison to other years considered in the study.
- The high liquidity ratios reflect a very strong short-term financial structure. The company should maintain current assets in the form of receivables and cash rather than in inventory to meet its current obligation efficiency.
- On a long term, the company can be looked as good investment opportunity.

- The modern days technology like internet banking, phone banking, used by IDBI BANK for providing banking services has sent positive signals in the mind of consumers. IDBI should maintain its technology and update it timely as IT too has a big role in increasing the business of an organization.
- Bank should think for “Innovators of tomorrow” for beating the competition and share the ideas of the customers for making a better tomorrow for all.
- Advertising is an effective brand building method, so this can solve the awareness problem. This is an effective weapon in today’s scenario. IDBI recently changed their way of advertising. Through the new hoardings IDBI displayed themselves being a fully owned government bank. A short advertising campaign like this in Hyderabad has produced good results in a short span of times. While talking to few customers during my research work I was informed that through these hoardings and TV advertisements they could clear their concept of IDBI being a fully government owned bank. The advertisements also says “NOT JUST FOR THE BIG BOYS”, which clearly means that IDBI is now into retail. This helped IDBI gain more recognition and so it’s preferable for IDBI BANK to carry on this campaign with more intensity.
- Bank will be in a WIN –WIN situation if it provides valued services to its customers and create a value creation for them.
- IDBI could also have some extension counters in the branches which have business capability. This would be a privilege for the customers as now they need not wait to avail any service. This will definitely increase the walk-in of the bank.
- Bank should think to add Value with Creativity and Innovation for real work of its customers.
- Retail banking being a new service and new concept, IDBI requires regular follow up and certain checking parameters. It also needs high level of trust and maintaining the ethics of the service provided by them.
- Adding new features and providing additional facilities to customers will always strengthen the brand and create barrier for new entrants.
- Every bank is trying to aware its USP so IDBI should pay attention for it and try to compete with this new service and should provide unique features.
- Proper awareness of the product should be given through word of mouth, seminars, Pamphlets, communication media, internet etc.

CONCLUSIONS

IDBI Bank, the banking arm of IDBI is expected to go on stream. The bank already has good number of employees on board and is recruiting Sales Executives heavily to take the headcount to many more. It is on the brim of increasing its customers through its attractive schemes and offer.

- IDBI is one of the most promising companies in India. The company has a bright future because of its scientific and flexible management approach.
 - 2018-2022 is considered as the period of study.
 - The methodology used is financial statement analysis and ratio analysis.
 - The company is growing year after year.
 - Quality of earnings has been good with minimum dependence on other income.
 - The recession is passing off starting early.
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- The company has shown strong increase in sales.
 - The project opportunities provided was market segmentation and identifying prospective customers in potential geographical location and convincing them to open an account so that

new Business Opportunities of the bank can be explored. Through this project, it could be concluded that people are not much aware about the various products of the bank and many of them not interested to open an account at all.

- services was considered as unsought good which require hard core selling, but in changing trend in income and people becoming financially literate, the demand for banking sector is increasing day by day.
- According to my findings Company's promotional activities for recruiting sales executives are also very less.
- So, at last the conclusion is that there is tough competition ahead for the company from its major competitors in the banking sector.
- Last but not the least I would like to thank IDBI Bank for giving me an opportunity to work in the field of Marketing. I hope the company finds my analysis relevant.

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Books referred to understand and make this project were:-

- B1- Anti- Money Laundering & Know Your Customer (Indian Institute of Banking & Finance).
- B2- IC-33 Life Insurance (Insurance Institute of India).
- Few more references to make this project were:-
- SOF (Schedule of Facilities) of every account helped to know about the account better A Profile Of banks by- Reserve Bank of India

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