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Information Technology and Indian Banking Sector

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ABSTRACT: Modern banking in India originated in the mid of 18th century. Among the first banks were the Bank of Hindustan, which was established in 1770 and liquidated in 1829–32; and the General Bank of India, established in 1786 but failed in 1791.[1][2][3][4]The largest and the oldest bank which is still in existence is the State Bank of India (SBI). It originated and started working as the Bank of Calcutta in mid-June 1806. In 1809, it was renamed as the Bank of Bengal. This was one of the three banks founded by a presidency government, the other two were the Bank of Bombay in 1840 and the Bank of Madras in 1843. The three banks were merged in 1921 to form the Imperial Bank of India, which upon India's independence, became the State Bank of India in 1955. For many years, the presidency banks had acted as quasi-central banks, as did their successors, until the Reserve Bank of India[5] was established in 1935, under the Reserve Bank of India Act, 1934.[6][7]In 1960, the State Banks of India was given control of eight state-associated banks under the State Bank of India (Subsidiary Banks) Act, 1959. However the merger of these associated banks with SBI went into effect on 1 April 2017. In 1969, the Government of India nationalised 14 major private banks; one of the big banks was Bank of India. In 1980, 6 more private banks were nationalised.[8] These nationalised banks are the majority of lenders in the Indian economy. They dominate the banking sector because of their large size and widespread networks.[9] Information technology (IT) is the use of computers to create, process, store, retrieve and exchange all kinds of data[1] and information. IT forms part of information and communications technology (ICT).[2] An information technology system (IT system) is generally an information system, a communications system, or, more specifically speaking, a computer system — including all hardware, software, and peripheral equipment — operated by a limited group of IT users.Although humans have been storing, retrieving, manipulating, and communicating information since the earliest writing systems were developed,[3] the term information technology in its modern sense first appeared in a 1958 article published in the Harvard Business Review; authors Harold J. Leavitt and Thomas L. Whisler commented that "the new technology does not yet have a single established name. We shall call it information technology (IT)."[4] Their definition consists of three categories: techniques for processing, the application of statistical and mathematical methods to decision-making, and the simulation of higher-order thinking through computer programs.[4]The term is commonly used as a synonym for computers and computer networks, but it also encompasses other information distribution technologies such as television and telephones. Several products or services within an economy are associated with information technology, including computer hardware, software, electronics, semiconductors, internet, telecom equipment, and e-commerce.[5]

KEYWORDS: Indian banking, information technology, nationalized, communication, computer, e-commerce

I.INTRODUCTION

The Indian banking sector is broadly classified into scheduled and non-scheduled banks. The scheduled banks are those included under the 2nd Schedule of the Reserve Bank of India Act, 1934. The scheduled banks are further classified into: nationalised banks; State Bank of India and its associates; Regional Rural Banks (RRBs); foreign banks; and other Indian private sector banks.[7] The SBI has merged its Associate banks into itself to create the largest Bank in India on 1 April 2017. With this merger SBI has a global ranking of 236 on Fortune 500 index. The term commercial banks refers to both scheduled and non-scheduled commercial banks regulated under the Banking Regulation Act, 1949.[10]

Generally the supply, product range and reach of banking in India is fairly mature-even though reach in rural India and to the poor still remains a challenge. The government has developed initiatives to address this through the State Bank of India expanding its branch network and through the National Bank for Agriculture and Rural Development (NABARD) with facilities like microfinance. The Vedas are the ancient Indian texts mention the concept of usury, with the word kusidin translated as "usurer". The Sutras (700–100 BCE) and the Jatakas (600–400 BCE) also mention usury. Texts

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of this period also condemned usury: Vasishtha forbade Brahmin and Kshatriya varnas from participating in usury. By the 2nd century CE, usury became more acceptable.[11] The Manusmriti considered usury an acceptable means of acquiring wealth or leading a livelihood.[12] It also considered money lending above a certain rate and different ceiling rates for different castes a grave sin.[13]

