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Address for correspondence:
Dr. Taklikar Vivekanand
Shankarrao
Assistant Professor, Annasaheb
Magar, Mahavidyalaya, Hadapsar,
Pune
Email:
taklikar.vivekanand@gmail.com

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Technological Trends in banking sector with special reference to Maharashtra Gramin Bank

Dr. Taklikar Vivekanand Shankarrao

Assistant Professor, Annasaheb Magar, Mahavidyalaya, Hadapsar, Pune

Abstract

The head office of Maharashtra Gramin Bank, also known as Garmin Bank or Regional Rural Bank (RRB) in India, is located in Aurangabad. It is one of 43 government-backed Garmin banks in India that seek to provide banking services to rural communities. It is owned by the Indian government's Ministry of Finance. The bank operated 413 completely computerised CBS branches as of March 2021. The seven Maharashtra regions of Chhatrapati Sambhaji Nagar, Beed, Latur, Nanded, Parbhani, and Nashik are home to the majority of its branch network. By offering services, including as loans, mostly to small farmers, farmworkers, artisans, and small business owners, Maharashtra Garmin Bank seeks to strengthen the rural economy and advance trade, industry, and agriculture. Additional beneficial activities in rural regions, in addition to addressing associated issues and incidental supplies. By implementing IT options, providing basic services to customers at their doorstep, creating effective IT frameworks to deliver those services, increasing credit flow to agriculture, achieving a notable increase in savings account mobilisation, and pursuing best practices for providing value-added services to its customers by turning branch offices into the most alluring financing access point in rural areas, Maharashtra Gramin Bank aims to position the bank in a highly competitive environment.

Keywords: Gramin Bank, RRB, ATMs, NEFT, RTGS, Debit, Credit, economy, trade, industry, branch, competitive environment, service sector.

Introduction

The banking sector is thriving today, with a strong emphasis on technical advancement. Banks actively and significantly contribute to a nation's economic growth. Any nation's banking system must be efficient, effective, and disciplined since it contributes to the rapid expansion of the economy's many sectors. The Indian service sector saw a number of changes as a result of liberalisation. Every aspect of human life and endeavour is being revolutionised by technology. E-banking has now been introduced and is progressively taking the place of traditional branch banking.

The area that needs the most attention and targeting is internet banking. Customers can select their banker from a variety of banks that provide high-quality services and a large range of offerings. India's commercial banks are currently becoming more customer-friendly and focused on the market. The banking relationship is being significantly impacted by internet banking, which is also transforming the banking sector. Through the use of technology, such as ATMs, internet banking, phone banking, mobile banking, etc., the banking business is expanding quickly. This growth has been greatly aided by technological advancements, without which it would not have been feasible. In addition, it will alter our way of life in the years to come. These days, banks offer a vast array of services to meet the financial and non-financial needs of all kinds of clients, from the smallest account holder to the biggest corporation, and occasionally even non-clients.

Depending primarily on the size and type of bank, different services are provided by different banks. This essay explains the necessity, significance, and advantages of contemporary banking services for the banking industry.

Statement of the problem:

The banking system has a big impact on the economy. High-end investors' needs must be met by an effective banking system that makes large sums of money available for major projects in the infrastructural, industrial, and service sectors. Customers can access and manage their bank accounts online without physically going to the bank's location thanks to the internet banking feature. The availability of credit/debit cards and ATMs has completely changed the options available to consumers. The services offered by the bank are excellent, however in the current economy, individuals are too busy with their lives to stand in queue and make these payments. As consumers' awareness of the internet grows, banks' involvement in e-business will also grow, and in the years to come, it will play a significant role in the banking industry. However, these banking services are regarded as the key instrument for overall growth.

Objectives of the study

1. To understand how technology is affecting the banking industry.
2. To understand how technology is affecting financial services.
3. To understand the significance of contemporary financial services.
4. To understand the advantages of financial services that are technology.

Methodology

For this paper, secondary data has been gathered. The information was gathered from a variety of sources, including books, journals, periodicals, websites, and publications.

Need of the study

Over the past ten years, the Indian banking sector has developed at an incredible rate, and it is expected to continue growing at a high rate. Rising personal earnings, corporate restructuring, financial sector liberalisation, and the development of a more credit-oriented, consumer-oriented culture will all contribute to the financial services industry's generally robust expansion in the upcoming years in India. Without the use of computers and

information technology, the banks were having trouble competing with the foreign banks in terms of customer service. As a result of India's banking industry being exposed to the global market following economic liberalisation in 1991, the country's adoption of modern innovation and computerisation has multiplied significantly.

