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THE RECENCT TRENDS IN INDIAN BANKING SERVICES AND ITS CHALLENGES

Assist. Prof. Indulkar V. S. (M.Com. M.A. M.B.A. M. Phil.)
Head of Department of Commerce KDS,
Uran College of Commerce & Arts Uran –Raigad
(Affiliated University of Mumbai)
indulkarvs@rediffmail.com

ABSTRACT

In the Indian banking system, there has been tremendous growth, expansion and diversification of banking service industry. There are different types of banks i.e. public sector banks, private sector banks, foreign banks, regional rural banks and co-operative banks which are headed by Reserve Bank of India. At present, we are observing that services of banking from traditional services to new innovating services for the customers. Today marketing is shifting from sellers market to buyers market. In the liberalization, privatization and globalization age the customer having good substitute for the services industry especially of banking services. So the bank changes their approach from conventional banking services to convenience banking services. In this research paper, the researcher study about recent changes in the banking sector with special reference to e-banking, green banking and its challenges. The methodology used is based on secondary data with referring examples of banks.

Key words: Innovation-e banking-banking technology-challenges

INTRODUCTION

The Indian banking sector is significantly diverse with a number of institutions operating at various levels. The Reserve Bank of India (RBI) is the sole regulator for the industry while the Ministry of Finance is responsible for forming the enabling legislative framework. Indian banks are broadly categorized into 2 types- commercial banks & co- operative banks based on their ownership & regulatory framework governing them. On basis of the ownership pattern, commercial banks in turn are broadly classified into four types of entities- Public Sector Banks (PSBs), Private Sector Banks, Foreign Banks and Regional Rural Banks (RRBs). The Government of India is the major shareholder of the Public Sector Banks. Foreign banks currently operate as branches of their parent entities which are registered abroad. The ownership of private sector banks lies with individuals and/ or institutions. Some analysts further classify private banks incorporated before liberalization as old private sector banks and those after liberalization as new private sector banks. Currently India has 26 public sector banks, 21 private sector banks, 33 foreign banks, totaling 80 scheduled commercial banks. It has seen rapid growth with strong contribution from all the three sectors of banks, namely government banks, private banks and foreign banks.

OBJECTIVES OF THE STUDY

1. To understand the concept of e-banking.
2. To study of recent trends in banking services.
3. To study the challenges for the banking sector in a future.

RESEARCH METHODOLOGY OF THE STUDY

The study is based on the secondary source of data collection with reference to various articles from websites, research papers, newspapers and books etc.

BACKGROUND ABOUT BANKING TECHNOLOGY

The IT revolution has had a great impact on the Indian banking system. The use of computers has led to the introduction of online banking in India. The use of computers in the banking sector in India has increased many fold after the economic liberalization of 1991 as the country's banking sector has been exposed to the world's market. Indian banks were finding it difficult to compete with the international banks in terms of customer service, without the use of information technology.

The RBI set up a number of committees to define and co-ordinate banking technology. These have included:

- In 1984 was formed the Committee on Mechanization in the Banking Industry whose chairman was Dr. C Rangarajan, Deputy Governor, Reserve Bank of India. The major recommendations of this committee were introducing MICR technology in all the banks in the metropolises in India. This provided for the use of standardized cheque forms and encoders.
- In 1988, the RBI set up the Committee on Computerization in Banks headed by Dr. C Rangarajan. It emphasized that settlement operation must be computerized in the clearing houses of RBI in Bhubaneshwar, Guwahati, Jaipur, Patna and Thiruvananthapuram. It further stated that there should be National Clearing of inter-city cheques at Kolkata, Mumbai, Delhi, Chennai and MICR should be made operational. It also focused on computerization of branches and increasing connectivity among branches through computers. It also suggested modalities for implementing on-line banking.
- The committee submitted its reports in 1989 and computerization began from 1993 with the settlement between IBA and bank employees' associations
- In 1994, the Committee on Technology Issues relating to Payment systems, Cheque Clearing and Securities Settlement in the Banking Industry was set up under Chairman W S Saraf. It emphasized Electronic Funds Transfer (EFT) system, with the BANKNET communications network as its carrier. It also said that MICR clearing should be set up in all branches of all those banks with more than 100 branches.
- In 1995, the Committee for proposing Legislation on Electronic Funds Transfer and other Electronic Payments again emphasized EFT system.
- The total number of automated teller machines (ATMs) installed in India by various banks as of end June 2012 was 99,218The new private sector banks in India have the most ATMs, followed by off-site ATMs belonging to SBI and its subsidiaries and then by nationalized banks and foreign banks, while on-site is highest for the nationalized banks of India.

CONCEPTUAL AND STRUCTURAL FRAMEWORK

E-Commerce
(conducting of business through electronic network.)

E-Finance
(Providing financial services through electronic channels)

E-Money
(Stared value or prepaid value mechanism)

E-Banking
Providing banking products& services through electronic channels Internet banking, telephone banking & other electronic channels

Other financial services and products

The difference between e-money and e-banking is that, with e-money, balances are not kept in financial accounts with banks.

Concept of E-Commerce:

Electronic commerce, commonly written as e-commerce, is the trading or facilitation of trading in products or services using computer networks, such as the Internet. Electronic commerce draws on technologies such as mobile commerce, electronic funds transfer, supply chain management, Internet marketing, online transaction processing, electronic data interchange, inventory management systems, and automated data collection systems. Modern electronic commerce typically uses the World Wide Web for at least one part of the transaction's life cycle, although it may also use other technologies such as e-mail. It divided in two parts:

A) **E-Money**: Electronic money, or e-money, is the money balance recorded electronically on a stored-value card. These cards have microprocessors embedded which can be loaded with a monetary value. Another form of electronic money is network money, software that allows the transfer of value on computer networks, particularly the internet. Electronic money is a floating claim on a private bank or other financial institution that is not linked to any particular account. Examples of electronic money are bank deposits, electronic funds transfer, direct deposit, payment processors, and digital currencies
.

B) **E-Finance**: Financing and funding for your business through various banking and financing Institutions.

a) **E-banking**: E-banking refers to electronic banking. It is like e-business in banking industry. E-banking is also called as "Virtual Banking" or "Online Banking". E-banking is a result of the growing expectations of bank's customers. E-banking involves information technology based banking. Under this I.T system, the banking services are delivered by way of a Computer-Controlled System. This system does involve direct interface with the customers. The customers do not have to visit the bank's premises.

The popular services covered under E-banking include**:-Automated Teller Machines**, Credit Cards, Debit Cards, Smart Cards, Electronic Funds Transfer (EFT) System, Cheques Truncation Payment System, Mobile Banking, Internet Banking, Telephone Banking, etc.

b) **Other financial services and products:** Financial services are the economic services provided by the finance industry, which encompasses a broad range of businesses that manage money, including credit unions, banks, credit-card companies, insurance companies, accountancy companies, consumer-finance companies, stock brokerages, investment funds and some government sponsored enterprises.

CONCEPT OF BANKING TECHNOLOGY

'Banking Technology', 'banking' refers to the economic, financial, commercial and management aspects of banking while 'technology' refers to the information and communication technologies, computer science and risk quantification and measurement aspects.

FEATURES OF ONLINE BANKING SERVICES

Online banking facilities typically have many features and capabilities in common, but also have some that are application specific. The common features fall broadly into several categories:

- A bank customer can perform non-transactional tasks through online banking, including -
  - Viewing account balances.
  - Viewing recent transactions.
  - Downloading bank statements, for example in PDF format
  - Viewing images of paid cheques.
  - Ordering cheque books.
  - Download periodic account statements.
  - Downloading applications for M-banking, E-banking etc.
- Bank customers can transact banking tasks through online banking, including -
  - Funds transfers between the customer's linked accounts.
  - Paying third parties, including bill payments (see, e.g., BPAY) and third party fund transfers.(see, e.g., FAST)
  - Investment purchase or sale
  - Loan applications and transactions, such as repayments of enrollments.
  - Credit card applications.
  - Register utility billers and make bill payments.

- Financial institution administration.
- Management of multiple users having varying levels of authority.
- Transaction approval process.

BENEFITS OF E-BANKING

- The operating cost per unit services is lower for the banks.
- It offers convenience to customers as they are not required to go to the bank's premises.
- There is very low incidence of errors.
- The customer can obtain funds at any time from ATM machines.

- The credit cards and debit cards enables the Customers to obtain discounts from retail outlets.
- The customer can easily transfer the funds from one place to another place electronically.

CHALLENGES BEFORE RECENT BANKING SECTOR

- **Changing need of customer**: The banks should be taken care of his customer. The customer who are living in different areas and income groups. As per customer requirements provider of banking services is most challengeable.

- **Keen Competition**: The Indian Govt. and Reserve Bank of India to create healthy competition among public sector banks, private banks, foreign banks in the banking services. . The foreign banks and new private sector banks have spearhead the hi-tech revolution. For survival and growth in highly competitive environment banks have to follow the prompt and efficient customer service.

- **Keeping in time technology up-gradation**: The banks should be seen how to maintain regular services with having technology up-gradation. Mostly public sector banks are not so serious technology up-gradation and its continuity services for the customers. So the customer may be unsatisfied.

- **Rising customers ‘expectations and diminishing loyalty**: In recent the customer always demand for the change. If you not maintained it, then he may take service of other bank i.e. professional bank approach services. It means if you not proper services then, he will be terminate of your services.

- **Global banking**: The impact of globalization becomes challenges for the domestic enterprises as they are bound to compete with global players. If we look at the Indian Banking Industry, then we find that there are 36 foreign banks operating in India, which becomes a major challenge for Nationalized and private sector banks.

- **Providing services in reasonable cost**: It is very important to offer the services reasonable rate for the customers. This services not taken by businessmen only but it offered by common man.

- **IT revolution**: The Indian banks are subject to tremendous pressures to perform as otherwise their very survival would be at stake. The application of IT and e-banking is becoming the order of the day with the banking system heading towards virtual banking.

- **Secrecy, Privacy and Safety**: Among the most important aspects of savings, i.e., safety, liquidity and profitability, safety is at the top most priority. The areas which might endanger security in e-banking can be: Credit risk Liquidity, interest rate risk, market risks Legal risk.

- **Financial inclusion**: Financial inclusion has become a necessity in today’s business environment. Whatever is produced by business houses, that has to be under the check from various perspectives like environmental concerns, corporate governance, social and ethical issues. In India, RBI has initiated several measures to achieve greater financial inclusion, such as facilitating no-frills accounts and GCCs for small deposits and credit.

FUTURE OF BANKING TECHNOLOGY

1. Digital Deposit Apps: Although credit cards, debit cards, direct deposit and on-line bill payments have made old-fashioned paper cheques a vanishing species, paper cheques are still encountered by most people from time to time. Internet technology and mobile apps have been developed that make depositing a cheques as easy as scanning the cheques into a digital format or taking photographs of the front and back with a Smartphone or other mobile device. The resulting digital file or photographs can then be sent to the bank where the cheques is processed in the same way as a deposit made at the teller window and certainly seems like the future of branch banking. Bank of America, Chase Bank and Citi Bank are just a few of the major financial institutions now offering mobile cheques deposit through their apps.

2. Photo Bill Payment Apps: Following fast on the heels of digital deposit technology are photo bill payments apps that facilitate payments to companies that only issue hard-copy bills and invoices. This new technology in banking works by transmitting formation from the bill into an individual's bank account using a digital photograph of the bill. The payment amount, due date and company issuing the bill is collected, allowing the bill to be paid electronically from the user's account. Regular bill payments can also be scheduled using these apps. Currently only a few banks offer this service, including City Bank Texas, but like all new technologies that make life more convenient, use of this service is sure to spread.

3. Smart phone Credit Card Scanners: Studies have shown that consumers tend to spend more when using a credit or debit card to make a purchase than they might with cash. This fact has been a selling point for companies who market and service credit card processing machine. However, new technology now circumvents the traditional credit card machine by allowing credit or debit card payment processing using a reader attached to a mobile device (one example of this service is the Square app). The scanner reads the card, and the specified amount of money is transferred directly from the cardholders account into the payee's account.

4. **Electronic Meetings:** Teleconferencing itself is not a new technology, but teleconferencing with a bank teller or loan officer in lieu of a personal meeting at the local bank branch is relatively new and likely to be a big player in future banking technology. Combined with on-line applications that are completed prior to the teleconference, this service can be used to open a new account or apply for a loan or mortgage. In a similar fashion, some credit unions and smaller banks are beginning to use Genius technology to enable video conferences at their local ATMs. The move is being made in an effort to "rebrand the branch experience by putting less emphasis on transactions, and more on customer service," according to *USA today*.

5. Mobile Payment Apps: Debit and credit cards were the technology in banking industry that revolutionized payment for goods and services in the twentieth century. Now, those payment methods are no longer convenient enough for many shoppers and are being replaced by mobile payment apps that serve the same function.

6. **Biometrics :** It is method of identifying a person using one or more physical traits, has been used for years in banking as thumbprints have been collected for security purposes. More advanced biometric identification, including voice analysis and facial

recognition, is expected to make the banking industry more secure by allowing instant, accurate identification of accountholders and authorized users.

Online Banking Services of HDFC Bank and Bank of Maharashtra:

HDFC Bank: HDFC Bank offers you a comprehensive range of transactions across multiple products through its Net Banking channel. So just log in to Net Banking and conduct 175 + transactions from the comfort of your home or office. Experience Convenience ... Choose Net Banking!

Services of the Bank:

- Check your Account Balance
- book Fixed and Recurring Deposits
- Download A/c Statement up to 5 years, pay your Bills
- Recharge your Mobile/ DTH connection
- .175 + transactions available on Net Banking
- Up-to-the-second details of your account
- Access anytime, from anywhere
- No queues to stand in, or turns to wait for

HOW SAFE IS NET BANKING?

- Our Net Banking service is secured with industry standard technology and infrastructure
- HDFC Bank has implemented an extra security solution for its customers - Secure Access.
- Secure Access is a simple three-step process that greatly enhances your online security and allows you to transfer funds online.
- B**ank of Maharashtra:** Bank of Maharashtra is offering the following services through Interne Banking and you can avail these facilities from your place using internet connectivity, It's banking made available at your doorsteps.

Enquiry

- Balances Enquiry
- Mini Statement
- Statement of Account
- Cheque Status Inquiry

Requests

Stop Payment of Cheque
Issue of Demand Draft
Issue of Cheque Book
Deposit Account Opening

Transactions

- Funds Transfer within own account
- Funds Transfer to third party account
- Funds transfer outside Bank of Maharashtra
- E-payment of taxes
- Utility Bill Payment
- Standing Instructions

Information

Products & Services
Deposit Modeling
Loan Modeling

SECURITY TIPS FOR THE TRANSACTION

- Do not access your Internet Banking account from a cyber cafe or a shared computer.
- Do a proper Log off from the Internet Banking session. Do not just close your browser.
- Do not click any link that takes you to the website. Always type in the correct URL (https://www.mahaconnect.in) into the address bar of your browser.
- Disable the "Auto Complete" function of your browser.
- Use letters, numbers and special characters in your passwords to make it complex and difficult for others to guess.
- Do not share your Internet Banking passwords with anybody.
- Do not respond to any mails asking for confidential information like PIN, password or account number.
- Always check the last login to your Internet Banking account
- Check the URL of the web page. When browsing the web, the URLs begin with letters "http". However, over a secure connection, the address displayed should begin with "https" note the "s" at the end.

OBSERVATIONS & SUGGESTIONS

As per above discussion, in the banking sector had significant changes in the last few years. As bank develop their services like mobile banking, net banking, e-banking for the customers. There are following areas having opportunity for the banking sector.

- India is growing economy
- Increased the percentage of client's borrowings.
- An increase in the money supply.
- An increase in the number of banks
- Low government-set credit rates.
- Larger customer checking account balances.
- To give proper services to rural areas 'customers. Most of the time failure of the banking services.

SUGGESTIONS

- The Reserve Bank of India should be prepare concrete proper guidelines on the authentic website for the online banking services.
- The banks should be give online banking services information and guidelines for the customers time to time as per new changes.
- The bank should be seeing the safety and security services of e-banking.
- In the India to see effective online services for the rural areas banking customer.
- The online banking or banking technology advancement should be easily useable for the common man. It should be proper trained for the common man which can easily apply for banking services.
- The cost for the online banking services should be offered able for the common man.
- Even though online services of banking age, necessity of customer relationship. It means every things is not enough online but it creates personal touch among the customers. It is necessity mutual understanding between bank and customer.
- For survival and growth in highly competitive environment banks have to follow the prompt and efficient customer service, which calls for appropriate customer centric policies and customer friendly procedures.

CONCLUSION

The Indian banking sector has undergone through significant changes in the last few years. In banking business environment are radical changes. There are continuous fluctuations in the market. In the Indian banking sectors the international players role are very effectively spread it. The survival of Indian banking business is more challengeable in this competitive business world. So it is necessary to understand the customer requirements and make effective services in the technological advancement. The boosting of Indian economy is through perfection in services of the banking. The journey of the banking operation should be continuous faith of the God i.e. customer.

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RETAIL BANKING IN INDIA

Shaikh Mohammad Faheem Ali
(M.Com , M.Phil)
(Research Scholar)

Mohd. Sadique Chanda
(MSc. B.Ed)
(Maths Department)

AKI'S
Poona College of Arts, Science And Commerce
Camp, Pune, (MS), India—411001
faheemalishaikh@gmail.com
9890012005, 9028484787

ABSTRACT

Retail banking is being considered as one of the most innovative financial services provided by the various commercial Public Sector Banks (PSBs), private sector and foreign banks. There is a growing demand for term deposits, consumer durable loans, auto loans, debit card, credit cards, ATM facilities, insurance, online banking ,etc. The retail lending has definitely contributed to the development of the economy. India has also develop detail banking sector and it accounts for one-fifth of all banks credit. The increase in retail lending in developing economies can be attributed to the rapid growth of personal wealth, favorable demographic profile ,and development in information technology, the conducive macroeconomic environment, financial market reforms etc. The retail banking strategies of banks are undergoing a major transformation and have resulted in a paradigm shift in the marketing strategies of the banks. PSBs are adopting aggressive strategies, leveraging their branch network to garner a large share of the retail market.

INTRODUCTION

When a Bank executes transactions directly with consumers and not corporations or other banks, then it is known as retail banking. Retail banking in India has fast emerged as one of the major drivers of the overall banking industry and has witnessed enormous growth in the recent past. Retail banking Services include savings and checking accounts, mortgages, personal loans, debit cards, credit cards and so. Retail Banking is now viewed as an important and attractive market segment that offers opportunities for growth and profits. The typical products offered in the Indian retail banking segment are housing loans, consumption loans, auto loans, credit cards and educational loans.

FACTORS CONTRIBUTING TO GROWTH OF RETAIL BANKING

The following factors can be considered to have influenced and paved the way for the growth of retail banking in India:

USE OF PLASTIC MONEY:

The total number of cards issued by banks has dramatically increased. As the usage of plastic money has increased a Working Group was set up for regulatory mechanism for cards. The terms of the Working Group were fairly broad and the Group was to look into the type of regulatory measures that are to be introduced for plastic cards for encouraging their growth in a safe, secure and efficient manner, and also to take care of the best customer practices and grievances handling mechanism for the card users. The credit card holders and loan availed by them through various forms have contributed to the growth of retail banking to a large extent.

HOUSING LOANS:
Housing credit has increased substantially over last few years. The attitude of the younger income earning people has become liberal. This attitude and the increase in disposable income in their hands have contributed dramatically to the increase in housing credit.

YOUNGEST POPULATION IN THE WORLD:
The rise of the young Indian middle class is an important contributory factor in this regard. Improving consumer purchasing power, cou coupled with more liberal attitudes toward personal debt, is contributing to India's retail banking segment. Wide customer base: Retail Credit ensures that the business is widely dispersed among a large customer base unlike in the case of corporate lending, where the risk maybe concentrated on a selected few plans. Ability of a bank to administer a large portfolio of retail credit products depends upon such factors like; strong credit assessment capability, sound documentation, strong possessing capability, regular constant follow- up, skilled human resource, technological support etc.

TECHNOLOGY ADVANCEMENT:
The growth in retail banking has been facilitated by growth in banking technology and automation of banking processes to enable extension of reach and rationalization of costs. ATMs have emerged as an alternative banking channels which facilitate low cost transactions. It also has the advantage of reducing the branch traffic and enables banks with small networks to offset the traditional disadvantages by increasing their reach and spread.

RANGE OF PRODUCTS:
Retail loans have a wide range of options. Banks even finance cost of registration ,stamp duty, society charges and other associated expenditures such as furniture and fixtures in case of housing loans and cost of registration and insurance, etc.

ECONOMIC PROSPERITY AND INCREASE IN DISPOSABLE INCOME:
The consequent increase in purchasing power has increased the number of persons availing personal loans. During the 10 years after 1992, India's economy grew at an average rate of 6.8 percent and continues to grow at almost the same rate which has contributed to the growth of retail banking.

CHANGING CONSUMER DEMOGRAPHICS:
India is one of the countries having highest proportion (70%) of the population below 35 years of age. The BRIC report of the Goldman-Sachs mentioned Indian demographic advantage as an important positive factor for India.

TECHNOLOGICAL INNOVATIONS:

Technological factors play a major role in retail banking. Convenience banking in the form of debit cards, internet and phone-banking, anywhere and anytime banking has attracted customers into the banking field. Technological innovations relating to increasing use of credit debit cards, ATMs, direct debits and phone banking has contributed to the growth of retail banking in India.

LOW BURDEN ON BANKS:

Treasury income of the banks, which had strengthened the banks for the past few years, has been on the decline during the last two years. In such situation, retail business provides a good vehicle of profit maximization. Retail loans have put comparatively less provisioning burden on banks apart from diversifying their income streams.

LOWER INTEREST RATES:

The interest rates were decreased in Indian money market which has also contributed to the growth of retail credit by generating the demand for such credit. Liquidity in the banking system and falling global interest rates have compelled the domestic banks to reduce it. The declining cost of incremental deposits has enabled the Banks to reduce their interest rates on housing loans as well as other retail segments loans. This has contributed to the increase in retail lending.
Need for higher market share: For commercial banks, gaining customer loyalty is becoming tough. Customers demand instant remedy for their grievances and personalization of services at a cost lower. In a digital environment, market share shifts will be rapid as customers will find it much easier to switch. Now that the customer has the choice, banks need to move from a product-centric model to a customer-centric model. Banks have to plan for it in advance and be at the forefront in catering to the customer's needs.

CHALLENGES AND OPPORTUNITIES OF RETAIL BANKING IN INDIA:

Retail banking has immense opportunities in India. India has been identified as the "second most attractive destination of 30 emergent markets". The rise of the middle classis an important contributory factor in this regard. Increase in the consumer purchasing power, coupled with more liberal attitudes toward personal debt is contributing to India's retail banking segment. The SEZs will also provide growth opportunity for retail banking. The combination of these factors promises growth in the retail sector.
As retail banking offers phenomenal opportunities for growth, the challenges are equally daunting. The retail banks have to market their products aggressively. The challenge is to design and to introduce innovative products which cater to the needs of the target segment. This requires devising products which is easy to understand and at the same time meet the financial goals of the customers.
Another major challenge in retail banking is attraction as well as retention of customers. Retention is more difficult in this competitive environment. Customer retention favorably affects the profitability. According to a research by Reich held and Sesser in the Harvard Business Review, 5%increase in customer retention can increase profitability by35% in banking business. Thus, banks need to focus on customer retention.

Sustainability is another issue, which is becoming increasingly vital with respect to the growth of retail banking in India. Technology has made it possible to deliver services throughout the branch bank network, providing instant updates to checking accounts and rapid movement of money.
However this dependency on the network has brought IT department's additional responsibilities and challenges in managing, maintaining and optimizing the performance of retail banking networks. The network challenges include proper functioning of distributed networks in support of business objectives. Specific challenges include ensuring that account transaction applications run efficiently between the branch offices and data centers.
Another issue of concern is the increase in Non Performing assets and increasing indebtedness, which could affect the future growth of retail banking. As per the new Economic policy of the government there is massive inflow of capital into the banking and financial services sector. This may sometimes make it difficult for the banks to survive and the smaller banks may have to merge with other banks.
The banks will also have to build up the image of their brand. A bank has to build its brand by clearly communicating what it stands for and ensure that the brand images consistently conveyed to its customers. This would require integration of all channels to ensure optimum customer satisfaction, regardless of the channel being used.
The development of Information technology and its application in the banking sector provides both opportunities as well as challenges. Most of the retail banks are witnessing tremendous expansion in their customer base. However, on the other hand there is increase in the number and types of cyber crimes like spam, scam, spy ware, phishing, and embezzlement etc. The number of complaints regarding various undesirable practices and cheating of credit card account holders is increasing. The RBI is considering bringing credit card disputes within the ambit of the Banking Ombudsman scheme. Banks have to be very careful and cautious and try to prevent the malpractices done by the misuse of technological advancements. The Information technology has to be properly adhered and the customers have to be protected from all the risks arising in this behalf. Though building a regulatory oversight in this regard is essential, it is to be ensured that the regulations do not reduce the efficiency of the system nor does it hamper the credit card usage.
In a service industry the value can be delivered at the moment of interaction with the customers. Banks, in a drive to carry on with tremendous expansion in terms of customer base, need to have requirements of the employees who are well informed about the products as well as have the necessary soft skills to deal the customers. It is necessary for the banks to upgrade their existing manpower and retention or lock in the best talents for having competitive advantage in terms of human resources. Maintaining the performance of retail banking network and ensuring that all bank products and services are available at all times is also a necessary for customer satisfaction.
Banks in order to increase the customer base sometimes waive and do not adhere to the KYC norms, which may lead to the formation of unethical customers which may affect the genuine customers and banks. Banks should try to reduce the Non Performing Assets and try to prevent fraud and malpractices.

STRATEGIES FOR FUTURE:

- Banks have to spread their banking activities to the masses in rural areas where even today the people are ignorant of the services offered by banks.

- Customer segmentation or product differentiation can be implemented and banks can try to bring out products as per the special needs of customers.
- Promoting low risk retail banking products can help the banks to reduce their liabilities and the risk of repayment.
- Banks have to also concentrate on cost effective expansion programmes since reducing the cost of operation can only lead to development and growth of the banks.
- Customer relationship management is the backbone of retail banking. A response mechanism for customer enquiries can be designed and should be handled by special designated employees.
- Service quality is another major area of thrust. Service quality only will help in increasing the customer satisfaction level and loyalty level. Banks must also concentrate and be aware of any risk to reputation, because it can have a negative impact on the present, future and prospective customers. Recognizing, measuring and controlling risk to reputation must be followed by the banks.

CONCLUSION:

There is a need of constant innovation in retail banking. A paradigm shift in bank financing through innovative products and mechanisms involving constant up gradation and revalidation of the banks' internal systems and processes is called for. Banks now need to use retail as a growth trigger. This requires product development and differentiation, innovation and business process reengineering, micro-planning, marketing, prudent pricing, customization, technological up gradation, home / electronic / mobile banking, cost reduction and cross-selling. While retail banking offers phenomenal opportunities for growth, the challenges are equally daunting. How far the retail banking is able to lead growth of the banking industry in future would depend upon the capacity building of the banks to meet the challenges and make use of the opportunities profitably. However, technological advancement and the efficiency of operations would contribute to success in retail banking business. Furthermore, in all these customers' interest is of paramount importance. So, it is vital for banks to improve their customer services and cut off predatory lending strategies, particularly in the area of interest on credit cards. Finally we say that retail banking is one of the most tremendous areas to be looked after by the banking industry."The bank that best addresses and anticipates customer needs, delivers consistently higher quality service and connects to the customer via their channel of choice wins."

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RECENT TRENDS IN BANKING INDUSTRY

Prof. Santosh Bhaskar Kulkarni
Indira College of Commerce & Sci .
Pune – 411 033.

Prof. Aparna Samir Kulkarni.
Indira College of Commerce & Sci.
Pune – 411 033.

INTRODUCTION

Pretty much all of the major retail Banks now have banking apps for smart phones and progressive-designed (i.e. it scales well on any screen size) web banking. But digital banking should - and will soon - go further than that. There are trends in digital design that are common place in other sectors as well as some interesting developments in smart phones and Omni-channel retail (i.e. co-coordinating your strategies for both bricks and clicks) that will start to have a massive influence on banking from 2015. There are also opportunities behind the scenes that digital could bring - in areas such as in-branch productivity, customer analytics and what I call Embedded Digital Banking.

OBJECTIVES OF THE STUDY

A. To know the prevailing system and trends of Banking Industry.
B. To understand the benefits of digital Banking.
C. To examine the recent trends in Banking Industry.
D. To overcome the obstacles by the New Trends of Banking over the old trends.

AREA & METHODS OF STUDY

Descriptive method was undertaken for this research. To attain information about the topic & its effectiveness Researcher underwent detailed study on the above topic to find out the actual Recent Trends in Banking Industry.

PRIMARY DATA

The source for primary data was through talks with Bank Manager, Bank Marketing Executives, Banking Teacher.

SECONDARY DATA

Secondary data was compiled from recent text books, reference books, Journals, **I**nternet website.

REVIEW OF LITERATURE

As per the research paper published by Prof. Vivek Kumar Tiwari & Deepika Sharma (Career Convent Girls Degree College, Lucknow, India) on "GLOBALISATION AND RECENT TRENDS IN BANKING IN INDIA" VOLUME NO.2, ISSUE NO.6, ISSN 2277-1166 says: The banking sector is in a transitional mode towards a vibrant global market and sophisticated information technology. Due to this changing scenario, banks are paying more attention to expanding their activities from just lending and borrowing to other ends like, insurance merchant banking, leasing, electronic banking etc. Even though these changes were expected after the nationalization of banks in 1969, it was noticed that it had only slow and steady progress necessitating a total revamping of the banking sector. Various reform measures were taken to strengthen the foundation of the system by improving asset quality, enhancing capital and improving profitability along with structural changes in the system. During this transition, banks have seen fierce competition, risk, and revolutionary changes forcing them to take immediate steps to retain market share, redress the grievances of customers as fast as possible by maintaining good ambience, rendering courteous services to customers with the help of latest technological innovations and products.

