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IMPACT OF FINANCIAL INCLUSION STRATEGIES / CTIVITIES OF BANKING SECTOR IN INDIAN ECONOMY

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ABSTRACT

The banking sector in India boasts a rich historical background, encompassing traditional banking practices during the British era to the current period of reforms, nationalization, and privatization of banks, as well as the growing presence of foreign banks. As a result, In India, the banking industry has gone through long journey. With changing times, the industry has achieved great heights and found new ways in technology so that banks can operate.

However, the fundamental principles of banking, such as faith and reliability in institutions, never vanished. Most banks continue to maintain the trust of their shareholders. The changing dynamics of the banking business brings risks in new area. This paper aims to outlook the new challenges and basic opportunities for the Indian banking industry. It is distributed into three major parts, firstly it provides an overview of the Indian banking industry and its current scenario, secondly it discusses all the challenges and opportunities in the industry, and in third part it focuses con Indian banking products and marketing strategies. The industry gains competition nationally as well as globally. It serves the bankers, strategists, policymakers, and researchers.

INTRODUCTION

Financial inclusion is an essential aspect of the Indian economy, as it fosters economic growth by extending financial services to the general population. The banks play a crucial role in Indian sector of economy. Banks serve as the primary source of finance, supporting the growth of startups and motivating entrepreneurs, which ultimately leads to the creation of employment opportunities and an increase in the GDP of the country. The concept of financial inclusion primarily aims to integrate everyone in society by providing them with fundamental financial services without considering their income or savings (Sarma, 2008). Banks offers affordable and accessible services so that every individual can participate in the formal financial system. The low-cost transaction accounts promote financial savings and enhancing financial security (Kunt and Klapper, 2012).

RELEVANCE

1 Business Growth

The Indian banking sector greatly contributes to business growth by establishing numerous branches to build strong relationships with foreign countries, which ultimately leads to significant economic growth. Indian banks facilitate trade and commerce by offering payment facilities to both local and international businesses (Kumar, 2013)

2 Financial Stability

Banks provides financial services such as money orders, cash deposits, and cash card services to the public and contributes to the financial stability of the Indian economy. (Sharma and Kukreja, 2013)

3 Cash Management

The banks play a crucial role in the rapid growth of the Indian economy, particularly in cash management. By permitting money transfers and quick cash availability, it helps banks handle transactions for numerous industrial units and business houses, streamlining the process (Nair, 2018)

4 Advancement Of Credit

The Indian banks play a major role in providing loans to individuals and several institutions. Active loans have a significant impact on the Indian economy, as it prioritizes sectors such as small-scale industries, agriculture, trading enterprises, and real estate (Pradhan, 2016).

IMPORTANCE

- Financing infrastructure projects is one of the ways in which banks support economic development. Infrastructure is essential for economic growth and requires significant investment. Banks help finance large-scale projects, such as roads, bridges, and airports, which create jobs, increase productivity, and drive economic growth (Beck,2013).

- Another means through which banks facilitate growth is by encouraging financial inclusion. Through financial inclusion banks lower poverty levels, encourage economic growth and create stronger societies (Sarma, 2013).

- Encouraging international trade is an important function that banks have in ensuring economic development and growth. Banks encourage international trade through letters of credit, trade finance, and other services enabling cross border transactions, banks promote increased global cooperation and understanding which advances economic development and growth (Gosh, 2011).

- Banks also finance small businesses which are typically the drivers of regional and local economies. Banks enable to access to funds and credit together with other financial service like cash management and payroll processing. Through financing small businesses,banks produce employment, drive economic growth and foster enterprenurship (Kukreja, 2013).

- Fostering savings and investment is another significant functions performed by banks in supporting economic growth and economic development. Banks provide savings accounts and investment products that enable individuals and companies to amass wealth and plan for their future. This in return drives economic growth and development (Sharma, 2013).

HOW BANKING SECTOR WORKS IN INDIAN ECONOMY?

Banks are responsible for collecting the savings of consumers and then lending those resources to a variety of businesses and industries. Transactions are made easier by bank loans. The funds that are required for the acquisition of raw materials and to fulfil other needs, such as working capital, are obtained via the borrowing of money from banks by manufacturers. We keep our money in banks as they are safe there. Interest is also earned as a result of this. The result is that the urge to save is stoked, which leads to an increase in the amount of money saved (Raghuram, 2013).

