

A
PROJECT REPORT
ON
“MERCHANT BANKING IN INDIA”

SUBMITTED TO

SAVITRIBAI PHULE PUNE UNIVERSITY
IN PARTIAL FULFILLMENT OF 2 YEARS FULL TIME COURSE
MASTERS OF BUSINESS ADMINISTRATION (MBA)

SUBMITTED BY

MR.PRATHMESH MORESHWAR PANSE

UNDER THE GUIDANCE OF

Dr. PROF. GIRISH BODHANKAR

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Chapter: 1

Introduction

Topic Name: Merchant Banking In India.

Definition of 'Merchant Bank:-

- 1) A bank that deals mostly in (but is not limited to) international finance, long-term loans for companies and underwriting. Merchant banks do not provide regular banking services to the general public.
- 2) A financial institution that specializes in services such as acceptance of bills of exchange, hire purchase or instalment buying, international trade financing, long-term loans, and management of investment portfolios.

Who is a Merchant Banker?

A merchant banker can be defined as “An organization that acts as an intermediary between the issuers and the ultimate purchasers of securities in the primary security market.” A merchant banker is an institution that helps companies to raise capital. It is an organization that underwrites corporate securities, provides advisory services to its clients.

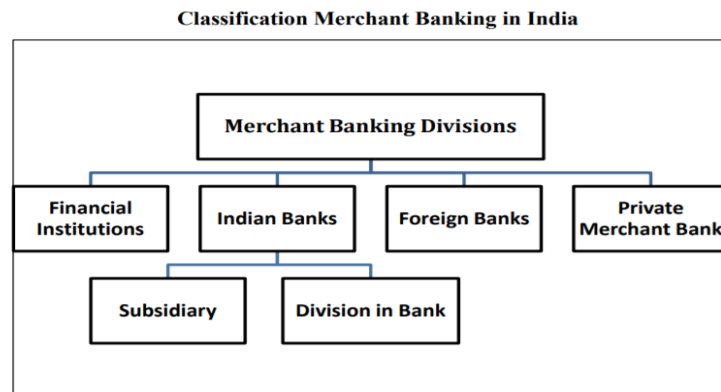
Origin of Merchant Banking:-

The origin of Merchant banking is to be traced to Italy in late medieval times and France during the seventeenth and eighteenth centuries. The Italian merchant bankers introduced into England not only the bill of exchange but also all the institutions and techniques connected with an organized money market. Merchant banking consisted initially of merchant who assisted in financing the transactions of other merchants in addition to their own trade. In France, during seventeenth and eighteenth centuries a merchant banker was not merely a trader but an entrepreneur par excellence. He invested his accumulated profits in all kinds of promising activities. He added banking business to his merchant activities and become a merchant banker

Merchant Bank In India

Merchant banking services strengthen the economic development of a country as they acts as sources of funds and information for corporations. Considering the way the Indian economy is growing, the role of merchant banking services in India is indispensable. These financial institutes also act as corporate advisory bodies to help corporations rightly get involved in various financial activities. Merchant banks serve a dual role within the financial sector. Through deposits or sales of securities they obtain funds for lending to their clients (SEBI forbids lending by them): a function similar to most institutions. Their other role is to act as agents in return for fee. SEBI envisages a mandatory role for merchant banks in exercising due diligence apart from issue management, in buy-backs and public offer in takeover bids. Their underwriting and corporate financial services are all fees rather than fund based and their significance is not reflected in their total assets of the industry. SEBI has been pressing for merchant banks to be primarily fee based institutions. According to the Ministry

of Finance in India, a merchant banker is a person or body engaged in selling, buying and subscribing to securities or in advising the corporations on issue management..



Organizational Setup / Types of Merchant Banking Organization in India:

In India a common organizational set up of merchant bankers to operate is in the form of divisions of Indian and Foreign banks and Financial institutions, subsidiary companies established by bankers like SBI, Canada Bank, Punjab National Bank, Bank of India, etc. some firms are also organized by financial and technical consultants and professionals. Securities and exchanges Board of India (SEBI) has divided the merchant bankers into four categories based on their capital adequacy. Each category is authorized to perform certain functions. From the point of Organizational set up India's merchant banking organizations can be categorized into 4 groups on the basis of their linkage with parent activity. They are:

a) Institutional Base:-Where merchant banks function as an independent wing or as subsidiary of various Private/ Central Governments/State Governments Financial institutions. Most of the financial institutions in India are in public sector and therefore such set up plays a role on the lines of governmental priorities and policies

b) Banker Base:-These merchant bankers function as division/ subsidiary of banking organization. The parent banks are either nationalized commercial banks or the foreign banks operating in India. These organizations have brought professionalism in merchant banking sector and they help their parent organization to make a presence in capital market.

c) Broker Base:-In the recent past there has been an inflow of Qualified and professionally skilled brokers in various Stock Exchanges of India. These brokers undertake merchant banking related operating also like providing investment and portfolio management services.

d) Private Base:-These merchant banking firms are originated in private sectors. These organizations are the outcome of opportunities and scope in merchant banking business and they are providing skill oriented specialized services to their clients. Some foreign merchant bankers are also entering either independently or through some collaboration with their Indian counterparts. Private Sectors merchant banking firms have come up either as sole

proprietorship, partnership, private limited or public limited companies. Many of these firms were in existence for quite some time before they added a new activity in the form of merchant banking services by opening new division on the lines of commercial banks and All India Financial Institution (AIFI).

Merchant Bankers in India As of now there are 135 Merchant bankers who are registered with SEBI in India. It includes Public Sector, Private Sector and foreign players some of them are:-

- **Public Sector Merchant Bankers:-** •

SBI capital markets ltd ·

Punjab National bank ·

Bank of Maharashtra ·

IFCI financial services ltd ·

Karur Vysya bank ltd, ·

State Bank of Bikaner and Jaipur

- **Private Sector Merchant Bankers:-** •

ICICI Securities Ltd ·

Axis Bank Ltd (Formerly UTI Bank Ltd.) ·

Bajaj Capital Ltd ·

Tata Capital Markets Ltd ·

ICICI Bank Ltd

Reliance Securities Limited ·

Kotak Mahindra Capital Company Ltd ·

Yes Bank Ltd.

• **Foreign Players in Merchant Banking:-** •

Goldman Sachs (India) Securities Pvt. Ltd. ·

Morgan Stanley India Company Pvt. Ltd

Barclays Securities (India) Pvt. Ltd ·

Bank Of America, N.A · Deutsche Bank ·

Deutsche Equities India Private Limited ·

Barclays Bank Plc ·

Citigroup Global Markets India Pvt. Ltd. ·

DSP Merrill Lynch Ltd ·

FEDEX Securities Ltd.

Introduction of Company
Bank Name: Bank of Maharashtra

1.1 Introduction:

Introduction1 Bank of Maharashtra was registered on September 16, 1935 with an authorized capital of Rs 10.00 lakh. The Bank started its operations on February 8, 1936. Ever since its inception, Bank of Maharashtra is known as common man bank. The Bank's initial help to small units has given birth to many of today's industrial houses. In July 1969, Bank of Maharashtra was nationalized along with 13 other banks. After nationalization, the Bank expanded rapidly and today its branch network comprises of 1350 branches and 30 extension counters spread over 22 states and 2 union territories.

