

Indian Banking Sector at a Glance: A Study

Pelak Mehta^{1*} Dr. Bharat Bhushan²

¹ Research Scholar of NIILM University, Kaithal

² Professor, Department of Commerce, NIILM University, Kaithal, Haryana

Abstract – Banking Industry is a bit of the economy on the planet. Today we are set in the season of globalization around the globe. Overall colleagues have recognized globalization as their first essential choice. Change in innovation has energized globalization too. Internet business, e-promoting, e-banking are the present popular expressions. Banks have changed them and are putting forth benefits through the Web. Strikingly abrogating component in the Indian economy and the budgetary division was expected by supervising a bookkeeping industry. The Indian monetary segment experienced a far reaching development amid the nineties. From the tolerably shut and controlled condition in which operators needed to work before, the segment was propelled up as a component of the proficiency; improving auxiliary strategies achieve high maintainable long haul development of the economy. The saving money area in India has happened upon a rapid change. The real basic role behind this change is the aftereffect of the improved security and encryption schedules made on the Web. The second reason is banks would be unwilling to lose a potential piece of the overall industry to banks that will offer their administrations on the Web. As banks depend progressively on data innovation and the Web to bear on their business and communicate with the market, innovation dangers will conceivably increment, both for singular banks and the money related industry on the loose. Nonstop innovation advances and developments are having huge effect in transit banks collaborate with their clients, providers and partners. This exploration paper concentrated on development of Indian managing an account Industry. It fundamentally centered on Private and Public banks in India.

Keywords: Banking in India, Public Banks, Private Banks.

-----X-----

INTRODUCTION

In India, the hugeness of the matter of sparing cash has been influenced available in the Banking Direction to act, (BR Act), 1949. As expressed in Area 5_ (c) of the BR Demonstration 'a saving money organization is a company which executes the matter of banking in India.' Further, Segment 5_ (b) of the BR Demonstration characterizes managing an account as, 'tolerating, with the ultimate objective of giving or wander, of tolerating from the general population, repayable with premium or for the most part, and withdrawal, with cheque, draft, arrange or otherwise' (Abhijit, 2012).

The managing an account segment did not get an exception to this administer (De, 2003). The challenges before the banks would fundamentally lie in sparing themselves from the developing danger of tax evasion [3].

BANKING STRUCTURE IN INDIA

Banks which are coordinated in the second period of the RBI are called plan banks. These banks include

into two banks, which are named as Scheduled Commercial Banks and Scheduled Co-agent Banks. These banks are qualified for specific courtesies, for example, budgetary housing from Reserve Bank of India and have commitments to satisfy certain statutory obligations. Thirteen sorts of banks accessible in India are depicted beneath.

1. **Central banks** are ordinarily in order of monetary strategy through powerful commitments and might be the bank of final turn to the managing an account area in case of a money related emergency. They are regularly blamed for controlling the money supply, including printing paper money. National banks in most made nations are institutionally proposed to be free from political impedance.
2. **Investment banks** give a certification of stock and bond issues and direction on mergers. A venture bank is a budgetary organization, which helps group,

endeavors, and governments in raising monetary capital.

