

**CUSTOMER SERVICES OFFERED BY INDIAN OVERSEAS BANK
A STUDY WITH SPECIAL REFERENCE TO ITS BRANCHES IN
RAMANATHAPURAM DISTRICT**

U. Boominathan

*Research Scholar (Part-time), Guest lecturer,
PG & Research Department of Commerce, Government Arts College, Paramakudi*

Dr. V. Balasubramanian (Rtd)

*Associate professor, Department of Commerce,
Alagappa Arts College, Karaikudi*

Introduction

Customer is the king in the emerging competitive scenario. He is confronted with variety of novel products from various service providers. Everybody is out there to catch the elusive customer. He has therefore, the power to choose the banker and pick the product of his choice. Hence, It has become a very challenging task for each bank to maintain its up-market image and who the customers away from competitor in a successful manner. In this chapter an attempt is made by the researcher to trace the various products and services provided by the IOB to its customer

Customer Service in IOB

IOB offers a wide range of products and services to its customers. The entire services are classified and brought into the following heads

- Personal Banking
- Small scale industries Banking
- Corporate Banking
- Government Business

The Indian overseas bank offers the following types of deposit schemes to its customers. Fixed deposit rate of interest are shown in Table 1.

Fixed Deposit Rates in Indian Overseas Bank

zzz	Rate	Deposit Amount Rules	Additional Interest for Seniors
7 days-14 days	7.25%	Must be between Rs. 1 lakhs - Rs. 25 lakhs	0.50%
7 days-14 days	7.25%	Must be between Rs. 25 lakhs - Rs. 1 crore	-
7 days-14 days	6.25%	Must be between Rs. 1 crore - Rs. 10 crores	-
15 days-29 days	7.25%	Must be atmost Rs. 25 lakhs	0.50%
15 days-29 days	7.25%	Must be between Rs. 25 lakhs - Rs. 1 crore	-
15 days-29 days	6.25%	Must be between Rs. 1 crore - Rs. 10 crores	-
30 days-45 days	7.25%	Must be between Rs. 25 lakhs - Rs. 1 crore	-
30 days-45 days	7.25%	Must be atmost Rs. 25 lakhs	0.50%
30 days-45 days	6.25%	Must be between Rs. 1 crore - Rs. 10 crores	-
46 days-60 days	7.50%	Must be between Rs. 1 crore - Rs. 10 crores	-
46 days-60 days	7.25%	Must be atmost Rs. 25 lakhs	0.50%
46 days-60 days	7.25%	Must be between Rs. 25 lakhs - Rs. 1 crore	-
61 days-90 days	7.50%	Must be between Rs. 1 crore - Rs. 10 crores	-
61 days-90 days	7.25%	Must be between Rs. 25 lakhs - Rs. 1 crore	-
61 days-90 days	7.25%	Must be atmost Rs. 25 lakhs	0.50%
91 days-120 days	7.50%	Must be between Rs. 1 crore - Rs. 10 crores	-
91 days-120 days	7.25%	Must be between Rs. 25 lakhs - Rs. 1 crore	-
91 days-120 days	7.25%	Must be atmost Rs. 25 lakhs	0.50%
121 days-179days	7.75%	Must be between Rs. 1 crore - Rs. 10 crores	-
121 days-179days	7.50%	Must be atmost Rs. 25 lakhs	0.50%
121 days-179days	7.50%	Must be between Rs. 25 lakhs - Rs. 1 crore	-
180 days-269days	8.50%	Must be between Rs. 25 lakhs - Rs. 1 crore	-
180 days-269days	8.50%	Must be atmost Rs. 25 lakhs	0.50%
180 days-269days	8.45%	Must be between Rs. 1 crore - Rs. 10 crores	-
270 days-1 year	8.55%	Must be between Rs. 1 crore - Rs. 10 crores	-

