



Loreto Convent Intermediate College

Lucknow

**Holiday Homework
Project I
Class: XII Commerce
Subject: Commerce**

**From Physical Banking to Digital Banking: A Study of RTGS, NEFT, IMPS and CBS in
Enhancing Customer Experience in India**


Guidelines for the project

I Cover Page

The cover page should contain:

- * Title of the Project
- * Student's Name
- * Class & Section
- * Subject
- * School Name
- * Academic Session

II Acknowledgement

 99, Mahatma Gandhi Marg, Lucknow, Uttar Pradesh - 226001

 0522-2237222, +918009881030  loretocollege@yahoo.com  www.lucknowloreto.com



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III Index

S. No.	Contents	Page No.
1	Introduction	
2	Meaning of Banking	
3	Evolution from Traditional to Digital Banking	
4	Need for Digital Banking in India	
5	Core Banking System (CBS)	
6	RTGS – Features, Advantages & Limitations	
7	NEFT – Features, Advantages & Limitations	
8	IMPS – Features, Advantages & Limitations	
9	Comparison between RTGS, NEFT and IMPS	
10	Impact of Digital Banking on Customer Experience	
11	Role of UPI and Mobile Banking	
12	Challenges and Risks in Digital Banking	
13	Case Study/Survey Analysis	
14	Findings and Suggestions	
15	Conclusion	
16	Bibliography	

Internal Examiner's Signature External Examiner's Signature

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IV Introduction

Suggested Content[Just for an idea]

Banking plays a vital role in the economic development of a country. Earlier, banking transactions were carried out manually through physical visits to banks. Customers had to stand in long queues for depositing money, transferring funds or updating passbooks. However, with technological advancement and digitalisation, banking services have become faster, easier and more accessible.

India has witnessed a revolutionary shift from traditional banking methods to digital banking systems such as RTGS, NEFT, IMPS, UPI and mobile wallets. The introduction of Core Banking System (CBS) further enabled customers to access banking facilities from any branch across the country.

This project aims to study how digital banking systems have transformed customer experience by providing speed, convenience, security and 24×7 banking services.

V. Body of the Project

1. Meaning of Banking

Explain banking as a financial institution that accepts deposits, provides loans and facilitates financial transactions.

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Include:

- * Definition of bank
- * Functions of banks
- * Importance of banking in the economy


2. Evolution from Traditional to Digital Banking

A. Traditional Banking

- * Physical cash transactions
- * Cheques and demand drafts
- * Long waiting time
- * Limited banking hours

B. Digital Banking

- * Internet banking
- * Mobile banking
- * QR code payments
- * Online fund transfer systems

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Add a Comparison Table

| Traditional Banking | Digital Banking

| ----- | ----- |

| Time consuming | Instant transactions |

| Limited banking hours | 24×7 availability |

| Paper-based work | Paperless transactions |

| Requires branch visit | Accessible anywhere |

3. Need for Digital Banking in India

Points to Include

- * Growth of internet and smartphones
- * Government initiatives like Digital India
- * Cashless economy
- * Faster financial inclusion
- * Convenience during COVID-19

You may also mention:

- * Increase in UPI usage
- * Rise in online shopping
- * Contactless payments

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4. Core Banking System (CBS)

Meaning

CBS allows customers to access their bank accounts and banking services from any branch of the bank.

Features


- * Anywhere banking
- * Centralised database
- * Real-time processing
- * Faster customer service

Advantages

- * Improved efficiency
- * Reduced paperwork
- * Better record management
- * Easy fund transfers

Limitation

- * Dependence on technology and internet

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5. RTGS (Real Time Gross Settlement)

Meaning

RTGS is an electronic fund transfer system where transactions are processed individually in real time.

Features

- * Minimum transfer amount: ₹2 lakh
- * Instant settlement
- * Mainly for high-value transactions

Advantages


- * Safe and secure
- * Fast transfer
- * No waiting period

Limitations


- * Not suitable for small payments


Real-Life Use

Business payments, property transactions, institutional transfers.

