

A
PROJECT REPORT
ON

E-BANKING

In partial fulfilment for the award of degree of
BACHELOR OF BUSINESS ADMINISTRATION
IN RANI DURGA VATI VISHWAVIDYALAYA, JABALPUR



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PROF. KALPANA SINGH
Dept. of BBA

Submitted By
M. A. AQUIB KHAN
BBA 3rd Year



GYAN GANGA COLLEGE OF EXCELLENCE

BARGI HILLS, JABALPUR (M.P.)

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HISTORY AND INTRODUCTION OF BANKING

MONETARY

The **history of banking** depends on the history of money—and on grain-money and food cattle-money used from at least 9000 BC, two of the earliest things understood as available to *barter* (Davies), Anatolian obsidian as a raw material for stone-age tools being distributed as early as 12,500 B.C., with organized trade occurring in the 9th millennia.(Cauvin;Chataigner 1998) In Sardinia one of the four main sites for sourcing the material deposits of obsidian within the Mediterranean, trade of this were replaced in the 3rd millennia by trade in copper and silver. The society adapted from relating from one fixed material as valued deposits available for trade to another.

The possibility of stable economic relations was much improved with the change from the reliance on hunting and gathering of foods to agricultural practice, during periods dated as beginning sometime after 12,000 BC, at approximately 10,000 years ago in the Fertile Crescent, in northern China about 9,500 years ago, about 5,500 years ago in Mexico and approximately 4,500 in the eastern parts of the contemporary United States.

HISTORY

The **history of banking** begins with the first prototype banks of merchants of the ancient world, which made grain loans to farmers and traders who carried goods between cities. This began around 2000 BC in Assyria and Babylonia. Later, in ancient Greece and during the Roman Empire, lenders based in temples made loans and added two important innovations: they accepted deposits and changed

money. Archaeology from this period in ancient China and India also shows evidence of money lending activity.

Banking, in the modern sense of the word, can be traced to medieval and early Renaissance Italy, to the rich cities in the north such as Florence, Venice and Genoa. The Bardi and Peruzzi families dominated banking in 14th century Florence, establishing branches in many other parts of Europe. Perhaps the most famous Italian bank was the Medici bank, established by Giovanni Medici in 1397. The oldest bank still in existence is Monte dei Paschi di Siena, headquartered in Siena, Italy, which has been operating continuously since 1472. It is followed by Berenberg Bank of Hamburg (1590).

The development of banking spread from northern Italy throughout the Holy Roman Empire, and in the 16th century the position of the Medicis was eventually taken over by the Fuggers and the Welders, followed by a number of important innovations that took place in Amsterdam during the Dutch Republic in the 17th century, and in London in the 18th century. During the 20th century, developments in telecommunications and computing caused major changes to banks' operations and let banks dramatically increase in size and geographic spread. The financial crisis of 2007–2008 caused many bank failures, including some of the world's largest banks, and provoked much debate about bank regulation.

INTRODUCTION OF BANKING IN INDIA

Banking in India in the modern sense originated in the last decades of the 18th century. The first banks were Bank of Hindustan (1770-1829) and The General Bank of India, established 1786 and since defunct.

The largest bank, and the oldest still in existence, is the State Bank of India, which originated in the Bank of Calcutta in June 1806, which almost immediately became the Bank of Bengal. This was one of the three presidency banks, the other two being the Bank of Bombay and the Bank of Madras, all three of which were established under charters from the British East India Company. The three banks merged in 1921 to form the Imperial Bank of India, which, upon India's independence, became the State Bank of India in 1955. For many years the presidency banks acted as quasi-central banks, as did their successors, until the Reserve Bank of India was established in 1935.

In 1969 the Indian government nationalized all the major banks that it did not already own and these have remained under government ownership. They are run under a structure known as 'profit-making public sector undertaking' (PSU) and are allowed to compete and operate as commercial banks. The Indian banking sector is made up of four types of banks, as well as the PSUs and the state banks, they have been joined since the 1990s by new private commercial banks and a number of foreign banks.

DEFINITION OF BANKING

The word “BANK” is derived from the ‘Bancus’ or ‘Banque’, which means a bench. In the early days the European moneylenders and money changers used to sit on the benches and exhibit coins of different countries in big heaps for the purpose of changing and leading money.

Definition:

A banking company is defined as a company, which transacts the business of banking in India.

As per Banking Regulation Act 1949 Section 5(b):

“Banking means, accepting for the purpose of lending or investment, of deposits of money from the public, repayable on demand or otherwise, and withdrawal by cheque, draft or otherwise.”

According to Sir John Paget:

“No person or body, corporate or otherwise can be a banker who does not, (a) take deposits accounts, (b) take current accounts, (c) issue and pay cheques, (d) collect cheques, crossed and uncrossed, for his customers.

A bank is a financial institution licensed to receive deposits and make loans. Banks may also provide financial services such as wealth management, currency exchange, and safe deposit boxes. There are several different kinds of banks including retail banks, commercial or corporate banks, and investment banks. In most countries, banks are regulated by the national government or central bank.

TYPES OF BANKS

Commercial Bank- These banks are regulated by banking regulation act 1949. They accept the public deposit from the public for the purpose of lending or investment.

Cooperative Bank- Cooperative Banks are undertaken by the State Cooperative Societies Act and give cheap credit to their members. The rural population depended on the cooperative bank for financial backup.

