
CHAPTER-II

PROFILE OF BANK
OF INDIA

2.1) HISTORY AND GROWTH OF BANKING SYSTEM IN INDIA:

The Indian banking system traces back its history to 1786 when the first bank in India was established. From that year till today the journey of growth of the Indian banking system can be divided into three phases:

Phase I:

- This was the first phase of Indian banking during which the first bank called The General Bank of India was set-up in the year 1786. Next to it, the Bank of Hindustan and Bengal Bank came. During this period three banks, Bank of Bengal (1809), Bank of Bombay (1840) & Bank of Madras (1843), were set-up by the East India company as independent units were called Presidency Bank. These three were later merged in 1920 as Imperial Bank of India which had European shareholders.
- Later in 1865 Allahabad Bank was established followed by Punjab National Bank in 1894. Between 1906 & 1913, Bank of India, Central Bank of India, Bank of Baroda, Canara bank, Indian Bank, and Bank of Mysore were set-up.
- In 1935 Reserve Bank of India came into being, which was later formed the Central Banking Authority under the Banking Regulation Act 1949.
- This period of Bank development witnessed slow growth and several bank failures. This was primarily due to lesser investor confidence, slow deposit mobilization, greater reliance of public on alternative investment facilities like those provided by the postal department.

- From the start of this phase till date tremendous changes have occurred in the Banking System with retail banking shifting to universal banking orthodox methods being replaced by new ones so-as-to establish customer satisfaction as the highest priority.
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2.2) HISTORY OF BANK OF INDIA:

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

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

The Bank has 2884 branches in India spread over all states/ union territories including 155 specialized branches. These branches are controlled through 48 Zonal Offices. There are 27 branches / offices (including three representative offices) abroad. The Bank came out with its maiden public issue in 1997 and follow on Qualified Institutions Placement in February 2008. Total number of shareholders as on 30/06/2008 is 2,29,000. While firmly adhering to a policy of prudence and caution, the Bank has been in the forefront of introducing various innovative services and systems. Business has been conducted with the successful blend

Mission & Vision:

Bank's Mission :

"to provide superior, proactive banking services to niche markets globally, while providing cost-effective, responsive services to others in banks role as a development bank, and in so doing, meet the requirements of banks stakeholders".

Bank's Vision:

"to become the bank of choice for corporates, medium businesses and up market retail customers and to provide cost effective developmental banking for small business, mass market and rural markets"

	<p>E-mail: <u>ED.Narendra@bankofindia.co.in</u></p>
<p>4. Shri.Tarun Bajaj Govt. Nominee Director (From 05.07.2007 till further orders)</p>	<p>Department of Financial Services,Ministry of Finance, Government of India, 3rd Floor, 10, Parliament Street, New Delhi - 110 001 E-mail: <u>tarun.bajaj@nic.in</u></p>
<p>5. Shri A. V. Sardesai RBI Nominee Director (From 27.02.2007 till further orders)</p>	<p>C-16, Kumar Elixir, Near Varsha Park Society, Baner Road, Pune - 411 045. Email: <u>asarex1@yahoo.com</u></p>
<p>6. Shri Rameshwar Prasad Workmen Employee Director (From 05.03.2007 to 31.07.2009)</p>	<p>Bank of India Birchand Patel Marg Branch, Tourist Bhawan, Birchand Patel MargPatna, Bihar - 800 001. E-mail: <u>secboifed@yahoo.co.in</u> <u>secboifed@rediffmail.com</u></p>
<p>7. Shri Kamal K. Gupta Chartered Accountant Part-time (From 13.10.2006 to 12.10.2009)</p>	<p>1372, Kashmere Gate, Delhi 110 006 E-mail : <u>kamalg59@rediffmail.com</u></p>
<p>8. Shri. M.N Gopinath (From 25.10.2008 to 24.10.2011)</p>	<p>1705 Athena Building Raheja Acropolis Behind Telecom Factory Deonar Pada Road Chembur Mumbai - 400088</p>

➤ **Foreign Branches of Bank of India:**

Bank's Network:

COUNTRY	BRANCH
<ul style="list-style-type: none"> • USA 	<ul style="list-style-type: none"> ○ NEW YORK ○ SAN FRANCISCO
<ul style="list-style-type: none"> • WEST INDIES 	<ul style="list-style-type: none"> ○ CAYMAN ISLANDS
<ul style="list-style-type: none"> • UK 	<ul style="list-style-type: none"> ○ LONDON ○ BIRMINGHAM ○ EAST HAM ○ LEI CESTER ○ MANCHESTER ○ WEMBLEY ○ GLASGOW
<ul style="list-style-type: none"> • CHANNELN ISLANDS 	<ul style="list-style-type: none"> ○ JERSEY (CHANNEL ISLANDS)
<ul style="list-style-type: none"> • FRANCE 	<ul style="list-style-type: none"> ○ PARIS
<ul style="list-style-type: none"> • BELGIUM 	<ul style="list-style-type: none"> ○ ANTWERP
<ul style="list-style-type: none"> • JAPAN 	<ul style="list-style-type: none"> ○ TOKYO ○ OSAKA
<ul style="list-style-type: none"> • HONG KONG 	<ul style="list-style-type: none"> ○ HONG KONG ○ KOWLOON
<ul style="list-style-type: none"> • PEOPLE REPUBLIC OF CHINA 	<ul style="list-style-type: none"> ○ SHENZHEN ○ BEIJING -REPRESENTATIVE OFFICE

2.3) BANK OF INDIA, SANGLI BRANCH:

Bank of India, Sangli branch was established on 22nd April 1971. This branch is located in Patel chowk, Sangli which the heart of the Sangli city. This area is a central part of Sangli city. Bank of India, Sangli branch is convenient to mostly business firms and professionals because of the central location of Sangli branch.

➤ Types of Customers:

Bank is located in heart of the city, there are different types of customers of the branch i.e. salaried, pensioners, professionals, Business firms, housewives, and students. Business firms & professionals are in large number.

➤ Types of Deposit Account:

The branch has the various deposit schemes is as follows: saving account, saving plus account, current account , current plus account, fixed deposit scheme, double benefit deposit scheme, monthly/ quarterly interest scheme, recurring deposit account, short term deposit scheme (15 days to 179 days),senior citizen gets 1% extra interest on fixed deposit scheme.

➤ Types of Loans:

The branch has the various loan schemes is as follows: Star home loan, star Autofin loan, star mortgage loan, star personal loan, educational loan, agriculture & priority sector loan, gold security loan, star holiday loan.

➤ Other services: Safe deposit locker facility

ATM/ Debit card facility – 8, 40,000 machines available all over country.

Credit card (India card)

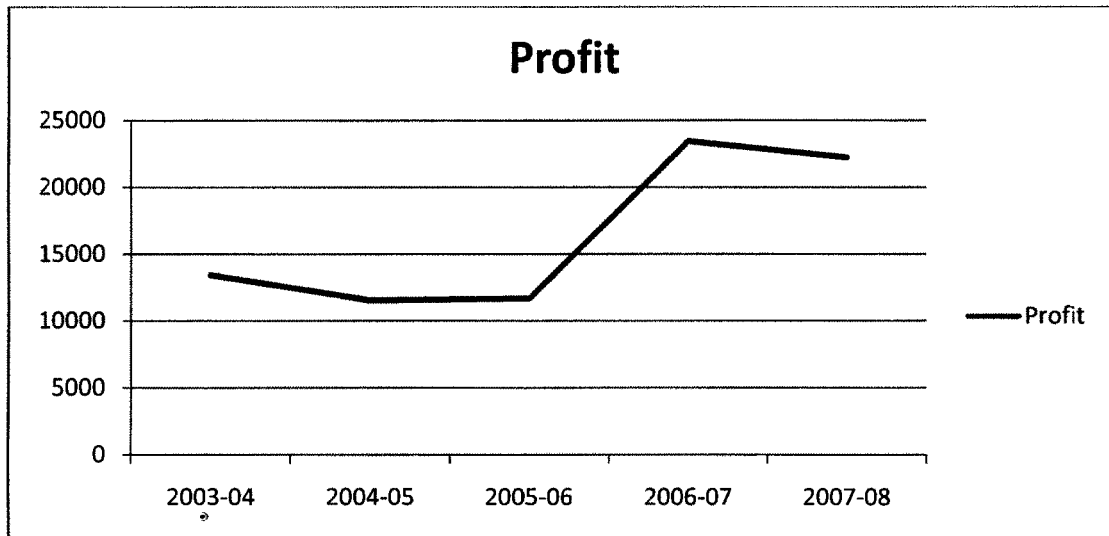
2.4) GROWTH OF BANK OF INIDA, SANGLI BRANCH:

(Rs. in '000)

Year	Deposit	Increase	%	Advances	Increase	%	Profit	Increase	%
2003-04	25,46,64	-	-	18,48,10	-	-	1,34,13	-	-
2004-05	25,62,74	16,10	0.632	17,65,98	- 82,12	-4.45	1,15,26	- 18,87	-14.07
2005-06	34,98,07	9,35,33	36.497	17,85,63	19,65	1.11	1,16,64	1,38	1.19
2006-07	42,96,22	7,98,15	22.816	21,94,38	4,08,75	22.89	2,34,06	1,17,42	100.67
2007-08	55,40,47	12,44,25	28.961	33,10,64	11,16,26	50.87	2,22,08	-11,98	-5.11

The above table shows the deposits of last 5 years. The amount of deposit increased from 2003-2004 to 2007-2008 continuously. In 2003-04 amount of deposit is 25, 46, 64,000 increased up to 55, 40, 47,000 in 2007-2008. The lowest percent in the year 2004-05 was 0.632%. The percentage of deposits was increased 0.632% to 36.497% in the year 2005-06. Last year percentage of deposit is increased up to 28.961%. This table clears that growth of deposit of the banks is satisfactory.

The above table shows the profit of last 5 years. In 2003-2004 profit is Rs.1, 34, 13,000 this increase up to Rs.2,34,06,000 in 2006-07. In the year 2004-05 & 2007-08 decrease profit. Increase in profit is very high in 2006-07 for Rs.1, 17, 42,000.



❖ Deposit & Loans Schemes:

➤ DEPOSITS:

Saving Banks A/c:

- **Eligible:** Individual - Single Accounts, Two or more individuals in Joint Accounts, Illiterate Persons Blind persons, Minors, Associations, Clubs, Societies, etc.
Trusts, Institutions/Agencies specifically permitted by the RBI
- **Initial Deposits:** Rs.500/- for Cheque book operated and Rs.100/- for non cheque book a/cs, For Pensioners Rs.100/- and Rs.10/-
- **Interest Rate:** 3.5% p.a applied twice in a year in Feb and August.

- Loan to NRIs as well as Persons of Indian Origin.
- Simplified application form/procedures for convenience of customers, and speedy approvals.
- Free Personal Accident Insurance cover
- **Eligibility:** Salaried employees, Professionals like Doctors, Lawyers, Engineers, Chartered Accountants, Self-employed persons. Requests are also considered in special cases from Group of individuals, NRIs, PIOs, HUF, Prop. Firm, Partnership firms and corporate.
- **Purpose:**
 - To purchase/construct house/flat
 - To renovate/extend/repair existing house/flat.
- To purchase a plot of land for construction of house.
- To acquire household articles along with the house/flat-for furnishing the house/flat.
- **Quantum of Loan:**
 - For construction/purchase of a house/flat-Rs.300 lacs
 - Repairs/renovation/extension/addition to house/flat - Rs.20 lacs
 - Purchase of a plot - Rs.30 lacs
 - Purchase/acquire household articles for furnishing the house/flat - Rs.1.00 lac. (15% of Home Loan amount)

Minimum size of Housing Loan:-

- i) At Metro and Urban Centres :-Rs. One Lakh
- ii) At Rural and Semi Urban Centres :-No minimum size of loan.

ii) Star Personal Loan:

Star Personal Loan Scheme provides loan to meet various Personal requirements of customers and their family.

- Bank offers loans for marriage expenses, medical expenses, educational expenses, purchase of consumer durables etc. Maximum quantum of advance is Rs.10.00 lakhs, depending upon the income, with very attractive interest rate and easy repayment plan.