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6. NEFT (National Electronic Funds Transfer)

Meaning

NEFT enables one-to-one electronic fund transfer from one bank account to another.

Features

- * No minimum amount
- * Available 24×7
- * Transactions processed in batches

Advantages


- * Convenient
- * Cost-effective
- * Suitable for individuals and businesses

Limitations

- * Slight delay compared to IMPS

Uses

Fee payments, utility bills, online purchases.

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7. IMPS (Immediate Payment Service)

Meaning

IMPS is an instant interbank electronic fund transfer service available 24×7.

Features

- * Instant transfer
- * Mobile and internet banking support
- * Available round the clock

Advantages


- * Very fast
- * Convenient for emergencies
- * Easy mobile access

Limitations

- * Transaction limit may apply

Examples

Sending money through mobile apps and bank applications.

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8. Comparison between RTGS, NEFT and IMPS

Basis	RTGS	NEFT	IMPS
Speed	Real-time	Batch processing	Instant
Minimum Amount	₹2 lakh	No limit	No minimum
Availability	24×7	24×7	24×7
Best For	Large transfers	General transfers	Immediate small transfers


9. Impact of Digital Banking on Customer Experience

Positive Impact

- * Convenience
- * Time-saving
- * Cashless transactions
- * Better financial management
- * 24×7 access

Include Points

- * Faster transactions
- * Record maintenance
- * Secure payment systems
- * Global accessibility
- * Reduced paperwork

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Also mention:

- * UPI apps like PhonePe, Google Pay, Paytm
- * QR code payments
- * Mobile wallets

10. Challenges and Risks in Digital Banking

Cybersecurity Risks

- * Hacking
- * Phishing
- * OTP frauds
- * Data theft

Technical Problems

- * Server failures
- * Internet dependency
- * App glitches

Social Challenges

- * Lack of digital literacy
- * Fear of online fraud

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11. Case Study / Survey Analysis

Suggested Activity

Conduct a small survey among:


- * Parents
- * Teachers
- * Shopkeepers
- * Students

Sample Questions

1. Which digital payment method do you use most frequently?
2. Do you prefer online banking over visiting a branch?
3. Which mode do you use most — UPI, NEFT, RTGS or IMPS?
4. Have you ever faced online payment failure?
5. Do you think digital banking is safe?

Present Data Using:

- * Pie charts
- * Bar graphs
- * Tables

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Analysis Example

- * Majority users prefer UPI due to convenience.
- * RTGS is mainly used for large transactions.
- * IMPS is preferred for urgent transfers.
- * Customers value speed and accessibility.


Findings and Suggestions

Findings

- * Digital banking has increased convenience and efficiency.
- * Customers prefer cashless payments.
- * Mobile banking usage has grown rapidly.
- * Security concerns still exist.

Suggestions

- * Improve cybersecurity awareness.
- * Increase digital literacy in rural areas.
- * Strengthen banking servers and systems.
- * Encourage safe online banking practices.

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Conclusion

Sample Conclusion

The transformation from physical banking to digital banking has revolutionised the Indian banking system. Services like RTGS, NEFT, IMPS and CBS have made financial transactions faster, easier and more secure. Customers can now access banking facilities anytime and from anywhere through mobile phones and internet banking.

Although digital banking has certain challenges such as cybercrime and technical failures, its advantages outweigh the disadvantages. With continuous technological advancements and awareness among users, digital banking is expected to become even more efficient and customer-friendly in the future.

Bibliography

Books

- * ISC Commerce Textbook
- * Banking and Financial Services Reference Books

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Websites

Use authentic websites such as:


- * Reserve Bank of India (RBI)
- * National Payments Corporation of India (NPCI)
- * Official websites of banks

Other Sources

- * Newspapers
- * Journals
- * Online articles

Presentation Tips

- * Use neat headings and subheadings.
- * Add relevant pictures and charts.
- * Use blue/black ink for writing.
- * Highlight key terms using coloured pens (other than red and green)
- * Maintain proper margins and page numbers.
- * Keep the project well-organised and creative.
- * Add newspaper cuttings related to digital banking if possible.

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