Bank of Maharashtra has the largest network of branches by any Public sector bank in the state of Maharashtra. Bank of Maharashtra attained autonomous status in 1998. It has helped the Bank in providing more and more services with simplified procedures without intervention of Government. Bank of Maharashtra excels in Social Banking, and it has 46% of its branches in rural areas. The Bank has achieved computerization of all rural and semi urban branches by providing a cost effective small branch automation solution called "BIBAS" for rendering effective customer service to rural India. 121 Mahabank, started 77 years ago by great visionaries to serve the small in Trade & Industry and the common man who were not getting banking facilities at that time, has been keeping the common man at the centre in its policies, practices and strategies from the beginning. Bank has crossed many milestones in its journey of serving the nation, commenced in 1936.

Bank is one of the few public sector banks who adopted latest technology more than two decades ago, to bring the benefits of IT to its customers. Bank has its presence in 26 states and 2 Union Territories across India. All the 1577 branches are under CBS, providing "any where any time banking".

Bank of Maharashtra made its trust with Financial Inclusion way back in 1989 when the Gramin Mahila Vs Balak Vikas Mandal, an NGO was established primarily to promote empowerment of the economically weak and women. National Bank for Agriculture and Rural Development (NABARD) awarded FIRST prize to Bank of Maharashtra for best 122 performance in the category of commercial banks under SHG Bank Linkage Programme during 2010-11 in Maharashtra state.

The Bank's permanent staff member of the nearest parent branch, equipped with a laptop will be available in these MGSKs to render all types of banking services on specified days every week, so that the villagers can avail the same at their doorsteps. Bank has completed coverage of all allotted 1215 villages under Financial Inclusion Plan well before the expected time frame. More than 1.30 crore customers are the basic strength to us who are patronizing us with their loyalty and patronage. I thank them all and remain grateful to them for ever. With about 14000 dedicated work force along with state of the art technology in place coupled with wide range of products and services to fulfill banking needs of all segments of society, Maha Bank will continue to bring delight in banking with it always.

Establishment:

Bank of Maharashtra is a major public sector bank in India. The Government of India holds 87.74% of the shares. The bank had 15 million customers across the country with 1,897 branches as of 5 April 2016. It had the largest network of branches of any public sector bank in the state of Maharashtra.

Registered on 16th Sept 1935 with an authorized capital of Rs.10.00 lakh and commenced business started on 8th Feb 1936, under the chairmanship of Dr. V.G. Kale an eminent economist. Its first manager was Mr.Gokhale a highly qualified banking personnel. The first branch of the bank was at famous Kakakua Mansion, Laxmi Road, Pune. Known as a common man's bank since inception, its initial help to small units has given birth too many of today's large industrial houses in and around Maharashtra. The bank was nationalized on 19th July 1969. It expanded rapidly. It now has 1350 branches all over India.

The bank has the 123 largest networks of branches by any public sector bank in the state of Maharashtra. The bank has fine-tuned its services to cater to the needs of the common man and incorporated the largest technology in banking offering a variety of customized services. The bank attained autonomous status in 1998. It helps in giving more and more services with simplified procedures without intervention of Government. First branch and corporate office was opened in 1936 at Bajirao Road Pune. Thereafter bank shifted it's had office to new corporate office at LOKMANGAL Shivaji Nagar Pune in 1978.

Total number of branches are 1350 with 32 extension counters spread over 22 states and 2 union territories; Out of these, 914 branches are located in Maharashtra State and the rest are in other states. The spread over 586 rural, 197 semi-urban, 265 urban and 252 metro branches. This shows bank has not only presence in major cities but also in rural area. Presently bank of Maharashtra is having 226 ATM centers and proposes to have 300 centers by end of the year 2007.

Operations:

All India help line numbers are 1800-222-340 & 1800-220-888. Credit card and Visa Debit Card facilities, keeping the pace with the market conditions. Maharashtra Bank has tied up with Master card International and Visa Card to impart plastic money facility to the customers. The Maharashtra executor trustees company (METCO) performs business ranging from investment management to consultancy and managing various trusts efficiently.

ATM facility, Tele banking, Depository services, Touch screen facility and Mobile Van information center facility for rural areas. 124 Bank has established its own corporate Networking "MAHANET" connecting 562 locations i.e. 524 branches, 32 regional offices, 5 circle offices, training colleges, training centers and central offices.

Bank is establishing its own Data Center at IT Park, Kharadi, Pune. 583 Rural and semi urban branches are computerized with small TBA solutions called "BIBAS". Bank has implemented Real Time Gross Settlement (RTGS) system for customer transactions and inters bank payments in 368 branches.

Cheque Truncation System is run on pilot basis and will be implementing as per RBI time schedule. Bank of Maharashtra is now working as corporate agent for life and non life insurance products of LIC of India and United India Insurance Company.

Bank has entered in to agreement with Mrs. TCS for providing Core Banking Solution "BANCS" and has appointed Mrs. Eerst & Young as consultants for implementation of CBS in 600 branches. The Bank has established Rural Development Centers at Hadapsar & Bhigwan. It has also established MESETI at Pune, Aurangabad and Nagpur centers for training the new entrepreneurs. Gramin Mahila Va Bal Vikas Mandal is established at Pune for the development of the women and children in rural areas and forming Self Help Groups.

Bank of Maharashtra acts as Lead Banker in 6 Districts and works as State Level convener of Banker's committee for Maharashtra State.

Productions:

Bank of Maharashtra offers a range of financial products and services to its customers. Following are the products and services of Bank of Maharashtra.

- Savings Deposits
- Current Deposits
- Term Deposits

Bank of Maharashtra Loan

- Educational Loans
- Loans for Corporates
- Loans for Exporters
- Loans for Professionals
- Loans for Agriculturists
- Loans for Individuals
- Housing Finance Scheme
- Mahabank Platinum Housing Loans: Festive Offer
- Mahabank Adhar Scheme
- Mahabank Gold Card Scheme for Exporters
- Mahabank Salary Gain Scheme
- Mahabank Vehicle Loan Scheme
- Mahabank Renewable Energy Equipments
- Mahabank Realty Finance
- Personal Loans
- Mahabank Solar Home Systems
- Mahabank Consumer Loan Scheme

Other Services

- ATM Services
- Demat Services
- Bancassurance
- Credit Card
- Mahabill Pay
- Mahabank Insta Remit Scheme
- NEFT
- Online Trading

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Owners:

The bank was founded by V. G. Kale and D. K. Sathe in Pune, India. The bank was registered on 16 September 1935 with an authorized capital of US\$1 million and became operational on 8 February 1936. It provided financial assistance to small business and gave birth to many industrial houses. After nationalization in 1969, the bank expanded rapidly.¹

Narendra Singh, who assumed the office of Chairman and Managing Director from 1 February 2012, retired on 30 September 2013 and was succeeded by Sushil Muhnot and Ravindra Prabhakar Marathe respectively. A.S. Rajiv became Managing Director and CEO on 1 December 2018.

Management:

A C Rout	Executive Director
A S Rajeev	CEO
A S Rajeev	Managing Director & CEO
Archana R Dholakia	Director
Chandrakant Bhagwat	Co. Secretary & Compl. Officer
Chandrakant Bhagwat	Secretary
G Sreekumar	Director
Hemant Tamta	Executive Director
L D Kaundanya	Asst. General Manager
Laxminarayan Rath	Chief Vigilance Officer
M G Mahabaleshwarkar	General Manager
Manoj Kumar Verma	Nominee Director
N Muniraju	General Manager
N Ram Babu	General Manager
Nalini Shriraman	General Manager
P R Khatawkar	General Manager
R Thamodharan	Director
Ramesh B Kshirsagar	General Manager
Shrikant Argade	Chief Risk Officer
T V Raman Murthy	General Manager
Unnam R Rao	General Manager
V P Srivastava	CFO & General Manager
Vandita Kaul	Director

Bank Name: Axis bank ltd.

