

RECENT TRENDS OF BANKING INDUSTRY IN INDIA**Dr. Trilochan Sharma**

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Abstract

The banking industry is one of the largest industries. The banking industry has a need to change. The industry adopts the new trend rapidly. The banks are the largest utilize of technology. The technology changes the mode of banking industry of India. Central Banking System was the first application of technology in banking of India. The CBS system connects the all branches with each other. The introduction of ATM changes the life style of Indian people. The fund transfer, RTGS, Tele Banking, Internet banking makes easy to the life of Indian people. It is a good sign for Indian banking industry that the industry adopting the latest changes.

Keywords: Industry, Banks, Technology and Service**Introduction**

The Indian banking industry is growing year with a high growth. The industry is properly regulated. It has a sufficient capital. The banking industries have a rising future in comparison of other industry of India. In the last sixty year the banks create a faith between the public. The public feels secured their money in the banks. The banking industry of India regulated in the year 1969. When the 14 banks was nationalized. These all banks were come under control of Indian Government. It was the time when the government felt a need of nationalization of banks. In the next step government nationalized other banks. The banking business was fully controlled and operated by the government.

The government of India was starting a process to open the economy for foreign investment in the year 1991. Present prime minister was the finance minister at that time. Dr Manmohan Singh strongly in favored to the globalization and to open the economy. The government permits to open the economy with some limits of deferent sectors. The opening of economy was a big step for every industry of our nation. The country was suffering from the lack of capital. The permission of foreign direct

investment (FDI) in India gives a new light to the Indian economy. It boosts up the many industry. It increases the flow of funds in India. The growth of funds flow and transactions wake up the Indian government. The government now focused on banking industry of the country. Which was only caretaker of money? The government decided to deregulate the banking industry and also permit to improve the functioning in different sectors.

The banking Industry is life line of every industry. The banks have a specific role in each industry. The mode of industry is changing day to day.

The banking industry is also required a change to fulfill the industrial needs. The life style of Indian citizens is also changing rapidly. It also creates a pressure on banking industry to change their services accordingly. The Indian people have a great faith on banks. They deposited their hard earned money in the banks. The banks created a trust between the public. The banks collect the savings of the public and invest it. The banks provide the loan and assistance for different projects. The banks indirectly contribute in the nation development. The working culture of banks also changed now the banks providing services for sale, stock

market, shopping, and converting the currency. The banks are playing a representative role in the foreign business.

The present scenario of business is totally depends on the banks. In the global business conditions the banks working as a hand of the business man at every level. It manages the foreign currency in the profit of businessman. The banks transfer the money as per the requirement of the transaction on behalf of the owner of the company. The banks are not a collection agent now. The banks is converted a smart fund/Investment manager. The banks advised to the company for betterment of investments. The banks supervise the business man step by step in the business.

The Indian banking industry is playing a very important role in the growth of Indian economy. The banking industry of India is very strong. The period of meltdown is the best example. The whole world banking industry is failing that time. It was only Indian banking industry which faces it very smartly and has a very nominal effect of financial meltdown.

Overview of Indian banking industry

The Indian banking industry made some significant development in last two decade. The most of the banks was providing the latest services to the customer. The reserve bank of India adopted and applies different policy measure in the monetary policy. The repo and reverse repo rate has changed many times in last two years. It shows the seriousness of RBI towards banking industry. The reserve bank of India was in comfortable zone.

The total numbers of banks which are working in India are 89 till the end of financial year 2013-14. The banks are operating with 92114 offices. More than ten lakhs employees are working in the banks. It is also noted that other than above banks the 56 Regional rural banks (RRB), 1589 urban cooperative banks in addition to cooperative credit institutions. The total value of assets of Indian banking industry reached 1.8 trillion till the financial year 2014

which was 1.3 trillion in the year ending 2010. The 70 percent assets of Indian banking industry are controlled by public sector banks. The compound annual growth of lending and depositing was 20.70 percent and 19.70 percent respectively during the period 2007 to 2014. The total size of banking assets may be increased US Dollar 28.5 trillion till the financial 2025.

Technological Application in banks

The information technology changes the scenario of banking sector. It changed the services of banking sector on 180 degree. The biggest change of IT application is removal of paper work and reduction of time in transaction. The information technology also reduces the hidden corruption in the industry. It also reduces the distance between customer and banks. The maximum functions of banks is completing with technological mechanism.

