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The Mongrel Banking Experience: Emulsifying Physical and Digital Channels of Banking

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ABSTRACT

The incorporation of modern technology into banking process has transformed the financial environment, providing unrivaled convenience, efficiency and security. The advent of numerous technical breakthroughs in banking industry such as block chain technology, artificial intelligence, biometric, mobile banking benefited in advancement, enhancement in customer experience, faster transactions and improving risk management. In order to accommodate a wide range of consumers taste and demographics, banks have taken strategic approach to adopt technology in combination to traditional banking services. Banks are providing online and offline services at the same time more often, although some consumers seem to prefer using offline services. Furthermore, in tackling the difficulties and chances brought by this change such as cybersecurity threats, cultural adjustment and regulatory compliances. Banks can maintain their competitiveness in digital era and offer creative financial solutions to satisfy their clients changing needs by adopting these technology breakthrough.

KEYWORDS: Internet Banking, Traditional Banking, Banks, Regulations, Technology

INTRODUCTION

A modern economy's lifeblood is its banks. Their importance is highlighted by the fact and that they assist both mobilizing nations saving and directing those savings towards high-priority investment. The use of metallic coins as a means of exchanging goods and services is when banking first emerged. People began placing these in a care of reputable person due to risk of theft. For withdrawal depositor has to see custodian in person. Eventually, the depositor would receive a receipt from custodian that stated "I owe you (IOU) so many pounds"[3] The bank note originated when these IOU's gained popularity as a means of payment. A bank note is essentially a promissory note that verifies bank debt. According to some authorities the Greek term "Banque" which translates to a "bench" is where the word "Bank" originated. Jews used to exchange money while seated on benches at market places in the past. The "Bench" a banker used to sit on and conduct business was broken apart and was declared bankrupt when he was unable to fulfill his obligations. It is so claimed that the word "Banque" is the source of both the words "Bank" and

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[3] Investopediahttps://www.investopedia.com › iouIOU: What It Is, How It Works, and Exampleshttps://www.google.com/url?q=https://www.investopedia.com/terms/i/iou.asp&sa=U&ved=2ahUKEwi4spD0_d2GAxWEamwGHdkXCeIQFnoECB4QAQ&usg=AOvVaw1hJpcPkseSe3lQLvHvct4s (Visited on April 15, 2024)

"Bankrupt"[4]. Others hold the opinion that the German word "back" which denotes a joint stock fund is where the word “bank" first originated from. The Germans when ruled a large portion of Italy Italianized this word to "banco". The French once again altered this phrase to "banck". Later, this term was changed by the Britishers to "Bank" which is still widely used. Almost every nation refers to a financial organization that deals with money as a "Bank".

One of the biggest banking systems in the world is found in India there are thought to be 50,000+ banks branches and over 130+ distinct banks. Since independence the banking industry in India has experienced incredible expansion and diversification. The Indian banking system is now trying to reach even the most rural areas of the country rather than only larger cities. Customers now have higher expectations as a result of the effect of technology. The advancement of contemporary technologies and the rise in global literacy rates. India's banking services industry has seen significant transformation as a result of globalization, liberalization and privatization. The bank has also compelled to reevaluate their business practices due to pressure from competition. The prevalence of traditional over the-counter banking is gradually declining as a result of self-service method and bank competition. Though banks are still in process to reach out all rural areas, it's not evidently possible for others such areas to have accessibility over internet or digital banking service. In such cases the bank branches tries to guarantee that people still conduct banking operations while living in remote areas or while having restricted access to technology. Even elderly customers may struggle in accessing digital platforms for banking in such scenarios only physical branches are good enough to navigate their financial needs. The dynamic of competition among banks and consumer behavior forces banks to adopt their offering and gain insight into the requirements and indication of their clientele. This is because there is no direct physical interaction between the brokers and parallels this nature of online services lead to a lack of confidence and doubt about the use of online banking among some users.

