CHAPTER 3

HISTORY AND GROWTH OF CREDIT CARDS IN INDIA
There is no literature available as regards history and growth of Plastic Money in India. We have interacted with various bankers and the Diners Club officials to present the following history on evolution and growth of credit cards in India. Since no literature on the subject is available, no details could be found out as to how the Plastic Money emerged in India and why was it introduced. However, based on our interviews with the bankers, we have given the following detailed account on the evolution of Plastic Money in India.

3.1 ORIGIN OF CREDIT CARD SYSTEM IN INDIA: In 1961, the 'DINERS CLUB' was introduced by Mr. Kali Mody who was responsible for bringing the credit card system to India and he can be called the 'father of the credit card in India'. It is generally observed that in India, new consumer concepts, particularly those brought from abroad, are slow to gain acceptance and popularity. Credit card system was no exception to this phenomenon as the same did not get the initial push, notwithstanding the fact that card system was quite popular in the western countries. Consequent to this, consumer response for cards was mainly from those who had lived/travelled abroad and were thus familiar with the operation of the credit card system. Besides this, one of the reasons for initial slow growth of credit card system in India is that Mr. Mody's organisation being a private sector enterprise, it took several years to reach a break even point
and make the operations profitable. After achieving a modest card membership of about 8000, Mr. Mody sold his credit card company to Mr. Shyam Sundar Agarwal in 1976.

3.2 GROWTH OF CREDIT CARD SYSTEM IN INDIA:

a. In early 1970, with the increased urban income and higher standards of living, especially in the urban area, the era of consumerism had begun creating up-market consumers. Moreover, around the same time, a host of new consumer products and services also became available. The commercial activity was on the rise and consequently the number of young corporate executives increased considerably. These developments had created a good potential for credit cards in the metropolitan cities of India, and Mr. Agarwal could see this as a good business opportunity, which was exploited by him with remarkable success.

b. The credit card market in India remained noncompetitive until 1980, when Central Bank of India launched 'CENTRAL CARD', the first bank credit card in India. Further competition arose with the affiliation of Central Card with both VISA and MasterCard. This was followed by the launch of 'ANDHRA CARD' by Andhra Bank in 1981 which was also affiliated to VISA. Some years later, more well-known banks entered the credit card market. Details in respect of names of banks who are currently in the credit card market in India with their respective years of launch along with the eligibility norms for possessing the credit card are listed in the table 3.1.
<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Name of Bank</th>
<th>Name of Card</th>
<th>Year of Launch</th>
<th>Eligibility Income Rs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>ANDHRA BANK</td>
<td>ANDHRA VISA CARD</td>
<td>1981</td>
<td>36000</td>
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<tr>
<td></td>
<td></td>
<td>ANDHRA GOLD</td>
<td>1988</td>
<td>100000</td>
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<tr>
<td>2</td>
<td>ANZ GRINDLAYS BANK</td>
<td>ANZ GRINDLAYS VISA CARD</td>
<td>1989</td>
<td>60000</td>
</tr>
<tr>
<td>3</td>
<td>BANK OF BARODA</td>
<td>BOB CARD EXCLUSIVE</td>
<td>1992</td>
<td>100000</td>
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<td></td>
<td></td>
<td>BOB CARD</td>
<td>1985</td>
<td>50000</td>
</tr>
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<td>4</td>
<td>CENTRAL BANK OF INDIA</td>
<td>CENTRAL CARD</td>
<td>1980</td>
<td>40000</td>
</tr>
<tr>
<td>5</td>
<td>CANARA BANK</td>
<td>CANCARD</td>
<td>1987</td>
<td>60000</td>
</tr>
<tr>
<td>6</td>
<td>CITI-BANK</td>
<td>CITI MASTER/VISA CARD</td>
<td>1990</td>
<td>30000</td>
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<td></td>
<td></td>
<td>DINERS CLUB</td>
<td>1990</td>
<td>50000</td>
</tr>
<tr>
<td>7</td>
<td>HONGKONG &amp; SHANGHAI</td>
<td>HONGKONG CLASSIC MASTER/VISA CARD</td>
<td>1992</td>
<td>60000</td>
</tr>
<tr>
<td>8</td>
<td>BANK OF INDIA</td>
<td>INDIA CARD</td>
<td>1988</td>
<td>50000</td>
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<td>9</td>
<td>BANK OF MAHARASHTRA</td>
<td>CANCARD</td>
<td>1991</td>
<td>36000</td>
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<tr>
<td>10</td>
<td>CORPORATION BANK</td>
<td>CANCARD</td>
<td>1991</td>
<td>60000</td>
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<td>11</td>
<td>DENA BANK</td>
<td>CANCARD</td>
<td>1991</td>
<td>60000</td>
</tr>
<tr>
<td>12</td>
<td>INDIAN OVERSEAS BANK</td>
<td>CANCARD</td>
<td>1991</td>
<td>60000</td>
</tr>
<tr>
<td>13</td>
<td>SARASWAT CO-OP BANK LTD</td>
<td>CANCARD</td>
<td>1991</td>
<td>60000</td>
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<tr>
<td>14</td>
<td>SYNDICATE BANK</td>
<td>CANCARD</td>
<td>1991</td>
<td>60000</td>
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<tr>
<td>15</td>
<td>UNION BANK OF INDIA</td>
<td>CANCARD</td>
<td>1991</td>
<td>60000</td>
</tr>
<tr>
<td>16</td>
<td>VIJAYA BANK</td>
<td>MASTERCARD</td>
<td>1988</td>
<td>36000</td>
</tr>
<tr>
<td>17</td>
<td>VVSYA BANK LTD</td>
<td>CITI MASTER/VISA CARD</td>
<td>1992</td>
<td>30000</td>
</tr>
<tr>
<td>18</td>
<td>STANDARD CHARTERED</td>
<td>GOLD CARD</td>
<td>1993</td>
<td>120000</td>
</tr>
<tr>
<td></td>
<td>BANK</td>
<td>EXECUTIVE CARD</td>
<td></td>
<td>90000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>CLASSIC CARD</td>
<td></td>
<td>60000</td>
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</table>
Till late 1980, the word ‘product’ was generally referred to only in the capital goods, consumer durable and consumer goods area. A new trend has emerged thereafter and the word ‘product’ has now been extended to the ‘services sector’ too. In other words, the variety of services offered by banking and non-bank financial intermediaries are referred to as various ‘products’. The description and the details of such products are known as ‘product write-up’. In this context, the credit card services offered by the banks are also referred to as one of their ‘products’. Product write-up of some of the major operators of credit card system in India is given below:

