

**Project Report**  
**ON**  
**A STUDY REPORT ON ROLE OF IT IN BANKING SECTOR**

**Submitted to**  
**G.S. College of Commerce & Economics**  
**Nagpur**

In partial fulfillment for the award of the degree of

**Bachelor of Business Administration**

**Submitted by**  
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**Under the Guidance of**  
**DR. PRAGATI R PANDEY**

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**G.S. College of Commerce & Economics, Nagpur**



**Academic Year 2021 – 22**

**G.S. College of Commerce & Economics, Nagpur****Academic Year 2021 – 22****CERTIFICATE**

This is to certify that **SANJANA RAVI DARWADE** has submitted the project report titled **A STUDY REPORT ON ROLE OF IT IN BANKING SECTOR** towards partial fulfillment of **BACHELOR OF BUSINESS ADMINISTRATION** degree examination. This has not been submitted for any other examination and does not form part of any other course undergone by the candidate. It is further certified that he/she has ingeniously completed his/her project as prescribed by Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur.

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**G.S. College of Commerce & Economics, Nagpur**



**Academic Year 2021 – 22**

**DECLARATION**

**I here-by declare that the project with title A STUDY REPORT ON ROLE OF IT IN BANKING SECTOR has been completed by me in partial fulfillment of BACHELOR OF BUSINESS ADMINISTRATION degree examination as prescribed by Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur and this has not been submitted for any other examination and does not form the part of any other course undertaken by me.**

**SANJANA RAVI DARWADE**

**Place: NAGPUR**

**Date:**

**G.S. College of Commerce & Economics, Nagpur****Academic Year 2021 – 22****ACKNOWLEDGEMENT**

With immense pride and sense of gratitude, I take this golden opportunity to express my sincere regards to Dr.N.Y.Khandait, Principal, G.S. College of Commerce & Economics, Nagpur.

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**SANJANA RAVI DARWADE****Place: NAGPUR****Date:**

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# **INTRODUCTION**

## WHAT IS BANK??



Banks are a very important part of the economy because they provide vital services for both consumers and businesses. As financial services providers, they give you a safe place to store your cash. Through a variety of account types such as checking and savings accounts, and certificates of deposit (CDs), you can conduct routine banking transactions like , withdrawals, check writing, and bill payments. You can also save your money and earn interest on your investment. The money stored in most bank accounts is federally insured by the Federal Deposit Insurance Corporation (FDIC)

- A bank is a financial institution licensed to receive deposits and make loans.
- There are several types of banks including retail, commercial, and investment banks.
- In most countries, banks are regulated by the national government or central bank.

## Evolution of Banking

Despite the enormous changes the banking industry has undergone through during the past 20 years let alone since 1943 one factor has remained the same the fundamental nature of the need customers has for banking services. However, the framework and paradigm with in which these services are delivered has changed out of recognition. It is clear that people's needs have not changed, and neither has the basic nature of banking services people require. But the way banks meet those needs is completely different today.

They are simply striving to provide a service at a profit. Banking had to adjust to the changing needs of societies, where people not only regard bank account as a right rather than a privilege, but also are aware that their business is valuable to the bank, and if the bank does not look after them, they can take their business .

Indeed, technological and regulatory changes have influenced the banking industry during the past 20 years so much so that they are the most important changes to have occurred in the banking industry, apart from the ones directly caused by the changing nature of the society itself. In this book, technology is used interchangeably with information and communication technologies together with computer science. The relationship between banking and technology is such that nowadays it is almost impossible to think of the former without the latter.

Technology is as much part of the banking industry today as a ship's engine is part of the ship. Thus, like a engine, technology drives the whole thing forward. Technology in banking ceased being simply a convenient tool for automating processes. Today banks use technology as a revolutionary means of delivering services to customers by designing new delivery channels and payment systems.

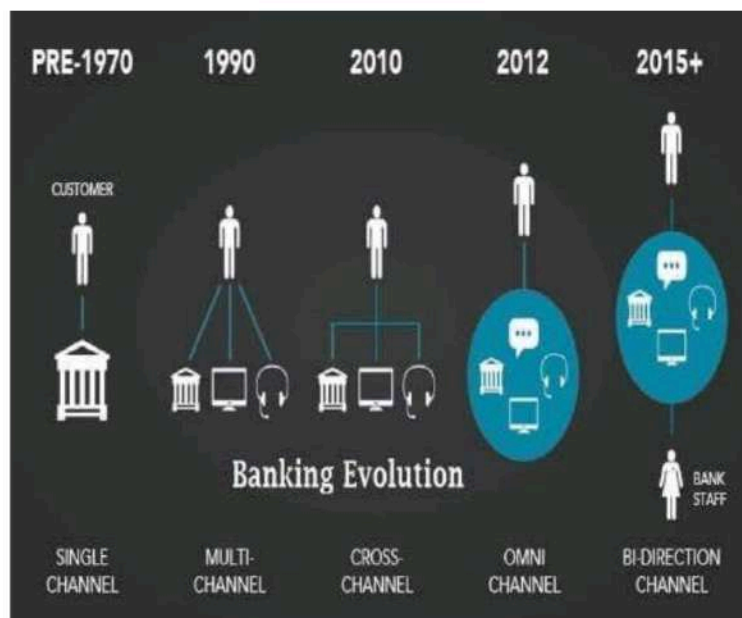
For example, in the case of ATMs, people realized that it was a wrong approach to provide the service as and additional convenience for privileged and wealthy customers should be offered to the people who find it difficult to visit the bank branch. Further, the cost of delivering the services through these channels is also less. Banks then went on to create collaborative



ATM networks to cut the capital costs of establishing ATM networks, to offer services to customers at convenient locations under a unified banner (Engler & Eslinger, 2000). People interact with banks to obtain access to money and payment systems they need. Banks in fact, offer only what might be termed as a secondary level of utility to customers, meaning that customers use the money access that banks provide as a means of buying the things they really want from retailers who offer them a primary level of utility.