1.2 Establishment:

The bank was founded in December 1993 as UTI Bank, opening its registered office in Ahmedabad and corporate office in Mumbai. UTI Bank began its operations in 1993, after the Government of India allowed new private banks to be established. The bank was promoted in 1993 jointly by the Administrator of the Unit Trust of India (UTI-I), Life Insurance Corporation of India (LIC), General Insurance Corporation, National Insurance Company, The New India Assurance Company, The Oriental Insurance Corporation and United India Insurance Company. The first branch was inaugurated on 2 April 1994 in Ahmedabad by Dr. Manmohan Singh, the then finance minister of India.

In 2001 UTI Bank agreed to merge with Global Trust Bank, but the Reserve Bank of India (RBI) withheld approval and the merger did not happen. In 2004, the RBI put Global Trust into moratorium and supervised its merger with Oriental Bank of Commerce. In 2003, UTI Bank became the first Indian bank to launch a travel currency card. In 2005, it was listed on London Stock Exchange.

UTI Bank opened its first overseas branch in 2006 in Singapore. That same year it opened an office in Shanghai, China. In 2007, UTI Bank opened a branch in the Dubai International Financial Centre and branches in Hong Kong. In 2008, it opened an office in Dubai.

On 30 July 2007, UTI Bank changed its name to Axis Bank. In 2009, Shikha Sharma was appointed as the MD and CEO of Axis Bank. Bollywood actress Deepika Padukone is the brand ambassador of Axis Bank.

Operations:

- Personal Banking
- Corporate Banking
- NRI Banking
- Priority Banking
- VBV – Online purchases using Credit Card
- VBV / MSC – Online purchases using Debit Card

Production:

- Accounts
- Deposits
- Loans
- Cards
- Edge loyalty rewards
- Forex
- Investment
- Insurance

Axis Bank Loan

- Axis Bank Business Loan
- Axis Bank Car Loan
- Axis Bank Credit Card
- Axis Bank Debit Card
- AXIS Bank Education Loan
- Axis Bank Gold Loan
- Axis Bank Home Loan
- Axis Bank Loan Against Property
- Axis Bank Personal Loan: Eligibility, Interest Rate & Apply Online
- Axis Bank Savings Account

Board of Directors of AXIS Bank:

Name	Designation
Sanjiv misran	Chairman Dr.
Shikha sharma	MD & CEO
K.N.Prithviraj	Director
Prasad Menon	Director
Prof. Samir K. barua	Director
Sommittal	Director
Ireenavittal	Director
Rohit bhagat	Director
Usha sangwan	Director
S vishvanathan	Director
V Srinivasan	ED, corporate banking
Sanjeev kumargupta	ED, corporate centre& CFO

Bank Name; Punjab National Bank.

1.3 Establishment:

Punjab under the British especially after annexation in 1849 witnessed a period of rapid development giving rise to a new educated class fired with a desire for freedom from the yoke of slavery. Amongst the cherished desires of this new class was also an overriding ambition to start a Swadeshi Bank with Indian Capital and management representing all sections of the Indian community. The idea was first mooted by Rai Mool Raj of Arya Samaj who, as reported by Lala Lajpat Rai, had long cherished the idea that Indians should have a national bank of their own. He felt keenly "the fact that the Indian capital was being used to run English banks and companies, the profits accruing from which went entirely to the Britishers whilst Indians had to contend themselves with a small interest on their own capital".

At the instance of Rai Mool Raj, Lala Lajpat Rai sent round a circular to selected friends insisting on an Indian Joint Stock Bank as the first special step in constructive Swadeshi. Lala Harkrishan Lal who had returned from England with ideas regarding commerce and industry, was eager to give them practical shape.

PNB was born on May 19, 1894. The founding board was drawn from different parts of India professing different faiths and a varied back-ground with, however, the common objective of providing country with a truly national bank which would further the economic interest of the country. Punjab National Bank, India's first Swadeshi Bank, commenced its operations on April 12, 1895 from Lahore, with an authorised capital of Rs 2 lac and working capital of Rs 20,000. The Bank was established by the spirit of nationalism and was the first bank purely managed by Indians with Indian Capital. During the long history of the Bank, 9 banks have been merged with PNB.

The financial year 2019- 20 was significant in view of the announcement of amalgamation of Public sector Banks wherein Oriental Bank of Commerce and United Bank of India amalgamated with Punjab National Bank with effect from April 1, 2020.

The Bank's brand image and trust reposed by its customers have been reflected in growing customer base and rising business graph of the Bank. As at the end of 30th June 2020, PNB is the second largest Public sector Bank (PSB) of the country. Global Business increased by 2.7 % YoY to Rs.17,96,612 crore as at the end of June'20 from Rs.17,49,047 crore in June'19. The Bank continues to maintain its forte in low cost CASA deposits with share at 43.45%. Bank's focus has been on qualitative business growth, recovery and arresting fresh slippages.

Production and Operations:

- PNB Business Loan
- Punjab National Bank Car Loan
- PNB Credit Card
- PNB Debit Card
- PNB Education Loan
- Punjab National Bank Home Loan
- PNB Loan Against Property
- Punjab National Bank(PNB) Personal Loan
- Punjab National Bank Savings Account

Management:

Name	Designation
S S Mallikarjuna Rao	Managing Director & CEO
Rajesh Kumar Yaduvanshi	Executive Director
Vijay Dube	Executive Director
Pankaj Jain	Government Nominee Director
Agyey Kumar Azad	Executive Director
Sanjay Kumar	Executive Director
Asha Bhandarker	Shareholder Director
Vivek Aggarwal	Nominee Director

Chapter:-2
Literature Review.

Research Topic: A Literature Review Of Merchant Banking In India

Date: April 2019

Author Name: Nilesh Vitthal Limbore

Abstract:

“According to them they analysis that merchant banking is a financial institution which provides service to their clients. Merchant banking provides not only financial services but also guides them to move on right path with the help of rules given by SEBI. Merchant banking provides share ownership instead of loans. Merchant banking covers wide range such as portfolio management, customer services, counselling etc.

Research Topic: Merchant Banks

Date: January 2020

Author Name: Felix I. Lessambo

Abstract:

“According to them they analysis that merchant banks conduct underwriting, loan services, financial advising, and fundraising services for large corporations and high-net-worth individuals. They do not provide regular banking services such as checking accounts and do not take deposits. However, merchant banks operate trust and investment services. Assets of the trust and investment departments, other than trust cash on deposit at the Bank, are not included in these consolidated financial statements because they are not assets of the Company.

Research Topic: Merchant Banking in India

Date: August 2020

Authors Name: Shalini Khandelwal

Abstract:

“According to them merchant banking activity has been into operation decades ago across the globe, it was only in 1992 after the formation of Securities and Exchange Board of India (SEBI) that India saw an official recognition of the same as was the necessity of banks themselves which were in need of non-fund based income so as to improve their profitability margins by all means in the changing economic scenario. Making it unique is: Acting as an advisor, broker and a principal, that has a longer term approach than a typical investment bank and is highly concerned with the viability of each investment opportunity and providing the right advice for a strong partnership with each client company.

Research Topic: The Merchant-Bank Struggle for Control of Payment Systems

Date: May 2006

Authors Name: Adam J. Levitin

Abstract:

“According to them merchants and banks are currently engaged in a wide-ranging struggle for control over payment systems. The conflict is playing itself out in business practices, in banking regulation, in corporate governance, in corporate restructuring, in securities offerings, and in the biggest antitrust litigation since AT&T. Yet, it is possible that the extraordinary energy being spent in this fight is for naught, as the growth of national bank brands, technological developments, and innovative business models are likely to result in a radical reshaping of the payments world. This article reviews the factors behind the struggle between merchants and banks and the strategies adopted by each, and questions what impact changes in the payment card industry's structure and the emergence of new payments technologies and business models will have on the merchant-bank contest.

