

“Role of Bank of Maharashtra in Financial Inclusion”

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Abstract

Maharashtra state ranks II in the Index of Financial Inclusion (IFI). Bank of Maharashtra is a premier bank in Maharashtra and occupies the fundamental position as lead bank in - Aurangabad, Jalna, Nashik, Satara and Thane. With its roots in Maharashtra, Bank of Maharashtra (BOM) have expanded over the years, have a pan-Indian presence and are recognized well for their social commitments. The Bank has stepped into its 75th year of service, with a total business of over Rs. 104,000 crore, having 13 million customers and network of 1457 CBS branches. Financial inclusion or inclusive financing is the delivery of financial services at affordable costs to sections of disadvantaged and low income segments of society. The present study attempts to made to take the review of Financial Inclusion of Bank of Maharashtra & customers satisfaction with the concluding remarks.

Introduction:

Bank of Maharashtra was established in 1936 (about 77 years ago) by great visionaries to serve the small in Trade & Industry and the common man who were not getting banking facilities. Bank has crossed many milestones in its journey of serving the nation. Bank is one of the few public sector banks who adopted latest technology more than two decades ago, to bring the benefits of IT to its customers. Bank has its presence in 26 states and 2 Union Territories across India. All the 1577 branches are under CBS, providing "any where any time banking". The Bank's networks of 501 ATMs have highest average daily hits proving that they are placed at most convenient locations of the customers.

Sangli district is famous for agriculture. Bank of Maharashtra play very important role by providing financial assistance to the needy people. Bank secured ISO 27001:2005 certificate from an international certification agency, for its Information Technology division which satisfied with the international standards for security capabilities relating to processes, policies, practices and infrastructure. Bank is providing Internet Banking Service through "Maha Connect", Mobile Banking, Phone Banking and SMS Banking facility with online facility to its customers. Nationalized in 1969 itself, MahaBank continued to spread its network and services in rural and semi urban areas also, consequent of which, it has 54% of branches in rural and semi urban area even today

Concept of Financial Inclusion

Financial inclusion or inclusive financing is the delivery of financial services at affordable costs to sections of disadvantaged and low income segments of society. As banking services are in the nature of public good, it is essential that availability of banking and payment services to the entire population without discrimination is the prime

objective of public policy. The term "financial inclusion" has gained importance since the early 2000s. Financial inclusion is now a common objective for many central banks among the developing nations.

- **Statement of the problem**

The business of Bank of Maharashtra at the top amongst other financial institutions in India. The bank makes the effective mobilization of public savings & financing for the economic development. The success & growth of bank depends upon the providing best services to the consumers

Considering the present status & forthcoming challenges before Bank of Maharashtra, such as tough competition with private sector, public sector & foreign sector as well as nationalized banks, change in the expectations of the consumers, awareness of the consumers for banking services, etc, researcher selected following topic for the present study.

“A study of Role of Bank of Maharashtra in Financial Inclusion with special reference to the Sangli District”

- **Objectives of the study**

1. To Assess the Financial Inclusion of Bank of Maharashtra.
2. To study customers satisfaction regarding the services rendered by Bank
3. To suggest suitable remedial measures for efficient working of bank & better customers services.

Methodology of the study

1] **Primary Data:** - The method that is used for collecting primary data is interview technique, questionnaire method & observation method as well as personal contact & discussion with bank officers & customers. Questionnaires are framed with different questions relating to customers

2] **Secondary data:-** It is collected from bank annual report, booklets, pamphlets, relative magazines, journals, manuals, library books, etc.

Data analysis: The data collected for study are analyzed by using various accounting & statistical tools such as percentages, tables, graphs & charts.

- **Sample Design**

1] **Sample Method:** - The sample of the study is customers of bank of Maharashtra Sangli branch; customers are contacted by using convenience sampling technique.

2] **Sample size:** - 500 customers will be taken.

Review of Literature

- **DR. BIMAL ANJUM*;** in his article entitled **RAJESHTIWARIROLE OF PRIVATE SECTOR BANKS FOR FINANCIAL INCLUSION** explores the geographical distribution of private sector banks in India and its impact on financial inclusion. The article evaluates the correlation of number of private bank branches with economic freedom and ratio of development expenditure of states to gross state domestic product. At end March 2010, 50.6 million no frills account were opened by the banking system.. RBI initiated scheme of no frills account in 2005 to improve financial inclusion.
- **RAIHANATH. Role Of Commercial Banks In The Financial Inclusion Programme, explore that** Commercial banks play a vital role in the economic

development of a country like India. Indian economy in general and banking services in particular have made rapid strides in the recent past.