The Jatakas, Dharmashastras and Kautilya also mention the existence of loan deeds, called rnapatra, rnapanna, or rnalekhaya.[14][15]

Later during the Mauryan period (321–185 BCE), an instrument called adesha was in use, which was an order on a banker directing him to pay the sum on the note to a third person, which corresponds to the definition of a modern bill of exchange. The considerable use of these instruments has been recorded . In large towns, merchants also gave letters of credit to one another.[15] The use of loan deeds continued into the Mughal era and were called dastawez (in Urdu/Hindi). Two types of loans deeds have been recorded. The dastawez-e-indultalab was payable on demand and dastawez-e-miadi was payable after a stipulated time. The use of payment directives by royal treasuries, called barattes, have been also recorded. There are also records of Indian bankers using issuing bills of exchange on foreign countries. The evolution of hundis, a type of credit instrument, also occurred during this period and remain in use.[15] During the period of British rule merchants established the Union Bank of Calcutta in 1829,[16] first as a private joint stock association, then partnership. Its proprietors were the owners of the earlier Commercial Bank and the Calcutta Bank, who by mutual consent created Union Bank to replace these two banks. In 1840 it established an agency at Singapore, and closed the one at Mirzapore that it had opened in the previous year. Also in 1840 the Bank revealed that it had been the subject of a fraud by the bank's accountant. Union Bank was incorporated in 1845 but failed in 1848, having been insolvent for some time and having used new money from depositors to pay its dividends.[17]

The Allahabad Bank, established in 1865 and still functioning today, is the oldest Joint Stock bank in India, it was not the first though. That honour belongs to the Bank of Upper India, which was established in 1863 and survived until 1913, when it failed, with some of its assets and liabilities being transferred to the Alliance Bank of Simla.

Foreign banks too started to appear, particularly in Calcutta, in the 1860s. Grindlays Bank opened its first branch in Calcutta in 1864.[18] The Comptoir d'Escompte de Paris opened a branch in Calcutta in 1860, and another in Bombay in 1862; branches followed in Madras and Pondicherry, then a French possession. HSBC established itself in Bengal in 1869. Calcutta was the most active trading port in India, mainly due to the trade of the British Empire, and so became a banking centre.

The first entirely Indian joint stock bank was the Oudh Commercial Bank, established in 1881 in Faizabad. It failed in 1958. The next was the Punjab National Bank, established in Lahore in 1894, which has survived to the present and is now one of the largest banks in India.

Around the turn of the 20th century, the Indian economy was passing through a relative period of stability. Around five decades had elapsed since the Indian rebellion, and the social, industrial and other infrastructure had improved. Indians had established small banks, most of which served particular ethnic and religious communities.

The presidency banks dominated banking in India but there were also some exchange banks and a number of Indian joint stock banks. All these banks operated in different segments of the economy. The exchange banks, mostly owned by Europeans, concentrated on financing foreign trade. Indian joint stock banks were generally under capitalised and lacked the experience and maturity to compete with the presidency and exchange banks. This segmentation let Lord Curzon to observe, "In respect of banking it seems we are behind the times. We are like some old fashioned sailing ship, divided by solid wooden bulkheads into separate and cumbersome compartments."[

The period between 1906 and 1911 saw the establishment of banks inspired by the Swadeshi movement. The Swadeshi movement inspired local businessmen and political figures to found banks of and for the Indian community. A number of banks established then have survived to the present such as Catholic Syrian Bank, The South Indian Bank, Bank of India, Corporation Bank, Indian Bank, Bank of Baroda, Canara Bank and Central Bank of India.

The fervour of Swadeshi movement led to the establishment of many private banks in Dakshina Kannada and Udupi district, which were unified earlier and known by the name South Canara (South Kanara) district. Four nationalised banks

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started in this district and also a leading private sector bank. Hence undivided Dakshina Kannada district is known as "Cradle of Indian Banking".

The inaugural officeholder was the Britisher Sir Osborne Smith(1 April 1935), while C. D. Deshmukh(11 August 1943) was the first Indian governor. On 12 December 2018,Shaktikanta Das, who was the finance secretary with the Government of India, begins his journey as the new RBI Governor, taking charge from Urjit R Patel.

