



## Study of The Revolution of The Banking System in India: A Case Study in Jharkhand

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Study of the revolution of the Banking system in India. A case study in Jharkhand.  
Abstract: In the last 10 years in India, the landscape of providing information about services in all the banks of the state has evolved dramatically with the overall development of the bank.

### ABSTRACT

*In the last 10 years in India, the landscape of providing information about services in all the banks of the state has evolved dramatically with the overall development of the bank. The Reserve Bank of India (RBI) is always keeping an eye on the banks in the country to prepared a draft banking model of banks and had to join this revolutionary field, Along with this, the rise of banks in the country started slowly in all the states of India and has been greatly affected which are reducing global competition and lowering costs and entry barriers. To solve this problem, a committee was constituted by the banks, which is known as Core Committee. Only then can a consensus be reached. And at the last moment, it was found to verify the result that all the scheduled banks, who were struggling with this revolution, had to be divided into five parts as per direction and cooperation in its area - Digital Desi Bank (Beta Bank, Neo bank, Challenger Bank, Big Tech K Banks, Retailer's Banks) and the five dimensions sector added (License, Actor, Approach, Banking Market Experience, Group Core Business) which has been the largest support by the bank India report till date. This type of contribution has also been accompanied by the revolutionaries of the bank such as - the theoretical contribution of the paper is to create a typology of digital native banks. From a managerial point of view, to be better informed about paper competitors and the banking industry also had to be involved in this area. And the originality of its paper and the nascent field can be used in this analysis of the banking revolution in the field of transactions.*

## KEYWORDS

**Revolution, Bank, Industry, Dimension, Digital.**

## INTRODUCTION

The entire origin of banking in this modern time of India has been traced back to the last phase of the 18th century in the country. The first bank, bank in India was called the Bank of Hindustan, which was established in the year 1770, and in 1829-32 this policy was again abolished and a new bank was established in the country, and the name of the bank was General Bank of India, which was established in the year 1786. But in 1791 it was a complete failure. State Bank of India (SBI) is the largest and oldest bank in the country which is in existence today which it came to be known as the Bank of Calcutta in the middle of June 1806, and started functioning from that time. And in 1809, again its name was changed to Bank of Bengal. It was established by the government and was considered the larger of the three banks, the other two being the Bank of Bombay in 1840 and the Bank of Madras in 1843. After the independence of India, the Imperial Bank of India came into existence completely in the year 1921, and under the aegis of the Reserve Banking Act of India, 1934, this bank was established as the State Bank of India in the year 1935. Rather the country not only in India, but the world has also spread all over the place, and the Indian banking sector is broadly classified as scheduled and non-scheduled banks as a whole which are placed in the category of scheduled banks. And on the other hand, included in the list of nationalized banks - and their associate banks are State Bank of India, Regional Rural Banks (RRBs), foreign banks, and other Indian private sector banks. Given as State Bank of India (SBI) has joined the ranks of India's largest bank in existence by merging its associate banks with it on 1st April 2017. At present, the ranking of SBI in the world is placed at 236th position. In the Indian Banking Act 1949, both scheduled and non-scheduled commercial banks have been referred again.

### **In 1969, banks were included in the list of nationalized bank in India**

All banks in India are operated by private individuals, which have to be done smoothly according to the rules of the Reserve Bank of India (RBI) in the country. Leaving the State Bank of India (SBI) under the aegis of AI, till the 1960s, the Indian banking industry system retained its position as the most important tool to facilitate the growth of the Indian economy. In the annual convention of the meeting of the All India Congress in the country, the then Prime Minister of India, Mrs. Indira Gandhi, and the entire formation of the committee was done by the Government of India to nationalize the bank. The 85 percent of the total deposits in all the banks of the country were again included in this sector. Within two weeks immediately after the Finance Minister promulgated the ordinance, Parliament once again passed this bill (Acquisition and Transfer of Equipment) following the Banking Companies Act and was approved by the President on 9 August 1969. Full consent was obtained.

