



## A Research on TMB - Tamilnad Mercantile Bank Analysis and Performance of Current Scenario

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### ABSTRACT

This study has been completed to evaluate the financial presentation of TAMILNAD MERCANTILE BANK LIMITED bank. TAMILNAD MERCANTILE BANK LIMITED was amongst brief to get an 'on a basic level' endorsement from the reserve financial institution of India (RBI) to installation a financial institution inside the personal region. The financial institution at present has an advantageous company of extra than 4,805 branches unfold over city areas across India. All branches are linked on a web regular premise. Customers in greater than 500 regions are moreover adjusting through cellphone banking. The financial institution moreover has an enterprise of about more than 12,860 arranged ATMS 2,657 across city areas and cities. TAMILNAD MERCANTILE BANK LIMITED bank gives diverse gadgets and administrations inclusive of discount banking and retail banking, depository, automobile advances, motorcycle advances, person advances, advances towards assets, consumer strong advances, and way of lifestyles develop, charge cards and the extraordinary computerized merchandise. The economic exhibition of previously mentioned bank has been assessed for as a long way back as 5 years i.e. 2015, 2017, 2018, 2019 and 2020. The statistics examined by share examination like modern proportion, coins function percentage, constant resources percentage, and obligation cost proportion and different share and offer translation to every percentage. To finish up this article the economic adequacy of the financial institution is appropriate at some stage in the research time body.



**KEYWORDS:** Tamilnad Mercantile Bank Limited, Bank, Ltd, Monetary, Ratio Analysis Execution Ratios.

### INTRODUCTON

Economic execution is the manner closer to estimating how viably an enterprise uses its resources from critical method of commercial enterprise to raise salaries it additionally gauges associations entire financial well-being at some stage in a particular timeframe. Financial execution of the affiliation manages the economic electricity and shortcomings of bank exactly setting up a connection among the asset report and pay clarification. This cycle used to manifestly comprehend the improvement of long time and present second of bank. There are a few special ways to break down statistics the professional utilized proportion investigation on this exploration. This exam likewise supportive comes to a decision the credit score value of the financial institution to evaluate the market function the various contenders.

### HISTORY OF INDUSTRIAL CREDIT AND INVESTMENT CORPORATION OF INDIA TAMILNAD MERCANTILE BANK LIMITED BANK

Tamilnad Mercantile Bank Limited (TMB) is a bank headquartered at Thoothukudi, Tamil Nadu, India. TMB was founded in 1921 as the Nadar Bank, but changed its name to Tamilnad Mercantile Bank in November 1962 to widen its appeal beyond the Nadar community. For the financial year 2018–2019, the bank reported a net profit of ₹ 2585 million. The bank currently has 509 full branches throughout India, 12 Regional offices and two link offices, two central processing centres, one Service Branch, four Currency Chests, 48 eLobbycentres, 262 Cash Recycler Machines (Cash deposit machine) and 1151 Automated Teller Machines (ATM). The bank has been expanding its footprint all over India.

TMB was rated as the fastest growing Private Sector Bank continuously for the five years from 2010 to 2015. It was also rated as the Best Bank in the years 2013, 2014 and 2015, due to its robust growth. During the years of 2018 and 2019 it did total business of 616 billion rupees. The bank's planned outlay for the financial year is to reach business worth 600 billion rupees, add an additional 24 branches, and increase its ATMs to 1151. The bank has won the Lokmat BFSI Best Private Sector Bank 2014-15 award.



**ANNUAL REPORT OF 2021**

Tamilnad Mercantile Bank (TMB) was established on 11th May 1921 as Nadar Bank headquartered at Thoothkudi, Tamilnadu. Bank currently has 509 full branches throughout India with 12 Regional offices and 11 extension counters, 6 central processing centers, 1 service branch, 4 currency chests and 1151 ATM. TMB is planning to come with its IPO in this financial year.