II.DISCUSSION

Based on the storage and processing technologies employed, it is possible to distinguish four distinct phases of IT development: pre-mechanical (3000 BC — 1450 AD), mechanical (1450—1840), electromechanical (1840—1940), and electronic (1940 to present).[3]

Information technology is also a branch of computer science, which can be defined as the overall study of procedure, structure, and the processing of various types of data. As this field continues to evolve across the world, the overall priority and importance has also grown, which is where we begin to see the introduction of computer science-related courses in K-12 education.

Ideas of computer science were first mentioned before the 1950s under the Massachusetts Institute of Technology (MIT) and Harvard University, where they had discussed and began thinking of computer circuits and numerical calculations. As time went on, the field of information technology and computer science became more complex and was able to handle the processing of more data. Scholarly articles began to be published from different organizations.[7]

Looking at early computing, Alan Turing, J. Presper Eckert, and John Mauchly were considered to be some of the major pioneers of computer technology in the mid-1900s. Giving them such credit for their developments, most of their efforts were focused on designing the first digital computer. Along with that, topics such as artificial intelligence began to be brought up as Turing was beginning to question such technology of the time period.[8]

Devices have been used to aid computation for thousands of years, probably initially in the form of a tally stick.[9] The Antikythera mechanism, dating from about the beginning of the first century BC, is generally considered to be the earliest known mechanical analog computer, and the earliest known geared mechanism.[10] Comparable geared devices did not emerge in Europe until the 16th century, and it was not until 1645 that the first mechanical calculator capable of performing the four basic arithmetical operations was developed.[11]

Electronic computers, using either relays or valves, began to appear in the early 1940s. The electromechanical Zuse Z3, completed in 1941, was the world's first programmable computer, and by modern standards one of the first machines that could be considered a complete computing machine. During the Second World War, Colossus developed the first electronic digital computer to decrypt German messages. Although it was programmable, it was not general-purpose, being designed to perform only a single task. It also lacked the ability to store its program in memory; programming was carried out using plugs and switches to alter the internal wiring.[12] The first recognizably modern electronic digital stored-program computer was the Manchester Baby, which ran its first program on 21 June 1948.[13]

The development of transistors in the late 1940s at Bell Laboratories allowed a new generation of computers to be designed with greatly reduced power consumption. The first commercially available stored-program computer, the Ferranti Mark I, contained 4050 valves and had a power consumption of 25 kilowatts. By comparison, the first transistorized computer developed at the University of Manchester and operational by November 1953, consumed only 150 watts in its final version.[14]

Several other breakthroughs in semiconductor technology include the integrated circuit (IC) invented by Jack Kilby at Texas Instruments and Robert Noyce at Fairchild Semiconductor in 1959, the metal–oxide–semiconductor field-effect transistor (MOSFET) invented by Mohamed Atalla and Dawon Kahng at Bell Laboratories in 1959, and the microprocessor invented by Ted Hoff, Federico Faggin, Masatoshi Shima, and Stanley Mazor at Intel in 1971. These important inventions led to the development of the personal computer (PC) in the 1970s, and the emergence of information and communications technology (ICT).[15]

By the year of 1984, according to the National Westminster Bank Quarterly Review, the term information technology had been redefined as "The development of cable television was made possible by the convergence of telecommunications and

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computing technology (…generally known in Britain as information technology)." We then begin to see the appearance of the term in 1990 contained within documents for the International Organization for Standardization (ISO).[16]

Innovations in technology have already revolutionized the world by the twenty-first century as people were able to access different online services. This has changed the workforce drastically as thirty percent of U.S. workers were already in careers in this profession. 136.9 million people were personally connected to the Internet, which was equivalent to 51 million households.[17] Along with the Internet, new types of technology were also being introduced across the globe, which has improved efficiency and made things easier across the globe.