Research Topic: Bank Capital Funds And The Nigerian Merchant Banking System

Date: Sep.2020

Authors Name: Christian S. Nwinia

Abstract:

“According to them Capital is functionally and strategically important to a banking institution. The Nigerian Monetary Authorities prescribe minimum capital requirement for the establishment of a new bank and stipulate that banks should consistently maintain a ratio of shareholders funds to Loans and Advances. The merchant banks are private and unquoted companies and by 30 November 1982 had a capital gearing of 4%. The bankers see the functions of bank capital as source of funds, instrument of regulation and cushion to absorb losses. Theoretically adequacy of capital is related to risks inherent in banking business, but the merchant bankers relate it to ability to provide credit needs of customers.

Chapter:-3
RESEARCH METHODOLOGY

3.1 Data Collection:

This study is mainly based on the source of secondary data. This secondary data for this study is collected from the published sources i. e Websites, Books.

3.2 Different objectives behind conducting this project:

1. To study about banks.
2. To study about merchant banks in india.
3. To study about difference between merchant banks and other banks.
4. To study about functions of merchant banks

3.3 Tools for Data Collection:

The data so collected from various annual reports and financial statements for years has been classified and tabulated for better understanding and give a complete picture. The tabulated data has been analysed through various ratios and graphs which is used.

3.4 Scope of the Project:

The scope of project is limited to understanding the basics of fundamental analysis and technical analysis and applies it to take decisions of investing in banking sector.

- 1) Advising the company on designing of its capital structure.
- 2) Advising the company on the instrument to be offered to the public.
- 3) Pricing of the instrument
- 4) Advising the company on legal/ regulatory matters and interaction with SEBI/ ROC/ Stock.
- 5) Exchanges and other regulatory authorities.
- 6) Assisting the company in marketing the issue.
- 7) In channelizing the financial surplus of the general public into productive investment avenues.
- 8) To coordinate the activities of various intermediaries to the shares issue such as the registrar, bankers, advertising agency, printers underwriters, brokers etc.
- 9) To ensure the compliance with rules and regulations governing the securities market.

3.5 Limitations of the Study:

- 1) Primary Data is not possible to collect because of the COVID-19 Pandemic Situation.
- 2) The findings of this study are based on the secondary information of the respondents.
- 3) Difficulty was faced in getting the correct information which is available in different of websites.
- 4) This study relates to three organizations, so conclusions drawn may not be finding its utility in all the other banks.
- 5) Even the employees of the bank hesitated to give the complete & accurate data because of covid-19 situation.

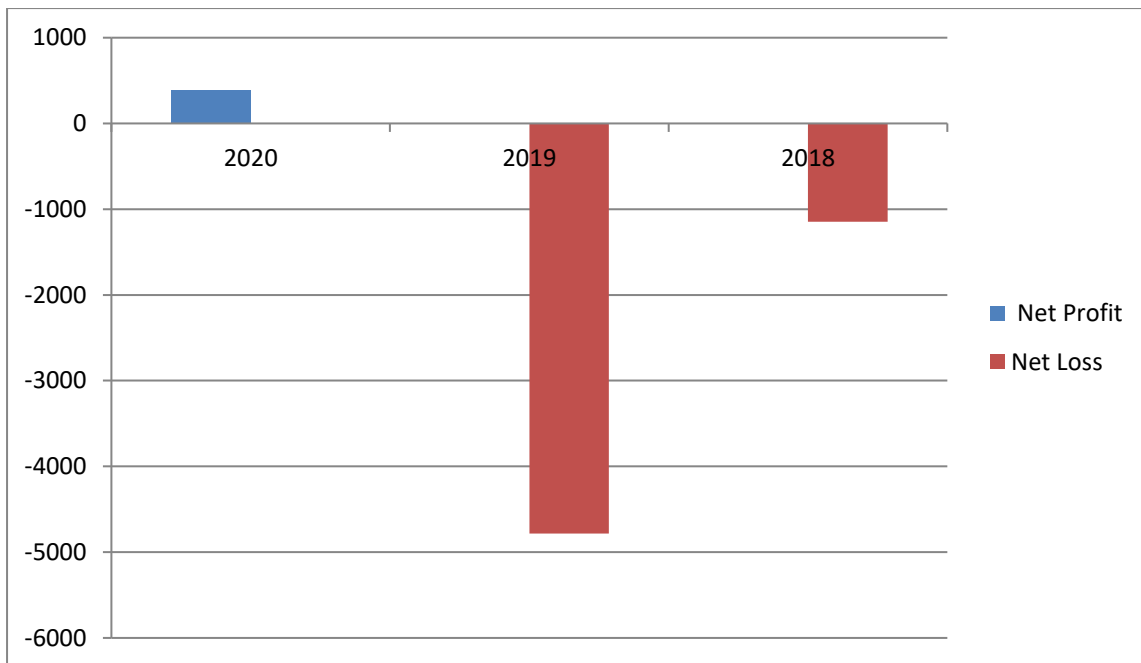
Chapter: 4
Data Analysis and Interpretation

4.1 Bank of Maharashtra:

1. Profit and Loss Account

	Mar 20	Mar 19	Mar 18
PROFIT & LOSS ACCOUNT OF BANK OF MAHARASHTRA (in Rs. Cr.)	43891	43525	43160
	12 mths	12 mths	12 mths
INCOME			
Interest / Discount on Advances / Bills	6409.27	6566.64	7072.71
Income from Investments	4202.69	3689.61	2962.41
Interest on Balance with RBI and Other Inter-Bank funds	240.98	356.42	589.68
Others	642.5	236.93	471.62
TOTAL INTEREST EARNED	11495.45	10849.6	11096.41
Other Income	1649.23	1547.45	1506.05
TOTAL INCOME	13144.67	12397.06	12602.46
EXPENDITURE			
Interest Expended	7216.65	7116.12	7706.68
Payments to and Provisions for Employees	1743.82	1794.17	1618.06
Depreciation	210.95	241.37	128.59
Operating Expenses (excludes Employee Cost & Depreciation)	1126.19	1047.79	957.73
TOTAL OPERATING EXPENSES	3080.96	3083.33	2704.39
Provision Towards Income Tax	0	0	-151.48
Provision Towards Deferred Tax	-649	-345.44	-1968.65
Other Provisions and Contingencies	3107.48	7326.93	5457.18
TOTAL PROVISIONS AND CONTINGENCIES	2458.48	6981.49	3337.05
TOTAL EXPENDITURE	12756.09	17180.93	13748.11
NET PROFIT / LOSS FOR THE YEAR	388.58	-4783.88	-1145.65
NET PROFIT / LOSS AFTER EI & PRIOR YEAR ITEMS	388.58	-4783.88	-1145.65