The money that is saved may be put to use in the creation of new capital assets. Banks contribute significantly to capital formation in a nation, which is a key factor in driving economic growth. This is because they facilitate the process of creating new capital. Banks are responsible for taking care of the sale of debentures and shares (Gosh, 2011).

Banks provide assistance to business houses and manufacturers as they get help from the banks for fixed capital loans. With the assistance of bank, they are able to establish new businesses and new industrial firms. Because of the financial system, money may be created. Due to the expansion of the firm, there is a requirement for monetary and financial transactions. It is often not possible to rapidly increase the amount of a country's legal tender money. When more funds are required, the amount of money in the bank may be instantly raised and used (Venugopal,2015).

One of the most essential roles that banks have in a growing economy, such as the one that India has, is that of a source of money. Trade on both the domestic and international levels is made easier by the banking system. Credit plays a major and significant role in business. In order to facilitate the provision of products on credit, banks provide references and guarantees on behalf of their clients. This allows vendors to meet their obligations. Because the parties involved in international commerce are often unfamiliar with one another and dwell in separate countries, this is of utmost significance in the context of international trade (Park and Mercado, 2018).

Trade is also helped by the provision of loans, which may be done in a variety of ways, including the discounting of bills of exchange. Banks serve a wide range of functions beyond traditional deposit and loan services. They also facilitate foreign currency exchange transactions, which involve the conversion of one currency to another.

CHALLENGES

1. Increased Competition

To remain competitive, traditional financial institutions are being forced to forge partnerships and pursue acquisitions as a temporary solution. It increases the bank risk taking and make them competitive in the financial markets (Beck, 2007).

2. Embracing Digital Transformation

In today's digital era, manual procedures and systems are no longer viable for banks and credit unions. To handle industry challenges, these financial institutions must adopt technology-driven solutions. Therefore, it is crucial for banks and credit unions to nurture a culture of innovation that leverages technology to optimize processes and procedures for maximum efficiency (Pradhan, 2016).

3. Regulatory Compliance

It has emerged as a significant challenge for the banking industry due to the rapid growth in regulatory fees relative to earnings and credit losses financial crisis.

Technology plays an essential role in fostering a culture of compliance. Moreover, technology can help standardize processes, guarantee proper execution of procedures, and enable organizations to adapt to new regulatory and industry policy changes (Kumar and Soni, 2013).

4. Dynamic Business Models

With the changing business models the banking sector faces cost of compliance management in the industry. The rising cost of capital, low-interest rates and decreased return on equity are putting pressure on traditional profitability sources (Sharma, 2016)

5. Customer Satisfaction

Financial services clients expect unforgettable experiences through intuitive, easy to-use interfaces that are accessible on any device, at any time, and in any location. Building customer loyalty begins with developing strong relationships with clients.

NEED FOR RESEARCH

The need for research in the banking sector is underscored by the dynamic nature of the industry and the various challenges it faces. It highlights the importance of talent management and recruitment strategies in the banking sector, emphasizing the growing academic interest due to a critical shortage of skilled personnel (Sharma, 2013).

Similarly, the impact of financial technologies and digital transformation on banking services necessitates ongoing research to understand and adapt to these changes, as well as to address data security concerns (Park, 2018). In summary, the banking sector is a critical component of the global economy, facing a multitude of challenges ranging from talent management to digital transformation and competitive dynamics (Beck, 2013).

The literature reveals a need for comprehensive research to address these challenges and to inform policy and practice. The findings from these studies will be valuable for both academic researchers and banking practitioners aiming to navigate the complexities of the modern financial landscape (Venugopal, 2015)

RESEARCH QUESTIONS AND ANSWERS

How do digital financial services contribute to financial inclusion?

Digital financial services have revolutionized the way people access financial services, particularly in developing economies. Digital financial services have enhanced accessibility and affordability, reducing barriers to financial inclusion Kunt and Klapper (2012).

Key contributions of digital financial services:

1. Increased accessibility: Digital financial services have expanded the reach of financial services to remote and underserved populations (Ghosh 2017)
2. Reduced cost: Digital financial services have lowered transaction cost, making financial services more affordable for low-income households (Chatterjee 2020).
3. Improved convenience: Digital financial services have enabled users to access financial services anytime, anywhere, using mobile devices on online platforms (Kumar et al 2019)

Examples of digital financial services:

1. Mobile money: Mobile money services such as, M-Paisa in Kenya have enabled users to store and transfer money using their mobile phones (Jack and Suri 2011)
2. Online banking: Online banking services have enabled users to aces to bank accounts and conduct transaction remotely (Sarma 2008)
3. Digital payments: Digital payment systems such as, PayPal and Paytm have enabled users to make payments online or using their mobile devices (Chatterjee 2020).