- **Mr. Thamotharan. A, ROLE OF PRIVATE SECTOR BANKS IN FINANCIAL INCLUSION - ISSUES & CHALLENGES** -The article explores the geographical distribution of private sector banks in India and its impact on financial inclusion and Challenges. At the end of March 2012, 50.8 million no frills account were opened by the banking system.
- **Dr. Anupama Sharma, 2, Ms. Sumita Kukreja An Analytical Study: Relevance of Financial Inclusion For Developing Nations** explore that for developing nations the era is of inclusive growth and the key for inclusive growth is financial inclusion. Financial inclusion or inclusive financing is the delivery of financial services, at affordable costs, to sections of disadvantaged and low income segments of society.

Analysis And Interpretation of Data

The present chapter stated the data collected from the 500 customers and its analysis for further conclusion. For that purpose questionnaire is framed and data is collected regarding the various aspects of financial inclusion.

Findings & suggestions

1. Bank made its rapid growth and develop its business in the society. As it covered 33.98% villages as compared with 11.32% villages in the year 2010. The percentage of loans sanctioned has been increased from 4.34% in the year 2010 to 34.78% during the year 2016. The number of savings accounts opened by the customers has been risen from 8.47% to 42.39%.
2. Maximum number of the respondents are Businessmen i.e. 38% whereas minimum respondents are students that is 5% who are the bank customers.
3. Maximum percentage of the respondents are 31-45 years age group which is 35%. Only 3.8% are the senior citizens.
4. It has been observed that maximum no. of respondents that is 20.4% have one account of their household whereas 9% respondents reply that they have more than 4 accounts of their households.
5. Maximum number of the respondents that is 42.6% have reply that they have Recurring deposit account whereas minimum number of respondents that is 2.6% have any other account
6. It is observed that 36% respondents open account by taking the help of village. Minimum number of respondents opened account by the help of neighbor.
7. Maximum respondents that is 52% saved at least one in month whereas only 2% don't save that is they never save their money.
8. It is observed that maximum respondents that is 29% reply that due to unemployment or no job anywhere. Minimum number of respondents reply that they can not get their accounts due to bad credit history.
9. It is observed that 55.8% respondents do not have awareness about no frill accounts whereas 44.2% respondents known about no frill account.
10. Maximum percentage of the respondents that is 44.79% came to know about no frill accounts from the self help groups whereas less number of respondents that is 4.43% came to know it from the neighbors.

11. It is clear that more than 80% of the respondents taken loan from the bank for meeting their day to day needs.
12. Maximum number of the respondents that is 40.2% borrow loan due to the trustworthy lenders whereas 3% loans are preferred as offered by the bank.
13. It is found that maximum number of the respondents that is 51.55% preferred the vehicle loans whereas minimum number of the respondents preferred Educational loans due to the less awareness about it.
14. It is observed that 60.6% respondents respond that loan or credit has not been refused by the bank for the last three year.
15. It is observed that 85% respondents deny to use any other financial product instead of the 14.6% respondents.
16. It is disclosed that more than 70% of the respondents are satisfied with the services offered by the bank.
17. Maximum number of the respondents that is 41% are satisfied, 30% are fully satisfied and only 20% are dissatisfied with the services offered by the bank.
18. It is seen that 87.6% respondents reply that the bank give them the best services.
19. It has been clear that 71.2% respondents are agreed with the statement that that Bank fails to provide its financial services to sections of disadvantaged and low income segments of society.

Suggestions

1. It is suggested that bank has increase its services at each and every part of the village & encourage the people to save their money.
2. Sanction loans and provide the loans to the deeper section of the society.
3. Attract young students and inculcate the saving habits among them. Arrange account opening camp at every college to benefit to the students.
4. There are lots of schemes for the senior citizens but they are nor reach towards them so create awareness among them to keep their funds with the bank and utilize it for the needy people
5. Attract the businessmen to open the current account in the bank.
6. Create awareness about the no frill accounts.
7. Provide educational loans to boost the brain drain and earn the lots of foreign exchange.
8. Provide its financial services to sections of disadvantaged and low income segments of society.

Conclusion:

Empirical evidence shows that economic growth follows financial inclusion. Boosting business opportunities will definitely increase the gross domestic product, which will be reflected in our national income growth. People will have safe savings along with access to allied products and services such as insurance cover, entrepreneurial loans, payment and settlement facility, etc. Our dream of inclusive growth will not be complete until we create millions of micro-entrepreneurs across the country. All budding entrepreneurs have to face these challenges and find solutions. People working in the social sector should work for filling up the deficit existing in the economic and social arena. To sum up, financial inclusion is the road that India needs to travel toward becoming a global player. Financial access will attract global market players to our country and that will result in increasing employment and business opportunities.

Inclusive growth will act as a source of empowerment and allow people to participate more effectively in the economic and social process.

Bank of Maharashtra play vital role in Sangli district and provides best possible services to its customers. Some customers are not satisfied but they are less in number.

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