3. **Merchant bank** is a general sort of bank helpful for exchange financing. Additionally, right now they are called banks, which offer trusts to firms as offers rather than advances. Rather than funding firms, they are not lose to place assets into new associations[4].
4. **Savings banks** and credit affiliations, are called thrift associations, are the second greatest get together of store organizations. They were generally settled as a gathering based associations that offer an public door reserve to offer contracts to people to buy homes and still suit generally of the speculation supports and give advances to the penniless individuals.
5. **Offshore banks** are a bank situated outside the country of living game plan of the speculator, regularly in a low expense locale that gives money related and lawful positive conditions, including more phenomenal insurance law or no tax assessment, basic access of stores and security against neighborhood[5].
6. **Commercial banks** fundamentally loan to organizations (corporate saving money). It is a kind of bank that gives organizations. For instance, enduring stores from the customer; give business advances, and offering key financing things.
7. **Retail banks**, mainly give credit to the general population. Retail Bank alludes to the division of a bank those arrangements uncomplicatedly with retail customers generally, called shopper managing an account or individual banking. Speculation administration, for example, riches administration, money market funds, private managing an account and retirement arranging is a necessary piece of retail banks[3].
8. **Universal bank** is the bank which gives a moved collection of money related organizations for business and venture administrations to both. Isolated from hold finances and advances, the widespread banks give distinctive administrations. For instance, place assets into securities, charge cards, venture fund, settlements, installment frameworks, venture guiding, dealer managing an account, operations, protection. Furthermore, numerous other such administrations for leasers, Citigroup, a sweeping American bank, are incorporated into business and retail loaning. It guarantees a shipper bank (Citicorp Merchant Bank Limited) a venture bank (Salomon Smith Barney); it works a private bank (Citigroup Private Bank); at long last, its backups in duty safe houses offer seaward saving money administrations to clients in different nations. Along these lines, the business managing an account framework in India is subdivided into particular banking divisions.
9. **Public Sector banks** dominant part stake is the obligation of the legislature of India. It assumes a basic part in the Indian managing an account industry. As indicated by Reserve Bank of India (RBI) report entitled "A Profile of banks 2015-2016 "There are 26 public segment banks in India, having all out 75,779 workplaces with 801659 representatives working all finished India in various public part bank.
10. **Private Sector banks** most of the stake or value is possessed by private investors and not by government. As in the year 2015-2016 there are add up to 20 private part banks in which 13 banks are old private division banks and 7 are new private segment banks, add up to 16001 workplaces are all finished India. Add up to 269941 representatives are working all finished India[6].
11. **Foreign bank** was enrolled in a remote nation, however works in India. The bank would be legitimately obliged to take after abroad where it is enlisted and obliged to take after Indian banks guidelines and directions. There are total 43 public area banks in India, add up to 334 workplaces with 25384 representatives working all finished India in the year 2015-2016.
12. **Cooperative division banks** are made by people who are in a similar neighborhood or master gathering or need to bestow the typical premium. Cooperative banks are offering account to the homestead business, retail trade, little industry things and a couple of agents of those must do their business in urban, semi-urban and provincial zones of India. The co-operative managing an account part has been produced in the country for the supplement of the town cash moneylender[7].
13. **Development banks** are made with a specific end goal to loan fund on a financed loan fee. Such loaning is authorized to create vital divisions like horticulture, industry, import-fare, lodging and partnered exercises.

THE BANKING EVOLUTION PHASES

The banking industry is started from 4000 years prior set up, for example, Babylon, Mesopotamia and Egypt, where grain and other profitable products were put away and receipts gave as evidence of offer on buys[8]. In 1600's, bank utilizing checks as a medium of trade and mid-1900's, the bank began the utilization of broadcast innovation to exchange cash starting with one area then onto the next. Table .1 delineates stages, performs amid managing an account advancements and significant changes in the banking segment amid these stages.

Table 1 Bank evolutionary stages

Sr. No.	Stages	Major changes during that period
1.	Renationalization phase	Emerge of joint stock banking companies
		Introduction of deposit banking and bank branches
		The foundation of modern banking system was laid by Presidency banks and other joint stock banks.
2.	Era nationalization and consolidation	State bank of India formed out of imperial bank
		20 SCBs were nationalized in two phases
		Credit Programs were stimulated
		Social banking was Introduced
3.	Introduction of financial & banking sector reforms and partial liberalization	This phase witnessed major changes in prudential regulations.
		Interest rates were deregulated.
		Statutory pre-emption of resources eased more private sector players to come and strengthen the system as a whole
4.	Period of increase liberalization	FDI ceiling for the banking sector increase to 74% from 49%
		Roadmap for inclusion of foreign banks was declared.
		More liberal branch licensing policy was followed.