What are the key factors influencing financial inclusion in developing economies?

Financial inclusion in developing economies is influenced by arrange of factors, including infrastructure, regulatory policies, financial literacy, and government-led digital initiatives

Key factors influencing financial inclusion:

1. Infrastructure: The availability of physical infrastructure such as bank branches and ATMs and digital infrastructure such as mobile networks and internet connectivity is critical for financial inclusion (Sarma 2008).
2. Regulatory policies: Regulatory policies such as licensing requirements and know-your- customers (KYC) regulations, may ease or complicate financial inclusion (Park and Mercado 2015).
3. Financial literacy: financial literacy or the capacity to comprehend and control financial services is a must for financial inclusion (Pradhan 2016).
4. Government-led data initiatives: government-led digital initiatives like digital identity programs and digital payment systems can fuel financial inclusion (Chatterjee 2020).

Examples of successful initiatives:

1) India 's Jan Dhan Yojana : India's Jan Dhan Yojana initiative that sought to give bank account to every household has been successful in expanding financial inclusion (Chatterjee 2020).

2) Kenya 's M paisa : Kenya's M paisa has been successful in expanding financial inclusion especially for low income household (Jack and Suri 2011).

OBJECTIVES

- To define financial inclusion banking sector in India
- To find the most commonly used inclusion strategies in Indian economy
- To access the impact of commonly used strategies in Indian economy

METHODOLOGY

1. Literature Search

Systematic literature search across different databases, such as:

1. Peer-reviewed journals (e.g., journal of Financial Economics, Journal of Development Economics)
2. Working papers (e.g., World Bank Policy Research Working Papers)
3. Policy research reports (e.g., World Bank, IMF, OECD)

2. Inclusion Criteria

Those studies were considered that fulfilled the following criteria:

1. Publication type: Peer-reviewed journal articles, working papers, and policy research reports.
2. Relevance of the topic: Research on financial inclusion, digital financial services, poverty reduction, and policy measures.
3. Geographical coverage: Research carried out in developing as well as developed economies.
4. Date of publication: Articles published from 2005 onwards.

3. Exclusion Criteria

Studies were excluded if they:

1. Had no empirical analysis: Papers with anecdotal information or without empirical analysis.
2. Were concerned with corporate finance or financial markets: Studies on corporate finance or financial markets exclusively without pertinence to inclusion.
3. Were in languages other than English: Books published in languages other than English.
4. Had no citations or were published in non-reputable sources: Papers with no citations or published in non-reputable source.

4. Data Analysis

The chosen studies were examined in order to derive key themes, determinants, and effects of financial inclusion. The analysis included:

1. Thematic analysis: Coding and theme identification on the topic of financial inclusion.
2. Content analysis: Examining the content of the chosen studies in order to find patterns and trends.

5. Secondary Data Sources

This literature review is based on secondary data sources, such as reference:

1. Global Index database: A global database on financial inclusion, offering information on access to financial services, usage and quality.
2. World Bank Data: Economic development, poverty, and inequality data.
3. IMF data: Financial stability, monetary policy, and economic growth data.

Through the application of a systematic method and secondary data sources, this literature review offers an in-depth understanding of financial inclusion, its determinants, and its impact.

LITERATURE REVIEW

A literature is a comprehensive analysis of other researchers written work on a particular topic. It typically forms part of a research thesis but it can also stand alone as a self-contained review. Regardless of its context, its purpose is to:

- Contextualize each work within the subject under review
- Describe the interrelationships between each work
- Identify new gaps and new ways to interpret previous research
- Resolve contradictions among prior studies
- Point the way forward for new research
- Place original research in the context of existing literature

A literature review demonstrates the authors understanding of prior research and their ability to connect it to their own work. It provides a solid foundation for a research papers investigation by situating the authors question within the broader academic conversation on the topic. A comprehensive literature review reflects the credibility and the quality of their research.