Specialized Bank- This bank provides financial help to special industries and foreign trade etc. Few examples of specialized banks are foreign exchange banks, export & import banks, development banks, and export-import banks, etc.

Central Bank- This bank manages, checks and monitors all the activities of the commercial banks of a country.

Postal savings bank- These banks are oriented with postal services. People save money for a defined period of time and are paid with standard interest rates.

E-Bank - Provides banking facilities only via the internet. There will be no physical contact with the bank. All transactions are permitted only through online.

RESERVE BANK OF INDIA

HISTORY OF RBI

The Reserve Bank of India was founded in 1935, under RBI Act 1934 on the recommendations of John Hilton Young Commission in 1926 which was also called Royal Commission on Indian Currency & Finance), is the central bank of the country & was nationalized w.e.f 01st Jan 1949 and since then it is fully owned by Government Of India. Initially the Central Office of the Reserve Bank of India was established in Calcutta but later on it was permanently moved to Mumbai in 1937.

- The concept of Reserve Bank of India was based on the strategies formulated by Dr. Ambedkar in his book named “The Problem of the Rupee – Its origin and its solution”.
- This central banking institution was established based on the suggestions of the “Royal Commission on Indian Currency & Finance” in 1926. This commission was also known as Hilton Young Commission.
- In 1949, the Reserve Bank of India was nationalized and became a member bank of the Asian Clearing Union.
- RBI regulates the credit and currency system in India.
- The chief objectives of the RBI are to sustain the confidence of the public in the system, protect the interests of the depositors, and offer cost-effective banking services like cooperative banking and commercial banking to the people.

Functions of Reserve Bank of India

Reserve Bank of India works as:

Monetary Authority

- Implementation of monetary policies.
- Monitoring the monetary policies.
- Ensuring price stability in the country considering the economic growth of the country.

Regulator and Administrator of the Financial System

- The RBI determines the comprehensive parameters of banking operations.
- These methods are responsible for the functioning of the country's banking and financial system. Methods such as:
 - License issuing
 - Liquidity of assets
 - Bank mergers
 - Branch expansion, etc.

Managing Foreign Exchange

- RBI manages the FOREX Reserves of India.
- It is responsible for maintaining the value of the Rupee outside the country.
- It aids foreign trade payment.

Issuer of currency

- The Reserve Bank of India is responsible for providing the public with a sufficient supply of currency notes and coins.
- The quality of currency notes and coins is also taken care of by the RBI.
- RBI is in charge of issuing and exchanging currency and coins.
- Also, the destruction of currency and coins that are not fit for circulation.

E-BANKING

INTRODUCTION

Electronic banking is an umbrella term for the process by which a customer may perform banking transactions electronically without visiting a brick-and-mortar institution. The following terms all refer to one form or another of electronic banking: personal computer (PC) banking, Internet banking, virtual banking, online banking, home banking, remote electronic banking, and phone banking. PC banking and Internet or online banking are the most frequently used designations. It should be noted, however, that the terms used to describe the various types of electronic banking are often used interchangeably. Electronic banking is an activity that is not new to banks or their customers. Banks have been providing their services to customers electronically for years through software programs. These software programs allowed the user's personal computer to dial up the bank directly. In the past however, banks have been very reluctant to provide their customers with banking via the Internet due to security concerns. Today, banks seem to be jumping on the bandwagon of Internet banking. Why is there a sudden increase of bank interests in the Internet? The first major reason is because of the improved security and encryption methods developed on the Internet. The second reason is that banks did not want to lose a potential market share to banks that were quick to offer their services on the Internet. Many of the banks like ICICI, HDFC, IndusInd, IDBI, Citibank, Global Trust Bank (GTB), Bank of Punjab and State bank of India(SBI) were offering E-banking services. The analysts' comments that India had a high growth potential for e-banking the players focused on increasing and improving their E-banking services. As a part of this, the banks began to collaborate with functions online. Why is there a sudden increase of bank interests in the Internet? The first major reason is because of the improved security and encryption methods developed on the Internet. The second reason is that banks did

not want to lose a potential market share to banks that were quick to offer their services on the Internet.

E-banking is defined as the automated delivery of new and traditional banking products and services directly to customers through electronic, interactive communication channels. E-banking includes the systems that enable financial institution customers, individuals or businesses, to access accounts, transact business, or obtain information on financial products and services through a public or private network including the Internet. Customers access e-banking services using an intelligent electronic device. The E-banking was firstly introduced in India by the ICICI around 1996. There after many other banks like HDFC, SBI, IDBI, Citibank Trust Banks, UTI, etc followed the service. As today private and foreign bank had started capturing the market through e-banking hence —the competition is heating up and the lack of technology can make a bank lose a customer so now the public banks are breaking the shackles of traditional set-up and gearing up to face the competition posed by the private sector counterparts.