Customers, therefore, naturally want to get the interaction with their bank over as quickly as possible and then get on with doing something they really want to do or with buying something they really want to buy. That explains why new types of delivery channels that allow rapid, convenient, accurate delivery of banking services to customers are so popular.

Nowadays, customers enjoy the fact that their banking chores are done quickly and easily. The kind of enormous and far-reaching developments discussed above have taken place along with the blurring of demarcations between different types of banking and financial industry activities.



1. Governments have implemented philosophies and policies based on an increase in competition in order to maximize efficiency. This has resulted in the creation of large new financial institutions that operate simultaneously in several financial sectors such as retail, wholesale, insurance, and asset management.
2. New technology creates an infrastructure allowing a player to carry out a wide range of banking and financial services, again simultaneously.
3. Banks had to respond to the increased prosperity of their customers and to customers desire to get the best deal possible. This has encouraged banks to extend their activities in to other areas.
4. Banks had to develop products and extend their services to accommodate the fact that their customers are now far more mobile. Therefore, demarcations are breaking down.
5. Banks have every motivation to move into new sectors of activity in order to try to deal with the problem that, if they only offer banking services, they are condemned banks realized the convenience of ATMs, new services started to be added.

## WHAT IS IT?



Information technology (IT) is the use of any computers, storage, networking and other physical devices, infrastructure and processes to create, process, store, secure and exchange all forms of electronic data. Typically, IT is used in the context of business operations, as opposed to technology used for personal or entertainment purposes. The commercial use of IT encompasses both computer technology and telecommunications.

Information technology is also a branch of computer science, which can be defined as the overall study of procedure, structure, and the processing of various types of data. As this field continues to evolve across the world, the overall priority and importance has also grown, which is where we begin to see the introduction of computer science-related courses in K-12 education. However, concerns have been raised about this fact that most schools are lacking advanced-placement courses in this field

The phrase “information technology” goes back to a **1958 article** published in the Harvard Business Review. Authors **Harold J. Leavitt** and **Thomas L. Whisler** defined several types of information technology:

- Techniques for the fast processing of information.
- The use of statistical and mathematical models for decision-making.
- The “simulation of higher-order thinking through computer programs.

## IT IN BANKING SECTOR



In the development of Indian Economy, Banking sector plays a very important and crucial role. With the use of technology there had been an increase in penetration, productivity and efficiency. The banking sector has embraced the use of technology to serve its clients faster and also to do more with less. Emerging technologies have changed the banking industry from paper and branch based banks to digitized and networked banking services. Unlike before, broadband internet is cheap and it makes the transfer of data easy and first. Technology has changed the accounting and management system of all banks.

Information technology refers to the acquisition, processing, storage and dissemination of all types of information using computer technology and telecommunication systems. Information technology architecture is an integrated framework for acquiring and evolving IT to achieve strategic goals. The branches are running on the concept of 24 X 7 working, made possible by the use of Tele banking, ATMs, Internet banking, Mobile banking and E -banking. These technologies driven delivery channels are being used to reach out to maximum number of customers at lower cost and in most efficient manner. The beauty of these banking innovations is that it puts both banker and customer in a win- win situation. Effective use of technology has a multiplier effect on growth and develop.

With the globalization trends in all over world it is difficult for any nation big or small, developed or developing, to remain isolated from what is happening around. For a country like India, which is one of the most promising emerging markets, such isolation is nearly impossible. More particularly in the area of Information technology, where India has definitely an edge over its competitors, remaining away or uniformity of the world trends is untenable. Financial sector in general and banking industry in particular is the largest spender and beneficiary from information technology. This end your to relate the international trends in it with the Indian banking industry.

The last lot includes possibly all foreign banks and newly established Private sector banks, which have fully computerized all the operations. With these variations in the level of information technology in Indian banks, it is useful to take account of the trends in Information technology internationally as also to see the comparative position with Indian banks. The present article starts with the banks perception when they get into IT up gradation. All the trends in IT sector are then discussed to see their relevance to the status of Indian banks.

The banking sector is the most dominant sector of the financial system in India. Significant progress has been made with respect to the banking sector in the post liberalization period .The financial health of the commercial banks has improved manifolds with respect to capital adequacy, profitability, and asset quality and risk management. Further, deregulation has opened new opportunities for banks to increase revenue by diversifying into investment banking, insurance, credit cards, depository services, mortgage, securitization, etc Liberalization has created a more competitive environment in the banking sector . During the recent years, the pace and quality of banking was changed by the technological advancements made in this area. Computerization as well as the adoption of core banking solution was one of the major steps in improving the efficiency of banking services. The process of computerization of the banking sector continued.

Technology is helping the Indian Banks to create to customer needs in a much more efficient manner continuous and error free services to customer. with the help of computerization and the use of modern software.

which can be called the gift of technology the banks have been able to provide single window system to their customers. we lack the infrastructure facility for providing internet services but with the IT ministry keen on expanding the Internet penetration the day is not too far when greater part of our population would be using the internet banking facilities.

In India ICICI bank was the pioneer to introduce internet banking and later Citibank HDFC bank and other banks followed the suit PSU banks have lagged far behind in adoption of the internet banking facilities. But STATE BANK OF INDIA which entered the arena of ATM banking quit late was able to expand at a rapid pace and cover almost all the cities of India. Now ATM banking has become an integral part of traditional cheque or withdrawal based banking These services have helped the PSU banks to maintain their customers.

