

INDIAN FINANCIAL SERVICES

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ABSTRACT

Financial Services enable the customers to control their own funds and also helpful to the financial institutions for reducing their cost, it mainly deals with the management of money. Financial services are provided for managing the funds and various advisory services are also provided under it. There are many financial institutions which provide financial services like Banking sector, Insurance, Mutual Funds, Foreign investment etc. In this paper, we have presented the nature of Indian financial sector, financial services provided by various Indian companies and threats and opportunities for Indian financial sector. It is true that financial institutions are growing rapidly but there are still some threats to financial institutions like changes in customer preferences, technology changes, and improvement of financial services for the welfare of customers and to face the challenges of globalization of financial services. Apart from threats there is a promising potential for massive growth in future for Indian financial services industry whether it is in Banking, Insurance or others.

Keywords: - *Financial Services; Financial System; Financial Institutions; Financial Instruments; Financial Markets.*

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I. INTRODUCTION

Economic Growth and development of country depends upon its well established financial system (FS) and this system includes various sub-systems like financial institutions (FI's), financial markets (FM), financial instruments and financial securities. A financial system (FS) acts as an intermediary and facilitates the flow of funds from the area where it is in excess to the areas where it is needed. The success of financial system (FS) largely depends on the variety and quality of various financial services provided in the country.

II. MEANING OF FINANCIAL SERVICES

Financial Services are the part of financial system and played a major role in the long term economic growth and development of a country. These services are also helpful for channelizing resources to all the sectors of the country, it plays major role for the promotion and development of industries. This sector is the largest sector whether expressed in terms of money or wide range of business involved.

In present era India's financial service sector is also facing boom because this sector faced important structural changes after liberalization in 1991 and with this cross border competition is increased. There has been a broad progress in financial markets because of which several new products and instruments have been introduced. New players in the market starts adopting new technologies and internationally best practices to offer more efficient financial services to the customers and to compete with new players existing players also starts updating their services. The financial markets in India are classified into three categories: - Capital Market, Money Market and Credit Market.

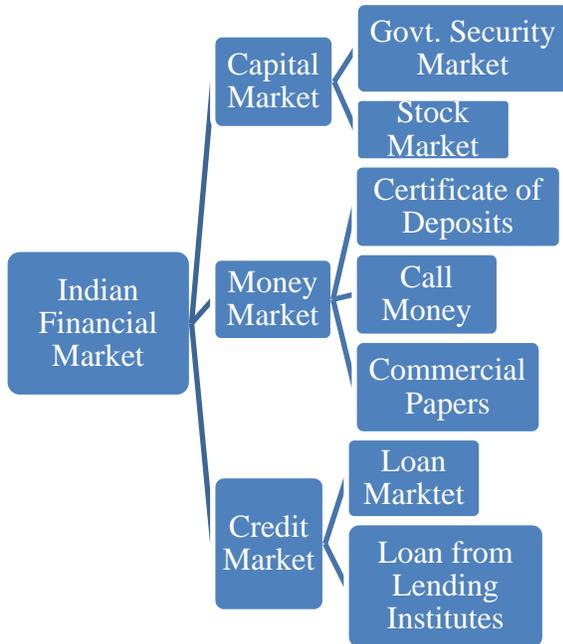


Fig 1.1: Structure of Indian financial market in India [1]

III.VARIOUS FINANCIAL INSTITUTES IN INDIA

There are various financial institutions in India who rendered various financial services in India. Among all the financial institutions the most important sector is banking sector.