Author(s) & Year	Objective	Methodology	Key Findings	Contribution to Financial Inclusion
Pradhan (2016)	To evaluate the role of Indian banks in promoting financial inclusion.	Case studies and secondary data analysis	Government schemes like Jan Dhan Yojana Increased inclusion.	Highlighted the effectiveness of targeted government policies.
Kumar (2013)	To analyze the impact of financial inclusion initiatives by Indian banks.	Surveys and financial data analysis.	Branch expansion and simplified accounts improved inclusion.	Suggested scaling similar initiatives in underserved regions.
Ghosh (2012)	To explore the role of banks promoting in financial inclusion in India.	Case study of Indian banking system.	Indian banks have significantly improved access through technology.	Highlighted the role of digital banking in India's financial inclusion.
Sharma & Kukreja (2013)	To study the benefits of financial inclusion in rural areas.	Case study of rural banking initiatives.	Access credit to improved livelihoods significantly.	Highlighted the importance of rural banking innovations.
Pradhan & Sharma (2015)	To assess the impact of financial inclusion polices in rural India.	Field and surveys data analysis.	Financial inclusion initiatives increased rural access to credit.	Demonstrated the positive effects of financial inclusion on rural development.
Rao (2016)	To study the role of self-help (SHGs) in promoting financial inclusion in India.	Qualitative analysis of SHG initiatives.	SHGs improved access to finance for women.	Highlighted the role of SHGs in promoting financial inclusion for marginalized groups.
Raghuram (2015)	**To analyze the effectiveness of financial inclusion** schemes in India.	**Survey data and case study** analysis.	**Schemes like PMJDY increased financial inclusion in urban and rural** areas.	**Evaluated the success of financial inclusion** policies in India.
Ghosh & Ghosh (2011)	To study the role of financial literacy in improving inclusion in India.	Surveys and statistical analysis.	Financial literacy is a crucial factor in improving financial inclusion.	Suggested incorporating financial literacy program to improve inclusion.
Das & Kanna (2017)	To explore the role of digital banking in enhancing financial inclusion in India.	Secondary data analysis and case studies.	Digital banking improved access to financial services in remote areas.	Showed the potential of digital banking financial access.
Nair (2018)	To evaluate the impact of government schemes on financial inclusion in India.	Analysis of government financial data.	Government initiatives like PMGDISHA have improved access to financial services	Contribution to understanding the role of government policies in inclusion.
Chavan & Barge (2014)	To access the impact of microfinance institutions on financial inclusion in India.	Field surveys and data analysis	Microfinance institutions play a key role in improving financial inclusion in rural areas.	Advocated for scaling of microfinance in India for better inclusion.
Srinivasan & Khandelwal	To study the role of banking correspondents in enhancing financial inclusion in India.	Data from banking correspondents and case studies.	Banking correspondents bridge the gap in rural financial inclusion.	Emphasized the importance of Banking correspondents for rural access.
Sharma (2016)	To analyze the effect of mobile banking hon	Data analysis from mobile banking services.	Mobile banking services increased financial inclusion	Highlighted mobile banking as a key tool for
	financial inclusion in India.		in urban and rural areas.	financial inclusion.

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Rajan (2014)	To evaluate the role financial inclusion in promoting Entrepreneurship in India.	Case study and data analysis.	Financial inclusion helped faster Entrepreneurship in rural areas.	Demonstrated how financial inclusion can drive economic growth.
Kaur and Sharma (2015)	To study the impact of financial inclusion on poverty reduction in India.	Regression analysis and data from rural banks.	Financial inclusion has a positive impact on poverty reduction in India.	Contributed to the understanding of the relationship between financial inclusion and poverty.
Venugopal (2015)	To explore the role of the banking sector in promoting financial inclusion in India.	Survey of banking practices and data analysis.	Public and private sector banks have increased outreach to underserved areas.	Evaluated the role of banks in improving financial inclusion.
Bhatia (2014)	To access the role of financial inclusion in India's economic development.	Empirical analysis of economic and financial data.	Financial inclusion drives economic growth and reduces inequality.	Linked financial inclusion directly to economic development.
Sharma & Bansal (2017)	To explore the role of government policies in promoting financial inclusion in India.	Case study and policy analysis.	Government policies like Jan Dhan Yojana significantly improved financial inclusion.	Analyzed the role of government interventions in promoting inclusion.
Rao & Maheshwari (2016)	**To evaluate the success of Pradhan Mantri Yojana on (PMJDY) in improving financial** inclusion.	**Data from PMJDY** Beneficiaries.	**PMJDY led to increased account ownership and** financial literacy.	**Evaluated the effectiveness of PMJDY promoting financial** inclusion.