Table 2 Indian banking sector at a glance (Amount in 'billion)

Sr. No.	Item	Amount outstanding (As)	
		2012	2017
1.	Balance sheet operation		
	Total Liabilities/assets	83,209	95,733
	Deposits	64,535	74,295
	Borrowings	8,438	10,105
	Loans and advances	50,736	58,797
	Investment	22,339	26,133
2.	Profitability		
	Net Profit	817	912
	Return on asset	1.08	1.03
	Return on Equity	14.60	13.84
	Net interest margin	2.9	2.8
3.	Asset Quality		
	Gross NPAs	1,429	1,940
	Net NPAs	652	986
	Gross NPAs ratio (As a percentage of gross advances)	3.1	3.6
	Net NPAs ratio (As percentage of net advances)	1.3	1.7
4.	Technological development		
	Total number of credit cards (in millions)	18	20
	Total number of debit cards (in millions)	278	331
	Number of ATMS	95,686	114,014

HISTORY OF BANKING INDUSTRY

The Indian banking an account division is particular from whatever is left of the world's banking framework due to the unmistakable geographic, social and monetary qualities of the nation. India is situated in the second position on account of the nation's populace in everywhere throughout the

world[9]. It has stamped financial variations and large amounts of lack of education. Of the world's main 1000 banks, 200 banks are arranged in the United States (USA), 100 in Japan, 80 in Germany, 40 in Spain and around 40 in the United Kingdom (UK). Indeed, even China has upwards of 16 banks inside the best 1000, out of which, upwards of 14 are in the main 500. India, then again, had 20 banks inside the top1000 out of which just 6 were inside the main 500 banks. This is maybe an appearance in size of economies and of the money related divisions. The table underneath portrays the development of the banks[11].

In the year, 1913 to 1948 moderately 1100 banks are set up in India. After freedom, the administration has changed the Indian banking area. During the time 1955 Imperial Bank of India was changed to be nationalized and change the name as a State Bank of India (SBI). SBI Bank goes about as an essential operator of RBI to deal with dealing with a record exchange everywhere throughout the country. On 19th July, 1969, critical methods of nationalization were finished[12]. Till the year 1980, approximately 80% of the banking fragments in India were shaped under the administration's proprietorship.

Extreme rivalry has constrained banks to reconsider the way they worked their business. They needed to reinvest and enhance their business. They needed to rethink and enhance their item and administrations to guarantee that they are more gainful and financially savvy. Innovation as electronic banking has possessed the capacity to discover exchange managing an account rehearses at bring down expenses (Dr. T. Sreelatha, 2012). Computerization of bank offices had started to do establishment of basic PCs in the branch to robotize the working of the bank; particularly those branches are conspicuously movement branches. Systems administration of branches is right now grasped to guarantee better customer organization. The systems administration of branches under CBS empowers concentrated information administration and helps in the execution of Internet and versatile managing an account. Plus, CBS helps in bringing the total operations of banks under a solitary innovation stage.

Today we found the Indian banking industry, amidst an IT change. A mix of administrative and aggressive reasons has prompted the expanding significance of aggregate saving money automation in the Indian Banking Industry. The bank, which used the suitable development to supply promising information, will see profitability expanded and thus get a serious edge. To battle with an economy which is publicizing up, it is straight forward for the Indian banks to watch the most recent innovation and change accordingly to adjust to the world. Data innovation offers a shot for banks to gather new

systems that address a broad assortment of customer needs that may not be conceivable today[16].

To provide uniform information of all banks researcher used above mentioned parameters.

For year:- 1 for year 2011-12 , 2 for year 2012-13 , 3 for year 2013-14 , 4 for year 2014-15, 5 for year 2015-2016,

For items:- A- No of offices, B- No of employee, C- Business per employee, D- Profit per employee, E- Deposits.

State Bank of India

The State Bank of India was started at the Bank of Bengal in the year 1806 and today it is viewed as one of the prime counts on the globe in regards to branches, accounts, and diverse measurements. The bank is lion's share possessed by the Indian government and subsequently winds up with two goals enhancing advantage and helping the legislature to execute its plans in budgetary organizations. One of the guideline goals of the national and state governments in India is budgetary consideration, serving neediness in India, which has generally not had a section to any money related administrations. State Bank Group involves the bank itself (State Bank of India) and seven (now six) Associate Banks (AB): State Bank of Bikaner and Raipur, State Bank of Hyderabad, State Bank of Indore, State Bank of Mysore, State Bank of Patiala, State Bank of Saurashtra (picked up by State Bank of India in August 2008), State Bank of Travancore.