THE GLOBAL E-BANKING SCENARIO

The banking industry is expected to be a leading player in e-business. While the banks in developed countries are working primarily via the Internet as non-branch banks, banks in the developing countries use the Internet as an information delivery tool to improve relationships with customers. In early 2001, approximately 60 percent of e-business in the UK was concentrated in the financial services sector, and with the expected 10-fold increase of the British e-business market by 2004, the share of the financial services will further increase. Around one fifth of Finish and Swedish bank customers are banking online, while in the

US, according to UNCTAD, online banking is growing at an annual rate of 60 percent and the numbers of online accounts are expected to reach 15 million by 2003. Banks have established an Internet presence with various objectives. Most of them are using the Internet as a new distribution channel. Financial services, with the use of the Internet, may be offered in an equivalent quantity with lower costs to the more potential customers. There may be contacts from each corner of the world at any time of day or night. This means that banks may enlarge their market without opening new branches. The banks in the US are using the Web to reach opportunities in three different categories: to market information, to deliver banking products and services, and to improve customer relationships. In Asia, the major factor restricting the growth of e-banking is security, in spite of several countries being well connected via the Internet. Access to high-quality e-banking products is an issue as well. Majority of banks in Asia are just offering basic services compared with those of developed countries. Still, e-banking seems to have a future in Asia. According to the McKinsey survey, e-banking will succeed if the basic features, especially bill payment, are handled well. Bill payment was the most popular feature, cited by 40 percent of respondents of the survey. However, providing this service would be difficult for banks in Asia because it requires a high level of security and involves arranging transactions with a variety of players.

THE INDIAN SCENARIO

Banks in India are at different stages of the web-enabled banking cycle. Initially, a bank, which is not having a website, allows its customer to communicate with it through an email address; communication is limited to a small number of branches

and offices which have access to this email account. As yet, many scheduled commercial banks in India are still in the first stage of Internet banking operations.

With gradual adoption of Information Technology, the bank puts up a web-site that provides general information on the banks, its location, services available e.g. loan and deposits products, application forms for downloading and email option for enquiries and feedback. It is largely a marketing or advertising tool. Vijaya Bank provides information on its web-site about its NRI and other services. Customers are required to fill in applications on the Net and can later receive loans or other products requested for at their local branch. A few banks provide the customer to enquire into his demat account (securities/shares) holding details, transaction details and status of instructions given by him. These websites still do not allow online transactions for their customers.

Some of the banks permit customers to interact with them and transact electronically with them. Such services include request for opening of accounts, requisition for cheque books, stop payment of cheques, viewing and printing statements of accounts, movement of funds between accounts within the same bank, querying on status of requests, instructions for opening of Letters of Credit and Bank Guarantees etc. These services are being initiated by banks like ICICI Bank Ltd., HDFC Bank Ltd. Citibank, Global Trust Bank Ltd., UTI Bank Ltd., Bank of Madras Ltd., Federal Bank Ltd. etc. Recent entrants in Internet banking are Allahabad Bank (for its corporate customers through its 'Allnet' service) and Bank of Punjab Ltd. State Bank of India has announced that it will be providing such services soon. Certain banks like ICICI Bank Ltd., have gone a step further within the transitional stage of Internet banking by allowing transfer of funds by an account holder to any other account holder of the bank.

TYPES OF E-BANKING

TYPES OF E-BANKING

Understanding the various types of Internet banking will help examiners assess the risks involved. Currently, the following three basic kinds of Internet banking are being employed in the marketplace.

Informational

This is the basic level of Internet banking. Typically, the bank has marketing information about the bank's products and services on a stand-alone server. The risk is relatively low, as informational systems typically have no path between the server and the bank's internal network. This level of Internet banking can be provided by the banks or outsourced. While the risk to a bank is relatively low, the server or web site may be vulnerable to alteration. Appropriate controls therefore must be in place to prevent unauthorized alterations to the bank's server or web site.

Communicative

This type of Internet banking systems and the customer. The interaction between the bank's system and the customer. The interaction may be limited to electronic mail, account enquiry, loan applications, or static file updates (name and address change). Because these servers may have a path to the bank's internal networks, the risk is higher with this configuration than with informational systems. Appropriate controls need to be in place to prevent, monitor, and alert management of any unauthorized attempt to access the bank's internal networks and computer systems. Virus controls also become much more critical in this environment.

Transactional

This level of Internet banking allows customers to execute transactions. Since a path typically exists between the server and the bank of the outsorcerer's internal network, this is the highest risk architecture and must have the strongest controls. Customer transactions can include accessing accounts, paying bills, transferring funds etc.

E-BANKING PRODUCTS & SERVICES

E-BANKING PRODUCTS & SERVICES

Electronic banking, also known as electronic fund transfer (EFT), uses computer and electronic technology as a substitute for checks and other paper transactions. EFTs are initiated through devices like cards or codes that let you, or those you authorize, access your account. Many financial institutions use ATM or debit cards and Personal Identification Numbers (PINs) for this purpose. Some use other forms of debit cards and personal Identification Numbers (PINs) for this purpose. Some use other forms of debit cards such as those that require, at the most, your signature or a scan. The federal Electronic Fund Transfer Act (EFT Act) covers some electronic consumer transactions.

Automated Teller Machine (ATM)

An ATM is designed to perform the most important function of a bank. It is operated by a plastic card with its special features. The plastic card is replacing cheque, personal attendance of the customer, banking hours restrictions and paper based verification. There are debit cards. ATMs used as springboards for Electronic Fund Transfer. ATM itself can provide information about customers' accounts and also receive instructions from customers - ATM cardholders. An ATM is an Electronic Fund Transfer terminal capable of handling cash deposits, transfer between accounts, balance enquiries, cash withdrawals and pay bills. It may be on-line or Off-line. The on-line ATN enables the customer to avail banking facilities from anywhere. In off-line the facilities are confined to that particular ATM assigned. Any customer possessing an ATM card issued by the Shared Payment Network System can go to any ATM linked to Shared Payment Networks and perform his transactions.

