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NEW EMERGING TRENDS IN BANKING SECTOR IN INDIA

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ABSTRACT

The banking industry is critical to a country's economic growth. Banks' success relies on their ability to meet the needs of its clients in a variety of ways. Recent economic changes in India have highlighted the rising importance of banking services. Any nation that has a well-regulated banking system provides a level of comfort to both local and foreign investors. One of the reasons India was spared the worst effects of the global financial crisis is attributed to its strict banking regulations. Commercial Banks and Co-operative Banks are both types of banks. Those banks that satisfy certain requirements are listed in the second schedule of the RBI Act, 1934. This kind of bank is known as a scheduled one. Commercial banks and cooperative banks both fall within this category. The Reserve Bank of India considers scheduled banks to be more secure, and as a result, they are granted additional privileges including re-financing. Inclusion in the schedule also entails reporting to the RBI and keeping a proportion of its demand and time obligations as Cash Reserve Ratio (CRR) with the RBI as part of its duties.

Key Words: Banking, internet banking, Reserve bank, structure

INTRODUCTION

Most countries' banking industries have reaped the rewards of recent advances in technology to great extents. Efficiency in risk management, rapid transactions and smooth money transfer are just a few of the benefits that may be gained through modern technology. The banking sector's business procedures have also been enhanced through the use of information technology. Indian banks have made significant progress in adapting to a more competitive business climate in recent years. India's banking sector has been transformed through the use of information technology (IT). Technology has become an essential aspect of the banking system reform process due to advances in financial instrumentation and market behaviour.

Banking Structure in India

Any nation that has a well-regulated banking system provides a level of comfort to both local and foreign investors. One of the reasons India was spared the worst effects of the global financial crisis is attributed to its strict banking regulations. Commercial Banks and Co-

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DEVELOPMENTS IN INDIAN BANKING SECTOR

With a credit card, you may borrow money from a credit line that the card issuer (bank) has made available and then pay it back over time. Interest is accrued if a payment is not made in whole by the due date.

Prepaid or "pay now" debit cards are known as debit cards. Using a debit card is like withdrawing cash from a bank account since the money is immediately deducted. It's possible for a merchant to collect money from customers' banks by deducting the exact amount of the transaction from the card each time it is used. To get a debit card and a Personal Identification Number (PIN) (PIN).

Automated Teller Machine: Banks utilise ATMs to make transactions simpler for their clients. Using an ATM card, a client may do a simple financial transaction at any time without ever having to deal with a real teller. It's a place where people may trade items. Even if banks are closed, customers may still get cash using this service. Simply by placing the card into an ATM and entering your PIN and secret password, you may do this task.

• EFT (Electronic Fund Transfer):. Electronic fund transfer (EFT) is a method of transferring money from one bank account to another without human intervention. From any branch to another, monies may be transferred more quickly using this technique. As long as both parties are situated within a reasonable distance from one other, this approach works. Within the city, money transfers are legal. In India, the programme has been in effect from that day on February 7th, 1996.

Using a phone to conduct financial transactions is referred to as "telebanking." By calling the bank and providing the bank with the coded Personal Identification Number (PIN), a client may obtain information about his or her account. The ease of use and effectiveness of telebanking are two of its most appealing features.

E-banking has undergone another revolution with the advent of mobile banking. Everyone with a mobile phone may now access real-time financial services, no matter where they are in the globe. Banking transactions may be carried out using this innovative method of gathering data and interacting with financial institutions. Mobile banking has enormous potential and is widely projected to be a huge success. There is also predicted to be a rise in the booking and payment of travel, as well as tickets. There are several advantages to doing business in this manner.

Using the internet to supply banking goods and services is referred to as "internet banking." Branches of banks are no longer the only places where customers may withdraw money, deposit checks, and get statements of accounts. Internet banking allows customers to do all of their banking business at any time, from any location, without having to visit a physical branch.

Information Technology (IT) In Banking Sector

Today's banking market is very competitive. • It is also seen as a means of reducing costs and improving communication with those involved in the banking business. • Information technology makes it possible to create cutting-edge products, to improve the market infrastructure, to adopt risk management procedures that are trustworthy, and to assist financial intermediaries in reaching markets that are geographically dispersed and diverse.

CONCLUSION

IT has re-defined and re-engineered the banking industry today, and it is certain that the banking industry will continue to evolve in the future, delivering ever more complex services to clients. Consequently, the business is shifting from the seller's market to the buyer's market, and bankers have to modify their strategy from "traditional banking to convenience banking" and "mass banking to class-based banking" in order to keep up with the changing times. The move has also made it easier for the average person to get their hands on information.

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