INTRODUCTION

In India e-banking is of fairly recent origin. The traditional model for banking has been through branch banking. Only in the early 1990s there has been start of non-branch banking services. The good old manual systems on which Indian Banking depended upon for centuries seem to have no place today. The credit of launching internet banking in India goes to ICICI Bank. Citibank and HDFC Bank followed with internet banking services in 1999. Several initiatives have been taken by the Government of India as well as the Reserve Bank to facilitate the development of banking in India. The Government of India enacted the IT Act, 2000 with effect from October 17, 2000 which provided legal recognition to electronic transactions and other means of electronic commerce. The Reserve Bank is monitoring and reviewing the legal and other requirements of e-banking on a continuous basis to ensure that e-banking would develop on sound lines and e-banking related challenges would not pose a threat to financial stability.

A high level Committee under chairmanship of Dr. K.C. Chakrabarty and members from IIT, IIM, IDRBT, Banks and the Reserve Bank prepared the „IT Vision Document- 2011-17”, for the Reserve Bank and banks which provides an indicative road map for enhanced usage of IT in the banking sector. To cope with the pressure of growing competition, 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 sector and foreign banks are leaders in the adoption of e-banking. Indian banks offer to their customers following e-banking products and services:

- Automated Teller Machines (ATMs)
- Internet Banking
- Mobile Banking
- Phone Banking
- Telebanking
- Electronic Clearing Services
- Electronic Clearing Cards
- Credit Cards
Debit Cards
Electronic Fund Transfer

The three broad facilities that e-banking offers are:

- **Convenience** - Sitting at home you can do complete banking transactions at your convenience.
- **No more Qs** - There are no queues at an online bank.
- **24x7 service** - Bank online services is provided 24 hours a day, 7 days a week and 52 weeks a year.

Electronic Banking is defined as “the use of technology to communicate instructions and receive information from a financial institution where an account is held. This service includes the system that enables financial institution customers, individuals or business to access accounts, transact business, or obtain information on financial products and services through a public or private network”. However, Electronic banking has experienced tremendous growth in many countries especially India and today it has transformed the traditional banking practice. Currently, electronic banking in cities like Mumbai has changed the way of services as delivered by the banking sectors to their customers. Electronic banking services, has lower operating costs, improve customer services deliver, retain customer, reduce branch traffics, and downsize the number of branch staff.

Banking has come a long way from the time of ledger cards and other manual filing systems. Most of the banks today have electronic systems to handle their daily voluminous tasks of information retrieval, storage and processing. Irrespective of whether they are automated or not, banks by their nature are continually involved in all forms of information management on a continuous basis. The computer is, of course, an established tool for achieving a competitive edge and optimal resource allocation. Competition and the constant changes in technology and lifestyles have changed the face of banking. Nowadays, banks are seeking alternative ways to provide and differentiate amongst their varied services. Customers, both corporate as well as retail, are no longer willing to queue in banks, or wait on the phone, for the most basic services. They demand and expect to be able to transact their financial dealings where and when they wish to. With the number of computers increasing and new technology development take place every
year, the electronic delivery of banking services is becoming the ideal way for the banks to meet their clients’ expectations.

E-banking refers to the effective deployment of IT by the banks. It is about using the infrastructure of the digital age to create opportunities - both local and global. It enables the dramatic lowering of transaction costs and the creation of new types of banking opportunities that address the barriers of time and distance. Banking opportunities are local, global and immediate in e-banking. The current web based variant of banking is the latest of several generations of systems: ATM was the first well-known machines to provide electronic access to customers of retail banks. With advent of ATM, banks are able to serve customers outside the banking hall. Next came phone banking where users call their bank’s computer system on their ordinary phone and use the phone keypad to perform banking transactions. PC banking superseded phone banking and allowed users to interact with their bank by means of a computer with a dialup modem connection to the phone network. PSBs, which are the foundation of the Indian banking system, account for more than 78 per cent of the assets of total banking industry. Unfortunately, they are burdened with excessive NPAs, massive manpower and lack of modern technology. On the other hand, the PSIBs and PSFBs in India are witnessing immense progress. They are leaders in Internet banking, mobile banking, phone banking, ATMs. Given this background, it is interesting to analyze the e-banking scenario in India. In a quest to seek an answer, the present study is undertaken with specific research objectives.