Along with technology revolutionizing society, millions of processes could be done in seconds. Innovations in communication were also crucial as people began to rely on the computer to communicate through telephone lines and cable. The introduction of the email was a really big thing as "companies in one part of the world could communicate by e-mail with suppliers and buyers in another part of the world..."[18]

Not only personally, computers and technology have also revolutionized the marketing industry, resulting in more buyers of their products. During the year of 2002, Americans exceeded $28 billion in goods just over the Internet alone while e-commerce a decade later resulted in $289 billion in sales.[18] And as computers are rapidly becoming more sophisticated by the day, they are becoming more used as people are becoming more reliant on them during the twenty-first century.

Early electronic computers such as Colossus made use of punched tape, a long strip of paper on which data was represented by a series of holes, a technology now obsolete.[19] Electronic data storage, which is used in modern computers, dates from World War II, when a form of delay-line memory was developed to remove the clutter from radar signals, the first practical application of which was the mercury delay line.[20] The first random-access digital storage device was the Williams tube, which was based on a standard cathode ray tube.[21] However, the information stored in it and delay-line memory was volatile in the fact that it had to be continuously refreshed, and thus was lost once power was removed. The earliest form of non-volatile computer storage was the magnetic drum, invented in 1932[22] and used in the Ferranti Mark 1, the world's first commercially available general-purpose electronic computer.[23]

IBM introduced the first hard disk drive in 1956, as a component of their 305 RAMAC computer system.[24]:6 Most digital data today is still stored magnetically on hard disks, or optically on media such as CD-ROMs.[25]:4–5 Until 2002 most information was stored on analog devices, but that year digital storage capacity exceeded analog for the first time. As of 2007, almost 94% of the data stored worldwide was held digitally:[26] 52% on hard disks, 28% on optical devices, and 11% on digital magnetic tape. It has been estimated that the worldwide capacity to store information on electronic devices grew from less than 3 exabytes in 1986 to 295 exabytes in 2007,[27] doubling roughly every 3 years.[28]

Database Management Systems (DMS) emerged in the 1960s to address the problem of storing and retrieving large amounts of data accurately and quickly. An early such system was IBM's Information Management System (IMS),[29] which is still widely deployed more than 50 years later.[30] IMS stores data hierarchically,[29] but in the 1970s Ted Codd proposed an alternative relational storage model based on set theory and predicate logic and the familiar concepts of tables, rows, and columns. In 1981, the first commercially available relational database management system (RDBMS) was released by Oracle.[31]

All DMS consist of components, they allow the data they store to be accessed simultaneously by many users while maintaining its integrity.[32] All databases are common in one point that the structure of the data they contain is defined and stored separately from the data itself, in a database schema.[29]

In recent years, the extensible markup language (XML) has become a popular format for data representation. Although XML data can be stored in normal file systems, it is commonly held in relational databases to take advantage of their "robust implementation verified by years of both theoretical and practical effort."[33] As an evolution of the Standard Generalized Markup Language (SGML), XML's text-based structure offers the advantage of being both machine- and human-readable.[34]

III.RESULTS

During the First World War (1914–1918) through the end of the Second World War (1939–1945), and two years thereafter until the independence of India were challenging for Indian banking. The years of the First World War were turbulent, and

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it took its toll with banks simply collapsing despite the Indian economy gaining indirect boost due to war-related economic activities. At least 94 banks in India failed between 1913 and 1918 as indicated in the following table:

Years	Number of banks that failed	Authorised Capital (₹ Lakhs)	Paid-up Capital (₹ Lakhs)
1913	12	274	35
1914	42	710	109
1915	11	56	5
1916	13	231	4
1917	9	76	25
1918	7	209	1

During 1938–46, bank branch offices trebled to 3,469[19] and deposits quadrupled to ₹ 962 crore. Nevertheless, the partition of India in 1947 adversely impacted the economies of Punjab and West Bengal, paralysing banking activities for months. India's independence marked the end of a regime of the Laissez-faire for the Indian banking. The Government of India initiated measures to play an active role in the economic life of the nation, and the Industrial Policy Resolution adopted by the government in 1948 envisaged a mixed economy. This resulted in greater involvement of the state in different segments of the economy including banking and finance. The major steps to regulate banking included:

- The Reserve Bank of India, India's central banking authority, was established in April 1935, but was nationalized on 1 January 1949 under the terms of the Reserve Bank of India (Transfer to Public Ownership) Act, 1948 (RBI, 2005b).[20]
- In 1949, the Banking Regulation Act was enacted, which empowered the Reserve Bank of India (RBI) to regulate, control, and inspect the banks in India.
- The Banking Regulation Act also provided that no new bank or branch of an existing bank could be opened without a license from the RBI, and no two banks could have common directors.

Despite the provisions, control and regulations of the Reserve Bank of India, banks in India except the State Bank of India (SBI), remain owned and operated by private persons. By the 1960s, the Indian banking industry had become an important tool to facilitate the development of the Indian economy. At the same time, it had emerged as a large employer, and a debate had ensued about the nationalization of the banking industry.[21] Indira Gandhi, the then Prime Minister of India, expressed the intention of the Government of India in the annual conference of the All India Congress Meeting in a paper entitled Stray thoughts on Bank Nationalization.[22][23]

Thereafter, the Government of India issued the Banking Companies (Acquisition and Transfer of Undertakings) Ordinance, 1969 and nationalized the 14 largest commercial banks with effect from the midnight of 19 July 1969. These banks contained 85 percent of bank deposits in the country.[22] Within two weeks of the issue of the ordinance, the Parliament passed the Banking Companies (Acquisition and Transfer of Undertaking) Bill,[24] and it received presidential approval on 9 August 1969.

The following banks were nationalized in 1969:

- Allahabad Bank (now Indian Bank)
- Bank of Baroda
- Bank of India
- Bank of Maharashtra
- Central Bank of India
- Canara Bank
- Dena Bank (now Bank of Baroda)

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- Indian Bank
- Indian Overseas Bank
- Punjab National Bank
- Syndicate Bank (now Canara Bank)
- UCO Bank
- Union Bank of India
- United Bank of India (now Punjab National Bank)

A second round of nationalizations of six more commercial banks followed in 1980. The stated reason for the nationalization was to give the government more control of credit delivery. With the second round of nationalizations, the Government of India controlled around 91% of the banking business of India.

The following banks were nationalized in 1980:

- Punjab and Sind Bank
- Vijaya Bank (Now Bank of Baroda)
- Oriental Bank of Commerce (now Punjab National Bank)
- Corporation Bank (now Union Bank of India)
- Andhra Bank (now Union Bank of India)
- New Bank of India (now Punjab National Bank)

Later on, in the year 1993, the government merged New Bank of India with Punjab National Bank.[25] It was, at that time, the only merger between nationalised banks and resulted in the reduction of their number from 20 to 19. Until the 1990s, the nationalized banks grew at a pace of around 4%, closer to the average growth rate of the Indian economy. Data transmission has three aspects: transmission, propagation, and reception.[35] It can be broadly categorized as broadcasting, in which information is transmitted unidirectionally downstream, or telecommunications, with bidirectional upstream and downstream channels.[27]

XML has been increasingly employed as a means of data interchange since the early 2000s,[36] particularly for machine-oriented interactions such as those involved in web-oriented protocols such as SOAP,[34] describing "data-in-transit rather than... data-at-rest".[36] Hilbert and Lopez identify the exponential pace of technological change (a kind of Moore's law): machines' application-specific capacity to compute information per capita roughly doubled every 14 months between 1986 and 2007; the per capita capacity of the world's general-purpose computers doubled every 18 months during the same two decades; the global telecommunication capacity per capita doubled every 34 months; the world's storage capacity per capita required roughly 40 months to double (every 3 years); and per capita broadcast information has doubled every 12.3 years.[27]