Now money is transferred more in electronic form than in physical form with the cost of PC fast declining facilities for net banking and the faster developments in the telecommunication sector would be helping in the adoption of new technology and IT based banking services

The Banks India are using Information Technology (IT) not only to improve their own internal process but also to increase facilities and services to their customers, Bank today have become synonymous with technology and have leveraged IT in all areas of governance operations and control. Effectively use of Technology has facilitated and accurate and timely management of the increased volume of banks that comes with a larger customer base.

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## **BENEFITS OF IT**



Information Technology enables sophisticated product development, better market infrastructure, implementation of reliable techniques for control of risks and helps the financial intermediaries to reach geographically distant and diversified markets. Internet has significantly influenced delivery channels of the banks. Internet has emerged as an important medium for delivery of banking products and services.

The customers can view the accounts; get account statements, transfer funds and purchase drafts by just punching on few keys. The smart card's i.e., cards with microprocessor chip have added new dimension to the scenario. Collection of Electricity bills and telephone bills has become easy.

No doubt banking services have undergone drastic changes and so also the expectation of customers from the banks has increased greater.

**Operational Excellence:**

The use technology for efficiency doing things Wright in the least amount of time, with the fewest number of errors, and so on.

**Major Business Initiative:**

The use of technology to support initiatives such as customer relationship management, enterprises resources planning, sales for automation, and supply change management.

**Supply Change Management (SCM):**

An IT system that supports supply chain management activities by automating the tracking of inventory and information among business processes and across companies.

**Customer Relationship Management (CRM):**

CRM consists of the processes a company uses to track and organize its contacts with its current and prospective customers. CRM software is used to support these processes; information about customers and customer interactions can be entered, stored and accessed by employees in different company departments.

**Business Intelligence:**

The knowledge about your customers, your competitors, your business partners, your competitive environment, and your own internal operations – that gives you the ability to make effective, important, and often strategic business decisions.



## **E-BANKING**

E- banking made its debut in UK and USA 1920s. It becomes prominently popular during 1960, through electronic funds transfer and credit cards. The concept of web-based banking came into existence in Europe and USA in the beginning of 1980. Only in the early 1990s has there been a start in the non-branch banking services.

Many banks have modernized their services with the facilities of computer and electronic equipment's. The electronics revolution has made it possible to provide ease and flexibility in banking operations to the benefit of the customer.

The e-banking has made the customer say good-bye to huge account registers and large paper bank accounts. The e-banks, which may call as easy bank offers the following services to its customers:

- Credit Cards/Debit Cards
- ATM
- E- Cheque
- DEMAT Accounts
- Mobile Banking
- EDI (Electronic Data Interchange)

### **BENEFITS OF E-BANKING:**

#### **1. Customer:**

- Anywhere Banking -no matter wherever the customer is in the world. Balance enquiry, request for services, issuing instructions etc., from anywhere in the world is possible.

- Anytime Banking - Managing funds in real time and most importantly, 24 hours a day, 7 days a week.
- Convenience acts as a tremendous psychological benefit all the time.
- On-line purchase of goods and services including online payment for the same.

## 2. Bank:

- 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 is immediate 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.

## INFORMATION TECHNOLOGY CONSIDERATIONS

Since the early nineties, each Indian bank has done some IT improvement effort. The first and foremost compulsion is the fierce competition. While deciding on the required architecture for the IT consideration is given to following realities.

(1) **Meeting Internal Requirement:** The requirements of the banks are different individually depending upon their nature and volume of business focus on a particular segment, spread of branches and a like. Many a times banks do have the required information but it is scattered. The operating units seldom know the purpose of gathering the information by their higher authorities.

**(2.) Effective in Data Handling:** As stated earlier the banks have most of the needed data but are distributed. Further the cost of collection of data and putting the same to use is prohibitively high. The accuracy and timeliness of data generation becomes the casualties in the process. Best of the intentions on computerization are wished away because there is no visible reduction in cost /efforts/time required for the required data gathering.

**(3.) Extending Customer Services:** Addressing to rising customers expectations is significant particularly in the background of increased competition. In case bank A is unable to provide the required service at a competitive price and in an accurate manner with speed. There is always a bank IT at its next-door waiting to hire the customer. Awareness of customers about the availability of services and their pricing as also available options have brought into sharp focus the issue of customer satisfaction.

**(4.) Creative Support for New Product Development:** It has become necessary for the banks to vitalize the process of product development. Marketing functionaries needs a lot of information not only from the outside sources but

also from within the banks. Banks are looking to retail segment as the future market places for sales efforts. Having full-fledged information of existing customer is the key for this purpose. The emergences of data requirement and an appropriate architecture to support the same are significant issues to be handled in this regard.

**(5.) End-user Development of the Non-technical Staff:** Banking being a service industry, it is the staffs at counters that deliver the products. In Indian scenario, virtual banking is likely to have a few more years to establish. The dependence on counter staff is unavoidable. The staffs are large in number and the majority is non-technical. The customer satisfaction levels at the counter determine the ultimate benefit of IT offensive. Giving due consideration to this aspect in choosing architecture in necessary.

## **RECENT DEVELOPMENTS IN BANKING SECTOR**

### **(1.) Internet:**

Internet is a networking of computers. In this marketing message can be transferred and received worldwide. The data can be sent and received in any part of the world. In no time, internet facility can do many a job for us. It includes the following:

- This net can work as electronic mailing system.
- It can have access to the distant database, which may be a newspaper of foreign country.
- We can exchange our ideas through Internet. We can make contact with anyone who is a linked with internet.

### **(2.) Society for Worldwide Inter-bank Financial Telecommunications (SWIFT):**

SWIFT, as a co-operative society was formed in May 1973 with 239 participating banks from 15 countries with its headquarters at Brussels. It started functioning in May 1977. RBI and 27 other public sector banks as well as 8 foreign banks in India have obtained the membership of the SWIFT. SWIFT provides have rapid, secure, reliable and cost effective mode of transmitting the financial messages worldwide. SWIFT is a method of the sophisticated message transmission of international repute. This is highly cost effective, reliable and safe means of fund transfer.