The following banks were included in the list of nationalized bank in 1969:

1. Allahabad Bank (now Indian Bank)
2. Bank of Baroda
3. Bank of India
4. Bank of Maharashtra
5. Central Bank of India
6. Canara Bank
7. Dena Bank (now New Bank of Baroda)
8. Indian Bank

9. Indian Overseas Bank
10. Punjab National Bank
11. Syndicate Bank (now New Canara Bank)
12. UCO Bank
13. Union Bank of India
14. United Bank of India (now New Punjab National Bank)

Some banks in India were listed again in the nationalized group in 1980. In the second round category, in 1980, six more commercial banks were included in the list of nationalization. And as soon as the banks were declared nationalized by the government, the Indian government completely took control of about 91% of the banking business of India, which expanded in this form.

1. Punjab and Sind Bank
2. Vijaya Bank (now Bank of Baroda)
3. Oriental Bank of India (now Punjab National Bank)
4. Corporation Bank (now Union Bank of India)
5. Andhra Bank (now Union Bank of India)
6. New Bank of India (now Punjab National Bank)

In the year 1993, the government once again merged the New Bank of India with Punjab National Bank. This was the only merger among nationalized banks and resulted in a gradual reduction in the number of nationalized banks. And till the 1990s, the nationalized bank remained at the forefront of the overall rate of average growth of the Indian economy at around 4%. Dr. C. Raghuram Rajan while addressing this said that in October 2011, when India's banking system regulator raised interest rates on savings bank deposits, it completed a process that started two decades ago in the market. Allows businesses to decide on the principal of the loan along with the interest rates. And under its aegis, made a provision to pay interest on the capital deposited in the Indian banking system. This decision has been given to the Governor of the Reserve Bank of India to take decision, which has been propounded differently from other countries.

Banks in India were merged in the year 2020 according to the aegis of the Reserve Bank of India, which declared the list of banks in the public sector as follows. Once again the area of banking regulation in India has been defined as restructuring, in the year 2021, the Government of India merged 10 public sectors (PSU) banks into 4 banks. And soon after the merger, a Memorandum of Understanding is also issued between those entities, where they have issued a Memorandum of Understanding to give their assets and liabilities and become one entity in another. And the merger of Public Sector Banks (PSBs) is where it is agreed to merge PSBs with 'anchor' banks. As of today, there are 12 public sector banks in India, including Bank of Baroda and State Bank of India, which are known as the largest banking system in India. But also abroad, The merits of public sector bank mergers are as follows:

1. There is a need to make huge improvements in the service and delivery of the bank.
2. The merger was enabled by a larger capital base which helped the acquirer to offer a larger loan amount.
3. The Bank's customers include a wide range of products from Mutual Funds, Insurance Products, Loans, and Deposits.
4. After the merger, the need for recapitalization on the part of the government will be reduced.
5. The opportunity for the Bank to continue and modify its processes was seen as an opportunity to establish technological advancements in its processes.

The objective of the study of banking revolutionaries is as follows:

1. List of bank branches and ATMs of scheduled banks and commercial banks in the country till August 2021.
2. Current Beneficiaries Reports of Jharkhand as of September 2021.

## Hypothesis

A hypothesis is formulated as a specific statement of prediction. It is described in concrete (rather than theoretical) terms, to envisage what is expected to happen in the future by the researcher in his special study on the title. Its investigation is included to squeeze all the studies.

**H<sub>0</sub>:** In all banks of India, no interest is paid on deposits by account holders.

**H<sub>1</sub>:** In all the banks of India, some interest is also given on the deposits by the account holders.

**H<sub>0</sub>:** Doesn't matter the relationship between rural/urban account holders (female-male)

**H<sub>1</sub>:** Values the relationship between rural/urban account holders (male-female)

**H<sub>0</sub>:** There has not been a steady increase in the number of ATMs of all types of banks established in India.

**H<sub>1</sub>:** There has been a steady increase in the number of ATMs of all types of banks established in India.

## Research Methodology

The study is descriptive having quantitative as well as qualitative merits. The study talks about the reasons behind the demonetization, along with the impact on direct tax to be paid by the different companies in India. To find the facts only secondary data is being used as available.

Entire to the study based on documentary analysis. Secondary data includes various types.

Books,  
Research papers,  
Journals,  
Reports  
Web content, etc.

## Review of Literature

In all the states of India, qualitative-based banks are being studied continuously by scholars related to revolutionary. The researcher reviewed many researchers conducted in India and other foreign countries from time to time to find out the right area to do research work. But it is done so that the facts of this revolutionist can be known.