## FINANCIAL INFORMATION FOR LAST 3 YEARS

Particulars	2020	2021	2022
Total Income	3,992.5	4,253.4	4,656.4
Net Profit	407.7	603.3	821.9
Total Assets	42,758.8	47,527.2	52,858.5
EPS	28.61	42.34	57.67
Capital Adequacy Ratio	16.74%	18.94%	22.06%
GNPA (in%)	3.62%	3.44%	1.69%
NNPA(in %)	1.80%	1.98%	0.95%

**Incorporation Year : 1921**

**Website : [www.tmb.in](http://www.tmb.in)**

**Email : [mdoffice@tmbank.in](mailto:mdoffice@tmbank.in)**

**CIN No. : U65110TN1921PLC001908**

**ISIN No. : INE668A01016**

**Sector : Bank**

**Face Value : ₹10**

**REVIEW LITERATURE**

- 1) Muradmohammadgalif al-kaseasbah and abdelkarimsalimissaalbkour (2020) of their paper entitled, monetary execution of Indian banking region: a case observe of sbi and Tamilnad Mercantile Bank Limited bank. To research the monetary presentation of sbiandTamilnad Mercantile Bank Limited financial institution. All through the investigation, it changed into tracked down that the sbi recorded fluctuating pattern however Tamilnad Mercantile Bank Limited disregarded to cope with the increasing pattern.
- 2) Nagalekshmi v s, vineetha s das (2018), tracked down that the superb impact of consolidation kotakmahindra bank ltd with ing-vysya bank. It additionally tracked down that groundbreaking augmentation in different budgetary like operating gain, internet benefit, profit in step with proportion, premium acquired, return on assets, cost percentage capital, pay on undertaking and so forth,
- 3) PriyankaJha (2016) broke down financial execution of public area banks (Punjab national financial institution) and private quarter banks (Tamilnad Mercantile Bank Limited ) in India. The analyst finishes up her exploration pub has lower operational skill ability almost than Tamilnad Mercantile Bank Limited financial institution. If there have to be an occurrence of income pay-out proportion, duty cost proportion and top rate used to revenue procured, Tamilnad Mercantile Bank Limited financial institution has carried out sounder as assessment with pub. Jaywalk and Jain (2020) entitled a comparable research of financial execution sbi and Tamilnad Mercantile Bank Limited bank in India. This examination appears at the financial presentation of Indian banks with the help of camel version. This exam examine the monetary exhibition of sbi and Tamilnad Mercantile Bank Limited from 2010-11 to 2014-15.
- 4) Suruchisatsangiprem das Saini (2018) investigated monetary execution of kotakmahindra financial institution consolidation with ing-vysya financial institution. The discoveries of the examination confirmed the excessive improvement charge which is seen inside the financial execution of the kotakmahindra financial institution after the consolidations and acquisitions.
- 5) Vinothkumar and bhawnamalhothra (2019), endeavored has been made investigate the exhibition &economic adequacy of chose personal region banks in India for the period 20072017 camel approach has been utilized. This research reasoned that the TAMILNAD MERCANTILE BANK LIMITED financial institution is placed first underneath the camel exam observed with the aid of Tamilnad Mercantile Bank Limited financial institution. Kotakmahindra financial institution concerned the third function. The fourth position involved with the aid of TAMILNAD MERCANTILE BANK LIMITED bank and the remaining function is worried with the aid of indusIndbank among every one of the chose banks.

**RESEARCH METHOLODOGY**

This investigation is quantitative nature meaning it essentially manages budget summary of TAMILNAD MERCANTILE BANK LIMITED Bank for as long as five years. This examination depends on optional information which is taken from banks site and the yearly reports. The information is dissected by the proportion investigation and the presentation of the bank is unmistakably clarified for the examination time frame.

**OBJECTIVES OF THE RESEARCH**

- To assess the monetary presentation of TAMILNAD MERCANTILE BANK LIMITED Bank.
- To examine the liquidity and dissolvability position of the bank.
- To discover the progressions in the patterns of the bank utilizing pattern investigation.

**LIMITATIONS OF THE STUDY**

- The study is confined just the five monetary years i.e. 2015, 2017, 2018, 2019 and 2020.
- The concentrate totally dependent on auxiliary information and the precision of the investigation relies upon the information got.
- This study may not be sufficiently broad to cover every one of the proportions to be considered in assessing the monetary adequacy of the bank precisely.

**DATA ANALYSIS**

A portion of the significant proportions have been assessed and deciphered to comprehend the monetary exhibition of the bank.

**SHORT-TERM SOLVENCY RATIOS****CURRENT RATIO**

Current proportion builds up connection between current resources and current liabilities. Current liabilities are those liabilities are settled or reimburse inside a year.

Current Ratio = Current Assets/Current Liabilities.

The standard or dependable guideline for current proportion is 2:1. It implies that let the aggregate sum of current liabilities. At the point when a bank's present proportion is at least 2 it implies that its liquidity position is acceptable.