EVOLUTION OF BANKING FROM: TRADITIONAL TO NOVEL

The Bank of Venice founded in Italy is considered as World's oldest Bank. In 1401 The Bank of Barcelona was established and in 1407 The Bank of Genoa. In 1609 The Bank of Amsterdam was established. Modern Banking originated with Lombard immigrants from Italy who settled in Europe and England. In India banking predated the Vedic Era by around 2000 BC to 1400 BC. Back then people were aware of loans and interest. Lending money was a common activity in pre-Aryan times. It was regarded as one of the four honorable callings in ancient days, along with 'tillage, trading and harvesting'. The heyday of indigenous banking occurred during the Mughals Era. Hardly, a community in India existed without a money lender and a sharoff to finance trade and business. It could be concluded that in 19th century the seeds for development of contemporary commercial banking were sown. East India Company in the beginning of the 18th century set up few commercial banks using contemporary infrastructure. The Bank of Hindustan, first bank in India was established in 1770 and was shut down 20 years later. Three presidential banks were later established by East India Company with government assistance; The Bank of Calcutta (1806), The Bank of Bombay (1840) and The Bank of Madras (1843) the government contributed financially to these institutions. On January 27, 1921 these 3 presidential banks merged to

[4] Scribdhttps://www.scribd.com › Banking Origin of the Word: Banca, From Old High German Banc, Bank "Bench, Counter". Benches Were Used As Desks or | PDF | Transaction Account | Banks https://www.google.com/url?q=https://www.scribd.com/document/253148470/Banking&sa=U&ved=2ahUKEwj_6N2x_92GAxWBS2wGHTAyBl8QFnoECDgQAQ&usg=AOvVaw2UBGvI4Oig6Ryd4dqWyWJ1 (Visited on April 15, 2024)

form Imperial Bank of India. The largest and oldest Bank in India is State Bank of India, renamed after Imperial Bank of India upon independence in 1955. The public's confidence in banking system was shaken when India's banking industry suffered a great deal between 1913-1917 around 108 banks failed followed by 373 more in 1922-1936 and then about 620 more in 1937-1948. Thus, an organization was therefore desperately needed. In order to control the nation's banks and serve as government's banker, thus Reserve Bank of India (RBI) was established in 1935 and was given nationalized status in 1949 which gave it power to oversee , manage and inspect every bank in India. The Reserve Bank of India began to employ a large number of people in 1960's and played significant role in country's economic growth.

- **NATIONALIZATION**

The process through which a government asserts control of privately held banks and eventually turns them into state-owned enterprises is known as "Nationalization of banks". This may take place for a number of reasons including addressing concerns about financial inequality, encouraging economic development and maintaining the integrity of the banking system serving as the impetus for this process. Government oversight and control over nationalized banks directly affecting their management, policies and day-to-day operations. The scope and methodology of this strategy can change based on the unique objectives and conditions of the nation that is undertaking nationalization. The Indian banks were nationalized in 1969 under the leadership of Mrs. India Gandhi. On July 19, 1969 the 14 largest commercial banks were nationalized. In the history of bank's nationalization the Rustom Cavasjee Cooper v. Union of India[5] is a special case that set the standard for numerous other significant cases. Some people may find the ruling puzzling but it should be clear from a careful reading of the decisions underlying assumptions and the reasoning that the court upholds the party’s fundamental rights as well as the socialist principles. In the banking industry which is the main source of profit the application of an effect test resulted in the conclusion about equitable remuneration and property purchase. In keeping with the dignity and authority of the parliament the rights of directors ensure holders were also maintained. The second wave of nationalization took place in 1980's incorporating six more commercial banks which became a significant play in India's banking history. Nationalization was driven by crucial circumstances such as:-

- For encouraging the nation's economic development.
- For increasing trust in India's financial system.
- For stopping the accumulation of wealth in hands of few selected people.
- For establishing a socio-economic equilibrium.
- For boosting finance sector efficiency.
- For gathering the nation's saving and directing them towards useful endeavors.
- As small scale industries, agriculture and export were among the sectors that were falling behind.
- For serving the vast majority of people living in rural areas.