As per the research paper published by Prof.C.B.Bini, Department of Economics.(Shree Krishna College, Guruvayur, Thrissur, Dist. Kerala) on Indian Banking- Stages of the Development And Recent Trends, Volume-4, Issue-10, Oct-2015 • ISSN No 2277 – 8160 Says: With the potential to become the fifth largest banking industry in the world by 2020 and third largest by 2025 according to KPMG-CII report, India's banking and financial sector is expanding rapidly. The Indian Banking industry is currently worth Rs. 81 trillion (US $ 1.31 trillion) and banks are now utilizing the latest technologies like internet and mobile devices to carry out transactions and communicate with the masses. The Indian banking sector consists of 26 public sector banks, 20 private sector banks and 43 foreign banks along with 61 regional rural banks (RRBs) and more than 90,000 credit cooperatives .Advantaged by issuance of new licenses and efforts being made by the RBI and the Government to expand financial services into rural areas, the hiring trend may further get a boost from the public sector banks. Since most banking workforce is scheduled to retire in the times to come, they would be in dire need of fresh talent. According Randstad India, global HR service provider in India, the banking sector will generate 7-10 lakh jobs in the coming decade and the sector would be the among top job creators in 2014.

As per the research paper published by Dr. Pallavi Singh (Amity Centre of E-Learning, Amity University, Noida) on Banking in India: An Analytical Study on Trends and Progress, Says: As far as the Indian banking is concerned it can be categorized in different modes such as government owned, private banking and specialized banking institution. In India Reserve Bank of India is the control body which works above to all Indian banks. Since from 1969 the public sectors banks has cover-up the decades to establish the Indian banking sector due to the demand of customer value and customer base. The dull moving public sector banks have turned out fast to be on track to cope up with trend. India banks are now at higher value in comparison to Asian banks (viz. Hong Kong, Singapore, Philippines etc.) that have major problems linked to huge Non-Performing Assets (NPAs) and payment defaults. Co-operative banks are nimble footed in approach and armed with efficient branch networks focus primarily on the 'high revenue' niche retail segments. The Indian banking has finally worked up to the competitive dynamics of the 'new' Indian market and is addressing the relevant issues to take on the multifarious challenges of globalization. Banks that employ IT solutions are perceived to be 'futuristic' and proactive players capable of meeting the multifarious requirements of the large customer's base. Private Banks have been fast on the uptake and are reorienting their strategies using the internet as a medium The Internet has emerged as the new and challenging frontier of marketing with the conventional physical world tenets being just as applicable like in any other marketing medium.

WHY CORE BANKING TRANSFORMATION (CBT) IS NECESSARY?

Core banking solutions is jargon used in banking circles. The advancement in technology, especially Internet and information technology has led to new ways of doing business in banking. These technologies have reduced manual work in banks and increasing efficiency. The platform where communication technology and information technology are merged to suit core needs of banking is known as core banking solutions. Here, computer software is developed to perform core operations of banking like recording of transactions, passbook maintenance, and interest calculations on loans and deposits, customer records, balance of payments and withdrawal. This software is installed at different branches of bank and then interconnected by means of computer

networks based on telephones, satellite and the internet. It allows the banks customers to operate accounts from any branch if it has installed core banking solutions.
Core banking became possible with the advent of computer and telecommunication technology that allowed information to be shared between bank branches quickly and efficiently.
Before the 1970s it used to take at least a day for a transaction to reflect in the account because each branch had their local servers, and the data from the server in each branch was sent in a batch to the servers in the data center only at the end of the day (EoD).
Over the following 30 years most banks moved to core banking applications to support their operations where CORE Banking may stand for "centralized online real-time exchange". This basically meant that all the bank's branches could access applications from centralized data centers. This meant that the deposits made were reflected immediately on the bank's servers and the customer could withdraw the deposited money from any of the bank's branches.
Core banking is often associated with retail banking and many banks treat the retail customers as their core banking customers. Businesses are usually managed via the Corporate banking division of the institution. Core banking covers basic depositing and lending of money.
Normal core banking system will include transaction accounts, loans, mortgage and payments. Banks make these services available across multiple channels like ATMs, Internet Banking, mobile banking and branches
The core banking services rely heavily on computer and network technology to allow a bank to centralize its record keeping and allow access from any location. It has been the development of banking software that has allowed core banking solutions to be developed.

DESCRIPTION

It will not be surprising to say that the biggest competition that banks might be facing during 2015 will not be from other banks but from non-banks like Tech companies (PayPal, Google, Amazon), Telecom Companies (AT&T, T-Mobile) or even Wholesale/retail stores (Costco, Wal-Mart). But a complete replacement of banking functions by these industries seems like a distant dream. The boundaries between various industries will get thinner if banking services through non-banking outlets becomes popular. T-Mobile has already created a stir by introducing the prepaid checking account called ‘Mobile Money’. The T-Mobile Visa Prepaid Card can be used to make online, phone and mail order purchases, worldwide. Such innovations will raise competition for banks, especially when they are still trying to adapt to the ‘new digital revolution’.

In 2015, banks will use richer analytical database to gain insights to retain old customers and also create new customers keeping in mind the reasons why one bank is preferred over the others. Retail banking leaders can benefit from these positive trends by using predictive analytics and customer data (customer sentiment, demographic data, product ownership information) to categorize high-value or target customers to help attract comparable prospects that could generate more revenues. Benefits of using banking analytics are many: increase transparency and understanding the degree of risk exposure, measure customer and product profitability, improve performance and make informed decisions, to name a few.

A bank can’t be everywhere, so to be pervasive we must work through points of engagement where the customer needs the functionality of a ‘bank’. There is potential to have a sort of ‘intel inside’ type branding e.g. ‘the piggybank inside’ or ‘powered by Westpac’.. Having a trusted brand is part of the fabric of the system, but ultimately pervasiveness is more important because value utility and convenience is the core measure of brand performance. . Banks are now utilizing the latest technologies like internet and mobile devices to carry out transactions and communicate with the masses. Following are some key trends which are in developing stage with the help of internet and mobile devices :

Some key trends and give a sporting prediction about whether or not each will be offered by the mainstream Banks in 2015:

1 - Your phone is your wallet, just tap and pay

The idea that your phone could replace your payment cards has been around for several years. However, recent developments are about to make that a reality. NFC chips have been embedded in most Android phones for around two years. These allow your phone to work like a contact-less card. Furthermore, Android 4.4 (also known as Kit-Kat) has supported HCE (host card emulation) for a year now. This is a change in how the security of the NFC chip is managed and means that we should expect mainstream Android banking apps to begin to support tap-to-pay in 2015.

Apple announced the availability of NFC chip in iPhone 6 as well as payment method “APPLE PAY” which will allow you to pay by taping your phone and authentication is done by swiping your fingerprint. This simultaneously offers the bank the opportunities to get connected through tap-to-pay

It not just banks but in many sectors will release apps that will allow you to store debit credit card numbers in your phone.

2 - Gamified banking

Banking gamification will generally be targeted at encouraging regular engagement - i.e. logging on more often. This will drive more use of digital - which drives down the use of branch-based banking (which costs more.) I would expect it to be a feature that many users will not be interested in - so it will be optional. Ultimately I can't see it making enough measurable difference versus other digital initiatives.
Banks will abandon most gamification after early experiments

3 - Banks bringing out multiple Digital products

At the moment the main Banks tend to focus on their core retail banking App as the core platform - which makes perfect sense. But as they begin to move from just using digital banking as a replacement low-cost channel, to using it as a competitive differentiator, they may start to think about releasing niche apps aimed at customer acquisition.
As an example, one area that I am very familiar with is remittance or international money transfers. This is a huge global industry dominated by cash-to-cash players like Western Union and Money gram. However, it is moving inexorably online with players like Xendpay , Transfer Wise and Xoom entering the market and winning substantial market share by being more convenient and significantly cheaper. Whereas Banks can easily bundle this functionality into their standard banking app, they could also use it to acquire new customers with a targeted money transfer app and digital marketing campaign

4 - Omni-channel banking

Omni-channel banking is a combination of branch banking and digital banking. There are countless interesting scenarios that merge the customer experience of both of these channels to a seamless, integrated one. All Banks make efforts to characterize their customers and there would be profiling to try to predict which customers would like this type of merged experience, and which ones would not.

5 - Embedded Digital Banking

The idea here is to deconstruct banking services and offer them digitally embedded in other products. These allow you to pay for a purchase at an e-Commerce checkout directly with your bank account.

So why not expose parts of the banking service to other web based businesses who have relevant customer interactions? For example, if someone is buying a new car online, the car sales web site could offer a Bank loan at the point of sale to pay for it. Or more obviously, the foreign exchange if that car is to be imported.

Banks are slightly resistant to this kind of approach because of the impact of Regulators and the potential for fraud.

6 - Biometric authentication to go mainstream in 2016

Digital banks become more and more attractive to millennials who expect secure and convenient banking solutions when on-the-go. Atom Bank (based in the UK) is the latest online bank promoting innovative features that put brick-and-mortar retail banks and wealth management firms under pressure as they have difficulties to keep pace with the latest technology trends. Atom Bank uses a combination of biometric technology empowering clients to authenticate password-free by means of face and voice recognition technology. Another example is the more staid USAA financial conglomerate that already uses Identity X, the biometric platform

Benefits of digital banking:

#1- Access your bank accounts anytime, anywhere

Banking online allows you to securely bank anytime and anywhere you want as long as you have access to the internet. You can use your computer (or, with some banks, your smart phone) to check your balance, transfer money and pay bills on the go. Mobile banking services are generally available to you at no cost, but keep in mind that you may incur charges from your mobile service provider depending on your wireless plan. Some banks also offer features like a mobile website and mobile app to enable on-the-go banking and money management.

#2- Keep track of account balances to help avoid overdraft fees

Sometimes it's far too easy to lose track of your money when you're busy trying to balance work and family. Banking online can help you keep tabs on your money and account balances. Many banks even let you set up alerts to notify you when your balance is low, if a bill is due, when your paycheck is direct-deposited and more. Alerts are a great way to keep track of the money in your account and help avoid incurring overdraft and late-payment fees.

#3- Organize your bill payments

Paying your bills online can make your banking life much easier. You can avoid the hassle of paper bills, making extra trips to your bank or worrying about checks being lost in the mail. In addition, paying your bills online keeps all of your billing records in one easy-to-find place. You can also set up automatic payments using your debit or credit card.

#4- See how much you pay, and to whom

Many online banking systems let you see exactly how much you’ve paid to any given company (such as a mortgage provider, dry cleaner or utility company) over a certain period of time. When tax season rolls around, you can easily access a record of all the online payments you've made. For example, you can see an aggregated total of payments to your mobile carrier to figure out how many of those charges could be tax deductible.

#5- Protect yourself

Tips for money management through digital banking wouldn't be complete without a note on online and mobile security. Banks take the security of their online services very seriously. In addition to site encryption, most banks also exempt users from liability for fraudulent transactions, guard their users' personal information and ensure accurate as well as fast online transactions.

CONCLUSION

In a constantly connected, mobile world where everything is at our fingertips, consumers have a new expectation of wanting things quickly, easily and in the moment. This expectation will challenge banking to look for new opportunities to engage consumers. Instant "on-the-go" rewards will be an approach that will combine the benefits of points, merchant-funded rewards and geolocational in-store incentives.

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A STUDY OF CORPORATE SOCIAL RESPONSIBILITY CONTRIBUTION BY INDIAN BANKS IN EDUCATION

Prof. Thomson Varghese
Indira College of Commerce & Science
Tathawade, Pune-411033
E-Mail: thomsonvarghese04@gmail.com

Prof. Marseline Fernandes
Indira College of Commerce & Science
Tathawade, Pune-411033
E-Mail: marseline.fernandes@iccs.ac.in

ABSTRACT

The idea of corporate social responsibility has been around for a long time, beginning with the work of writer such as BOWEN (1953- citied by many as the Father of CSR). The idea really exploded in the period following the earth Summit in 1992 since which CSR has become a veritable industry in its own right. CSR has raised the corporate agenda as society is increasingly demanding that corporations act responsibly. Financial sector specially the banking sector also has made a tremendous contribution towards CSR. India which is the next super power is considered to be the nation of the youth. Recent study shows that by 2020, the average age of an Indian is expected to be 29 years, compared with 37 for China, whose working-age population will peak just five years from now and then gradually decline, partly as a result of its one-child policy. This youth power of India needs to be molded with proper Skills & quality education. The resources required to provide quality education can be enhanced by contribution through corporate social responsibility by these banks. The main objective of the study is to analyze the contribution towards education by public ltd banks through various initiative

INTRODUCTION

The concept of corporate social responsibility was first mentioned in 1953 in publication of social responsibility of businessman by William J. Bowen. It became popular in 1990's when German Beta Pharma generic pharmaceutical company decided to implement corporate social responsibility. In context of business practices corporate social responsibility has emerged as benchmark for judging excellence. Although voluntary social measures have become legal requirement a number of business leaders are utilizing their wealth to improve living conditions of society.

Social responsibility of business refers to what business does over & above statutory requirement. CSR is about the core behavior of companies & responsibility for their total impact on societies in which they operate. CSR is not an optional add-on nor is it an act of philanthropy. As an economic pillar, the banking sector plays a major role in economic development of country. The contribution of this financial sector is remarkable in Social responsibility, with various fields being focused for development.

RBI(2007) directed Indian banks to undertake Corporate social responsibility initiatives for sustainable development and also asked banks to begin non- financial reporting which is related to activities in era of environmental social & economic accounting.

NEED OF THE STUDY

The Indian banking sector has adopted corporate social responsibility to serve and ensure quality of business, this sector contribution is itself an achievement from economic point of view. India is considered as the next superpower with the population's major count being the young generation. Recent study shows that by 2020, the average age of an Indian is expected to be 29 years, compared with 37 for China, whose working-age population will peak just five years from now and then gradually decline, partly as a result of its one-child policy. This youth power of India needs to be molded with proper Skills & quality education. The resources required to provide quality education can be enhanced by contribution through corporate social responsibility by these banks.

OBJECTIVE OF THE STUDY

To know the contribution through corporate social responsibility in education by public limited banks.
To study various CSR initiatives undertaken by public ltd Bank.

HYPOTHESIS
H1: The CSR initiatives carried out by public ltd bank covers education and other aspects under CSR initiatives as prescribed by Companies Act 2013.

DATA COLLECTION

Data was collected from secondary sources of few Public Limited banks.. The secondary data was collected from different sources like scholarly articles, annual reports of public Ltd. banks, circulars from RBI, newsletters, and various web sites.

DATA ANALYSIS

Following Activities were categorically carried out by few Public Limited banks.

a. **State bank of India**:
- National donations to prime ministers relief fund, national defense fund, Chief Minister's relief fund etc.
- Donations to voluntary organizations/ NGO/Charitable institutions registered.
- Scholarships to meritorious economically weaker students at reputed institutions.
- Health, sports & games, education, women empowerment, child development, assistance to poor etc.
- Adoption of girl child of age 6 to 14yrs who are orphans/destitute/physically handicapped etc.
- IT education for all.
-

b. **Bank of Maharashtra:**
- Donation to Swatch Bharat Kosh
- Food & relief materials to Malingaon
- Donation to Maharashtra sahityaparishad
- Donation to Apangvikasmandalsaswad for construction of Residential school
- Donation to Chief minister relief fund- drought
- Meritorious scholarships awardees
- Ceiling fans to Zilaparishad girls primary school

- Solar street lights
- Programs for farmer's development.

c. Allahabad bank:

- Rural self-employment training institutes: short term residential self-employment initiatives& skill up gradation for micro enterprises.
- Financial literacy centers
- Provision for toilets for boys & girls in primary schools.
- Provision for drinking water in schools.
- Electric fans in classrooms & staffroom in primary schools
- Women empowerment programs
- Emphasis on green banking
- Donation to P.M Relief fund for natural calamities like flood, earthquake, tsunami etc.
- Preservation of wild animals.
- Emphasis on organic farming & rain water harvest
- Farmers club & training centers

d. Bank of Baroda:

- Empowerment: Gender equality, support creation of opportunities & facilitate women employment, differently abled of society.
- Financial support to provide educational materials- books, periodicals, computer equipment's to needy schools.
- Education: promote quality education, research & development through creating infrastructure, scholarships, research grants etc
- Environment: Projects focused on conservation of environment, encourage use of renewable energy.
- Eradication of poverty, disaster relief projects, health programs etc.

e. Bank of India:

- Solar street light & pump sets in rural areas.
- Rain water harvesting mechanism/equipments for agriculture/ drinking water equipments.
- Ambulances to hospitals for rural areas
- Ultra-modern medical equipments to family planning centers
- Wheel chairs to physically challenged sports persons
- Gensets for running equipment's in hospitals for cancer patients
- Classroom for economically challenged students
- Support to orphans/blind students
- Vocational training centers.

FINDINGS OF THE STUDY

- Numbers of initiatives are taken by the public Bank for discharging its Social Responsibility initiatives.
- The contributions made specifically towards education are very limited and can be increased.

RECOMMENDATIONS

- The scope of the initiatives taken for education can be increased by increasing the no. of activities.

- Banks should not only consider the meritorious students but also should start more initiatives for other students and contribute towards skill development.
- Banks can initiate activities to bridge the gap between education & practical corporate world through various skill development & empowerment programs.

CONCLUSION

All public banks satisfactorily carry out various activities as its Corporate Social Responsibility and cover most of the aspects of CSR as prescribed by law. But a vital area of education can be focused more from a growth prospective of youth. As the next super power there are still many areas to be developed and organised for the youth which can be improved through proper education. CSR contribution in education can always be fruitful for a strong economy.

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RECENT TRENDS IN BANKING WITH RESPECT TO LATEST INDIAN GOVERNMENT POLICY

Dr. Wani Nalanda D.
Assistant Professor
Department of Commerce,
Indira College of Commerce &Science
E-mail: nalanda_dddd@rediffmail.com

Prof. Vinita Shrivastava
Assistant Professor
Department of Commerce
Indira College of Commerce &sci.
Research Scholar, Research Centre,
Department of Economics ,
Modern College , Pune.
Email: vinitabhishek@gmail.com

ABSTRACT

If we take a review of Indian economy we find a step in the development of the country has been skipped. As normally, we find the primary sector growing, thereafter the infrastructure has to grow and then finally we observe the development of service sector.

In case of India we do not find strong development of manufacturing sector and infrastructure; but the service sector has grown with a galloping speed and expanded like anything. No doubt the growth of service sector is the indicator of economic development but it should have a strong base of infrastructure and Manufacturing sector and the balanced spread of the development.

Indian government is trying to encompass the unbanked rural poor; also it is trying to bring the transparency in the banking transactions. This is going to help to us to have better banking. infrastructure. The researchers have taken a comparative review of banking policies adopted by Indian government; by latest and the earlier one with respect to financial inclusion in the country.

Key Words: DBT, financial inclusion, NPCI, USBs, USSD.

INTRODUCTION

In India, the Banking industry has grown both horizontally and vertically but the branch penetration in rural areas has not kept pace with the rising demand and the need for accessible financial services. Even after decades of bank nationalization, whose rationale was to shift the focus from class banking to mass banking, we still find usurious money lenders in rural areas and urban slums continuing to exploit the poor. After economic reforms of 1991, the country can ill-afford not to include the poor in the growth paradigm. Financial Inclusion of the poor will help in bringing them to the mainstream of growth and would also provide the financial Institutions an opportunity to be partners in inclusive growth. Experiences in India has shown that traditional Banks have struggled to reach the poor with financial services. In 2014 only 0.46 lakh villages out of the5.92 lakh villages in the country had bank branches. In order to ensure financial inclusion various initiatives were taken up by RBI/ GoI like Nationalization of Banks, Expansion of Banks branch network, Establishment& expansion of Cooperative and RRBs, Introduction of PS lending, Lead Bank Scheme, Formation of SHGs and State specific approach for Govt. sponsored schemes to be involved by SLBC etc. In order to cover the remaining areas with the banking outlets, a composite approach is proposed through branch and branchless banking.Agents called Bank Mitr (Business Correspondent) was started in the year 2006. In the year 2011, the Government of India gave a serious push to the programme by undertaking the " Swabhimaan" campaign to cover over 74,000 villages, with population more than 2,000 (as per2001 census), with banking facilities. This measures were not sufficient With declaring of Pradhan Mantri Jan Dhan Yojana in August 2014 Banking Policy towards financial inclusion took drastic Change. The researchers have taken a comparative review of banking policies adopted by Indian government; by latest and the earlier one with respect to financial inclusion in the country.

Relevance of the study:

The present study will be helpful in deciding future course of action as regards to banking policy. It brings out the comparison of previous approach and the current approach towards banks. Also this paper throws adequate light on the level of financial inclusion in the country.

Financial inclusion with the help of latest banking policy will be at a higher level and this will help in making the manufacturing sector and the infrastructure very strong which is at the highest priority on the national agenda. Secondly as the level of loan disbursement is going higher we predict a better employment and thus the better use of demographic dividend which also has a high priority on the national agenda of the country.

OBJECTIVES

1. To analyze the old banking policy.
2. To analyze the new banking policy.
3. To compare the change in approach towards the banking policy.
4. To analyze the results of the new banking policy.

HYPOTHESES

I. The new approach towards banking policy has led to higher level of financial inclusion.

Key Words

Financial inclusion- Financial inclusion means getting formal financial services like saving account, loans other banking facilities without any discrimination.

NPCI -National Payments corporation of India. This corporation is performing direct benefit transfer

USBs – Ultra Small Branch

USSD- Unstructured Supplementary Service Data.USSD based Mobile Banking offers basic Banking facilities like Money Transfer, Bill Payments, Balance Enquiries, Merchant payments etc. on a simple GSM based Mobile phone, without the need to download application on a Phone as required at present in the IMPS based Mobile Banking.

RESEARCH METHODOLOGY

The researcher has used the secondary data for the purpose of the study.

Secondary Data – Researcher used Proceedings of the conference, reports of these schemes ,Publications of RBI ,Government Bulletin, journals, Handbook of Economic Statistics, Different research papers and articles, and books etc

REVIEW OF LITERATURE

Dr. G. P. Kapoor has concluded, in her book titled '*Poverty alleviation and Self Help Groups*' in Rural Area formal financial institutions are not sufficient. They have too many constraints to reach unprivileged population. Still local money lenders dominance in rural credit. They charged very high charges of interest.

Dr. Vasanthakumari has stated in her book '*Study on performance of Self help Groups in India*' That Women Empowerment is recognized as the best Strategy for poverty alleviation and gender equality. Despite the large rural banking network, a vast majority of the rural poor have no access to bank credit for various reasons.

Arvind Pangariya has stated in His Book "INDIA The Emerging Giant ", That branch expansion of Banks rate was very high before 1986. After 1991 rate declined.

ANALYSIS OF DATA

RBI in the year 2006, with the objective of ensuring greater financial inclusion and increasing the outreach of the banking sector, decided in public interest to enable the banks to use the services of NGOs/SHGs, MFIs and other Civil Society Organizations as intermediaries in providing financial and banking services through use of "Business Facilitator and Business Correspondent Model".

In the year 2011, Banks covered 74,351villages, with population more than 2,000 (as per 2001 census), with banking facilities under the "Swabhimaan" campaign with Business Correspondents. However the programme had a very limited reach and impact.

Table-1

As on 31-03-2014

Total Number of Bank branches	1,15,082
Number of Rural branches	43,962(38% of total Branch)
Total Number of ATM	1,60,055
Number of ATM in Rural Areas	23,334 (14.58%)
Number of business correspondent in Rural Area	!.4 lakh approximate

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BCs are representatives of bank to provide basic banking services i.e. opening of basic Bank accounts, Cash deposits, Cash withdrawals, transfer of funds, balance enquiries, mini statements etc.

The earlier campaign on financial inclusion started in 2011 had a limited objective. The focus was on the coverage of villages with population of 2000 or more with banking services. Coverage of individual households with bank accounts was not the focus. Out of the 5.92 lakh villages in the country, only 74000 villages could be covered

In order to provide the much needed thrust a flagship programme called the**'Pradhan Mantri Jan-Dhan Yojana'** was announced by Hon'ble Prime Minister in his Independence Day address on 15 August, 2014. This is a National Mission on Financial Inclusion encompassing an integrated approach to bring about comprehensive financial inclusion of all the households in the country. The plan envisages universal access to banking facilities with at least one basic banking account for every household, financial literacy, access to credit, insurance and pension facility. In addition, the beneficiaries would get RuPay Debit card having inbuilt accident insurance cover of `1 lakh. The plan also envisages channelling all Government benefits (from Centre / State / Local Body) to the beneficiaries accounts and pushing the Direct Benefits Transfer (DBT) scheme of the Union Government.

	Earlier Approach (Swabhimaan)	New Approach (PMJDY)
1.	Villages with population greater than 2000covered; thus limited geographical coverage	Focus on household; Sub Service Area (SSA) for coverage of the whole country.
2.	Only rural	Both rural and urban
3.	Bank Mitr (Business Correspondent) was visiting on fixed days only	Fixed point Bank Mitr (Business Correspondent) in each SSA comprising of 1000-1500 households (3 to 4 villages on an average) to visit other villages in the SSA on fixed days
4.	Offline accounts opening - Technology lock-in with the vendor	Only online accounts in CBS of the BankAccount opening to be integrated with DBT,
5.	Focus on account opening and large number of accounts remained dormant	credit, insurance and pension
6.	Inter-operability of accounts was not there	Inter-operability through RuPay Debit Card, AEPS etc.
7.	No use of Mobile Banking	Mobile wallet and USSD based mobile banking to be utilized
8.	Cumbersome KYC formalities	Simplified KYC/e-KYC in place as per RBI guidelines
9.	No guidelines on the remuneration of the Bank Mitr (Business Correspondent). Banks went generally with Corporate BCs who used to be least expensive to them	Minimum remuneration of the Bank Mitr (Business Correspondent) to be ` 5000/- (Fixed+ Variable)
10	A recent RBI survey finds that 47% of Bank Mitr are untraceable	Viability and sustainability of Bank Mitr (Business Correspondent) is identified as a critical component
11	Monitoring left to banks	Financial Inclusion campaign in Mission Mode with structured monitoring mechanism at Centre, State and District level
12.	Financial literacy had no focus	The rural branches of banks to have a dedicated Financial Literacy Cell
13.	No active involvement of states / districts.	State level & District level monitoring committees to be set up
14.	No brand visibility of the Programme & Bank Mitr (Business Correspondent)	Brand visibility for the programme & Bank Mitr (Business Correspondent) proposed.

15.	Providing credit facilities was not encouraged	OD limit after satisfactory operations / credit history of 6 months
16.	No grievance redressal mechanism	Grievance redressal at SLBC level in respective states

Table-2

Change in approach

Table-3

TABLE NO.3 Position of households availing banking services:

As per Census 2001				As per Census 2011		
House holds	Total number of households	**Number of households availing banking services**	**%**	**Number of**	**Number households availing banking services**	**%**
Rural	138,271,559	41,639,949	30.1	167,826,730	91,369,805	54.4
Urban	53,692,37 6	26,590,693	49.5	78,865,937	53,444,983	67.8
Total	**191,963,935**	**68,230,642**	**35.5**	**246,692,667**	**144,814,788**	**58.7**

Table-4

Financial Inclusion-Summary of progress of all banks including regional rural banks(RRBS)during five years

Particulars	Year Ended 2010	Year Ended 2011	Year Ended 2012	Year Ended 2013	Year Ended 2014
Banking outlets in villages					
a.Branches	33,378	34,811	37,471	40,837	46,126
b. Villages covered by BCs	34,174	80,802	1,41,136	2,21,341	3,37,678
c. Other Modes	142	595	3,146	6,276	
Urban Location Through BCs	447	3,771	5,891	27,143	60,730

It is cleared from above table

Total location (urban and rural) in 2010= 34,174+447=34,621
Total location (urban and rural) in 2014=3,37,678+60,730=3,98,408
In four year number of BCs location increase by 11 times.

Table -5
Progress-Report

Pradhan Mantri Jan - DhanYojana
(Accounts Opened as on (10.02.2016) All Figures in Crores)

Bank Name	**RURAL**	**URBAN**	**TOTAL**	**NO OF RUPAY CARDS**	**AADHAAR SEEDED**	**BALANCE IN ACCOUNTS**	**% OF ZERO-BALANCE-ACCOUNTS**
Public Sector Bank	9.08	7.20	16.28	13.94	7.62	25591.34	29.64
Regional Rural Bank	3.16	0.52	3.68	2.64	1.08	5568.78	25.29
Private Banks	0.45	0.30	0.75	0.71	0.25	1218.64	39.23
Total	12.69	8.02	20.72	17.29	8.95	32378.76	29.22

Table-6

Position of Bank Mitra Infrastructure Report as on 12.02.2016

Bank Type	**No.Of SSA allotted Rural**	**Total No. Of Bank Mitra Required**	**SSA Covered through fixed location Bank Mitra**	**SSA Covered through Branches**	**Uncovered**	**No.of location Uncovered due to connectivity**	**No.of Active Bank Mitra doing Transactions**	**No.of Device Capable under EKYC Transaction**	**No.of Device Capable under Rupay Card Based Transaction**	**No.of Device Capable under AEPS Transaction**
PUBLIC SECTOR BANK	106778	88047	87854	18731	193	193	80443	81078	33706	83997
REGIONAL RURAL BANK	48719	35258	34667	13461	591	591	29058	19206	10782	25746
PRIVATE SECTOR BANK	4375	3435	3435	940	0	0	2411	1905	2066	2255
GRAND TOTAL	159872	126740	**125956**	33132	784	**784**	111912	102189	46554	111998

From the above table 5 and 6 it can be observed that till 10 february 2016 PMJDY total20.72 crore under account have been opened, this is grand success. Again total number of Bank Mitra requirement was on 1,26,740 location, target completed with 1,25,956.

Only 784 location are uncovered.

Jan Dhan Yojana features in Guinness Book of World Records: Guinness World Records recognised the achievements made under PMJDY for opening 18,096,130 accounts by Banks in a week (from 23 to 29 August, 2014) as a part of Financial Inclusion Campaign.