### **(3.) Mobile Banking:**

Mobile banking facility is an extension of internet banking. The bank is in association with the cellular service providers offers this service. For this service, mobile phone should either be SMS or WAP enabled. These facilities are available even to those customers with only credit card accounts with the bank.

**(4.) Automated Teller Machine (ATM):**

ATM is an electronic machine, which is operated by the customer himself to make deposits, withdrawals and other financial transactions. ATM is a step in improvement in customer service. ATM facility is available to the customer 24 hours a day. The customer is issued an ATM card. This is a plastic card, which bears the customer name. This card is magnetically coded and can be read by this machine. Each cardholder is provided with a secret personal identification number (PIN). When the customer wants to use the card, he has to insert his plastic card in the slot of the machine. After the card is recognized by the machine, the customer enters his personal identification number. After establishing the authentication of the customers, the ATM follows the customer to enter the amount to be withdrawn by him. After processing that transaction and finding sufficient balances in his account, the output slot of ATM give the required cash to him. When the transactions is completed, the ATM ejects the customer card.

**(5.) Bank net:**

Bank net is a first national level network in India, which was commissioned in February 1991. It is communication network established by RBI on the basis of recommendation of the committee appointed by it under the chairmanship of the executive director T.N.A. Lyre. Bank net has two phases: Bank net-I and Bank net- II.

**Areas of Operation and Application of Bank net:**

- The message of banking transaction can be transferred in the form of codes from the city to the other.
- Quick settlement of transactions and advices.
- Improvement in customer service-withdrawal of funds is possible from any member branch.
- Easy transfer of data and other statements to RBI.

**(6.) Phone Banking:**

Customers can now dial up the banks designed telephone number and he by dialing his ID number will be able to get connectivity to banks designated computer. The software provided in the machine interactive with the computer asking him to dial the code number of service required by him and suitably answers him. By using Automatic voice recorder (AVR) for simple queries and transactions and manned phone terminals for complicated queries and transactions, the customer can actually do entire non-cash relating banking on telephone Anywhere, anytime.

**(7.) Tele-banking:**

Tele banking is another innovation, which provided the facility of 24 hour banking to the customer. Tele-banking is based on the voice processing facility available on bank computers. The caller usually a customer calls the bank anytime and can enquire balance in his account or other transaction history. In this system, the computers at bank are connected to a telephone link with the help of a modem. Voice processing facility provided in the software. This software identifies the voice of caller and provides him suitable reply. Some banks also use telephonic answering machine but this is limited to some brief functions. This is only telephone answering system and now Tele-banking. Tele banking is becoming popular since queries at ATM's are now becoming too long.

**(8.) Internet Banking:**

Internet banking enables a customer to do banking transactions through the bank's website on the Internet. It is a system of accessing accounts and general information on bank products and services through a computer while sitting in its office or home. This is also called virtual banking.

It is more or less bringing the bank to your computer. In traditional banking one has to approach the branch in person, to withdraw cash or deposit a cheque or request a statement of accounts etc. but internet banking has changed the way of banking.

At present one can operate all these type of transactions on his computer through website of bank. All such transactions are encrypted; using sophisticated multilayered security architecture, including firewalls and filters. One can be rest assured that one's transactions are secure and confidential.

**(9.) NRI Banking Services:**

This technology has been embraced in countries like India, USA, UAE, just to mention but a few. Since many people go abroad to work, they have a need of supporting their families. So technology has made it simple for them to send money to their loved ones easily.

**(10.) Anywhere Banking:**

With expansion of technology, it is now possible to obtain financial details from the bank from remote locations. Automated Teller Machines are playing an important role in providing remote services to the customers. Withdrawals from other stations have been possible due to inter-station connectivity of ATM's.

The Rangarajan committee had also suggested the installation of ATM at non-branch locations, airports, hotels, Railway stations, Office Computers, Remote Banking is being further extended to the customers office and home.

**CHALLENGES IN BANKING SECTOR :-**

There has been considerable widening and deepening of the Indian financial system in the recent years. The enhanced role of the Banking sector in the Indian Economy the increasing levels of deregulation and the increasing levels of competition have placed numerous demands on our Banks. The adverse consequences of malfunction of the Banking system could be more severe than in the past.

Hence, focus of RBI, the regulator & supervisor of Indian Banking system is at ensuring greater financial stability. While operating in this highly demanding environment, the banking system is exposed to various risks & challenges few of them are discussed as under:

### **1. Improving Risk Management System**

RBI had issued guidelines on asset liability management and Risk Management Systems in Banks in 1999 and Guidance Notes on Credit Risk Management and Market Risk Management in October 2002 and the Guidance note on Operational Risk Management in 2005. Though Basel II focuses significantly on risks its implementation cannot be seen as an end in itself.

The current business environment demands an integrated approach to risk management. It is no longer sufficient to manage each Risk Independently. Banks in India are moving from the individual segment system to an enterprise wide Risk Management System. This is placing greater demands on the Risk Management skills in Banks and has brought to the forefront, the need for capacity building, while the first priority would be risk integrating across the entire Bank, the desirability of Risk aggregation across the Group will also need attention. Banks would be required to allocate significant resources towards this objective over the next few years.

### **2. Rural Coverage**

Indian local banks specially state bank groups having a good coverage and many branches in rural areas. But that is quite lacking technical enhancement. The services available at cities are specifically not available to rural branches, which are necessary if banks want to compete now a day.



### **3. Technological Problems**

That is true that Indian banks were already started computerized workings and so many other technological up gradation done but is this sufficient? In metro cities Indian local banks are having good comparable technology but that cannot be supported and comparable by the whole network of other cities and village branches.