Reserve Bank of India is ceased to be a "bank" in technical sense after nationalization and became Central Bank of India. It has four zonal offices and about 22 regional offices with a 21 member organization.

- **LIBERALISATION AND GLOBALISATION**

Liberalization entails a reduction in the laws and rules that regulates banks including those pertaining to interest rates, entrance requirements in market and range of services they are permitted to provide all such that are imposed by government. The goal of liberalization is to spur innovation, efficiency and competition in the banking sector. The term globalization describes the growing independence of

[5] 1970 AIR, 1970 SCR (3) 530, AIR SUPREME COURT 564

economies and civilization on a global scale. Globalization in the banking industry refers to the ability of the banks to conduct business internationally, opening branches or subsidiaries abroad and offering services to the clients all over the world. Finance markets must be integrated for the banks to be able to access capital and make international asset investment. The liberalization initiative of the early 1990's allowed to government to license a number of tiny private banks. In India publicly owned banks manage over 80% of the banking business with private sector banks handling the remaining 20%. As a result of globalization and increasing number of banks are benefited from it and growing at an incredible faster rate. However, the most recent development known as globalization is revolutionary in banking as both the public and private sector. Globalization and bank Liberalization together have the following outcome:-

- Banks have competition from both new international banks joining the market and from the domestic organizations. Consumer's expenses may go down and efficiency may increase as a result of this competition.
- Previously restricted or regulated products and services including wealth management insurance and investment banking can be provided by banks on a large scale.
- Managing risk and adhering to regulation can be difficult when operating in several jurisdictions and dealing with various regulatory framework.
- Banks may now access cash from foreign markets and invest in opportunities worldwide because to liberalization and globalization which promote economic growth and development.
- Global banks interdependence may increase systemic risk by applying the cross-border transmission of financial stocks.

Economic liberalization was a major shift in the India government economic policy that was implemented in 1991. The Reserve Bank of India consequently gave its approval for the founding of the ten private banks in India. The league of banks was joined in a short period of time by kotak Mahindra Bank (2001), Yes Bank (2004), IDFC (Infrastructure Development Finance Company) Bank (2015) and Bandhan (2015)[6]. Conventional banks used cutting-edge technologically advanced procedures. The digitization of banks operational and transaction became the norm.

- **COMPREHENSIVE OVERVIEW OF BANKS**

In summary of Indian Banking system's evolution, a bank will inevitably fall into one of the following group. A closer glance at the salient feature of several banks in India:-

1. Commercial Banks

In India, the purpose of commercial banks is to generate income by accepting deposits and extending credits. These banks when are governed by the Banking Regulation Act 1949, take deposit and lend money to people, businesses and government. Commercial Banks are divided into four groups owned by public or private sectors:-

a. Public Sector Banks - These banks are mostly owned by the Indian government, which also provides direction to them so that clients can feel secure about their financial investment. Government established financial regulations are adhered by the banks in the public sector in India and their service fees are generally less than those of private banks. These banks also launch a range of financial

[6] The Evolution Of Banking In India - Niyo Global https://www.google.com/url?q=https://goniyo.com/blog/the-evolution-of-banking-in-india/%23:~:text%3DLiberalisation%2520In%25201991,-In%25201991%252C%2520the%26text%3DThis%2520shift%2520aimed%2520to%2520increase,2015)%2520banks%2520joined%2520the%2520league.&sa=U&ved=2ahUKEwj1gtnhgN6GAxWlT2wGHVeHDQQQFnoECB4QBQ&usg=AOvVaw3vBmfwUcN4mHoIvQRvKhIF (Visited on April 22, 2024)

initiatives for the good of general public. After merging with five affiliates bank State Bank of India, one of the biggest public banks in India significantly strengthens its finances and was ranked among top 50 banks in the world. The nationalization of the state banks by government accelerated the expansion of public banks in India. Furthermore, international banks operating in India have infringed the development of banking industries.

b. Private Sector Banks - These banks stock is mostly controlled by private companies and individuals or a group of individuals. The Reserve Bank of India establishes the guidelines that apply to private sector banks in India. Here the sizable portion of the equity is owned by private investors.
c. Regional Rural Banks - To support rural economy these unique commercial banks offers loans at reduced interest rates designed especially for farming in rural areas.
d. Foreign Banks - These banks from another nation's operate branches throughout India but have their primary offices outside of the nation.

