INTRODUCTION TO RESEARCH PROBLEM

Indian Banking Scenario:

Since India secured independence, sea change has taken place and the Banking concepts have undergone several improvements over the period of more than 60 years. When large and mass retirements are taking place in the Banking industry and the young generation is occupying key positions, it may be interesting to travel through the developments in the Banking industry.

Without a sound and effective Banking system in India we cannot have a healthy economy. The Banking system of India should not only be hassle free but it should be able to meet new challenges posed by the technology and any other external and internal factors.

For the past three decades India's Banking system has several outstanding achievements to its credit. The most striking is its extensive reach. It is no longer confined to only metropolitans or cosmopolitans in India. In fact, Indian Banking system has reached even to the remote corners of the Country. This is one of the main reasons of India's growth process.

The Government's regular policy for Indian Bank since 1969 has paid rich dividends with the nationalisation of 14 major private Banks of India.

Not long ago, an account holder had to wait for hours at the Bank counters for getting a draft or for withdrawing his/her own money. Today, he/she has a choice. Gone are the days when the most efficient Bank transferred money from one branch to another branch in two days. Now it is simple as instant messaging or dial a pizza. Money has become the order of the day.
The etymology of the word ‘Bank’ relates to the German word ‘Banck’, which means heap or mound or Joint Stock Fund. From this, the Italian word ‘Banco’ meaning heap of money was coined. Another school of thought says that the word ‘Bank’ is derived from the word ‘Bancus’ or ‘Banque’ which means bench as initially Bankers transacted in benches in market places.

Since India secured independence, sea change has taken place and the Banking concepts have undergone several improvements over the period of more than 60 years. Without a sound and effective Banking system in India we cannot have a healthy economy. For the past three decades India's Banking system has several outstanding achievements to its credit. The most striking is its extensive reach. This is one of the main reasons for India's faster growth. According to a report by ICRA Limited (a Rating Agency), the Public Sector Banks hold over 75 % of the total assets of the Banking industry, with the private and foreign Banks holding 18.2% and 6.5% respectively.