3.3 a. VIJAYA BANK - MASTERCARD: Vijaya Bank had introduced credit cards in 1988 with an affiliation to MasterCard. These cards are honoured at over 7000 Merchant Establishments (MEs) in India and Nepal. MEs include restaurants, department stores, car service/repair workshops, etc. Vijaya Bank’s cardholders can also use their cards to buy various Airline tickets as also Railway tickets at selected Counters.
Vijaya Bank's MasterCard is also used to withdraw cash at their branches throughout India up to a limit of Rs. 2500 per month in all outstation branches, except in cardholder's home town branches. Cash withdrawal is permitted against the credit card when it is accompanied by a cash withdrawal pass book. Vijaya Bank has installed Automated Teller Machines (ATM's) in Mumbai, Delhi and Bangalore. The ATM-cum-master credit card helps to avail of 24 hour banking services through ATMs installed in major cities mentioned above.

ATM-cum-credit cardholder does not have to pay any extra charge for holding this premium credit card, but these cards are issued to only a selected few high creditworthy customers of the bank. These customers can withdraw cash through ATMs any time of the day and night. ATMs are becoming popular in India now and are expected to play a major role in the credit card operations as in the case of developed countries.

If the annual transactional turnover under Vijaya Bank's MasterCard exceeds Rs. 5000 then, it brings with it a 24 hour Personal Accident Insurance coverage of Rs. 10 lakh free of cost. This insurance cover is only against death of the cardholder and the insured amount is payable to the nominee of the cardholder.

The annual turnover is calculated for the period from April to March every year and the insurance cover is
available from the date the turnover exceeding the above limit.

Vijaya Bank MasterCardholders can also buy certain consumer durable items on installment payment basis. Add-on cards are issued to cardholders' spouse, son or daughter of 21 years of age and above, regardless of his/her income.

Expenditure incurred by the family members of the main cardholder through add-on cards is included in the main cardholder's monthly billing statement and the main cardholder is required to effect the payment to the bank.

Vijaya Bank credit cards are issued to creditworthy Indian citizens generally based on the recommendations of their branch managers. Proof of income should be submitted along with the application for issue of credit card for verification by bank officials. Cardholders are required to be either savings bank/current account holders in any of the Vijaya Bank branches.