2. Co- Operative Banks

Cooperative Banks established to benefit the community by providing short term, low interest loans to the agriculture and associated business because these banks are member-owned they function collectively. This suggests that a cooperative bank's clients are also its proprietor. Fitting into variety of categories:-

a. Rural Co-operative Banks - These banks mostly assist with activities associated with agriculture such as dairy production, farming and fish culture. They also offer financing for independence contractors and small scale businesses.
b. Urban Co-operative Banks - These banks provide loans to individuals for house financing, small scale businesses, industries and self employment.

3. Specialized Banks

The government established a number of specialized banking institutions between 1982 to 1990 that were designed for particular industries; including housing, small scale manufacturing, agriculture and foreign trade with the introduction of the prominent institutions this signaled the start of evolution of financial services in India.

a. To promote agricultural activities, NABARD (National Bank for Agriculture and Rural Development) 1982
b. In order to encourage import and export, EXIM (Export - Import Bank of India) 1982
c. Housing projects are financed by National Housing Bank, 1988
d. To finance small scale enterprises, SEDBI (Small Enterprise Development Bank of India) 1990 was established

4. Payment Banks

In order to function a smaller scale with less credit risk the RBI launched payment banks a recent variation of bank in 2014. By offering banking and financial services to the under banked and unbanked, their primary objective was to advance financial inclusion. Payment Banks are restricted, they are not permitted to offer credit cards and loans and each customer may only deposit up to ₹2 Lakh. They can however provide ATM and debit cards, current and saving account, online banking and mobile banking services. The rise of e-banking was signaled by the advent of online payment using mobile apps.

5. Small Finance Banks

In order to improve financial inclusion for people who are not served by traditional banks, the RBI permitted creation of small finance banks in 2016. These banks concentrate on lending to small companies,

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marginal and small farmers, industries and saving facilities due to their cheap operating cost and stare of the modern art technology.

- **CURRENT SCENARIO**

A revolution in banking was started in 2016 when National Payment Corporation of India (NPCI) introduces the Bharat Interface for Money (BHIM) and Unified Payments Interface (UPI) system. Many fintech startups in India have partnered with banks to improve digital banking and provide a variety of financial services. The creation of "digital banks that operate solely through the internet without any branches" is recent idea put out by Niti Aayog[7]. It is anticipated that this progressive Endeavour will lead to advancement in Indian Banking. One of the FinTech markets with the highest global growth is India. There are already over 2,000 Financial Technology (FinTech) Companies that have received Department for Promotion of Industry and Internal Trade (DPIIT) recognition and the number is growing quickly. India's digital payment system has advanced the most admit 25 countries and only system ranked at level 5 on the Faster Payments Innovation Index (FPII) is the country's Immediate Payment Services (IMPS). In recent years, the Unified Payments Interface (UPI) has worked to expand its worldwide reach while also revolutionizing real-time payments. Also, a Memorandum of Understanding (MoU) has been signed between Google India Digital Services (P) Limited and NPCI, International Payments Limited (NIPL) to extend the revolutionary impact of UPI to nations outside India.

On 2023, the banking industry achieved extremely impressive results, earning increased dramatically with a 38.4% overall gain led by public sector banks whose net profit tripled, with non-performing assets falling to multi-decade drops of 3.9% (Gross NPS) and 0.78% (Net NPA), asset quality shone like a bright balefire[8]. By the year’s end this notable improvement highlights the sectors emphasis on debt collection and risk control, challenges though are imminent. Ambidexterity and alteration were challenged by the threat of rising interest rates and increased competition from brisky FinTech organizations. Agriculture and Ministry of Micro, Small and Medium Enterprise's (MSME) sectors in particular are still undertensity and require focused initiatives to alleviate them. Furthermore, the rise in banks that rely too much on technology run the risk of cyber security and peak, discussion calling for strict security.