Massive amounts of data are stored worldwide every day, but unless it can be analyzed and presented effectively it essentially resides in what have been called data tombs: "data archives that are seldom visited".[37] To address that issue, the field of data mining — "the process of discovering interesting patterns and knowledge from large amounts of data"[38] — emerged in the late 1980s.[39]

The technology and services it provides for sending and receiving electronic messages (called "letters" or "electronic letters") over a distributed (including global) computer network. In terms of the composition of elements and the principle of operation, electronic mail practically repeats the system of regular (paper) mail, borrowing both terms (mail, letter, envelope, attachment, box, delivery, and others) and characteristic features — ease of use, message transmission delays, sufficient reliability and at the same time no guarantee of delivery. The advantages of e-mail are: easily perceived and remembered by a person addresses of the form user_name@domain_name (for example, somebody@example.com); the ability to transfer both plain text and formatted, as well as arbitrary files; independence of servers (in the general case, they address each other directly); sufficiently high reliability of message delivery; ease of use by humans and programs.

Disadvantages of e-mail: the presence of such a phenomenon as spam (massive advertising and viral mailings); the theoretical impossibility of guaranteed delivery of a particular letter; possible delays in message delivery (up to several

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days); limits on the size of one message and on the total size of messages in the mailbox (personal for users). A software and hardware complex with a web interface that provides the ability to search for information on the Internet. A search engine usually means a site that hosts the interface (front-end) of the system. The software part of a search engine is a search engine (search engine) — a set of programs that provides the functionality of a search engine and is usually a trade secret of the search engine developer company. Most search engines look for information on World Wide Web sites, but there are also systems that can look for files on FTP servers, items in online stores, and information on Usenet newsgroups. Improving search is one of the priorities of the modern Internet (see the Deep Web article about the main problems in the work of search engines). Companies in the information technology field are often discussed as a group as the "tech sector" or the "tech industry."[40][41][42] These titles can be misleading at times and should not be mistaken for "tech companies;" which are generally large scale, for-profit corporations that sell consumer technology and software. It is also worth noting that from a business perspective, Information Technology departments are a "cost center" the majority of the time. A cost center is a department or staff which incurs expenses, or "costs," within a company rather than generating profits or revenue streams. Modern businesses rely heavily on technology for their day-to-day operations, so the expenses delegated to cover technology that facilitates business in a more efficient manner are usually seen as "just the cost of doing business." IT departments are allocated funds by senior leadership and must attempt to achieve the desired deliverables while staying within that budget. Government and the private sector might have different funding mechanisms, but the principles are more-or-less the same. This is an often overlooked reason for the rapid interest in automation and Artificial Intelligence, but the constant pressure to do more with less is opening the door for automation to take control of at least some minor operations in large companies.

Many companies now have IT departments for managing the computers, networks, and other technical areas of their businesses. Companies have also sought to integrate IT with business outcomes and decision-making through a BizOps or business operations department.[43]

In a business context, the Information Technology Association of America has defined information technology as "the study, design, development, application, implementation, support, or management of computer-based information systems. The responsibilities of those working in the field include network administration, software development and installation, and the planning and management of an organization's technology life cycle, by which hardware and software are maintained, upgraded, and replaced. The field of information ethics was established by mathematician Norbert Wiener in the 1940s. Some of the ethical issues associated with the use of information technology include:

- Breaches of copyright by those downloading files stored without the permission of the copyright holders
- Employers monitoring their employees' emails and other Internet usage
- Unsolicited emails
- Hackers accessing online databases
- Web sites installing cookies or spyware to monitor a user's online activities, which may be used by data brokers

IV.CONCLUSIONS

In the early 1990s, the then government embarked on a policy of liberalisation,[26] licensing a small number of private banks.[27] 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, IndusInd Bank, UTI Bank (since renamed Axis Bank), ICICI Bank and HDFC Bank.[28] This move – along with the rapid growth in the economy of India – revitalised 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 set up, with proposed relaxation of norms for foreign direct investment. All foreign investors in banks may be given voting rights that could exceed the present cap of 10% at present.[29] In 2019, Bandhan bank specifically, increased the foreign investment percentage limit to 49%.[30] It has gone up to 74% with some restrictions.[31]