3.3 b. VIJAYA BANK - PREMIUM GOLD MASTERCARD: In addition to normal facilities provided in the credit card, Vijaya Bank Premium Gold Card provides following exclusive advantages:

- cash withdrawal facility to cardholders up to Rs.10,000 per month from any of the branches of Vijaya Bank through a pass book which is supplied along with
the credit card.

- the cardholder also gets a 24 hour Personal Accident Insurance coverage up to Rs.1 lakh without any extra charge and the amount of insurance is payable to the nominee of the cardholder in the event of cardholder's death.

In order to obtain Vijaya Bank Premium Gold MasterCard, one must have a proven Income of Rs. 60,000 per annum or a minimum deposit of Rs. 1 lakh with Vijaya Bank for two years.

Premium Gold MasterCard holder is required to pay an initial membership fee of Rs. 1000. Additionally, the cardholder is also required to remit an annual subscription of Rs. 300. These cards are valid for 2 years from the date of issue.

3.4 BANK OF BARODA - BOB CARD EXCLUSIVE: The 'BOB Card Exclusive' credit card issued by Bank of Baroda has a wide acceptance throughout India and Nepal. This card is honoured by over 13000 Merchant Establishments which include Airlines like Air India, Indian Airlines, Vayudoot and Private Air Taxi Services.

In addition to selected stations of Indian Railways, these cards are also accepted at a large number of departmental stores, restaurants, hospitals. Being a MasterCard affiliated
member, these cards are also honoured at 18000 strong Merchant Establishment base of other MasterCard member banks in India as per the inter bank agreement between all the banks who have affiliation to MasterCard and VISA in India.

A BOB cardholder can avail of the cash withdrawal facility upto Rs. 10000 per month at more than 2400 branches of Bank of Baroda spread all over the country. In addition, the cardholder is also entitled for emergency medical cash advance facility of Rs. 15,000 in case of medical emergencies. The privileged BOB cardholder can enjoy the revolving credit facility upto Rs. 30,000. The cardholder can also use communication services available in 15 business centres in major cities of India. BOB Card Exclusive holders can automatically become members of International Business Travellers Club (IBTC) and avail of the facility of discount on bills, in addition to other complimentary subsidised services.

BOB cardholders are insured against Personal Accident Insurance to the tune of Rs. 10 lakh in case of air travel and Rs. 5 lakh in case of any other accident. Even if the cardholder’s spouse is not an add-on cardholder, he/she is entitled to avail of the Personal Accident cover to the tune of Rs. 2 lakh but the insured sum is payable to the spouse of the cardholder only in the event of main cardholder’s death. In case of loss of card, the new card will reach the holder within 48 hours on receipt of required information. Any individual with a minimum annual income of Rs. 1 lakh is
eligible to obtain BOB Card Exclusive credit card. In the case of corporate companies or firms, the paid up capital should be Rs. 5 lakh and above in order to obtain BOB Card exclusive Corporate card. Bank of Baroda does not charge entry fee for obtaining BOB Card. However, a membership fee of Rs. 500 per annum is charged.

Bank of Baroda (BOB), on obtaining permission from the Reserve Bank of India (RBI) has formed a fully owned independent subsidiary called Bobcards Ltd. This subsidiary company has now been approached by the Japan Credit Bureau (JCB), a leading payments system company in Japan, for a possible tie-up. Under the terms of this offer, JCB wants to utilise Merchant Establishments (MEs) of Bobcards Ltd. for its own card products in India.

Bobcards Ltd. has now launched its first international credit card called 'Bobcard Global'. The new card is a 'VISA Gold Card' and targeted at the overseas business traveller. This card carries a membership fee of US $ 65. The company is targeting the card at those travelling abroad for participation in international conferences and seminars, specialised training and studies and for the medical treatment. The use of the card are governed by the exchange control regulations of the Reserve Bank of India (RBI) norms. The user of the card will have to open an account with Bank of Baroda and all his payments using the card will be debited to this account. The cardholder will have to pay back the
dues to bank in foreign currency which should be routed through authorised foreign exchange dealers. The card will be accepted at 12 million VISA Merchant Establishments around the globe and the cardholder will be able to avail of any emergency assistance from VISA round the clock.

3.5 ANDHRA BANK - ANDHRA BANCARD: The salient features of Andhra Bancard are listed below:

- It is not essential to have an account with Andhra Bank for obtaining Andhra Bancard.

- Andhra Bancards are accepted by Domestic Airlines, Railways, Hotels, Restaurants, Repair Shops, Departmental Stores, etc.

