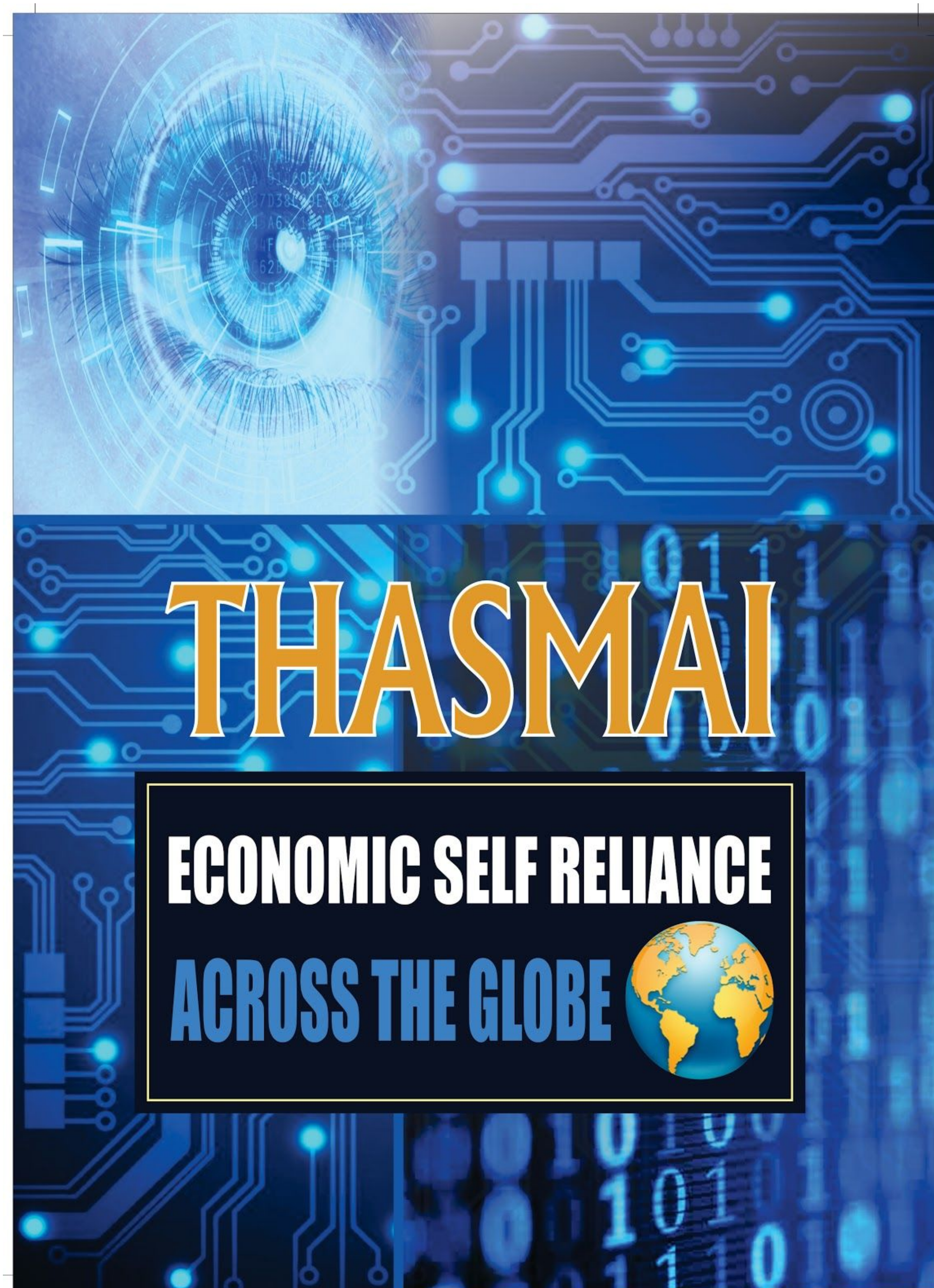
THASMAI
ECONOMIC SELF RELIANCE
ACROSS THE GLOBE

THASMAI ECONOMY SYSTEM JOURNAL

PRESENTED BY

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THASMAI ECONOMY SYSTEM

PRE-AMBLE

Economy is one of the key drivers of empowerment from individuals, to countries.

