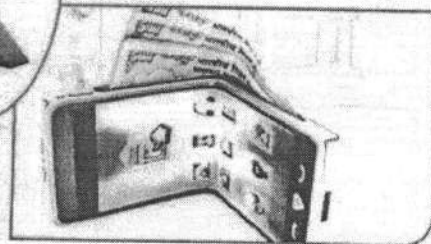
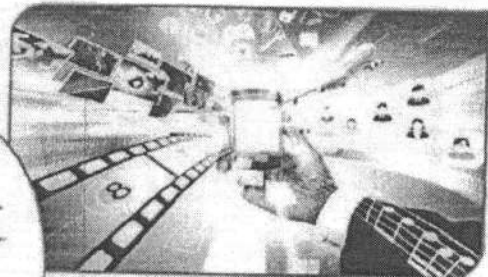
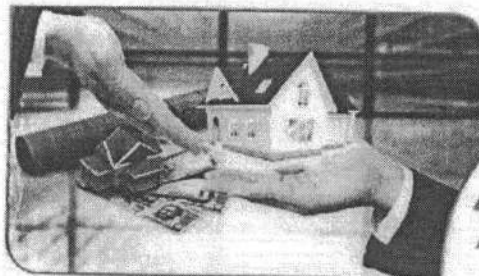


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**NATIONAL SEMINAR
ON
INDIAN BANKING SYSTEM : THE PRESENT SCENARIO**

Organised by

DEPARTMENT OF ECONOMICS

Maratha Vidya Prasarak Samaj's

Karmaveer Shantarambapu Kondaji Wavare Arts, Science and Commerce College,
Uttamnagar, CIDCO, Tal : Nashik, Dist : Nashik.

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E-Banking: Services, Advantages and Challenges.

Prof. R.H.Thakur

M.V.P Samajs Arts, Sci & Commerce College,
Ozar (Mig), Tal. Niphad, Dist. Nashik

Introduction

IT is application of computers and telecommunication equipment to store, retrieve, transmit and manipulate data. Often in the context of a business or other enterprise. The term is commonly used as a synonym for computers and computer networks. But it also encompasses other information distribution technologies such as television and telephones including computer hardware, software, electronics, semi conductors Internet, telecom equipment engineering, healthcare, e-commerce web development technical supports and computer services and many other related occupations. electronic computer using either relays began to appear in the early 1940's

Definition: set of tools process and methodologies i.e. programming, data communication, data conversion storage, retrieval system Analysis and design control and Associated equipment employed to collect, process & present information in multimedia and Telecommunication.

E-Banking

IT has become a necessary tool in today's Banking sector. E-Banking is the term that signifies and encompasses the entire sphere of technology initiatives that have taken place in the banking industry. E-Banking is a generic term making use of electronic channels through telephone, mobile phones, internet ATM, EFT, AFT, ECS, RTGS, SWIFT i.e. from delivery of banking services and products. The concept of scope of E-Banking is still in the transitional stage. E-Banking has broken the barriers of branch banking.

Evolution of E-Banking

E-Banking came into being in UK and USA in 1920. It became prominently popular during 1960. Through electronic Funds Transfers and Credit Cards. The concept of web-based banking came into existence in Europe and USA in the beginning of 1980. It has been estimated that around 40% of banking transaction would be done through Net.

E-banking in India

The Indian banking system has undergone significant technological transformation since the 1980. The Rangrajan committee report in 1980 was the first step towards computerization of banks banks started exploring The idea of 'Total Bank Automation'. In India E-Banking is of fairly origin. The traditional model for banking has been through branch banking only in the early 1990 there has been start of non-branch banking services. The credit of launching internet banking in India goes to ICICI bank, Citibank, HDFC bank followed with internet banking service in 1999 several initiatives have been taken by the Govt. of India as well as the RBI to Facilitate the development of E-banking in India. The Govt of India enacted the IT Act 2000