**Rangan, V. Kasturi and Lee, Katherine L. (2019):** This case describes in detail the functioning of two mobile banking operators in India called M-PESA in Kenya. This is clarified by examining the dimensions of strategy that make strategies for unbanked people successful in the market in many ways. With its support, it raises questions about the portability of the model to other countries and settings, the functioning of banks.

**Kumari Sonam (2020):** This paper is an attempt to find out the various levels of Internet Banking and other services provided by the Banks by using the correct secondary data. It also works from Net Banking as compared to the traditional Banking Systems does. The successful security measures adopted by various banks are listed so that they can enjoy the various benefits of internet banking and secure banking transactions smoothly. Along with this, it also analyses by researcher how e-banking can be useful for the banking industry during this global financial recession period.

**Sharma Ravi (2021):** The study also examined attitude formation of other non-users with low-income, wireless Internet gateway (WIG) mobile banking, including the use of short message services (SMS) as a moderator of attitude formation as a whole got involved. Based on the average number of text messages sent within a time frame, a non-probability sample of non-users with 465 data for mobile banking facilities was also drawn with it, and high users and low users of SMS. Group banks were developed. The moderating effect of “use of SMS” was investigated through multi-dimension-group analysis with a structural equation modeling. The findings showed that the effects of the ease of use and self-efficacy on ease of use were stronger for high users and significantly different from those of low users, while the opposite was true for the effect of facilitating situations on usability was.<sup>1</sup>

**List of Merged Banks Reports as of 2020-2021**

Anchor Bank	Banks Merged
Punjab National Bank	Oriental Bank of Commerce United Bank of India
Canara Bank	Syndicate Bank
Indian Bank	Allahabad Bank
Union Bank of India	Andhra Bank Corporation Bank
Bank of Baroda	Dena Bank
State Bank of India	State Bank of Bikaner and Jaipur State Bank of Hyderabad State Bank of Mysore State Bank of Patiala State Bank of Travancore BharatiyaMahila Bank

(Sources: Rbi.gov.in)

**Automatic teller machine growth**

The total number of automated teller machines (ATMs) installed in India by various banks as of 2018 was 2, 38,000. The new private sector banks in India have the most ATMs, followed by off-site ATMs belonging to SBI and its subsidiaries and then by nationalized banks and foreign banks, while on-site is highest for the nationalized banks of India.

**Data Interpretation**

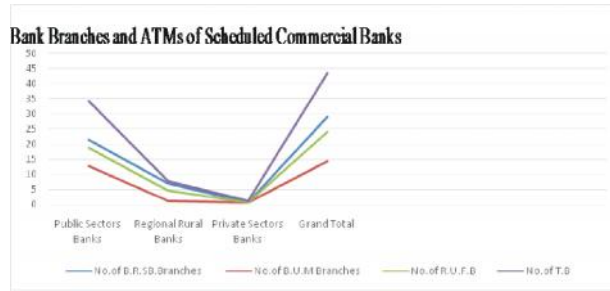
**Table No.01:** Bank Branches and ATMs of Scheduled Commercial Banks as of August 2021

(All figures in Thousands)

Bank type	Number of branches	On-site ATMs	Off-site ATMs	Total ATMs
Nationalised banks	33,627	38,606	22,265	60,871
State Bank of India	13,661	28,926	22,827	51,753
Old private sector banks	4,511	4,761	4,624	9,385
New private sector banks	1,685	12,546	26,839	39,385
Foreign banks	242	295	854	1,149
<b>Total</b>	<b>53,726</b>	<b>85,000</b>	<b>77,409</b>	<b>1,62,543</b>

(Source: Rbi.gov.in)