**TABLE 1: CURRENT RATIO**

Year	2019-2020	2018-2019	2017-2018	2016-2017	2015-2016
CR	6.74	7.97	4.64	5.52	6.24

Source: Annual Report.

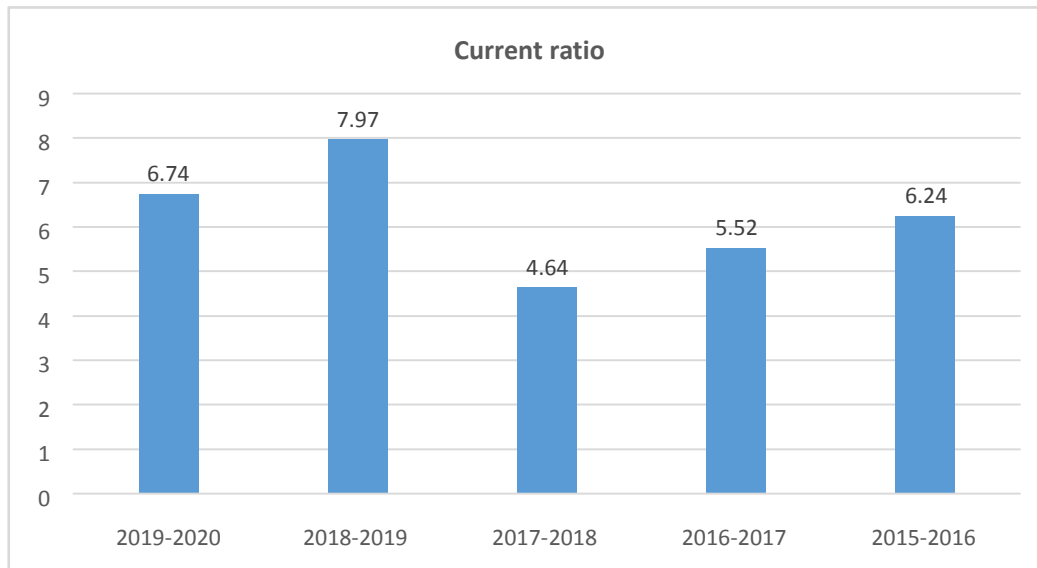


Table 1 shows that the current proportion was 6.24 in the year 2015-16 it was expanded to 5.52 and 4.64 in the years 2016-17 and 2017-18. In the year 201819 the proportion was expanded 7.97 besides in the year 2019-20. It demonstrates that banks liquidity and its reimbursement of obligations are sound during the time of study.

**CASH POSITION RATIO**

This is a variety of fast proportion. This proportion is determined when liquidity is profoundly limited regarding money and money counterparts. This proportion estimates liquidity as far as money and close to cash things and momentary current liabilities.

Money Position proportion = Cash and Bank Balances + Marketable Securities/Current Liabilities an ideal money position proportion is 0.75: 1. This proportion is a more thorough proportion of an organizations liquidity position.

**TABLE 2: CASH POSITION RATIO**

Year	2019-2020	2018-2019	2017-2018	2016-2017	2015-2016
<b>CPR</b>	1.47	2.68	0.86	1.05	1.11

Source: Annual Report.