KEY ELEMENTS OF HYBRID BANKING EXPERIENCE

Hybrid banking combines the best of the worlds, giving customer the ease of internet banking while keeping ingress to physical branches. The strategy accommodates a wide range of clients and promotes financial inclusion by meeting the needs of people who might find it difficult to use digital banking tools or who struggle with making in-person appointments. Customers take control of their banking experience and banks are given the chances to provide superior customer service. However, hybrid banking offers advantages beyond its clientele and members. Hybrid banking has also been demonstrated to improve

[7] The Evolution Of Banking In India - Niyo Global https://www.google.com/url?q=https://goniyo.com/blog/the-evolution-of-banking-in-india/%23:~:text%3DA%2520recent%2520proposal%2520by%2520Niti,evolution%2520of%2520banking%2520in%2520india.&sa=U&ved=2ahUKEwifxdKQkN6GAxUogK8BHaYWD1gQFnoECB8QBQ&usg=AOvVaw2kW8bSX3V5uGIoQYXR7mrO (Visited on April 26,2024)

[8] ET BFSIhttps://bfsi.economictimes.indiatimes.com › ...Resurgence and Challenges: Indian Banks' 2024 Outlookhttps://www.google.com/url?q=https://bfsi.economictimes.indiatimes.com/blog/resurgence-and-challenges-indian-banks-2024-outlook/106817271&sa=U&ved=2ahUKEwij6qyJgd6GAxXWcmwGHfl5BL0QFnoECB8QAQ&usg=AOvVaw3rksdWJYvq9k9scfbic_Mu (Visited on April 28, 2024)

worker productivity, holding and well being by providing a more flexible work environment. In the end, everyone has win- customers, employees and financial institutions as a whole:-

1. Omni - Channels Presence

In order to give consumer a smooth banking experience, Omni-channels banking to the integration of many channels, including internet, mobile in-person and digital assistants. Customers can use a variety of methods to access their accounts and complete transactions. As an illustration, JP Morgan Chase is an Omni-channel banking platform that provides a variety of banking services to its clients via many channels such as online and mobile banking as well as in person banking at physical locations[9]. Additionally they have a function that allows users to schedule appointment with bankers via their mobile apps or online. This feature cuts down on duplication of efforts and improves resources management when you provide mobile and web series in additional to physical branches, self-service solutions, saves you even more money and lessen the workload on branches.

2. Personalized Interaction

For banks, customer data is like gold treasure of information that they can use to tailor marketing communication. Such as tailored offers and promotions, details about pertinent, financial products and services and so forth. Artificial Intelligence analyses all consumers data including preferences, actions, transactions and give bank insightful information that they can use to create extremely relevant and focused marketing campaigns. In addition to making marketing efforts more successful this data- led strategy strengthens the bond between the banks and its clients. Increased consumers engagement, contentment, loyalty and trust are all correlated with personalization in marketing communication. According to a Boston Consultancy Services Report, a bank with $100 Billion in asset may increase revenue by up to $300 Million by providing individualized customer services[10]. Personalization in banking can lead to significant revenue growth in addition to improving the overall client experience. Equipped with insights glanced from data, banks are reconfiguring their offering to better suit individual clients.