Credit Cards/Debit Cards

The Credit Card holder is empowered to spend wherever and whenever he wants with his Credit Card within the limits fixed by his bank. Credit Card is a post-paid card. Debit Card, on the other hand, is a prepaid card with some stored value. Every time a person uses this card, the Internet Banking house gets money transferred to its account from the bank of the buyer. The buyers account is debited with the exact amount of purchases. An individual has to open an account with the issuing bank which gives a debit card with a Personal Identification Number (PIN). When he makes a purchase, he enters his PIN on the shop's PIN pad. When the card is slurped through the electronic terminal, it dials the acquiring bank system - either Mastercard or VISA that validates the PIN and finds out from the issuing bank whether to accept or decline the transactions. The customer can never overspend because the system rejects any transaction which exceeds the balance in his account. The bank never faces a default because the amount spent is debited immediately from the customers account.

Smart Card

Banks are adding chips to their current magnetic stripe cards to enhance security and offer new service, called Smart Cards. Smart Cards allow thousands of times of information stored on magnetic stripe cards. In addition, these cards are highly secure, more reliable and perform multiple functions. They hold a large amount of personal information, from medical and health history to personal banking and personal preferences.

Bill payment service

You can facilitate payment of electricity and telephone bills, mobile phone, credit card and insurance premium bills as each bank has tie-ups with various utility companies, service providers and insurance companies, across the country. To pay your bills, all you need to do is complete a simple one-time registration for each biller. You can also set up standing instructions online to pay your recurring bills, automatically. Generally, the bank does not charge customers for online bill payment.

Fund transfer

You can transfer any amount from one account to another of the same or any other bank. Customers can send money anywhere in India. Once you login to your account, you need to mention the payee's account number, his bank and the branch. The transfer will take place in a day or so, whereas in a traditional method, it takes about three working days. ICICI Bank says that online bill payment service and fund transfer facility have been their most popular online services.

Credit card customers

With Internet banking, customers can not only pay their credit card bills online but also get a loan on their cards. If you lose your credit card, you can report the lost card online.

Railway pass

This is something that would interest all the aam janta. Indian Railways has tied up with ICICI bank and you can now make your railway pass for local trains online. The pass will be delivered to you at your doorstep. But the facility is limited to Mumbai, Thane, Nashik, Surat and Pune.

Investing through Internet banking

You can now open an FD online through funds transfer. Now investors with interlinked demat account and bank account can easily trade in the stock market and the amount will be automatically debited from their respective bank accounts and the shares will be credited in their demat account. Moreover, some banks even give you the facility to purchase mutual funds directly from the online banking system.

Nowadays, most leading banks offer both online banking and demat accounts. However if you have your demat account with independent share brokers, then you need to sign a special form, which will link your two accounts.

Recharging your prepaid phone

Now just top-up your prepaid mobile cards by logging in to Internet banking. By just selecting your operator's name, entering your mobile number and the amount for recharge, your phone is again back in action within a few minutes.

Shopping

With a range of all kinds of products, you can shop online and the payment is also made conveniently through your account. You can also buy railway and air tickets through Internet banking.

ADVANTAGES AND DISADVANTAGES OF E-BANKING

ADVANTAGES

We find that there are many advantages of E-banking like:

- Online banking gives more interest rates than any other form of banking and also saves a lot of expenses.
- We can carry out all banking transactions at our own convenience and do not have to depend on normal bank timings.
- Lot of precious time is saved because of e- banking, as transactions are carried out in seconds and we can see the updates immediately.
- Since everything is computerized, we save all the paperwork and we save the trouble of maintaining physical records. There is nothing manual hence the records are perfect and accurate.
- Banks also provide balance alerts if our balance reduces and alerts the customer in case the due date of our bill occurs.
- There are no extra charges and these e-banking services are absolutely free. Previously banks used to charge heavily for all their services.
- There is improvement in customer access, since the bank can access more customers within a short time through the internet.
- The customers can be offered more services through online banking.

DISADVANTAGES

There are also some disadvantages of online banking which restricts people to use this service, like:

- E-banking has reduced the bank to customer personal interaction, since all the transactions are handled by the customer from the internet account there is no personalized banking service which reduces customer to bank interaction.
- When you are entering e-banking instructions there is always a chance that the information may be leaked or your account can be hacked and all your confidential information is leaked. There are many banks that have good security systems to guard such thefts.
- You can access your online banking account by entering your personal identification and your password. This password can be used by anyone to access your account and transfer funds or cause financial problems. Whereas when you are visiting the bank personally your account is handled by the bank staff and therefore your confidential information cannot be viewed by anyone. Also all your instructions are given in writing with your signature, therefore there are less chances of fraud and information leak.
- When you are using internet banking the internet security is a big problem faced by many banks. So the customer must be aware of the security issues and protect their identity and other personal details from hackers.