### **4. Corporate Governance**

Banks not only accept and deploy large amount of uncollateralized public funds in fiduciary capacity, but they also leverage such funds through credit creation. Banks are also important for smooth functioning of the payment system. Profit motive cannot be the sole criterion for business decisions.

It is a significant challenge to banks where the priorities and incentives might not be well balanced by the operation of sound principles of Corporate Governance. If the internal imbalances are not re-balanced immediately, the correction may evolve through external forces and may be painful and costly to all stakeholders. The focus, therefore, should be on enhancing and fortifying operation of the principles of sound Corporate Governance.

### **5. Customer Services**

There are concerns in regard to the Banking practices that tend to exclude vast sections of population, in particular pensioners, selfemployed and those employed in unorganized sector. Banks are expected to oblige to provide Banking services to all segments of the population, on equitable basis.

Further, the consumers interests are at times not accorded full protection and their grievances are not properly attended to by Banks. Banks are expected to encourage greater degree of financial inclusion in the country setting up of a mechanism for ensuring fair treatment of consumers; and effective redressed of customer grievances.

## **6. Branch Banking**

Traditionally Banks have been looking to expansion of their Branch Network to increase their Business. The new private sector banks as well as the foreign banks have been able to achieve business expansion through other means. Banks are examining the potential benefits that may accrue by tapping the agency arrangement route and the outsourcing route.

While proceeding in this direction banks ought not to lose sight of the new risks that they might be assuming in outsourcing. Hence they have to put in place appropriate strategies and systems for managing these new risks.

## **7. Competition**

With the ever increasing pace and extent of globalization of the Indian economy and the systematic opening up of the Indian Banking System to global competition, banks need to equip themselves to operate in the increasingly competitive Environment. This will make it imperative for Banks to enhance their systems and procedures to international standards and also simultaneously fortify their financial positions.

## **8. Transparency and Disclosures**

In order to bring about meaningful disclosure of the true financial position of banks to enable the users of financial statements to study and have a meaningful comparison of their positions, a series of measures were initiated by RBI. It covered a No. of aspects such as capital adequacy, asset quality, profitability, country risk exposure, risk exposures in derivatives, segment reporting and related party disclosures etc.

With a view to moving closer towards international best practices and International Accounting Standards and the disclosure need under pillar 3 of Basel II, RBI has proposed enhanced disclosures of certain qualitative aspects. Banks are required to formulate a formal disclosure policy that addresses the banks' approach for determining what disclosures it will make and the internal controls over the disclosure process.

## **9. Known Your Customer Guidelines**

The guidelines were revisited in the context of the recommendations made by the financial action task force on Anti Money Laundering Standards and on Combating Financing of Terrorism. Compliance with these standards both by the banks/financial institutions and the country has become necessary for international financial relationships.

Compliance with this requirement is a significant challenge to the entire banking industry to fortify itself against misuse by anti social persons / entities and thus project a picture of solidarity and financial integrity of the Indian Banking system to the international community.

# COMPANY PROFILE

As per the Reserve Bank of India (RBI), India's banking sector is sufficiently capitalised and well-regulated. The financial and economic conditions in the country are far superior to any other country in the world. Credit, market and liquidity risk studies suggest that Indian banks are generally resilient and have withstood the global downturn well.

Indian banking industry has recently witnessed the roll out of innovative banking models like payments and small finance banks. RBI's new measures may go a long way in helping the restructuring of the domestic banking industry.

The digital payments system in India has evolved the most among 25 countries with India's Immediate Payment Service (IMPS) being the only system at level five in the Faster Payments Innovation Index (FPII).

The Indian banking system consists of 12 public sector banks, 22 private sector banks, 46 foreign banks, 56 regional rural banks, 1485 urban cooperative banks and 96,000 rural cooperative banks in addition to cooperative credit institutions. As of September 2021, the total number of ATMs in India reached 213,145 out of which 47.5% are in rural and semi urban areas.

In FY18-FY21, bank assets across sectors increased. Total assets across the banking sector (including public and private sector banks) increased to US\$ 2.48 trillion in FY21.

In FY21, total assets in the public and private banking sectors were US\$ 1,602.65 billion and US\$ 878.56 billion, respectively.

During FY16-FY21, bank credit increased at a CAGR of 0.29%. As of FY21, total credit extended surged to US\$ 1,487.60 billion. During FY16-FY21, deposits grew at a CAGR of 12.38% and reached US\$ 2.06 trillion by FY21. Bank deposits stood at Rs. 162.41 trillion (US\$ 2.17 trillion) as of December 31, 2021

According to India Ratings & Research (Ind-Ra), credit growth is expected to hit 10% in 2022-23 which will be a double-digit growth in eight years. According to the RBI, bank credit stood at Rs. 116.8 lakh crore (US\$ 1.56 trillion) on 31st December 2021.

As of February 2022, credit to non-food industries stood at Rs. 114.10 trillion (US\$ 1.53 trillion).

# LITERATURE REVIEW

A literature review gives more knowledge about the area in which the research is conducted. It helps to refine the research topic by determining the research gap. It helps to avoid errors of duplication. It helps to identify the contribution that one's research will make and also provides a justification for the study. It will help in understanding how already existing research findings have been presented in that particular area.

**HOW THE REVIEW HAS BEEN DONE** The review has been conducted in the following manner. First, several literature sources in the area of behavioural finance were identified and studied. The topic was then narrowed down upon as there were several discussions on the various factors. Therefore, I decided to study all such factors and read more articles on this topic which completed the literature review.

