

Preface

Commercial banking in India has undergone structural and functional changes, especially during the post nationalisation period. The structural changes include an increase in the average size of banks in terms of the number of branches, employees, deposit accounts, loan/credit accounts and total working funds, a better and more effective geographical coverage through rapid branch expansion, changes in the liabilities structure and assets mix, changes in the interest structure and changed inter - institutional relationships. The functional changes are reflected in the wider coverage of economic activities covered by banks, a greater realisation of social responsibility, a remarkable shift from Real Bills Doctrine to Anticipated Income Theory of bank lending and liquidity management, a shift from class banking to mass and retail banking, and a greater emphasis on target oriented lending.

As a result, commercial banks in India today not only control the commanding heights of the economy, they also have become the prime movers of not only economic change but also social and cultural revolution. They command huge monetary resources in an otherwise capital scarce economy of India. Their efficiency in the functional area of credit management is thus of prime concern not only for the Government of India, the Reserve Bank of India and the bankers themselves but also to the society at large. They must strike an ideal balance between their social responsibility in the provision of credit and their corporate goal of ensuring profitability of operation

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and recovery of credit. Thus, banks have necessarily to ensure a high degree of functional/operational efficiency in the management of credit. How far the commercial banks have been able to efficiently manage their credit function and in what way their existing level of efficiency can be improved is thus the primary concern of this research exercise.

During the course of this study, I had the privilege of meeting and getting the benefit of competence and capabilities of various luminating personalities in the Indian banking industry, Universities and Institutes of higher learning. I also had the benefit of the utmost cooperation and sympathy of various functionaries in the Ministry of Education, Government of India, the Ministry of Education, Government of Senegal, the libraries of M.S.University and other Institutions and the administrative staff of the Central Office and the Faculty of Commerce of the M.S. University of Baroda. I am indeed extremely grateful to all of them for their help and encouragement.

The Department of Banking and Business Finance of the M. S. University has become my almahater as this Department provided me the opportunity and a rare privilege of becoming the research student of Dr. M.D.Sharma, Professor of Banking and Business Finance and the Dean of the Faculty of Commerce. His eminence as a distinguished scholar of Banking and Business Finance, his contribution in development of Banking as an academic discipline and stalwart stature in the field of Banking education and Research motivated me to move from Senegal to India for learning the complexities of bank management and undertaking this

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research study. Dr. Sharma, on his part, contributed more than my own high expectation, devoted much of his valuable time for guiding me, encouraged me and made his own contribution in the completion of this work but also in enabling me to understand the economic, social and cultural profile of this vast country. I am extremely indebted and grateful to him for his generous and affectionate behaviour and a high order of academic challenge and guidance offered by him from time to time during the last two and half years. .

While my research guide Dr. Sharma and many other distinguished academicians and bankers have contributed in their own way in the completion of this work, for any weakness or lapses in the final outcome, I own the entire responsibility.

Last, but not the least, I take this opportunity to dedicate this thesis to the memory of my parents who were living examples of the principles that they have ingrained in me.

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