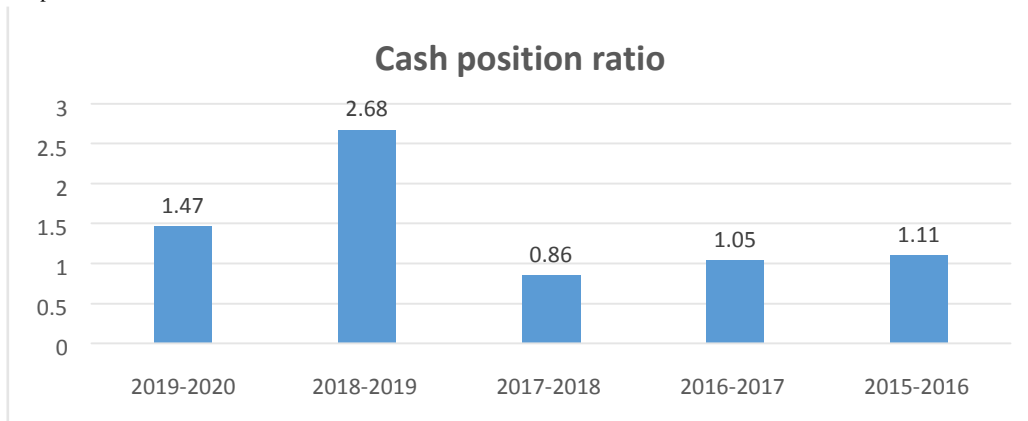


Table 2 discloses capacity of bank to meet its monetary commitments it gives better situation of the bank. Money Position Ratio in the year 2014-15 is 1.11 which had diminished by 1.05 and 0.86 in the year 2016-17 and 2017-18 separately. However, in the year 2018-19 it had expanded to 2.68. In the year 2019-20 it had diminished 1.47. During the examination time frame the bank liquidity position is acceptable.

### LONG TERM SOLVENCY RATIOS

#### FIXED ASSETS RATIO

This proportion bargains the connection between fixed resources and long haul reserves. The essential witticism of this proportion is to discover the extent of long haul subsidizes put resources into fixed resources.

Fixed Assets Ratio = Fixed Assets/Long-Term Funds

An ideal fixed resources proportion is 0.67. The proportion should not be multiple, if the proportion is under 1 it demonstrates that a part of working capital had financed by long haul reserves.

**TABLE 3: FIXED ASSETS RATIO**

Year	2019-2020	2018-2019	2017-2018	2016-2017	2015-2016
<b>FAR</b>	7.39	6.95	7.07	6.61	6.22

Source: Annual Report.

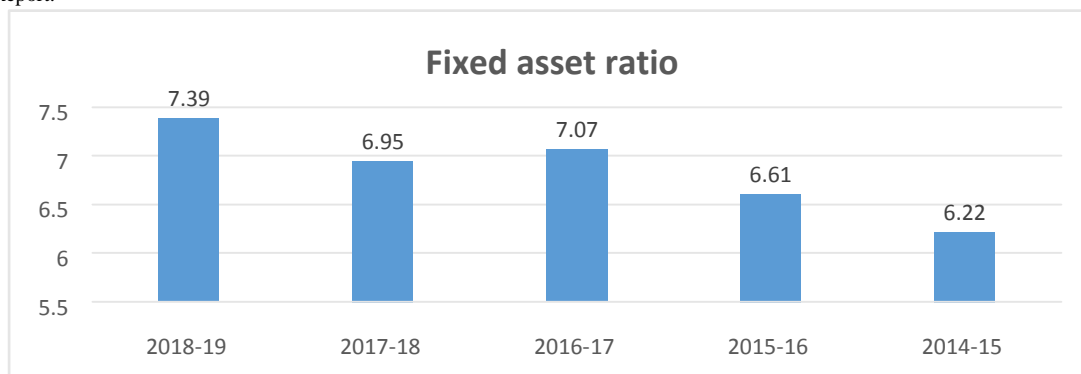


Table 3 uncovers that fixed resources and long haul assets of the bank. In the year 2014-15 fixed resources proportion is 6.22 which has expanded to 6.61 in the year 2015-16. During the year 2016-17 the proportion was 7.07 and in the year 2017-18 it had diminished by 6.95. 2018-19 the proportion was expanded to 7.39. These proportions are contrasted and standard of fixed resources proportion, it is exceptionally high. Thus a bit of working capital had financed by long haul assets during the investigation time frame.

### DEBT-EQUITY RATIO

This proportion is generally called as "Outer Internal Equity Ratio". Chiefly it is determined to survey the monetary sufficiency of long haul approaches

and to decide the general portions of outcasts and investors. It decides connection between the obligation and value.

Debt-Equity Ratio = Shareholders Funds / Total Long-Term Funds

A high obligation value proportion shows the most noteworthy cases of loan bosses over resources of the firm than those of investors. A high proportion uncovers a horrible situation of the organization. A low obligation value proportion demonstrates lesser case of leasers and a higher edge is alright for them. The standard of this proportion 2:1 is agreeable.

**TABLE 4: DEBT-EQUITY RATIO**

Year	2019-2020	2018-2019	2017-2018	2016-2017	2015-2016
<b>DER</b>	1.27	0.86	1.20	1.37	1.37

Source: Annual Report.