India is a very diverse country in terms of culture, language and demographic background. We follow unity in diversity. It is imperative that we embark upon consistent exploration of relevant latest technologies to achieve goals in the economic sector.

A personification of the same is Thasmai (Fund Management System) in 2010 with a view to sketch the scenario as of the year 2022.

It aims at enabling a more calibrated approach to evolution of fund management related banking restructuration process. Thasmai system states kind of economy which can reduce both economic and social inequality, and self sustained economic development.

THASMAI ECONOMY SYSTEM

OBJECTIVES ;

Achievement of Sustainable Development Goals of UNDP to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. SDGs are put forwarded in Global summit by 170 countries to ensure the roll of Governments. Thasmai system presenting a stray thought to make a way to reach the Global target, which requires the partnership of governments, private sector, civil society and citizens. Thasmai system has identified the area where to start the endeavour to make the way to the orbit.

Thasmai system presenting a sustained Economy in a country which would act as a rocket to take a country to the orbit of SDGs by simply extending the control of central bank in a country.

The system which creates a national net balance and manages the whole fund & datas of citizens and establishments in equal safety.

The system which enables the population update in every seconds in a day.

The system which helps a country to collect taxes without giving trouble to individuals or establishments.

The system which helps 100% citizens to take part in democratic process.

The system which makes the citizens to do their duty as a citizens in their country as they enjoy the privileges of rights in a country.

The system which makes a country self reliance in economy would lead to arrest unemployment and poverty in a country.

The system which will eliminate the burden of governments to recapitalise the banks by spending lakhs of crore rupees or equal in every time.

PROBLEM STATEMENT :

1. "Thasmai System" refers to the idea of development the needs of the present, without compromising the ability of the future generations to meet their own needs.

2. It calls for the concerted effort towards building an inclusive, sustainable and resilient future both for the people and the planet.

3. To attain sustainable development it is essential to harmonize three core elements - economic growth, social inclusion and environmental protection - which are inter-connected and crucial for the well-being of the individuals and societies.
4. All the sustainable development goals are interconnected and interlinked.

OVERVIEW OF LITERATURE

Thasmai system will lead our country to attain self reliance in economy. Economy is one of the key drivers of empowering individuals, societies and countries.
Fund management that facilitates development in all its dimensions and enhance human capabilities are of particular importance. India is a country which is having different culture, language and demographic background. Still we follow unity in diversity. It is imperative that we embark upon an exercise to explore latest technologies to achieve our goals taking into account of new opportunities that we have in emerging knowledge economy area.
Such an Endeavour is undertaken by Thasmai Economy System in 2010 with a view to sketch the scenario as of the year 2022.
I believe this is to be essential as new invention in fund management system as well as the overall development of other socio-technological matter and domestic challenges.

CONCEPTUAL FRAMEWORK

Thasmai system articulates a vision for all Indians in 2022. Other countries can also adapt this system in the banking sector.

In order to explore, the dimensions of vision this document is divided into sixsections

The first section focuses upon the present banking system in our country. It analyses the origin of banking system from ancient age, medieval age till the modern period. It mentions the relative development and implementation of technologies in banking sector.

The second section delineates economic revolution vision of funding by 2022.

The third section explains the need for economic change in 2022 as well as the prerogatives of a citizen. Right for drinking water, food, health, education.

The fourth section assesses the studies conducted among experts from banking sector, educationist, managers from public sector, doctors, journalist and students.