SECURITY PRECAUTIONS

To make online banking a safe and secure banking experience you need to follow these steps:

- Avoid accessing your account from a cyber café or a shared computer. If you happen to do so then change your password as soon as you finish your banking transaction.
- Every time you finish using your online banking session then sign out from the site rather than just closing the browser.
- Change your internet banking password after your first login and thereafter regularly.
- Use complex and difficult passwords and make it difficult for others to guess.
- Use different id and password for different internet accounts.
- Never share your passwords or login details with anybody.
- View your account daily and check it with your transactions, if there is anything which does not tally with your instructions then inform your bank immediately.

COMPANY PROFILE



State Bank of India

STATE BANK OF INDIA (SBI)

SBI Internet Banking service has made it completely easy for the customers to carry out a number of activities with their bank account. Today, you can check your account balance, get an account statement, make a third party transfer or keep track of your transactions with the help of SBI Bank Internet banking facility. Gone are the days when you had to go to your nearest branch just to update your passbook or make a balance inquiry. SBI Bank online banking service allows the customers to enjoy a number of online products and services that include;

- E-Ticketing
- SBI E-Tax
- Bill Payment
- E-Payment
- Fund Transfer
- Third Party Transfer
- Demand Draft
- Cheque Book Request
- Account Opening Request
- Demat Account Statement
- Donation

OnlineSBI is the SBI Internet Banking website and it offers online access to bank accounts of retail and corporate customers from anywhere and at any time. This banking site is developed by highly talented professionals using the most advanced technologies and tools. OnlineSBI supports unified and safe access to bank accounts with over 11,000 branches of the bank across the country. The site is

certified by Verisign, which is the leading Internet certification authority in the world. With the help of this website, the bank offers a number of corporate and retail banking products and value added services without any hassle.

In order to enjoy the online banking services offered by SBI, you are first required to have a bank account with the bank. Then only you can apply for an internet banking facility. SBI Internet banking application form is easily available at any branch of the bank. In this application form, you will have to enter your account details, personal details and the address where you would like your internet banking kit to be posted. If the net banking kit is available with the bank branch at the time of your application then the bank will offer it immediately. This kit contains your initial Internet banking User ID and Password through which you can login to your account.

SBI Net Banking activation takes 24 hours and you are required to make your login with the user ID and password after 24 hours from when you get the internet banking kit from the bank. You can also search for several internet banking branches of SBI Bank with the help of OnlineSBI. It is recommended that you change your username and password as soon as you login with the details provided in the Internet banking kit.

General Information

- You should register for OnlineSBI with the branch where you maintain the account.
- If you maintain accounts at more than one branch, you need to register at each branch separately.
- Normally OnlineSBI services will be open to the customer only after he/she acknowledges the receipt of password.

- We invite you to visit your account on the site frequently for transacting business or viewing account balances. If you believe that any information relating to your account has a discrepancy, please bring it to the notice of the branch by email or letter.
- In a joint account, all account holders are entitled to register as users of OnlineSBI, but transactions would be permitted based on the account operator rights recorded at the branch. (To begin with the services will be extended only to single or Joint E or S accounts only).
- All accounts at the branch, whether or not listed in the registration form, will be available on the OnlineSBI. However the applicant has the option to selectively view the accounts on the OnlineSBI.

Security

- The Branch where the customer maintains his/her account will assign:
 1. User-id &
 2. Password
- The User-id and Password given by the branch must be replaced by User Name and Password of customer's choice at the time of first log-on. This is mandatory.
- Banks will make reasonable use of available technology to ensure security and to prevent unauthorised access to any of these services. The OnlineSBI service is VERISIGN certified which guarantees that it is a secure site. It means that

1. You are dealing with SBI at that moment.
2. The two-way communication is secured with 256-bit SSL encryption technology, which ensures the confidentiality of the data during transmission.
 - These together with access control methods designed on the site would afford a high level of security to the transactions you conduct. SBI will soon be implementing PKI/Digital Signature.
 - You are welcome to access OnlineSBI from anywhere anytime. However, as a matter of precaution, customers may avoid using PCs with public access.
 - There is no way to retrieve a password from the system. Therefore if a customer forgets his/her password, he/she must approach the branch for re-registration.

DO'S & DON'TS

- The customer should keep his/her ID and password strictly confidential and should not divulge the same to any other person. Any loss sustained by the customer due to non-compliance of this condition will be at his/her own risk and responsibility and the Bank will not be liable for the same in any manner.
- The customer is free to choose a password of his/her own for OnlineSBI services. As a precaution a password that is generic in nature, guessable or inferable personal data such as name, address, telephone number, driving license, date of birth, etc. is best avoided. Similarly it is a good practice to commit the password to memory rather than writing it down somewhere.
- It may not be safe to leave the computer unattended during a valid session. This might give access to your account information to others.

RESEARCH METHODOLOGY

METHODOLOGY AND RESEARCH DESIGN

This exploratory study is conducted in Jabalpur. The city has a large market and overall economic development, which compares favourably with most of the developing city, where the banks are expected to play pivotal roles in the development process.

The city has a large number of subsistence farmers, fishermen and lumbering men, civil servants and a growing profile of entrepreneurship, engaging in saw-milling, cassava and grain processing facilities, printing and publishing, and education.