Singh & Sharma (2014)	To study the impact of financial inclusion on rural development in India.	Survey the rural communities and banks.	Financial inclusion contributed to improved livelihoods and rural development.	Showed that financial inclusion drives rural economic development.
Kumar & Soni (2018)	To assess the impact of bank branch expansion on financial inclusion in India.	Case study of bank expansion programs.	Bank branch expansion in rural areas significantly improved financial access.	Demonstrated the importance of physical banking infrastructure.
Saha & Saha (2019)	To explore the relationship between financial inclusion and income inequality in India.	Statistical analysis of income and financial access data.	Increased financial inclusion reduces income inequality in India.	Linked financial inclusion directly with reduced inequality.
Sood Malhotra (2013)	To analyze the challenges of financial inclusion in the Indian banking system.	Qualitative analysis of banking sector challenges.	Lack of awareness and infrastructure are major barriers to inclusion	Identified challenges improving financial inclusion India.
Sharma & Pradhan (2016)	To explore the role of financial inclusion in the Indian economic policy.	Policy analysis and secondary data review.	Financial inclusion is essential for achieving India's inclusive growth goals.	Contribution to the integration of financial inclusion into economic.
Singh & Kaur (2017)	To evaluate the financial inclusion impact of the **digital India** campaign.	Secondary data analysis.	Digital India significantly improved access **to financial** services.	Emphasized the role of digitalization in **promoting financial** inclusion.

CONCEPTUAL FRAMEWORK

A conceptual framework derived from the above literature review would outline the interconnections among important variables pertaining to financial inclusion in the banking industry. Below is a description of how this can be done:

1. Determinants of Financial Inclusion
   - Infrastructure: Number of banking branches, ATMs, and digital outlets (Beck, 2007).
   - Technology: Mobile banking, fintech, and online platforms (Allen, 2016).
   - Demographics: Gender differences, levels of income, and education levels (Chiba, 2009)
   - Barriers: Financial illiteracy, high transaction costs, and absence of documentation (Pradhan,2016).
2. Interventions
   - Government Policies: Targeted interventions such as Jan Dhan Yojana or mobile money products (Kumar, 2013).
   - Innovative Banking Solutions: Utilization of fintech, mobile money, and easy setups of accounts (Sarma, 2008).
   - Financial Literacy Programs: Educating people about financial instruments and financial services (Tuesta, 2013).
3. Outcomes
   - Economic Growth: Higher savings, access to credit, and investment (Beck. 2017).
   - Poverty Reduction: Enhanced access to financial services for poor and marginalized groups (Suri and jack, 2016).
   - Social Equity: Decrease in income disparities and empowerment of underrepresented groups (Chiba, 2009).

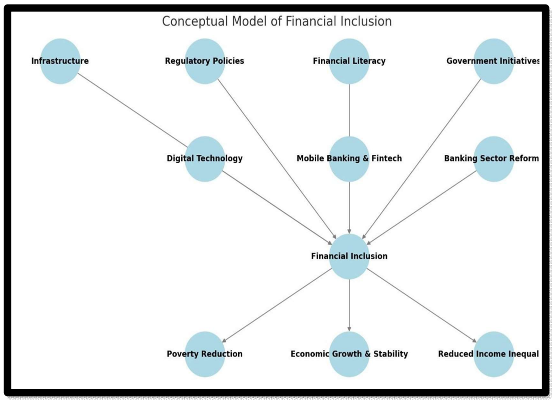

Figure- 1

RESEARCH IMPLICATIONS

1. Theoretical Implications

- Development of Comprehensive Models: The work lays the groundwork for developing multidimensional models to assess financial inclusion by bringing together technology, infrastructure, and socio-economic considerations (Chiba, 2009).
- Enhanced Understanding of Barriers: It advances knowledge about barriers like cost, documentation requirements, and financial literacy, offering nuanced perspectives for future research (Kumar, 2013)
- Intersection of Technology and Inclusion: Explores the role of digital financial tools (e.g., mobile money, fintech) in overcoming traditional barriers, contributing to the evolving theories on financial inclusion (Park, 2013).

2. Practical Implications

- Policy Recommendations:
  - Design of targeted government programs to promote financial access, such as simplified banking accounts and mobile money schemes.
  - Emphasis on financial literacy campaigns to educate underserved populations about the benefits of banking services (Kumar, 2013).
- Banking Sector Strategies:
  - Expansion of branch and ATM networks in underserved regions (Levine, 2007). o Adoption of fintech solutions to provide affordable and accessible financial services, particularly in rural areas (Beck, 2007).
- Focus on Marginalized Groups:
  - Development of gender-specific strategies to address the financial exclusion of women (Chiba, 2009).
  - Inclusion of low-income groups through low-cost and flexible banking products (Pradhan, 2016).