The new policy shook the banking sector in India completely. Bankers, till this time, were used to the 4–6–4 method (borrow at 4%; lend at 6%; go home at 4) of functioning. The new wave ushered in a modern outlook and tech-savvy methods of working for traditional banks. All this led to the retail boom in India. People demanded more from their banks

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and received more. The Indian banking sector is broadly classified into scheduled banks and non-scheduled banks. All banks included in the Second Schedule to the Reserve Bank of India Act, 1934 are Scheduled Banks. These banks comprise Scheduled Commercial Banks and Scheduled Co-operative Banks. Scheduled Co-operative Banks consist of Scheduled State Co-operative Banks and Scheduled Urban Cooperative Banks. With the growth in the Indian economy expected to be strong for quite some time-especially in its services sector-the demand for banking services, especially retail banking, mortgages and investment services are expected to be strong. One may also expect M&As, takeovers, and asset sales.

In March 2006, the Reserve Bank of India allowed Warburg Pincus to increase its stake in Kotak Mahindra Bank (a private sector bank) to 10%. This was the first time an investor was allowed to hold more than 5% in a private sector bank since the RBI announced norms in 2005 that any stake exceeding 5% in the private sector banks would need to be vetted by them.

In recent years critics have charged that the non-government owned banks are too aggressive in their loan recovery efforts in connection with housing, vehicle and personal loans. There are press reports that the banks' loan recovery efforts have driven defaulting borrowers to suicide.

By 2013 the Indian Banking Industry employed 1,175,149 employees and had a total of 109,811 branches in India and 171 branches abroad and manages an aggregate deposit of ₹67,504.54 billion (US$850 billion or €830 billion) and bank credit of ₹52,604.59 billion (US$660 billion or €640 billion). The net profit of the banks operating in India was ₹1,027.51 billion (US$13 billion or €13 billion) against a turnover of ₹9,148.59 billion (US$110 billion or €110 billion) for the financial year 2012–13. Pradhan Mantri Jan Dhan Yojana (Hindi: प्रधानमंत्री जन धन योजना, English: Prime Minister's People Money Scheme) is a scheme for comprehensive financial inclusion launched by the Prime Minister of India, Narendra Modi, in 2014. Run by Department of Financial Services, Ministry of Finance, on the inauguration day, 1.5 Crore (15 million) bank accounts were opened under this scheme. By 15 July 2015, 16.92 million . Payments bank is a new model of banks conceptualized by the Reserve Bank of India (RBI). These banks can accept a restricted deposit, which is currently limited to ₹2 lakh per customer. These banks may not issue loans or credit cards, but may offer both current and savings accounts. Payments banks may issue ATM and debit cards, and offer net-banking and mobile-banking. The draft guidelines for licensing of payments banks in the private sector were formulated and released for public comments on 17 July 2014. The banks will be licensed as payments banks under Section 22 of the Banking Regulation Act, 1949, and will be registered as public limited company under the Companies Act, 2013. To further the objective of financial inclusion, the RBI granted approval in 2016 to ten entities to set up small finance banks. Since then, all ten have received the necessary licenses. A small finance bank is a niche type of bank to cater to the needs of people who traditionally have not used scheduled banks. Each of these banks is to open at least 25% of its branches in areas that do not have any other bank branches (unbanked regions). A small finance bank should hold 75% of its net credits in loans to firms in priority sector lending, and 50% of the loans in its portfolio must be less than ₹25 lakh (US$34,000). A huge data breach on debit cards issued by various Indian banks was reported in October 2016. It was estimated 3.2 million debit cards were compromised. Major Indian banks- SBI, HDFC Bank, ICICI, Yes Bank and Axis Bank were among the worst hit.[67] Many users reported unauthorised use of their cards in locations in China. This resulted in one of the India's biggest card replacement drive in banking history. The biggest Indian bank State Bank of India announced the blocking and replacement of almost 600,000 debit cards.

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