One of the primary concerns of this paper is to identify the important parameters affecting the development of e- banking. To determine the dimensions of e-banking and its challenges, a questionnaire survey was conducted. The questionnaire consists of 16 questions. The first 6 questions concerning the demographic profile of the respondents and the next 10 questions in seven specific sections related to different challenges in order to explore the respondent's perceptions about the challenges and obstacles for development of e-banking in India.

Data Collection

Data collection is the process of gathering and measuring information on variables of interest, in an established systematic fashion that enables one to answer stated research questions, test hypotheses, and evaluate outcomes. The data collection component of research is common to all fields of study including physical and social sciences, humanities, business, etc. While methods vary by discipline, the emphasis on ensuring accurate and honest collection remains the same.

The importance of ensuring accurate & appropriate data collection Regardless of the field of study or preference for defining data (quantitative, qualitative),

accurate data collection is essential to maintaining the integrity of research. Both the selection of appropriate data collection instruments (existing, modified, or newly developed) and clearly delineated instructions for their correct use reduce the likelihood of errors occurring.

- Consequences from improperly collected data include
- inability to answer research questions accurately
- inability to repeat and validate the study
- distorted findings resulting in wasted resources
- misleading other researchers to pursue fruitless avenues of investigation
- compromising decisions for public policy
- causing harm to human participants and animal subjects

While the degree of impact from faulty data collection may vary by discipline and the nature of investigation, there is the potential to cause disproportionate harm when these research results are used to support public policy recommendations.

DATA ANALYSIS AND INTERPRETATION

DATA ANALYSIS

Keeping in view the nature of requirements of the study to collect all the relevant information regarding the extent of awareness of the customers using E-banking facilities offered by the bank, direct personal interview method with structured questionnaires was adopted for the collection of primary data. Secondary data has been collected through the various internet sites by surfing on the Internet and from the records available with the bank.

SECONDARY DATA

- Articles on E-Banking taken from journals, magazines published from time to time.
- Through the internet.

PRIMARY DATA

Questionnaire was used to collect primary data from respondents. The questionnaire was structured type and contained questions relating to different dimensions of e-banking preferences among service classes such as level of usage, factors influencing the usage of e-banking services, benefits accruing to the users of e-banking services, problems encountered. An attempt was also made to elicit reasons for its non-usage. The questions included in the questionnaire were open-ended and offered multiple choices.

SAMPLE SIZE

It indicates the numbers of people to be surveyed. Though large samples give more reliable results than small samples but due to constraint of time and money, the sample size was restricted to 100 respondents.

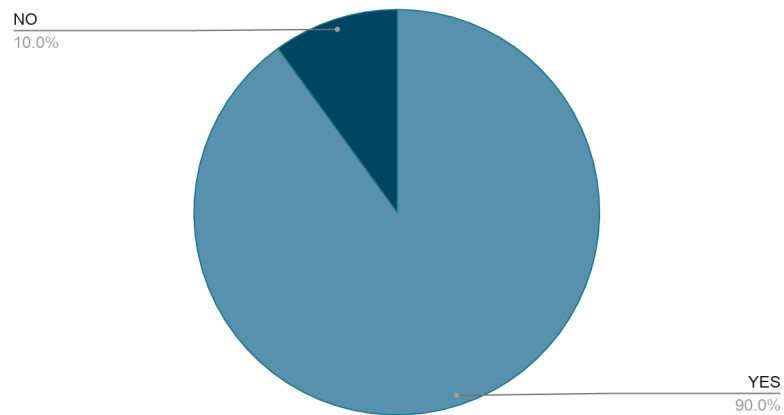
Area:- SBI Main Branch, South Civil Lines, Jabalpur, M.P.

Date:- 08/01/2021-10/01/2021

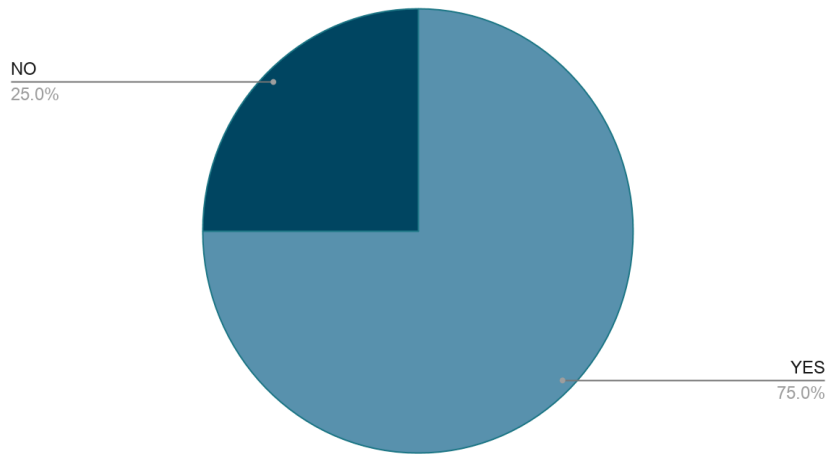
Approached:- 152 Respond:- 100 Rejection:- 52