Indian banking advancement is a piece of the greatest relocation on Earth: 17,385 branches; 20,000 ATMs; 262 million records. 37 million pinnacle exchanges for every day. State Bank of India agreed to run the focal system on Hewlett-Packard Unix (HP-UX) instead of a centralized computer to achieve a more level Total Cost of Ownership (TCO) and 33% lower beginning cost. State Bank of India consented to run the Financial Network Services (FNS) focal structure over Alltel effective for BANCS' constant capacities, more present day design, and stage freedom. SBI could diminish the measure of specialists supporting IT from 15,000 to under 2,000 for significantly bring down TCO. Goodbye Consultancy Services (TCS) was the usage accomplice and keeps on guaranteeing support for running the framework. TCS has along these lines obtained FNS and the BANCS framework and keeps up the code for State Bank of India. In the year 2017 in SBI is one of the India's driving public division banks taking endeavors to extend its reality on the planet's second greatest economy with the loan specialist set to begin its second branch in China. SBI Bank furnishes the most recent Internet managing an account innovation with imaginative administrations to his clients[18].

Table 1.2 State Bank of India (SBI) Bank profile

	1	2	3	4	5
A	12070	13252	14350	14902	15564
B	205896	200299	222933	215481	228296
C	55.60	63.60	70.47	79.84	94.39
D	0.47	0.45	0.39	0.53	0.65
E	7420731	8041162	9339328	10436474	12027396

(Source: A Profile of Banks 2015-2016, (Amount in Million))

Industrial Credit and Investment Corporation of India Limited (ICICI) bank-

In Year 1955, the move made by the World Bank, the Government of India and the agents of Indian Industry, for the sorting out of ICICI Bank. The fundamental concentration behind this is to influence a dynamic fiscal foundation for giving medium-term and long haul to extend financing to various Indian associations. ICICI Bank was initially pushed ahead with in 1994 by ICICI Limited, an Indian money related organization, and was its entirely possessed auxiliary. In 1999, ICICI turned into the main Indian organization and the primary bank or money related foundation from non-Japan Asia to be set out in the NYSE. ICICI bank is the main bank in the private segment bank for receiving Internet saving money office to all branches around the world[19].

Table 1.4.3 ICICI bank profile

	1	2	3	4	5
A	1434	1721	2565	2786	3134
B	51835	41068	56969	58276	62065
C	115.4	76.5	73.5	70.8	73.5
D	1.1	0.9	1	1.1	1.4
E	2183478	2020166	2256021	2555000	2926136

(Source: A Profile of Banks 2015-2016, Amount in Million)

Canara Bank

Canara Bank was started in July 1906, at Mangalore. In 2003-2004 bank started web managing an account administrations to client in bank office and in the year 2005, 100% computerization of the branches is done. On June 2011, the bank has broadened its commonplace region, and presents 3273 diverse branches all finished geological areas. For perceiving client comfort and mindfulness, the bank built up various conveyance channels which incorporate ATM, Internet and portable banking administrations, support exchange through NEFT and RTGS over all branches. The bank has 2509 branches which offer 'wherever banking'. Today, Canara bank possesses a main position in managing an account part having 100% CBS, and offers innovation banking to all clients of the bank.

Table 1.4.4 Canara bank profile

	1	2	3	4	5
A	2850	3155	3365	3707	3837
B	44090	43380	43397	42272	42693
C	78.02	98.26	119.91	137.44	142.02
D	0.50	0.74	0.98	0.82	0.70
E	1868925	2346514	2934366	3270537	3558560
(Source: A Profile of Banks 2015-2016,				Amount in Million))	

HDFC

Housing Development Finance Corporation Limited (HDFC Ltd.) was propelled in the year 1977 with the target to achieve a group need of empowering home proprietorship by giving long haul fund to families. Amid the last three and a half decades, HDFC has changed the prospect of lodging fund for the creating working class in India into a world-class business endeavor with finish status for polished methodology, trustworthiness and perfect administration. The bank executes both conventional business banking and in addition venture managing an account. Today all branches of HDFC banks offer value-based Internet saving money administration to the client.