Profit and Loss Account



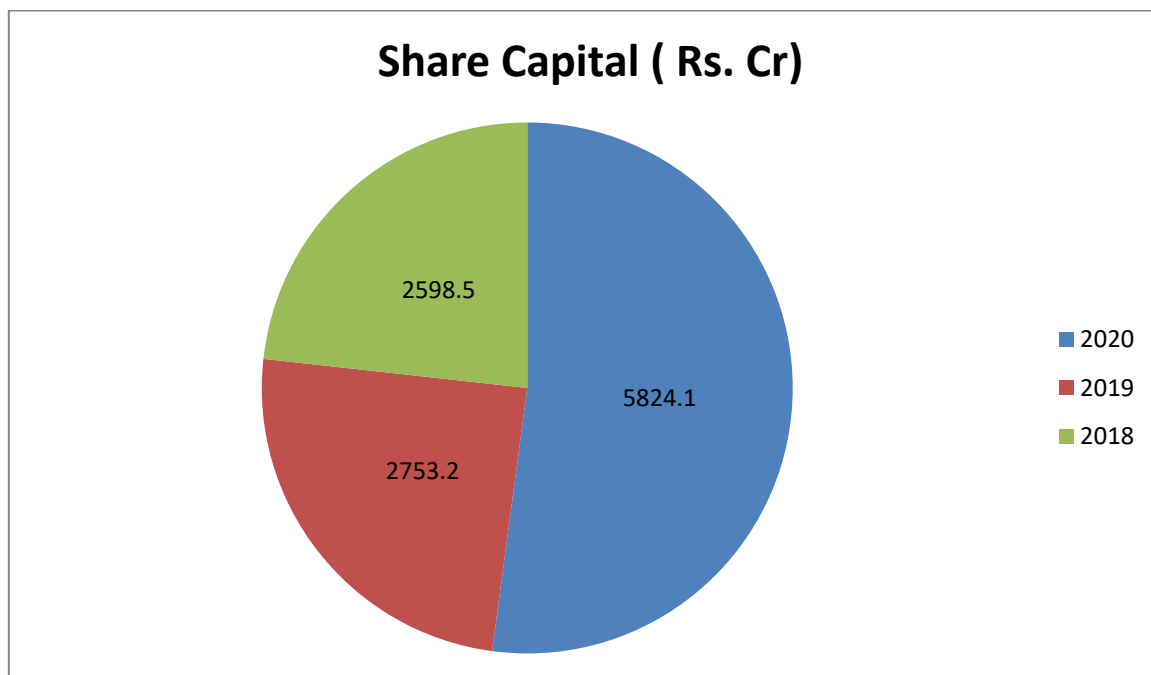
(Figure no. 01 Net Profit Net Loss Activities)

Interpretation-

Figure 1 denotes the comparative weight of Profit and Loss activities i.e. Net Profit Net Loss. The cash and cash equivalents are in the year 2018 not good position the cash is Rs -1145.65 crore it is a loss of the year. In later year 2019 is also not in good positions are decrease to Rs.-4783.88 crore. Next year is improvement in the “**Net Profit**” position cash is Rs.388.58 crore.

Capital structure

	Instrument	Authorized Capital (Rs. cr)	Issued Capital (Rs. cr)	- P A I D U P -		
				Shares (nos)	Face Value	Capital (Rs. Cr)
2020	Equity Share	10000	5824.1	5824109300	10	5824.1
2019	Equity Share	3000	2753.2	2753171388	10	2753.2
2018	Equity Share	3000	2598.5	2598454407	10	2598.5



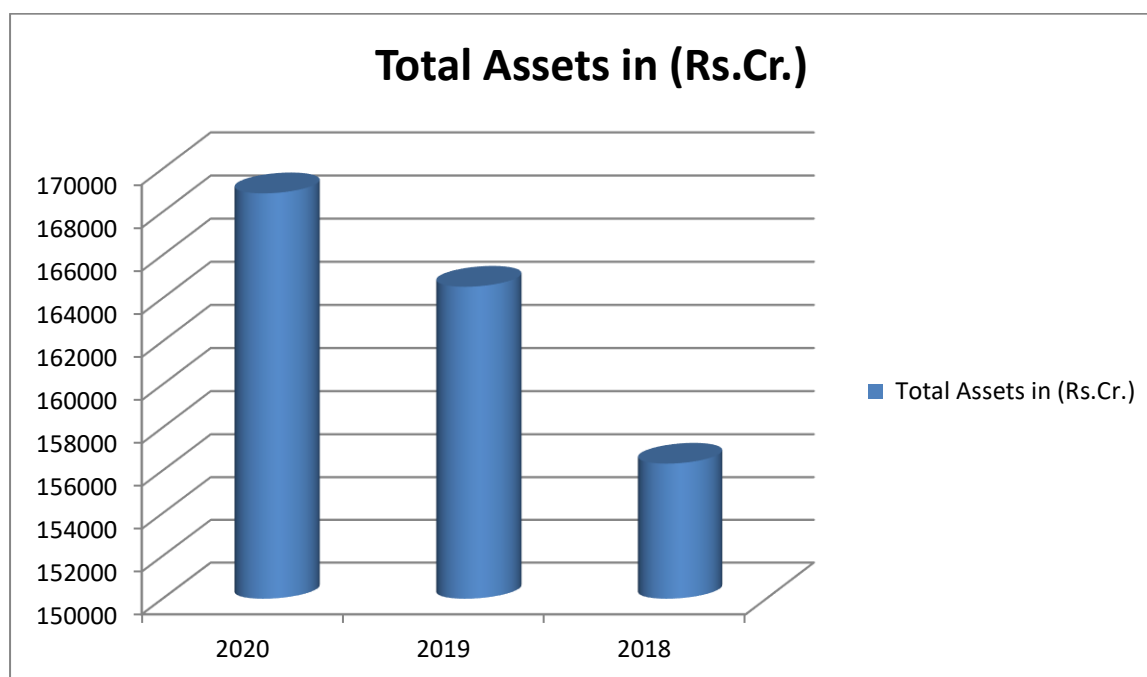
(Figure no. 02 Capital Structure Activities)

Interpretation:

Figure no.2 is denotes share capital activity During the year 2017-18 share capital is generated Rs. 2598.5 Cr and the 2018-19 share capital is increase is Rs. 2753.2 Cr. In 2019-20 share capital increased by Rs. 5824.1 Cr.

Total Assets

	Mar 20	Mar 19	Mar 18
Cash and Balances with Reserve Bank of India	10353.68	7919.99	15809.06
Balances with Banks Money at Call and Short Notice	93.28	1234.92	74.9
Investments	57740.85	59697.05	43622.8
Advances	86871.65	82666.21	85797.28
Fixed Assets	1676.19	1775.53	1516.68
Other Assets	12131.52	11241.84	9508.03
Total Assets	168867.18	164535.53	156328.75



(Figure no. 03 Total Assets Activities)

Interpretation:

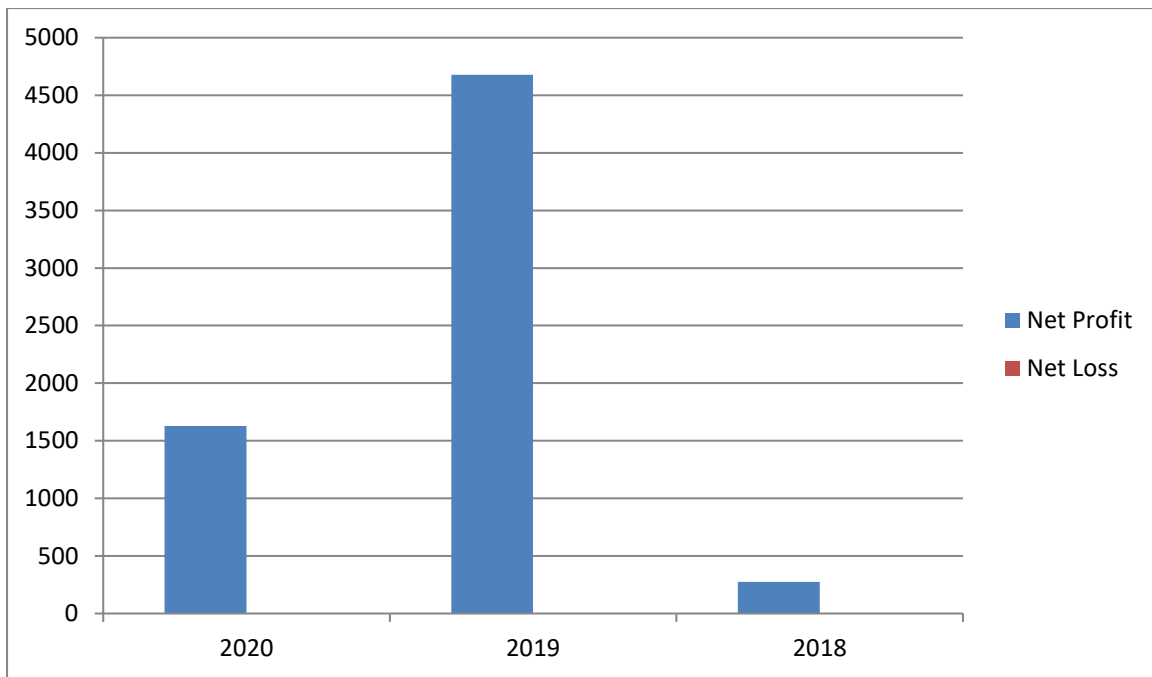
Figure no.3 denotes the Total Assets from investing activities. During three years of 2017-18, 2018-19, 2019-20 huge changes in total assets. The more amount of money is invested in respective years.