. Thasmai system can be efficiently implemented by modifying the present software and technologies in the existing banks. This system will bring a revolution in the fund management system of Central government. If this system works according to the view of Thasmai fund management, it would be a great success. All the citizens will enjoy the benefits.

The fifth section focuses on the capabilities and constraints in India's banking field. By implementing Thasmai system government can resolve the challenges which are facing by every government .

The sixth section concludes the vision documents by reflecting upon the impact
Of technology on comprehensive national power. The thrust of this section is that technological transformation would not only change India for the better internally by improving the lot of all compatriots, it would also fundamentally alter India's external environment for the greater advantage of the country.

A glossary explicates the various technologies mentioned in the vision document for the benefit of both experts and lay persons. Along with the economic revolution 2022, Thasmai is also bringing out fruitful remedies in various branches like education, agricultural, draught, flood, disaster management, global warming, forestation, tribal development, ceasing corruption, Maoism. As Thasmai system walks toward the future taking into consideration the country as a whole, or any other nation who adopts this method would definitely gain stable fund management which may lead to the growth of other fields mentioned above.

As per the survey which I conducted among experts the following results obtained.
Thasmai system would bring a steep hike in the fund of Central government.

Government can provide ample fund to resolve the challenges facing because of shortage of fund.

GENESIS

Thasmai is the birth from a single consciousness stemmed as a great read from the mind of Sreeretnan Nanu. It is now the ultimate priority of those with same wavelength with a singular , noble vision of upbringing the universe. It is in the map of the creator, and is predetermined a change through THASMAI.

Thasmai says a country can be transformed into a highly developed country. Economy is the backbone of every country. Revolution of a country starts with economy. The other sectors like agriculture, health, education, banking, industry etc. will be automatically follow the lead. A country completely free from the evils of social and economic issues is assured by implementation of this system.

VISION FOR 2022

Thasmai … a system where the enlightened mind glows in the light of self-consciousness !

Thasmai… is the medium of knowledge which gives energy and power to rehabilitate the world !!

The world is a single entity for the creator. It needs to be lived and loved as one. All contemporary issues have a permanent solution which has universal acceptance.

What is Thasmai System ?

This system makes a path to encompass the national income as one revamp the workings of its regulators in the banking and economic sector. In this case the RBI.

This system makes a country fully digitalized as Reserve/Central Bank connecting all citizens, establishments, Govt. department and local bodies at ward level of a country.

How the system works?

The Reserve /Central Banks will extend its control up to each account holder.

The system (start launches working) by opening a bank account of a citizen by birth and closing on his/her death (which is linked with DNA).

An establishments or firm's account opens with the registration of the firm. Reg. No. will be the ID

It aims at integration and enhanced utility of the nations resources with higher and sustained success.

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Thasmai system's method of action is illustrated by the following steps:

1.Expand the spectrum of conventional banking practice ; by extending the role of reserve bank to the account holder to regulate, control, and inspect all the accounts in India(presently it is up to the banks only).

2.Change in conventional practice of many accounts of one account holder; the system of one citizen one account and one establishment one account happens automatically by extending the control of Reserve Banks.

3.Asset quality; monitoring of account holders can be done at a glance before and after a credit delivery. This monitoring system can be a guidance to a performing asset.

4.Capital adequacy; there is no need of recapitalisation of banks (presently facing the problem by the government) as this system helped to accumulate all funds at one point and became the national net balance.

5.Unhedged forex exposure; avoid the potential to inflict significant stress in the books of companies who have heavily borrowed from abroad.

6.Employee and technology; banking sector become a major employment area in the country and the technology will lead the country to a digital country through the national bank network not through the social media.

7.Unhealthy competition from non- banking financial institutions and foreign banks; there is no competition of banks within the country as there is no need of a competition in banking sector.

8.Data management; banks become a safe locker for the data of citizen in the country as one citizen's account open by birth and a national population can also be monitored by this continuous census by banks.(general election can be conducted if it link with election commission)

9. Treasury of state and central govt.;there is no need of separate treasury for state govts. and central govt. as central bank will provide accounts for the same. And the govt. funds also a part of the national net balance creation.

