Determinants of successful Inter banking transfers in India

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Objectives

1) To understand the determinates for successful Inter banking transfers in India
2) To understand the importance of technology in the successful Inter banking transfers in India

Abstract

With the growth of businesses in India and the increase in flow of amount in the economy the usage of banking has become very much common amongst the business house and individual as well and this usage has been supported optimally by the invent of technology and of course the security measures are taken care by the banks and the technology providing client so that money is not lost by making the transactions or the money does not get into the wrong hands or any there is no criminal attack on the customer's account because where the technology has made life easy it has also invited the criminals to use the loopholes and take the benefit out of that making the money and the lives very much venerable.

Key Words- Interbank Transfers, NEFT, RTGS, UPI, IMPS, USSD, Net banking, IT

Introduction

With the growth of businesses in India and the increase in flow of amount in the economy the usage of banking has become very much common amongst the business house and individual as well and this usage has been supported optimally by the invent of technology and using the internet facility and this technology and internet facility has reduced burden by making inter banking transfers possible which makes easier for anyone to transfer the money from one account to other account without hindrance of course the security measures are taken care by the banks and the technology providing client so that money is not lost by making the transactions or the money does not get into the wrong hands or any there is no criminal attack on the customer's account because where the technology has made life easy it has also invited the criminals to use the loopholes and take the benefit out of that making the money and the lives very much venerable. But other than that there are many factors which determine the success of interbank transfers.

Techniques of interbank transfer in India

There are many techniques for making interbank transfer prior to the introduction to the facilities like net banking or online banking the individual went to the bank branch for the transfers but with the invent of net banking the life has become very easy but this condition applied for the individuals for the business houses there are many other facilities available including the net

banking like NEFT, RTGS, UPI, IMPS, USSD. The details are given in figure-1 related to the maximum limit of amount what can be transferred under each head, the charges applicable to the technique which is being used and what is the basic requirement to use any of the given techniques

Fig-1

	NEFT	RTGS	IMPS	UPI	USSD
Transfer limit (Rs)	No limit	< Rs 2 lakh	Rs 2 lakh per day	Rs 1 lakh per day	Rs 5,000 per day
Information Required	Account number and IFS code	Account number and IFS code	Account number and IFS code/ MMID and mobile number	VPA of recipient and MPIN	Bank account and IFS code/ MMID and mobile number
Fund transfer timing	Generally on the same day	Real time, generally within 30 minutes	Instant	Instant	Instant
Cost as per the amount of transfer**	Rs 2.50 < Rs 10,000 Rs 5 for Rs 10,000- 1 lakh Rs 15 for 1-2 lakh Rs 25 for above Rs 2 lakh	Up to Rs 30 for Rs 2-5 lakh Up to Rs 55 for above Rs 5 lakh	Rs 5 for up to Rs 1 lakh Rs 15 for Rs 1-2 lakh	Free of charge	0.50 paise
What you need	Internet connection	Internet connection	Internet connection	Smartphone with internet connection	GSM phone
Beneficiary registration	Yes	Yes	Yes/no if using MMID and mobile number	No	No
USP	Commonly used platform	For real-time transaction above Rs 2 lakh	Instant transfer	Don't need account number and IFSC	Transfer without internet or smartphone

Process of interbank transfer in India

Prior to the invent of technology in the banking sector it was very much important for the individual to go to the bank branch and get the money transferred or it was any representative from the business house but now-a-days it is the technology which makes the things easier for which one needs to log into the banking facility using internet connectivity and that facility will be linked with the bank account and that person or the business house can use the facility to have an easy mobilization of cash from one bank account to the other bank account. By taking an example of an individual and the kotak Mahindra bank the process has been explained in the

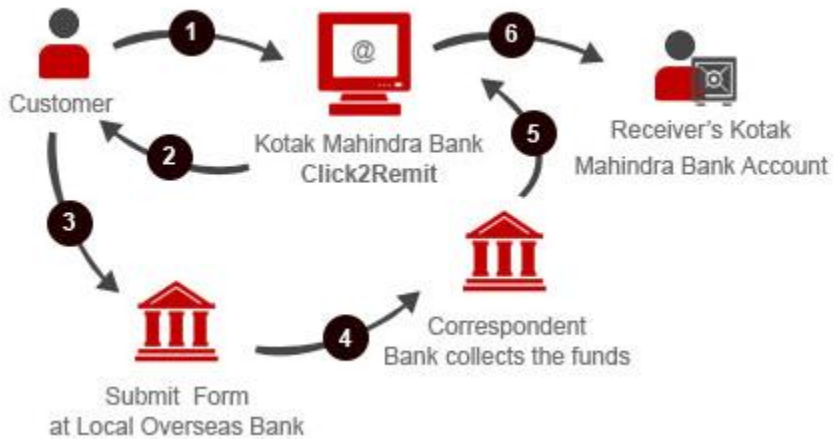

figure-2

Role of IT in Banking Sector

The banking industry is slowly shifting from the standard banking towards relationship banking. Historically the link between the bank and its customers has been on a matched level via the branch network. This was place into operation with clearing and higher cognitive process responsibilities targeted at the individual branch level. The top workplace had responsibility for the general clearing network, the scale of the branch network and therefore the coaching of workers within the branch network. The bank monitored the organization's performance and set the choice creating parameters, however the data on the market to each branch workers and their customers was restricted to at least one geographical location.

The most visible impact of technology is mirrored within the manner the banks respond strategically for creating its effective use for economical service delivery. This impact on service quality will be summed up as below:

1) With automation, service not remains a selling edge with the massive banks solely. Tiny and comparatively new banks with restricted network of branches become higher placed to contend with the established banks, by desegregation IT in their operations.
2) The technology has commoditizing a number of the money services. Thus the banks cannot take a period relationship with clients the purchasers the shoppers} as granted and that they need to work ceaselessly to foster this relationship and retain customer loyalty.
3) The technology on one hand is a strong tool for client coupling, on the opposite hand, it itself leads to depersonalizing of the banking services. This has associate degree adverse result on relationship banking. A decade of mechanization will most likely ne'er substitute an easy or a heat acknowledgment.
4) In order to cut back service delivery value, banks have to alter routine client inquiries through self-service channels. To try to this they have to speculate in decision centers, kiosks, ATM's and net banking nowadays need IT infrastructure integrated with their business strategy to be client centrically.

Factors affecting interbank transfers in India

1) **Customer adoption to e-banking facility-**The Inter-Banking facility is majorly affected by the use of technology so if the customer is adapted to e-banking facility then there are bright chances that the person might be using the facility of inter-bank transfers and vice versa case as well
2) **Availability of inter-banking facility-**Due to the masses available in India the population is even situated in very remote areas and due to instability in the internet connectivity or due to shortage of staff members there might be a chance that inter banking facility is not available and hence one of the factors impacting the interbank transfers
3) **Awareness of inter-banking facility-** It's been a great initiative by RBI as an Apex institute to determine that every individual is included financially and is aware about the services but due to the amount of population it is very difficult to reach the masses and the part of population may lack with awareness.

Conclusion

From the above points discussed it can be concluded that inter banking facility is for sure an excellent step in the banking industry but due there are many factors which put hindrance in the success of this movement of greatness and these are very small issues and can be controlled very easily like stable internet, increasing the awareness of such facilities and motivating the people to use these services

Annexure

Fig-1 Techniques of interbank transfer in India

Fig-2 Process of interbank transfer in India

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