

BANKING TECHNOLOGY IN INDIA: PRESENT STATUS & FUTURE TRENDS

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ABSTRACT

The current status and emerging trends in banking technology, The Banking sector has embraced the use of technology to server its client's faster and also to do more with less. There is a close relationship between the development of banking sector and the new innovations in technology. The present research focuses on the benefits and challenges of changing banking trends. The term "Banking technology in India" interrelate to use of sophisticated information and conveying technologies together with computer science to enable banks to offer many good services to its customers in a secure. Banking technologies used to delivering services to customers. Many benefits of this technology like profitability, faster service and flexibility, customer satisfaction, 24X7process. In this research, I am focusing major technology trends API which will help in addressing the customer and business demands and also included latest banks technology.

KEYWORDS: *Raised, Innovation, Mobile Banking, Quality, Banking Technology.*

Introduction

Banks play a very important role in the development of financial life of modern society. In today's time the banking sector has gone a lot. Today the banking system has raised the standard of living of the people. Awareness has come in the society. In last 10 year banking facilities very increase in India and focused on new ideas and techniques. They used them as one of their financial service in order to cater the needs of their customer in easily done. Banking technology are playing important role in Indian economic. Without technology system we cannot operate some of their many transactions as fast and possible.

Technology has been a grant to many industries and especially to the banking sector. As of now 20 public sector banks and 22 private sector banks are working in India. Today all the banks started with different technologies. In past 10 year banks in India have invested highly amount in the technology like net banking, Debit card, Credit card, Tele banking, EPS, and mobile banking. There are many Improvements in the quality of customer services and very fast process of banking operations. Through net banking, we can easily transaction from any of our bank account. In 2025 the banking system was a third largest banking sector in the world. In this paper I am focusing all new innovation work in present time like, ATM RTGS ,EFT, Smart card, mobile banking and one major technology trends which will be import in the future like API . I also included some new innovation in next five year.

Present Trends in Banking

The Indian banking sector has completely changed over the past 10 year. The various financial markets are ECS, RTGS, NEFT, and ATM Retail banking etc and including all services.

ATM	YONO	RTGS	NEFT	EPS	EFS	API
Mobile Banking	Smart Cards	Internet Banking	Tele Banking	Corporate Banking		

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ATM

The Automated Teller Machine (ATM) is banking terminal that accepts deposits and distribute cash. The customer can withdraw cash up to certain limit during any time of the day or night. ATM's can be used for payment of utility bills, Balance enquiry, Cheque deposits, Fund transfer between accounts.

YONO

YOU ONLY NEED ONE is integrated digital banking platform offered by state bank of India (SBI). This App offers a lot of facilities. YONO was launched on 24 Nov 2017. YONO offers services from over 60 e-commerce companies including online education, online shopping, taxi booking, travel planning, fund transfer, cashless bill payments and loans. YONO is offered as a Smartphone app for both android and IOS.

RTGS

Real time gross settlement is an electronic form of funds transfer where the transmission takes place a real time basis. In India transfer of funds with RTGS is done for high value transaction that requires and receives immediate clearing. The minimum amount is Rs 2 lakh on real time.

NEFT

National electronic fund transfer is an electronic funds transfer system, started in Nov 2005, maintained by RBI. NEFT enables bank customers in India to transfer funds between any two bank accounts.

EPS

Electronics payment service is a financial exchange that takes place online between purchaser and sellers. It is mainly based on the e-commerce, e-mail etc. An e-payment service is a way of making transaction or paying for goods and services through an electronic medium, without the use of cheques or cash. As these increases, improve and provide ever more secure online payment transaction. The percentage of cheques and cash transaction will decrease. Types of bank payments: Cash payments, Card based payments.

EFS

- Electronic fund transfer is electronic transfer of money from one bank account to another.
- Instant payment

Mobile Banking

Mobile banking is usually available on 24 hours basis. Mobile bank is dependent on the data connection to the mobile device. Mobile banking is a service provided by a bank or other financial institution that allows its customers to conduct financial transaction remotely using a mobile device such as tablet and smart phones.

**Smart Cards**

- Cards like Debit and Credit.
- Chip based cards.
- Smart cards may provide strong security.
- Many smart cards include a pattern of metal contacts to electricity connect to the internet.



Internet Banking

Online banking is also known as internet banks. Online banking provided almost every service like deposits, transfer, online bills payment, online ticket booking, online shopping etc. online banking is fast and efficient.

Tele Banking

Tele banking is service provided by bank or other financial institutions that enables customers to perform over the telephone a range of financial transaction which do not in value cash without the need to visit a bank branch or ATM.