10. Control of fake currency; no fake currency can be pumped in as all the notes will be having QR codes and Bar codes.

11.Interest rate ; As the Reserve banks taken control of account holders then there no role of middle banks as they provide the service of central reserve bank.(repo and reverse repo will not be taken place)

THASMAI ECO - ECONOMY SYSTEM STRAY THOUGHT ON AN ALTERNATIVE SYSTEM OF COLLECTING TAXES FULLY DIGITALISED FUND MANAGING SYSTEM TRANSFORMATION OF ALL SECTORS

Central Reserve Bank

1. Citizens
2. Establishments
3. Government

Citizens Accounts

- **Citizens accounts with bank is an automatic process (All citizens are connected with government through accounts)**
- **Citizens accounts open by birth and closed automatically on death of a citizen.**
- **One citizen – One account (connecting up to tribal people, like setting up booth for voting in a general election).**
- **One ward or village's citizens data managed by one branch(one branch for 12,000 people)**
- **Account number connected with DNA number(later)**
- **One account for three types of transaction:**

- **Indian currency account**
- **Foreign currency account**
- **Gold account**

Establishments account

- **One establishment – One account**
- **Establishments are of three types :**
- **Public sector**
- **Private sector**
- **Charity Organizations**
- **Account number connected to registration number of the establishments.**
- **One account for 3 types of transaction:**
- **Indian currency account**
- **Foreign currency account**
- **Gold account**

Government Accounts

- **Central Government – One account**
- **Each department of Central Government have separate accounts.**
- **State Government – One account**
- **Each department of State Governments have separate accounts.**
- **Municipal Corporation – One account**
- **Each department of Municipal Corporations have a separate accounts.**
- **One District Panchayat – One account**
- **One Block Panchayat – One account**
- **One Panchayat – One Account**
- **One Ward or Village – One account**
- **One account for three types of transaction:**
- **Indian currency**
- **Foreign currency**
- **Gold**

Currency

- **All bank notes will carry QR codes.**

- **Demonetization is a natural process in a country as usages of bank notes not happening.**
- **Account to account transfer will automatically replace the cash transactions.**
- **Cash withdrawal may attract query to check where the system is lagging.**
- **Benami account is not possible in a country as the system allows one account for one citizen and one account for one establishment.**
- **Reserve bank extended the control from bank to the account holders.**

Gold Account

- **Gold deposits will get appreciation & will be calculated on the basis of market value. Depositors would get interest based on the quantity of Gold deposit.**
- **All citizens and establishments stock of Gold become the country's Gold Reserve.**
- **No insurance or safety assured by the Government for the gold kept by individual and establishments.**
- **Keeping gold at own risk will attract taxes.**

Foreign Currency Account

- **Inward of money to the country will be in foreign currency only.**
- **One simple pin is exported means equal foreign currency will deposit in the concerned account because the pin was the natural resource of our country.**
- **Country will insist other countries to start QR cording systems on Bank notes.**

Impact of Thasmai System

- **Country become a self reliance country. No need to depend IMF or WORLD BANK for domestic development.**

- **Making money will not be a crime but….trying to increase the country's net balance and will be appreciated.**
- **Due to the surplus net balance of the country Government will start thinking of abolition of present tax collection system one by one.**
- **Interest rate may be at the base rate of reserve bank only.**
- **General elections can be held through this system.**
- **This system gives no chances of corruption or black money.**
- **Country will be equipped with that facility, even no need of carrying a card as bio metric system will be established country wide through our banks not through the social media or private wallets which will again create a parallel economy in a country.**
- **Poverty will be totally wiped out.**
- **No terrorism or Maoism will be active in the country as these all starts from poverty.**
- **Price rise will be arrested.**
- **India will produce food for the whole world as the fund is required was a big issue.**
- **No need to borrow funds from IMF or International funding bodies.**
- **In a country everybody will be monitored. All citizens, establishments and Govt. departments.**

BANKING IN INDIA

Banking in India, in the modern sense, originated in the last decades of the 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.