3. Seamless Integration

An additional program, procedure or gadget that indefectible merge with current or existing layout is stated as seamless integration. Providing a smooth and effective hybrid banking experience in the ever- changing world of modern banking depends on queue an appointment management combining. Financial institutions can improve overall operating efficiency eliminate waiting time and maximize customer flow by smoothly integrating these two crucial components. Financial organizations can integrate appointment and queue management to provide a single client journey across digital and physical dimensions. Consumers will have unified and uniform experience from beginning to end as they can easily move from making appointments online to getting in line when they get to the bank. This feature also work in

[9] Worldwide Business Researchhttps://futuredigitalfinance.wbresearch.com › ...Here's How JP Morgan Chase Is Pushing Omni channel - Future Digital Financehttps://www.google.com/url?q=https://futuredigitalfinance.wbresearch.com/blog/jp-morgan-chase-omnichannel-strategy&sa=U&ved=2ahUKEwiT4f7Lgd6GAxWWcmwGHW7GCaMQFnoECCEQAQ&usg=AOvVaw2ahSAXv30bU104rMjP5JHz (Visited on April 28, 2024)

[10] The Power of Personalization: How Banks are Tailoring Services to Individual Customershttps://www.google.com/url?q=https://materialplus.srijan.net/resources/the-power-of-personalization-how-banks-are-tailoring-services-to-individual-customers%23:~:text%3DA%2520survey%2520by%2520Boston%2520Consultancy,also%2520unlocks%2520substantial%2520revenue%2520growth.&sa=U&ved=2ahUKEwiT9aDqgd6GAxXuSWwGHeJkCsgQFnoECCwQBQ&usg=AOvVaw1QIqLxxT3I2J2Pp4hvyQaU (Visited on April 28, 2024)

benefiting banks by guaranteeing that staffing level correspond with clients traffic, reducing waiting time and optimizing staff productivity.

4. Data - Driven Insights

Data driven insights are overt weapon that the most astute institutions are developing in the fast-paced world of digital banking to close and devoted customer relationship. Financial institutions can use the data to provide individualized services, anticipate customers demand and ultimately retain happier clients by using appropriate tools and techniques. Consumer's interaction with banking platform on a daily basis. Every online payment, withdrawal, deposit and consultation is the spoor rather than merely a transaction. This trait narrates the requirements, routines and preference of clients. Financial organizations can identify patterns, anticipate client needs and take productive measures thanks to proactive analytics a potent tool found in many contemporary digital banking platforms. For illustration, data suggest their consumer is looking out for a car loan in such a cases articles about vehicle loans, banking policies and benefits possibly with the special discount will be shown. Not alone this whenever such customer visit the branch the staff can tend to their future plans and have a personal interaction on such plans while giving them assurance.

5. 24/7 Banking

The covid-19 pandemic has significantly hastened the transformation that retail banking is going through. This incident has fundamentally changed our expectations for the financial Industries. Consumers are using robo-advisors and other digital tools more frequently for investing from a planning and budgeting. The following are the main areas where retail banking is changing; client's relationship, efficiency of operations and analytics and insights from data safety and adherence electronic funds, fund transfer and payments, monetary inclusion and innovative series for Personal Financing Management (PFM). The modern customers expect undisrupted access to the services at all times of the day. As a result, established banks must provide dependable 24/7 online services and customer support which quickly resolve problems and queries.

6. Risk Mitigation

The financial sector is well known for cyber criminals, who wants to steal the enormous amount of important financial data that banks maintain, causing destruction to banks operations and demand ransomed payments. Given the surge in cyber crime and the potential for large financial losses banks and other financial institution need to priorities cyber security and have a comprehensive risk mitigation strategy. Banks should put in a place a comprehensive risk management plan that outlines their philosophy. The responsibilities of risk management and other process for determining quantifying, tracking and managing risk. Banks need to keep using internal audit procedures to monitor, identify and manage risk in order to strengthen the internal audit. Internet audit should have sufficient authority with the help of ESDE's and all inclusive risk mitigation solutions bank can build for a solid and durable defense against online threats.

7. Efficient Customer Support

People used to trust banks in physical mode with their money and their lives, making them the most trusted sector. However, a lot has changed since then, Technology advancement, Internet shopping and Smartphone apps have increase competition for banks and other financial organizations which has negative impact on their reputations and financial result. As customers have access to more options and more empowered than ever they are more connected than ever. One of the best resources available to companies looking to enhance the customer experience is customer feedback. Organizations can improve customer services by combining employee performance review with live chat or interaction in branches. As it's become clear to understand once perspective while talking face-to-face. For example, if a worker receives the low performance rating because they failed to implement a crucial features request from a client the institution can review the specific chat transcript to determine root cause of the issue and how to fix it.

