



E-BANKING: PRESENT POSITION IN INDIA

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ABSTRACT

we will know how many transactions have been done digitally in India according to the new data. In this paper, we will discuss the types of e-banking. Apart from this, what is the opportunities for E-banking are very important for any country. With this, customers get many facilities, but it also has some concerns and marketers' challenges in the field of e-banking. This paper of ours will be helpful to understand the meaning of e-banking. In this, for e-banking in India, what problems e-banking is facing in India? And what difficulties does it face? India is a unique nation in that more than half of its citizens reside in rural areas. In the Indian village, the network infrastructure is not as good. Although this is not a terrific situation for electronic banking, the government is working to get everyone online. In addition, even those in India who are less educated avoid using online banking. They worry that they might become victims of scam. This essay on e-banking will go over all of these topics and show how some people benefit from it while others continue to avoid it. Many Indians still steer clear of digital banking nowadays. It may not be properly informed for a variety of reasons, including illiteracy, a lack of sufficient resources, and security concerns. Our government's biggest problem is figuring out how to raise it. E-banking will help our nation combat black money if it is created. Our report provides an overview of the state of e-banking in India.

KEYWORDS: E-Banking, RTGS, Digital Era, UPI, India, RBI, Retail banking,

INTRODUCTION

The banking industry plays an important role in today's era. It plays an important role in the progress of a country. If a country wants to develop itself, then it will have to improve its banking system, the better this system of a country, the more will be its potential for development. In a country like India where banks have been nationalized twice. Yet the banking system here is not perfect. Contributes significantly to the economy of any country. The economy of a country will grow quickly only if its banking sector is correct. Thus we can say that banking is the backbone of the country. If we make any changes in this area. So it directly affects our economy. Now banks are moving towards e-banking by reducing traditional banking. E-banking will play an important contribution to the economy of our country. Today's era is the digital age. If our services are as digital as possible, the more we will be able to develop. Now banks have also made many efforts to increase e-banking. The bank is giving good e-banking services not only to the company but also to the common customer. Nowadays everyone wants to save time. Because in today's era time has a lot of value. Every single moment of human life is very important. Now no customer wants to take banking service by standing in line for hours. Now he is using all banking services from his phone. With e-banking, all the work of the customer is being done sitting at home. Now he does not need to go to the bank for small work. E-banking has been successful only because people have got plastic money such as (ATM cards, credit cards, debit cards, and smart cards) besides wallets, internet banking, online passbook, online bank app, and SMS. services, RTGS, and NEFT all these services have contributed significantly to e-banking. These services are e-banking. It is the endeavor of the Reserve Bank that there should be at least cash transactions. RBI is making a lot of

efforts for the country to adopt digital mode on a large scale. The bank has emphasized the payment system in the country. For this, he has also kept security in mind. Thus the bank has done a good and flexible job. Which will make the use of e-banking safe and successful.

A new era has come in e-banking after demonetization. We can say that the people of India have known e-banking since the time demonetization took place. People learned to be cashless from here, apart from this, the Government of India has also introduced apps like BHIM UPI. It has done a great job of making it big by releasing it.

OBJECTIVES

- I. To know the meaning of E-Banking.
- II. To know the types of E-Banking.
- III. To know the latest data on E-banking.
- IV. To know the challenges of E-Banking.
- V. To know the opportunities of E-Banking.

MEANING OF E-BANKING

According to The Editors of Encyclopaedia Britannica¹ Use of computers and telecommunications enable banking transactions to be done by telephone or computer rather than through human interaction. Its features include electronic funds transfer for retail purchases, automatic teller machines (ATMs), and automatic payroll deposits and bill payments. Some banks offer home banking, whereby a person with a personal computer can make transactions, either via a direct connection or by accessing a Web site. Electronic banking has vastly reduced the physical transfer of paper money and coinage from one place to another or even from one person to another.