CONCLUSION

After the comparative study of the old and new approach, the researcher can strongly conclude that the level of **financial inclusion has increased in the country**. Increasing extent of financial inclusion is required for the reducing the regional and economic disparities.

We find the number of branches per population is growing. Number of bank account holding also have increased due to the new approach towards banking policy. The researchers have observed that the deposits collection as well as the loan disbursement has increased up to some extent.

SUGGESTIONS

still in spite of this higher financial inclusion the problem remains regarding the quality of banking transactions. Only the bank linkage for SHGs or the an bank account per household is not enough but the accounts should be operated prudently and the amount of loan should be used productively then only the it will benefit the country.

The government should undertake the financial literacy programme. Audio visual films should be used to create awareness. Training regarding the banking transactions should be imparted which will result in to fruitful financial inclusion. There will be no worries of keeping the account live

OTHER KEY FINDINGS

First time in PMJDY there is inclusion of insurance, pension, direct benefit transfer, adhar card enabled accounts. Latest technology is spreading widely in remote areas. Rupay card , financial literacy camps, overdraft facility concept are becoming popular. PMJDY is giving complete economic platform to improve unprivileged section.

LIMITATION OF THE STUDY

Present study is based on the secondary data as there was a time constraint to the researchers.

SCOPE OF FURTHER STUDY

A study may be conducted in analyzing the cumulative effect of the new banking policy of Indian government.

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"AN ANALYTICAL STUDY OF ROLE OF CORPORATE GOVERNANCE IN BANKING SECTOR"

Dr.Anjali Kalkar
Indira College of Commerce & Science,
Pune-411033.

Prof. Yogita Sutar
Indira College of Commerce & Science
Pune-411033.

ABSTRACT

Now days, Banks are a Critical component of any economy. They provide Financing for various commercial enterprises, Basic financial services to Public & access to payment systems. Due to globalization and rapid pace of financial innovations, it resulted into need for improving Corporate Governance. Some Big Banks in Public Sector & a few in the private banks had incurred substantial losses. So it created adverse impact in Investor's Confidence. For Protecting Interest of Depositors becomes a matter of paramount importance to Banks as banks deals in Peoples funds and should act as a trustee. Certain principles like transparency, accountability, fairness and responsibility are required to adopt in Banking Business to safeguard interest of Public.

Corporate Governance is concerned with maintain or holding between Economic and Social goals and between Individual and community goals. It is that framework which encourage to efficient use of resources and equally to require accountability for that purpose. The Kumar Mangalam Birla Committee appointed by SEBI confined itself to submitting recommendations for good Corporate Governance left it to SEBI to decide on the penalty provisions for Non-compliance. But it would be difficult to establish good corporate governance in Banking.

The need for good corporate Governance is being appreciated as a sound business strategy and as an important facilitator to raise domestic as well as Foreign or international capital. So it means doing everything better to improve relations between companies and their stakeholder, to improve quality of outside directors, to encourage people to think of long term relations, information needs of all stakeholders are met and to ensure that executive management is monitored properly in the interest of shareholders.

Key words: Corporate Governance, Capital, Economic goal, Investors' Confidence

INTRODUCTION

Banks in India as corporate are as much required to be governed under corporate governance norms as other firms. Banks are also covered under the internationally followed Basel Committee norms. These norms relates only to commercial banks & financial institutions. If corporate governance is accepted universally by Industry and business to which banks &financial institutions have to interact & deal with, then the banking sector will get benefited. Banks are highly leveraged entities whose failures would cause large risks to entire economy system. The Reserve bank of India formed an Advisory group on corporate governance that submitted its report in 2001 and another called the consultative group of Directors of Banks and Financial Institutions known as the Ganguly Committee which submitted its report in 2002. The RBI after due deliberations of both these reports, acted on their recommendation that have actually strengthened Corporate Governance Mechanism in Banks.Over the last two decades, corporate governance has gaining importance and a great deal of public interest, it is now widely appreciated that this is critical for the economic health of Corporations and of larger society. The headlines of newspapers of the past few years in particular, portray a dismal story of lack of corporate ethics: Satyam, Enron, falling stock markets, corporate failures, dubious accounting practices, abuses of corporate power, criminal investigations reflect that the entire economic system on which investment returns depend is showing signs of infirmity and stress that have undermined investor confidence

OBJECTIVES

1)To understand the meaning and need of corporate governance in Banking,
2)To understand the role of banking system in economy,
3)To understand the guidelines of RBI for Corporate Governance in banking,
4)To study principles of Corporate Governance in banking,
5)To make analysis of role of corporate governance in banking sector with reference to State Bank of India.

MEANING

OECD definition of Corporate Governance

*"*Corporate governance is the system by which business corporations are directed and controlled. The corporate governance structure specifies the distribution of rights and responsibilities among different participants in the corporation, such as, the board, managers, shareholders and other stakeholders and spells out the rules and procedures for making decisions in corporate affairs. By doing this, it also provides the structure through which the company objectives are set and the means of attaining those objectives and monitoring performance".

Thus corporate governance includes the relationship of a company to its shareholders and to society; the promotion of fairness, transparency and accountability; reference to mechanisms that are used to "*govern*" managers and to ensure that the actions taken by them are consistent with the interests of key stakeholder groups. The salient features span issues of transparency and accountability, the legal and regulatory environment, appropriate risk management measures, information flows, and the responsibility of senior management and the board of directors.

The Banking Regulation Act

Section 10A of the Banking Regulation Act lays down stipulations for the Board of Directors. They must have special knowledge of the following

- Accountancy
- Agriculture and Rural Economy
- Banking
- Cooperation
- Economics
- Finance
- Law
- Small Scale Industry
- Or any other matter, the special knowledge of, and practical experience in which, in the opinion of the Reserve Bank, would be useful to the Banking Company. Provided that out of the aforesaid number of Directors, not less than two shall have special knowledge of, practical experience, with respect to agriculture and the rural economy, cooperation or small scale industry and shall not (i) have substantial interest in, or be connected with, whether as an employee, manager or managing agent, -
- Any company, not being a company registered under section 25 of the Companies Act, 1956 or

- Any firm, which carries on any trade, commerce or industry and which, in either case, is not a small scale industrial concern, or (ii) be proprietors of any trading, commercial or industrial concern, not being a small scale industrial concern.
  Voting rights will be distributed amongst the Board of Directors in a manner such that no more than three Directors are entitled to exercise voting rights in excess of 20 per cent of the total voting rights of all the shareholders to the Banking Entity.
  The tenure of Directors except the Chairman or the whole time director is limited to eight continuous years.

  The Chairman of the Board (appointed on a whole time basis) or the Managing Director of the Banking entity and any Director (appointed by the Reserve Bank under Section 10A of the Banking Regulation Act) will not be required to hold qualification shares in the Banking Entity.

  The RBI has the power, from time to time, to appoint one or more persons to hold office as additional directors of any Banking Company, if it is of the opinion that the same is in the interests of banking Policy/public interest/banking company depositors, it may also require the banking company to elect or appoint any other person as the Chairman in case it is of the opinion that the current elected Chairman is not a fit and proper person to hold such office.

Requirements of Corporate Governance as per the RBI guidelines on Corporate Governance

RBI issues guidelines on corporate governance for public sector banks which serve as a base for the Corporate Governance framework in Banks. Banks must perform due diligence of the directors in regard to their suitability for appointment to the Board by way of qualifications and technical expertise. The Government should also be guided by certain "fit and proper" norms for the appointment of Directors representing the Government on the Boards of Public sector banks.

Banks need to elect shareholder nominees in proportion to the shares issued to public subject to a maximum of six nominees in respect of banks which have issued capital to public up to 40% of the Banks paid up capital.

Executive Directors (EDs) are eligible for appointment as Chairman of the Board of Directors on fulfillment of the following criteria vesting in having served in the position and residual tenure.

Guidelines on the number of EDs -

Small Banks with business of less than ` 1.5 lakh crore may have two EDs with the responsibilities of the second Director including human resource development and technology. Large banks with business of more than ` 3 lakh crore may have three EDs, the third with responsibility for HRD and Technology.

The corporate scandals of the early 2000s forced boards to take a more active role. The Sarbanes-Oxley Act of 2002 and the New York Stock Exchange's New Rules in 2003 obliged directors to take more responsibility for preventing fraud and self-dealing. This led to a big increase in the quality of boards.

But it also wasted a lot of talent on form-filling and box-ticking. Many of the same companies exhibited actual corporate governance risks such as conflicts of interest, inexperienced directors, overly lucrative compensation, or unequal share voting rights. In the face of such scandals and malpractices, there has been a renewed emphasis on corporate governance.

Principles of corporate governance

Contemporary discussions of corporate governance tend to refer to principles raised in three documents released since 1990: The Cadbury Report (UK, 1992), the Principles of Corporate Governance (OECD, 1998 and 2004), the Sarbanes-Oxley Act 2002 (US, 2002). The Cadbury and OECD reports present general principals around which businesses are expected to operate to assure proper governance. The Sarbanes-Oxley Act, informally referred to as Sarbox or Sox, is an attempt by the federal government in the United States to legislate several of the principles recommended in the Cadbury and OECD reports.

- **Rights and equitable treatment of shareholders**:Organizations should respect the rights of shareholders and help shareholders to exercise those rights. They can help shareholders exercise their rights by openly and effectively communicating information and by encouraging shareholders to participate in general meetings.

- **Interests of other stakeholders** Organizations should recognize that they have legal, contractual, social, and market driven obligations to non-shareholder stakeholders, including employees, investors, creditors, suppliers, local communities, customers, and policy makers.

- **Role and responsibilities of the board**: The board needs sufficient relevant skills and understanding to review and challenge management performance. It also needs adequate size and appropriate levels of independence and commitment
- **Integrity and ethical behavior**: Integrity should be a fundamental requirement in choosing corporate officers and board members. Organizations should develop a code of conduct for their directors and executives that promotes ethical and responsible decision making.

- **Disclosure and transparency**: Organizations should clarify and make publicly known the roles and responsibilities of board and management to provide stakeholders with a level of accountability. They should also implement procedures to independently verify and safeguard the integrity of the company's financial reporting. Disclosure of material matters concerning the organization should be timely and balanced to ensure that all investors have access to clear, factual information.

RESEARCH METHODOLOGY

Annual reports of State bank of India from 2010-11 to 2014-15 are examined for the analysis. State Bank of India was formed in 1955 by an Act of the Parliament, i.e., The State Bank of India Act, 1955 (Act).A Central Board of Directors was constituted according to the Act. The Bank’s Central Board draws its powers from and carries out its functions in compliance with the provisions of SBI Act & Regulations 1955.

Data Analysis

Corporate governance reports basically focus on transparent management and control systems**.** Clause 49 identifies various committees such as board of directors, audit, remuneration, shareholders, and management as mandatory and customers’ service, fraud, risk management, Information technology, risk management as non-mandatory committees.

Central board

The attendance is concerned Chairman & MD attended almost all the meetings held which is a good sign of corporate governance. The composition of the Board complies with provisions laid down in Clause 49 of the Listing Agreement. The numbers of meetings are consistently held.

Audit Committee of the Board

The ACB has eight members of the Board of Directors, including two whole time Directors, two official Directors (nominees of GOI and RBI) and four non-official, nonexecutive Directors. Meetings of the ACB are chaired by a Non-Executive Director. The constitution and quorum requirements, as per RBI guidelines, are complied with meticulously.

Risk Management Committee of the Board

The Risk Management Committee of the Board (RMCB) was constituted on 23rd March 2004, to oversee the policy and strategy for integrated risk management relating to credit risk, market risk and operational risk. The Committee was last reconstituted on 29th January 2015 and has eight members. The Senior Managing Director is the Chairman of the Committee. RMCB meets a minimum of four times a year, once in each quarter. During 2010-15, 4, 4,6,4,4 respectively meetings of the RMCB were held.

Shareholders'/Investors' Grievance Committee of the Board

In pursuance of Clause 49 of the Listing Agreement with the Stock Exchanges, Shareholders'/Investors' Grievance Committee of the Board (**SIGCB**) was formed on 30th January 2001, [consequent upon approval from Central Board on 24th September 2014 name changed to Stakeholders Relationship Committee (**SRC**)] to look into the redressal of Shareholders' and Investors' complaints regarding transfer of shares, non-receipt of annual report, non-receipt of interest on bonds/ declared dividends, etc. The Committee was last reconstituted on 29th January 2015 and has eight members and is chaired by a Non-Executive Director. Data has shown that Customer complaints were 331,536,262,219 & 486 resp. which solved by committee

Special Committee of the Board for Monitoring of Large Value Frauds

The major functions of the Committee are to monitor and review all large value frauds with a view to identifying systemic lacunae, if any, reasons for delay in detection and reporting, if any, monitoring progress of CBI/Police investigation, recovery position, ensuring that staff accountability exercise is completed quickly, reviewing the efficacy of remedial action taken to prevent recurrence of frauds and putting in place suitable preventive measures.

Customer Service Committee of the Board

The Customer Service Committee of the Board (CSCB) was constituted on 26th August 2004, to bring about on going improvements on a continuous basis in the quality of customer service provided by the Bank. The Committee was lastre constituted on 29th January 2015 and has seven members. The Senior Managing Director on the Committee is the Chairman. During the year 2010-15, four meetings for each year of the Committee were held.

IT Strategy Committee of the Board

The Committee was last reconstituted on 29th January2015 with six members and is chaired by a Non-Executive Director. The Committee met 5, 6, 6, 4, 4 times resp. every year during 2010-15.The Committee has played a strategic role in the Bank's technology domain .It improves IT services of SBI.

Remuneration Committee of the Board

The Remuneration Committee was constituted on 22nd March 2007, for evaluating the performance of Whole Time Directors of the Bank in connection with the payment of incentives, as per the scheme advised by the Government of India in March 2007.The complete disclosure of this committee was given from 2010 to 2015.

The Bank's Philosophy on Code of Governance

State Bank of India is committed to the best practices in the area of corporate governance, The Bank believes that good corporate governance is much more than complying with legal and regulatory requirements. Good governance facilitates effective management and control of business, enables the Bank to maintain a high level of business ethics and to optimize the value for all its stakeholders.

The objectives can be summarized as:

- To protect and enhance shareholder value.
- To protect the interest of all other stakeholders such as customers, employees and society at large.
- To ensure transparency and integrity in communication and to make available full, accurate and clear information to all concerned.
- To ensure accountability for performance and customer service and to achieve excellence at all levels.
- To provide corporate leadership of highest standard for others to emulate.

CONCLUSION

Corporate governance has received a lot of attention in Banking sector in India as banks have dominant position in developing the economy financial system and are extremely important engines of growth. India has recently liberalized its banking system through privatization, disinvestments, minimize economic regulation. So banking sector now need to adopt best corporate practices to regain investors' confidence.

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CURRENT TRENDS IN BANKING IN INDIA FOR GLOBALISATION

Prof-Mahendra K Sonawane
Institute of Business Management & Research
Wakad Pune-57
Mob No- 9850589912
Email Id- mksona56@gmail.com

Dr.Kishor Harish Dhote
Dhanwate National College
Congress nagar, Dhantoli
Nagpur-440012

ABSTRACT

The banking sector is in a transitional mode towards a vibrant global market and sophisticated information technology. Due to this changing scenario, banks are paying more attention to expanding their activities from just lending and borrowing to other ends like, insurance merchant banking, leasing, electronic banking etc. Even though these changes were expected after the nationalization of banks in 1969, it was noticed that it had only slow and steady progress necessitating a total revamping of the banking sector. Various reform measures were taken to strengthen the foundation of the system by improving asset quality, enhancing capital and improving profitability along with structural changes in the system. During this transition, banks have seen fierce competition, risk, and revolutionary changes forcing them to take immediate steps to retain market share, redress the grievances of customers as fast as possible by maintaining good ambience, rendering courteous services to customers with the help of latest technological innovations and products.

Keywords: Globalization, Liberalization, Infrastructure

INTRODUCTION

Globalization and liberalization have forced the banks to think in terms of technology benefits and quality service to customers as future is full of challenges and survival will be a difficult task. The entry of IT infrastructure in the corporate world of banks has brought with it many innovations, in particular the Internet. Though these changes had started with Narasimham Committee's (1992) suggestions for computerization and were followed by Saraf Committee's (1994) recommendations for electronic fund transfers (EFT), Electronic Clearing Services (ECS) and automatic data capture, the banks were actually required to use the BANKET and RBINET and Internet to accommodate itself to the innumerous transactions that had resulted as a result of globalization and liberalization.

The Indian banking industry is not lagging behind; it has started providing services electronically over the internet. These services rendered over electronic media include:

- Phone banking
- Electronic Fund Transfer –EFT
- Electronic Clearing Service – ECS
- D-Mat Accounts
- E- Cheques
- ATM – Automatic Teller Machines
- Shared Payment Network System – SPNS
- Point of Sale – POS
- Electronic Data Interchange
- Credit Cards
- Corporate Banking Terminal

INFORMATION TECHNOLOGY

The term “Information Technology” describes the phenomenon created by the convergence of technologies associated with computing, communication and office systems. In the past, most accounting procedures in banks were paper oriented. With the advent of new techniques like computers, electronic equipments and communication network, the modern accounting system have undergone a sea- change both in their preparation and presentation. The traditional system of preparing the account at quarterly, half yearly and annual lost their relevance since the information are constantly up-dated and made available at anytime and anywhere. The information technology enabled the banking organizations to redesign and restructure their functioning.

These services provided by using electronic technology and media are called information technology or electronic banking or e-banking. E-banking has given an opportunity for banks to find solutions to management problems like saving time money and energy or customers by reducing/minimizing paper works, waiting in queues, lack of communication and lack of efficiency. E-banking has provided ease and flexibility in banking operations. The recommendations of Narashimham Committee (1998), for the free and liberal entry of foreign banks in India have further improved the scope for e-banking. As many foreign banks and private sector banks like CITI Bank and ICICI, HDFC banks brought with them IT based products like ATM, credit cards, debit cards, on-line banking etc.

This forced the public sector banks and other banks to think on the same lines as these services would help banks to retain their customers, target on banking products and services more effectively to customers. Customers are also benefited as they are given more free time to indulge in e-commerce business. Therefore, after 1980 throughout the world with majority of banking transactions done through nets or by using information technology

Application of Information Technology

- **Phone Banking:** Bank on phone provides easy access for customers to have large businesses through telephones. Data are exchanged over the phone regarding any queries, to issue instructions on balance transfer, statement of account, cheque- book, stop payments new schemes, interest rates etc. at any convenient time and place. Tele banking has gone a long way in providing maximum customer satisfaction within the limited infrastructure.

- **Automatic Teller Machines (ATM):** Banks in the cities to provide cash dispensation to their customers around the clock install ATMs. Now, the banks provide this facility in a more sophisticated way that a customer of one bank and branch can withdraw from any other banks, at any other branch, nationwide. In developed countries, this service is provided to their blue chip client globally. This is possible only through worldwide networking and communication system.

- **Credit Cards:** These plastic cards enable customers to spend whenever he/she wants within the prescribed limits and pay later. Debit card is a prepaid card with stored value, whereas credit card is post paid with fixed limits. It is seen that spending is higher through debit cards than with credit cards currently CITY Bank and time bank have started with Debit cards and now other banks are also following these to launch their own cards.

- **Electronic Funds Transfer (EFT):** Electronic funds transfer is a system of processing and communication of payment through electronic methods. EFT assumes greater significance in the banking system as the RBI also encourages the commercial banks to adopt this technique. Inter and intra bank transfers of funds are now made through this

EFT mechanism. Transactions of high value i.e., at least more than one lakh is now made through this cost effective and quick system of settlement. Normally, payments are made through cash, cheques, drafts and credit cards. The latest in this process are the debit card system, charge, digital cash, and electronic purse and so on.

- **Electronic Clearing Services (ECS):** Electronic clearing of funds from one centre to another for handling bulk transactions like salary, interest, dividend, commission etc., has dispensed the cheques. A part of electronic clearing service is computerized clearing of cheques at metropolitan centers and linking with international communication system of SWIFT. These services have contributed in a great way towards improving the customers services globally. ECS was introduced in India in 1996. It has made it possible for customers to get the funds next day itself.

- **D-Mat Accounts:** Transacting shares business through electronic media is called D-Mat. Investor opens an account called Demat Accounts with DPS. They get shares in electronic form.. Then they send the actual shares to the investor. Investor pays for the opening, maintenance and collection of shares. This has reduced the paper work, bad deliveries; loss of shares and less transaction cost. However delays in demating, higher cost charged by the investors has not given a good start for the growth and scope of Demat in India. Depository participant sometimes make illegal money at the cost of investors. SEBI should find ways to overcome this to give a good scope for Demat in India.

- **Electronic Data Interchange (EDI):** EDI refers to the electronic exchange of structure information using telecommunication like payment orders, debits credits, statement of account etc. As part of EDI, satellite communication network is also entering the banks. EDI will very soon do away with branch banking and the customers will be identified as ban customer and not branch customer

- **E-Cheques:** Digital cheque used by the payer to the payee through internet is called e-cheques. Electronic versions of cheques are issued, received and processed. Most of the banks use e-cheques. A secure means of operation is provided for collecting, payments, and transferring cash flows through this method. The payer issues a digital cheque to the payee and the entire transactions are done through internet

- **Computerized Accounting:** Development in computer has brought about a change in the accounting practices in banks. A wide range of software packages were developed recently, which attributed to the widespread use of computers to increase the information needs. Microcomputer are used to keep records and for processing. Microcomputer is small unit capable of doing calculations, storing data and programmers. This computer range from small personal computer (PCs) to a blue chip "desktop "business computer.

- **E-Mail:** The system of sending messages from one computer to another is known as "E-mail. E-mail originally was introduced in the year 1983 in U.S.A. to send the messages through E-mail, a mini personal computer, one telephone line, a modern and software support is required. Modern is of various types like kotex, robotics, multi-modern etc. the change for sending a message with 250 characters (bits) through E-mail is Rs2. for express it is Rs.4. for foreign countries it is Rs.15 per page. If it is sent through telex or fax it costs Rs5 extra for transmission even within our country.

- **RBI Net (RBI NET):** This scheme facilitates the transfer of funds by a customer former any bank, any branch, any center to his client at some other center, so other bank and/or branch. Settlements between banks and with the RBI are now a day done through this system. Inter and tetra bank clearing are also done through this electronic communication system.

- **Internet:** Internet is a system interconnected with network worldwide. The increasing popularity of the Internet is the worldwide web (WWW), which connects millions of servers. In India there are 500 Internet hosts and more than 750 web sites that provide this Internet service. The Internet has 25 million computer buffs and their population explodes at a rate of 10% per month. Internet has found a nest off 150 countries. Arpanet developed by the USA in 1969 was the base for this magical development of Internet. Only those who master the computer commands can work successfully on the Internet. The Internet has many features. E-mail is one of the simplest facilities available on the Internet. Computer on the Internet communicate with each other in a number of ways. These methods are called services. The most popular services are

  1. World wide web 2. E-mail 3. FTP (file transfer protocol)
  4. Use net news 5. ERNET 6. Browser
  7. Graphic Viewers 8. New Reader 9. Uniform Resource Locator
  10. Hypertext Transfer Protocol (http) 11. Gopher News
  12. Wide Area Information Service (WAIS)
  13. Application of information Technology in the Banking System

Areas Where IT Can Be Used in banking System

The following are the specific Areas where information technology can be used in the banking system.

1. Preparation and posting in ledger (LAN)
2. Portfolio management (genetic algorithm)
3. Funds management and transfer (on-line banking)
4. Credit appraisal
5. Foreign exchange transaction
6. Opening of letter of credit.
7. Issue of letter of guarantee
8. Decision making at senior manager level
9. Employees training and education
10. Preparation and submission of financial statements
11. Identification of fraudulent credit card transactions (neutral network system)

BENEFITS

The information technology can be administered in the banking system. The application of information technology will help in increasing the operating efficiency of the banking system. Its application will result in saving in cost. The quality of the information can be improved. The branches can provide improved customer services. This will enable the domestic banks to face and challenge the competition from their foreign rivals. There will be a reduction in the staff strength to a considerable extent due to the adoption of information technology. The working condition of the bank branches can be improved.

Benefits of E-Banking Services:

- It reduces cost of both in services and administration
- Overcoming the geographical barriers
- It helps to maintain customer loyalty
- Cost minimized for customers
- Web sites enable banks to develop advertisement
- Information technology enables banks to deliver products and services
- Multimedia capabilities offer homogenous branding
- Online banking encourages promotion of various schemes of the bank
- Individualized and customized services with the help of integrated customer data
- Minimizing fraud and misappropriation by inter-branch reconciliation
- Convenience to customers – like card free banking, cash free banking provides a domain of access to banking services.

Reasons for Poor Achievement:

- Poor initial introduction of the information technology concepts in the banks
- Improper implementation of techniques of information technology
- Improper selection of hardware and software result in heavy cost and inefficiency
- Fear and reluctance among the staff regarding reduction of staff followed by retrenchment due to the introduction of information technology
- Inadequate suppliers support after the purchase of the IT system
- Brain drain is yet another cause for the poor implementation of the information technology
- Lack of co-ordination between the management and staff is another reason for the poor achievement.

CONCLUSION

The current trends are quite comforting for customer- but it does pose threats and problems to banks. As we find information technology invading the banking sector, only banks, which used the right technology, could come out with success. Banks are required to „restructure", re-invent and reengineer themselves go meet the necessary performance improvement and get the competitive edge due to the introduction of information technology (e-banking) being an important output of ;information technology has ushered in an era which is transforming the entire functioning of banks. The tilt in the banks from traditional to modern e-banking services has been welcomed due its advantages, but banks in India are taking time to get rooted. Banks are slow but are going to offer in further more e-banking services to keep in pace with the evolving pattern of customers demand.

The flexibility of e-banking offers unprecedented opportunities for the bank to reach out to its customers. With the rapid expansion of the Internet facilities, e-banking is all set to play a very important role in the 21st century. Banks have to deal with the sophisticated clientele with the help of latest technology like e-banking. Lack of coordination and cyber crimes encroaching. E banking if taken in the right way by banks and customers would take the economy to its best and make it a boon to customers

Introduction and or development of information technology will not only affect the banking system of our country but the entire banking system of the world. It is high time to advise and train the banking personnel on the acquisition, installation and use of the information technology. Though there was a cry against the introduction of information technology, it is better to adopt it to face the stiff competition from the ever-dynamic foreign counterpart. As the banks become more sophisticated, the benefits of information technology will grow into leaps and bounds. Further research may be conducted on the feasibility of the introduction of home banking, mobile ATM, office banking, phone banking edger payment system and so on.

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ROLE OF CORPORATE GOVERNANCE IN BANKING

Ms.Revati Chandrakant Kulkarni
M.Phil Student- Prof Ramkrishna More ACS College, Akurdi, Pune
Email id: revati.k1@gmail.com

ABSTRACT

Effective corporate governance is critical to the proper functioning of the banking sector and the economy as a whole. Banks serve a crucial role in the economy by intermediating funds from savers and depositors to activities that support enterprise and help drive economic growth. Banks' safety and soundness are key to financial stability, and the manner in which they conduct their business, therefore, is central to economic health. The legal and regulatory system in a country determines the formal responsibilities a bank has to its shareholders, depositors and other relevant stakeholders. This document will use the phrase "shareholders, depositors and other relevant stakeholders," while recognizing that banks' responsibilities in this regard vary across jurisdictions. Governance weaknesses at banks that play a significant role in the financial system can result in the transmission of problems across the banking sector and the economy as a whole. Effective corporate governance practices are essential to achieving and maintaining public trust and confidence in the banking system, which are critical to the proper functioning of the banking sector and economy as a whole. Poor corporate governance can contribute to bank failures, which can in turn pose significant public costs and consequences due to their potential impact on any applicable deposit insurance system and the possibility of broader macroeconomic implications, such as contagion risk and impact on payment systems. In addition, poor corporate governance can lead markets to lose confidence in the ability of a bank to properly manage its assets and liabilities, including deposits, which could in turn trigger a bank run or liquidity crisis. Indeed, in addition to their responsibilities to shareholders, banks also have a responsibility to their depositors and to other recognized stakeholders.

Key words: Governance, Corporate values, codes.

INTRODUCTION

A demonstrated corporate culture that supports and provides appropriate norms and incentives for professional and responsible behaviour is an essential foundation of good governance. In this regard, the board should take the lead in establishing the "tone at the top" and in setting professional standards and corporate values that promote integrity for itself, senior management and other employees. A bank's code of conduct, or comparable policy, should articulate acceptable and unacceptable behaviours. It is especially important that such a policy clearly disallows behaviour that could result in the bank engaging in any improper or illegal activity, such as financial misreporting, money laundering, fraud, bribery or corruption. It should also discourage the taking of excessive risks as defined by internal corporate policy. The bank's corporate values should recognize the critical importance of timely and frank discussion and elevation of problems to higher levels within the organization. In this regard, employees should be encouraged and able to communicate, with protection from reprisal, legitimate concerns about illegal, unethical or questionable practices. Because such practices can have a detrimental impact on a bank's reputation, it is highly beneficial for banks to establish a policy setting forth adequate procedures, consistent with national law, for employees to confidentially communicate material and bona fide concerns or observations of any violations. Communication should be allowed to be channelled to the board - directly or indirectly (e.g. through an independent audit or compliance process or through an ombudsman) - independent of the internal "chain of command". The board should determine how and by whom legitimate concerns shall be investigated and addressed, for example by an internal control function, an objective external party, senior management and/or the board itself. The board should ensure that appropriate steps are taken to communicate throughout the bank the corporate values, professional standards or codes of conduct it sets, together with supporting policies and procedures, such as the means to confidentially report concerns or violations to an appropriate body.

RESEARCH METHODOLOGY

The nature of the data for the study is a secondary data. Secondary data is collected through various research journals and paper on the same topic. The data is collected through various books from various websites.

OBJECTIVES

1. To study the concept and importance of corporate governance
2. To study the role of corporate governance in banking sector.