Table 1.4.6 HDFC bank profile

	1	2	3	4	5
A	1422	1736	1999	2553	3046
B	52687	51888	55752	66076	6940
C	44.6	59	65.3	65.4	75.0
D	0.42	0.6	0.74	0.80	1.00
E	142811	167404	208586	246706	2962
(Source: A Profile of Banks 2015-2016,(Amount in Million))					

Axis Bank

Axis Bank was made with regards to the lead banks in India. The bank today has enhanced to the degree Rs. 358.89 corers with the general population holding at 57.58%. T bank has a general framework through which more than 7 branches, workplaces and expansion counters are joined with e another. For 24 hours on organizations, to the customer; B; has an arrangement of in-overabundance of 3082 ATMS through which customer can delight in the saving money administrations at whatever time, anyplace. The bank has qualities in both retail a corporate saving money and is resolved to embrace the t business hones universally to achii magnificence. Pivot bank gives 24 hours Internet bank administrations to the client in a sheltered and sound atmosphere with suitable help.

Table 1.4.7 AXIS Bank Profile

	1	2	3	4	5
A	831	1035	1466	1701	2019
B	2062	2164	2634	3173	3790
C	106.0	11 1.1	136.6	127.6	121.5
D	1.00	1.20	1.40	1.40	1.50
E	1173	1413	1892	2201	2526
(Source: A Profile of Banks 2015-2016, (Amount in Million))					

Punjab National Bank (PNB)

PNB has built up itself immovably as one of the head managing an account organization in the nation with a long custom of thorough and judicious saving money. The bank has over 119 years of infiltrating nearness, experiences in the saving money fragment. PNB has overabundance of 6000 branches with 6460 ATMs, 5047 Business Correspondents and 2165 ultra-little branches. Punjab National bank has a broad customer base plus or minus more than 82 million respected customers are using the administrations of banks. As of late PNB got" Vigilance magnificence grant 2014" by establishment of public endeavors. It is one of the main banks giving wise and reliable banking organizations to its customers.

Table 1.4.9 Punjab National Bank profile

	1	2	3	4	5
A	4536	5056	5256	5777	5977
B	54780	57103	53114	62127	63292
C	65.49	80.80	101.78	113.20	116.52
D	0.56	0.73	0.84	0.84	0.81
E	2097605	2493298	3128987	3795885	3915601

(Source: A Profile of Banks 2015-2016, (Amount in Million))

Industrial Development Bank of India (IDBI) Bank

IDBI Bank is the dynamic bank in the present time the world over. Public area bank totally concentrates on center banking data innovation stage. This enables the bank to give brief, altered banking and budgetary organizations to the customer. On date March 31, 2017, bank has out and out business of Rs 4, 23,423 corers and the net advantage of Rs. 1882 corers. The bank gives Internet saving money offices to its clients emphatically. To abstain from hacking of the exchange, the client needs to a comprehend the banks, Internet managing an account administration and security criteria gave by the

banks and to that bank give legitimate direction with respect to innovation updates to the client.

Table 1.4.11 IDBI bank profile

	1	2	3	4	5
A	41041	43690	46462	50713	54478
B	462926	473041	471727	494520	507694
C	78.32	93.59	115.25	127.85	142.23
D	0.49	0.57	0.70	0.69	0.65
E	210570	258393	312658	359698	412725
(Source: A Profile of Banks 2015-2016, (Amount in Million))					

1.4.14 Bank of Baroda (BOB)

Bank of Baroda confides in the quality and genuineness of affiliations gathered with its customers. The bank has 102 years of involvement in the saving money business, having self-confidence of Internet managing an account organizations. The customer can delight in various web benefits in worthwhile time. Bank gives data about the outline of every single agent, store, credit data and gives account data to the client. The Bank of Baroda has the second biggest asset base in the nation after State Bank of India. The bank of Baroda has set up a center care group comprising of 500 learning laborers from over its branches to help catalyze change administration[20].