**LITERATURE REVIEW** Dasgupta Siddhartha, Paul, Fuloria & Sanjay (2011).

The study was conducted to understand the behavioural intention of mobile banking usage of Indian customers. Research methods like the Factor analysis and a multiple regression analysis were done in order to determine the extent of impact the antecedents have over the behavioural intentions of mobile banking usage. The results of the study showed that other than the traditional variables like Perceived Usefulness and Perceived Ease of Use, factors like Perceived Image, Perceived Value, Self Efficacy, Perceived Credibility and Tradition all significantly affect Behavioural Intentions towards mobile banking usage. Palani and Yasodha P. (Apr 2012) The research paper is focused on customer's perceptions on mobile banking offered by Indian Overseas Bank and it also focuses on the various drivers that drive mobile banking consumers..

The results of this study showed that gender, education and income of the consumers play an important role in usage of mobile banking. Most of the researches are focused on the acceptance of the mobile banking technology due to which not much research has been conducted on people. The research reveals that if skills can be upgraded among the consumers there will be greater willingness on the part of consumers toward the use of Mobile banking. Some factors like security trust, gender, education, religion, and price can have minimal effect on consumer mindset towards Mobile banking compared to the other factors. Thakur, Rakhi; Srivastava, Mala. (2013)



The paper studies the factors influencing the adoption intention of mobile commerce. Perceived usefulness, perceived ease of use and social influence are found to be significant dimensions of technology adoption readiness to use mobile commerce while facilitating conditions were not found to be significant. The results of the research study also indicate the perceived credibility risk defined by security risk and privacy risk are significantly associated with behavioural intention in negative relation, which indicates that security and privacy concerns are important in deterring customers from using mobile commerce. This research study developed an integrated model for behavioural intention towards financial innova...

# **RESEARCH OF STUDY**

## OBJECTIVE OF THE STUDY



- To know the present condition of technology in indian banking sector.
- To know about the electronic payment system.
- To know about the hackers and frauds in online banking.
- To know about the risk management policies of indian banking sector.
- To heighthlight various challenges faced by banks in the changing scenario.
- To study the opportunities available for indian banking industry.
- To study the implementation and usage of E-banking in indian banking industry.

## **NEED OF THE STUDY**

- Increase in efficiency
- Handling of information
- Cost Reduction
- Accuracy
- Customer service
- Easy Communication

## **SCOPE OF THE STUDY**

- Creating new Accounts
- Depositing Money
- Withdrawing Money
- Account Holder
- Balance Enquiry
- Changing Password
- Closing

## LIMITATIONS OF THE STUDY

The scope of the project “The study of Applications of Information study in banking sector “ has been restricted to some extent .The project does not include the following:-

- ✓ Supervision of Electronic Banking by Reserve Bank of India .
- ✓ Information Technology in Bank in International scenario.
- ✓ Software Application to protect from Hackers and Frauds.
- ✓ Case studies Related To Hackers and frauds.

# **HYPOTHESIS**

## **HYPOTHESIS 1**

- H0 – Information Technology does not have much role in banking sector.
- H1 – Information Technology has great role in banking sector

## **HYPOTHESIS 2**

- H0 – Bank customer are not using IT based services as compared to traditional one.
- H1 – Bank customer more IT based services as compared to traditional one.

## RESEARCH METHODOLOGY

Research Methodology is a way to systematically solve the research problem. The Research Methodology includes the various methods and techniques for conducting a Research. "Marketing Research is the systematic design, collection, analysis and reporting of data and finding relevant solution to a specific marketing situation or problem". D. Slesinger and M. Stephenson in the encyclopedia of Social Sciences define Research as "the manipulation of things, concepts or symbols for the purpose of generalizing to extend, correct or verify knowledge, whether that knowledge aids in construction of theory or in the practice of an Research is, thus, an original contribution to the existing stock of knowledge making for its advancement. The purpose of Research is to discover answers to the Questions through the application of scientific procedures. Our project has a specified framework for collecting data in an effective manner. Such framework is called "Research Design". The research process followed by us consists of following steps:

**Descriptive Research:** The research was a descriptive research as it was concerned with specific predictions, with narration of facts and characteristics concerning individuals specially entrepreneurs. In other words descriptive research is a research where in researcher has no control over variable. He just presents the picture which has already studied.

□ **Methods of Data Collection:** - Research work is descriptive in nature. Information has been collected from both Primary and Secondary data.

**Sample Size:** Sample size is the number of elements to be included in a study. Keeping in mind all the constraints 60 respondents was selected.

□ **Sampling Techniques:** The sampling techniques used are convenience sampling technique and simple random sampling technique.

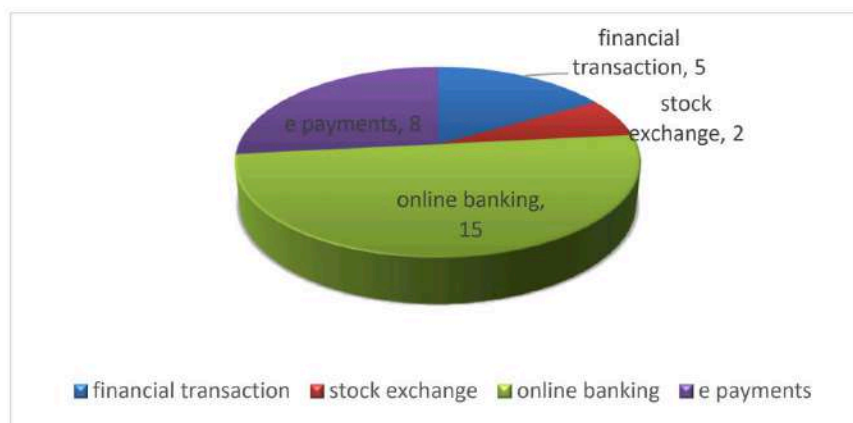
**Secondary Sources:-** Secondary data are those which have already been collected by someone else which already had been passed through the statistical process. In this research project secondary source used were books, online journals and websites.



