

Abstract of Doctoral Dissertation

Social Banking in Public Sector Commercial Banks – A Case Study of State Bank of Hyderabad¹

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I. Introduction

COMMERCIAL BANKS ARE the oldest, biggest and fastest growing financial intermediaries in India. They are also the most important depositories of public saving and the most important disbursers of finance. Commercial Banking in India is a unique system, the like of which exists nowhere in the world.

Commercial Banks ordinarily are simple business or commercial concerns which provide various types of financial services to the customers in return for payments in one form or another, such as interest, discounts, fees, commission, and so on. Their objective is to make profits. However, what distinguishes them from other business concerns (financial as well as manufacturing) is the degree to which they have to balance the principle of profit maximization with certain other principles like Social Banking. In India, especially, banks are required to modify their performance in profit making if that clashes with their obligations in such areas as social welfare, social justice, and promotion of regional balanced development.

The banking system in India works under the constraints that go with social control and public ownership. The public ownership of banks has been achieved in three stages: 1955, 1969 and 1980. Not only the public sector banks but also the private sector and foreign banks are required to meet targets in respect of sectoral deployment of credit, regional distribution of branches and regional credit-deposit ratios. Lead bank scheme, differential rate of interest scheme, credit authorization scheme, inventory norms and

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