- Andhra Bancard holders are entitled for cash withdrawal facility of Rs. 1000 at their branches twice a month at places other than the cardholder's domicile. The Bank also issues add-on cards to the spouse or dependent major children of the cardholder.

- Andhra Bank also issues international credit cards to the exporters and NRI's or foreign exchange earners against their foreign currency accounts as per the guidelines issued by the RBI.

- Andhra Bancards are accepted at 15000 Merchant Establishments all over the country. They are also accepted in other Master and VISA Card membership establishments.

As far as an individual is concerned, an assumed income of Rs. 4000 per month is adequate for obtaining Andhra Bancard.

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Corporate cards are also issued to those corporate companies or firms whose paidup capital is Rs. 5 lakh and above; but the company or firm should have earned profit for at least 3 years.

Andhra bank charges an initial enrollment fee of Rs. 100 for issue of their credit card. Additionally, an annual subscription fee of Rs. 100 is charged for each cardholder.

3.6 STATE BANK CARD: In true sense, the State Bank Card is not a credit card like others; it is only a cheque guarantee card. The cardholder will be given a special cheque book along with the State Bank Card.

State Bank have two categories of cards; Regular and High value. The Regular cardholder is permitted to draw cash upto Rs. 5000 whereas the High value cardholder can draw cash upto Rs. 25000. The amount can be drawn in the form of over draft (O.D.) or against balance available in either savings or current account of the cardholder.

The salient features of the State Bank Card are as follows:
- State Bank Card contains the cardholder's photograph and signature.
- The cardholder can draw money against State Bank cheque leaf at any of its branches in India.
- Each cheque is restricted for payment upto Rs. 500 or Rs. 2500 depending on the Regular or High value card.

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- There is no risk for the accepting outlet regarding payment, if the cheque is accepted against the State Bank Card.

- No initial charges are levied by the bank for the issue of card except a small amount for processing the card. No commission is payable by the outlets to the bank while encashing the cheques accepted by the outlets against State Bank Card.

State Bank of India (SBI) has decided to launch a VISA credit card (SBI card) in partnership with GE capital. With its 13,000 branches and over 20 million account holders in India, SBI card can potentially extend the credit card appeal to the masses in India. The larger part of SBI's customer base is middle class and this is what it intends to attract to its new card. It is learnt that in two years, SBI alone intends to issue as many as two million credit cards in India.

3.7 CITIBANK - DINERS CLUB CARD: As stated earlier, Diners club credit card was the 'first credit card' to be introduced in India. The marketing of Diners Club got a professional push after its affiliation with Citi-bank in May 1990. These cards are honoured at over 11000 member establishments. It is also accepted by Airlines, Railways, Car Rentals, Petrol Pumps, Shops, Hotels, Restaurants, Departmental Stores, Hospitals, etc.
Citibank after signing an affiliation agreement with Diners Club claims to have cornered Rs.130 crore turnover in the country's credit card market (Source: Sunday Chronicle: 16th June 1991). This is a combined turnover of Citibank cards as well as Diners club cards.

Diners Club Cardholders can withdraw cash upto Rs. 10,000 per month in the first year and upto Rs. 20,000 per month in the second year from any of the Citibank ATM facilities available in India. The card is accepted at about 3,300 hotels in India and 32 countries worldwide.

There is a preset spending limit for the Diners Club Cardholders. If the bills are settled within the stipulated time (presently 30 days) it is not necessary to pay extra charges. Diners Club Cardholders automatically become members of the International Business Travellers Club (IBTC).

The Citibank Diners Club further offers a premium free insurance cover of Rs. 10 lakh in case of air travel accidents and Rs. 5 lakh for other accidents to the cardholders.

Moreover, Diners Club Cardholders will automatically become the members of 'Club Shield'. This insures the 'Amount due' on account of card use by the cardholder in the event of his/her loss of life.

In case of loss of card, an emergency card will be issued within 24 to 72 hours. But this restricts the cardholder's
liability on fraudulent charges, if any, to a maximum of Rs. 1000 only from the time the loss is reported to the bank.

The Citibank Diners Club card is available to those with an annual income of Rs. 70,000 and more. Citibank charges an initial membership fee of Rs. 2500 for Citibank Diners Club card. Thereafter, an annual renewal fee of Rs. 1500 is charged to the cardholder.

3.8 CITIBANK - MASTER & VISA CARDS: Citibank Cards are accepted in over 18,000 Merchant Establishments in India. They are accepted by department stores, hotels, airlines, tour and travel agencies, select petrol pumps, hospitals, etc.

