The banking scene in the country has seen a process of remarkable transformation in post-nationalisation period. Besides involving several new innovative schemes tailored to suit the diverse needs of their cross-section clientele, the major banks also made a notable foray into several diversified business areas. Such diversification coupled with rapid expansion has significantly enlarged the scope and reach of the commercial banks in India. However, banks have been expressing concern over the impact of the process of disintermediation on the growth of their deposits portfolio.

The bank's main business has traditionally been acceptance of deposits from the public and investing that money in advances. Thus, in simple term, the banks main role have been of intermediation between those who have money and want to save it and those who need money and want to invest it, both at cost. The difference between interest paid by banks to depositors and charged from borrowers, called spread, has been the main source of income for banks. In these days of fierce competition from non-banking resource mobilising agents, banks do find it difficult to mobilise sizeable deposits. The major threat from other agencies is by way of attractive rates of interest offered to savers as is the case of company
deposits or by way of certain tax concessions available to them as in the case of National Savings Certificates (NSCs). The present study has tried to evaluate the efforts made by banks in resource mobilisation in the face of stiff competition from other non-banking institutions. As a student of 'Money and Banking' my interest in the subject was natural. But I was inspired when I went through the various implications and impact of disintermediation in resource mobilisation by banks.

This study also focuses attention on a contradiction in the working of our banking system. The Government identify target groups under various anti-poverty programmes and ask banks to maintain continuously flow of credit to them; while in the case of deposits target customers are required to be identified by banks themselves. To contain the outflow of banks savers as also for filling the gap to be created by those who are forced to go to the tax saving instruments, banks have to identify new potential customers and adopt aggressive marketing strategies for maintaining their share in the saving of the community. It is with an earnest hope that clear perpective may emerge on the problems faced by banks in resources mobilisation in India and Uttar-Pradesh and that some steps in this direction may be initiated that the present study has been conducted. However, the results of the study are not final. They are based on several assumptions which may be challenged. This is an occupational hazard of most empirical work. But the
present study provides a base to those who wish to improve on our results with the benefit of more refined methodology in future.

**Methodology:**

Material for the present thesis was collected from all possible sources. A number of books, journals, periodicals and reports of various commissions and committees appointed by the Government and the Reserve Bank of India were also consulted. A list of such books and reports is contained in the bibliography at the end. In order to obtain well considered views and suggestions a questionnaire was prepared. The replies received have been of immense help in understanding the depth of the problem pertaining to resource mobilisation in banks. Much of the qualitative discussion and view contained in this thesis are based on interviews conducted with borrowers, depositors, bankers, Civil servants, chartered accountant, journalists and economists. I also have opportunity to study at libraries of various universities in Uttar Pradesh and Delhi. Several times I visited Directorate of Institutional Finance and NABARD at Lucknow. While writing chapter fifth relating to regional rural banks (RRBs), I had to discuss many controversial issues with Chairman of RRBs. I am thankful to them for their help and advice and for providing me with valuable material on the subject.