MEANING OF CORPORATE GOVERNANCE

In the 19th century, state corporation law enhanced the rights of corporate boards to govern without unanimous consent of share holders in exchange for statutory Benefits like appraisal rights, in order to make corporate governance more efficient. In the first half of the 1990's the issues of corporate governance received considerable Press attention due to the wave of CEO dismissals their boards. Company's compliance with codes of ethics procedure for making decision on corporate affairs. It also provides the structure through which the company objectives are set well as the means of attaining and monitoring the performance of those objectives. "Corporate Governance in simple words is a set of system which ensures business movements and modules it in regulated & Leger format." Accountability of mangers, communication between management and investors transparency of corporation and disclosure.

Importance of Corporate Governance in Banking

Banks are a critical component of the economy while providing financing for commercial enterprises, basic financial services to a broad segment of the population and access to payment systems. The importance of banks to national economies is underscored by the fact that banking is, almost universally, a regulated industry and that banks have access to government safety nets. It is of crucial importance therefore that banks have strong corporate governance practices. Banks are also important catalysts for economic reforms, including corporate governance practices. Because of the systemic function of banks, the incorporation of corporate governance practices in the assessment of credit risks pertaining to lending process will encourage the corporate sector in turn to improve their internal corporate governance practices. Importance of implementing modern corporate governance standards is conditioned by the global tendency to consolidation in the banking sector and a need in further capitalization. Best corporate governance practices will enable banks to:

1. Increase efficiency of their activities and minimize risks;
2. Get an easier access to capital markets and decrease the cost of capital;
3. Increase growth rate;

4. Attract strategic investors;
5. Improve the standards of lending;
6. Protect the rights of minority shareholder and other counterparts;
7. Strengthen their reputation and raise the level of investors and clients' trust

ROLE OF CORPORATE GOVERNANCE IN BANKING SECTOR

Since the market control is not sufficient to ensure proper governance in banks; the government does see reason in regulating and controlling the nature of activities, the structure of bonds, the ownership pattern, capital adequacy norms, liquidity ratios, etc. In the case of traditional manufacturing corporations, the issue has been that of safeguarding and maximizing the shareholders’ value. In the case of banking, the risk involved for depositors and the possibility of contagion assumes greater importance than that of consumers of manufactured products. Further, the involvement of government is discernibly higher in banks due to importance of stability of financial system and the larger interests of the public.

1. The RBI has made it clear that with the abolition of minimum lending rates for co-operative banks, it will be incumbent on these banks to make the interest rates charged by them transparent and known to all customers. Banks have therefore been asked to publish the minimum and maximum interest rates charged by them and display this information in every branch.

2. Disclosure and transparency are thus key pillars of a corporate governance framework because they provide all the stakeholders with the information necessary to judge whether their interests are being taken care of.

3. Another area which requires focused attention is greater transparency in the balance sheets of co-operative banks. The commercial banks in India are now required to disclose accounting ratios relating to operating profit, return on assets, business per employee, NPAs, etc. as also maturity profile of loans, advances, investments, borrowings and deposits. The recommendations include the role and responsibility of independent non-executive directors, qualification and other eligibility criteria for appointment of non-executive directors, training the directors and keeping them current with the latest developments.

4. Some of the important recommendations on the constitution of the Board are to participate in the meetings of the board regularly and ensure that their participation is effective & contributory, they must study the reports submitted to them by the management team and enquire about follow up reports on definite time schedule. They should be actively involved in the matter of formulation of general policies, they should be familiar with the road objectives of the bank, and the policies laid down by the govt. and the changes in the various laws and legislations time to time. They should be loyal to the bank and must remember that they should not reveal any information relating to any constituent of the bank to anyone.

5. In the past, when banks considered the issue of how best to differentiate themselves from their competition, Good Corporate Governance was undoubtedly not applied. Due to the fallout from past corporate failures, more and more banks are looking at good corporate governance from a new perspective.

6. Indian banks must drive growth and profitability while continuing to focus on enhancing corporate governance practices. Indian government has mandating corporate governance reforms at banks, can create the necessary infrastructure to ensure the continued flow of investment into the region.

7. Expanding global and regional banks, such as State Bank of India, Bank of Baroda, Bank of India, Punjab National Bank, ICICI Bank, HDFC Bank, Standard Chartered, HSBC, Citibank and others along with major investments by large institutional investor, are enhancing corporate governance practices, increasing competitiveness and permanently changing the competitive landscape of Indian banking environment. Due to rapidly changing banking environment, Indian banks must continue to implement strong corporate governance practices. They must now approach corporate governance as a competitive differentiator in an environment of strong foreign entrants and growing regional competitors.

CONCLUSIONS

Currently, regulatory and supervisory institutions and environmental bodies prepare proposals for reforms to strengthen the mechanisms of corporate governance. Banks ought to reduce their risk exposure significantly, build a stronger capital base; banks should concentrate on typical banking activities and reduce the scale of other operations (especially investment activities); the good standards of balance-sheet adequacy (ALM) should be restored (e.g. loans-deposits relationship, assets and liabilities maturity match, leverage scale, etc.); The scale and scope of banking activities should be diminished, as the current level of financialization is excessive and potentially dangerous for the whole economy; Banks' executives remuneration should be linked to performance and risk exposure; regulators and market supervisors should strengthen banks' transparency allowing for the effective market discipline; This is because it is the attitude and actions of human beings; honesty and sense of responsibility of all stakeholders of the bank are necessary. As mentioned, governance – particularly in the banking sector – should ensure the care of the well-being of all its stakeholders. This corporate fairness, transparency and accountability must be symmetric.

SUGGESTIONS

These issues have become the subject of numerous decision-making bodies, part of the above issues have been addressed in the new regulations and guidelines, in relation to many other processes creating new legislation is still in progress. Among the global guidelines further initiatives are set by the Basel Committee. Banking Supervision should be indicated. First of all, sectoral "good practices" must be indicated, taking into account the specificities of the banks. General rules intended to improve corporate governance in banks were updated by BCBS in October 2010. The current version of the document contains 14 rules in 6 areas (BCBS, 2010, October): • supervisory board practices, • senior management, • risk management and internal control, • compensation policy, • complex or opaque corporate structures, • disclosure of information and transparency

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THE EMERGING TRENDS IN BANKING SECTOR

Prof. Vishal Kailas Sonavane
(Department of Accountancy)
JVM's Mehta Degree College of Art, Sci, & Com,
Navi Mumbai – 400708
E-mail Id: - vishalksonavane@rediffmail.com

ABSTRACT

Even though these changes *were expected after the nationalization of banks in 1969, it was noticed that it had only slow and steady progress necessitating a total revamping of the banking sector. Various reform measures were taken to strengthen the foundation of the system by improving asset quality, enhancing capital and improving profitability along with structural changes in the system. During this transition, banks have seen fierce competition, risk, and revolutionary changes forcing them to take immediate steps to retain market share, redress the grievances of customers as fast as possible by maintaining good ambience, rendering courteous services to customers with the help of latest technological innovations and products.*

KEYWORDS*: Banking, Nationalization, E-Banking, Recent Trends*.

INTRODUCTION

The economy can be divided in the entire spectrum of economic activity into the real and monetary sectors. The real sector is where production takes place while the monetary sector supports this production and in a way is the means to the end. We know and we accept the financial system is critical to the working of the rest of the economy. In fact, the Asian crisis (1997) of the Nineties, or for that matter what happened in Latin America and Russia subsequently and also Dubai Crisis have shown how a fragile financial sector can wreak havoc on the rest of the economy. Therefore the Banking Sector is crucial and we went to express our views to explore how this sector can work in harmony with the real sector achieve the desire objectives.

The banking sectors have been immensely benefited from the implementation of superior technology during the recent past, almost in every nation in the world. Productivity enhancement, innovative products, speedy transactions seamless transfer of funds, real time information system, and efficient risk management are some of the advantage derived through the technology. Information technology has also improved the efficiency and robustness of business processes across banking sectors.

India's banking sectors has made rapid strides in reforming and aligning itself to the new competitive business environment. Indian banking industry is the midst of an IT revolution. Technological infrastructure has become an indispensable part of the reforms process in the banking system, with the gradual development of sophisticated instruments and innovations in market practices

IT in Banking

Indian banking industry, today is in the midst of an IT revolution. A combination of regulatory and competitive reasons has led to increasing importance of total banking automation in the Indian Banking Industry. Information technology has basically been used under two different avenues in Banking. One is communication and connectivity and other is business process reengineering. Information technology enables sophisticated product development, better market infrastructure, implementation of reliable techniques for control of risks and helps the financial intermediaries to reach geographically distant and diversified market.

The bank which used the right technology to supply timely information will see productivity increase and thereby gain a competitive edge. To compete in an economy which is opening up, it is imperative for the Indian banks to observe the latest technology and modify it to suit their environment. Not only banks need greatly enhanced use of technology to the customer friendly, efficient and competitive existing services and business they also need technology for providing newer products and newer forms of services in an increasingly dynamic and globalize environment. Information technology offers a chance for banks to build new systems that address a wide range of customer needs including many that may not be imaginable today.

FOLLOWING ARE THE INNOVATIVE SERVICES OFFERED BY THE INDUSTRY IN THE RECENT PAST

- **ELECTRONIC PAYMENT SERVICES(E Cheques)**
  Nowadays we are hearing about e-governance, e-mail, e-commerce, e-tail etc. In the same manner, a new technology is being developed in US for introduction of e-cheque, which will eventually replace the conventional paper cheque. India, as harbinger to the introduction of e-cheque, the Negotiable instruments Act has already been amended to include; Truncated cheque and E-cheque instruments.
- **REAL TIME GROSS SETTLEMENT (RTGS**)
  Real Time Gross Settlement system, introduced in India since March 2004, is a system through which electronics instructions can be given by Banks to transfer funds from their account to the account of another bank. The RTGS system is maintained and operated by the RBI and provides a means of efficient and faster funds transfer among banks facilitating their financial operations. As the name suggests, funds transfer between banks takes place on a 'Real Time Basis'. Therefore, money can reach the beneficiary instantaneously and the beneficiary's bank has the responsibility to credit the beneficiary's account within two hours.
- **ELECTRONIC FUNDS TRANSFER (EFT**)
  Electronic Funds Transfer is a system whereby anyone who wants to make payment to another person/company etc. Can approach his bank and make cash payment or give instructions to transfer funds directly from his own account to the bank account of the receiver. Complete details such as the receiver's name, bank account number, account type, bank name, city, branch name etc. should be furnished to the bank at the time of requesting for such transfers so that the amount reaches the beneficiaries account correctly and faster. RBI **is** the service provider of EFT.
- **ELECTRONIC CLEARING SERVICE (ECS)**
  Electronic Clearing Service is a retail payment system that can be used to make bulk payments/receipts of a similar nature especially where each individual payments of a repetitive nature and of relatively smaller amount. This facility is meant for Companies and Government departments to make/receive large volumes of payments rather than for funds transfers by individual.

- **AUTOMATIC TELLER MACHINE (ATM**)
  Automatic Teller Machine is the most popular device in India, which enables the customers to withdraw their money 24 hours a day 7 days a week. It is a device that allows customer who has an ATM card to perform routine banking transactions' without interacting with a human teller. In addition to cash withdrawal, a ATMs can be used for

payment of utility bills, funds transfer between accounts, deposit of cheques and cash into accounts, balance enquiry etc.

- **POINT OF SALE TERMINAL**
  Point of sale terminal is a computer terminal that is linked online to the computerized customer information files in a bank and magnetically encoded plastic transaction card that identifies the customer to the computer. During a transaction, the customer's account is debited and the retailer's account is credited by the computer for the amount of purchase.
- **TELE BANKING**
  Tele banking facilities the customer to do entire non-cash related banking on telephone. Under this device Automatic Voice Recorder is used for simpler queries and transactions. For complicated queries and transactions, manned phone terminals are used.
- **ELECTRONIC DATA INTERCHANGE (EDI)**
  Electronic data interchange is the electronic exchange of business documents like purchase order, invoices, shipping notice, receiving advices etc. In a standard, computer processed, universally accepted format between trading partners. EDI can also be used to transmit financial information and payments in electronic form.

CHALLENGES FACED BY BANKS THROUGH IT IMPLEMENTATION

It is becoming increasingly imperative for banks to assess and ascertain the benefits of technology implementation. The fruits of technology will certainly taste a lot sweeter when the returns can be measured in absolute terms but it needs precautions and the safety nets.

It has not been a smooth sailing for banks keen to jump into the IT bandwagon. There have been impediments in the path like the obduracy once shown by trade unions who felt that IT could turn out to be a threat to secure employment. Further, the expansion of banks into remote nooks and corners of the country, where logistics continues to be a handicap, proved to be another stumbling stock. Another challenge the banks have had to face concern the inability of banks to retain the trained and talented personnel, especially those with a good knowledge of IT.

The increasing use of technology in bank has also brought up security concerns. To avoid any pitfalls or mishaps on this account, banks ought to have in place a well-documented security policy including network security and internal security. The passing of the information Technology Act has come as a boon to the banking sectors and banks should now ensure to abide strictly by its covenants. An effort should also be made to cover e-business in the country's consumer laws.

Some are investing in it to drive the business growth, while others are having no option but to invest, to stay in business. The choice of right channel, justification of IT investment on ROI, e-governance, customer relationship management, security concerns, technological obsolescence, merger and acquisitions, penetration of IT in rural areas, and outsourcing of IT operations are the major challenges and issues in the use of IT banking operations. The main challenge, however, remains to motivate the customers to increasingly make use of IT while transacting the bank. For small banks, heavy investment requirement is the compressing need in addition to their capital requirement. The coming years will see even more investment in banking technology, but reaping ROI will call for more strategic thinking.

FUTURE OUTLOOK

Everyone today is convinced that the technology is going to hold the key to future of banking. The achievements in the banking today would not have make possible without IT revolution. Therefore, the key point is while changing to the current environment the banks has to understand properly the trigger for change and accordingly find out the suitable departure point for the change.

Although, the adoption of technology in banks continues at a rapid pace, the concentration is perceptibly more in the metros and urban areas. The benefit of information Technology is yet to percolate sufficiently to the common man living in his rural hamlet. More and more programs and software in regional languages could be introduced to attract more and more people from the rural segment also.

Standards based messaging systems should be increasingly deployed in order to address cross platform transactions. The surplus manpower generated by the use of IT should be used for marketing new schemes and banks should form a brains trust comprising domain experts and technology specialists.

CONCLUSION

The banking today re-defined and re-engineered with the use of information technology and it is sure that the future of banking will offer more sophisticated service to the customers with the continuous product and process innovations. Thus, there is a paradigm shift from the seller's market to buyer's market in the industry and finally it affected at the bankers level to change their approach from "conventional banking to convenience banking" and "mass banking to class banking". The shift has also increased the degree of accessibility of a common man to bank for his variety of needs and requirements. Indian Banking Industry has shown considerable resilience during the return period.

The second-generation returns will play a crucial role in further strengthening the system. Indian banking system will further grow in size and complexity while acting as an important agent of economic growth and intermingling different segments of the financial sector. it is sure that the future of banking will offer more sophisticated services to the customers with the continuous product and process innovations. Adoption of stringent prudential norms and higher capital standards, better risk management systems, adoption of internationally accepted accounting practices and increased disclosures and transparency will ensure the Indian Banking industry keeps pace with other developed banking systems. Finally the banking sector will need to master a new business model by building management and customer services. Banks should contribute intensive efforts to render better services to their customer. Nationalized and commercial banks should follow the Recent trends and to get advantage of opportunities in changing banking scenario.

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TRENDS & ISSUES OF PRIVATE & PUBLIC SECTOR BANKS TOWARDS PRIORITY SECTOR LENDING'S

Prof. Harsha A. Throve.
Research Center-Department of Commerce & Research centre
Designation-Ph.D. Scholar
Email id-harsha.mibm@gmail.com

ABSTRACT

India is one of the Emerging Economy in the world. Since many years Post Independence period India tries to stabilize the economy .From the Point of View of Any country the Strong Banking system is one the major factor with the help of which the Economy can be survive. Indian Banking system changes a lot in Post Independence period. The Government of India realized the importance of Privatization in Indian Banking Sector. The economy can run only if there is smooth flow of finance in the Market. Finance is the Blood of Economy. However which sector of the economy should get timely finance & which can be keep on waiting from the point of view of lending Preferences is difficult to analyze.

The Reserve Bank of India describes this category as Priority Sector .This Sector Should get Priories while distribution of Funds in the Market. This Paper Studies Trends & Issues faced by Public Sector & Private Sector Banks.

KEYWORDS-*Priority Sector Lending's, Public Sector banks ,Private Sector banks*

INTRODUCTION

The Priority sector is the most important sector from the point of view of development of India. This Sector should get Priories while distribution of Credit. In India actually this sectors is neglected one. While distribution of Credit generally the banks thinks from the point of view of Profits as well as Safety of funds. So this sector was not able to get proper finance. Before Banking the Small borrowers were taking funds From Moneylenders, Shroffs, Indigenous bankers. But they charged Heavy rate of Interest. Then the RBI decides few categories which should get at least minimum credit. i.e. Agriculture, Small Scale Industries ,Education Loan, Housing, Weaker Section of the Society. It is the sector of the economy which is not privileged in nature. This is the reason that this sector is not receiving adequate & timely payment.

Private Sector Banks are the banks where the major part of the equity are held Privately. The Private sector banks main objective is to earn maximum profits. In India Currently there are 25 Private Sector Banks ***(www.iba.org.in/viewmembanks).*** In Public sector banks where the major part of equity (more than 50%) is held by the Government. There are 27 Public Sector Banks ***(www.iba.org.in/viewmembanks).*** The Primary Purpose of Public sector bank is to serve the interest of the Public. Public Sector banks breaks the control of Privatization .It helps economy to reduce the concentration of economic Power.

Priority Sector Lending-The Meeting conducted in July 1968 by the National Credit Council highlighted the fact that the commercial banks should concentrate more on Priority Sector. In

1972 the list of Priority sector was more formalized. In the year of 1985 the banks should lend 40% of their advances towards Priority Sector it should target & aims of the Banks.

CATEGORIES UNDER PRIORITY SECTOR

(i)Agriculture (ii) Micro and Small Enterprises (iii) Education (iv) Housing

(v) Export Credit (vi) Others*)*

OBJECTIVES

1) To Study the Trends in Priority Sector Lending for the year 2014 & 2015

2) To Study the issues faced by Private & Public Sector banks working under PSL.

LITERATURE REVIEW

Invalid source specified., "The Deployment of the credit towards Priority Sector in India is the Major responsibility of Public Sector as extension of credit towards neglected area is very necessary. The author also critics that the Public sector banks are not successful to lend to the Priority sector as reasons like Low Profitability, Higher NPA, and Higher cost of Transaction etc. are the major issues faced by Public as well as Private sector banks"

(Shilpa Rani, 2015) "The Author studies trends which is faced by Public ,Private as well as Foreign Sector Banks. It also highlights the targets which are achieved by these banks. The author also highlighted the fact that these banks are not able to achieve their targets for the concern period. Priority sector is the most important sector which requires attention of Policy Maker."

The author focus on in the period of in the period of eighties the Public sector banks .It was the period in which this sector not performing well. Increasing NPA was creating major impact on the profitability .It is the major reason behind low profitability of Public Sector banks

The author focus from the point of view of Indian Context the pattern of priority sector lending has, however, undergone major changes during the past few decades because of changes in regulatory stance. However, these developments notwithstanding, the priority sector lending in India is characterized by a relatively higher incidence of non-performing assets when compared to the other segments.

RESEARCH METHODOLOGY

This data for the purpose of Research Methodology utilized is Secondary in Nature. The Analysis of Data is for the year of 2014-2015.

Advances of Domestic Banks

Bank group	Gross Advances(**Billion)**
Public Sector Bank	
2013	
2014	15193
2015	16563
Private Sector Bank	
2013	
2014	3831
2015	4444

Bank Group	Growth in Advances(In Percentage)2013-14	Growth in Advances(In Percentage)2014-15
Public Sector Bank	18.79	9.0173
Private sector Bank	21.35	16

In the 2013-14 the Priority Sector advances of Public Sector bank was 18.79% .However in the Period of 2014-2015 the Public sector bank drastically reduce the advances towards PSL. So the trend is showing that the Public sector bank reduces the advances towards PSL.

In 2013-2014 Private Sector bank lends 21.35% of their deposit towards PSL. However the trend is showing that in 2014-2015 Private sector bank also reduce the advances towards PSL. If at a glance consider Private & Public Sector banks the public sector banks reduces more percentage of advances towards PSL.

Issues Faced By Private Sector & Public Sector Banks

INCREASING NPA

The priority Sector is not able to provide maximum security against the loans. However the Banks are providing them the advances. These are the type of loans which are unsecured in nature. There are chances that the borrowers are not able to repay the same. Many times the Priority sector advances converted into the Non Performing asset. The increasing NPA is one of the major questions in front of Public sector Banks.

GOVERNMENT INTERFERENCE

Incase of Public Sector Banks there is more interference from the side of Government. So the real sectors which deserves the funds are not able to receive the same.

REACH OF THE BORROWER

Many times the Borrowers are not able to reach towards the banks due to lack of Knowledge. So though the banks are ready to provide advances towards these people, they are not able to reach towards the financial institutions.

LOW PROFITABILITY

The advances which provides towards Priority Sector generates low rate of interest similarly the chances of returns are also low. These reasons creates impact on Profitability of Banks.

CONCLUSION

The study concludes that the trends are always changes while lending towards priority sector. The year wise data reflects every year the banks changes drastically there advance towards this sector. Many times the Indian Banks are failed to achieve the targets set by RBI. Similarly the banks facing various issues while distribution of advances towards this sector.

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RECENT TRENDS IN INDIAN BANKING INDUSTRY

Mahima Singh
Alard Institute of Management Sciences,
Pune
mahimatul@gmail.com

ABSTRACT

After the nationalization of banks in 1969, it was noticed that it had only slow and steady progress necessitating a total revamping of the banking sector. Various reform measures were taken to strengthen the foundation of the system by improving asset quality, enhancing capital and improving profitability along with structural changes in the system. But it was the IT Act of 1999 which gave new dimensions to the Indian banking sector. IT has created transformation in banking structure, business process, work culture and human resource development. Information technology has given rise to new innovations in the product designing and their delivery in the banking and finance industries, customer services and customer satisfaction. Due to this changing scenario, banks are paying more attention to expanding their activities from just lending and borrowing to other ends like, insurance merchant banking, leasing, electronic banking etc.

KEYWORDS:-***Nationalization, Information Technology, Reforms, Profitability, Innovations***

INTRODUCTION

Banks plays an important role in the economic development of developing countries. It mirrors the economy by its linkages to all sectors and making it proxy for what is happening in the economy as a whole by performing various agency services for their customers and helps economic development of the country. The purchase and sales securities, shares, make payments, receive subscription funds and collect utility bills for the Government department. There for banks save time and energy of busy peoples. Bank arranges foreign exchange for the business transactions with other countries. Banking sector are not simply collecting funds but also serve as a guide to the customer about the investment of their money.
The traditional functions of banking are limited to accepting deposits and to give loans and advances. But today, role of banking industry is very important as one of the leading and mostly essential service sector. India is one of the largest economies in the world having more than 110 crore population. Today in India the service sector is contributing half of the Indian GDP and the banking is most popular service sector in India. Information technology has given rise to new innovations in the product designing and their delivery in the banking and finance industries, customer services and customer satisfaction. Current banking sector has come up with a lot of initiatives that oriented to providing a better customer services with the help of new technologies.

Indian banking sector today has the same sense of excitement and opportunity that is evidence in the Indian Economy. The significant role of banking industry is essential to speed up the social economic development. In the present scenario banking provides a lot of opportunities. In the past few years we observed that there was lot of down and up trends in banking sector due to the global finance crisis. Number of leading banks operating in market had made use of the changed rules and regulations such as CRR, Interest Rates Special offers to the customers such as to open account in zero balance. The Indian banking system is set to involve into a totally new level. It will help the banking system to grow in strength going into future. Due to liberalization banks are operating on reduced spread main focus is highlighted on consumerism and how to customers linked and remain attached with the bank.

OBJECTIVES OF STUDY

a) To explain the recent trends in changing banking scenario.
b) To study the opportunities of the banks in changing banking scenario.
c) To explain the challenges of banks in changing banking scenario.

METHODOLOGY OF STUDY

This study is based on the analysis of the banking scenario in the India and the recent trends and opportunities in the banking with the help of secondary data collection.

Secondary data: - The secondary sources of data are banking books, annual reports of RBI, internet (websites) and research papers etc.

PRESENT SCENARIO IN THE BANKING SECTOR

The present banking scenario provides a lot of opportunities as well as facing lot of challenges also. In the past few years we observed that there was lot of down and up trends in banking sector due to the global finance crisis. In India it has not been majorly affected due to being fundamentally strong supported by concrete economic policies, decisions and implementations by the Indian Government.

To improve major areas of banking sector Govt. of India. RBI, Ministry of finance has made several notable efforts. Many of leading banks operating in market have made use of the changed rules and regulations such as CRR, Interest Rates Special offers to the customers such as to open account in zero balance. Now days almost all banks entered into all areas of banking services. As a result of innovation banking products are a reality now. Even saving accounts have become subject of innovation. The Indian banking system is set to involve into a totally new level. It will help the banking system to grow in strength going into future. Due to changed scenario banks main focus is on consumerism and how to customers linked and remain attached with the bank. Therefore banks are entered these days in non banking products such insurance in which area there are tremendous opportunities.

Following are the opportunities for the banking sector:-

1) **Rural area customers**: - Contributing to 70% of the total population in India is a largely untapped market for banking sector. In all urban areas banking services entered but only few big villages have the banks entered. So the banks must reach in remaining all villages because majority of Indian still living in rural areas.

2) **Offering various Channels**: - Banks can offer so many channels to access their banking and other services such as ATM, Local branches, Telephone/mobile banking, video banking etc to increase the banking business.

3) **Good Customer Services**: - Good customer services are the best brand ambassador for any bank for growing its business. Every engagement with customer is an opportunity to develop a customer faith in the bank. While increasing competition customer services has become the backbone for judging the performance of banks.

4) **Internet Banking**:- It is clear that online finance will pickup and there will be increasing

convergence in terms of product offerings banking services, share trading, insurance, loans, based on the data warehousing and data mining technologies. Anytime anywhere banking will become common and will have to upscale, such up scaling could include banks launching separate internet banking services apart from traditional banking services.
5) **Retail Lending**: - Recently banks have adopted customer segmentation which has helped in customizing their product folios well. Thus retail lending has become a focus area particularly in respect of financing of consumer durables, housing, automobiles etc., Retail lending has also helped in risks dispersal and in enhancing the earnings of banks with better recovery rates.

6) **Indian Customers**: **-** The growing Indian banking sector with its strong home country linkages, seek a unique combination of Indian ethnicity and global standards that offers a valuable nice opportunities for Indian banks. The biggest opportunity for the Indian banking sector today is the Indian costumers. Demographic shifts in terms of income level and cultural shifts in terms of life style aspirations are changing the profile of the Indian customer.
This is and will be a key driver of economic growth going forward. The Indian customers now seek to fulfill his lifestyle aspirations at a younger age with an optimal combination of equity and debt to finance consumption and asset creation. The consumer represents a market for a wise range of products and services he need a mortgage to finance his house, an auto loan for his car, a credit card for ongoing purchases, a bank account, a long term investment plan to his children's higher education, pension plans for his retirement, a life insurance policy the possibilities are endless and this consumer does not live just in India's top ten cities. He represents across cities, towns and villages i.e. in rural areas. Consumer goods companies are already tapping this potential it is for the banks to make the most of the opportunity to deliver solutions to this market.

7) **Tele Banking**: **-** Tele Banking facilitates allows the customer to do entire non-cash related banking on telephone. Under this devise Automatic Voice Recorder is used for simpler queries and transactions. For complicated queries and transactions, manned phone terminals are used.

8) **Electronic Clearing Service (ECS)**:- Electronic Clearing Service is a retail payment system that can be used to make bulk payments/receipts of a similar nature especially where each individual payment is of a repetitive nature and of relatively smaller amount. This facility is meant for companies and government departments to make/receive large volumes of payments rather than for funds transfers by individuals.

9) **Electronic Funds Transfer (EFT)**:**-** Electronic Funds Transfer (EFT) is a system whereby anyone who wants to make payment to another person/company etc. can approach his bank and make cash payment or give instructions/authorization to transfer funds directly from his own account to the bank account of the receiver/beneficiary.

10) **Other Opportunities**:-There are many other opportunities in future in the field of Indian banking sector like:-
a) To enter new business and new markets
b) To develop new ways of working
c) To improve efficiency
d) To deliver high level of customer services

Along with the opportunities the banking sector has to face the following Challenges:-

1) **Customer Satisfaction: -** Today in banking sector customers are more value oriented in their services because they have alternative choices in it. So that each and every bank have to take care about fulfill of our customers satisfaction.

2) **To provide several personnel services**:- The preset times demanded that banks are to provide several services for which they have to expanse in service, social banking with financial possibilities, selective up gradation, computerization and innovative mechanization, better customer services, effective managerial culture, internal supervision and control, adequate profitability, strong organization culture etc. Therefore banks must be able to provide complete personal service to the customers who come with expectations.

3) **Nonperforming assets (N.P.A):-** Nonperforming assets are another challenge to the banking sector. Vehicle loans and unsecured loans increases N.P.A. which terms 50% of banks retail portfolio was also hit due to upward movement in interest rates, restrictions on collection practices and soaring real estate prices.

4) **Competition: -** The nationalize banks and commercial banks have the competition from foreign and new private sector banks. Competition in banking sector brings various challenges before the banks such as product positioning, innovative ideas and channels, new market trends, cross selling and at managerial and organizational part this system needs to be manage, assets and contain risk. Banks are restricting their administrative folio by converting manpower into machine power i.e. banks are decreasing manual powers and getting maximum work done through machine power. Skilled and specialized man power is to be utilized and result oriented targeted staff will be appointed.