Everyday Telebanking Service

- Pay bills
- Transfer money
- Update your details
- Also offer a 24 hour service
- Check your Balance

Corporate Banking

Corporate banking also refers as business banking identifies with the items and services that include loaning or credits between the bank and bank customers.

- Funding
- Working Capital facilities
- International payment
- Overdraft

Api (Application Programming Interface)

Application programming interface is software as a service.

API Banking means a new role for Banks		
Past Customers come to banks physically	Present Customers come to banks digitally	Future Bank is present where ever customer – API

An application programming interface is an interface that allows synchronizing like and connecting that database of service with any application. API's for online banking offer benefits in all areas. Many financial institutions have chosen to implement them. The use and development of API's for banks is a necessity. This application use for ensure growth and to simplify the life of your customers.

API's Fall into these Categories

Open API	Private	Partner
Which usual the firm's system to third parties.	Which are internal to the firm and facilitate information flow between soloed legacy systems.	Which are used primarily to integrate firm system with third party partners.

Yes bank is the first in the Indian banking industry to digitize the B2B supply chain with the launch of application or interface (API) banking services.

How it Works

An application programming interface is a software intermediary that allows two applications to talk to each other. In other words an API is the mediator that delivers your request to provider that you are requesting it from and then delivers the response back to you.

How it Works in Banking System

Their operation in the banking system is primarily the same they link a banks database (its customer's information) with different application or programs, thus forming a network encouraging the promotion of services, payment and products appropriate to each person. Its many benefits range from cost reduction, optimization of services, reduction of times spent on transaction, increase revenue. API is a channel for all kinds of business strategy.

How the Bank Customers Benefits

The development of API's and their connection to bank helps customers in a number of ways – Make available the service and product you may need, Simple salvation of every problem and it saves time spent on transactions. For the past some time there has been a lot of change in the banking sector of the country which we are currently looking at. The banking sector is becoming completely digital. As technology improves banking sector offers more convenience banks fields are incorporating the advance in their facilities.

Future Trends in Banking

- **AI (Artificial Intelligence)**

Artificial intelligence is the go to technology for almost all the companies around the world. In future AI will play important role in Indian banking sector when a machine mimics a human mind by thinking for itself, it is known as artificial intelligence. Artificial Intelligence is the most necessary part of the banking sector. The main objective of having AI in the banking sector is to get insight into the customer's desire to confirm that the customer's are happy with the service. Customer satisfaction - The banks provide mass efficient services to each and every individual customer. Customer satisfaction is the first and important factor of all banking industry. AI helps general customer relationship and faster decision making chat bots.



- **Bank's Work will be Digital Only**

Digital banking in India is highly advanced. A digital banks are provider all its banking facilities online and through app platforms on tablets mobile and the internet. It offers all basic services like real time data, ordering ATM cards and resetting the ATM PIN through the app, check account details, bill payments and automated processes.

- Environmentally friendly
- Provides high security
- Accurate information about the customer and documentations.
- Easy to open bank accounts
- Fast payments system
- Quicker service which helps to immediately reflect the account details in any branches.
- Ability to access banking services 24/7 from any location.

- **Cyber Security**

Now we are use passwords and OTP. We can look forward to advanced biometric authentication, face recognition and voice recognition in the near future. ATM's will be recognition in future. ATM's will become contact less and the mobile phone would be used to operate it.

- **Block Chain Technology**

Block chains basically a technology in which blocks are created to record transaction and related database permanently without the ability to alter it. It is a journal technology that is constantly updated digitally and does not have a central administrator. Once the recording is made, the data cannot be changed, it is considered highly secure by design. The banking sector see lots of transactions every day, and block chain is accepted to easy the process of recording securing and validating these transactions. Block chain technology is a great resource. When the banking transaction is completed the technology verifies the transaction and creates a new block using this information. This block is then chained to the next block with the help of cryptographic technology. However, once verified and recorded, this block chain cannot be changed. This technology is very important for banking & financial sector.

- **Robotic Process**

Robotic technology in future will be one major part of banking sectors. Banks are spending a lot of amount on this technology. This technology will be work in banking system, receiving financial documents and cut down on human error. And banks can automate tasks such as mortgage approval, Processing credit card orders, Cleansing accounts and cast accounting. Robots also remove the risk of human error and ensure compliance with regulators seamlessly, decreasing the time and resource used fix mistakes. Citibank, Bank of Tokyo and Bank of America are using robotics to provide superior service and security.

Benefits of robotic process technology:

- Time saving
- Efficient staff
- Compliance
- Easily provide customer service.

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