DATA INTERPRETATION

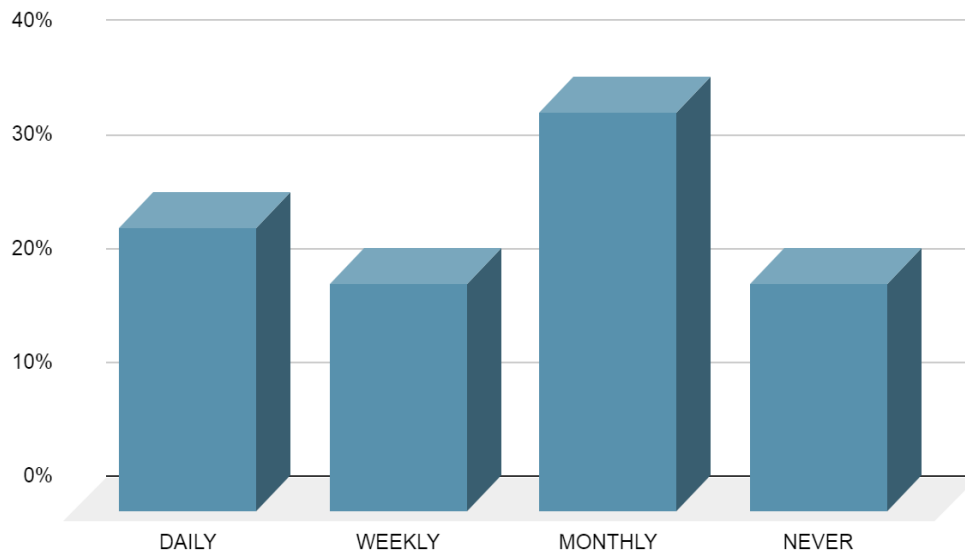
DO YOU KNOW ABOUT E-BANKING?



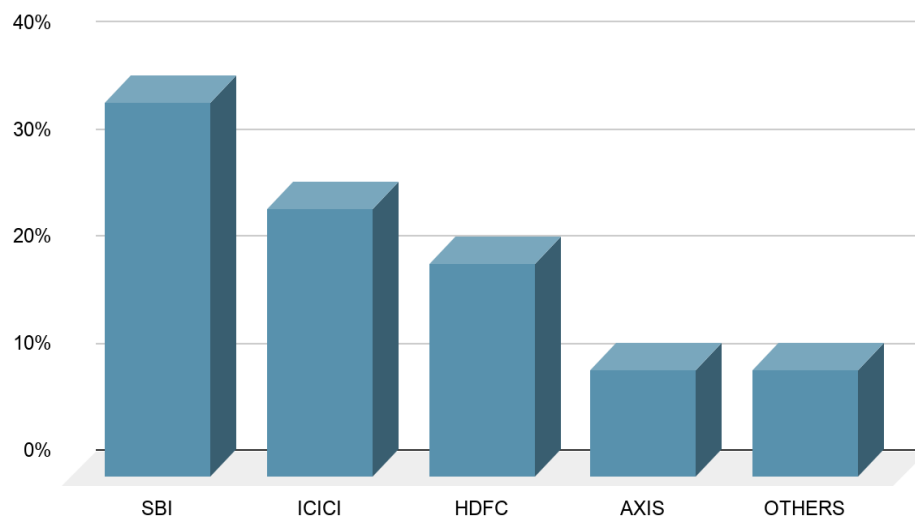
DO YOU USE E-BANKING?



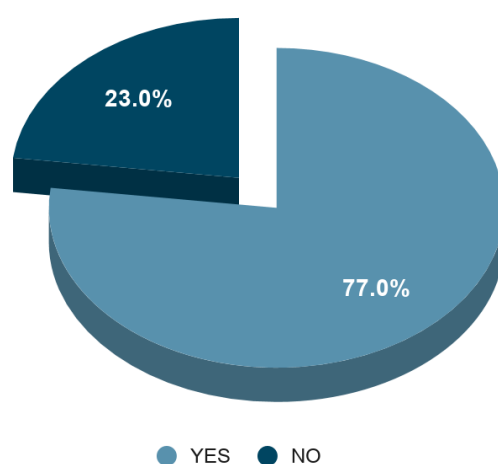
HOW OFTEN DO YOU USE E-BANKING?



WHICH BANK DO YOU PREFER?



ARE YOU SATISFIED WITH E-BANKING?



EMERGING CHALLENGES

CHALLENGES AND INDICATORS OF E-BANKING

- Infrastructural barriers are one of the challenges for implementation and development of e-banking.
- Knowledge barriers are one of the challenges for implementation and development of e- banking.
- Legal and security issues are one of the challenges for implementation and development of e-banking.
- Social and cultural barriers are one of the challenges for implementation and development of e-banking.
- Economic factors are one of the challenges for implementation and development of e- banking.
- Management and banking issues are one of the challenges for implementation and development of e-banking.

CONCLUSION

CONCLUSION

This study attempted to identify key quality attributes of internet banking services by analyzing internet banking customers & their comments on banking experience. The findings of this study show that despite many advantages of online banking. People still consider it as an alternative for analyzing their bank records. Although every bank today provides the facility of online banking, most people use it only once a month. This reason is that in the case of internet banking interpersonal interaction with customers is seldom possible. Identification & measurement of customer's expectations of the internet banking services provide a frame of reference & their related quality dimension.

The main factors which persuade people to use online banking are comfort & convenience & the facility which attracts them most is quality & quantity of information. Therefore the implementation of quality initiatives should begin with defining customer's needs & preferences & their related quality dimensions. There is still a lot needed for the banking system to make reforms and train their customers for using the internet for their banking account. Going through the survey the main problem lies that still customers have a fear of hacking of accounts and thus do not go on for internet banking. Banks are trying their level best by providing the best security options to the customers but then there are a lot of factors which betrays a customer from opening an internet bank account.