5) **Managing Technology**: - Developing or acquiring the right technology, deploying it optimally and then leveraging it to the maximum extent is essential to achieve and maintain high service and efficiency standards while remaining cost effective and delivering sustainable return to shareholders. Early adopters of technology acquire significant competitive advances Managing technology is therefore, a key challenge for the Indian banking sector.

CONCLUSION

Indian banking system will further grow in size and complexity while acting as an important agent of economic growth and intermingling different segments of the financial sector. It is sure that the future of banking will offer more sophisticated services to the customers with the continuous product and process innovations. Adoption of stringent prudential norms and higher capital standards, better risk management systems, adoption of internationally accepted accounting practices and increased disclosures and transparency will ensure the Indian Banking industry keeps pace with other developed banking systems. Finally the banking sector will need to master a new business model by building management and customer services. Banks should contribute intensive efforts to render better services to their customer.

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REVISITINGCUSTOMER SATISFACTION INTERNAL CUSTOMER

Prof. VanitaVishwanathBhosale
College of Computer Science Wakad Pune 411057
Bhosaley12@gmail.com

ABSTRACT

Customer is the king, this is all the more apt for today's business environment where, all other factors remaining more or less constant, it is the value addition to the customer that is making all the difference Customer satisfaction survey is the process to monitor the satisfaction quotient of their people. In internal satisfaction surveys therefore tracks the return on your investments in keeping your people happy, high salaries, a quality culture, a healthy work environment. Last, but not the least internal customer satisfaction survey helps in finding the critical areas, which need further improvement.

INTRODUCTION

Customer satisfaction depends on the performance relative to a expectations A key premise in customer satisfaction is understanding the needs and meeting or exceeding the expectations of customers. Furthermore, this is done while optimally using resources. While most companies have developed strategies to improve quality and external customer service, internal customer satisfaction is a much neglected component of quality improvement. To this end, it is important to emphasize that total customer satisfaction can be attained only if all employees devoted to external customer satisfaction can work together and assist each other to achieve the common objective, when the internal customer isn't satisfied, Relationships with the external customer suffer. So, it is suggested to adopt customer oriented approach to keep the internal customer satisfied and motivated, who in turn will focus their attention and energy upon meeting the requirements of their customers, thereby maximizing the customer, thereby maximizing the customer satisfaction.

STATEMENT OF PROBLEM :INTERNAL CUSTOMER-SUPPLIER RELATIONS

In an organization, from procuring an order to delivering the final product, a series of activities takes place. There are different depts. To which these activities are assigned eg. Raw material for production is purchased by one deptt. And supplied to other deptt. Where the production initiates. Thus every dept. play an important role of a customer and supplier as well. The importance of a customer is well known from the maxim,“ Customer is theking”. Earlier, organizational administrators concentrated only on the satisfaction of external customers i.e. the target market. But now it is being realized that if the internal customer is satisfied the quality as well as the quantity is also appreciable. Higher the customer satisfaction index, higher will be the quality of the production. This results in the satisfaction of external customers and ultimately brings profits & prosperity to the organization. It can benefit the organization in following ways

1) There will be less employee turnover.

2) Optimum utilization of available resources will take place.

3) High job satisfaction and feeling of belongingness in employees.

4) Qualitative product.

5) Least conflicts in the departments.

6) Good reputation in the market and many more benefits can be accrued.Thus, every deptt. should ensure that the customer deptt. is satisfied with the product and services provided by it as it will result into an overall improvement of the organization. To serve a final customer first of all a company has to satisfy his employees. If employees are satisfied then they will ultimately satisfy the final customer. Three types of marketing arises. These are as follows:-

1**) INTERNAL MARKETING**

It is defined as when company communicates its policies to the employees. In this understands their employees & provides good working condition, compensation and incentives so as to satisfy their employees. Company satisfy their employees because they are the person in touch with the final users.

2) **EXTERNAL MARKETING**:

When company communicates with its final end user regarding the product complaints &suggestions so as to satisfy them.

3) **INTERACTIVE MARKETING**:

In this employees communicate company product to its final end users.

OBJECT OF STUDY

Although the customer oriented firms seek to create high customer satisfaction, its main goal is to maximize customer satisfaction ,first the company can increase customer satisfaction by lowering its prices, but results may be lower profits second the company might be able to increase prices. Third the company has many stake-holders including employees, dealers, suppliers and stock holders spending more to increase customer satisfaction might divert funds from increasing the satisfaction of other partner. Estimate the company must operate on the philosophy that it is trying to deliver a high level of satisfaction to the other stake-holder within the constrains of its resources. From the past studies of last three decades we observed that the company’s first task is to create and satisfy customers. But today’s customers face a vast array of product and brand choice prices and suppliers

Customer Value: Customer delivered value is the difference between the total customer value and total consumer cost. Consumer value is the bundle of benefits customers expect from a given product or service. Total consumer cost it the bundle of costs consumer expect to incur in evaluating, obtaining and using the product.

That two customers can report being "highly satisfied" for different reasons. One may be easily satisfied most of the time and other might be hard to please but was pleased on this occasion. Companies should also note that managers and salespeople can manipulate their ratings on customer satisfaction. They can be especially nice just before the survey. They can also try to exclude unhappy customers from the survey. Another danger is that if customers will know that the company will go out of its way to please customers, some customers may express high dissatisfaction (even if satisfied) in order to receive more concession.

Delivering customer Value and Satisfaction The value chain is a tool for identifying ways to create more customer value. every firm is a collection of activities that are performed to design, produce, market, deliver and support its product. The value chain identifies nine strategically relevant activities that create value and cost in a specific business. These nine value-creating activities consist of five primary activities and four support activities.

METHODOLOGY

A marketing intelligence system is a set of procedures and sources used by managers to obtain everyday information about developments in the marketing environment. Marketing managers collect marketing intelligence by

1. Reading books

2.Newspapers and trade publications

3.Talking to customers, suppliers and distributors; meeting with other company mangers.

RESULT OF ANALYSIS

Too many companies think that it is the marketing/sales department's job to procure customers. If that department cannot, the company draws the conclusion that its marketing people aren't very good .but in fact, marketing is only one factor in attracting and keeping customers. The best marketing department in the world cannot spell products that are poorly made or fail to meet anyone's need. The marketing department can be effective only in companies whose various departments and employees have designed and implemented a competitively superior customer value-delivery system.

CONCLUSION

Today's companies are facing their toughest competition ever. These companies can outdo their competition if they can move from product and sales philosophy to a marketing philosophy. We spell out in detail how companies can go about winning customers and outperforming competitors. The answer lies in doing a better job of meeting and satisfying customers needs. Only customer-centered companies are adept at building customers, not just building product. They are skilled in market engineering, not just product engineering.

SUGGESTIONS

1. It can train and motivate the sales force to spot and report new developments. Sales representatives are positioned to pick up information missed by other means.
2. The company can motivate the distributors, retailers, and other intermediaries to pass along important intelligence.
3. Companies can collect competitive intelligence by purchasing competitors' products; attending open houses and trade shows; reading competitors' publishing reports; attending stockholders' meeting; talking to employees, dealers, distributors, suppliers, and freight agents; collecting competitors' ads; and looking up news stories about competitors on the internet.

MOBILE COMMERCE

Prof. Sharad Kantilal Suryawanshi
Department of Computer Applications
Dada Patil Mahavidyalaya Karjat, Ahmednagar.
E-mail: sharad2620@gmail.com

Prof. Lalasaheb Popat Anarase
Department of Computer Science
Dada Patil Mahavidyalaya Karjat, Ahmednagar.
E-mail: aanarase.10@gmail.com

ABSTRACT-

This paper focuses on M-commerce which is the modified and new step come after the E-Commerce. M-commerce means perform the business through electronically by using electronic medium such as Mobile. Before M-commerce there are other medium for online business which is Computer. In this process more hardware must be used for performing the business applications, but now-a-days mobile becomes central point for E- commerce because all operations we can solve by using the Mobile. M-commerce (mobile commerce) is growing increasingly popular in India, and has a huge potential to develop m-commerce technology.

KEYWORDS

E-*commerce, M-commerce, Internet, Mobiles, India, Online shopping, Android, etc*.

INTRODUCTION-

M-commerce is derived from e-commerce, and they share some common functionalities and features, they are important distinctions. Over the past 10 years mobile phones have changed the way that we live and work. What is the nature of this change? On the one hand, it's a change in personal freedom. The mobile phone seems to give us more power as individuals to do what we want and be who we want to be. Many people consider mobile phones as extensions of themselves. This is shown by the wide variety of mobile phones available and the myriad ways of transforming each phone into a truly personal device. There are over 3 billion mobile phones worldwide. This means that over 40% of the world's population carries a mobile phone, far more than use a computer or have access to the internet. In many developed countries, mobile phone penetration is above 90% and developing countries are catching up fast. Closer, more personalized relationships between businesses and consumers are possible via mobile phones. Emerging applications and services that add value to physical products and brands and go beyond limits previously imposed (such as extended packaging) already exist today on mobile phones. [1]

Existing business issues (such as inefficient couponing) can be resolved effectively using mobile technology. Convergence of different technologies on single devices that are available anywhere and anytime is allowing existing technologies (such as the internet) to evolve and extend their reach even further.

E-COMMERCE TO M-COMMERCE

2.1 DEFINING E-COMMERCE

A simple definition of E-Commerce describes it as: "[...] the buying and selling of products and services over the Web" [Kalakota and Robinson, 2002]. However, there are several definitions of

E-commerce in circulation emphasising its different aspects. Prevailing definitions may be divided into two primary categories. The first category works with a narrow, restrictive definition, requiring the whole transaction to take place in electronic form and having a monetary character. For example, the German Federal Statistical Office is reported to use the following definition: "Transactions are regarded as E-Commerce, when the offer as well as purchase or the actual available of a product or service is carried out in electronic form using a computer-mediated network against monetary payment" [Fischer, 2003]. This definition, however, seems to be too restrictive as it does not recognize the fact that just some parts of a transaction might also be carried out electronically without having to process all the steps of a value-chain in that form. Further, the emphasis on the monetary character ignores the commercial nature of marketing measures (e.g. transactions carried out with the intention of selling a product or service) and after-sales services (e.g. transactions carried out in continuation of a preceding monetary transaction).

The second category works with a broader definition of E-Commerce, as can be seen in the definition used by the US Bureau of the Census, which defines E-Commerce as, "[...] any transaction completed over a computer-mediated network that involves the transfer of ownership or rights to use goods or services. […] Completed transactions may have a zero price (e.g., a free software download)" [Mesenbourg, 2001]. Also according to the Organization for Economic Co-operation and Development (OECD), it is the method used to place or receive an order, not the mode of payment or the channel of the delivery that determines whether a transaction is considered as an E-Commerce transaction [OECD, 2002]. The primary criteria for E-Commerce, thus, are:

(a) the at least partially electronic form of a transaction, and

(b) the transfer of ownership or rights to use a good or service whether against monetary payment or otherwise.[2]

2.2 DEFINING M-COMMERCE

M-Commerce is sometimes referred to as "Mobile E-Commerce", e.g. see Zhang et al. [2004], because its transactions are basically electronic transactions conducted using a mobile terminal and a wireless network. Mobile terminals include all portable devices such as mobile telephones and PDAs, as well as devices "mounted in the vehicles that are capable of accessing wireless networks" and perform M-Commerce transactions [Veijalainen et al., 2003]. One definition of M-Commerce describes it as "any transaction with a monetary value that is conducted via a mobile telecommunications network" [Müller-Veerse, 2000]. Some other definitions tend to ignore Telemetric, an important feature of M-Commerce. These definitions concentrate on the appliance of mobile hand-held devices. For instance: "M-Commerce is the buying and selling of goods and services, using wireless hand-held devices such as mobile telephones or personal data assistants (PDAs)" [UNCTAD, 2002]. These definitions, formulated in the initial phase of M-Commerce, do not seem to be appropriate today, even when they provide useful insights for understanding M-Commerce. It is therefore essential to formulate a new definition of M-Commerce that takes all of the above-discussed factors into account.

THIS PAPER ACCORDINGLY DEFINES M-COMMERCE AS FOLLOWING

"M-Commerce is any transaction, involving the transfer of ownership or rights to use goods and services, which is initiated and/or completed by using mobile access to computer-mediated networks with the help of an electronic device." As shown above, M-Commerce is closely related to E-Commerce, since the services offered in both variations are handled electronically by computer-mediated networks and accessible via telecommunication networks. The only difference in the procedure to E-Commerce is that in M-Commerce the telecommunication networks are accessed through mobile electronic devices. There exist two different paradigms about the relationship of M-Commerce to E-Commerce. The first paradigm classifies M-Commerce simply as an extension of E-Commerce; the second paradigm regards M-Commerce as an independent business field and consequently as an alternative mechanism to E-Commerce. That both of these approaches are principally right and hence, individually, too one-sided can be derived from the following facts:

(a) Many of the services offered by M-Commerce may as well be availed using the "immobile"(stationary) Internet, e.g. purchasing entrance ticket to a football match.

(b) M-Commerce opens new business opportunities by enabling innovative, location-based services (LBS) that the "immobile" Internet cannot offer. For instance the location of the nearest Automatic Teller Machine (ATM) in real time can only be provided by determining the current geographic position of the user. An exclusivist approach is therefore erroneous and what we rather need is an integrative, holistic approach. [2]

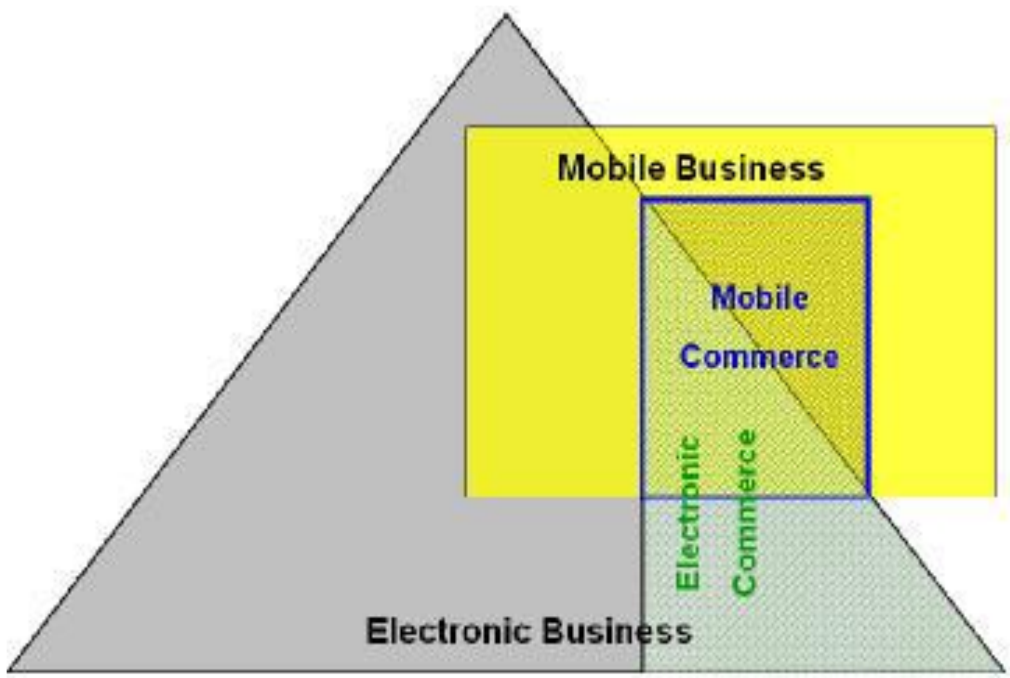
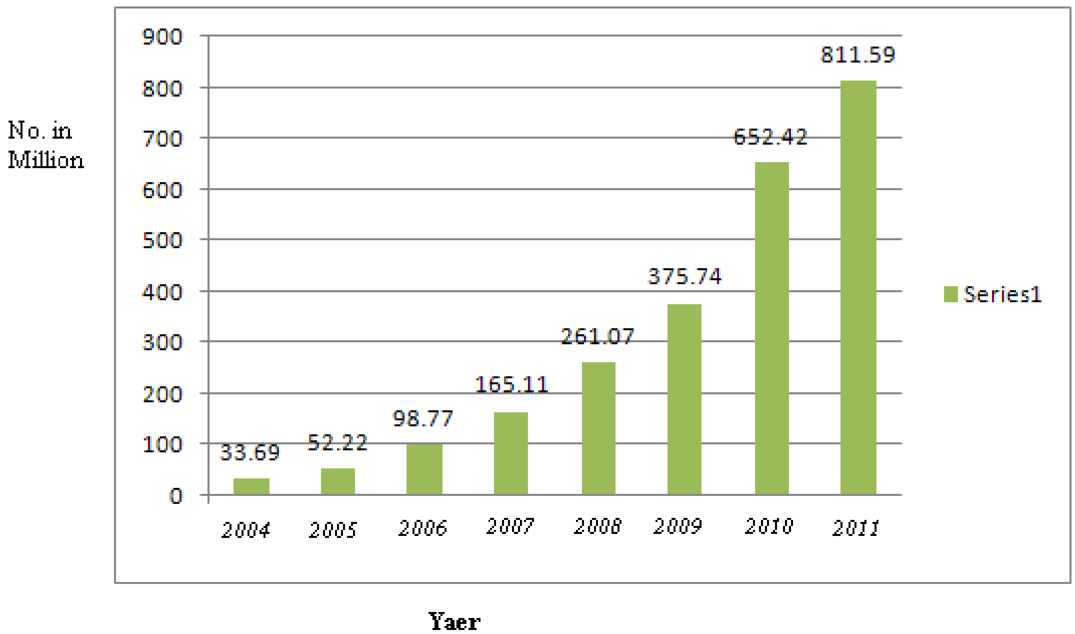


Fig.1: A Holistic Perspective of M-Commerce [2]

3. Mobile Telephony Market and Mobile Commerce in India-

India is going through a telecom revolution, especially in the wireless telephony segment. The adoption of mobile telephony remains unparallel in scope, as users from diverse segments increasingly choose to exercise the option of personal mobility (IAMAI, 2006). Via, mobile phone users can be informed of different news such as stocks and financial markets, traffic, incidents, economical, cultural and sports. The growth of an infrastructure sector such as telecom has a multiplier-effect on the entire economy of the nation. Fortunately the telecom sector in India, since its liberalization in 1991, has registered an unprecedented growth and is therefore valued at $100bn today, contributing significantly (13%) to the GDP. Globally in terms of mobile subscriptions, India is the world‘s second largest wireless market after China. [6]



Graph.1: List the number of India mobile telephony subscriber base from 2004 to 2011 (Source-[6])

With a subscriber base of more than 811 million, the mobile telecommunications system in India is the second largest in the world and it was thrown open to private players in the 1990s. Government and several private players run local and long distance telephone services. Competition has caused prices to drop and calls across India are one of the cheapest in the world. The rates are supposed to go down further with new measures to be taken by the Information Ministry. The mobile subscriber base has grown from 33.69 million subscribers in 2004 to over 811 million subscribers as of March 2011 (a period of less than 7 years) (Telecom regulatory authority of India, 2010). Nevertheless in India, mobile commerce is still in the development phase as the use of mobile phones for carrying out transactions is very limited. However, the development is taking place at a nice speed and in the coming years, mobile commerce is most likely to make its presence feel as companies and businesses have started understanding the benefits of mobile commerce. [6]

Some of the companies have even incorporated this technology. Airtel, ICICI, Reliance are some of the companies/businesses that are using this technology as their users are allowed to make limited purchases from their phones. For now, the users are mainly allowed to pay phone bills, utility bills, book movie tickets, book travel tickets with their cell phones. However, more services will be introduced in coming years. Security is one of the main concerns of Mobile Commerce as it's very important to offer secure transactions and this is the reason why M-Commerce is still in the development phase in India.

4. APPLICATIONS OF MOBILE COMMERCE

M-Commerce Applications	
Application	Examples of Offered Services
Mobile Banking	• Mobile Accounting • Mobile Brokerage • Mobile Financial Information
Mobile Entertainment	• Mobile Gaming • Download of Music and Ring Tones • Download of Videos and Digital Images • Location-based Entertainment Services
Mobile Information Services	• Current Affairs (Financial, Sport and other News) • Travel Information • Tracking Services (Persons and Objects) • Mobile Search Engines and Directories • Mobile Office
Mobile Marketing	• Mobile Couponing • Direct (context-sensitive) Marketing • Organisation of Mobile Events • Mobile Newsletters
Mobile Shopping	• Mobile Purchasing of Goods and Services
Mobile Ticketing	• Public Transport • Sport- and Cultural Events • Air- and Rail-Traffic • Mobile Parking
Telematics Services	• Remote Diagnosis and Maintenance of Vehicles • Navigation Services • Vehicle Tracking and Theft Protection • Emergency Services

Table.1: M-Commerce Applications. [2]

Mobile Banking: This application makes it possible to complete bank-related transactions, e.g. checking account status, transferring money and selling stocks, via mobile devices, independent of the current user location.

Mobile Entertainment: This application contains services that provide the user digital data with entertainment value on mobile devices, e.g. ring-tones, music and videos, on the one hand. On the other hand it opens an array of interactive services, e.g. betting, gaming, dating and chatting.

Mobile Information Services: This term refers to mobile services that provide subscribers with content of informational character. Examples of such services are news updates of any nature (finance, politics, sport etc.), travel information, access to search engines and Mobile Office (e-mails, appointments etc.).

Mobile Marketing: This term refers to services based on mobile communication technologies that provide firms with new, innovative instruments, e.g. to increase sale, win and retain customers, improve after-sales services, build and sustain a positive and modern image/brand and carry market research. Mobile devices serve thereby as simple and relatively inexpensive channels of interaction.

Mobile Shopping: This application bundles services that allow for mobile processing of transactions involving purchase of goods of daily use. The user can purchase (mostly standardized) products by choosing them from a catalogue accessible from a mobile device.

Mobile Ticketing: All services that must be paid for, before a lawful utilization can take place, are suitable for Mobile Ticketing, e.g. travelling in public transport, entry to a cultural event or cinema. This application ensures that the user can purchase a right to utilization/entry (ticket) via a mobile device, replacing the conventional paper ticket. The ticket is sent in digital form to the mobile device.

Telemetric Services: Telemetric is an artificial term that refers to innovative technologies that link telecommunication technologies with informatics. The transport segment has been the primary area of this application, which is also known as Intelligent Transport System (ITS). The main services are navigation systems, remote diagnosis as well as access to other mobile applications such as Mobile Entertainment, Mobile Content/Office, Mobile Banking and Mobile Shopping.[6]

4.1 PAYMENT MECHANISMS FOR UTILISING MOBILE SERVICES

Having described various M-Commerce applications, it is imperative to have a look at the payment mechanisms required for available of these applications. There are a number of such mechanisms, which are introduced in the following:

Payment by credit card: In this method the charges for services are billed against the credit card of the subscriber. The subscriber can inform the service provider about his credit card number, e.g. via WAP interface.

Payment against invoice: The subscriber may register himself with the provider and get an invoice for the services that he or she utilizes. The subscriber may pay the invoice either manually or entrust the provider with a standing order for direct debit against subscriber’s bank account.

Payment by a prepaid card: The subscriber may buy a prepaid card sold by the provider. Any utilization of offered services is billed against the prepaid card until the amount on the card is exhausted.

Payment by premium SMS: The subscriber may send a SMS to a certain number. This SMS costs a fixed, pre-determined amount that is collected by the network carrier on behalf of the service provider.

Payment via telephone bill: A comfortable way of paying for mobile services is payment via the monthly telephone bill that the network carrier sends to each subscriber. The carrier may collect the amount on behalf of the provider, against a certain service charge.

Mobile Payment: The term "Mobile Payment" refers to payments that are made via mobile hand-held devices in order to purchase goods and services. Mobile Payment services usually act as intermediary between consumer and the vendor. Prominent examples of such services are "Mobile Wallet", a service by T-Mobile and "m-pay" of Vodafone. It is a hybrid form of payment that combines elements from other methods of payment, e.g. credit cards, prepaid cards, invoicing and telephone bills. Both, the customer and the vendor, get themselves registered with the payment service. Each subscriber gets an individual PIN to authenticate himself via WAP or SMS, in order to make payments for his purchases. The advantage for the subscriber lies in the fact that he does not need to get himself registered with each individual vendor. The vendor, on the other hand, does not need to worry about the credit-worthiness of the individual customer. He may also hope to attract customers who would have liked to pay by mobile means but who were not willing to register themselves with him.

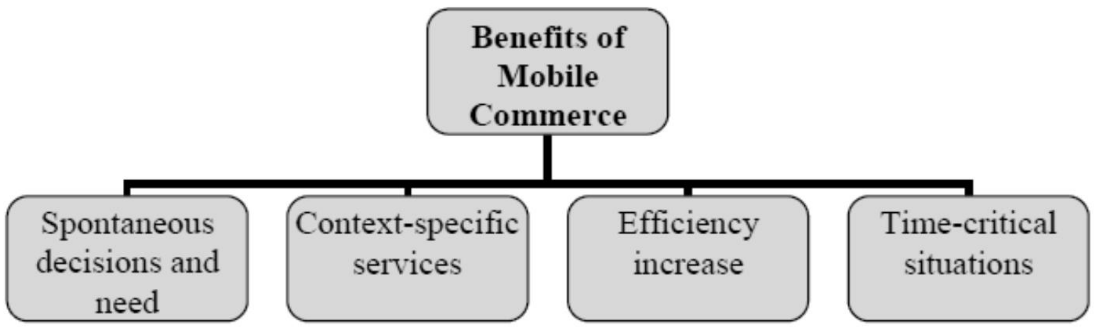
There have been extensive studies about the viability of Mobile Payments, which have generally confirmed the acceptability of such methods amongst consumers. In the following we introduce the findings of a representative study by Khodawindi et al. [2003] carried out at the University of Augsburg in Germany, involving about 4400 participants. Over 80% of survey participants were willing to accept Mobile Payment. An overwhelming majority (96%) of the willing participants gave privacy of personal data as one of the reasons for their decision. Other cited reasons were the simplicity of the method (93%) and less or no transaction costs (92%). The transaction costs seem to be an important criterion for the acceptability, as over 37% of the surveyed persons were willing to use Mobile Payment only if it had no transaction costs, another 19% were willing to pay up to €2.50 yearly fee for utilizing such services, a further 36% up to €5. The study found out that Mobile Payment is preferred primarily for smaller amounts ("micro payments"). There is no clear cut definition of the term micro payments; opinions range from €2.50 to €10. Nonetheless, over 71% of the participants of the Augsburg study were willing to make use of Mobile Payment for amounts between €2.50 and €50. It may be therefore contended that the Mobile Payment methods have come to enjoy acceptability, paving way for M-Commerce applications. The limitation of micro payments must, however, be kept in mind while designing an application. [2]

5. The benefits of Mobile Commerce for people and organizations [6]

By utilizing mobile commerce the user is simply and at every place and times, able to access his/her own data. The main advantage of M-commerce comparing to E-commerce also exists in. In fact while the use of E-commerce is provided only when the user is at his/her own home or workplace or in any other location he/she has to access media such as, Internet, TV…. M-commerce merely need the Mobile-phone. However this doesn't bear the meaning that M-commerce is limited to ordinary applications like reading E-mail or reporting. Within the pass of time the services and ample abilities of M-commerce are getting more popular and more complete than the E-commerce. Generally, M-commerce has several major advantages to consumers:

Context-specific services – M-Commerce makes it possible to offer location based services, Which are specific to a given context (e.g. time of the day, location and the interests of the user)

Time-critical situations - The ubiquity and immediacy of Mobile Commerce allows user to Perform urgent tasks in an efficient manner, irrespective of his current geographic location. Spontaneous decisions and need- Spontaneous needs are not externally triggered and generally involve decisions that do not require a very careful consideration, e.g. purchase decisions involving small amounts of money.



Graph 2: Specific advantages of mobile commerce to consumers [6]

CONCLUSION

The ease of communication with goods and service presenters, in 24 hrs and without any location limitations, has caused an everyday popularity increase in mobile trading. Both the telecommunications industry and the business world are starting to see m-commerce as a major focus for the future. As m-commerce applications and wireless devices are evolving rapidly, one will take forward the other one towards empowering innovation, versatility and power in them. There are a number of business opportunities and grand challenges of bringing forth viable and robust wireless technologies ahead for fully realizing the enormous strength of m-commerce in this Internet era and thereby meeting both the basic

Requirements and advanced expectations of mobile users and providers. The mobile Internet Channel has opened up new possibilities. There is a big gap between technology's capabilities and the consumer's expectations. But, the good news is that problem areas like slow transmission speeds and high costs are being addressed by operators and equipment manufacturers. M-Commerce players need to improve the user interface soon and implement innovative pricing structures. Despite the initial frustrations of the users, consumers envision that once the glitches are worked out, mobile applications will become an integral part of their daily lives. On the other hand, Investing in m-commerce has its risks. While there is potential for a lot of money to be made, there is also potential to lose everything. Organizational and system changes in a business to allow for m-commerce can be huge, and that means a lot of extra cost. Getting a return on this type of investment can take a long time, and businesses aren't always prepared to stay afloat until they recoup that money. Another big cost concern is the implementation of earmarks for consumer safety and confidence. A consumer who uses a device for mobile e-commerce needs to feel secure doing so. No security can mean any business for an e-commerce company. Because customers must provide personal and financial information, stability and reliability of the systems the businesses use must remain high. However, in India Mobile services have registered impressive growth in preceding years and m-commerce is slowly but surely showing signs of a healthy recovery.