The largest bank, and the oldest still in existence, is the State Bank of India (S.B.I). It originated as the Bank of Calcutta in June 1806. In 1809, it was renamed as the Bank of Bengal. This was one of the three banks funded 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 was established in 1935, under the Reserve Bank of India Act, 1934
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. These are now called its associate banks. In 1969 the Indian government nationalized 14 major private banks, one of the big bank was Bank of India. In 1978, 6 more private banks were nationalized. These nationalized banks are the majority of lenders in the Indian economy. They dominate the banking sector because of their large size and widespread networks.
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: nationalized banks; State Bank of India and its associates; Regional Rural Banks(RRBs); foreign banks; and other Indian private sector banks. The term commercial banks refers to both scheduled and non-scheduled commercial banks regulated under the Banking Regulation Act, 1949.
Generally banking in India is fairly mature in terms of supply, product range and reach-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.

History

Ancient India

The Vedas (2000–1400 BCE) are earliest Indian texts to mention the concept of usury. The word kusidin is translated as usurer. The Sutras (700–100 BCE) and the Jatakas(600–400 BCE) also mention usury. Also, during this period, texts began to condemn
usury. Vasishtha forbade Brahmin and Kshatriya varnas from participating in usury. By the 2nd century CE, usury seems to have become more acceptable. The Manusmriti considers usury an acceptable means of

acquiring wealth or leading a livelihood. It also considers money lending above a certain rate, different ceiling rates for different caste, a grave sin.

The Jatakas also mention the existence of loan deeds. These were called rnapatra or rnapanna. The Dharmashastras also supported the use of loan deeds. Kautilya has also mentioned the usage of loan deeds. Loans deeds were also called rnalekhaya.

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.

Medieval era

The use of loan deeds continued into the Mughal era and were called dastawez. 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 orders 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.

Colonial Era

During the period of British rule merchants established the Union Bank of Calcutta in 1829, 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.

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. The Comptoir d'Escompte de Parisopened 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 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 September 4, 2016, Urjit R Patel begins his journey as the new RBI Governor, taking charge from Raghuram Rajan.

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 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

Post Independence

During 1938-46, bank branch offices trebled to 3,469 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).

- 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.

Nationalisation in the 1960s

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 nationalisation of the banking industry. 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." The meeting received the paper with enthusiasm.

Thereafter, her move was swift and sudden. The Government of India issued an ordinance ('Banking Companies (Acquisition and Transfer of Undertakings) Ordinance, 1969') and nationalised 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. Jayaprakash Narayan, a national leader of India, described the step as a "masterstroke of political sagacity." Within two weeks of the issue of the ordinance, the Parliamentpassed the Banking Companies (Acquisition and Transfer of Undertaking) Bill, and it received the presidential approval on 9 August 1969.

A second dose of nationalisation of 6 more commercial banks followed in 1980. The stated reason for the nationalisation was to give the government more control of credit delivery. With the second dose of nationalisation, the Government of India controlled around 91% of the banking business of India. Later on, in the year 1993, the government merged New Bank of India with Punjab National Bank. It was the only merger between nationalised banks and resulted in the reduction of the number of nationalised banks from 20 to 19. Until the 1990s, the nationalised banks grew at a pace of around 4%, closer to the average growth rate of the Indian economy.

Liberalisation in the 1990s

In the early 1990s, the then government embarked on a policy of liberalisation, licensing a small number of private banks. 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, UTI Bank (since renamed Axis Bank), ICICI Bank and HDFC Bank. 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. It has gone up to 74% with some restrictions.

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 and received more.

