PREFACE

Financial System is mirror an economy. It plays an important role by mobilizing savings and allocating them to most profitable activities, and enables a developing society to make more productive use of its scarce resources. The performance of an economy to a large extent is dependent on the performance of its financial institutions. Among the financial institutions commercial banks dominate the financial system. The financial services industry is seeing a consolidation, with all segments of players offering of a plethora of services.

The new economic policy of globalisation, liberalisation, and privatization has opened the financial markets of India to the outside world and infused competitiveness in them. To capitalize on the opportunities and cope up with the challenges stemming out of the competitive environment, financial institutions in India have, of late, redefined their vision and mission, reset their objectives and employed new financial instruments. Thus, a paradigm shift in the policies and practices of the Indian financial institutions has been noticeable.

In the post-liberalisation era, the finance sector is going through a complete metamorphosis. Deregulation measures have included the freeing up of direct controls over ownership, liberalizing interest rates and credit allocation, freeing up the entry of new firms, and expanding and broadening the base of banking system both for national and international business ventures. At the same time, non-banking financial institutions, securities markets and money markets have developed to mobilise and allocate savings.

In this context, the present topic of inquiry, "Trends in Commercial Banking Sector - A Study of Select Private Sector Banks" has been undertaken in view of its importance and more than topical significance.

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