- VI. According to Business Jargons² E-banking is a blanket term used to indicate a process through which a customer is allowed to carry out, personal or commercial banking transactions using electronic and telecommunication networks. It is a product offered by banks that facilitates online banking, with the help of which the customer can have access to the bank account in just one click. E-banking covers facilities such as – fund transfer, checking account statements, utility bill payments, the opening of a bank account, locating the g nearest ATM, obtaining information on financial products and services, applying for loans, etc. using a personal computer, smartphone, laptop, or personal digital assistant.
- VII. According to Shilpan Vyas³ E-banking is a borderless entity permitting anytime, anywhere, and anyhow banking. This facilitates us with all the functions and many advantages as compared to traditional banking services. During this step of the process, controls that could mitigate or eliminate the identified risks, as appropriate to the organization's operations, are provided. The goal of the recommended controls is to reduce the level of risk to the IT system and its data to an acceptable level
- VIII. According to Shukla R. ⁴ e-banking constitutes an electronic alternative network of payments and benefits of services. The need for the action of electronic alternative channels has been distinguished well in advance by foreign banking organizations, which relied mainly on the outburst that was observed in the use of the internet. The benefits are many, both for the customers and for the banks. The banks that are activated on the Internet are susceptible mainly to systematic, law part and toe reputation risk the customers of the electronic banking channel are puzzled concerning the subject of the safety

of their transactions and personal data. This report aims not only to analyze the meaning of electronic banking and to present all the alternatives providing banking service networks but also to focus on the advantages and on risks that the growth of electronic banking has brought about.

TYPES OF E-BANKING

- I. Money withdrawn through ATM card.
- II. Pay money to shop and your friend through the UPI payment app.
- III. Add Money to your Trading App through Internet Banking.
- IV. Transfer Big Amount from one account to another account through RTGS.
- V. Shopping is done and payment is through Credit Card.
- VI. Check your account balance in the bank app.

GROWTH IN DIGITAL PAYMENT

The payment systems recorded a robust growth of 26.2 percent in terms of volume during 2020-21 on top of the expansion of 44.2 percent in the previous year. In terms of value, the contractionary trend which started in the previous year (-1.2 percent) got further amplified and witnessed a drop of 13.4 percent, mainly due to lower growth observed in the large-value payment system, viz., Real Time Gross Settlement (RTGS) system and decrease in transactions of paper-based instruments. The decline in the value of transactions in RTGS is largely attributable to the subdued economic activity. The share of digital transactions in the total volume of non-cash retail payments increased to 98.5 percent during 2020- 21, up from 97.0 percent in the previous year⁶



Table IX.1: Payment System Indicators – Annual Turnover (April-March)

