

Operational Management of Indian Banks: Service Quality Approach

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Abstract

Between Jan 2024 and Oct 2025, State Bank of India (SBI) recorded nearly 16,000 cyber fraud cases, resulting in significant financial losses and highlighting gaps in digital risk controls and customer protection mechanisms.

If we go a little back on July 18th, 2024 Microsoft outage led to a plethora of Indian banks and financial service institutions getting hit amongst several big corporates including airlines and major corporate firms that faced acute failure of their business operations, cloud services, communications and created data accessibility issues. A closer examination of the issue is deemed necessary particularly Although an RBI assessment showed that only 10 banks and NBFCs had minor disruptions which have either been resolved or are being resolved. RBI held that a major portion of India's financial system remained insulated from the Microsoft outage. With a view on prospective events affecting our bank and Financial Service firms, the Reserve Bank of India has issued an Advisory four days later to its Regulated Entities for taking necessary steps to remain alert and ensure operational resilience and continuity.

In April 2024, Kotak Mahindra Bank came under regulatory scrutiny from the Reserve Bank of India (RBI). The action was attributed to deficiencies in the bank's IT infrastructure and IT risk management framework. Specifically, the bank's Core Banking System (CBS), along with its online and digital banking channels, experienced frequent and significant outages over the past two years, including incidents in April 2024. These disruptions led to substantial customer inconvenience and raised concerns regarding the bank's operational resilience. The RBI reprimand led to Kotak stopping the onboarding of customers through online and mobile banking channels and issuing fresh digital credit cards. Apart from this incident, Paytm Payments bank was asked to discontinue its deposit and credit transactions.