Current Period

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. Scheduled Commercial Banks in India are categorised into five different groups according to their ownership and/or nature of operation:

- State Bank of India and its Associates
- Nationalised Banks
- Private Sector Banks
- Foreign Banks
- Regional Rural Banks
- Small Finance Banks

In the bank group-wise classification, IDBI Bank Ltd. is included in the category of other public sector bank.

Growth of Banking in India of Scheduled Commercial Banks[23]

Indicators	31 March of								
	2005	2006	2007	2008	2009	2010	2011	2012	2013
Number of Commercial Banks	284	218	178	169	166	163	163	169	151
Number of Branches	70,373	72,072	74,653	78,787	82,897	88,203	94,019	102,377	109,811
Population per Banks (in thousands)	16	16	15	15	15	14	13	13	12
Aggregate Deposits	₹17,002 billion (US$260 billion)	₹21,090 billion (US$320 billion)	₹26,119 billion (US$400 billion)	₹31,969 billion (US$490 billion)	₹38,341 billion (US$590 billion)	₹44,928 billion (US$690 billion)	₹52,078 billion (US$800 billion)	₹59,091 billion (US$910 billion)	₹67,504.54 billion (US$1.0 trillion)
Bank Credit	₹11,004 billion (US$170 billion)	₹15,071 billion (US$230 billion)	₹19,312 billion (US$300 billion)	₹23,619 billion (US$360 billion)	₹27,755 billion (US$430 billion)	₹32,448 billion (US$500 billion)	₹39,421 billion (US$600 billion)	₹46,119 billion (US$710 billion)	₹52,605 billion (US$810 billion)
Deposit as percentage to GNP (at factor cost)	62%	64%	69%	73%	77%	78%	78%	78%	79%
Per Capita Deposit	₹16,281 (US$250)	₹19,130 (US$290)	₹23,382 (US$360)	₹28,610 (US$440)	₹33,919 (US$520)	₹39,107 (US$600)	₹45,505 (US$700)	₹50,183 (US$770)	₹56,380 (US$860)
Per Capita Credit	₹10,752 (US$160)	₹13,869 (US$210)	₹17,541 (US$270)	₹21,218 (US$320)	₹24,617 (US$380)	₹28,431 (US$440)	₹34,187 (US$520)	₹38,874 (US$600)	₹44,028 (US$670)
Credit Deposit Ratio	63%	70%	74%	75%	74%	74%	76%	79%	79%

By 2010, banking in India was generally fairly mature in terms of supply, product range and reach-even though reach in rural India still remains a challenge for the private sector and foreign banks. In terms of quality of assets and capital adequacy, Indian banks are considered to have clean, strong and transparent balance sheets relative to other banks in comparable economies in its region. The Reserve Bank of India is an autonomous body, with minimal pressure from the government.

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 is the first time an investor has been 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$1.0 trillion or €860 billion) and bank credit of ₹52,604.59 billion (US$810 billion or €670 billion). The net profit of the banks operating in India was ₹1,027.51 billion (US$16 billion or €13 billion) against a turnover of ₹9,148.59 billion (US$140 billion or €120 billion) for the financial year 2012–13.


Pradhan Mantri Jan - Dhan Yojana (Accounts Opened As on 12.01.2015)

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 crore accounts were opened, with around ₹20,288.37 crore (US$3.1 billion) were deposited under the scheme, which also has an option for opening new bank accounts with zero balance.

Payments Bank

Payments bank is a new model of banks conceptualised by the Reserve Bank of India(RBI). These banks can accept a restricted deposit, which is currently limited to ₹1 lakh per customer. These banks may not issue loans or credit cards, but may offer oth current and savings accounts. Payments banks may issue ATM and debit cards, and offer net-banking and mobile-banking. 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.

Small Finance Banks

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$38,000).

Banking Codes and Standards

The Banking Codes and standards Board of India is an independent and autonomous banking industry body that monitors banks in India.To improve the quality of banking services in India S S Tarapore (former deputy governor of RBI) had the idea to form this committee.