Item	Volume (Lakh)			Value (₹ Crore)		
	2018-19	2019-20	2020-21	2018-19	2019-20	2020-21
1	2	3	4	5	6	7
A. Settlement Systems						
CCIL Operated Systems	36	36	28	11,65,51,038	13,41,50,192	16,19,43,141
B. Payment Systems						
1. Large Value Credit Transfers – RTGS	1,366	1,507	1,592	13,56,88,187	13,11,56,475	10,55,99,849
Retail Segment						
2. Credit Transfers	1,18,481	2,06,506	3,17,852	2,60,90,471	2,85,62,857	3,35,22,150
2.1 AePS (Fund Transfers)	11	10	11	501	469	623
2.2 APBS	14,949	16,766	14,373	86,226	99,179	1,12,747
2.3 ECS Cr	54	18	0	13,235	5,145	0
2.4 IMPS	17,529	25,792	32,783	15,90,257	23,37,541	29,41,500
2.5 NACH Cr	8,834	11,290	16,450	7,29,673	10,43,212	12,32,714
2.6 NEFT	23,189	27,445	30,928	2,27,93,608	2,29,45,580	2,51,30,910
2.7 UPI	53,915	1,25,186	2,23,307	8,76,971	21,31,730	41,03,658
3. Debit Transfers and Direct Debits	4,914	7,525	10,456	5,24,556	7,19,708	8,72,552
3.1 BHIM Aadhaar Pay	68	91	161	815	1,303	2,580
3.2 ECS Dr	9	1	0	1,260	39	0
3.3 NACH Dr	4,830	7,340	9,630	5,22,461	7,18,166	8,68,906
3.4 NETC (Linked to Bank Account)	6	93	650	20	200	913
4. Card Payments	61,769	72,384	57,841	11,96,888	14,34,814	12,93,822
4.1 Credit Cards	17,626	21,773	17,641	6,03,413	7,30,895	6,30,414
4.2 Debit Cards	44,143	50,611	40,200	5,93,475	7,03,920	6,62,667
5. Prepaid Payment Instruments	46,072	53,318	49,392	2,13,323	2,15,558	1,97,695
6. Paper-based Instruments	11,238	10,414	6,704	82,46,065	78,24,822	56,27,189
Total – Retail Payments (2+3+4+5+6)	2,42,473	3,50,147	4,42,229	3,62,71,303	3,87,57,759	4,15,12,514
Total Payments (1+2+3+4+5+6)	2,43,839	3,51,654	4,43,821	17,19,59,490	16,99,14,234	1471,12,363
Total Digital Payments (1+2+3+4+5)	2,32,602	3,41,240	4,37,118	16,37,13,425	16,20,89,413	14,14,85,173

Note: 1. RTGS system includes customer and inter-bank transactions only.

2. Settlements of CBLO, government securities and forex transactions are through the Clearing Corporation of India Ltd. (CCIL). Government Securities include outright trades and both legs of repo transactions and triparty repo transactions. With effect from November 5, 2018, CCIL discontinued CBLO and operationalised triparty repo under securities segment.

3. The figures for cards are for payment transactions at point of sale (PoS) terminals and online.

4. Figures in the columns might not add up to the total due to rounding off of numbers.

Source: RBI.

<https://m.rbi.org.in/Scripts/AnnualReportPublications.aspx?Id=1322>



CHALLENGES OF E-BANKING IN INDIA

1. There are some Security issues here for example so many hackers create fake websites.
2. People are less educated in India they are not able to use the internet and other things.
3. Some people are not like e-banking they cannot trust e-banking. They followed only the old banking system.
4. So many Banks Charge high transaction charges on e-banking. So people do not try e-banking.
5. In India Internet connectivity is not good.
6. People are not trained in the concept of e-banking

OPPORTUNITIES IN E-BANKING

1. E-banking is useful for digital customers.
2. E-banking is useful for startup s projects.
3. In India most people use atm cards, debit cards, and credit cards which is a big achievement.
4. Every student uses the UPI app.

CONCLUSION

Banking service is very important for any country and its people. This service is what makes our life successful. With the advent of e-banking, our life has become very easy. Without money we are nothing, if we have money then we should also come to meet. If there is no bank So we can't manage our money. Now everything is changing very fast. Now it is the duty of the banks also to give good service. Apart from this, the bank should also take care of the safety of the customer. However, the digital age has arrived. But still many people are away from e-banking. The biggest reason behind this is security. This is an important issue too. Because even today a lot of banking theft happens in India. In which money is withdrawn from the account by stealing the data

of the customer. Banks should make their systems good and safe too.

In this paper, we have learned what is e-banking. How is e-banking necessary for a country and its people? How does a country move forward with this together? We saw in the RBI report how e-banking is developing in India. People of India are becoming digital now. If the war continues to develop in India, then that day is not far when we will become a developed country. This we have known what are the types of e-banking like RTGS, NEFT, UPI, etc. After this, we saw what is the problem with e-banking in India. Where we saw that people are still not aware. People are still afraid of online. After this, we had a brief discussion about the future of e-banking in India. From all these things it is concluded that more work will have to be done in e-banking in India. People have to be made more aware.

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