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Assessing Performance of Banks in India Fifty Years After Nationalization

 Springer

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*Atanu Sengupta dedicates this book to his
wife Madhumita.*

&

*Sanjoy De dedicates this book to his wife and
son Manasi and Sanmitra.*

Preface

A sound banking sector is probably the key to the modern world. Underdevelopment, among many other factors, can be ascribed to the absence of a well-functioning credit market, including banks. If the performance of the banks can be improved, it will have a direct impact on enhancing output and employment.

Presently, at the time of 50 years of nationalization, the banking sector in India is at the crossroads given the huge and unabated non-performing assets and the spate of consolidation. The book attempts at evaluating the performance of banks in India for the period 1992–2012. Both the conventional and the input–output-based nonparametric techniques have been used for this purpose. Also, the causal factors, responsible for the gaps in performance and efficiency, have been unearthed. Juxtaposed to this, efforts have also been made to unravel banking market structure. However, this still leaves the study incomplete. In order to avert any such condemnation, we broaden our study to the trust-based informal sector.

The underlying theoretical reasons—perhaps *reciprocity* and *subjectivity*—behind the parallel presence of large informal sector are uncovered with the help of micro-field studies and macro-perspectives. This comprehensive study, encompassing both the formal and the predominantly ‘trust-based’ informal credit system, can provide huge insights into the bankers and policymakers before implementing some serious changes.

It took a lot of hardships and efforts to complete the study successfully. We would like to thank Dr. Arup Kumar Chatterjee and Dr. Debjyoti Mukherjee, for their priceless suggestions at various stages of the work. They helped us tackle numerous critical problems that appeared in the labyrinth journey.

We extend our sincere gratitude to the Vice-Chancellor of Burdwan University Prof. Nimai Chandra Saha and the Principal of Shyampur Siddheswari Mahavidyalaya Dr. S. K. Bose. We must also heartily thank all our friends and

contemporaries of Burdwan University and Shyampur Siddheswari Mahavidyalaya for extending timely help toward completing this work. Last but not least, we would like to thank our family members for their unconditional and unidirectional support, without which this work would not have been possible.

Burdwan, India
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