Transfer of Funds

The transfer of funds anywhere in the country and out of the country or across the Globe is the latest facilities provided by the banks to their account holders. In the transferring of funds the account holders provides the information of beneficiary to their bank in a format. The fund will be transfer in a very nominal time. The remitters must have some information about the banks like IFSC code MICR code branch code etc. The reserve bank of india providing the service to fund transfer. The banks are also working on mobile banking and fund transfer. In future the transfer of fund will be easier. The electronic transfer of fund will stop the exchange of black money. It is a primary barrier on black money in the country.

Central Banking system

CBS system is a development of information technology application in banking system. The CBS system connects the all branches with each other. It made easy the transactions with in bank and out of bank. Under this system the

all branches of a bank connect with a central system. The CBS system maintains the punctuality between the employees nationwide and controls the fake transactions.

Automatic Teller Machine

It is life changing facility introduced by the banking system. It changes the scene of banks. The rush from the bank offices was drastically decreased by the use of ATM cum debit card. It is a facility which is provided by the bank to their account holders. It is a card by which a person can withdraw the money anywhere any time 24*7. The ATM card can be used in different types of payments. It is also used to transfer the money to other person. It stops the pick pockets and robbery at the time of withdrawals of cash. The people who have an ATM card withdraw the amount according to the requirement within a limit every day.

Internet Banking

It is a facility which a bank provides to their customer recently. The internet made the people global. It removes the boundaries of the country. The customer can check the balance any time. The customer can operate the account anywhere. The basic requirement of the internet banking is that the user must have an internet connection. The bank will provide a password to the customer. The customer can operate the account from anywhere. The companies are creating the internet banking system for billing and selling. The day to day activity of the business is covered by the internet banking. The internet banking is a secured and less time taking facility of the banks.

Tele Banking

It is a latest service by the bank. It is a non-cash facility by the banks. In this service banks hire some tele callers. The caller provides all the latest and required information to the customer. The banks are also applying this service to promote the business. It is also used to inform about the new plans of the banks for the

customers. It also removes the confusion of the customer about the plans.

Real Time Gross Settlement

RTGS is facilities which maintain and operated by reserve bank of India. It is a service in which a bank issues the instruction to other bank for transfer of funds. It is a new introduced facility for faster fund transfer. The financial operation must be cleared in two hours. The fund must be transferred in the beneficiary account within two hours. It is called real time settlement.

Some Next Step of Indian Banks

The banks are also establishing any time depositing machine to reduce the manpower. It reduces the operating cost of the banks. The pass book printing is also a time taking job in the bank. The bank is also planning to establish the passbook printing machine in the campus of banks. It saves the time of banks. It is also very beneficial for rural customers of the banks. It removes the problems of entries in pass book of the transactions.

Messaging Facilities

The banking industry also facilitates the message on mobile it is also a latest service by the banks. It is a cost less facility by the bank to the customer. In this service the bank connects the customer mobile number with the account. When any transaction withdraw or deposit the information will be on mobile of last transaction. It stops the fake transactions in the banks. It saves the money of the customer.

Payments of Bills and other facilities

The latest trend in banking sector is to pay the bills by banks. Many private banks were starting this facility. The ICICI bank is providing the facility to their customer to pay the bill by mobile. The banks are creating the apps for latest services. The banks are also facilitating the ticketing billing and purchasing and other

facilities which making easy to the life of the people.

Conclusion

The banking industry is one of the largest industries of India. The industry covered a long journey. The Indian banks change the face in last one decade. The banks achieve the new trends to full filling the requirement of Indian people. The Indian banks are now fully technological friendly. The maximum transactions of banks are technology based. The banks apply and introduce the latest facility to the customer. ATM, Fund Transfer, RTGS, Internet banking, Mobile Banking, Tale banking Debit card Credit card and billing by the card is sufficient to tell it that the Indian banking industry is achieving the new banking trends very fast. The new trends not only facilitate the people but also control the frauds and fake transactions in the banks. It also reduced the time of the transactions. The banks are now at the home of the customer.

Suggestions

The banks acquire the change in the industry very fast. But the real picture is different in India. The maximum ATM is out of cash or un functioned. The maintenance and handling is not proper. The Card is not worked properly. A number of customers cannot operate the technology properly. The banks must educate their customer about the use of card and use of ATM, Pass Book printing and deposition machine. The banks must focus on rural sector where 70 percent of population is living.

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