3. Policy Implications

- Regulatory Frameworks: Policymakers can use the findings to create regulations that encourage innovation in the banking sector while ensuring financial stability (Suri and Jack, 2016).
- Resource Allocation:
  - Investments in digital infrastructure and mobile banking platforms to enhance inclusion (Gosh, 2011).
  - Allocation of funds for public-private partnerships to promote inclusion in remote areas (Kumar, 2013).
- Impact Assessment Tools:
  - Development of standardized metrics (like Sarma's index) to measure and monitor financial inclusion across regions and demographics (Sarma, 2008).

4. Implications for Economic and Social Outcomes

- Economic Growth:
  - Increased participation in financial systems leads to more savings, investments, and entrepreneurship, fostering overall economic development (Kumar, 2013).
- Poverty Reduction:
  - Enhanced access to credit and savings mechanisms helps reduce poverty levels, particularly in low-income and rural areas (Pradhan, 2016).
- Social Equity:
  - Addressing disparities in access to financial

services reduces income inequalities and promotes social cohesion (Chiba, 2009).

INDIAN BANKS COMPARISON WITH INTERNATIONAL BANKS

Indian banks have been found to showcase a nuanced landscape when compared to their international counterparts. Indian banks' resistance to global financial instability has been strong. Using Kamath (2007), Indian banks, via the application of the Value-Added Intellectual Coefficient (VAIC™) approach suggests better performance in five years, with foreign banks outpacing domestic banks.

But contradictions exist in the performance indicators. For example, Indian foreign banks have higher efficiency in some of the financial ratios, such as employee profits and capital adequacy. Nonetheless, the Indian banking industry overall faces issues like high Non-Performing Assets (NPAs) and fintech company competition. Moreover, the efficiency analysis by Data Envelopment Analysis (DEA) also points to the fact that the global financial crisis had little effect on Indian banks, reflecting some stability.

In conclusion, Indian banks have shown a certain resilience compared to global banks, supported by robust economic growth and intervention by regulators. That said, they also have issues like high NPAs and heightened competition from non-traditional financial services. Indian bank performance is something of a mixed bag, with foreign banks in India tending to exhibit superior performance metrics, yet the sector as a whole maintains stability and resilience (Kamath, 2007).

LIMITATION

All current data on the subject is secondary and not based on a direct and full reading of research documents. This limitation is important as secondary data will usually be sifted through others' viewpoints and bias, creating an inaccurate vision of the subject. Additionally, the fact that fewer research articles have been picked for review entails that the findings may not accurately represent the entire body of literature in this topic. Moreover, the process of collecting and processing this information takes time involving substantial amounts of effort and resources.

In spite of these shortcomings, one should mention that there are certain good quality textbooks in this subject matter that present a good overview of the topic. These books can be used as a useful point of departure for scholars and researchers who seek to understand more about this topic and can provide context and background information for research.

CONCLUSION

The banking sector of India has consistently demonstrated remarkable stability even in the financial crisis that occurred around the world during 2007-2008. Even though the sector experienced profitability challenges owing to increased costs of funds and a weak economy, the industry has retained its healthy financial fundamentals, conservative risk attitude, and tight financial strategies. Consequently, Indian banks were quite sheltered from the international financial crisis, with foreign assets being a mere fraction of their overall assets, which restricted the effect of market-to-market losses on investment portfolios (Reserve Bank of India, 2009).

Also, empirical evidence from the pre and post-crisis period indicates that the global financial crisis had no notable influence on the performance of Indian banks.

Interestingly, there was no statistically significant increase in efficiency after the crisis, which reveals the sector's unparalleled resilience (Kumar, 2014). Moreover, the banking sector in India has remained with notable resilience even in face of domestic impediments like inflation and rupee depreciation, and the central bank has been making efforts to boost growth.

In short, the Indian banking sector has been a crucial driver of the country's economic growth and its stability and profitability are affected by internal as well as external factors. The sector has experienced tremendous structural changes, such as mergers and acquisitions, which have led to greater competition and lower market concentration.

But there is scope for improvement in the areas of sustainable development practice since the public sector banks mainly follow norms of regulation and do not go up to the top levels of sustainable banking (Mohan, 2016).

All in all, the strong financial economy of the Indian banking sector has enabled it to weather global and domestic problems aptly.

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