8. Continuous Innovation

The biggest innovation is introduction of artificial intelligence and market as every industry has seen immense jump in their productivity with help of AI and so has financing industry. Chat bots and virtual assistance are example of artificial intelligence powered system that estimates customizes customer's services interaction. They also answer questions about account and give consumer information about their account. Artificial intelligence based biometric boost security, identifies fraud and improved Anti-Money Laundering (AML) and knows Your Customer (KYC) process. Another reservation is through the connection of banks and Non-Banking Financial Business (NBFC's) open banking, offers customers personalized and easily available financial services. Continuous Innovation not only helps in improvising clients need but also provide relaxation to staff of such institution. Bank deploys software robots to automate this time consuming and repeated process. The banks are given competitive edge they free up staff members to toil on most strategy work. Additionally, operations like invoice processing, payment approvals and reconciliation are automated using Robotics Process Automation (RPA) based accounts payable solution. Automatic the processing of mortgages, including loan evolution and customers disbursement is another aspect of Banking Process Automation (NPA).

JUDICIAL HAND IN BANKING

The banking industry in India is governed by a broad set of rules and legislation that are designed to preserve stability customers and advance financial embodiments. The main statues and most current revisions are summarized as follows:-

- **The Reserve Bank of India (RBI) Act, 1934[11]**

This main piece of legislation that controls how India's Central Bank, the RBI operates. It describes the duties and authority of the RBI such as setting monetary policy issuing currency and overseeing the banking industry.

- **The Banking Regulation Act, 1949[12]**

The RBI is now available to oversee and control Indian banks under this act. It addresses number of banking related topic, including as capital sufficiency, governance, licensing and crisis management in the banking industry. The Financial Series Regulatory Authority (FSRA) was established as the primary regulator of Non-Banking Financial Businesses (NBFC's) as a result of recent change to this statue that to affect in 2020.

- **Foreign Exchange Management Act (FEMA) Act, 1999[13]**

FEMA oversee foreign exchange transactions in India with the goal of preserving the stability of the nation's foreign exchange market while facilitating payments and trade with other countries. It regulates the number of things including foreign exchange transactions, overseeing investments and commercial borrowing from outside.

[11]The Reserve Bank of India (RBI)Act,1934 (Act No. 2 of 1934)
[12]The Banking Regulation Act,1949 (Act No. 10 of 1949)
[13]Foreign Exchange Management Act(FEMA)Act, 1999 (Act No. 42 of 1999)

- **Banking Ombudsman Scheme, 2006[14]**

Customer's concern and grievances against banks can be promptly and affordably resolve with the help of this initiative. Banking ombudsman is appointment by the RBI to mediate disagreement between banks and their clientele.

- **Payments and Settlement Systems Act, 2007[15]**

This act governs digital transactions, card payments and electronic funds transfer among other payments and settlement methods in India. It attends to encourage competition and innovation while ensuring the security, effectiveness and dependability of payment system.

- **Insolvency and Bankruptcy Code (IBC), 2016[16]**

A unified framework for the settlement of bankruptcy and insolvency cases in India is offered by the IBC. It is applicable to people, businesses and partnership firms and seeks to maximize forte value, encourage entrepreneurship and speed up the settlement process.

- **Goods and Services Tax (GST) Act, 2017[17]**

GST is an all-inclusive indirect tax that is applied to Indian suppliers of goods and services. It supplanted several indirect taxes imposed by the federal and state government streamlining the tax code and facilitating corporate transactions.

India's banking laws and regulation have recently undergone reformation. These includes the merging of public sector banks to improve efficiency and scale campaigns to advance digital payments and financial inclusion, regulatory actions to fortify banks and NBFC's against economic downturns.