Citibank cardholders are entitled to withdraw cash upto Rs. 2500 per month from any of the ATM's installed at their own branches in 4 metros as well as at their correspondent bank - Vijaya Bank - Indira Nagar Branch, Bangalore.

Citibank cardholders are insured against loss of life due to an accident for as high as Rs. 4 lakh during air travel and for Rs. 2 lakh in case of other accidents. In addition, the cardholders are also protected under credit shield, which insures his outstandings against the card use in the event of cardholder's death.

Citibank cardholders can pay only a 'Minimum Amount Due' every month and the balance in easy installments. In this sense, Citibank credit card is truly a comparable credit
card when compared with other credit cards in the USA and U.K..

The minimum amount due in each month is calculated as a certain percentage of total outstandings and can be as low as 10% of the total amount due.

In case of stolen or lost card, the cardholder's liability is restricted to a maximum of Rs.1000 only, from the time holder reports the loss of the card to the bank. The replacement against lost card is arranged by Citibank within 3 working days of cardholder reporting the loss to the bank.

Add-on card will be issued to cardholder's parents, spouse or child (over 18 years of age) at a special rate.

The Citibank Master and VISA card is available on a fee of Rs. 850 annually. Out of the total 7.5 lakh cards in circulation in India, the overall share of Citibank cards is 33% (Source: The Hindu, November 1993; XV).

Citibank and Philips India Limited have launched in April 1996, a co-branded credit card. The Citibank Philips credit card offers card members the 'smart' way of acquiring Philips products while using the card for everyday purchases. The card member earns Money Spinner points every time when he uses the card. These points are to be exchanged at any authorised Philips retailer on any Philips products. In addition, the card member also gets an extended 6 months guarantee on any premium Philips products purchased through
the card. This card is widely accepted at over 65,000 VISA
and MasterCard establishments. It also offers the card
members the best financing options with a minimum due
of only 5%, complimentary accident insurance, purchase
protection, cash withdrawal at the widest network of 24 hour
ATMs and over 100 cash withdrawal counters.

Citibank, like Canara bank is marketing their credit cards
under their Consumer Banking Division (CBD). Citibank is
working on making its consumer banking business a force to
reckon with and the approach it claims is the differentiator.
With its physical resources being limited (Citibank has only
six branches in four cities in India), the challenge is to
leverage them optimally for consumer satisfaction. While
other banks in India talk of number of account holders,
Citibank ushered a new concept in bank accounts called
'relationship accounts' which is a total value of all
financial transactions from bank accounts, credit card,
deposit or loan account. Across its India span, Citibank has
about 50,000 accounts with 90% being relationship accounts

At Citibank credit cards are viewed as the entry point for a
customer with a potential into the Citi fold with a majority
of Diners Club and Citigold cardholders already in the
Citibanking fold. Incidentally, Citibank's credit card
division, which boasts close to 8,20,000 cardholders had
achieved the critical break-even volume of around 3.5 lakh
cards in June 1993, and is a profit centre for the bank now. Citibank is concentrating heavily on the credit card business for market expansion in India. According to Citibank officials, the potential for credit cards in India is estimated around 5 million, while only 1.4 to 1.6 million pieces of plastic are in circulation until June 1996. Citibank enlists around 30,000 new cardholders every month and has reached a commanding position in Indian credit card market. This growth was made possible by up-front marketing and other technologically advanced communication system followed by Citibank in India which are conforming to international standards.

3.9 CANARA BANK - CANCARD, MASTERCARD & VISA CARD: Cancards are issued not only by Canara Bank but also by other nationalised and non-nationalised scheduled banks as stated earlier. The Cancardholder can avail of cash withdrawal facility in India up to a maximum of Rs. 3000 per month or any such amount as may be notified by Canara Bank from time to time. In addition to the normal usage of credit cards, the Cancard issuers at their discretion, can permit the Cancardholder to use the card for making payment of application money towards public issues of shares/debentures of select companies, subject to such conditions as it may stipulate. Such transactions will be treated on par with "cash withdrawal".

Add-on cards to the members of family of the individual cardholder or to such partners/executives of the firm/company
will be issued, if the issuer thinks that the cardholder is eligible. One add-on card in respect of the main card standing in the name of an individual will be issued free of cost and additional add-on cards will be charged a fee of Rs. 100 per add-on card.

At present, Cancards are issued free of charge with an initial validity period of 12 months and they are also renewed free of charge every two years depending on transactions done by the cardholder through Cancard. If the transactions under the card during the period of 12 months from the date of issue are found to be less than Rs. 5000, then the issuer may charge a fee for renewal of such card at the rate of Rs. 200 per card/Add-on card or at such other rate as it may decide from time to time.