4.2 Axis Bank

1. Profit and Loss Account

PROFIT & LOSS ACCOUNT OF AXIS BANK (in Rs. Cr.)	Mar 20	Mar 19	Mar 18
	12 mths	12 mths	12 mths
INCOME			
Interest / Discount on Advances / Bills	48302.97	41322.02	34137.47
Income from Investments	11246.03	11349.07	9983.3
Interest on Balance with RBI and Other Inter-Bank funds	1095.26	693.35	387.83
Others	1990.9	1621.33	1271.71
TOTAL INTEREST EARNED	62635.16	54985.77	45780.31
Other Income	15536.56	13130.34	10967.09
TOTAL INCOME	78171.72	68116.11	56747.4
EXPENDITURE			
Interest Expended	37428.95	33277.6	27162.58
Payments to and Provisions for Employees	5321	4747.32	4312.96
Depreciation	772.95	709.72	568.1
Operating Expenses (excludes Employee Cost & Depreciation)	11210.67	10376.36	9109.29
TOTAL OPERATING EXPENSES	17304.62	15833.41	13990.34
Provision Towards Income Tax	2891.25	3009.84	1671.19
Provision Towards Deferred Tax	385.76	-712.36	-1825.3
Other Provisions and Contingencies	18533.91	12031.02	15472.91
TOTAL PROVISIONS AND CONTINGENCIES	21810.92	14328.5	15318.8
TOTAL EXPENDITURE	76544.5	63439.5	56471.72
NET PROFIT / LOSS FOR THE YEAR	1627.22	4676.61	275.68
NET PROFIT / LOSS AFTER EI & PRIOR YEAR ITEMS	1627.22	4676.61	275.68

Profit And Loss Account



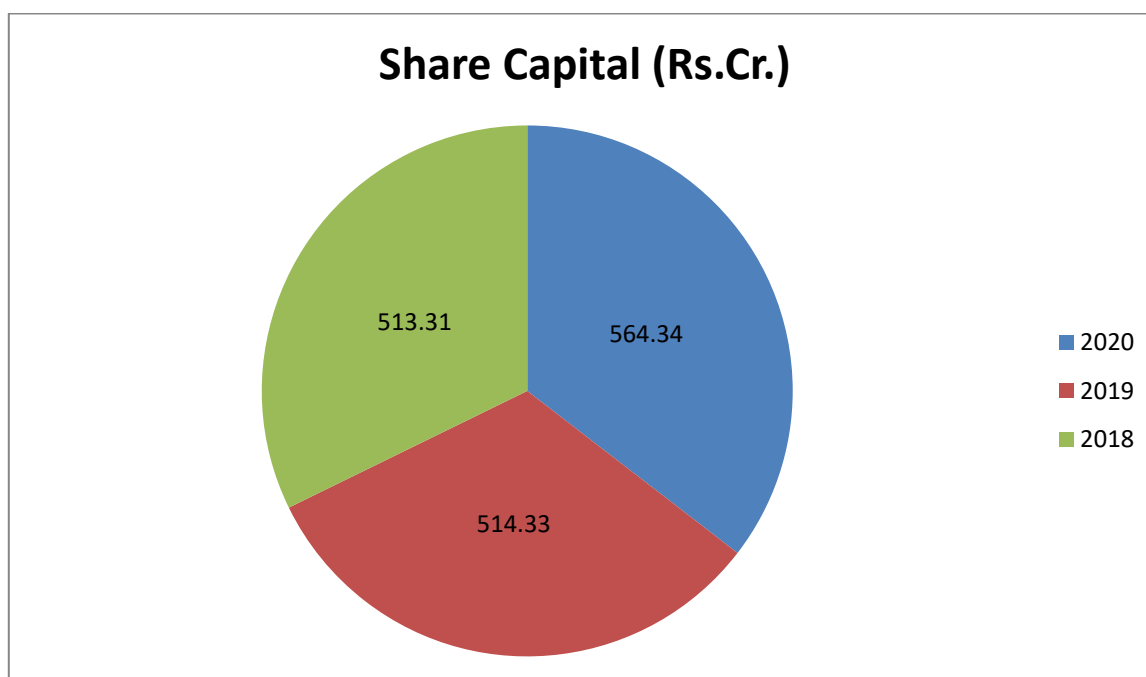
(Figure no. 04 Net Profit Net Loss Activities)

Interpretation:

Figure 4 denotes the comparative weight of Profit and Loss activities i.e. Net Profit Net Loss. The cash and cash equivalents are in the year 2018 good position the cash is Rs 275.68 crores. In later year 2019 is increase in good position to Rs 4676.61 crores .As compare to last year 2020 is less position cash is Rs. 1627.22 crores.

Capital Structure

	Instrument	Authorized Capital (Rs. cr)	Issued Capital (Rs. cr)	- P A I D U P -		
				Shares (nos)	Face Value	Capital
2020	Equity Share	850	564.34	2821677934	2	564.34
2019	Equity Share	850	514.33	2571644871	2	514.33
2018	Equity Share	850	513.31	2566538936	2	513.31