Star Personal Loans scheme:

- **Eligibility:** Salaried employees, Professionals and individuals with high networth, regular pensioners or family pensioners drawing regular monthly pension through Branch, Staff members, retired employees (other than dismissed/compulsorily retired) of the Bank.
- **Types of advance:** Demand/Term Loan/Overdraft (reducible as per repayment schedule)
Overdraft limit (not reducible as per repayment schedule) maximum upto
Rs.1 lac to confirmed permanent employees of Central/State Govt. /Reputed Corporates and PSU's.

Purpose:

Clean/Unsecured loans :

- Marriage expenses of self, son, daughter or a dependent near relative.
- Medical Expenses incurred/to be incurred for self, spouse, children, dependent near relative.
- For education of self / spouse / children / near dependent relatives.

from the bank to deserving / meritorious students for pursuing higher education in India and abroad. The main emphasis is that every meritorious student is provided with an opportunity to pursue education with the financial support on affordable terms and conditions.

2. ELIGIBILITY CRITERIA:

a) STUDENT'S ELIGIBILITY:

- Should be an Indian National;
- Secured admission to professional/technical courses in India or Abroad through Entrance Test/Merit based selection process.
- Good academic career.
- The student should not have outstanding education loan from any other Institution.
- Father/Mother should be co-borrower.
- Branch nearest to the permanent residence of student will consider the loan.

b) ELIGIBLE COURSE:

(i) Studies in India (Indicative list):

- Graduation courses : BA, B.Com., B.Sc., etc.
- Post Graduation courses : Masters & Phd.
- Professional courses : Engineering, Medical, Agriculture, Veterinary, Law, Dental, Management, Computer, etc
- Computer certificate courses of reputed institutes accredited to Department of Electronics or institutes affiliated to university.
- Courses like ICWA, CA, CFA, etc.
- Courses conducted by IIM, IIT, IISc, XLRI, NIFT, NID and other Institutes set up by Central/State Govt.

- Purchase of computers - essential for completion of the course.
- Insurance cover for the student.
- Any other expense required to complete the course - like study tours, project work, thesis, etc.

*** As per brochure/ demand letter from the institution.**

4. QUANTUM OF FINANCE :

Need based finance subject to repaying capacity of the parents/ students with margin and the following ceilings :

- Studies in India - Maximum Rs.10.00 lakh
- Studies abroad - Maximum Rs.20.00 lakh.

6. SECURITY:

Upto Rs. 4 lakh : No security

Above Rs.4 lakh & upto Rs.7.5 lakh : Collateral security in the form of a suitable third party guarantee.

Above Rs.7.5 lakh : Collateral security of suitable value or at the discretion of the Bank suitable third party guarantee alongwith the assignment of future income of the student for payment of installments.

Note : The security can be in the form of land/building/Govt. Securities / Public Sector Bonds/NSC/KVP/LIP/ Banks Term Deposit etc.,in the name of Student / Parent/ Guardian/ Guarantor with suitable margin.

7. RATE OF INTEREST:

Upto Rs.4.00 lacs - 2.50% below BPLR., Min. 10.75% p.a.

Above Rs.4.00 lacs upto Rs.7.50 lacs - 2.00% below BPLR, Min. 11.25% p.a.

Above Rs.7.50 lacs - 1.25% below BPLR, Min. 12.00% p.a.

- **Type of advance:** Demand / Term Loan / Overdraft (reducible as per repayment schedule).

Overdraft facility (not reducible as per repayment schedule) can also be permitted to eligible customers (other than salaried people)

- **Quantum of advance:**

(Rs. in lacs)

	Min.	Max.
a. For agriculturists	0.50	2.00
b. For Others :		
Individuals/Prop. Firm/ Partnership firm/ Company :	1.00	50.00
Prop./Partnership firm/company	1.00	100.00

- **Rate of Interest :** Upto Rs,50 lacs 0.25% below BPLR - 13.00% Above Rs.50 lacs @ BPLR - 13.25% Interest concession for woman beneficiaries 0.25% p.a.[All borrowers to be women]

- **Repayment:** In accounts where regular Overdraft facility is not proposed.

Within a period of eight years by way of EMIs. The repayment shall commence from the month subsequent to the month in which final disbursement is made or 6 months from the first disbursement, Whichever is earlier. In case of agriculturists : The repayment will be

Resident Indians (close relative)

(Age of the individual borrower not to exceed 65 years at the time of availing the advance)

Companies, Partnership Firms, Proprietary concern and other types of Corporate entities.