Technology-driven contemporary banking services Modern banking practices have replaced conventional ones as a result of the usage of cutting-edge technology. Online banking, mobile banking, video banking, phone banking, ATMs, plastic money, and so on are currently the most popular and practical technology-based banking methods. ATMs are self-operated electronic devices that allow users to deposit or take money from banks. A consumer must get an ATM card from his bank in order to use an ATM. The ATM card is a magnetically coded plastic card. The machine can read it with ease.

The two most common technologies used for electronic payments are as follows:

1. **National Electronic fund Transfer (NEFT):** It is a nationwide payment system that makes one-to-one money transfers possible. Through this program, individuals, businesses, and corporations can electronically transfer money from one bank branch to any other bank branch in the nation that is a participant and has an account with that individual, business, or corporation. A bank branch must be NEFT enabled in order to participate in the NEFT money transfer network.
2. **Real Time Gross Settlement (RTGS):** Real Time Gross Settlement is referred to by the term RTGS. A fund transfer mechanism known as the RTGS system allows money to be transferred in real time and on a gross basis between banks. This is the quickest method of transferring funds via the banking channel. Real-time settlement eliminates the need for a waiting period in payment transactions. Once the transactions are processed, they are settled. A transaction that is settled on a one-to-one basis without bunching with any other transaction is referred to as a gross settlement. Considering that the Reserve Bank of India records the money transfers. The payment is considered final and cannot be revoked. The Reserve Bank is currently working to replace the current RTGS Considering that the Reserve Bank of India records the money transfers. The

payment is considered final and cannot be revoked. The Reserve Bank is currently replacing the current RTGS with NG-RTGS, which offers additional features and capabilities.

3. Data collection and Analysis

For understanding the role of Technological impact in banking sector following data collected in respect of Maharashtra Gramin Bank in Maharashtra which gives clear picture of using some electronic means of transactions in banking by consumer:

Table no 1
Month wise NEFT Transaction of Maharashtra Gramin bank

National Electronic Fund Transfer (Neft)								
Year	2023-2024				2022-2023			
Month	Total Outward Dr.		Received Inward Cr.		Total Outward Dr.		Received Inward Cr.	
	No. Of Outward Transactions	Amount (Rs. Lakh)	No. Of Inward Transactions	Amount (Rs. Lakh)	No. Of Outward Transactions	Amount (Rs. Lakh)	No. Of Inward Transactions	Amount (Rs. Lakh)
April	84829	58007.62	574445	138420.93	83513	55296	432901	116140.00
May	83971	58007.80	425956	134530.00	92457	66415.20	364357	128938.10
June	81977	61587.00	415157	112129.30	101398	63341.10	328005	116633.70
July	80196	53326.56	477751	101034.10	103578	50217.20	383134	102429.90
August	87927	51460.00	524815	101845.80	97500	49497.90	383848	96248.20
September	72458	43593.20	467449	90101.20	90911	49394.00	362508	80709.80
October	80209	51543.10	527837	113326.25	92197	54327.20	602550	103173.80
November	83611	69892.25	539217	110247.60	97703	60196.20	884839	108726.40
December	78206	55200.00	564557	116464.80	95323	68465.50	582632	115146.20
January	77683	55014.00	634288	130141.00	82849	51956.50	450464	113401.00
February	79909	53226.35	633640	186797.03	76951	50042.78	411115	113351.97
March	98375	65674.00	726409	189730.00	97617	60242.25	731732	171054.63
Ave. Per month	82446	56377.65	542626.80	127064	92666.42	56615.99	493173.80	113829.50

Continued.....