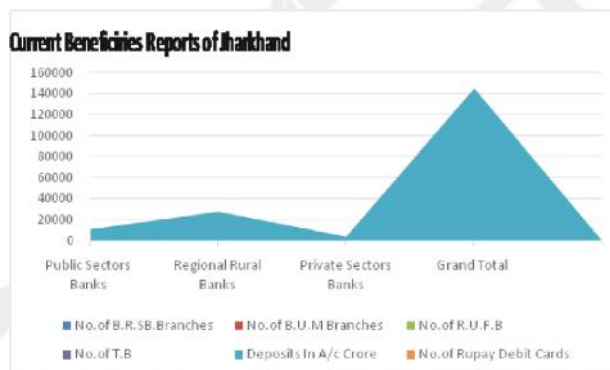




**Table No.02: Current Beneficiaries Reports of Jharkhand as of September 2021**  
(All figures in Crore)

Bank Name	Number of Beneficiaries at Rural/semi-urban Bank branches	Number of Beneficiaries at Urban Metro Bank branches	Number of Rural-Urban Female Beneficiaries	Number of Total Beneficiaries	Deposits in Accounts (in crore) to Beneficiaries	Number of RuPay Debit Cards Issued
Public Sectors Banks	21.41	12.90	18.88	34.32	112502.69	27.02
Regional Rural Banks	06.91	00.98	04.57	07.89	27976.70	03.37
Private Sectors Banks	00.70	00.57	00.70	01.27	4311.95	01.11
GrandTotal	29.01	14.46	24.15	43.47	144791.35	31.50

(Source: Pmjdy.gov.in)



**The type of data analysis is being expanded as current Positions**

It is current evident that table no.01 No. of Branches 33,627, On site ATMs 38,606, off site ATMs 22,265, and total ATMs 60,871 in Nationalised Banks, No. of Branches 13,661, On site ATMs 28,926, off site ATMs 22,827, and total ATMs 51,753 in State Bank of India, No. of Branches 4,511, On site ATMs 4,761, off site ATMs 4,624, and total ATMs 9,385 in old Private Sector Banks, No. of Branches 1,685, On site ATMs 12,546, off site ATMs 26,839, and total ATMs 39,385 in New Private Sector Banks, No. of Branches 242, On site ATMs 295, off site ATMs 854, and total ATMs 1149 in Foreign Banks, No. of Branches 53,726, On site ATMs 85,000, off site ATMs 77,409, and total ATMs 1,62,543 in total respectively reports as on August 2021.

It is currently evident that table no.02 No.of Beneficiaries at Rural/semi-urban Bank branches 21.41, No. of Beneficiaries at Urban Metro Bank branches 12.90, No. of Rural-Urban Female Beneficiaries 18.88, No. of Total Beneficiaries 34.32, Deposits in Accounts (in crore) 112502.69, and No. of RuPay Debit Cards Issued to Beneficiaries 27.02 in Public Sectors Banks, No. of Beneficiaries at Rural/semi-urban Bank branches 6.91, No. of Beneficiaries at Urban Metro Bank branches 0.98, No. of

Rural-Urban Female Beneficiaries 4.57, No.of Total Beneficiaries 7.89, Deposits in Accounts(in crore) 27976.70, and No.of RuPay Debit Cards Issued to Beneficiaries 3.37 in Regional Rural Banks, No.of Beneficiaries at Rural/semi-urban Bank branches 0.70, No.of Beneficiaries at Urban Metro Bank branches 0.57, No.of Rural-Urban Female Beneficiaries 0.70, No.of Total Beneficiaries 1.27, Deposits in Accounts(in crore) 4311.95, and No.of RuPay Debit Cards Issued to Beneficiaries 1.11 in Private Sectors Banks, No.of Beneficiaries at Rural/semi urban Bank branches 29.01, No.of Beneficiaries at Urban Metro Bank branches 14.46, No.of Rural-Urban Female Beneficiaries 24.15, No.of Total Beneficiaries 43.47, Deposits in Accounts(in crore) 144791.35, and No.of RuPay Debit Cards Issued to Beneficiaries 31.50 in Grand Total respectively reports as on September 2021.

## CONCLUSION

To provide banking service first in all the states of the country and simultaneously continuing to contribute descriptive knowledge on digital native banks, technology has five main dimensions (licenses; actors; perspectives; banking market experience; group core business). The main theoretical contribution of the paper is the creation of a typology on a topic that has a lot in academic literature. Less analysis is done, which opens new lines of research. And by merging the banks into each other, the power of the bank continues to grow so that more and more people of the business class can be involved in this revolutionary scheme smoothly and simultaneously. From the managerial point of view, the paper allows a better understanding of the competitors and new market opportunities in the banking industry.

## Suggestions

1. It is mandatory to include all the banks in this hour.
2. Banks should run this campaign continuously.
3. Should be selected based on the priority of the bank.
4. Act of Reserve Bank of India must be followed.
5. Time to time awareness program to be run by the bank.

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