

E BANKING SERVICES: GROWTH

P Vanitha , Assistant Professor, Department of Commerce SDM Siddhartha Mahila Kalasala,

Venkateswara puram, Vijayawada -520010. Krishna District Andhra Pradesh. (Affiliated to Krishna University,
Machilipatnam)

Abstract

E-Banking is more prevalent in now-a-days. It replaces traditional banking with a single click. The advancement of information technology gives wings to E-Banking for its rapid growth .E-Banking is also known as virtual banking or on-line banking. Through different electronic delivery channels the services of E-banking spread all over the world. The main advantages of E-Banking are cost effectiveness, less paper work, fastness, accurate information. Besides many benefits, it faces a few challenges in security, service quality, phishing etc,. This paper focuses on types of E-Banking services and their growth in recent years.

Key words: E-Banking, Information Technology, Security.

Introduction:

Banking is one of the oldest industries. The word bank is derived from French word "Bancus" or "Banque" i.e., a bench. It is believed that the early banker, the Jews of Lombardy, transacted their business on benches in the market place. Others believe that it is derived from German word "Back" meaning a joint stock fund. The banking history began at about 2000 B.C of the ancient world when merchants made grain loans to farmers and traders started carrying goods between cities. Since then, the banking industry has evolved from a simplest barter system and gift economies of earlier times to a modern complex, globalised, technology driven and internet based e-banking model.

Concept of E-Banking:

Banking functions have undergone a significant change. Banks large scale of information technology has resulted in computerization of branches of banks and their inter-connectivity through safe and reliable networks. Today, all private/ public sector banks are on the threshold of achieving 100 percent computerization of their business resulting in E-Banking.

E-Banking implies performing primary banking transactions by customers round the clock globally through electronic media. In traditional banking, the customers have to visit the bank branch in person to perform the banking operations like balance enquiry, fund transfer and cash withdrawals. On the other hand, E-banking enables the customers to perform the basic banking transactions by sitting at their office or at homes through PC, Laptop, and mobiles. Today's banking is no longer confined to branches.

Review of Literature:

Rupa Rege Nitsure(2012) study reveals that E-Banking is a border less entity permitting anytime ,anywhere, any how banking. And also explains the difference between traditional and E-Banking. N. Jamaluddin (2013) opined that banking transactions are spread across the country by using electronic delivery channels. There is a decrease in prices of mobiles, PCs and internet services boosted the growth of E-Banking in India .Ms Jasdeep kaur (2017) emphasizes that the digitalization of Indian economy and move to turn India into cashless society. The restriction on cash withdrawals of various banks gives strength to adopt E- Banking. Young generation has already adapted to it for convenience and faster movement in banking transactions.

Objectives of the study:

- 1 .To describe the E-banking and its delivery channels as an overview.
2. To understand the growth of E –Banking over 5 years.

Research Methodology: For the study, secondary data sources are taken.

E Banking Services:

The delivery of bank's services to a customer at his office or home or any place by using electronic delivery channels. Some of the services include:

RTGS: The acronym 'RTGS' stands for Real Time Gross Settlement, which can be explained as a system with the continuous and real-time settlement of fund-transfers, individually on a transaction by transaction basis (without netting). 'Real Time' means the processing of instructions when they are received; 'Gross Settlement' means that the settlement of funds transfer instructions occurs individually. The RTGS system is primarily meant for large value transactions. The minimum amount to be remitted through RTGS is ₹ 2,00,000/- with no upper or maximum ceiling .It is available 24x7x365 with effect from December 14, 2020.

NEFT: The National Electronic Funds Transfer (NEFT) is an electronic payment system that facilitates direct one-to-one payments across the country. Using this facility, you can electronically transfer funds from any bank branch to any individual with an account with any other bank branch in the country part of the NEFT scheme. You can also make NEFT transfers using digital modes of internet banking and mobile banking.

DEBIT CARDS: A debit card is a better way of carrying cash or a cheque book. It is an electronic card that one can use as convenient payment mechanism. The card is generally issue by the bank and is connected through the ATM. Debit cards allow the holder to spend only what is in his account and purchases should be kept track of just as if one is writing a cheque. ATM cards or Debit cards as well.

CREDIT CARDS: It is a small plastic card issued to customers. The card entitles its holder to buy goods and services based on the users promise to pay for the goods and services. The most point is that the banker who issues the card grants a line of Credit/ sanctioned limit, upto which the customer can use the card. He may use the card upto the approved limit to borrow money for payment to a merchant or as cash advance to him. Credit cards have been called “plastic money”. The objective is to provide convenience and security that eliminates cumbersome cash transactions and protects the holder from the danger of theft of cash. It is usually an interest free card for 30 to 45 days. Shops, restaurants, railways, hotels, telephone services etc could be paid through credit cards.

Unified Payments Interface (UPI): UPI is a system that powers multiple bank accounts into a single mobile application (of any participating bank), merging several banking features, seamless fund routing & merchant payments into one hood. It also caters to the “Peer to Peer” collect request which can be scheduled and paid as per requirement and convenience.

