MODERNIZATION IN INDIAN BANKING INDUSTRY

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ABSTRACT
The Indian banking industry has its foundations in the 18th century, and had a bumpy evolutionary growth path since then. India’s banking industry is the backbone to the economy. The sector emerged strong from global financial turmoil and proved its mettle when the developed economies were shaking. Today, we are having a fairly well developed banking system with different classes of banks – public sector banks, foreign banks, private sector banks – both old and new generation, regional rural banks and co-operative banks with the Reserve Bank of India as the fountain head of the system. In the banking field, there has been an unprecedented growth and diversification of banking industry has been so stupendous that it has no parallel in the annals of banking anywhere in the world.

The banking industry has experienced a series of significant transformations in the last few decades. Among the most important of them is the change in the type of organizations that dominate the landscape. Since the eighties, banks have increased the scope and scale of their activities and several banks have become very large institutions with a presence in multiple regions of the country. Technological innovation and especially mobile banking have paved the way for dramatic growth in the industry in the coming years. Information technology has also improved the efficiency and robustness of business processes across banking sector. India's banking sector has made rapid strides in reforming itself to the new competitive business environment. Indian banking industry is the midst of an IT revolution. The paper examines the new trends in banking.

KEY WORDS: Indian banking industry, modernization in Indian banking.