# **DATA ANALYSIS AND INTERPERTATION**

**Table 1.1 showing the level of usage of Usage of technology**

Usage of technology	No of respondents	Percentage
Financial transaction	5	16.6654%
Stock exchange	2	6.66%
Online banking	15	50%
e -payments	8	26.66%
Total	30	100%

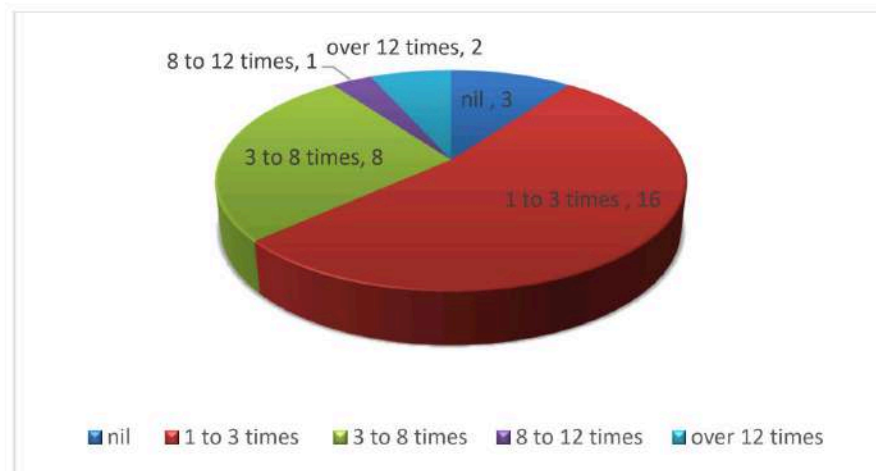
**Figure 1.1 showing the level of usage of technology****LEVEL OF USAGE OF TECNOLOGY**

**Source:** primary data

According to the analysis done 50% of use the technology for online banking, respondents use for e-payments, 16.66% transactions and 6.66% of respondents technology in banking service for stock exchange.

**Table 1.2 showing how frequently branch banking used per month**

Branch banking use per month	No of respondent	percentage
Nil	3	10%
1 to 3 times	16	53.33%
3 to 8 times	8	26.66%
8 to 12 times	1	3.33%
Over 12 times	2	6.66%
total	30	100%

**Figure 1.2 Showing how frequently branch banking used per month****BRANCH BANKING PER MONTH**

Source: primary data

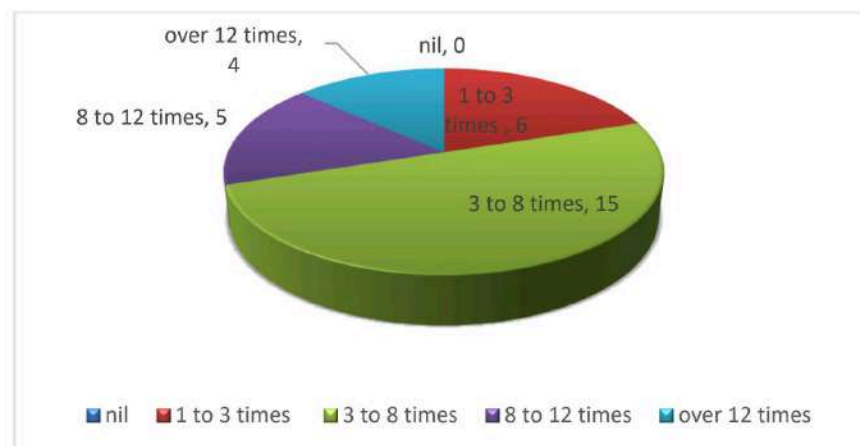
Analysis shows that 10% of visit their bank branch on a monthly respondents visit their banks between month.26.66% of respondents 3 to 8 times in a month and 3.33% their branch 8 to 12 times in respondents visit their bank month. Table 1.3 showing how frequently month ATM use per month No respondent Nil 0 1 to 3 times 6 3 to 8 times 15 8 to 12 times a month.

**Table 1.3 Showing how frequently ATM used per month**

ATM use per month	No of respond	percentage
Nil	0	0%
1 to 3 times	6	20%
3 to 8 times	15	50%
8 to 12 times	5	16.66%
Over 12 times	4	13.33%
<b>Total</b>	30	100%

**Figure 1.3 Sowing how frequently ATM used per month**

## ATM USE PER MONTH



Source: primary data

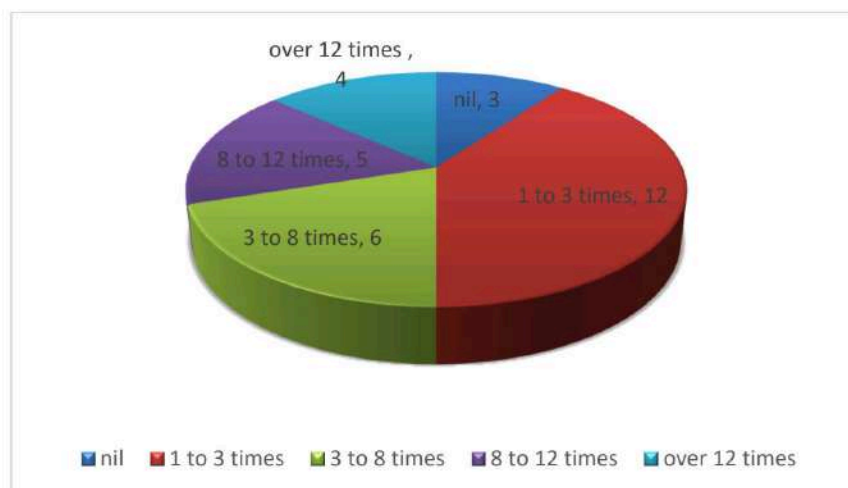
Analysis shows that none of the responds never visit their ATMs on a monthly basis. 20% of responds visit their ATM 1 to 3 times in a month ,50% of respondents visit their ATM 3 to 8 times in a month ,16.66% of respondents visit ATM 8 to 12 times in a month and 13.33% of respondents visit the ATM over 12 times in a month