Adoption of Bank Technology

The IT revolution has had a great impact on the Indian banking system. The use of computers has led to the introduction of online banking in India. The use of computers in the banking sector in India has increased many fold after the economic liberalisation of 1991 as the country's banking sector has been exposed to the world's market. Indian banks were finding it difficult to compete with the international banks in terms of customer service, without the use of information technology.

The RBI set up a number of committees to define and co-ordinate banking technology. These have included:

- In 1984 was formed the Committee on Mechanisation in the Banking Industry (1984) whose chairman was Dr. C Rangarajan, Deputy Governor, Reserve Bank of India. The major recommendations of this committee were introducing MICRtechnology in all the banks in the metropolises in India. This provided for the use of standardised cheque forms and encoders.

- In 1988, the RBI set up the Committee on Computerisation in Banks (1988) headed by Dr. C Rangarajan. It emphasised that settlement operation must be computerised in the clearing houses of RBI in Bhubaneshwar, Guwahati, Jaipur, Patna and Thiruvananthapuram. It further stated that there should be National Clearing of inter-city cheques at Kolkata, Mumbai, Delhi, Chennai and MICR should be made operational. It also focused on computerisation of branches and increasing connectivity among branches through computers. It also suggested modalities for implementing on-line banking. The committee submitted its reports in 1989 and computerisation began from 1993 with the settlement between IBA and bank employees' associations.

- In 1994, the Committee on Technology Issues relating to Payment systems, Cheque Clearing and Securities Settlement in the Banking Industry (1994) was set up under Chairman W S Saraf. It emphasised Electronic Funds Transfer (EFT) system, with the BANKNET communications network as its carrier. It also said that MICR clearing should be set up in all branches of all those banks with more than 100 branches.

- In 1995, the Committee for proposing Legislation on Electronic Funds Transfer and other Electronic Payments (1995) again emphasised EFT system.

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- In July 2016, Deputy Governor Rama Gandhi of the Central Bank of India "urged banks to work to develop applications for digital currencies and distributed ledgers."

Automatic Teller Machine Growth

The total number of automated teller machines (ATMs) installed in India by various banks as of end June 2012 was 99,218. 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 nationalised banks and foreign banks, while on-site is highest for the nationalised banks of India.

Branches and ATMs of Scheduled Commercial Banks as of end December 2014

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
TOTAL	***53,726***	***85,000***	***77,409***	***1,62,543***

Cheque truncation initiative

In 2008 the Reserve Bank of India introduced a system to allow cheque truncation—the conversion of checks from physical form to electronic form when sending to the paying bank—in India, the cheque truncation system as it was known was first rolled out in the National Capital Region and then rolled out nationally.

Expansion of banking infrastructure

Physical as well as virtual expansion of banking through mobile banking, internet banking, tele banking, bio-metric and mobile ATMs is taking place since last decade and has gained momentum in last few years.

Data Breaches

2016 Indian Banks data breach

A huge data breach of data of 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. Many users reported unauthorized 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.

THASMAI ECONOMY SYSTEM

I hope THASMAI ECONOMY SYSTEM would definitely reconstruct the Indian banking system that leads to a strong economic stability in our country.Our country can attain the status of a developed nation within a short duration if the GOVERNMENT would take a decision to implement Thasmai Economy system in banking sector.

I Strongly recommend the Government to adopt THASMAI ECONOMY SYSTEM in the banking sector ,so that India would be the number one economically stable country in the world.

HOPING INDIA WILL CONSIDER THASMAI ECONOMY SYSTEM AND UPLIFT OUR RURAL AND URBAN CITIZENS A HEALTHY, WEALTHY AND STABLE LIFE STYLE.IT IS ALSO APPLICABLE TO OTHER COUNTRIES ALL OVER THE WORLD.

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