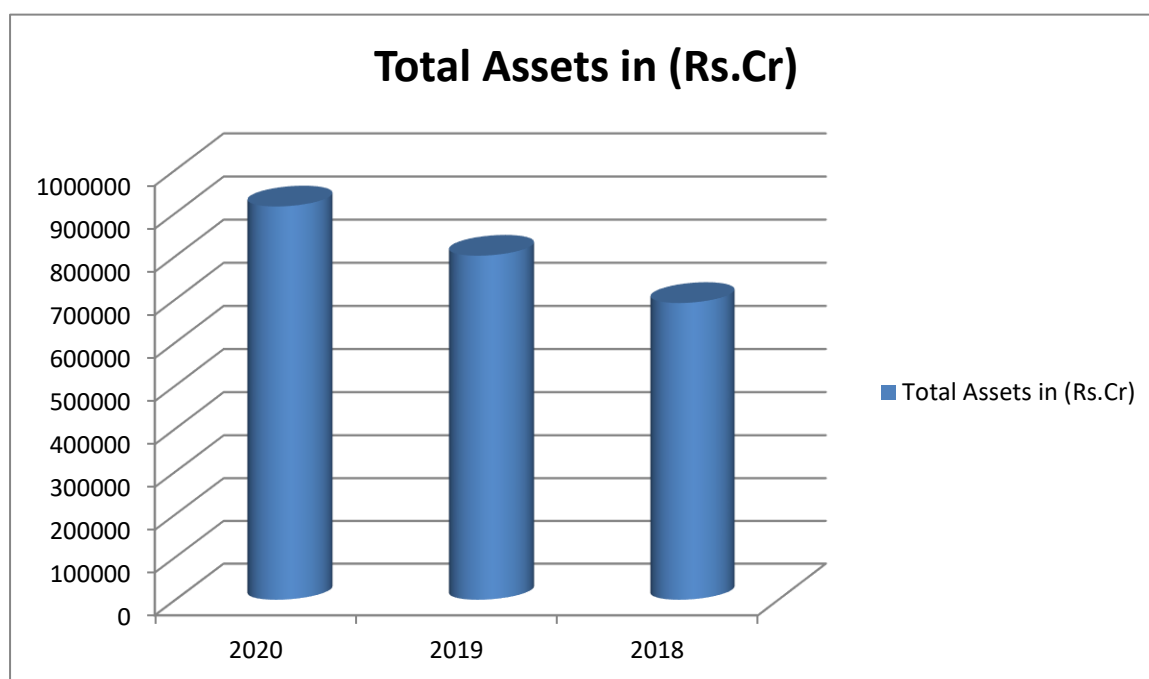
(Figure no. 05 Capital Structure Activities)

Interpretation:

Figure no.5 is denotes share capital activity During the year 2017-18 share capital is generated Rs. 513.31Cr and the 2018-19 share capital is increase is Rs 514.33 Cr. In 2019-20 share capital increased by Rs. 564.34 Cr.

Total Assets

	Mar 20	Mar 19	Mar 18
Cash and Balances with Reserve Bank of India	84959.24	35099.03	35481.06
Balances with Banks Money at Call and Short Notice	12309.04	32105.6	7973.83
Investments	156734.32	174969.28	153876.08
Advances	571424.16	494797.97	439650.3
Fixed Assets	4312.9	4036.64	3971.68
Other Assets	85425.16	59988.01	50376.62
Total Assets	915164.82	800996.53	691329.58



(Figure no. 06 Total Assets Activities)

Interpretation:

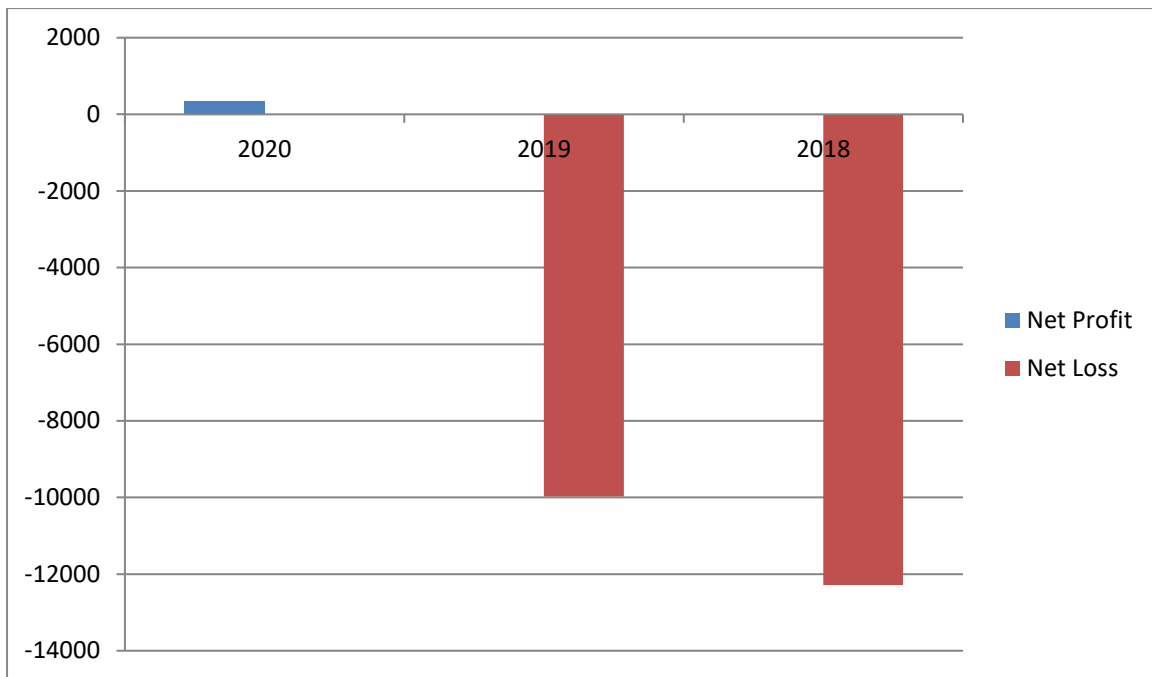
Figure no.3 denotes the Total Assets from investing activities. During three years of 2017-18, 2018-19, 2019-20 massive changes in total assets. The more amount of money is invested in respective years.

4.3 Punjab National Bank

2. Profit And Loss Account

PROFIT & LOSS ACCOUNT OF PUNJAB NATIONAL BANK (in Rs. Cr.)	Mar 20	Mar 19	Mar 18
	12 mths	12 mths	12 mths
INCOME			
Interest / Discount on Advances / Bills	35814.96	35086.21	31833.08
Income from Investments	15332.6	14105.97	13946.98
Interest on Balance with RBI and Other Inter-Bank funds	2510.22	1891.39	2001.42
Others	142.25	226.68	214.28
TOTAL INTEREST EARNED	53800.03	51310.25	47995.77
Other Income	9274.13	7377.41	8880.87
TOTAL INCOME	63074.16	58687.66	56876.64
EXPENDITURE			
Interest Expended	36362.24	34153.94	33073.36
Payments to and Provisions for Employees	6961.68	6963.16	9168.8
Depreciation	607.68	578.02	576.17
Operating Expenses (excludes Employee Cost & Depreciation)	4404.01	3997.29	3764.11
TOTAL OPERATING EXPENSES	11973.37	11538.47	13509.07
Provision Towards Income Tax	402.79	17.15	-7292.26
Provision Towards Deferred Tax	0	-5387.42	0
Other Provisions and Contingencies	13999.56	28341.01	29869.28
TOTAL PROVISIONS AND CONTINGENCIES	14402.35	22970.74	22577.02
TOTAL EXPENDITURE	62737.97	68663.15	69159.46
NET PROFIT / LOSS FOR THE YEAR	336.19	-9975.49	-12282.82
NET PROFIT / LOSS AFTER EI & PRIOR YEAR ITEMS	336.19	-9975.49	-12282.82