**Table 1.4 Showing frequently internet banking  
is used per month**

Internet banking use per month	No of respondent	percentage
Nil	3	10%
1 to 3 times	12	40%
3 to 8 times	6	20%
8 to 12 times	5	16.66%
Over 12 times	4	13.33%
Total	30	100%

**Figure 1.4 Showing how frequently internet banking  
is used per month**

INTERNET BANKING USE PER MONTH



Source: primary data

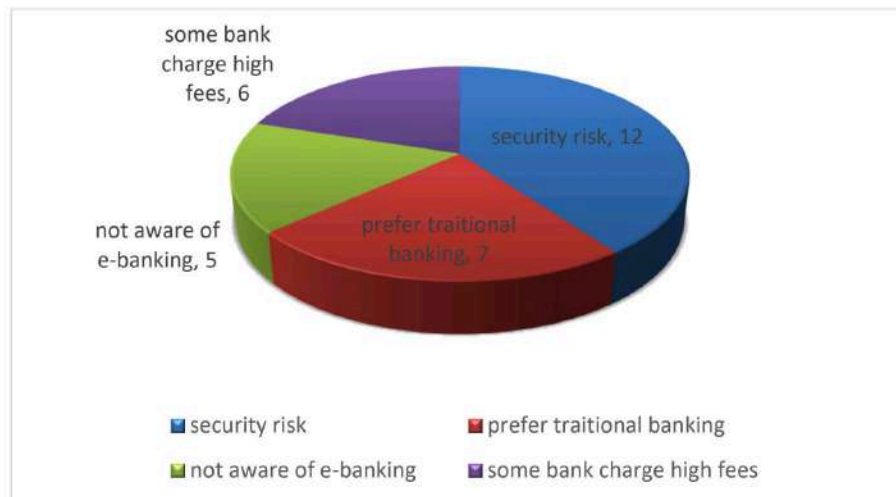
According to the analysis done it shows respondents never use their internet monthly basis, 40% of respondents use banking 1 to 3 times in a month, 20% of use internet banking 3 to 8 times in a month, of respondents use internet banking 8 to month and 13.33% of respondents banking over 12 times in a month.

**Table 1.5 Showing reasons why E- banking services not used by most of the customer**

<b>E-banking services not adopted</b>	<b>Number of responds</b>	<b>Percentage</b>
Security risk	12	40%
Prefer traditional banking	7	23.3%
Not aware of e-banking	5	16.6%
Some bank charge high fees	6	20%
Total	30	100%

**Figure1.5 Showing reasons why E-banking services not used by most of the customer**

**E-BANKING SERVICES NOT ADOPTED**



Source: Primary data

According to this analysis 40% not adopted E-Banking due to respondents prefer traditional respondents are not aware respondents consider that bank e-banking.

## HYPOTHESIS TESTING

### HYPOTHESIS 1

- H0 – Information Technology do not have much role in banking sector.
- H1 – Information Technology has great role in banking sector

### HYPOTHESIS 2

- H0 – Bank customer are not using IT based services as compared to traditional one.
- H1 – Bank customer more IT based services as compared to traditional one.

- HYPOTHESIS TESTING 1

From above study it is found that hypothesis number H1 – “Information Technology has great role in banking sector “is found to be true and alternative hypothesis H0 is to be rejected.

- HYPOTHESIS TESTING 2

From above study it is found that hypothesis number H1 – “ Bank customer more IT based services as compared to traditional one “ is found to be true and alternative hypothesis H0 is to be rejected.

# CONCLUSION



Technology today has become integral to the business of banking; it is difficult to envision one without the other. However, as with other resources, it has costs attached to it and with substantial investment in IT infrastructure is being used optimally.

Technology has to be client centric to derive optimum edges and banks can't go to equally target client retention and increasing share of case instead of solely acquisition. For many banking customers going back to their primary bank for the other new relationship could be a major challenge. This can be attributable to the insufficiency of CRM and atomic number 83 solutions.

To achieve this difficult task of satisfying the customer, the banks are unit turning towards the technology for the assistance. Technology has been one among the foremost necessary factors for the event of human beings. Information and communication technology is that is employed for access, process, storage, and dissemination of data electronically. Industry is quick growing with the employment of technology within the variety of ATMs, online banking, SMS banking, Mobile banking, etc.

# **FINDING**

1. According to the study it has paved a huge way for banking number of respondents prefer region. A large number of respondents with ATM facilities provided the respondents do not use Tele region.
2. A large number of respondents by paying utility bills by using Based on the study it was respondents prefer using Internet number of respondents are satisfied Security provided by the bank; respondents are not satisfied conducted. Security threat is the E-Banking services have not respondents.
3. The study shows respondents consider Private technologically advanced than large number of the respondents, oriented services of the bank region. Majority of the customers bank's operation is efficient after computers in the bank.

# **SUGGESTIONS & RECOMMENDATIONS**

1. The bank needs to give awareness about internet banking.
2. Most of the customers banking so the banking industry needs to eliminate those risks.
3. Some highly advanced software/ program should be implemental in banking sector in order to prevent hackers and frauds
4. Online banking operations cost or banking transaction cost should be reduced so that middle class customer can have access to online banking facility.
5. Further research can be done in topic relation to this project viz. software application in banking sector, technology and frauds.
6. Awareness program related to online banking for middle class people.

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- The Four

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