270 days-1 year	8.50%	Must be between Rs. 25 lakhs - Rs. 1 crore	-
270 days-1 year	8.50%	Must be atmost Rs. 25 lakhs	0.50%
334 days-2 years	9.00%	Must be between Rs. 1 crore - Rs. 10 crores	-
1 year-2 years	9.00%	Must be atmost Rs. 25 lakhs	0.50%
1 year-2 years	9.00%	Must be between Rs. 25 lakhs - Rs. 1 crore	-
2 years-3 years	9.00%	Must be atmost Rs. 1 crore	0.50%
2 years-3 years	8.50%	Must be atleast Rs. 1 crore	-
3 years-5 years	9.00%	Must be atmost Rs. 1 crore	0.50%
3 years-5 years	8.50%	Must be atleast Rs. 1 crore	-
5 years-10 years	9.00%	Must be atmost Rs. 25 lakhs	0.50%
5 years-10 years	9.00%	Must be between Rs. 25 lakhs - Rs. 1 crore	-

Source: Primary data

Current account

Every business requires transparent and efficient banking services support to meet its day-to-day financial requirements. Indian Overseas Bank offers the financial requirement giving maximum financial leverage for customers' money and saves their time and cost. So customers can take care of their business without any interruption.

Saving Bank Account

1. Savings account
2. Savings plus account

1. Savings Account

Everyone wants to save something for future and also wants his savings to be safe and accessible anytime, at any place to help meet his needs. So Indian Overseas Bank offers the savings account to enable customers to earn competitive interest in their safety.

2. Savings Plus Account

The Indian Overseas Bank's savings plus account gives the customers the best of both savings and term deposit account. It is an account coupled with high liquidity and high interest sales.

Term Deposits

1. Term deposits
2. Senior citizens deposit scheme
3. Reinvestment plan

4. Recurring deposit
5. Maturity value calculator
6. Long term Floating Rate Deposit Scheme.

Senior Citizen Deposit Scheme

A customer who is over 60 years of age, can avail himself of this plan and earn a differential rate of interest, higher than any other plan, fixed deposit plan or reinvestment plan. The advantages of fixed deposit are flexibility of payment on maturity through cash, banker's cheque or credit in savings or current account. Flexibility of conversion to reinvestment plan to earn additional interest. No penalty on premature withdrawals for deposits upto Rs. 1lakh.

Reinvestment plan gives low fold income. Deposits are accepted for a period exceeding six months and interest is paid on deposited money plus on the interest the customer earns. Thus interest gets compounded every quarter giving higher returns.

Small Scale Industries

Indian overseas bank has been playing a vital role in the development of Small Scale Industries since 1956. The bank has financed over 8 lakhs SSI units in the country. It has 55 specialized SSI branches, 99 branches in industrial estates and more than 400 branches with IOB divisions.

General Purpose Term Loans

IOB grants term loans to small scale industries for meeting general commercial purpose like substitution of high cost debt research and developments, sharing up net worth and funding business expansion.

The tenor of the loan is normally 3 years, and the pricing is fine - tuned to suit the risk profile of the borrowers. The repayment is structured in monthly or quarterly installment, according to the cash generation cycle.

Corporate Banking

IOB is a one stop shop providing financial products and services of a wide range for large medium and small customers both domestic and international. The IOB powerful corporate banking formation deploys multiple channels to deliver integrated solutions for all financial challenges faced by the corporate universe. The corporate banking group and the national banking group are the primary delivery channels for corporate banking products.

A part from a variety of core credit products including structured finance and multipurpose short term corporate loans, CAG offers an array of customer specific products like cash management products, treasury and for the products and merchant banking products in association from the Table 2.

Core Credit Products

Sl. No	Purpose	Type of loan
1	Working capital	Cash credit facility
2	Project and capex loan	Medium term loans 5-7 years or longer in exception case
3	Export credit	Packing credit, post shipment, formatting.
4	Foreign currency loans projects & working capital	External commercial borrowing (CBS) which includes syndicated loans, stand alone loans, Buyer's credit and seller's credit bilateral loans in all major currencies etc.

Source: Secondary data

Sl. No	Other structured products	Purpose
1	Short term corporate loans	For sharing up net working capital expenditure, repayment of high cost debt, R and D expenditure, implementation of VRS
2	Securitized loans in association with IOB CAP	Up fronting of assured cash flow emanating from future receivables viz, royalties, debtors, lease rentals and the like.
3	Channel financing in association with other IOB branches	Financing downstream marketing channels
4	Fee-based products like letter of credit (LCs) guarantees, deferred payment guarantees and letter of comfort.	For import of goods including capital goods participation in international bids, performance guarantees and the like.
5	Trade finance product	Pricing
6	Rupee bills discounting	Market sensitivity
7	Export bills discounting	RBI regulated.

