

Abstract

TECHNOLOGICAL ADVANCEMENT IN INDIAN BANKING SECTOR: AN ANALYSIS

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RAPID growth of Information Technology (IT) in the post liberalisation era has revolutionised almost every aspect of life, by making things easier, faster, cheaper and more efficient. It is not only changing the way of life, but also the face of business. It opens up vast business avenues and transforms the whole business world into a global village. Banks were among the first large organisation to invest heavily in Information Technology and today banking is almost totally dependent on Information Technology (IT). The banking sector, which is one of the largest users of Information Technology (IT), has reaped immense benefits out of the developments in the technology. In most instances, the Information Technology (IT) is cited centrally. Branches are equipped with terminals giving them an online accounting facility and enabling to access the central system for information on such things as current balances, deposits, overdrafts, interest, charges, share and trustee records. Not only the world over but also in India. Information Technology (IT) is highly used by banking industry. In fact, Information Technology (IT) has become an integral part of the corporate sector of banks. Online Electronic banking, Mobile banking and Internet Banking are just a few examples. Information Technology (IT) sector has revolutionized the payment mechanism. According to estimate of DQ, there are a 8,500 ATM's overall (1 for every 1.17 lac population) and it is expected to cross 2 lac. by next five years. In some places there are more than dozen of ATMs in a radius of half kilometer. The total population of ATM holder is about 9 million. At present, there are more than 5 million credit cards users in India. Today Automated Teller Machine (ATM) in bank has become the way of life. The use of ATM's lead to the concept of 'anywhere' and 'anytime' banking. Through the use of ATM cards, one can operate his bank account to withdraw money from any of the bank's ATM installed or available at the nearest side.

In the light of the above background the paper is an attempt to analyze the needs and use of the Information Technology (IT) in the banking sector. It also discusses the role of Information Technology (IT) in banking sector.

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