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RESENT TRENDS IN CHANGING SCENARIO OF INDIAN BANKING SYSTEM FOR SUPERIOR ADVANCEMENT OF INDIAN ECONOMY

Dr Jadhav Deepali Rajendra
Assosiate Professor
jdeepali1@gmail.com

Mrs Santoshi Abhiman Pawar
Associate Professor
santoshi.pawar28@gmail.com

-SVPM's College Of Commerce,Science
& Computer Education , Baramati, Dist- Pune,

ABSTRACT

Today, in India we are having a quite well developed banking system. In the banking field, there has been an extraordinary growth and modification of banking industry which is so remarkable that it has no parallel in the histories of banking anywhere in the world. The Indian banking industry has experienced a series of important transformations in the last few decades due to globalization and digitalization. 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 nation. A Banking is a business of accepting deposits and lending money and is carried out by financial mediators, which performs the functions of protection deposits and providing loans to the public. Banking System is a principal instrument through which the money supply of the country is generated and organized. The banking system enables us to understand Commercial Banks, Secondary Banks, Central Banks, Merchant Bank or Accepting Houses and Discount Houses but to exclude the Saving Banks and Investment and other intermediaries. Banks seek to achieve customer-centricity, optimize the channel experience and take advantage of alternative distribution channels, it's clear that data will play a central role. There are also innovations in banking in recent years and this paper is oriented to inspect the new trends in this system.

Key Words-Emerging Trends, Indian Banking Sector, Innovation, Digitalization

INTRODUCTION

Bank system plays significant responsibility in the economic development of developing countries like as India. Economic development involves investment in various sectors of the economy. The banks collect savings foreign vestment in various developments. In normal banking the banks perform agency services for their customers and helps economic development of the country. The purchase and sales securities, shares, make payments, receive subscription funds and collect utility bills for the Government department. Banks save time and energy of busy peoples. Bank arranges foreign exchange for the business dealings with other countries. Banking sector are not simply collecting funds but also serve as a guide to the customer about the investment of their money.

India's recent banking sector has come up with a lot of initiatives that oriented to providing a better customer services with the help of new technologies. Banking sector mirrors the larger economy its linkages to all sectors make it delegation for what is happening in the economy as a whole. Indian banking sector today has the same sense of excitement and opportunity that is evidence in the Indian Economy. The going developments in the global markets offer so many opportunities to the banking sector. In the competitive banking word improvement day by day in customer services is the most useful tool for their better growth. Bank offers so many changes to access their banking and other services.

OBJECTIVES OF STUDY

a)To enlighten the recent banking set-up in India.
b)To analysis of the impact of Globalization on banking system.
c)To explain the recent trends in banking scenario.
d)To study the opportunities of changing banking scenario.

METHODOLOGY OF STUDY

This study is based on the analysis of the banking scenario in the India and the recent trends and opportunities in the banking with the help of secondary data collection.

SCOPE OF STUDY

The scope of study is oriented towards earlier days scenarios of the Banking sector, which has been hugely benefited from the execution of superior technology during the recent past, almost in every nation in the world.

Productivity enhancement, innovative products, speedy transactions seamless transfer of funds, real time information system, and efficient risk management are some of the advantage derived through the technology. Information technology has also improved the efficiency and robustness of business processes across banking sector.

JOURNEY OF INDIAN BANKING INDUSTRY DURING LAST TWO TO THREE DECADES

The Indian banking industry has experienced a series of significant transformations in the last two or three 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. After this long period of transformations, now is a good time to stop and look back at the changes that have occurred. Reviewing these trends over the last thirty years may also help to put in perspective the behavior of the banking system during the 2001 recession. We have not had many recessions since the major transformations in banking happened. In fact, the only other recession took place in 1991–1992 and found the banking system in the middle of the resolution of a widespread crisis. After two years of slow recovery, this is an appropriate time to assess how the new banking system behaved during the last recession. For such evaluation, it is useful to have a long-run (thirty year) perspective on the direction of change in the relevant variables. This perspective is the focus of the present article.

This study concentrates only on commercial banks, most of which are part of a larger company, a bank holding company. Sometimes, more than one commercial bank belongs to the same bank holding company. These banks are called sister banks. In general, sister banks tend to be managed as different branches of a single bank rather than as independent banks.

IT IN BANKING IS FOUNDATION OF INNOVATIONS IN INDIAN BANKING

Indian banking industry, today is in the midst of an IT revolution. A combination of regulatory and competitive reasons has led to increasing importance of total banking automation in the Indian Banking Industry. The bank which used the right technology to supply timely information will see productivity increase and thereby gain a competitive Banks are focusing on maximizing the value of the data they have.

The SAP's International Financial Services Conference on innovation in banking, and tellingly much of the conversation centered on "big data" and analytics. The consensus seemed to be that not only will banks continue to try and use their existing data to better market to their customers, but also to monetize it in new ways. Falk Rieker, Global VP, Global IBU Head for Banking for SAP, mentioned Barclays' recent announcement that it will sell aggregated and anonymized data on its checking and savings account holders to other companies trying to understand customer purchasing trends as one prime example of this.
"The value of data has been, for a very long time, underestimated by financial services companies," he added. **Innovations And Recent Trends In Banking** Andy Hirst, SAP's senior director of industry marketing, said another data trend that will arise will be the combining of all the structured and increasing unstructured data banks collect into "an insight that hasn‘t been possible before" on it their customers. "Banks can find new patterns…and new trends."

Need of Building Trust And Innovation Through Digital Banking:-

With customer interactions increasingly moving to the digital channels, the principles of customer service in banking are changing, and banks will have to rewire their strategy to reflect the new principles of the digital banking world.

With online and mobile banking continuing to make deep inroads into consumers‘ lives, it is time for banks to rethink how they attract and retain customers. Creating relationships with digital customers is critical if banks want to differentiate their brands and boost loyalty.

Increasingly, banks can identify and mine a wealth of information about their customers - from social media and a variety of other digital sources - to make connections and draw insights that previously remained in silos or were unknown. By harnessing the power of digital channels, banks can move away from reactive, transaction-based customer relationships, towards a more personalized and proactive experience.

Taking a cue from the retail sector where the likes of Amazon, eBay and Starbucks have transformed digital customer experiences, financial institutions realize that if they fail to respond now, non-banking organizations will step in to own the customer experience. Indeed, innovative players such as Square, Google, Simple and Moven have already started offering financial services.

FIVE GOLDEN RULES:

There are five guiding principles of a **“Digital First”** strategy: **Innovations And Recent Trends In Banking**

1.Anticipation:

Anticipate customer needs and guide them to the relevant product or offers quickly. For example, the landing page should be able to recognize if a particular user is a new visitor or returning customer before serving content.

2. Insight:

Leverage analytics, data mining and other technologies to understand customer preferences, thereby increasing the value of each customer interaction.

3. **Connected**:

Provide a seamless experience (one interaction leading to another without interruption) across channels and devices so customers will feel positive about their digital experience with their respective banks.

4. **Relevance**:

Deliver improved service to customers by developing digital applications that recognize contextual signals and engage customers accordingly. For instance, the bank‘s locator application on a customer‘s mobile device should recognize that he is abroad and provide information on the nearest ATM machines.

5. **Available**:

Deepen the relationship with customers by giving them access to virtual relationship managers and other digital tools and services across all channels and devices.

Thus India's banking sector has made fast improvements in reforming itself to the new competitive business environment. Indian banking industry is the midst of an IT revolution. Technological infrastructure has become an essential part of the reforms process in the banking system, with the gradual development of sophisticated instruments and innovations in market practices.

OPPORTUNITIES FOR BANKING SYSTEMS IN GLOBAL SCENARIO

1**)Internet Banking**:**-** It is clear that online finance will pickup and there will be increasing convergence in terms of product offerings banking services, share trading, insurance, loans, based on the data warehousing and data mining technologies. Anytime anywhere banking will become common and will have to upscale, such up scaling could include banks launching separate internet banking services apart from traditional banking services.

2)Retail Lending: - Recently banks have adopted customer segmentation which has helped in customizing their product folios well. Thus retail lending has become a focus area particularly in respect of financing of consumer durables, housing, automobiles etc., Retail lending has also helped in risks dispersal and in enhancing the earnings of banks with better recovery rates.

3)Rural area customers: **-** Contributing to 70% of the total population in India is a largely untapped market for banking sector. In all urban areas banking services entered but only few big villages have the banks entered. So that the banks must reach in remaining all villages because majority of Indian still living in rural areas.

4)Offering various Channels: **-** Banks can offer so many channels to access their banking and other services such as ATM, Local branches, Telephone/mobile banking, video banking etc to increase the banking business.

5)Good Customer Services: - Good customer services are the best brand ambassador for any bank for growing its business. Every engagement with customer is an opportunity to develop a customer faith in the bank. While increasing competition customer services has become the backbone for judging the
performance of banks.

6)Indian Customers: - The biggest opportunity for the Indian banking sector today is the Indian customers. The Indian customers now seek to fulfill his lifestyle aspirations at a younger age with an optimal combination of equity and debt to finance consumption and asset creation. He represents across cities, towns and villages i.e. in rural areas. Consumer goods companies are already tapping this potential it is for the banks to make the most of the opportunity to deliver solutions to this market.

7)Other Opportunities:- there are many other opportunities in future in the field of Indian banking sector e.g. to enter new business and new markets, To develop new ways of working, To improve efficiency, To deliver high level of customer services. “Skill Development: The Key to Economic Prosperity” Emerging Trends In Indian Banking Sector

8). Improving contextual experiences: According to Aite Group senior analyst, Ron Shevlin, a new type of marketing will emerge in 2014 – activity-based marketing – or marketing within the context of an activity being performed by a customer or prospect. Activity-based marketing will change the point of interaction, moving that point closer to the point of customer need. New merchant-funded reward platforms will emerge that improve the targeting of offers and social media channel insight will be used to improve service and delivery. Finally, banks will continue to improve real-time alerts and notifications that will strengthen loyalty and engagement.

“Digital channels will mature from being transactional to being engaging in the coming year,” says Nicole Sturgill, research director for retail banking at CEB TowerGroup. “Financial institutions will also focus more on developing the channels to improve customer service and to help customers better manage their finances.”

9. Differentiating brands: According to Simon Clough, partner and group board director at U.K.- based Clear, “Consumers view most banking brands as undesirable and wholly undifferentiated.” The digitalization of the industry is further commoditizing our brands, with fewer face-to-face interactions limiting our ability to set banks apart. Banks and credit unions will begin to find ways to stand out in a crowded competitive marketplace in 2014, leveraging all channels to make their message heard.

10. Global innovation perspective: Unfortunately, some of the most exciting banking innovations over the past several years have occurred in the Asia Pacific region, banks and credit unions will begin to look beyond our shores for innovative ideas, learning from overseas organizations that in some cases are far ahead of our domestic offerings.

According to J.P. Nicols from the Bank Innovators Council, “Banks in the U.S. need to raise the periscope and take a broader look for inspiration. There is some great innovation going on all over the globe and too many banks here are only focused on the incremental moves of local competitors.”

While many of this year’s contributors differed on the importance of 2015 trends and even whether some trends would occur, all of the contributors agreed that a guaranteed prediction for the coming year is that disruption will continue at an unprecedented pace and that the industry will look different this time next year.

Future Trends Expected In The Indian Banking Sector :

The Indian Banking sector is poised to see significant changes in the immediate future. Reserve Bank of India (RBI) & Government of India are taking several steps to strengthen and liberalise the Indian financial system. These steps are expected to transform and boost the Indian banking sector further. The present article seeks to analyse the past trends and also forecast future projections. Let us begin with current structure of Indian banking sector.

The Indian banking sector is significantly diverse with a number of institutions operating at various levels. The Reserve Bank of India (RBI) is the sole regulator for the industry while the Ministry of Finance is responsible for forming the enabling legislative framework. Indian banks are broadly categorized into 2 types- commercial banks & co- operative banks based on their ownership & regulatory framework governing them. On basis of the ownership pattern, commercial banks in turn are broadly classified into four types of entities- Public Sector Banks (PSBs), Private Sector Banks, Foreign Banks and Regional Rural Banks (RRBs). The Government of India is the major shareholder of the Public Sector Banks. Foreign banks currently operate as branches of their parent entities which are registered abroad. The ownership of private sector banks lies with individuals and/ or institutions. Some analysts further classify private banks incorporated before liberalisation as old private sector banks and those after liberalisation as new private sector banks. Currently India has 26 public sector banks, 21 private sector and expected future trends are-

1. Increased Thrust on Financial Inclusion

Financial Inclusion implies bringing low income and disadvantaged groups under the coverage of banking by providing them access to banking services at affordable cost. Nationalisation has increased financial inclusion substantially. Liberalisation has further boosted the process. Regional Rural Banks (RRBs) are important institutions that extend rural credit to farmers, artisans & rural traders. In addition to RRBs, Non Banking Financial Companies (NBFCs) have also emerged as a key supplement. Though substantial ground has been covered, much more still needs to be done to further financial inclusion. As per a current estimate nearly 40% of our population has no access to financial services.

However the best part is that banks have started viewing financial inclusion more as a significant opportunity than as a mandatory obligation. They are now devising strategies to cater to these vast low income customers. These low income customers, by their sheer volumes, make up for the lower revenues per person. Hence they are popularly called as bottom of the pyramid customers. Bankers have now started thinking of low cost models that will serve the local needs of these customers. RBI also has recognised that inclusive growth is a top priority to ensure that the benefits trickle down to all the sections of the society. This is clear from the recently announced guidelines for additional licenses to private players. One of the important conditions is that the new banks should have at least 25% branches in unbanked rural centres. RBI has permitted the **use of Business Correspondents (BCs) to further increase financial inclusion.**

It needs to be noted that including vast sections of the population into the ambit of banking services will lead to various positive consequences and will provide a further fillip to the India growth story.

2. Increased Use of Technology

Economic reforms have given a facelift to Indian banking. The banking culture itself has considerably changed. Technological evolution increased automation of banking operations which enabled off-site banking through ATMs, internet banking, payment of utilities through banks, travel reservation through banks, etc. Core Banking Solution (CBS) implemented in many banks has enabled anywhere, anytime banking. This trend is further expected to continue. Specifically mobiles are expected to be increasingly used. Though European banks started to offer mobile banking from 1999 onwards, it was only in 2008 that mobile banking was permitted to be introduced in India. Since then a number of relaxations have been made. In all, 39 banks were granted permission to launch mobile banking of which 34 have launched the services. Currently on an average 6, 80,000 transactions amounting to Rs. 61 crores in a month are settled through mobile banking in India. However this is just the tip of the iceberg. This is because the number of mobile phone subscribers in India has increased to 811.59 million, the second largest in the world. As per an estimate of Price Waterhouse Coopers (PWC) once RBI permits full mobile banking services, mobile banking transactions are expected to be over 340 million by 2015. Further PWC estimates that this will lead to a cost saving of Rs. 11 billion. In addition, use of biometric devices (the UID initiative) is expected to provide a further fillip to the Indian Banking sector.

3. Increased Size of the Top Indian Banks due to Growth & Consolidation

India, one of the fastest emerging economies, is expected to continue to witness a very high demand potential fuelled by the increasing educated working class, as also the growing future income levels. In light of the same an efficient financial system is one of the key imperatives. Indian policy makers have recommended consolidation to increase efficiency. This is because it is felt that large banks will be able to exploit the economies of scale better than smaller banks. Large banks can also widen the scope of the financial services activity. Banks need a large and healthy balance sheet to fund large transactions.

The banking industry in India has witnessed mergers and acquisitions triggered by a combination of Government dictate and synergistic motives. However a high level of fragmentation among Indian banks still exists. Also Indian banks are very small when compared with their global peers. India's largest bank, State Bank of India, is ranked 75 in the ranking of global banks in terms of total assets in March 2010. In the Tata-Corus deal, Indian banks missed direct exposure in the syndication of huge-value loan of around USD six billion. This limitation arose due to regulatory constraints imposed by RBI and on account of the smaller balance-sheet size of the Indian banks.

Consistent high growth in the Indian economy during the last 4-5 years has led to quantum increase in capital requirements of various corporates. The Banking Sector is one of the primary sources of capital. As per the prudential norms set by RBI, banks can extend credit to various categories of borrowers up to a certain percentage on their net-owned funds. It poses constraints on the net credit that can be extended upon the size of capital. A higher capital base, which could be possible through consolidation, will thus allow higher lending to borrowers. Other perceived benefits from Consolidation are increased efficiency and profitability. As per economic theories, creation of large firms due to Mergers and Acquisitions (M & A) will lead to significant advantages from lower average production cost through economies of scale and scope etc. It is expected that the Indian Banking sector will witness consolidation through M & A to meet challenges and exploit synergistic benefits. Currently SBI is consolidating its subsidiaries with itself.

CONCLUSION:-

Indian Banking Industry has shown considerable resilience during the return period. The second generation returns will play a crucial role in further strengthening the system. Indian banking system will further grow in size and complexity while acting as an important agent of economic growth and intermingling different segments of the financial sector. it is sure that the future of banking will offer more sophisticated services to the customers with the continuous product and process innovations. Adoption of stringent prudential norms and higher capital standards, better risk management systems, adoption of internationally accepted accounting practices and increased disclosures and transparency will ensure the Indian Banking industry keeps rapidity with other developed banking systems.

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QUANTUM STUDY ON BANKING SECTOR IN INDIA

Prof-Mahesh M Deshpande
Institute of Business Management & Research
Wakad Pune-57
Mob No- 8796965529
Email Id- maheshd.54@gmail.com

Dr.M. M Wankhede
Principal-Arts, Commerce,
Science College, Tukum,
Chandrapur-442401

Prof-Anand R. Yadav
Institute of Business Management & Research
Wakad Pune-57
Mob No- 9552189820
Email Id- anandy77@gmail.com

ABSTRACT

Today the banking industry is stronger and capable of withstanding the pressures of competition. While internationally accepted prudential norms have been adopted, with higher disclosures and transparency, Indian banking industry is gradually moving towards adopting the best practices in accounting, corporate governance and risk management.

Keywords: Emerging Trends, Indian Banking, Sector

INTRODUCTION

Banks plays an important role in the economic development of developing countries. Economic Development involves investment in various sectors of the economy. The banks collect savings for investment in various projects. In normal banking the banks perform agency services for their customers and helps economic development of the country. The purchase and sales securities, shares, make payments, receive subscription funds and collect utility bills for the Government department. There for banks save time and energy of busy peoples. Bank arranges foreign exchange for the business transactions with other countries. Banking sector are not simply collecting funds but also serve as a guide to the customer about the investment of their money. Current banking sector has come up with a lot of initiatives that oriented to providing a better customer services with the help of new technologies. Banking sector mirrors the larger economy its linkages to all sectors make it proxy for what is happening in the economy as a whole. Indian banking sector today has the same sense of excitement and opportunity that is evidence in the Indian Economy. The going developments in the global markets offer so many opportunities to the banking sector. In the competitive banking word improvement day by day in customer services is the most useful tool for their better growth. Bank offers so many changes to access their banking and other services.

OBJECTIVES OF STUDY

- To explain the national and commercial banking scenario in India.
- To analysis of the impact of liberalization Privatization and Globalization.
- To explain the recent trends in changing banking scenario.
- To study the opportunities the banks in changing banking scenario.

Methodology of study:-

This study is based on the analysis of the banking scenario in the India and the recent trends and opportunities in the banking with the help of secondary data collection

Secondary data: - The secondary sources of data are banking books, annual reports of RBI, internet (websites) and research papers etc.

PRESENT BANKING SCENARIO

In 2009-10 there was a slowdown in the balance sheet growth of scheduled commercial banks (SCBs) with some slippages in their asset quality and profitability. Bank credit posted a lower growth of16.6 per cent in 2009-10 on a year-on-year basis but showed signs of recovery from October 2009 with the beginning of economic turnaround. Gross nonperforming assets (NPAs) as a ratio to gross advances forces, as a whole, increased from 2.25 per cent in 2008 - 09 to 2.39 percent in 2009 – 10.Notwithstanding some knock-on effects of the global financial crisis, Indian banks withstood the shock and remained stable and sound in the post-crisis period. Indian banks now compare favorably with banks in the region on metrics such as growth, profitability and loan delinquency ratios. In general, banks have had attack record of innovation, growth and value creation. However this process of banking development needs to be taken forward to serve the larger need of financial inclusion through expansion of banking services, given their low penetration as compared to other markets.

During 2010-11, banks were able to improve their profitability and asset quality. Stress test showed that banking sector remained reasonably resilient to liquidity and interest rate shocks. Yet, there were emerging concerns about banking sector stability related to disproportionate growth in credit to sectors such as real estate, infrastructure, NBFCs and retail segment, persistent asset-liability mismatches, higher provisioning requirement and reliance on short-term borrowings to fund asset growth. Today role of banking industry is very important as one of the leading and mostly essential service sector. India is the largest economy in the world having more than 110 crore population. Today in India the service sector is contributing half of the Indian GDP and the banking is most popular service sector in India. The significant role of banking industry is essential to speed up the social economic development.

The present banking scenario provides a lot of opportunities. In the past few years we observed that there was lot of down and up trends in banking sector due to the global finance crisis. To improve major areas of banking sector Govt. of India. RBI, Ministry of finance has made several notable efforts. Many of leading banks operating in market have made use of the changed rules and regulations such as CRR, Interstates Special offers to the customers such as to open account in zero balance. The Indian banking system is set to involve into a totally new level. It will help the banking system to grow in strength going into future. Due to liberalization banks are operating on reduced spread main focus is highlighted on consumerism and how to customers linked and remain attached with the bank. Therefore banks are entered these days in non banking products such insurance in which area there are tremendous opportunities.

NOWI HIGHLIGHT THE EMERGING TRENDS IN INDIAN BANKING SECTOR

Recent Trends in Banking

- **Automatic Teller Machine (ATM):-** Automatic Teller Machine is the most popular devise in India, which enables the customers to withdraw their money 24 hours a day 7 days a week. It is a device that allows customer who has an ATM card to perform routine banking transactions without interacting with human teller. In addition to cash withdrawal, ATMs can be used for payment of utility bills, funds transfer between accounts, deposit of cherubs and cash into accounts, balance enquiry etc.
- **Tele Banking:-** Tele Banking facilitates the customer to do entire non-cash related banking on telephone. Under this devise Automatic Voice Recorder is used for simpler queries and transactions. For complicated queries and transactions, manned phone terminals are used.

- **Electronic Clearing Service (ECS)** :- Electronic Clearing Service is a retail payment system that can bemused to make bulk payments/receipts of a similar nature especially where each individual payment is of repetitive nature and of relatively smaller amount. This facility is meant for companies and government departments to make/receive large volumes of payments rather than for funds transfers by individuals.

- **Electronic Funds Transfer (EFT**):- Electronic Funds Transfer (EFT) is a system whereby anyone who wants to make payment to another person/company etc. can approach his bank and make cash payment or give instructions/authorization to transfer funds directly from his own account to the bank account of the receiver/beneficiary. Complete details such as the receiver's name, bank account number, account type(savings or current account), bank name, city, branch name etc. should be furnished to the bank at the time of requesting for such transfers so that the amount reaches the beneficiaries' account correctly and faster.RBI is the service provider of EFT.
- **Real Time Gross Settlement (RTGS)** :- Real Time Gross Settlement system, introduced in India since March 2004, is a system through which electronics instructions can be given by banks to transfer funds from their account to the account of another bank. The RTGS system is maintained and operated by the RBI and provides a means of efficient and faster funds transfer among banks facilitating their financial operations. As the name suggests, funds transfer between banks takes place on a 'Real Time' basis. Therefore, money can reach the beneficiary instantaneously and the beneficiary's bank has the responsibility to credit the beneficiary's account within two hours.
- **Point of Sale Terminal: -** Point of Sale Terminal is a computer terminal that is linked online to the computerized customer information files in a bank and magnetically encoded plastic transaction card that identifies the customer to the computer. During a transaction, the customer's account is debited and the retailer’s account is credited by the computer for the amount of purchase.

We have highlighted above some of the new emerging trends. Now I highlights the opportunities that new trends brings in the growth and development of banking sector in our country

OPPORTUNITIES

1)Internet Banking:- It is clear that online finance will pickup and there will be increasing convergence inters of product offerings banking services, share trading, insurance, loans, based on the data warehousing and data mining technologies. Anytime anywhere banking will become common and will have to upscale, such up scaling could include banks launching separate internet banking services apart from traditional banking services.

2) Retail Lending: - Recently banks have adopted customer segmentation which has helped in customizing their product folios well. Thus retail lending has become a focus area particularly in respect of financing of consumer durables, housing, automobiles etc., Retail lending has also helped in risks dispersal and in enhancing the earnings of banks with better recovery rates.

3) Rural area customers: - Contributing to 70% of the total population in India is a largely untapped market for banking sector. In all urban areas banking services entered but only few big villages have the banks entered. So that the banks must reach in remaining all villages because majority of Indian still living in rural areas.

4) Offering various Channels: - Banks can offer so many channels to access their banking and other services such as ATM, Local branches, Telephone/mobile banking, video banking etc to increase the banking business.

5) Good Customer Services: - Good customer services are the best brand ambassador for any bank for growing its business. Every engagement with customer is an opportunity to develop a customer faith in the bank. While increasing competition customer services has become the backbone for judging the performance of banks.

6) Indian Customers: - The biggest opportunity for the Indian banking sector today is the Indian customers. The Indian customers now seek to fulfill his lifestyle aspirations at a younger age with an optimal combination of equity and debt to finance consumption and asset creation. He represents across cities, towns and villages i.e. in rural areas. Consumer goods companies are already tapping this potential it's for the banks to make the most of the opportunity to deliver solutions to this market.

7) Other Opportunities:- there are many other opportunities in future in the field of Indian banking sectoring. to enter new business and new markets, To develop new ways of working, To improve efficiency, To deliver high level of customer services

CONCLUSION

Indian Banking Industry has shown considerable resilience during the return period. The second-generation returns will play a crucial role in further strengthening the system. Indian banking system will further grow in size and complexity while acting as an important agent of economic growth and intermingling different segments of the financial sector. it is sure that the future of banking will offer more sophisticated services to the customers with the continuous product and process innovations. Adoption of stringent prudential norms and higher capital standards, better risk management systems, adoption of internationally accepted accounting practices and increased disclosures and transparency will ensure the Indian Banking industry keeps pace with other developed banking systems. Finally the banking sector will need to master a new business model by building management and customer services. Banks should contribute intensive efforts to render better services to their customer. Nationalized and commercial banks should follow the Recent trends and to get advantage of opportunities in changing banking scenario.

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"THE STUDY OF E- BANKING AND CUSTOMER SATISFACTION IN SATARA CITY"

Prof. Sandeep K. Lokhande
Arts and Commerce College,
Nagthane, Satara

ABSTRACT

Web based e-banking is becoming an important aspect of worldwide commerce. It is an application that has been developed for a well-established regional bank operating primarily in India. Many banks have several branches in key cities and towns in the country. In the world of this competitive environment and technological development, the bank has been totally computerized in the last few years, and to increase its customer base has started planning, for a concept called as e-banking; with this concept the bank wants to move very nearer to the customers and increase its basic operational strategies. It has also changed the way banking is done in India. "Any where banking" and "Any time banking" have become a reality. Through E-Banking, the bank wants to introduce the core concept of IT based Enabled Services (ITES). The major idea is to provide a series of services to the customer through the internet and make the customer feel flexible in calling out simple tasks faster instead of making visit to the bank every time.

The focus of this paper is to study the customer acceptance (perspective) with respect to E-banking in Satara. Present Paper is basically concerned with the customer aspect of banking searching for customer satisfaction level.

Key words: E-Banking, Internet banking, Mobile banking, ATM, Customer satisfaction

INTRODUCTION

Today, e-banking is used as a strategic tool by the global banking sector to attract and retain customers. Internet is a vast network of individual computers and computer networks connected to and communicate with each other using the same communication protocol – TCP/IP (Transmission Control Protocol / Internet Protocol). When two or more computers are connected a network is created; connecting two or more networks create 'internetwork' or Internet. Internet Banking is a product of e-commerce in the field of banking and financial services.

The focus of this paper is to study the customer acceptance (perspective) with respect to E-banking in Satara. Paper is basically concerned with the customer aspect of banking searching for customer satisfaction level.

CONCEPT OF ONLINE BANKING

Online banking is a process that has evolved because of the development of technology over the years. Internet or simple 'Net' is an interconnection of computer communication networks covering the whole world. Electronic banking is the backbone of business. When the business and commerce tend to be on the electronic modes, banking can never remain isolated. Growth of internet and the emergency of E-commerce will be bound to change the landscape of banking business world over. E-commence imply the ability to conduct business electronically which apparently covers any form of business including banking. But for a logical distinction between commodity transactions and financial transactions, we prefer to use the term E-banking to refer to banking business executed using and information and communication technology. In 21st century banking will no longer be a business restricted to 'cash' and 'risk.' It is going the business related to transmission of knowledge of information on finance and risk management. Modern banking will tend to be more information based, speedy and boundary-less as an impact of e- Revolution. Banks have to well-versed in information (IT) - its use and applications. The IT should be effectively used for enhancing managerially skills and ability in banks.

As E-commerce essentially means conducting business electronically, the E-banking apparently means the conduct of banking electronically. It involves elimination of paper –based transaction and radical charge in the change in the operation of the banking service. E-banking is expected to result in high productivity and efficiency gain for the bank. E-banking will operate through intranet, extranet and over the internet.

CONCEPT OF CUSTOMER SATISFACTION

Customer satisfaction is a post-purchase evaluation of a service offering. Customer satisfaction is defined as "A state of mind in which the customer's needs, wants, and expectations throughout the product of service life haven been met or exceeded, resulting in future repurchase and loyalty." Researchers support the idea that satisfaction can be measured from a perspective of performance evaluations, making the inclusion of the disconfirmation process needless.

INTERNET BANKING IN INDIA

Internet banking is a medium of delivery of banking services and strategic tool for business development, has gained wide acceptance internationally and is fast catching up in India with more and more banks entering the fray. The Reserve Bank of India constituted a working group on Internet Banking. The group divided the internet banking products in India into three types based on the levels of access granted. They are:

i) **Information Only System:** General purpose information like interest rates, branch location, bank products and their features, loan and deposit calculations are provided in the banks website. There exist facilities for downloading various types of application forms. The communication is normally done through e-mail. No identification of the customer is done.

ii) **Electronic Information Transfer System:** The system provides customer- specific information in the form of account balances, transaction details, and statement of accounts. The information is still largely of the 'read only' format. Identification and authentication of the customer is through password.

iii) **Fully Electronic Transactional System:** This system allows bi-directional capabilities. Transactions can be submitted by the customer for online update. This system requires high degree of security and control. In this environment, web server and application systems are linked over secure infrastructure. It comprises technology covering computerization, networking and security, inter-bank payment gateway and legal infrastructure.