Banks are providing free internet banking services also so that the customers can be attracted. By asking the bank employees we came to know that the maximum numbers of internet bank account holders are youth and businessmen. E-Banking is an innovative tool that is fast becoming a necessity. It is a successful strategic weapon for banks to remain profitable in a volatile and competitive market place of

today. If proper training should be given to customers by the bank employees to open an account will be beneficial. Secondly the website should be made friendlier from where the first time customers can directly make and access their accounts. In future, the availability of technology to ensure safety and privacy of e-transactions and the RBI guidelines on various aspects of internet banking will definitely help in rapid growth of internet banking in India.

RECOMMENDATIONS

RECOMMENDATIONS

We can see the time is changing and with the passage of time people are accepting technology there is still a lot of perceptual blocking which hampers the growth it's the normal tendency of a human not to have changes work on the old track, that's also one of the reasons for the slow acceptance of e-banking accounts.

- Banks should obey the RBI norms and provide facilities as per the norms, which are not being followed by the banks. While the customer must be given the prompt services and the bank officer should not have any fear in mind to provide the facilities as per RBI norms to the units going sick.
- Internet banking facilities must be made available in all branches of banks.
- Each section of these Banks should be computerized even in rural areas also.
- Personalized banking should be given a thrust as more and more banks are achieving in usual services.
- Covering up the towns in rural areas with ATMs so that the people in those areas can also avail better services.
- Prompt dealing with permanent customers and speedy transactions without harassing the customers.
- Fair dealing with the customers. More contributions from the employees of the bank. The staff should be co-operative, friendly and must be capable of understanding the problems of the customers.
- Give proper training to customers for using e-banking

- Create a trust in mind of customers towards security of their accounts
- Provide a platform from where the customers can access different accounts at single time without extra charge.
- Make their sites more user friendly. Customers should be motivated to use E-banking facilities more.

ANNEXURE

QUESTIONNAIRE

Name of Participant :-

Age :-

Occupation:-

Address :-

Contact No :-

Email :-

Q1)Do you know about E-banking?

☐ Yes ☐ No

Q2)Do you use E-banking?

☐ Yes ☐ No

Q3)How often do you use E-banking?

☐ Daily ☐ Weekly ☐ Monthly ☐ Never

Q4)Which bank do you prefer?

☐ SBI ☐ ICICI ☐ HDFC ☐ AXIS ☐ Other

Q5)Why this bank?

☐ Service is good ☐ They provide security ☐ Cheaper service Fees

Q6)Which of the following E-Banking services are you aware of?

☐ Internet Banking ☐ Mobile Banking ☐ Phone Banking ☐ Debit Cards

Q7)Do you feel the E-Banking system of the bank is customer friendly?

☐ Yes ☐ No

Q8)Do you think it Saves time?

☐ Yes ☐ No

Q9)Do you think E-Banking is safe?

☐ Yes ☐ No

Q10)Any particular safety measure that your bank uses?

--

Q11)How banks provide E-Banking Details to you?

☐ Via SMS ☐ EMail ☐ Brochures ☐ Others

Q12)Do you trust the security of online banking services?

☐ Yes ☐ No

Q13)Do you think human contact is important for banking relations?

☐ Yes ☐ No

Q14)What are the main disadvantages of visiting a bank branch?

☐ Waiting ☐ Distance ☐ Opening Times ☐ Quality of Service

Q15)Have you ever visited your bank branch since you started using online banking?

☐ Yes ☐ No

Q16)Are you satisfied with using E-Banking?

☐ Yes ☐ No

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I am thankful to all the faculty members of Gyan Ganga College of Excellence also for their help and valuable suggestions.

NAME : - Mohammad Abdul Aquib Khan

BBA 3rd Year

Place: JABALPUR

Date:

DECLARATION

I **Mohammad Abdul Aquib Khan** do hereby declare that the project entitled **E-BANKING** is an original work carried out by me under the guidance of **Prof. Kalpana Singh** in partial fulfilment of Bachelor of Business Administration during the academic year 2018-2021.

All the data represented in this project is true and correct to the best of my knowledge and belief. This work has not been submitted for any other degree exam elsewhere.

Name : - **Mohammad Abdul Aquib Khan**

BBA 3rd Year

Place: JABALPUR

Date:

GYAN GANGA COLLEGE OF EXCELLENCE

BARGI HILLS, JABALPUR, (M.P.)



CERTIFICATE

This is to certify that **Mohammad Abdul Aquib Khan** BBA 3rd Year student of **GYAN GANGA COLLEGE OF EXCELLENCE, JABALPUR** has prepared the project titled **E-BANKING** which is being submitted herewith for the practice of Partial fulfillment of Bachelor of Business Administration R.D.V.V., Jabalpur for the year 2018-2021.

It has been duly completed as a record of benefice work in practice of Finance G.G.C.E, Jabalpur, (M.P.)

Dr. Kirti Vishwakarma

(Principal)

G.G.C.E, Jabalpur, (M.P.)

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Prof. Kalpana Singh
(Dept. of BBA)
G.G.C.E, Jabalpur, (M.P.)