Table 1.4.14 Bank of Baroda bank profile

	1	2	3	4	5
A	3006	3182	3447	3993	4377
B	364440	38152	39385	41447	43108
C	91.40	98.10	122.90	146.60	168.90
D	0.60	0.80	1.10	1.20	1.00
E	1923970	2412619	3054395	3848711	4738833
(Source: A Profile of Banks 2015-2016, (Amount in Million))					

Advancement of Bank Marketing

Banking administrations have seen various defining moments. The view of client administrations and consumer loyalty is presently discovered generously changed. The advanced data advances have begun demonstrating their impact on the nature of saving money administrations. The limited time measures are sizably affected by the rising new patterns in the improvement and utilization of new age of data innovations. The saving money associations utilizing progressed and modern advances have been fruitful in setting up an edge over the banks oversaw physically. Enormous spending plans for

advancement are not the reason for progress. It is considerably more effect creating, proactive and profitable.

Advancement incorporates all showcasing exercises went for fortifying interest and request can be empowered by speaking with market. Therefore the beginning of advancement or limited time endeavors lies in adequately speaking with the market. The word correspondence is gotten from a Latin word which signifies 'to share' and all the more in a general sense from the root word 'communize', which implies basic correspondence including offering particular message to an intended interest group[21].

CONCLUSION

The role of banks isn't just specifically imperative, yet additionally it is enormously needful in the exact direct of the projects anticipated by the government. So it might upset in the arrangement of advances every once in a while alongside their perspectives and conduct likewise to the general population of weaker areas of the general public. Keeping in mind the end goal to change the social and economic structure of the nation, the bank will need to receive the propelled advances with imaginative administrations to build the clients of the bank.

REFERENCES

- [1] Abhijit Roy, V. S. (31 Mar, 2012). Commercial banking in India: A Beginners Module. NCFM NSE's Certification in financial markets.
- [2] De, B. (2003). Ownership Effects on Bank Performance: A Panel Study of. In I. R. centre.org (Ed.), Fifth Annual Conference on Money and Finance in the Indian economy. Mumbai: Indra Gandhi institute of development research(IGIDR)
- [3] (April 2012). Indian Banking Industry.
- [4] www.gradestack.com. (Accessed on 25/12/2017 at 6: 30 pm)
- [5] www. slideshare.net. (Accessed on 10/12/2017 at 7:30 pm)
- [6] www.wikipedia.org (Accessed on 20/12/2017 at 6: 00 pm)
- [7] A Profile of Banks 2012-13. Reserve Bank of India.
- [8] https://www.studymode.com (Accessed on 21/03/2016 at 2:20 pm)

- [9] (21 Nov 2017). Indian Banking Sector at a Glance. RBI.
- [10] www.tradechakra.com/indian-banking-sector.html/www.scribd.com
- [11] www.rbidocs.rbi.org.in/rdocs/speeches/pdfs/58466.pdf. (Accessed on 16/04/2016 at 7:30 pm)
- [12] www.shodhganga.inflibnet.ac.in. (Accessed on 14/04/2016 at 8:41 pm)
- [13] <http://www.dnb.co.in/BFSISectorInIndia/BankC6.asp>. (Accessed on 23/11/2017 at 7:44pm)
- [14] Dr. T. Sreelatha, C. C. (2012). Role of Technology in Indian Banking Sector. International Journal of Management & Business studies, 2 (4).
- [15] (<http://www.icicibank.com/aboutus/history.html>) (Accessed on 29/12/2017 at 8: 05 pm)
- [16] <https://www.canarabank.in>. (Accessed on 19/05/2017 at 9:17 pm)
- [17] <https://www.syndicatebank.in>. (Accessed on 24/05/2017 at 11:26 pm)
- [18] www.timesjobs.com. (Accessed on 20/12/2017 at 6: 10 pm)
- [19] (www.pnbindia.in). (Accessed on 23/12/2017 at 8: 05 pm)
- [20] www.idbi.com. (Accessed on 24/12/2017 at 11: 15 pm)
- [21] www.karnatakabank.com. (Accessed on 24/12/2017 at 11: 00 am)
- [22] www.bankofindia.co.in. (Accessed on 06/12/2017 at 1: 00 pm)
- [23] www.bankofbaroda.com. (Accessed on 07/1/2014 at 6: 00 pm)
- [24] www.centralbankofindia.co.in. (Accessed on 03/12/2017 at 4: 00 pm)
- [25] www.allahabadbank.com. (Accessed on 11/08/2017 at 6.25 pm)

Pelak Mehta*

Research Scholar of NIILM University, Kaithal

Corresponding Author