With the above context in mind, NPCI conducted a pilot launch with 21 member banks. The pilot launch was On 11th April 2016 the pilot launch was done by Dr. Raghuram G Rajan, Governor, RBI at Mumbai. Banks have started to upload their UPI enabled Apps on Google Play store from August 25, 2016 onwards.

Immediate Payment Service: IMPS is an innovative real time payment service that is available round the clock. This service is offered by National Payments Corporation of India (NPCI) that empowers customers to transfer money instantly through banks and RBI authorized Prepaid Payment Instrument Issuers (PPI) across India.

BHIM Aadhar Pay: BHIM Aadhaar Pay enables Merchants to receive digital payments from customers over the counter through Aadhaar Authentication. It allows for any Merchant associated with any acquiring bank live on BHIM Aadhaar Pay , to accept payment from the customer of any bank by authenticating customer's biometrics.

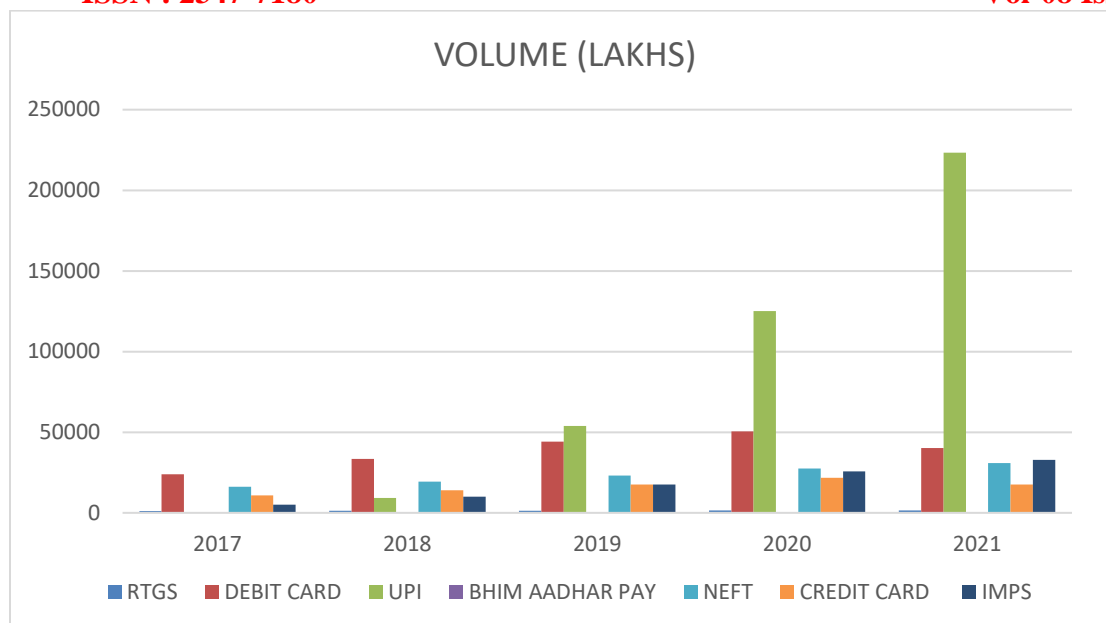
To effect the same, the merchant should have an Android mobile with BHIM Aadhaar app and certified biometric scanner attached with mobile phone/Kiosk/Tablet on USB Port or Micro-ATM/POS, mPOS. Both Customer and Merchant should have their Aadhaar linked to their Bank Account.

Table: Volume of transactions in Lakhs - Different E banking Services

Month/Year	RTGS	DEBIT CARD	UPI	BHIM AADHAR PAY	NEFT	CREDIT CARD	IMPS
2017	1078	23,993	179	0	16,221	10,871	5067
2018	1244	33,434	9,152	20	19,464	14,052	10,098
2019	1366	44,143	53,915	68	23,189	17,626	17,529
2020	1507	50,611	125186	91	27,445	21,773	25,792
2021(May 2021)	1592	40,200	223307	161	30,928	17,641	32,783

Source: Extracted from RBI Annual Reports

Note: BhimAadhar pay started in 2017 and Data for BhimAadhar pay in 2017 not available.



- The illustrative graph above shows the growth of different E Banking Services.
- It reveals that the RTGS volume of transactions increased from 1078 L (2017) to 1592 L (May 2021) i.e, it is a positive growth.
- Debit cards usage which is 23,993 L in 2017 doubled in the year 2020 to 50,611 L.
- UPI is a unique service where the growth tremendously increased from 179 L in 2017 to 2,23,307 as of May 2021.
- BHIM Aadhar pay is newly started which is introduced in the year 2017 only which is increased from 20 L in 2018 to 161 L as of May 2021.
- NEFT is highly used electronic fund transfer service that increased by 16,221 L in 2017 to 30,928 L as of May 2021.
- Credit cards also have a growth of 10,871 L in 2017 to 17,641 L as of May 2021.
- IMPS is the highly used interface where 5067 L only in 2017 which increased upto 32,787 L as of May 2021 which is almost 6 times growth.