MEANS OF E-BANKING

- **Internet Banking:** Internet banking, sometimes called online banking, is an outgrowth of PC banking. Internet banking uses the Internet as the delivery channel by which to conduct banking activity.
- **Mobile banking:** Mobile Banking (m-banking) is a service offered together by banks and mobile operators to put forward a new way for their customers to perform remote banking. The idea of this joint operation is to provide a convenient service for account owners to perform banking anytime and anywhere using their mobile phone.
- **Personal Digital Assistant** (PDA): are handheld computers that were originally designed as personal organizers, but became much more versatile over the years. PDAs are also known as pocket computers or palmtop computers.

- **Automated Teller Machine (ATM):** is a computerized machine designed to dispense cash to bank customers without need of human interaction. The ATM can also take deposits, transfer money between bank accounts and provide other basic financial services.
- **Cheque Truncation:** Almost every individual and business has used, and possibly still uses, checks to initiate payment for goods or services. A trend currently in development is called check truncation. In this payment processing method, a payment starts as a check and ends up as an electronic payment transaction.

RESEARCH METHODOLOGY

The methodology adapted to collect the information from a sample size of 100 respondents by Simple Random Sampling method, in order to analyze and interpret the respondent's opinions and views with respect to the welfare measures provided by the various banks in Satara.

- **Primary Data:** It is collected from 100 e-banking customers through questionnaire from Satara city area.
- **Secondary Data:** Collection of information from different kind of books, Websites, Magazine and Journals etc.

OBJECTIVES OF THE STUDY

- To study the concept of E- banking and customer satisfaction.
- To study the awareness and satisfaction of internet banking among the bank customer of Satara.
- To understand the demographic characteristics of E- banking users in Satara.
- To provide the meaningful suggestions to enhance the applicability of E- banking in Satara.

FINDINGS OF THE STUDY

1. **Gender of E-banking customer:** Among 100 sample respondents, 65% are male and 35% female are using E-banking services. The quantum of the Male customers is more as compared to Female customers.
2. **Age Group of E-banking customer:** Majority of the customers who are using E-banking services are between age group of 20-40 years.
3. **Occupation of E-banking customer**: Most of the Customer of E-banking services are Servicemen, businessmen and Students.
4. **Use of E-banking services :**
   - All i.e. 100% respondents used the ATM facility, for withdrawing cash at any time. There is no need to carry cash in travelling. The user can withdraw the amount from any ATM centre.
   - 35% of the respondent used the M- banking facility, The percentage of M-banking user are lower as compare to other e-banking services because of risk and security factor.
   - 63% of the respondents are Internet banking users; Most of these are from IT sector employee and businessman.
   - 57% of the respondents are credit card holders.

5. Reasons for using E-banking facility:

Reasons	% of the Respondent
Anytime Anywhere	86
Saves Time	90
Low Cost	60
Low Travelling Risk	45

Above table depicts reasons for using e-banking services, Major reasons for using e-banking facilities are its availability at any time anywhere saving time and cost and low travelling risk.

6. Purposes of use of Online banking:

Type of Transactions	% of Respondent
Check balance	05
Make Payment	44
Transfer	48
Other	03
Total	100

Above this table shows that 48% respondents make transfer type of transaction in online banking, where 44% respondents make payment type of transaction in online banking, 5% respondents make check balance type of transaction in online banking, whereas 3% respondents make other type of transaction in online banking.

7. Frequency of use of e-banking services

Frequency	% of Respondent
Weekly	45
Monthly	22
Regularly	23
Rarely	8
Total	100

Above table shows that, 45% respondents use E-banking services weekly, whereas 22% respondents use monthly, where as 23% respondents use regularly, 5% respondents use E-banking services rarely.

8. Security of Online Banking System

Secured	%. of Respondent
Yes	77
No	15
Can't Say	08
Total	100

Above table shows that 77% respondents thinks that E-banking is completely secured, whereas 15% respondents thinks that E-banking is not secured completely, whereas 8% respondents thinks can't say.

9. Customer Satisfaction about E-banking services:

Opinion	% of the Respondent
Highly Satisfied	26
Satisfied	71
Dissatisfied	03
Total	100

From the above table, it is clear that majority of the customers are satisfied, some are highly satisfied but only few respondent are dissatisfied for using e-banking service.

10. Opinion about the potential growth of Online banking in India

Potential growth	% of Respondent
Yes	78
No	17
Can't Say	05
Total	100

Above this table shows that 78% respondents thinks that E-banking has growth potential in India, where 17 % respondents thinks that E-banking has growth potential in India, whereas 5% respondents can't say about the potential growth of E-banking in India.

CONCLUSION AND RECOMMENDATIONS

E-banking can provide speedier, faster and reliable services to the customers for which they are relatively happy. E-banking services not only can create new competitive advantages, it can improve its relationships with customers. The purpose of this research is to understand the impact of variables of e-banking on customer satisfaction in Satara. In a country like India, there is need for providing better and customized services to the customers. Banks must be concerned about the attitudes of customers with regard to acceptance of online banking.

The recommendations to the banks for increasing the level of customers satisfaction are follows:

- Banks should design the website to address security and trust issues.
- Banks should ensure that online banking is safe and secure for financial transaction like traditional banking.
- Banks should organize seminar and conference to educate the customer regarding uses of online banking as well as security and privacy of their accounts.
- Some customers are hindered by lack of computer skills. They need to be educated on basic skills required to conduct online banking.
- Banks must emphasize the convenience that online banking can provide to people, such as avoiding long queue, in order to motivate them to use it.
- Banks must emphasize the cost saving that online can provide to the people, such as reduce transaction cost by use of online banking.

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ARTIFICIAL NEURAL NETWORKS TECHNOLOGY

Purnima A. Gaikwad
Department Of Computer Science,
Pratibha College Of Commerce and Computer Studies,
Chinchwad , Pune-411019
Email:g.purnima88@gmail.com

ABSTRACT

A neural network is a complex structure which consist a group of interconnected neurons which provides a very exciting alternatives for complex problem solving and other application which can play important role in today's computer science field. They are indeed self learning paradigm which doesn't require the traditional skills of a programmer. But unfortunately, misconceptions have come with some fact. These facts have created disappointments for some potential users who have tried, and failed, to solve their problems with neural networks. These application builders have often come to the conclusion that neural nets are complicated and confusing. Currently, very few of these neuron-based structures, paradigms actually, are being used commercially. One particular structure, the feed forward, back propagation network, is by far and away the most popular. This report is intended to help that process by explaining these paradigms, how neural networks can be used as important paradigm for many applications like robotics, pattern recognition etc. and also presented the basic study of the artificial neural network, its characteristics and its applications.

Keywords: Artificial Neural Networks (ANN), Artificial Neurons, Biological Paradigm, Pattern Recognition, Feed Forward & Feed- Back Network.

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1. INTRODUCTION

Neural networks are universal approximations, and they work best if the system you are using them to model has a high tolerance to error. The study of brain is an interesting area since a long time. With advancement in the field of electronics and computer science, it was the assumed that we can use this natural way of this thinking process of brain to design some artificial intelligence system. We are still struggling with neural network theory, trying to find a more systematic and comprehensive approach. Artificial neural networks commonly referred as the neural networks are the information or signal processing mathematical model that is based on the biological neuron. Neural Network is just like a website network of interconnected neurons which can be millions in number. With the help of these interconnected neurons all the parallel processing is being done in body and the best example of Parallel Processing is human or animal's body. Currently, artificial neural networks are the clustering of the primitive artificial neurons. This clustering occurs by creating layers which are then connected to one another. How these layers connect is the other part of the "art" of engineering networks to resolve the complex problems of the real world. So neural networks, with their stronger ability to derive meaning from complicated or imprecise data, can be used to extract patterns and detect trends that are too complex to be noticed by either humans or other computer techniques.

Humans routinely generalize—which is the means by which we are able to perform on-the-fly recognition and decision making based on previously learned knowledge and experience, A neural network is a complex structure which consist a group of interconnected neurons which provides a very exciting alternatives for complex problem solving and other application which can play important role in today's computer science field so researchers from the different discipline are designing the artificial neural networks to solve the problems of pattern recognition, prediction, optimization, associative memory and Control In this paper we have presented the basic study of the artificial neural network, its characteristics and its applications.

1. BACKGROUND

The examination of the central nervous system of human brain was the inspiration of neural networks. In an Artificial Neural Network, simple artificial nodes, known as "neurons", "processing elements" or units", are connected together to form a network which is called a biological neural network. There is no single formal definition of an artificial neural network. However, a class of statistical or mathematical or computational models may commonly be called "Neural Networks" if they possess the following characteristics:

1. Consist of sets of adaptive weights, i.e. numerical parameters that are tuned by a learning algorithms, and

2. Capable of approximating non-linear functions of their inputs. The adaptive weights are conceptually connection strengths between neurons, which are activated during training and prediction.

3. BIOLOGICAL PARADIGM:

Artificial neural networks are an attempt at modeling the information processing capabilities of nervous systems. Thus, first of all, we need to consider the essential properties of biological neural networks from the viewpoint of information processing although the models which have been proposed to explain the structure of the brain and the nervous systems. The information-processing cells of the brain are the Neurons. They come in various shape and size. Each neuron has a *soma* or cell body which contains the cell's nucleus and other vital components called *organelles* which perform specialized task, there are also its main communication links:

1. Neurons receive signals and produce a response. The general structure of a generic neuron is shown in Figure 1.1 The branches to the left are the transmission channels for incoming information and are called dendrites

2. A single *axon* which is a tubular extension from the cell soma that carries an electrical signals away from the soma to another neuron for processing.

These four elements, dendrites, synapses, cell body, and axon, are the minimal structure we will adopt from the biological model. A artificial neurons for computing will have input channels, a cell body and an output channel. Synapses will be simulated by contact points between the cell body and input or output connections; a weight will be associated with these points.

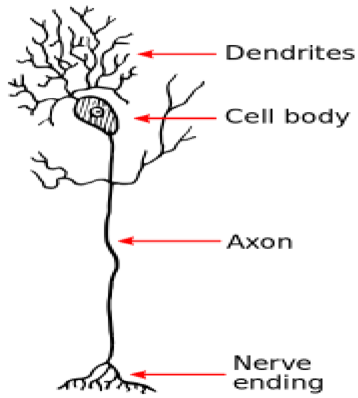

Fig 3.1: The pyramidal cell

Consider for example, Human Vision, which is information processing task. It is the function of the visual system to provide a representation of the environment around us, and more importantly, to supply information we need to interact with the environment.

4. ARTIFICIAL NEURAL NETWORKS

Groups of interconnected artificial neurons generally organized into layers make up a neural network. Artificial Neural Networks (ANNs) are non-linear mapping structures based on the function of the human brain. Artificial neural networks (ANNs) are mathematical or computational models that are inspired by a human's central nervous system (in particular the brain) which is capable of machine learning as well as pattern recognition. They are powerful tools for modeling, especially when the underlying data relationship is unknown. ANNs can identify and learn correlated patterns between input data sets and corresponding target values. After training, ANNs can be used to predict the outcome of new independent input data.

But currently, the goal of artificial neural networks is not the grandiose recreation of the brain. On the contrary, neural network researchers are seeking an understanding of nature's capabilities for which people can engineer solutions to problems that have not been solved by traditional computing.

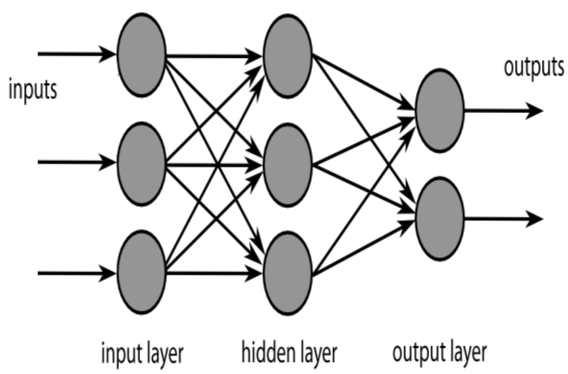

Fig. 4.1 : Simple Artificial Neural Network

In its most general form, a neural network can be viewed as a comprising following components as summarized below and shown in fig 4.2:

1. *Neurons*: These can be of three types, input, hidden and output shown in fig. 4.1. Input neurons are designated to receive external inputs presented to the network. Outputs from the network are generated as signals of output neurons. Hidden neurons

compute intermediate functions and their states are not accessible to the external environment.

2. *Activation function*: Activation Functions are basically the transfer function which is output from a artificial neuron and it send signals to the other artificial neuron. There are four forms of Activation Functions Threshold, Piecewise Linear, Sigmoid and Gaussian all are different from each other. This is the function of activation levels X_i of individual neurons in the neural network, $X=(X1.....Xm)^T$
3. *Summing Junction*: That generates the output signal of the neuron based on its activation [10].

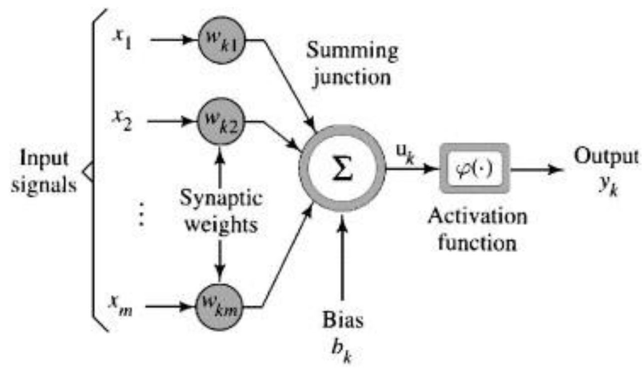

Fig 4.2: An artificial neuron

ANNs imitate the learning process of the human brain and can process problems involving non-linear and complex data even if the data are imprecise and noisy. Thus they are ideally suited for the modeling of agricultural data which are known to be complex and often non-linear. ANNs has great capacity in predictive modeling i.e., all the characters describing the unknown situation can be presented to the trained ANNs, and then prediction of agricultural systems is guaranteed. The working of neural networks revolves around the myriad of ways these individual neurons can be clustered together. This clustering occurs in the human mind in such a way that information can be processed in a dynamic, interactive, and self organizing way.

Most ANNs contain some form of ‘learning rule' which modifies the weights of the connections according to the input patterns that it is presented with. This "intelligence" processes inputs and then creates outputs which actually cause some device to move. That movement can span an infinite number of very precise motions. These networks do indeed want to smooth their inputs which, due to limitations of sensors, come in non-continuous bursts, say thirty times a second. To do that, they might accept these inputs, sum that data, and then produce an output by, for example, applying a hyperbolic tangent as a transfer functions. In this manner, output values from the network are continuous and satisfy more real world interfaces.

5. PATTERN RECOGNITION AND DATA CLASSIFICATION

One of the distinguishing abilities of human intelligence is the ability to recognize patterns effortlessly and efficiently, and take decisions based on the results of that recognition process. Recognition involves the ability to classify data into known categories. We can recognize because we can classify. Human beings have an innate ability to recognize complex patterns with effortless ease, based on categories created internally without concise intervention. Consequently, real world applications are drawing increasingly upon the brain metaphor in the design of embedded pattern recognition systems that has the ability to efficiently and accurately sort and classify data. Applications include fingerprint and iris readers, DNA fingerprinting, medical diagnosis, and signature verification, to name a few. Recognition is based on measurements of distinguishing system related parameters.

Consider an application that is more familiar to us—weather forecasting. Assume that we have collected a huge database of samples or patterns derived from reliable measurements of various weather related parameters called features. Features could be temperature, wind velocity, relative humidity. A pattern is simply a vector of feature measurements. Patterns can be classified into two categories: one corresponding to patterns that indicate rain; and other corresponding to samples that do not. These categories are called *pattern classes*, and originate from one source and which share similar properties.

THE NETWORK STRUCTURE

The Network Structure of ANN should be simple and easy. There are basically two types of structures recurrent and non recurrent structure. The Recurrent Structure is also known as Auto associative or Feedback Network and the Non Recurrent Structure is also known as Associative or feed-forward Network.

In Feed forward Network, the signal travel in one way only but in Feedback Network, the signal travel in both the directions by introducing loops in the network.

FEED-FORWORD NEURAL NETWORKS

A collection of neurons connected together in a network can be represented by a directed graph. Nodes represent the neurons; an arrow represents the links between them. Each node has its number, and a link connecting two nodes will have a pair of numbers connecting nodes. Networks without cycles (feedback loops) are called a feed-forward networks (or perception). This allows signals to travel in one way only from input to output. There is no feedback loop. Output of any layer does not affect that same layer. They are extensively used in pattern recognition.

CHARACTERISTICS OF NEURAL NETWORK

Basically Computers are good in calculations that takes inputs process then and gives the result as per the calculations which is done by using the particular Algorithm which are programmed in the software's but ANN uses its own rules, the more decisions they make, the better decisions may become. The Characteristics are basically those which should be present in intelligent System like robots and other Artificial Intelligence Applications. There are few characteristics of Artificial Neural Network which are basic and important for this technology, few are mentioned below:

Parallel processing: ANN is only the concept of parallel processing in the computer field. Parallel Processing is done by the human body in human neurons that is very complex but by applying basic and simple parallel processing techniques we implement it in ANN like Matrix and some matrix calculations.

Fault tolerance: ANN is a very complex system so it is necessary that it should be a fault tolerant. Because if any part becomes fails it will not affect the system as much but if the all parts fails at the same time the system will fails completely.

Collective solution: ANN is a interconnected system the output of a system is a collective output of various input so the result is summation of all the outputs which comes after processing various inputs. The Partial answer is worthless for any user in the ANN System.

Learning ability: In ANN most of the learning rules are used to develop models of processes, while adopting the network to the changing environment and discovering useful knowledge. These Learning methods are Supervised, Unsupervised and Reinforcement Learning.

Distributed memory: ANN is very vast system so single unit memory or centralized memory cannot fulfill the need of ANN system so in this condition we need to store information in weight matrix which form a long term memory because information is stored as patterns throughout the network structure.

APPLICATIONS

The real time applications of Artificial Neural Networks are:

1. Functional approximation, including time series prediction and modeling.
2. Call control-answer an incoming call (speaker-ON) with a swipe of the hand while driving.
3. Classification, including pattern and sequence recognition, pattern detection and sequential decision making.
4. Skip tracks or control volume on your media player using simple hand motions.
5. Data processing, including filtering, clustering, blind signal separation and compression.
6. Scroll Web Pages, or in an eBook with simple left and right hand gestures, this is ideal when touching the device is a barrier such as wet hands are wet, with gloves, dirty etc.

LIMITATIONS OF NEURAL NETWORK

In this world everything has some merits and demerits, so the neural network system also has some merits and demerits. The limitations of ANN are:

1. ANN or Neural Networks is not a daily life problem solver.
2. There is no structured methodology available.
3. There is no single standardized paradigm for Neural Networks development.
4. The Output Quality of an ANN can be unpredictable.
5. Many ANN Systems does not describe how they solve the problems.
6. Nature of ANN is like a Black box.

CONCLUSION

In this paper we discussed about the artificial neural network, working of neural networks, characteristics of ANN, its network structure, its limitations and applications of ANN. Depending on the nature of the application and strength of the internal data patterns you can generally expect a network to train quite well. This applies to problems where the relationships may be quite dynamic or non-linear. By studying Artificial Neural Network we had concluded that as the technology is increasing the need of Artificial Intelligence is also increasing because of parallel processing, because by using parallel processing we can do more than one task at a time. So Parallel Processing is needed in this present time because with the help of parallel processing we can save more and more time and money in any task related to electronics, computers and robotics. If we talk about the Future work we can say that we have to develop more algorithms and programs so that we can remove the limitations of the Artificial Neural Network and can make it more and more useful for the various kinds of applications. If the Artificial Neural Network concept is combined with the Computational Automata, Fuzzy Logic we will definitely solve some of the limitations of neural network technology.

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APPLYING DATA MINING TECHNIQUES FOR CONSUMER BEHAVIOR TO IMPROVE ONLINE SHOPPING EXPERIENCE AND PREVENT FRAUDULENT USE

Prof. Mukesh Chitte
Assistant Professor, CCS, Wakad, PUNE-57
mukeshchitte@gmail.com
Mob: 9764595678

Prof. Vaibhav Sonaje
vaibhav.sonje@gmail.com
Mob: 9890475887

ABSTRACT

With the advance of internet technologies in recent years, online shopping is becoming a popular trend to make purchases compared to the traditional ways. There are many excellent benefits to both the consumers and business conducting online businesses. However, it could also cause great damage to the business due to the increasing number of fraudulent online transactions. In order to improve the online shopping experience, there are great needs to reduce and prevent the fraudulent activities. This paper aims to discuss how the data mining and statistical algorithms can help to identify the fraudulent transactions' characteristics and prevent the fraudulent transactions in real-time.

Keywords: Data mining, Fraudulent online transactions, Online shopping, Linear Discriminate Analysis (LDA)

INTRODUCTION

The continuous development of the Internet is challenging marketers to analyze the heterogeneous behavioral effects of consumers. Marketing research indicates that the Internet is changing the way in which consumers use different information and shopping channels before purchasing a product [1]. While some customer segments search for information and purchase online, others only search online but purchase in conventional stores while still others do not use the internet for shopping at all, indicating heterogeneous groups of customers at different stages of adoption of Internet shopping. Seeking to maximize customer retention, retailers need to predict and manage the shopping channel preferences of their customers in order to align their marketing strategies and to offer them an adequate service

LITERATURE REVIEW:

Bayes' theorem and regression analysis are the two methods initially introduced over two centuries ago. Later on, decision trees, support vector machines, neural networks, and etc. were developed. Data mining is an interdisciplinary field of computer science, and it is defined as the process of applying the above methods and algorithms to discover the hidden patterns among existing data sets. There are three categories in data mining: supervised, unsupervised, and semi-supervised. Clustering is one representation of unsupervised learning, which assigns objects or documents into different groups. The objects or documents within the same group have more similarity than objects in the other groups. Classification is a representation of supervised learning. It creates a data model using a set of labeled data (training data set) and then use the data model to predict the class label of unclassified objects (testing data set) or documents. Popular classification techniques include nearest neighbor classifier, decision trees, and etc. Identifying fraudulent online transactions can be treated as either a classification problem or clustering problem. For the scope of this paper, we focus on identifying fraudulent transactions using classification techniques. In our problem domain, the classification model can be created and updated using a history of past transactions where each transaction has been labeled as fraudulent or genuine. The assumption is that genuine transactions follow a certain behavior and the fraudulent transactions deviate strongly from the normal behavior.

Statistics Canada did an Internet Use Survey, which shows that 8 out of 10 Canadian households had access to the internet in 2010. Figure 2 lists the detailed internet access information for different provinces which is also discussed in this internet survey. It can be observed that Ontario, British Columbia and Alberta have the highest number. This also matches the current economic development status quo.

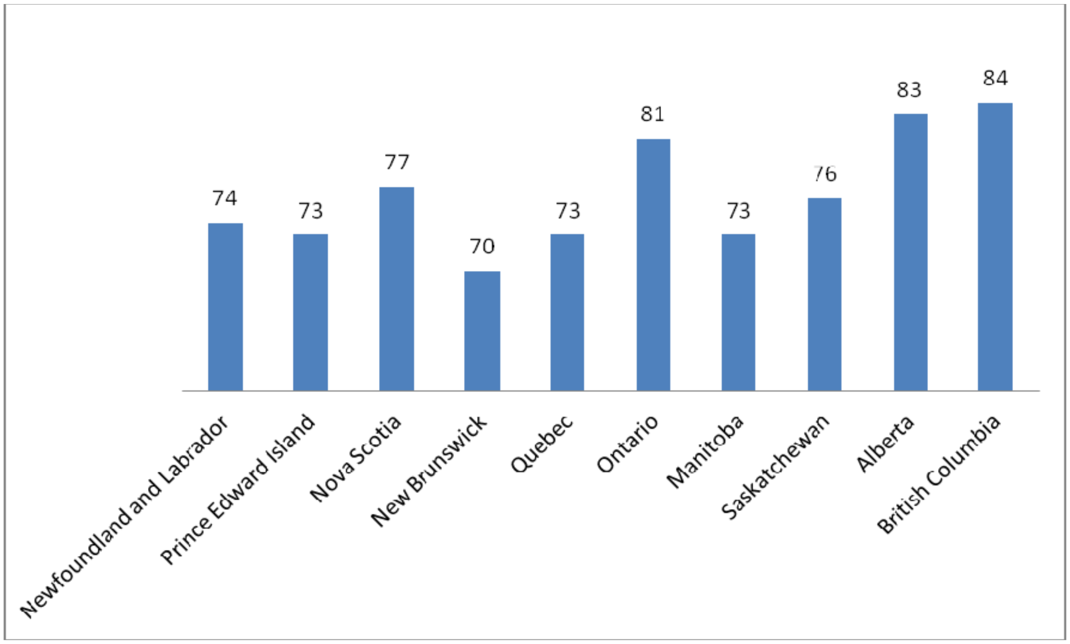

Fig: Households with home Internet access

Statistics Canada Internet survey also stated that over one-half of the connected households used more than one type of device to go online in 2010. Over one-third of all Internet users in Canada went online using wireless devices (such as laptop, PDA, tablet). In recent years, smart phone becomes much more affordable and popular, and it becomes another main entry point for Internet world. The survey also shows that the countries that have relatively lower percentage of internet users also experienced significant increase in terms of internet penetration rate. Among all the different internet usages, online business has become one of the most popular and important activity. There are various types of businesses, for example, consumer to consumer, business to business, and business to consumer. There are also new trends in online shopping business coming up frequently such as group purchase. The online business nowadays is embedded in our everyday life.

PROBLEM:

While the online shopping activities continue to grow, online security has become an inevitable problem for both the retailers and financial institutions. The high volume of online transactions could cause more and more frauds in the internet world, which will convert to billions of dollars losses. For example, fraud in United Kingdom alone was estimated at 535 million pounds. Statistic Canada did a research on the fraud-related losses in 2008, and Figure 5 shows the results. It is also observable that the majority of the online fraud cases have dollar amount of 20,000 or less. Statistic Canada states that 89% of the consumers choose to pay using their credit cards and 31% choose to pay by online payment services. Therefore, there is a high demand to discover good methodologies to prevent the fraudulent online transactions and reduce the losses for retailers and financial institutions.

PREVENTION:

Tremendous efforts have been put into the prevention of fraudulent online transactions, and the traditional ways to prevent fraudulent transactions can be concluded as the followings:

a. Restrict certain areas from purchasing products and/or services online

b. Transactions need certain browser or browser plug-in to be able to perform the purchase

c. Add validation logic on the front end user interface to prevent auto robotic script

d. Add a additional layer in the business model to confirm the order information, personal information and payment information with the consumers via phone

e. Avoid using direct credit card payment, and use bank payment or PayPal instead, which can provide more security assurance for the merchants

PSYCHOLOGY:

The analysis of human behavior enables the understanding of on-line experiences: from the initial entry to the homepage and the exploration of related Web pages to the final decision to submit or abandon a shopping cart. For instance, when an e-customer spends much time looking at item descriptions, a preference for the item is indicated. When a customer leaves a page instantly, a lack of preference for the item is indicated (Kwan, Fong, & Wong).

Over 78% of e-commerce research has been focused on applications, implementation and technical issues, and only 9% has touched the topic of e-customers, with very few studies directly addressing the issue of e-customer preferences and their effects on Web site acceptability (Kwan, Fong, & Wong).

CONCLUSION

Different customers provide different personality types. Moreover, different personality types provide different buying patterns. In this paper, we presented a hypothesis that customer’s personality type might influence buying behavior and the probability that customer’s characteristics can also justify the buying behavior. If marketers know their customer’s personality type, thus marketers are able to understand customers buying pattern as well. Therefore, a successful trade would be possible. we focus on identifying fraudulent transactions using classification techniques. Benson Edwin Raj and Portia [9] conducted a survey of various techniques that are currently commonly used in credit card fraud detection mechanisms and evaluated each methodology based on certain design criteria. The discussed algorithms include artificial neural-network models, distributed data mining systems, sequence alignment algorithm, Meta learning agents and fuzzy based systems. They also discussed some other technologies, such as web service based collaborative scheme. The participated banks can share and exchange fraud information, which helps to build more comprehensive data models. The aggregated fraud information means more training data for the classification models of all the participated banks and improves their detection systems. The authors concluded that different techniques have their own characteristics and should be used depending on the user context. For example, the neural network based CARDWATCH shows good accuracy in terms of detecting the fraudulent transactions with high processing speed, however, it is limited to one-network per customer.

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STUDY FACULTY INPUTS FOR THE BENEFITS OF STUDENT'S DEVELOPMENT

Prof. Rahul Desai
Dr. D. Y. Patil IHMCT

Prof. Hitesh Patole
Dr. D. Y. Patil IHMCT

ABSTRACT

The faculty inputs to students reflects their centrality in addressing the primary educational mission among colleges and universities. As faculty members teach, they disseminate and impart basic or applied knowledge to students and assist students with the learning process and implementation of the knowledge. In this construction of the teaching role, the faculty member is the content expert, and students are regarded as learners or novices to the academic discipline or field of study. Faculty members are expected to follow developments in the field so their expertise and knowledge base remain current. A faculty member is a role model if he/she is attentive to student's academic growth.

KEY WORDS: faculty service role, teaching methodology, learning outcome, performance criteria, Faculty member.

INTRODUCTION:

Colleges and universities have sought to address internal and external challenges to their ability to effectively prepare their students for the workforce and/or the professions. Institutions seek to determine and to demonstrate their effectiveness in producing well-prepared graduates, in providing quality learning environments, and in making sound fiduciary judgments, all the while responding to accrediting bodies, parents, the public. This study discusses the emerging roles of faculty as they relate to supporting institutional goals.

OBJECTIVES OF THE STUDY:

E. To study about the faculty inputs for the students development in colleges.
F. To study students learning methodology.
G. To implement good practices in regard to the proposed research study.
H. To **Focus on Student Learning by Using a Variety of Teaching Techniques and Resources**
I. To analyze and utilize not only the current practice but also to innovate new ones.