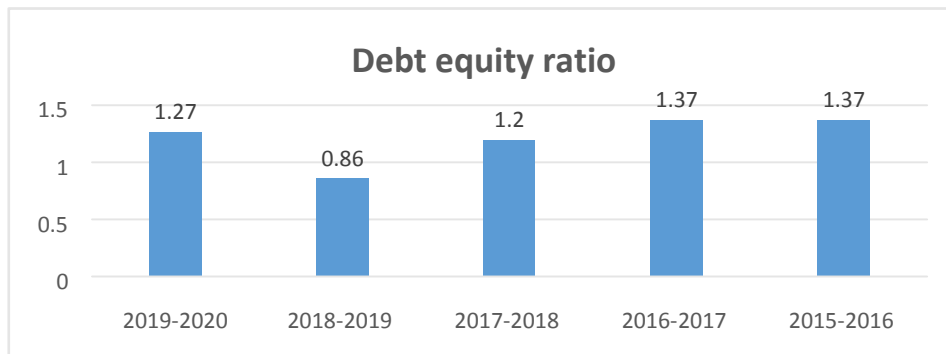


Table 4 clarifies obligation value relationship. In the year 2015-16 the proportion was 1.37 and it was same in the year 2016-17 followed by this it was diminished by 1.20 during the year 2017-18. In 2018-19 it was diminished by 0.86 But it was expanded in the year 2019-20 was 1.27. These proportions are not exactly the standard of 2:1. Henceforth, the leasers are protected during the investigation time frame.

**PROPRIETARY RATIO**

This proportion is called as proprietors store proportion or total assets proportion. This proportion calls attention to connection between the partner's assets and all out substantial resources.

Restrictive Ratio = Shareholders reserves/Total unmistakable resources

This proportion is extremely valuable to decide the drawn out dissolvability of the organization. It is essential to the loan bosses who can determine the extent of investors' assets in the all-out resources utilized in the organization. Standard of this proportion 0.5, beneath this standard the lenders may need to misfortune intensely in case of ending up of the organization.

**Table 5: Proprietary Ratio**

Year	2019-2020	2018-2019	2017-2018	2016-2017	2015-2016
<b>Proprietary ratio</b>	2.80	2.62	1.95	1.75	2.79

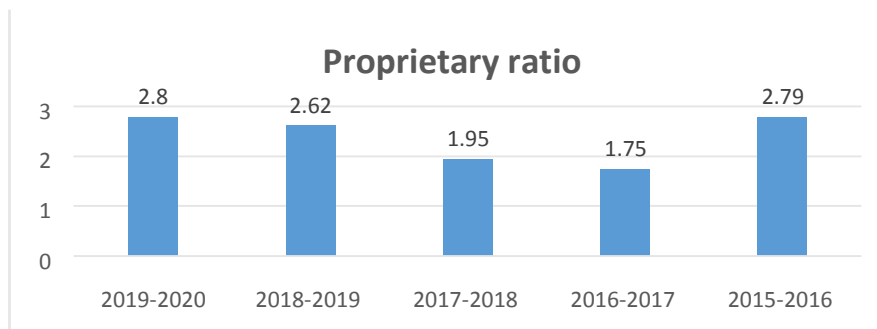


Table 5 obviously clarifies that drawn out dissolvability of the organization. In the year 2015-16 the proportion was 2.79 which have diminished by 1.75 in the year 2016-17. Yet, it was expanded to 1.95 during the year 2017-18. Followed by this in the year 2018-19 and 2019-20 it was expanded to

2.62 and 2.80 separately. These proportions are more than the standard of 0.5. It is obviously shows that the lenders are profoundly protected during the investigation time frame.

#### FINDINGS

- Current proportion demonstrates that banks liquidity and its reimbursement of obligations are sound during the time of study.
- Cash position proportion or Absolute Liquidity Ratio is shows during the investigation time frame the bank liquidity position is acceptable.
- Fixed resources proportion clarifies bit of working capital had financed by long haul assets during the examination time frame.
- Debt value proportion clarifies the loan bosses are protected during the examination time frame.
- Proprietary proportion uncovers that the bank long haul dissolvability position is acceptable in the examination period.

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#### CONCLUSION

The TAMILNAD MERCANTILE BANK LIMITED Bank is the biggest private area bank in India. The analyst track down the monetary execution for as long as five monetary years from 2014-15 to 2018-19. The information gathered from yearly reports of the bank and the site. The information broke down through different proportions. This examination article at long last reasoned that the TAMILNAD MERCANTILE BANK LIMITED bankfinancial execution is strongduring the investigation time frame.

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