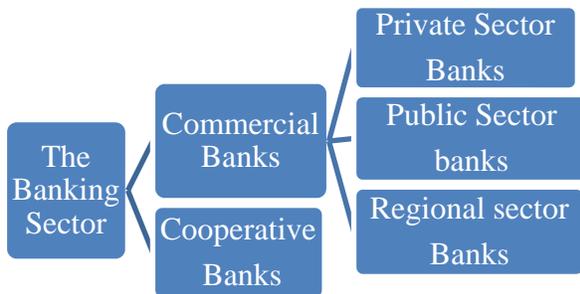


Fig 2.1: Banking Sector in India [1]

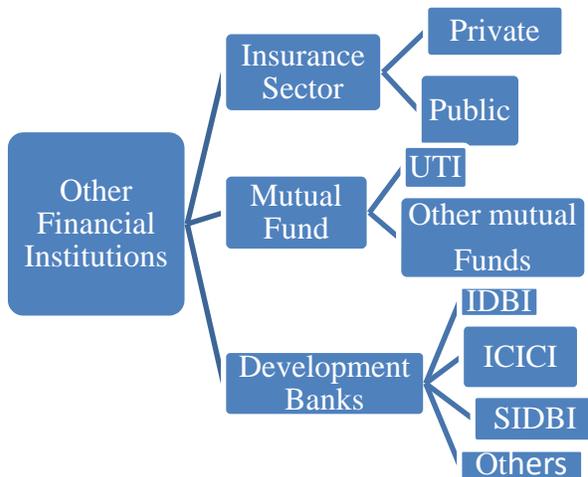


Fig2.2: Types of Financial Institutions in India [1]

IV.VARIOUS FINANCIAL SERVICES RENDERED IN INDIA



Fig 3: Various services offered in India

V. THEATS AND OPPORTUNITIES TO INDIAN FINANCIAL SERVICE SECTOR

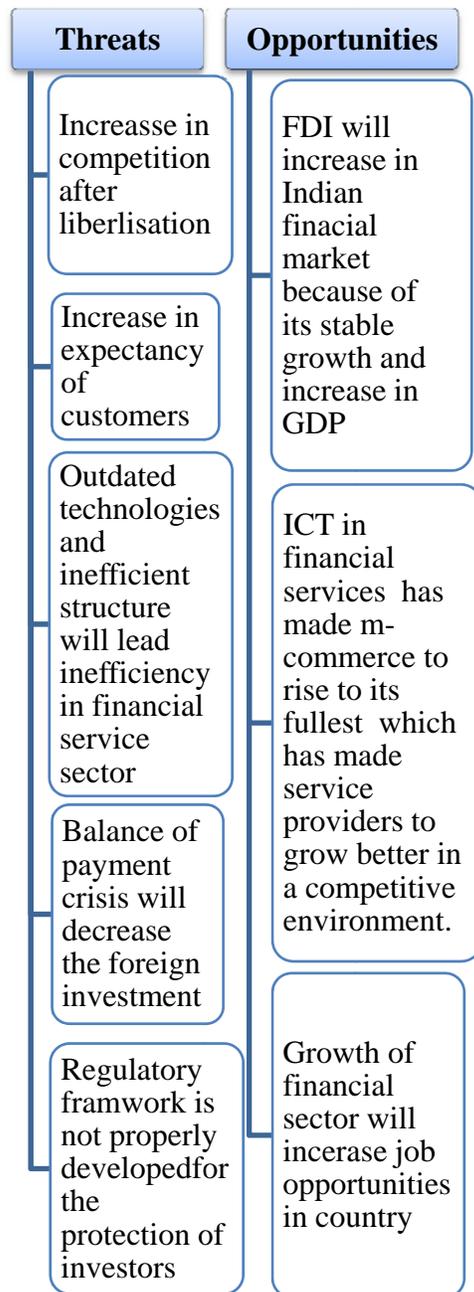


Fig4: Threats and opportunities to Indian financial service sector

VI. CONCLUSION

In this paper we have discussed that financial services are the vital part of financial system of a country. Indian financial service sector is largely expanded after increasing the cross boarder competition. Indian financial service industry is a promising one and it holds potential for growth in future in every sector whether it is banking sector, insurance sector, investment sector or foreign investment sector. The financial sector of India making remarkable performance in every sector nationally as well as internationally. So to compete internationally there is a need to adopt technological changes in the Indian service sector.

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