EMBRACING THE FUTURE OF BANKING

The Reserve Bank of India believe that the time for banks to only offer banking services is coming to an end and the banks would need to switch from a sect oral approach to an ecosystem approach. Under the new prototype markets are probably going to take centre stage as the intermediary site, with banks perhaps becoming just one of many entities engaged in market practices. In order to provide financial goods and services through creative diplomacy and technological solutions that furnished us with the transmission, banks and NBFC's are partnering with genre.

Secondly, banks may need to switch from providing isolated services to hyper-personalized immersed banking as a result of the future of banking being highly individualized. All the goods and services that customers are expected to be used will include banking. The incorporation of financial services and technology into a non-financial organization product or services is termed as Embedded Banking[18]. The banking industry will appear significantly different in the time ahead then it does now. In order to be ready for banking in 2035, banks will need to start developing future blueprint now. Those blueprint will need to address shifting customer experience; new business is model and emerging technology.

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[14] Banking Ombudsman Scheme,2006

[15] Payments and Settlement Systems Act,2007 (Act No. 51 of 2007)

[16] Insolvency and Bankruptcy Code (IBC),2016 (Act No. 31 of 2016)

[17] Goods and Services Tax (GST) Act, 2017 (Act No. 12 of 2017)

[18] Embedded Finance: Everything You Need to Know - Investopediahttps://www.google.com/url?q=https://www.investopedia.com/what-is-embedded-finance-8417153%23:~:text%3DEmbedded%2520finance%2520is%2520the%2520term,APIs)%2520linked%2520to%2520financial%2520partners.&sa=U&ved=2ahUKEwiDzO-igt6GAxXhZmwGHUxHDY4QFnoECBsQBQ&usg=AOvVaw0iStB7SW6arzBmyhBJ4_fM (Visited on May 15,2024)

- In order to stay relevant to the generation of tech-savvy consumers banks need to pay attention to the digital customer journey and the ways in which people use and interact with their offerings because of the agility that modern technology offers, banks may also swiftly introduce new goods and services, increase customer interaction streamline internal businesses procedure and strengthen relationship with the ecosystem partner.
- According to reports, the RBI will begin testing a digital currency that it classifies as digital version of legal money. It will be tradable on an equal footing with current currencies accepted as payment method and secure store of value, it is similar to the one's currently in circulation. Stable coins, Central Bank Digital Money (CBDM) and crypto currency are the three main types of digital money. Digital rupee has its advantages being faster mode of payment, cheaper at global transferring with 24/7 availability and saving manufacturing cost[19].
- Wearables with payment support, when insightful wearables are equipped with payment system, making payments will considerably easier. Indeed by 2030 wearables are predicted be a common payment option for 60% of financial institutions. One form of wearable technology that will be in dispensable as a payment tool is the smart watches. Some companies like, Google have already integrated payment functionality into their wearable technology. According to some this function will operate in two manners; firstly the smart glasses will scan our eyes when we stare into QR code. Secondly, the wearer needs to say "pay" by confirming the voice and approving the transaction.

The biggest shift in this sector is mostly being driven by technology. A lot of companies in this business will probably be made or broken by technology and how well it is executed.

CONCLUSION

The banking industry is anticipated to grow even more as a result of increase infrastructure spending, swift project delivery and ongoing reforms. Due to the fact that these quickly expanding entities will need loans from banks, it appears that India's banking industry is well- positioned from strong development. Technology process has made online and mobile banking services more popular. Automation and artificial intelligence are proving to be of previously unheard of value and block chain has spurred and will continue to spur innovation across the board in the

[19] What Is Digital Rupee? How Is It Different from Crypto currency? – Forbes https://www.google.com/url?q=https://www.forbes.com/advisor/in/investing/digital-rupee/%23:~:text%3DThe%2520Reserve%2520Bank%2520of%2520India,a%2520safe%2520store%2520of%2520value.&sa=U&ved=2ahUKEwih0bO-ld6GAxUnUGwGHWIbC2oQFnoECBoQBQ&usg=AOvVaw1-96t9bL8VLsBZtUS2i85y (Visited on May 25,2024)