Canara Bank has launched a new credit card called 'Cancard Master' in February 1996 in affiliation with MasterCard International. The income criteria for issue of this card is Rs. 60,000 per annum. Cancard Master cardholders are offered free insurance benefit against the risk of personal accident, baggage loss during air travel and card loss etc. According to Canara Bank, introduction of this card shall enable the bank to target larger sections of the prospective credit card clientele.

Canara Bank has decided to introduce smart card for the first time in India. The smart card proposed to be issued by Canara Bank would enable the cardholder to withdraw money either at
one go or in lots the amount mentioned on the card from any designated branch of the bank. However, for introducing the smart card, Canara Bank will necessarily have to install special machines which will accept the smart card. This facility will initially be available in about 100 branches of the bank across the country to begin with which will be implemented by end 1997. Subsequently, this facility will be extended to about 1000 branches in the country. Canara Bank is expected to procure two lakh smart cards and depending upon the demand, more cards will be made available to bank customers or account holders free of charge. The combination of smart card and credit card will to a considerable extent obviate the need to carry currency.

Canara Bank had entered credit card business in 1987 when it launched its proprietary charge card known as ‘Cancard’. With the affiliation of eight other banks, Cancard today is a major player in the domestic credit card market. In affiliation with VISA International, Canara Bank started acquiring VISA business in 1990 and started issuing Cancards with VISA logo in October 1994 and International VISA Gold cards in April 1995.

3.10 MASTERCARD OPERATIONS IN INDIA: In India, 23 banks are members of MasterCard and 18 banks issue MasterCards which are honoured at over 75,000 Merchant Establishments in the country. There are over 8.5 lakh MasterCardholders in India. (Source: data collected from Canara Bank; H.O., Bangalore).
MasterCard International Incorporated, with its head quarters in New York is a global franchise comprising of nearly 22,000 member financial institutions worldwide. Through its family of brands, MasterCard offers a full range of credit and debit products and services, supported by a global transaction processing network.

MasterCard, the international payment franchise plans to introduce its debit cards called 'Cirrus' in India. It is also planning to carry out a pilot project with its member banks for a shared payments network using automated teller machines (ATMs). The proposed introduction of Cirrus debit card comes close on the heels of recent introduction of Cirrus and Maestro, MasterCard's ATM cards launched in Malaysia. Now there are a large number of ATMs operating in India and existence of a good ATM network is a forerunner to a good debit card growth.

A debit card differs from the conventional credit card in the sense that the cardholder's account gets instantaneously debited through ATM network unlike in the case of credit cards where the cardholder is given a credit for a fixed period. According to bankers, consumer studies have shown that consumer spending in foreign countries is much higher with the debit cards than with credit cards. As for the prospects for debit cards in India, MasterCard's member banks are very enthused about the proposed launch and are eagerly
awaiting its introduction. According to bankers, the consumers would find using debit cards more comfortable than credit cards.

MasterCard is also likely to be part of a number of co-branding programmes due to be announced during 1996 – 97. Co-branding programme means availability of a product or service to the consumers on use of services or products belonging to co-branding members who share expenses of joint promotion of each others products and services. The co-branding programme involving MasterCard will include co-branding partners belonging to some consumer durable companies and private airlines besides banks and MasterCard.

MasterCard Co-branding programmes abroad have been highly successful with every brand of the programme involved registering a huge growth in their sales; besides MasterCardholder getting enhanced value. A leading international oil giant - Esso has recently launched a co-branded card along with Hongkong Bank and Thomas Cook. Co-branding business in India has tremendous potential and it would grow enormously with the start of some programmes and when industry realises the benefit of such programmes.

3.11 STANDARD CHARTERED BANK: Popularly known as Stanchart is now very aggressive in promoting credit cards in India through their own branches as well as through exclusive sales agents. With their card operations head quarters in Bangalore, this international bank of British origin is keenly competing with
Citibank and other nationalised banks. Stanchart and VISA International announced in early 1996 the launch of Cricket Card in India which is being offered as a special commemorative credit card to celebrate the Wills World Cup 1996. According to Standard Chartered Bank, this is an exclusive offer by Standard Chartered Bank and VISA, which is the official credit card for the World Cup and features a cricket logo on the face of the card. This is the first time in India that any credit card has been designed for a particular sport according to the officials of Standard Chartered Bank.