HUFs not permitted.

➤ **Purpose:**

Purchase of two/four wheeler vehicles. For purchase of used/second hand 2 and 4 wheeler. (age of the vehicle not to exceed 3 years)

For purchase of light personal vehicles not requiring heavy duty driving license viz. Jeeps, Vans. Etc.

For purchase of personal vehicles powered by non-conventional energy, such as electronic/battery operated small vehicles for urban transport provided they are registered with RTO. (Such vehicles not registered with RTO can be financed subject to specified curtailed limits of advance preferably with collateral security).

➤ **Type of Advance:**

Demand Loan /Term Loan (for 2nd hand vehicles only Demand Loan)

➤ **Quantum of Loan:**

Maximum limits for finance :

1) Individuals (Resident in India) : = For Indian make vehicles - Rs.25 lacs

=For imported vehicles - Rs.75 lacs.

2) For Companies and corporate entities - Rs.100 lacs (Can be a fleet of vehicles)

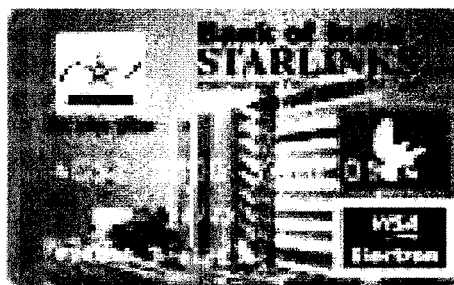
(a) Loans to NRIs – Guarantee of Resident Indian is required.

(b) Vehicles not registered with RTO and for loans to individuals for limits exceeding Rs.25.00 lacs.

❖ **DEBIT CARD SERVICES:**

Cardholders have the choice of applying for Bank of India Starlinks Debit cum ATM card or BOI Global Debit cum ATM card (MasterCard)

BOI Global debit cum ATM card is presently available to accountholders in Networked branches only



- **Starlinks International Debit cum ATM Cards (Visa)**
- **BOI Global Debit cum ATM Card (Master card)**

➤ **Eligibility:**

Satisfactory running SB, Current, Overdraft Accounts Operated upon singly (In Jt. Accounts – Any one to operate).Accounts of minors or in which minor is a joint account holder, are not eligible.

In case of STUDENT, who have completed 15 years of age and operate their SB A/c. themselves (not through guardians). In this case, the card is usable only in ATMs, and NOT in Merchant Locations.

When the Card with multiple accounts is used at POS, the primary account will be debited.

- **Charges: Transaction in INDIA W.E.F. 1.04.2008**

1. Annual fees: NIL
2. Cash withdrawal at BOI ATM: NIL
3. Cash withdrawal at other Bank's ATM :
 - a. Cash Tree ATMs (per withdrawal): Rs. (FREE) will be born by bank
 - b. Visa ATMs (per withdrawal) : Rs20/-
 - c. At SBI ATM: Rs.20/plus ST
 - d. At BANCS net work ATMs: Rs.20/-

4. Balance enquiry at other Bank's Visa ATM	FREE FOR ALL NET WORKS
Balance enquiry at SBI ATM	In India but outside
Balance enquiry at BANCS ATMs	India the charges are Rs.15/-for Visa and Rs.25/- for Master Card International

- **Transaction ABROAD: Rs.125/- + 2% currency conversion charges**
 - Balance enquiry: Rs.15/- to Rs.25/-
 - Merchant transaction at POS : 2% currency conversion charges

- **Members of Cash Tree ATM:**

Bank of India | Dena Bank | Indian Bank | Syndicate Bank | Union Bank of India | United Bank of India The Bank of Rajasthan Ltd | Indian Overseas Bank | Karnataka Bank Ltd | Yes Bank | Dhanlaxmi Bank

Debit card can be used on ATM of these Banks without any service charges.

In case, cash is not dispensed with from ATM and customers account is debited then customer lodge his claim in Charge Back Form for failed transaction at customers branch who will forward customers claim to that Bank through Head Office Card Product Dept Mumbai. After verification of customers claim, that Bank will settle the claim which may take 45 days after receipt of customers claim.

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