Increase / Decrease in Transaction between 2024 and 2023				
Month	No. Of Outward Debits		No. Of Inward Credits	
	Total Outward Transactions	Amount (Rs. Million)	Total Inward Transactions	Amount (Rs. Million)
April	1316	2711.62	141544	22280.93
May	-8486	-8407.40	61599	5591.90
June	-19421	-1754.10	87152	-4504.40
July	-23382	3109.36	94617	-1395.80
August	-9573	1962.10	140967	5597.60
September	-18453	-5800.80	104941	9391.40
October	-11988	-2784.10	-74713	10152.45
November	-14092	9696.05	-345622	1521.20
December	-17117	-13265.50	-18075	1318.60
January	-5166	3057.50	183824	16740
February	2958	3183.57	222525	73445.06
March	758	5431.75	-5323	18675.37

(Source: Reserve Bank Of India / RBI Bulletin)

From the above table we understand that number of interbank and customer makes the

transaction by national electronic fund transfer facility. There is increase in the no. of transaction

between 2024 and 2023. In 2024 on an average per month total outward debit no of 82445.92 customers makes Rs. 56377.65 lakh transaction were done on monthly basis. On other hand total outward credit, no of 92666.42 customers makes Rs. 56615.99 lakh transaction were done. In 2024 on an

average per month total outward debit no of 542626.80 customers makes Rs. 127064 lakh transaction were done on monthly basis. In 2023 on other hand total outward credit no of 493173.80 customers makes Rs. 113829.50 lakh transaction were done.

Table no 2
Month wise RTGS transaction of Maharashtra Gramin bank

Year	2023-2024				2022-2023			
	Inward		Outward		Inward		Outward	
Month	Volume	Value (in Rs Crore)	Volume	Value (in Rs Crore)	Volume	Value (in Rs Crore)	Volume	Value (in Rs Crore)
April	10941	4672	16437	5477	10020	2648	14787	3251
May	11028	4313	18141	5156	9083	2899.56	16107	3490.67
June	10650	5664	18642	6197	8481	5916.76	17243	6417.77
July	9193	4532	15527	5038	7249	4072.41	13607	4596.94
August	8358	3778	15249	4239	7313	3139.15	12932	3620.29
September	7418	4274	13525	4764	6615	5087.63	13277	5427.53
October	9140	5248	16023	5923	6722	4285.73	14173	4826.86
November	9629	4612	16496	5136	7975	3245.63	15053	3723.62
December	10072	8459	16434	9165	8484	5207.90	14971	5614.84
January	11923	4495	17480	5060	9373	4209.95	14603	4891.55
February	12981	5013	17227	6031	9878	4039.28	14143	4612.75
March	14299	7602	20785	9300	12715	6516.55	18204	7551.57
Average Per month	3753	3078.04	6481	2941.16	2286	17.68	4478	17.43

Continued.....

Increase / Decrease between 2024 and 2023				
	Inward		Outward	
Month	Volume	Value (in Rupees Crore)	Volume	Value (in Rupees Crore)
April	921	2024.00	1650	2226
May	1945	1413.44	2034	1665.33
June	2169	-252.76	1399	-220.77
July	1944	459.59	1920	441.06
August	1045	638.85	2317	618.71
September	803	-813.63	248	-663.53
October	2418	962.27	1850	1096.14
November	1654	1366.37	1443	1412.38
December	1588	3251.10	1463	3550.16
January	2550	285.05	2877	168.45
February	3103	973.72	3084	1418.25
March	1584	1085.45	2581	1748.43

(Source: Reserve Bank Of India / RBI Bulletin)

From the above table we understand that number of interbank and customer makes the

transaction by Real Time Gross Settlement facility. There is increase in the no. of transaction between

2024 and 2023. In 2024 on an average per month total Inward no.of10469.33 customers makes Rs. 5221.83Crore transaction were done on monthly basis. On other hand total outward credit, no of 16830.50 customers makes Rs.5957.17 Crore transaction were done. In 2023 on an average per month total inward debit no. of 8659 customers makes Rs. 4272.40Crore transaction were done on monthly basis. On other hand total outward credit, no of 14925 customers makes Rs. 4835.45Crore transaction were done.

Conclusion:

From above analysis it finds that role of technology in banking sector moves towards the tremendous development. Modern computerised technological banking services are easy and suitable for doing day today financial transaction. It gives speed, reliability to customer. Customer can save time and money. Due to using computer-based system there are lack in human mistake. By using of electronic means like debit/credit cards ATM machines customer get ease and speed in procurement money. In last decade we seen that there is too much increase in number of customer in banks. Due to the application of technology in banking sector everyone has knowing economic condition of banks. Now the banks has working in rural and urban area as secured financial mediator for its customer.

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Conflicts of Interest

The authors declare that there are no conflicts of interest regarding the publication of this paper.

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