

Seminar on
Nationalisation of Banks –Its impact on Socio Economic Development of India
On the occasion of 44th Banks Nationalisation Day

Organised by
Department of Commerce and Management Studies
Dr.B.R.Ambedkar University, Srikakulam, Andhra Pradesh

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Convenor
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About the Seminar

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A bank is a financial institution that provides banking and other financial services to their customers. A bank is generally understood as an institution which provides fundamental banking services such as accepting deposits, providing loans and meeting requirements of the various sectors for the development of the economy such as Agricultural, Industrial, IT etc.

At the time of first phase the growth of banking sector was very slow. Between 1913 and 1948 there were approximately 1100 small banks in India. To streamline the functioning and activities of commercial banks, the Government of India came up with the Banking Companies Act, 1949 which was later changed to Banking Regulation Act 1949 as per amending Act of 1965 (Act No.23 of 1965). Reserve Bank of India was vested with extensive powers for the supervision of banking in India as a Central Banking Authority.

After independence, Government has taken most important steps in regard of Indian Banking Sector reforms. In 1955, the Imperial Bank of India was nationalized and was given the name "State Bank of India", to act as the principal agent of RBI and to handle banking transactions all over the country. It was established under State Bank of India Act, 1955. Seven banks forming subsidiary of State Bank of India was nationalized in 1960. On 19th July, 1969, major process of nationalization was carried out. At the same time 14 major Indian commercial banks of the country were nationalized. In 1980, another six banks were nationalized, and thus raising the number of nationalized banks to 20. Seven more banks were

nationalized with deposits over 200 Crores. Till the year 1980 approximately 80% of the banking segment in India was under government's ownership. On the suggestions of Narsimhan Committee, the Banking Regulation Act was amended in 1993 and thus the gates for the new private sector banks were opened. The following are the major steps taken by the Government of India to Regulate Banking institutions in the country:-

- 1949: Enactment of Banking Regulation Act.
- 1955: Nationalisation of State Bank of India.
- 1959: Nationalization of SBI subsidiaries.
- 1961: Insurance cover extended to deposits.
- 1969: Nationalisation of 14 major Banks.
- 1971: Creation of credit guarantee corporation.
- 1975: Creation of regional rural banks.
- 1980: Nationalisation of seven banks with deposits over 200 Crores.

Nationalisation:

By the 1960s, the Indian banking industry has become an important tool to facilitate the development of the Indian economy. At the same time, it has emerged as a large employer, and a debate has ensued about the possibility to nationalise the banking industry. Indira Gandhi, the-then Prime Minister of India expressed the intention of the Government of India (GOI) in the annual conference of the All India Congress Meeting in a paper entitled "*Stray thoughts on Bank Nationalisation*". The paper was received with positive enthusiasm. Thereafter, her move was swift and sudden, and the GOI issued an ordinance and nationalised the 14 largest commercial banks with effect from the midnight of July 19, 1969.

A second step of nationalisation of 6 more commercial banks followed in 1980. The stated reason for the nationalisation was to give the government more control of credit delivery. With the second step of nationalisation, the GOI controlled around 91% of the banking business in India. Later on, in the year 1993, the government merged New Bank of India with Punjab National Bank. It was the only merger between nationalised banks and resulted in the reduction of the number of nationalised banks from 20 to 19.

Liberalisation:

In the early 1990s, the then NarsimhaRao government embarked on a policy of liberalisation, licensing a small number of private banks. These came to be known as *New Generation tech-savvy banks*, and included Global Trust Bank (the first of such new generation banks to be set up), which later amalgamated with Oriental Bank of Commerce, Axis Bank(earlier as UTI Bank), ICICI Bank and HDFC Bank. This move along with the rapid growth in the economy of India revolutionized the banking sector in India which has seen rapid growth with strong contribution from all the three sectors of banks, namely, government banks, private banks and foreign banks. The next stage for the Indian banking has been setup with the proposed relaxation in the norms for Foreign Direct Investment.

The new wave ushered in a modern outlook and tech-savvy methods of working for the traditional banks. All this led to the retail boom in India. People not just demanded more from their banks but also received more. Currently (2013), banking in India is generally fairly mature in terms of supply, product range and reach-even though reach in rural India still remains a challenge for the private sector and foreign banks.

In the right of the above, it is proposed to organise one day seminar on 19-07-2013 on the occasion of the nationalisation of banks in India.

Call for Papers

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Faculty members, research scholars and corporate managers are invited to submit papers on Banking and Finance. The research papers may address any of the following sub-themes of the conference:

- § Nationalisation of Banks and its impact on Agriculture
- § Nationalisation of Banks and Financial inclusion
- § Nationalisation of Banks and its impact on Women Empowerment
- § Nationalisation of Banks and its impact on Capital markets
- § Product Innovation in Banking
- § Knowledge Management in Banking Sector
- § Foreign direct investmentsand the role of Banking Sector

Guidelines for Authors

The following is the suggested format for paper submissions:

- Length: 3500- 5000 words or 10-12 Pages
- Paper Title should be brief
- All authors' Title (e.g. Dr, Mr, Mrs, etc.) & Name, Affiliation, Email etc
- Abstract (not more than 250 words) and Keywords
- Introduction / Background / Objective
- Literature Review
- Methodology, Findings, Analysis & Discussion
- Conclusion, Limitations and Recommendations
- References - Harvard or APA Style is Required
- Tables, figures, etc. in their appropriate location in the paper (if applicable)
- Margins: 1 inch or 2.5 cm.
- Font: Times New, 12 points
- Spacing: 1.5 between lines and 2 between paragraphs

Publication of Research work

- The selected papers from the conference to be considered the publication of Special Issue on “**International Journal of Innovative Research and Practices**” with ISSN No. **2321-2926**
- Conference certificate will be provided for the participants.

Date & Place

Date : On **19th July 2013** (Banks Nationalised Day)

Venue : Seminar Hall, Dept. of Commerce & Management Studies, Dr.B.R.Ambedkar University, Srikakulam.