Source: Secondary data

Government Businesses

Indian overseas bank's linkages with government business are widespread. No wonder that out of 8998 branches in India, about 7000 branches are conducting government business. The large network of Indian Overseas Bank branches provides easy access to the common man to deposit their government dues such as income tax, corporation tax, central excise and customs duty .It takes the form of dealing with government, accounts, public provident fund and, government securities.

Government Accounts

The government accounts department (GAD) oversees the handling of government business undertaken by IOB branches as the sub agent of Reserve Bank of India. It is the co-

coordinating agency between the branches dealing in central government transactions and Reserve Bank of India on the one hand, and accounting authorizes of the departments of Central Government on the other.

Gold Banking

Gold has occupied a special place in economic security since time immemorial. It has been estimated that the present stocks of gold held in the country are around 13,000 tones worth over Rs. 600 thousand cores. As there are no avenues available presently for utilizing this gold in a productive manner, this staggering amount of gold remains idle without any contribution to the economy. The investors in gold now need an opportunity to make it earn for them. Besides, the country needs an avenue to mobilize the domestically held gold and deploy it for productive use.

Indian Overseas Banks has prepared various schemes aimed at encouraging privately held gold in circulation, reduce the country's reliance on import of gold and provide its owners with additional income, apart from freeing them from the problems of storage, movement and security in their possession.

Gold Deposit

The Indian Overseas Bank gold deposit scheme is aimed at providing the depositors, almost all the comforts of holding gold in physical form as a source of liquidity. Deposits are accepted in the form of gold bars, coins and jewellery and the like. The other facilities are the depositors can avail loan in rupees facility against the certificate and transfer facility by endorsement and delivery.

International Banking

International banking service of Indian Overseas Bank is delivered for the benefit of its Indian customers, non - resident foreign entities, and banks through a network of 52 offices, in 31 countries, spread over all time zones. The service include corporate lending loan, syndication merchant banking, handling letters of credit and guarantees, short - term financing, collections of clean and documentary, credits and remittances.

The domestic wing provides services like merchant banking, shipping finance and project export finance. The foreign offices wing offers the entire range of international trade and industrial finance products, while the Culkatta - based foreign department undertakes treasury and currency operations. The international services division renders specialized services like correspondent banking, global link services, and country and bank risk exposure monitoring.

Trade Finance

There is much at stake in the export - import business. Global economic and political situations, fluctuating interest rate, all affect the clients. Besides, they are

constantly in need of funds, both in Indian rupees and foreign currency for both pre - shipment and post - shipment activities.

Correspondent Banking

The IOB has correspondent banking relations with around 700 leading banks worldwide. The correspondent banking develops and maintains relationships with banks and financial institutions across the world.

Products and Services

- Establishing, maintaining and developing the IOB network of over 700 correspondent relationships.
- Providing support to the correspondent in marketing and distributing their products for various applications of IOB
- Attending to complaints of correspondents.

Merchant Banking

Indian overseas bank's merchant banking group is involved mainly in the arrangement of various forms of foreign currency credit for corporates. Foreign currency credit is arranged through commercial loans, syndicated loans, bonds and floating rate notes, lines of credit foreign banks and financial institution import loans as well as loans from IOB's FCNR deposits and loans from export credit agencies.

Products and Services

- Advisory services on cross border funding options.
- Arranging external commercial borrowings.
- Loans backed by export credit agencies.
- Foreign currency loan under FCNR schemes.
- Import finance for Indians corporates.
- Raising foreign currency funds through bonds and floating notes.

Rural Banking

Indian overseas bank caters to the needs of agriculturists and landless agricultural laborers through a network of 6600 rural and semi - urban branches. There are 972 specialized branches which have been set up in different parts of the country exclusively for the development of agriculture through credit deployment. These branches include 427 agricultural development branches (ADBS) and 547 branches with development banking department (DBDS) which cater to agriculturists and 2 agricultural business branches at Chennai and Hyderabad catering to the needs of hitch commercial agricultural projects.

The branches have covered a whole gamut of agricultural activities like crop production, horticulture, plantation crops, farm, mechanization, land development and

reclamation, digging of wells, tube wells and irrigation projects, finance to agri - input dealers, allied activities like dairy, fisheries, poultry, sheep - goat, piggery and rearing silk worms. The specialized branches also hold farmers meets in villages to explain to farmers about package of practices of crops before the onset of every crop season. The bank has achieved tremendous growth in agricultural credit. As on March 2004, it has covered around 4 lakhs farmers and has lent more than Rs. 16,000 cores to the farmer sector.