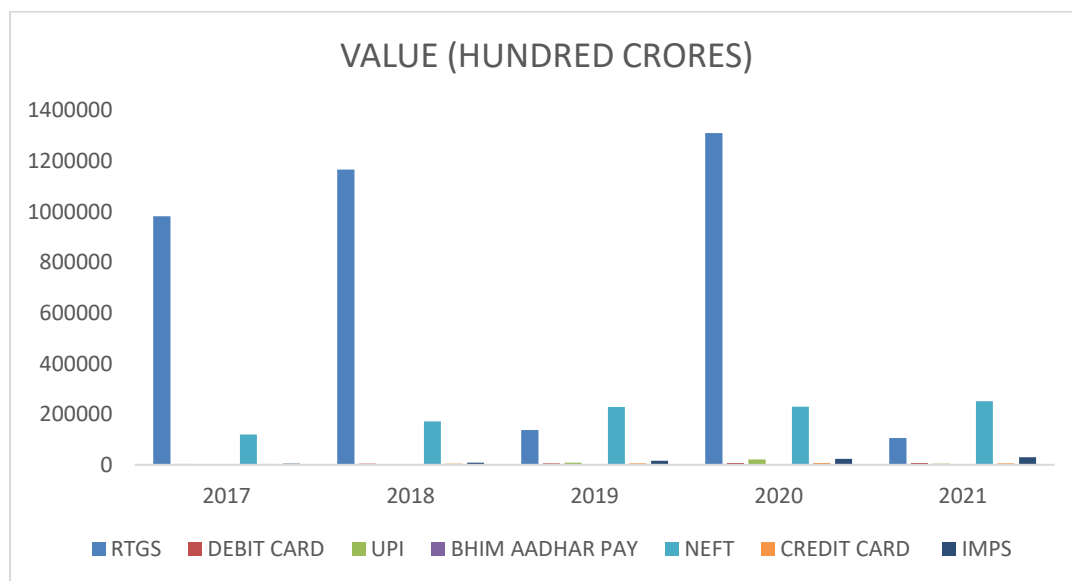
Table: Transaction value in Hundred Crores - Different E banking Services

Month/Year	RTGS	DEBIT CARD	UPI	BHIM AADHAR PAY	NEFT	CREDIT CARD	IMPS

2017	981903.98	3298.85	64.93	0	120038.55	3283.84	4116.55
2018	1167124.8	4600.7	1098.32	0.78	172228.52	4589.65	8924.98
2019	136881.87	5934.75	8769.71	8.15	227936.08	6034.13	15902.57
2020	1311564.8	7039.2	21317.3	13.03	229455.8	7308.95	23375.41
2021	105998.49	6626.67	4103.68	25.8	251309.1	6304.14	29415

Source: Extracted from RBI Annual Reports

Note: BhimAadhar pay started in 2017 and Data for BhimAadhar pay in 2017 not available.



- As reflected in the graph there was a high growth observed in E Banking services from 2017 to May 2021.
- The RTGS value increased from 981903.98 to 105998.49 in hundred crores.
- Debit card value increased from 3298.85 to 6626.67 in hundred crores which were doubled almost.
- UPI service value highly increased from 64.93 to 4,103.68 in hundred crores
- BHIM Aadhar pay started with 0.78 hundred crores and increased to 25.8 hundred crores.
- NEFT also is in increasing trend from 120038.55 to 251309.1 in hundred crores.
- Credit cards usage doubled from 2017 to May 2021 i.e, 3283.84 to 6304.14 in hundred crores.

- IMPS value increased from 4116.55 in 2017 to 29,415 in hundred crores as of may 2021 which is seven times growth in value.

Conclusion:

E Banking services have been used very highly in recent years because of convenience cost, Cost effectiveness, fastness. The usage of Internet is one of the factor which leads to increase in the E Banking growth. Despite advantages some challenges faced by E Banking are service quality, Security risk like identity threat, Hacking, phishing etc. It is concluded that enhancing awareness about E Banking tools and facilitating the protective networks results from safer E Banking.

REFERNCES

- :1. RBI Annual Reports.
- 2..Albuquerque, Anson Leopold,2018 :E-banking its impact on customers an empirical study of selected banks in Goa.
- 3.N. Jamaluddin2017;E-Banking: Challenges and Opportunities in India
4. Meghan Jain& Arunkumar ,2017:An analytical study of E-banking services provided by nationalized and private sectors banks in Ahmednagar district.
5. Ms. Jasdeep Kaur,2015: Growth of E-Banking in India
- 6.V.P.Raju,2014: Influence of technology in banking :A customer centric study with special reference to Kerala.
- 7.. G.palani,2011 :Efficiency of E-banking in public sector banks.
- 8.. Robin kaushal :Impact of E-banking on operational performance and service quality of banking sector in India.
- 9.Rupa Rege Nittsure: E-Banking: challenges and opportunities.
10. Financial sevices Banking and Insurance Text book.
- 11.www.npci.org.in
- 12.www.investopedia.com