Profit And Loss Account



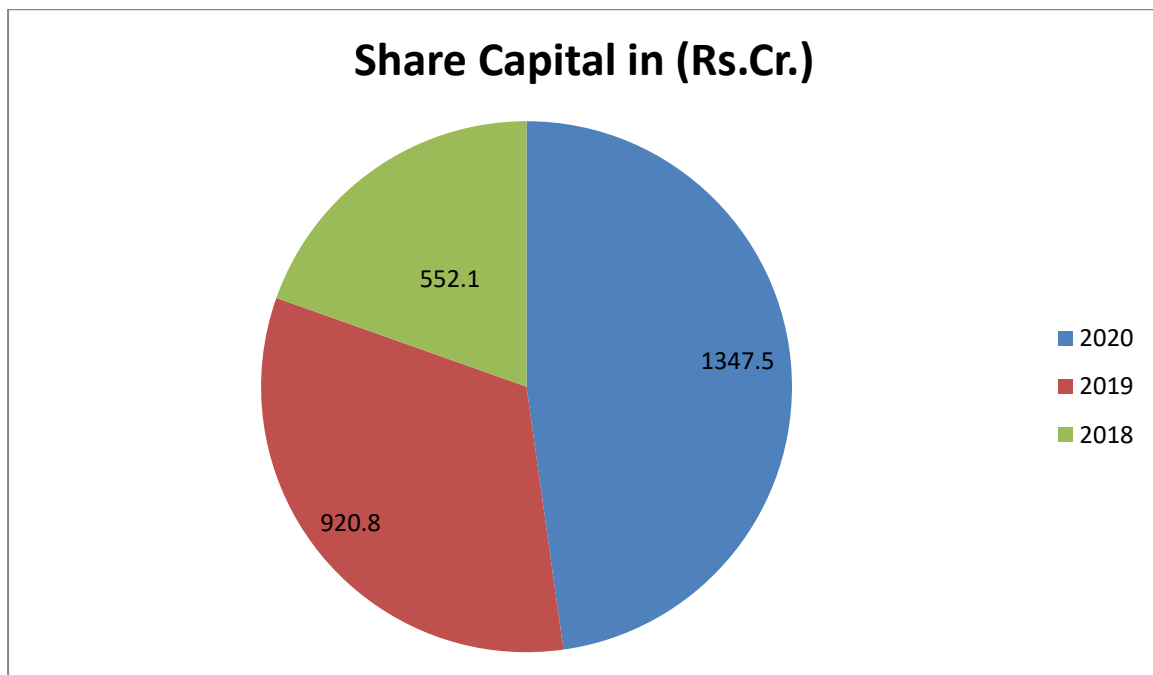
(Figure no. 07 Net Profit Net Loss Activities)

Interpretation:

Figure 07 denotes the comparative weight of Profit and Loss activities i.e. Net Profit Net Loss. The cash and cash equivalents are in the year 2018 not good position the cash is Rs -12282.82 crores it is a loss of the year. In later year 2019 is also not in good positions are decrease to Rs. -9975.49 crores. Next year is improvement in the “**Net Profit**” position cash is Rs. 336.19 cores.

Capital Structure:

	Instrument	Authorized Capital (Rs. cr)	Issued Capital (Rs. cr)	- P A I D U P -		
				Shares (nos)	Face Value	Capital (Rs. Cr)
2020	Equity Share	3000	1347.5	6737565988	2	1347.5
2019	Equity Share	3000	920.8	4604047028	2	920.8
2018	Equity Share	3000	552.1	2760573227	2	552.1



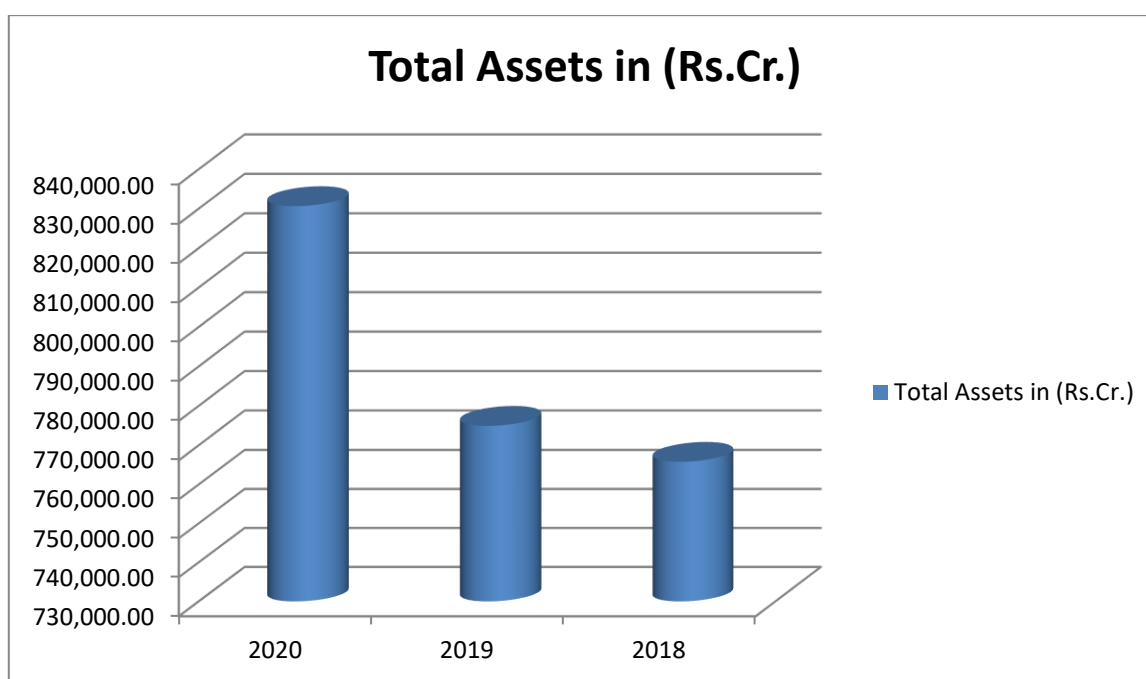
(Figure no. 08 Capital Structure Activities)

Interpretation:

Figure no.5 is denotes share capital activity During the year 2017-18 share capital is generated Rs. 552.1 Cr and the 2018-19 share capital is increase is Rs 920.8 Cr. In 2019-20 share capital increased by Rs. 1347.5 Cr.

Total Assets

	Mar 20	Mar 19	Mar 18
Cash and Balances with Reserve Bank of India	38,397.85	32,129.13	28,789.03
Balances with Banks Money at Call and Short Notice	37,595.18	43,158.91	66,672.97
Investments	240,465.64	202,128.22	200,305.98
Advances	471,827.72	458,249.20	433,734.72
Fixed Assets	7,239.07	6,224.85	6,349.33
Other Assets	35,140.45	33,059.15	29,978.07
TOTAL ASSETS	830,665.91	774,949.46	765,830.10



(Figure no. 06 Total Assets Activities)

Interpretation:

Figure no.3 denotes the Total Assets from investing activities. As compare to 2018-19, 2020 has massive changes in total assets. The more amount of money is invested in respective years.

Chapter: 5

Findings

1. Longstanding client relationship.
2. Strong positions in high growth client and product riches.
3. Multiple revenue growth initiatives are in place with detailed and concrete action plans and with rigorous follow up mechanisms.
4. Growth is controlled by a sound Risk Management Systems and Disciplined cost Management
5. Facing stiff competition from large scale companies

Chapter: 6
CONCLUSION

The project was undertaken to analyse and compare the customer perception of the two banks one is merchant Bank and other Bank. The study concludes that merchant Bank, which was established for mainly for the service of all sector people, still is not on the line to its goal. It is lacking at various elements, particularly at the branch levels, which reveals the edge of other public and private sector banks over the Cooperative bank, the lines at which the bank is lacking behind. Indiscipline and lack of commitment in these banks make people's trust in the cooperative sector a casualty

Some of the merchant banks are quite forward looking and have developed sufficient core competencies to challenge state and private and public sector banks. But there is shortage of staff in some of the cooperative banks and the traditional manual banking which is affecting the business and customer services. People are still unaware of the services provided by the Banks due to lack of advertisement.

Chapter: 7

Suggestions

- 1) I would like to suggest that the merchant bank have growth in primary market.
- 2) Another one I want suggests that the investment of foreign investors it have to be increase.
- 3) The rules of merchant bank in corporate sector have to reconstruct.
- 4) The financial policies of merchant bank have to change it.

Chapter: 8

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