



## Overview of E-Banking in India

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### Abstract:

Now a day's demand for rapidly growth of Banking Sector so old Banking Services it should adopt electronic banking it's called as E-Banking. E-Banking is the most pioneering trend among the customers in present era of thrust for more expeditious and secured financial services. E-banking is a most important invention in Banking Sectors with the introduction of computers in Indian banks and with the advent of ATM's. The banking Services are provided across the banks. Customers need not necessarily visit the branch to do banking transactions, when the banks provide them with tale-banking or remote-banking facility. That type of banking is called electronic banking. E-banking invention designed for the purposes of online banking it is a safe, fast, easy and efficient. Electronic service 24 hours a day and 07 days a week. Revolution in communications technology has sought to change the face of Banking as it directly affects the speed of transfer of money. Technology in Banking Sector is the most crucial economic reform since 1991. This particular paper presents an overview of E- Banking in India, Concept of E-Banking, Services Covered Under E-banking and advantages and disadvantages of E- Banking.

**Keyword:** E- Banking, ATMs, Credit Card, Tele Banking, Net Banking, HSBC, NEFT

### Introduction:

Old methods of banking is 'On the Counter' (OTC) Means, every bank customer has to enter in bank Premises for banking purpose like a cash withdrawal, cash deposit, Cheque book and DD issue, lone, funds transfer and passbook updating. Now a day's Internet revolution led to e-commerce, e-banking. E- Banking also knows as Internet Banking, Online banking is an electronic payment system that enables customers of bank to conduct range of financial transactions through banks website. E-banking or Online banking is a generic term for the delivery of banking services and products through the electronic channels such as the telephone, the internet, the cell phone etc.

### Definition of E-banking:

"E-banking is a method of banking in which transactions are conducted electronically using computer and Mobiles with the help of Internet."

E-banking is an Easy, safe, fast & efficient electronic service that enables you access to bank account and to carry out online banking services, Twenty hours a day and seven days a week also electronic confirmation for all transactions executed by E-banking.

### Objectives of the study:

The following are the objectives of the study:

1. The First objective of the paper is to study the concepts of E-banking.
2. The Second objective of the paper is to highlight the Services Covered Under E-banking.
3. The Third Objective of the paper is to study the advantages and disadvantages of E-Banking and suggest recommendation Challenges of E-Banking.



### Research Methodology:

This paper is prepared through done with help of the information from secondary data sources that are from various websites, journals, Research articles, newspapers and magazines, Books related to E-banking.

### Services Covered Under E-banking:

Indian Banks offer to their customer Following E-Banking Services...

#### Automatic Teller Machine (ATM):

Inventor John Shepherd-Barron installed the world's first automatic cash dispenser at a Barclays Bank branch near London in 1967. First bank to introduce ATM in India was Hongkong and Shanghai Banking Corporation (HSBC) in 1987 in Mumbai. ATM is electronic machines, which are operated by a customer himself to deposit or to withdraw cash from bank'. ATM card is a plastic card which is magnetically coded. 24 Hours Service, Time Saving, Beneficial for Travellers, Reduces workload of Banks these are Advantage of ATMs.

#### Credit Card:-

Credit card also knows as a 'Plastic Money' because it is made of Plastic which is durable and convenient to carry. A bank enters into an agreement with its customer and issues the customer a credit card. A Credit card is a small plastic card around number of the card holder embossed on it. 'Credit card issued by a financial company giving the card holder an option to borrow funds, usually at point of sale'. Credit Card can be used for Purchase of goods in Shopping Malls, getting services from hotels, railway stations, and airline up to a specified limit. Credit Card is Safer than currying cash.

#### Tele Banking:-

The function of Tele banking services is based on the voice processing facility available with the bank computers. The caller, generally a customer of the bank, will be able to call the bank anytime and enquire balance or transactions history and to transfer funds between accounts.

Tele banking in general is caring out financial transactions using telephone or computers. Telebanking is a secure, fast and convenient way to obtain a range of services by using a telephone without visiting the bank branch e.g. information on account conducts of selected transactions, reports loss of ATM Card, Order cheque Book, Draft. Etc.

"Telebanking refers to the use of a system to allow customers of a bank to process various banking procedures over the Telephone."

#### Net Banking:-

Banks have traditionally been in the forefront of harnessing technology to improve their Products, Services and efficiency. They have over a long Time, been using electronic and telecommunication networks for delivering a wide range of value added products and services with the popularity of personal computers and easy access to Internet and World Wide Web (WWW), Banks increasingly use internet as a channel for receiving instructions and delivering their products and services to their customers

Net Banking makes it easy to transfer on Money from one branch in a particular city to any other branch in city. Net banking also knows an Internet Banking or E-banking.

"Net Banking means using the Internet to access certain banking functions like a fund Transfer, Cash deposits, DD, Card Payments, Recharge, etc.

#### Mobile Banking

#### Phone Banking

#### Smart Cards

#### Core Banking

#### Advantages of E-Banking:-

E-Banking or online banking has increased in popularity over the past few years due to this reason. Now a day's customers don't need to walk down to the banks to get the transactions done. Customers manage almost everything right from their computers, Laptops, and Smarts Phone.



1. Banking done from anywhere so your transactions will take place the way you want.
2. Now time and technology has changed and you have best –in-class banking solutions.
3. Cost effective Banking, you can save your time, banks save papers.
4. It takes just a few seconds, almost like a blink of eye, your transactions are processed.
5. Pay bills of electricity, mobile recharge, D2H recharge, shopping etc.
6. Economy- banking without visiting your bank and cheaper service fees.
7. Easy customization, platform independence.
8. Reduction of Burden on Branch Banking.
9. Banks provided efficient, economic & quality service to Customers.
10. Banks saves a lot of operational cost.

#### **Disadvantages or Challenges of E-Banking:-**

1. Available of Internet connection, Mobile Data, computers, laptops. These are limitations of E-Banking.
2. Online banking lacks security as your card details can be stolen.
3. Keeping yourself busy in online banking for long if you lack the credit score, problems will arise.
4. Customer lack awareness about the safety measures of online banking are ease target for hackers.
5. Keeping records is important like a User Name. Password, e-mail ID ETC.
6. Security risk arises on account of unauthorized access to banks critical information stores like accounting system, risk management system.
7. The Nationalised Banks and commercial Banks have the competition from foreign and new private sector banks.
8. Lack of Proper Infrastructure for the installation of e-delivery channels.

#### **Recommendations:-**

- Banks Organising Seminars & Workshops for Customer
- Create awareness about E-Banking
- Banks should use latest Technology
- Banks Employees should be given special Training for the use of E-Banking
- Provided large numbers of ATMs

#### **Conclusion:**

Now a day E- Banking is need of the Hour.E- Banking is a generic term for delivery of banking services and through electronic channels, such as the telephone, the Internet, the Mobile Phone, etc. While E- banking has improved efficiency and convenience, it has also posed several challenges to the regulators and supervisors. Banks are making earnest efforts to popularise the e-banking services and products. In years to come, e-banking will not only customary mode of banking but will be chosen mode of banking. Above Recommendations provided in this paper are useful for Bank and Customer.

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