



## The Recent Trends In Indian Banking Sector: Impact of Financial Economy

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DOI - 10.5281/zenodo.14857185

### Abstract:

*This paper attempts to discuss on the recent trends in the banking sectors. there are a number of latest trends in banking sectors such as Digital banking, online banking, mobile banking, ATM, RTGS, ECS, UPI Electronic fund Transfer, SWIFT-Society for Worldwide inter-bank Financial Telecommunication, core banking system, National Electronic Fund Transfer, National payment corporation of India, banker's cheques, cheque Truncation system, Digital signature universal banking etc. which plays a very important role in the banking sectors operational efficient & allow banks to provide faster, more efficient and more personalized 24 hours and seven days services to their customers with the help of these latest trends banking sector provide improved banking services to their customer directly and save their valuable time and reduces banking costs.*

**Keywords:-** Banking system, Economy, Digital Technology, Growth, Customers.

### Introduction:

At present period because of the recent technological trends in banking sector such as mobile banking, Internet banking, universal banking, core banking, ATM, RTGS, EFT, SWIFT, ECS etc. there have been many changes in the banking sector which plays very important role in the growth & development of banking sector and countries economy. These trends made the whole process of banking very easy and strong and allow banks to provide faster, more efficient & more personalized services to their customers. also due to the recent trends in banking sector, there is no need of person-to-person physical interaction customers online banking can easily access banking facilities and would be to do all their banking operations sitting in their offices and homes through internet. As a result of latest trends, banks, provide an improved banking services to their customers directly and save customers

valuable time, reduces banking cost, lessens corruption and hiding source of money etc

### Research Significance:

The significance of this research stems from explaining of the recent trends in banking system and role of advanced information technology in enhancing the level of efficiency and effectiveness of banking system skills. Also this research helps in determining what best advanced technology to adopt in order to improve a performance of the banking system.

### Research Objectives:

- 1) To study present technology developments in Indian banking sector.
- 2) To understand the major recent trends that are expected to influence the Indian banking sector.

**Research Methodology:**

This paper is an outcome of secondary data. The data used for the study is collected through compressing of various Reference books, articles, ph.d. Thisess, journals, periodical reports, magazines, internet on specific websites and other publications.

**Recent Trends in Banking Sectors:**

- 1) **ATM- Automatic Teller Machine:** It is most popular device in India which enables the customers to withdraw their money 24 hours by 7 days a week and 365 days. It can be used for payment of utility bills, funds transfer etc.
- 2) **Electronic clearing system : (Ecs)** It is an electronic mode of funds transfer from one bank account during to another . This system is beneficial to governments or companies to make large transactions such as interest, pension dividends etc.
- 3) **Electronic data interchange (EDI):** This system facilitates computer to computer exchange of electronic documents such as purchase order, invoices, shipping notices etc. without human interactions.
- 4) **Real Time Gross Settlement (RTGS):** It is a system in which the transfers of money takes place from one bank to any other bank on a “real time & a gross basis”
- 5) **Virtual Banking:-** It is the latest and unique banking trend which provide all the services online such as credit and debit cards etc. paytm payments bank current company etc. are the examples of this banks.
- 6) **Unified payment interface (UPI):** It is a real-time payment system that enables instant interbank platform. It makes funds transfer available 24 hours Google pay, paytm etc. are the example if UPI.
- 7) **Demat Account:-**It is an electronic account to store shares & securities It helps bank customers to buy shares online.it eliminates the problems regarding payment and holding physical securities certificates.
- 8) **Artificial Intelligence Robots:-** These technologies are made up off machine learning, chat bots, Robotic process automation intelligent analytics. This system removes the chances of human error and creates accurate solution for customers.
- 9) **Mobile banking:-**It is an application that likes on a mobile phone which access & manipulates the bank account at any time &any where. This system allows customers to perform a number of financial transitions through mobile device.
- 10) **Core banking system (CBS):-** Core banking system is the banking solution that enables banks to provide centralized services to their customers form any of their branches It revolutionalized the banking sector when it was conceptualized and implemented through the 1990s core banking systems typically include deposit,loan and credit processing capabilities, with inter faces to general ledger systems and reporting tools.
- 11) **National Electronic Funds Transfer System (NEFT):-** National electronic funds transfer system (NEFT) is a nation-wide centralised payment system owned and operated by the Reserve bank of India (RBI) The set of procedures to be followed by various stakeholders participating in the system is available on the RBI website. An individual/ firm/ corporate willing to transfer funds through NEFT can use the internet/ mobile banking facility offered by his /her bank for initiating online funds transfer request. The remitter has to provide details of

beneficiary such as, name of the bank branch where the beneficiary has an account, IFSE of the beneficiary bank, branch, account type and account number etc. for addition of the beneficiary to his/her internet/mobile banking module on successful beneficiary addition, the remitter can initiate online NEFT funds.

12) **Universal Banking:-** All the operation now can be performed in a single step. Electronic convenience services are provided for a busy life below are various services.

**provided by E- Bank:-** check account balance.

- 1) Make third party payments.
- 2) Transfer Funds.
- 3) Download transactions.
- 4) Order cheque books.
- 5) Request shop payments
- 6) Apply for a loan

**Findings:**

Because of the recent trends in banking sector.

- 1) Banks grow its operational efficiency and provide faster, more efficient 24/7 services to their customers and saves customers valuable time, reduces banking cost, lessens corruption and hiding source of money.
- 2) Customer's can easily access banking facilities and would be able to do all their banking operations sitting in their home or through internet.

**Conclusion:**

In the present period, the recent trends in banking sector such as digital banking mobile payments, Universal banking, ATM, RTGS, EFT, ECS, Core

banking, EDI, UPI, NEFT ect. plays a very important role in the growth and development of banking sector and countries economy These trends make the whole process of banking very easy and stronger and allow banks to provide faster, more efficient and more personalized services to their customers and make changes in consumer behavior. As a result of latest technological trends, banking sector provide improved banking services to their customers directly and saves customers valuable time, reduces banking cost, lessens, corruption and hiding source of money.

**Recommendation:**

- 1) The banking sector brought the advancements in the technology and provides improved banking services to their customers directly, and reduces their valuable time.
- 2) The ministry should support and cooperate the banking sector for the enhancement and development of the banking sectors.

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