DATA COLLECTION:

Secondary Data:

1. Secondary data was compiled from reference books, Journals.
2. College Magazines and Prospectus.
3. Internet.

Discussion:

The teaching, research, and service roles of faculty members overlap conceptually and practically. It is important to understand the institutional culture in order to develop meaningful expectations for student outcomes. Expectations for institutional outcomes should be aligned with the other elements of the institution. . If the services are well aligned with the inputs, they should have an impact on the quality of institutional outputs in the form of grades, graduation rates and employment statistics. In addition on looking at outputs as indicators of effectiveness, institutions are expected to demonstrate that student learning has taken place and that learning outcome goals have been met. When outcomes assessment data are collected, understanding how the results inform the effectiveness of other institutional processes will enhance the ability of the institutions to improve their educational processes and systems.

The following aspects should be taken under consideration to get the better results on our research:

Students

Inputs: Student Demographics, Test Scores

Processes: Educational programs.

Outputs: Student grades, graduation rates, employment statistics.

Faculty

Inputs: Faculty expertise, experience, skills

Processes: Faculty teaching loads, class size, and services/support offered

Outputs: Publication numbers,

Resources

Inputs: Campus resources, facilities, accessibility

Processes: Policies, procedures, governance

Outputs: Statistics on resource availability,

Learning should be viewed as developmental and systematic where what students learn in one course (or activity) is built upon, reinforced, and developed and where students are given feedback on their performance throughout the curriculum. The student should exhibit in order to demonstrate desired achievement of the learning outcomes.

Developing performance criteria are in the following domains:

- **Cognitive**
- **Affective**

Cognitive learning is demonstrated by knowledge recall and the intellectual skills, comprehending information, organizing ideas, analyzing and synthesizing data. Applying knowledge, choosing among alternatives in problem-solving, and evaluating ideas or actions.

Affective learning is demonstrated by behaviors indicating attitudes of awareness, interest, attention, concern, and responsibility, ability to listen and respond in interactions with others, and ability to demonstrate those attitudinal characteristics or values which are appropriate to the situation and the field of study

To facilitate cognitive and affective student learning knowledge, skills, and values and to promote use of that knowledge in the student's workplace.

• To develop competence in communication, critical thinking, collaboration, and information utilization, together with a commitment to lifelong learning for enhancement of students' opportunities for career success.

• To provide instruction that bridges the gap between theory and practice through faculty members who bring to their classroom not only advanced academic preparation, but also the skills that come from the current practice of their professions.

• To provide General Education and foundational instruction and services that prepare students to engage in a variety of university curriculum

• To use technology to create effective modes and means of instruction that expand access to learning resources and that enhance collaboration and communication for improved student learning.

• To assess student learning and use assessment data to improve the teaching/learning system, curriculum, instruction, learning resources, counseling, and student services.

• To be organized as a for-profit institution in order to foster a spirit of innovation that focuses on providing academic quality, service, excellence, and convenience to the working student. Focus on Student Learning by Using a Variety of Teaching Techniques and Resources.

The use of varied instructional approaches and assignment options allow learners to engage with other students, the faculty member, and content to extend and build knowledge. Faculty members' professional experience and academic preparation augment students' existing knowledge and experience to expand and deepen the learning process. The establishment of a classroom environment conducive to learning further supports the learning process as faculty members who promote diversity,

Encourage Meaningful Course-Related Participation Local Campus Class Participation during local campus and class workshops, faculty should use a variety of learning activities to support and encourage course topic and objective interest and understanding. In addition to brief topic-focused lectures, faculty should arrive at each workshop meeting with discussion starters and small group activities prepared and worked into the overall schedule for the session. Providing students with structured activities designed to promote meaningful participation is one way to ensure the course objectives for the workshop are satisfied in an interactive manner.

Performance is a necessary fact of academic life. While faculty members are expected to make appropriate assessments of student achievement of course objectives, it is possible to turn evaluations and assessments into episodes of learning. Grading should be accomplished as objectively as possible. Grades should reflect student demonstration of mastery of course objectives and outcomes, and achievement of the University's Learning Goals. Faculty members do not give grades; students earn grades. For additional information, guidance, and policies related to grading and evaluation, Include students in the assessment and revision of curriculum – not only good students but average and weak ones so that their needs can also be taken into account.

Properly sequence curriculum and syllabus – going from the simple to the more complex, and ironing out unevenness. For example, students in some states consider the first-year curriculum to be easy and the second year very hard - covering some second-year concepts in the first year would leave more time in the second year to go over difficult material again. (In other states, students feel that the first year is quite difficult; this difference points to the need for solutions to be contextual.)

• Develop learning objectives. Faculty of a department can get together to design the learning objectives of individual subjects and the overall curriculum. If students are told the necessary learning outcomes in advance, they have a goal to work towards.

• Integrate theories and practical. Students and faculty feel that time in labs needs to be increased, more project and group work done, and more practical exposure gained. This is not only helpful but essential for weak students.

• Identify appropriate methods and provide the relevant technology for teaching different course contents, particularly to balance theory and practical.

• schedule repeat exams within a few weeks of the original ones, and provide extra classes in the interim to students who must repeat the exams.

• Include members from industry and other institutes in departmental Boards of Studies. They can assess the curriculum and make necessary changes in keeping with new requirements in the industry.

TEACHING AND TECHNOLOGY

Technological advances have provided new ways for faculty to expand and redefine the traditional classroom. It is important to realize that the typical student has grown up with a wide array of digital media and other technologies that have provided anytime, anywhere access to entertainment, social interaction, and information. In many ways, society, culture, and students themselves have drastically changed, while pedagogical methods in higher education--traditionally revolving around direct instruction and lecture--have changed relatively little. It is, therefore, a good idea for faculty to at least consider the use of technology in their teaching as a way to make the learning process more efficient and as a way to create content that is more engaging for student of a digital age.

DESIGNING ONLINE COURSES FOR THE STUDENTS

Advancements in digital technologies and the increased prevalence of high-speed Internet access have helped online education become more accepted and used. Although it is still a relatively new approach to education, there are various established best practices for online course development that can help faculty design and teach their own online courses. Despite the distance and virtual nature of online education, it is important to note that many of the basic principles of effective undergraduate education can be applied to online courses. It is also extremely helpful to have a clear understanding of the strengths and weaknesses of online courses.

The transition to online teaching may be daunting at first, but there are many resources available that can answer many frequently asked questions regarding online course design and teaching, provide step by step guidance**,** and serve as online teaching guides**.** Following these elements can also help faculty ensure their courses are well-designed and robust. Using a rubric for online course design can also help ensure that instruction is effective and well-organized. Other resources provide information on the theory and practice of online course design and teaching, how to create and facilitate effective onlin**e** discussions, and how to maintain appropriate netiquette in online learning environmen**ts**

Much of the focus on enhancing student attainment has shifted the focus from faculty, promoting student and learning centered strategies. Much of the innovation aimed at increasing student engagement and attainment is embedded in new technologies for learning and for instructional delivery. Yet just as realizing increases in student attainment requires leadership by colleges and universities, so it requires leadership and engagement by professors, individually and in groups. Faculty are central to enhancing quality and student attainment

Present study showed that factors like faculty members ability to create new ideas and encouraging group work, increasing the passion for learning among students by positive interactions and giving them responsibility for their own learning. Therefore faculty members must enhance their academic capabilities, and being down to worth towards students by forgiving their mistakes and enabling them to improve themselves along positivity.

Faculty members need to ensure that classroom tasks are significant to students as this has implications for the development of students' academic abilities. As students realize that their work is meaningful and relevant to their own lives, this provokes interest and greater engagement with the tasks at hand, and a willingness to perform to their fullest potential. The forming of relationships between faculty and students provides faculty members with opportunities to understand and connect with students' interests, preferences, opinions, cultures and emotions, and plan for this in their teaching.

General strategies for Teaching and Presenting:

- Highlight major concepts and terminology both orally and visually. Be alert for opportunities to provide information in more than one sensory mode.
- Emphasize main ideas and key concepts during lecture and highlight them on the blackboard or overhead.
- Speak directly to students; use gestures and natural expressions to convey further meaning.
- Diminish or eliminate auditory and visual distractions.
- Present new or technical vocabulary on the blackboard or overhead, or use a handout.
- Use visual aids such as diagrams, charts, and graphs; use color to enhance the message.
- Give assignments both orally and in written form; be available for clarification.
- Provide adequate opportunities for participation, questions and/or discussion.
- Provide timelines for long-range assignments..
- Provide study questions and review sessions to aid in mastering material and preparing for exams.
- Give sample test questions; explain what constitutes a good answer and why.
- To test knowledge of material rather than test-taking savvy, phrase test items clearly. Be concise and avoid double negatives.
- Facilitate the formation of study groups for students who wish to participate.

- Encourage students to seek assistance during your office hours and to use campus support services.
- Positive outcome-

  Positive outcomes includes increased persistence and completion rates, better grades and standardized test scores, and the development of leadership, critical thinking, sense of worth, career and graduate school aspiration, and self confidence.

CONCLUSIONS

Faculty members should possess many qualities like committed to the work, encourages and appreciates diversity, brings a wide range of skills and talents to teaching, fosters critical thinking and emphasizes teamwork among students.

The result of this present study represented that faculty members inputs helps students to develop their learning skills. This study also showed that faculty should encourage students to do better in their academics by learning innovative ways of studies.

This study explored that faculty inputs for students to achieve high level of achievements and guiding students to become a better person. Moreover a role model teacher should focus on both strengths and weakness of students and recognize patterns and new ideas. This study indicated that students sharing their problems with faculty, keeping outside class relationship, inspiring students to become more effective, motivated and effective lifelong learner.

The study have found that faculty play a major part in increasing students' aspirations, including their desires to major in a certain area, their commitment to degree completion, and their desires to transfer from a two- to four-year institution or attend graduate school. Faculty can also help to encourage students to pursue careers that match their interests and skills.

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RECENT TREND IN PRODUCTION MANAGEMENT-
TOTAL QUALITY MANAGEMENT

Jasmine S.Faras
(M.com,M.ed)
Pratibha college of Commerce and Computer studies
Chinchwad-411019
Email-jasmine.faras.jf@gmail.com

ABSTRACT

This paper represent recent trend in production management-total quality management (TQM).I tried to explain the concept of TQM , its Feature,Barriers and Benefit for various organisation.TQM is must for each and every organization(small scale or large scale) in today's competitive and globalisation word

INTRODUCTION

Quality means excellence of something, idea, service or a person too. Quality in a product reflects the level of excellence it has.

In today's competitive word customers are becoming more and more quality conscious. so most of the companies (seller) trying to give good products to their customer. so we can say quality in product is must for survival of the business .that is why they are adopting TQM- "Total Quality management"

DEFINITION OF TQM

"The act of overseeing all activities and tasks needed to maintain a desired level of excellence. This includes creating and implementing quality planning and assurance, as well as quality control and quality improvement."

"TQM is a management approach that places emphasis on continuous improvement in quality, in the interest of the organization and those of its customers".

FEATURES

1. CUSTOMER ORIENTED**:** - -TQM give emphasis in meeting the requirement of both the internal as well as the external customer. In order to meet the requirements for the external customer, it is necessary to meet the needs of the internal customer. The initial focus should be on meeting needs of internal customer before an attempt is made to meet the requirements of the external customers.

2. CONTINUOUS PROCESS: - TQM is a continuous process. Constant and continuous efforts are made to improve the quality and to reduce internal costs. Quality improvement helps the organisation to face the challenges of the competitors and to meet the requirements of the customers. Constant improvement in different procedures , process and area of work are the driving force of the TQM concept .Improvement in delivery ,wastage reduction etc are the example of TQM

3. DEFECT-FREE APPROACH**: -** TQM put emphasis on the defect-free work most of the time. The defect free approach is phrased in various ways as right first time, working smarter or zero defects.

4. EMPLOYEES INVOLVEMENT**: -** In TQM everyone is involved in the process from the management director to the junior clerk or worker in the organization. Only production people are not responsible but also accounting, finance, marketing, and even the canteen people are responsible in the TQM process.

5.TQM NEEDS STANDARDS :**-** Without fixing high standards of performance / quality in each area of the business organization .improvement can not be achieved .so setting proper standards for all processes and procedures and maintaining them over a period of time is necessary.

6. REWARDS AND MOTIVATIONS : - Motivation and rewards is part of company's TQM Programme. Positive reinforcement through recognition and reward is essential to maintain achievement and continuous improvement in quality. Company can give them performance certificates or can give incentives in form of cash. so employees can get motivated and try to keep theirperformance.

7. TQM IS SCIENCE: - TQM involved research and analysis. there is an entire body of knowledge on TQM .this means TQM applies principles and theories that act as guide to thought and action. so TQM is science by itself.

8.TEAM SPIRIT **:-** team spirit is must for TQM .team means number of people gathered together with a common objectives ,vision and dedication with mutual understanding and help among themselves .without this togetherness no organisation can achieve TQM concept.

BARRIERS TO TQM

1. LACK OF PROPER PLANNING :**-** before introducing TQM management must study the nature of work. product ,production process machinery used ,time requirement etc. once these have been studied carefully TQM can be implemented systematically from top to bottom and from core to periphery. if such planning get fail TQM effort may also get fail.

2.LACK OF CONTINIOUS TRAINING AND EDUCATION :**-** If company does not provide continuous training to employees TQM will not proved effectively .without proper training and guidance no one can achieve their zero defect aim. One time training is not sufficient.

3. ATTITUDE OF EMPLOYEES.:**-** As we know society does not accept new changes .they don't accept new techniques ,ideas .they find difficult to implements new changes .this is main barriers to TQM.

4.INADEQUATE AUTONOMY AND EMPOWERMENT:**-**For TQM to succeed the individual employees need to be given power to take decision.such empowerment of the right degree is needed to ensure that individual and teams work with necessary freedom .in the absence of adequate empowerment needed changes can not be brought about for TQM to be effective.

5. LACK OF MANAGEMENT COMMITMENT**:-**In order for TQM to succeed there has to be commitment from the top management .in absence of such keen interest in TQM at the top level and lower levels of the organization cannot possibly get involved.

6. Ineffective standards :- if company does not have proper measurement TQM get fail. If company is unable to set proper system to measures performance there will be no use of TQM

BENEFIT OF TQM

1. IMPROVEMENT IN QUALITY :-main aim of TQM is to increase the quality of products .using TQM effectively result in better quality product .it also help to increases numbers of customs.
2. INCREASE PRODUCTIVITY :-due to TQM input output ratio get increase .there is more output than input. This means the overall productivity has improved .
3. ADD TO GOODWILL:- due to high and superior quality image of company get increase .so company enjoyed high reputation in the markets. its also help in survival of business in today's globalisation world.
4. ENSURE OPTIMUM UTILISATION OF RESOURCES**:**-TQM ensures minimum wastage of scarce resources. the resources used by organisation like men , materials ,machinery, are all put to their best possible use due to the TQM concept.
5. HELPS WIN COMPETITION :-with effective TQM it is possible to fight and win competition The rival products can be put to shame by ensuring continuous improvement in quality of the product through TQM.

CONCLUSION:

This book has shown both features benefits and barrier also. In India still company are not interested to implement TQM.There is little improvement in few company. Many company are now opening separate department for quality maintenance.

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INDIAN ADULT EDUCATION: CONTINUING EDUCATION IN DIFFERENT FORMS (NEED OF DEVELOPMENTAL EDUCATION)

1. Prof.Dr. Kailas N. Bavale
2.Mrs. Vijeta Vinod Chaudhary

INTRODUCTION

ADULT EDUCATION IN INDIA – HISTORICAL PERSPECTIVE:

In India, the tradition of adult education is as old as our civilization itself. It is difficult to trace the beginning of education in ancient time in India, but it is believed that Indian education extend from 2000 B.C. to 1200 A.D.During the British Rule, some special educational activities were also started along with the formal education, but these were extremely not sufficient. Adult education was also sometimes called Social Education Programme.

CONCEPT OF ADULT EDUCATION: Adult Education is a powerful concept which implies the acquisition of changing individual's attitudes, ideas, skills, and understanding power. After taking education these new vistas create new aspirations and make people more confident, innovative and more knowledgeable. The main areas of activity under social education were (a) Imparting Knowledge (b) Bringing out social change (c) Education in community organization (d) Recreation and culture (e) Special activities for the under privilege and tribal people.

'Adult Education' was included in the First Five Year Plan (1951-56) for the balanced and multi-dimensional development of the nation and sufficient stress was laid on community development in order to achieve the desired objectives .After independence, for the first time, in the year 1977, the Department of Education, Government of India, declared that the adult education will be given high priority in the educational planning, along with the primary education .The main ambition of Adult Education programme was too envisaged, to provide all educational facilities to ten crore people in the age group of 15- 35 years within a period of five years. This programme commenced on 1st April, 1979.It was a new beginning for illiterate after the independence. Implementation of various literacy schemes are carried on in 3 distinct phases. These are…

(a) Total Literacy Campaign (TLC)

(b) Post Literacy Campaign (PLC)

(c) Continuing Education Programme (CEP)

These three literacy schemes are centrally sponsored by the Ministry of Human Resource Development and executive through the National Literacy Mission Authority.

TOTAL LITERACY CAMPAIGN (TLC):

The National Literacy Mission (NLM) was especially launched for this purpose on 5^{th} May, 1988 by the Government of India. The target was to impart functional literacy to 8 crore illiterate adults in the age group of 15-35 by the year 1990 and the remaining 5 crore illiterates were ascertained to be made literate by the year 1995. Total Literacy Campaign was launched in Ernakulum district of Kerala in January 1989.The declaration of total literacy in Ernakulum led to the launching of a state wide campaign in Kerala and as a result the state literacy level reached 91%.Total Literacy Campaign has therefore, covered almost the whole country. By 2008. 597 districts have already completed the TLC stage and have crossed over to post literacy and continuing education stage.

POST LITERACY CAMPAIGN (PLC):

The term 'post literacy' has come to have different meanings in various educational systems.the aim of the Mission's post literacy programme is to consolidate the basic literacy skills of speaking, reading, writing, numeracy and problem-solving and at the same time, transform these learners into an educated 'whole person', who is a productive socio-economic asset to the community. The beneficiaries of this post literacy campaign will not only be neo-literates but also all literates with limited learning abilities and non-formal education drop-outs.TLC & PLC are implemented by the Zillah Sakshartha Samiti for a period of one year.

CONTINUING EDUCATION (CE):

The third literacy programme that the government of India formulated after the Total Literacy Campaign (TLC) and Post Literacy Campaign (PLC) is the Continuing Education Programme (CEP).

UNESCO launched ‘Asia Pacific Programme of Education for All (APPEAL), in 1987 which aimed to promote literacy and basic learning skills by means of following these programmes:

- Eradication of illiteracy,
- Universalisation of primary education,
- Education for development.

During the second meeting of APPEAL in 1990, in Bangkok, Thailand, it was decided to divide the continuing education into following six categories:

1. Post literacy Programme,
2. Equivalency Programmes,

3. Quality of Life Improvement Programmes,
4. Income Generating Programmes,
5. Individual Interest Promotion Programmes,
6. Further Oriented Continuing Education Programme.

CONTINUING EDUCATION IN INDIA

Continuing education is an indispensable aspect of strategy to make learning sustainable and lifelong for human resource development, and the goal of creation of a ‘Learning Society’. Continuing Education provides a learning continuum, progressing from basic literacy to post literacy programmes. Thus continuing education leads towards a learning society. It creates confidence among the literate persons and provides self-esteem and personal empowerment. So, continuing education is a lifelong learning process which includes learning opportunities for all learners who want to continue their education in the society.

MEANING OF CONTINUING EDUCATION

The means of continuing education, by which human resource development can occur and hence, socio-economic development can be based on a knowledgeable, skilled and self reliant citizenry. The main focus of continuing education in India is human resource development and it gives an opportunity for all learners to engage in lifelong learning, and gaining more knowledge for taking all opportunities which are provided by continuing education programmes.

CONCEPT OF CONTINUING EDUCATION

In India, Adult Education Programme has implemented three campaigns, Total Literacy Campaign (TLC), Post Literacy Campaign (PLC), and Continuing Education Programme(CEP).During 1991 – 2001, the growth of literacy rate was high, non- literate population increased day by day. So, the programme of continuing education envisaged by NLM as the follow up of literacy and post literacy activities in India.

CONTINUING EDUCATION IN INDIAN CONTEXT:

In India, the scheme of continuing education was taking shape in the background of the extensive literacy campaigns launched in various parts of the country. After, the establishment of National Literacy Mission (NLM) on 5^{th} May, 1988, NLM was a fully conscious of this need and has designed a new scheme of continuing education for new- literates. This scheme has been approved by the government of India and it came into force from January 1, 1996. The scheme provides a comparative range of appropriate and effective opportunities for the lifelong learning for the entire neo-literates adult and other interested to improve their own conditions. The targeted people for the continuing education programme are the neo literates who have completed functional literacy and post literacy stages as well as the school pass outs and drop outs of the primary schools. Continuing education programme providing training on various trades that has local demands for which financial support is provided by the Central Government of India. Such trainingslike – woodcrafts, repairing of cycles, motorcycles, T.V., fridge, training on construction and maintenance of sanitary toilets, bee-keeping etc. are being imparted through the continuing education centers in India.

The scheme is therefore, multifaceted and flexible, allowing community and NGO participation to enrich the transaction. Continuing education centers (CECs) and nodal continuing education centers (NCECs) are set up to provide educational inputs through an area specific, community based approach. The scheme envisages one CEC for each village to serve a population of about 2000 – 2500 people. Eight to ten such centres from a cluster with one of them acting as the NCEC. The centres are run by full time facilitators or “Preraks”, who are drown from the community itself and are, prepaid some honorarium. The continuing education centres serve as library and reading rooms, teaching learning centres for continuing education programmes, vocational training centres extensions centres for activities of other development department and also cultural and recreational centres.

Apart from establishing CECs the scheme also envisages:-

(1)Equivalency Programme (EP) This programme is designed as an alternative education programme that is equivalent to the formal system of education be it related to generator vocational education.

2) Income Generating Programme (IGP) This programme aims at creating an interest with the participants who acquire or upgrade their vocational skills and take up income generating activities.

(3) Quality of Life Improvement Programme (QLIP) This programme aims at equipping the learners with essential knowledge, attitude, values, and skills both as individual and as member of the community.

(4) Individuals Interest Promotion Programme (IIPP) This programme is to afford opportunities to the learners to participate in and learn matters on spiritual, health, physical, and artistic interest to be a useful and enlightened member of the community.

IMPLEMENTED CONTINUING EDUCATION PROGRAMME IN MAHARASHTRA STATE

A wide range of continuing education programmes have been implemented in Maharashtra state. These programmes enable people to participate in the social, political and cultural life of their societies though development skills and dissemination of knowledge.In Maharashtra universities and other institutions primarily concerned with formal education also organize short continuing education courses.

Mass Literacy Campaigns were launched in many states, after the formation of popular ministries in 1937.In Maharashtra social education was made an integral part of the community development programme with the objective of bringing out in the people a change of outlook and develops in them a will to desire and seek their own betterment.

Gram Shikshan Mohim was organized in Satara district in 1960s and in 1967-68 India launched Farmers' Functional Literacy Programme to link development particularly of increasing production with education.

SAAKSHAR BHARAT ABHIYAAN

Centrally Sponsored Scheme

The prime minister launched Saakshar Bharat a centrally sponsored scheme of Department of school Education and literacy (DSEL) Ministry of Human Resource Development Government of India on 8th September 2009, the 'International Literacy Day'. It aims to further promote and strengthen Adult Education specially of Women by extending educational options to those adults who having lost the opportunity of access to formal education and crossed the standard age for receiving such education, now feel a need for learning of any type including literacy, basic education (equivalency to formal education), Vocational education, (Skill development), Physical and Emotional development, practical arts applied science, sports and recreation.

The Saakshar Bharat Abhiyaan has four broad objectives which are as follows

1) Impart functional literacy and numeracy to non literate and non numerate adults.
2) Promote a learning society by providing opportunities to neo literate adults for continuing education.
3) Impart non and neo-literates relevant skill development programmes to improve their earning and living conditions.

4) Enable the neo -literate adults to continue their learning beyond basic literacy and acquire equivalency to formal education system.

The following table indicates the category wise beneficiaries under literacy programme.

Category Wise Beneficiaries under literacy programme (in Millions)

Category	Male	Female	Total
Scheduled Caste	4	10	14
Scheduled Tribes	2	6	8
Muslims	2	10	12
Others	2	34	36
Total	10	60	70

Source Report, National Literacy Mission Authority, Ministry of HRD, Dept of school Education and Literacy N. Delhi. 2009.

From the above table we come to know that the principal target of the mission is to impart functional literacy to 70 million adults in the age group of 15 years and above. Auxiliary target of the mission is to cover 1.5 million adults under basic education programme. Saakshar Bharat Abhiyaan will primarily focus on women beneficiaries. The mission is not limited to women these targets. The mission also focused on the beneficiaries and disadvantaged groups and adolescents in rural areas in low literacy states like Bihar, Uttar Pradesh, and Rajasthan etc. will be other focused groups. For each focused group and area, there will be a specific target and for each target, an explicit approach and strategy.

TEACHING LEARNING PROGRAMME UNDER SAAKSHAR BHARAT

To respond to the demand for literacy and address the diverse needs of the non and neo-literate adults, an assortment of teaching learning programmes, including Functional Literacy Programme, Basic Education Programme, Vocational Education and Continuing Education Programme will be offered as an integrated Continuum.

A) **Functional Litracy-**1) Volunteer based mass campaign approach 2) Center Based approach (Residential camps)

B) Basic Education Approach-Equivalency programme with Open Board Education (OBE) of National Institute for Open Schooling (NIOS)

C) Vocational Education- Skill development programme with help of Jan Shikshan Sansthan (JSS)

D) Continuing Education Programme-To establish a learning society by lifelong learning1.70 lakh lokshiksha Kendra (Adult Education Center)

LOKSHIKSHA KENDRA (PROVISION FOR CONTINUING EDUCATION)

A Lok Shiksha Kendra will act as a centre for registration of learners for all teaching learning activities in their jurisdiction; Nerve center for literacy campaign including identification of the learners and volunteers, batching and matching of the learners with suitable Volunteers as well as their training ,providing literacy kits to learners and volunteers, keeping track of the progress made by each learner-volunteer group; Nodal center for mass mobilization activities; Technology center; Center for thematic courses on behalf of other departments such as Agriculture, Animal Husbandry and Veterinary, Fisheries ,Horticulture, Sericulture, Handloom, Handicrafts, Health, Education, Rural Development, Urban Development, Women and Child Development, SCs, STs ,OBC welfare, Panchayatiraj, Science & Technology etc. or based on local demand; Library and reading room; Venue for group discussion; Vocational and kill development and extension facility for other departments; Center for promoting sports and adventure and recreational and cultural activities; A composite information window and Data center for Adult education besides another activity related to the mission.

Comparison between Continuing education programme and Saakshar Bharat Adult education Programme

Adult education aims at extending educational options to those adults, who have lost the opportunity and have crossed the age of any type, including literacy, basic education, skill development (Vocational Education) and equivalency. With the objectives have been introduced since the first five year plan, the most prominent being the National Literacy Mission (NLM), that was literates in the age group of 15-35 years in a time bound manner. By the end of the 10^{th} plan period, NLM had made 127.45 23% belonged to scheduled castes (SCs) and 12% to scheduled tribes (STs). 597 districts were covered under Total Literacy stage and 328 reached Continuing Education stage.

The Government has now decided to merge both the scheme and rename the modified scheme as “Scheme of Support to Voluntary Agencies for Adult Education and Skill Development” and continue to support the Voluntary Agencies on project to project basis.

Comparison on both Continuing Education and Saakshar Bharat Adult Education Programmes are following:

Continuing Education Programme	**Saakshar Bharat Adult Education Programme**
(a)The target for continuing education programme is neo-literate age group of 15 to 35 years.	(a) The target for Adult Saakshar bharat scheme for the impart functional literacy 70 million adults age group of 15 years beyond.
(b) The programme was function for semi-literates, dropouts, and pass outs of NFE programme.	(b) This programme was function for women's, scheduled caste, scheduled tribes, minorities, and others in rural areas.
(c) The main focus of this scheme was especially rural areas women's to literate.	(c) In this scheme also the main target and focus on women's education.
(d) This programme functions for neo-literate adults to continue their education and acquire a degree / certification.	(d) This scheme also functions for the neo-literate adults to continue their learning with acquire equivalency educational system.
(e) Under this project the centers was runned by full facilitators (Preraks) in the centers.	(e) Under this approach, volunteers teaching take place. A volunteers acts as a mobiliser, trainer and teacher and responsible for literacy.
(f)Involment of NGO, ZSS, SLMA, Gram Panchayat members for more improving the programme.	(f) SLMA, District, Gram Panchayat could also explore the possibility and motivates to learners in an innovative manner.
(g)In this approach the programme of quality of life improvement of programme was implemented for family welfare, health, nutrition, sanitation, drinking water, population and education.	(g) For furtherance in this scheme vocational skill development to improve their living and earning conditions suitable skill development training programme by adult Saakshar baarat.
(h) This programme provides facility of a library and reading room, teaching learning centers, vocational training centers for learners.In this programme NCEC was implemented in every village	(h) The programme was provided facility of a library and reading room, short term courses, health, food and nutrition, sanitation, drinking water, population, education, etc. To implement the programme, Lok Shiksha Kendras (Adult

centers.	Education centers) established in Panchayat gram of district.

CONCLUSION

The term of continuing education has been used in different ways in different schemes. Adult education in India starts from literacy campaign. After comparison of continuing education programmes and Saakshar bharat programmes it appears that in both programmes adult education is focusing on functional literacy which is literacy related to activities or functions in day today life. Thus to create learning society we need Life Long Learning approach with ICT. In Saakshar Bharat Abhiyan we find the integrated approach of adult education directing towards developmental education. India needs proper linking of formal and non formal education to impart developmental education to Adults in India

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