Agricultural Banking includes

- Crop loans
- Produce marketing loan scheme
- Kisan credit card scheme (KCC)
- Agricultural term loans (ATL)
- Land development scheme.
- Minor irrigation scheme.
- Farm mechanization scheme
- Financing of combined harvesters
- Kisan gold card scheme
- Land purchase scheme
- Krishi plus scheme
- Arthias plus scheme.
- Dairy plus scheme.
- Lead bank scheme.

Crop Loan (ACC)

Indian overseas bank offers financial assistance to meet cultivation expenses for various crops, with a repayment period not exceeding 18 months. On the basis of acreage under different crops, land records to ascertain cultivation rights, this assistance is given to agriculturists, tenant farmers and share croppers.

Produce Marketing Loan

The bank extends financial assistance to help farmers store produce on their own to avoid distress sale. The repayment period does not exceed 12 months. Further, this facilitates immediate renewal of crop loans for next crop. 40 per cent of market value is considered as margin.

Kisan Credit Card

The Indian overseas bank offers the Kisan Credit Card for farmers under short term credit introduced as per RBI, NABARD guidelines. It provides a running account facility to farms to meet their production credit needs and contingency requirements. The Kisan

Credit Card scheme follows simplified procedures to enable the borrowers to avoid crop loans when they need.

Agricultural Term Loan

Indian Overseas Bank gives agricultural term loans in the form of direct finance to cultivators to create assets. Repayment span is not less than 3 years and not exceeding 15 years. Activities broadly covered are land development, minor irrigation, farm mechanization, plantation and agriculture, dairying, poultry, agriculture, and dry land, waste land development schemes

Land Development Schemes

The Indian Overseas Bank gives credit solutions for land development programmers in the form of direct finance to cultivators aimed at better productivity. Loans under this head cover various activities like land clearance (removal of bushes, trees, etc), land leveling and shaping, contour/graded bunding, bench terracing for hilly areas, contour stone walls, staggered contour trenches, disposal drains, reclamation of saline/alkaline soils fencing.

Minor Irrigation Scheme

Indian Overseas Bank provides for crediting new source of irrigation by exploiting underground water, energisation of wells, conveyance of water and judicious use of available water and the like. Loan cover activities like digging of new wells (open) bore wells deepening of existing wells, energisation of wells (oil engine/electronic pumps and the like) laying of pipe lines, installing drip/sprinkler irrigation system and lift irrigation system.

Farm Mechanisation Schemes

SBI provided credit for purchase of farm equipment and machinery for agricultural operators. This mode finance covers activities ranging from purchase of tractor's, trailer cultivators, cage, power tillers, combine harvesters, power sprayers and dusters.

Financing of Combine Harvesters

To avail of this mode of finance a farmer should own a minimum of a across or irrigation land repayment of loan will be five years.

Kisan Gold Card Scheme

Farmers with excellent repayment records for at least past 5 years are eligible to avail of this loan. The scheme also includes major family expenditure like marriages and education of children Repayment will be fixed extending over 6 to 7 years depending on the convenience of the farmer.

Land Purchase Scheme

Small farmers, tenants, share croppers owing less than 5 years of unirrigated 2.5 acres irrigated land in their own name and landless agricultural labour are eligible to avail this credit facilities provided for development of land irrigation facilities and for cultivation of crops the entire loan will be repayable in 10 years in half - yearly installments.

Krishi Plus Scheme

It is a scheme for financing tractors to the rural youth. The objectives of introducing this scheme are, to promote young entrepreneurs in rural areas to take up the activities of custom hiring and to assist small marginal farmers both directly and indirectly. The Repayment period is 5 to 7 years.

Arthias Plus Scheme

The aim of this scheme is to finance commission agents against their receivable from farmers. The type of advance is cash credit limit. This is to be repayable within a maximum of 6 months.

Dairy Plus Scheme

The purpose of this loan is to finance for the purchase of milch cattle, milking machine, construction of shed, calf and other equipment. The type of advance is agriculture cash credit limit.