E-Banking Products and Services

Indian commercial banks have adopted several initiatives and E-banking is one of them. The competition has been especially tough for the public sector banks, as the newly established private

and Foreign be
customers following E

1. Internet Bankin
2. Phone Banking
3. Mobile Bankin
4. Tele-banking
5. Automated Te
6. Electronic Cle
7. Electronic Cle
8. Electronic Fur
9. Smart Cards
10. Door step bar
11. Credit and De
12. Real Time Gr
13. Trade Securit
14. Voice Mail
15. Chip Card
16. Society for w
17. Any where E

Advantages of E-B

- Anywhere Bank for services, iss
- Anytime Banki week according
- Brings down "C
- Cash withdraw online payment
- Innovative, sch banking sector
- Reduces custo reconciliation t
- On-line banki marketing tool services.

Challenge

- a) Infrastructura
 1. Weak Tele-
 2. Software a
 3. Hardware :
 4. Flaws in d

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domestic and Foreign banks are leaders in the adoption of E-Banking Indian banks after to their customers following E-Banking products and Services :

1. Internet Banking
2. Phone Banking
3. Mobile Banking
4. Tele-banking
5. Automated Teller Machines (ATM)
6. Electronic Clearing Cards (ECC)
7. Electronic Clearing Services (ECS)
8. Electronic Funds Transfer System (EFT)
9. Smart Cards
10. Door step banking
11. Credit and Debit Cards
12. Real Time Gross Settlement (RTGS)
13. Trade Securities
14. Voice Mail
15. Chip Card
16. Society for worldwide inter-bank financial Telecommunication (SWIFT)
17. Any where Banking.

Advantages of E-Banking

- Anywhere Banking no matter wherever the customer is in the world. Balance enquiry, request for services, issuing instruction etc., from anywhere in the world is possible.
- Anytime Banking-Managing funds in real time and most importantly, 24 hours a day, 7 days week according to convenience of the customers.
- Brings down "Cost of Banking" to the customer over a period of time.
- Cash withdrawal from any branch / ATM. On-line purchase of goods and services including online payment for the same.
- Innovative, scheme, addresses competition and present the bank as technology driven in the banking sector market.
- Reduces customer visits to the branch and thereby human intervention. Inter-branch reconciliation thereby reducing chances of fraud and misappropriation.
- On-line banking is an effective medium of promotion of various schemes of the bank, a marketing tool indeed. Integrated customer data paves way for individualized and customized services.

Challenge

a) Infrastructural

1. Weak Telecommunication (Fiber optic, satellite networks, and communication bandwidth)
2. Software available in country is not suitable.
3. Hardware available is not sufficient in the country. (PC, ATM, POS, etc.)
4. Flaws in design, implementation and monitoring of Bank's system.

b) Knowledge

1. Limited trained Human Resources
2. Improper use of Technology
3. Lack of Technological knowledge
4. Flaws in design, implementation and monitoring of Bank's information system.

c) Legal and Security

1. Lack and limitation of regulation and law
2. Increased potential of fraud
3. Denial of e-documents in courts
4. Lacking or weak security measures
5. Lack of strong trust environment.

d) Economic

1. Need for heavy investment regarding new infrastructures.
2. Low level Of internet penetration due to high costs.
3. Low level of average income per person and therefore, low ability to achieve omunicatio equipment of India.
4. Outsourcing.

e) Socio-cultural

1. Negative perception of e-banking services.
2. Less awareness and familiarity regarding new technologies and their benefits.
3. illiteracy
4. Charging fees is a reason for the loss of customers.
5. Worry and perception of e-banking as a threat to the bank's employees.

Conclusion

It has no doubt changes the over all pattern of banking system. The banking today is redefined and re engineered with the use of IT and it is sure that the future of banking will offer more sophisticated services to customers with the continuous product and process innovation. Banks should create awareness among people about E-banking product and services. Customers should be made literate about the use of e-banking services. indicators of the challenges of e-banking should be taken in to account to reap the maximum benefits of e-banking in India.

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Objectives

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