Lead Bank Scheme

The IOB has been assigned the lead responsibility of 140 districts out of a total of 564 districts across the country. The IOB disbursed loans to the different sectors aggregating to Rs. 2,033 cores in lead districts and has achieved 104 per cent of the annual outlay for the year ended march - 2004 as against 90 per cent by all finance institution. The bank also disbursed loans aggregating Rs. 11,552 corers in the non - lead districts to various sectors and has achieved 92 percent of the annual outlay.

State Level Bankers Committee is formed in all states for Inter Institutional Co - Ordination and joint implementation of programmes' and policies by all the financial institutions operating in the State. Responsibilities of covering State Level Bankers Committee (SLBC) meeting have been assigned to various commercial banks. The Indian Overseas Bank has been assigned responsibility to convenership of SLBC in II states and 2 union territories, namely Arunachal Pradesh, Assam, Meghalaya, Mizoram, Nagaland, Bihar, Chattisgarh, Uttranchal, Delhi, Goa, Sikkim, Andaman and Nicobar, Island and Daman and Diu.

Other Service**E-Mail**

The facility has been launched with effect from September 2003 in association with Indian Railway company. The scheme facilitates booking of railways tickets online. All Internet Banking customer of IOB can use this facility. The bank service fee of Rs.10 is debited to customer's account.

IOB EPS

IOB - Electronic Payment System (IOBEPS) is a highly innovative and effective payment solution by Indian Overseas Bank in selected fully computerised branches. IOBEPS provided an end to end fully automated Electronic Fund Transfer (EFT) to ensure credit of funds to beneficiary's account of the other branches. On the next day, Indian Overseas Bank used to VSAT Technology. Consisting of 162 INFINET VSAT in 113 cities to extend the electronic payment systems service to the customers. This is an example for IOB commitment to use technology for providing better and efficient customer service.

ATM Services

IOB offers the convenience of over 4400 ATMs in India. Already the largest network in the country the customer can transaction fee of cost of the ATM - of IOB group wins IOB cash plus card. IOB cash plus Domestic Card offers the latest in banking namely withdraw cash and make purchases any time the customer wishes, within the country. This card is available free of cost.

The IOB cash plus International Card enables the customer to enjoy shopping at the 52,000 establishments in India and over 7 million establishments world - wide. Customers can withdraw cash from 7000 ATM in India and more than 5,20,000 ATMs across the globe. This card is available for a fee of Rs.200 to transact. The cost within the country is ranging from Rs. 30 - 50 outside the country, its Rs. 60. For enquiry relating to balance the fee is to be Rs. 12 which is less than compared to other bank charges.

Internet Banking

Through the e-enabled branches, the IOB offers internet banking. \

Safe Depositor Locker

Safe deposit lockers are available at the bulk of IOB branches at a nominal rent allowing securing valuables.

Settlement of Claims in Accounts of Deceased Depositors

Powers have been delegated to branch managers, Regional managers and Zonal managers in the matter of recognition and settlement of claims relating to the accounts of deceased depositors.

Gift Cheque

IOB offers gift cheques available at all branches in denominations of Rs. 101/201/501 and 1001 - gift cheques do not attract any charges and reaches the beneficiary with an attractive free envelope. Cheque is encashable at par at all IOB branches, with no identification requirement and also there is no time limit for encashment.

RBI - EFT

Inter - bank Electronic Fund Transfer facility of Reserve Bank of India (RBI - EFT) is available with the branches in IOB. This facility is available in clearing zones of service branches at Calcutta, Mumbai, New Delhi and Chennai.

E - Payment

E - pay is online bill payment launched by IOB. All their internet - banking customer at selected centres having saving / current account with transaction right can use this service. Bills like telephone, electricity and mobile and the like are paid through this service.

Tele - Banking

This is secure, fast and convenient way to obtain a range of services by using telephone without visiting the branches. Information an account, conduct of selected transactions, report on loss of ATM card, order for a Cheque book, draft etc. can be made available on application of any individual. Customers subject to the branch managers discretion.

Small Business Finance (SBF)

The IOB finances for small business activities which need the special skills on the part of entrepreneurs.

Conclusion

In this study on services offered to various types of customers have been discussed in detail. It includes deposits loan schemes and other services offered to individuals, corporate sectors, small scale industries and agency services rendered, gold banking, banking with non - resident Indian and international banking has also been discussed.

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