

## ROLE OF BANK OF MAHARASHTRA IN FINANCIAL INCLUSION : AN OVERVIEW

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### Abstract :

The term "financial inclusion" has gained importance since the early 2000s, a result of findings about financial exclusion and its direct correlation to poverty. During the year 2013 Government of India has vision to setup banks branches in India's 6.25 lakh villages and also tried with this direction. Result of this extension of bank branches is growing in rural India. But the main challenges of Government and banking sector is 3 lakh villages are still remained unbanked. However, the Government of India and Reserve Bank of India has been pushing the concept and idea of financial inclusion in remaining part of rural India and in Maharashtra The Bank of Maharashtra promote the banking services in rural Maharashtra with the support of Ministry of Rural Development, Maharashtra state, with this programme Bank of Maharashtra initially opens Gram Panchayat Level Banking Service Counter in 18000 villages of Ten Districts to provide basic banking services to rural people of Maharashtra to upgrade to economical standard of rural society. This paper focuses on Swabhiman: The financial inclusion Plan of Government of India and the role of Bank of Maharashtra in financial inclusion in the upgrade the economical standard of rural and economically poor people.

**Keywords:** Financial Inclusion, financial exclusion, etc.

### INTRODUCTION :

The term "financial inclusion" has gained importance since the early 2000s, a result of findings about financial exclusion and its direct correlation to poverty. So, financial inclusion is the concept related to financial services for rural or low income group people or vulnerable group of people of the society to improve their standard of living and to brought them in to flow of banking services through financial education and with providing basic banking facilities like saving, withdrawing, deposits, short term lending or credit facilities, money transfer, etc. Basically these facilities provide to unbanked people, who covered in the vulnerable group or people living below poverty line. India is the country of poor people, most of these people are illiterate or low educated and therefore they are not aware about to banking services or banking facilities. So, the main objectives of this concept is to inculcate the concept of banking in this group and made them financial empowered.

### DEFINITION:

"Basic banking services provide to those people, who are belongs to low income group or disadvantage group at affordable cost for the purpose to financially empowered them and it is called financial inclusion".

### DR. C. RANGARAJAN COMMITTEE ON FINANCIAL INCLUSION DEFINES IT AS:

"Financial inclusion may be defined as the process of ensuring access to financial services and

timely and adequate credit where needed by vulnerable groups such as weaker sections and low income groups at an affordable cost."

"Financial inclusion is the delivery of financial services & products to sections of disadvantaged and low income segments of society, at an affordable cost in a fair and transparent manner by regulated mainstream institutional players".

From the above definition it is clear that financial inclusion is the concept related to basic financial services or banking services provide to illiterate people, people from low income group or disadvantage group of society at very low cost for elimination of poverty and brought them into the mainstream of the society.

#### **OBJECTIVES OF FINANCIAL INCLUSION:**

Banking services provide to those people, who are belongs to low income group or disadvantage group of large segment of society, at affordable cost for the purpose elimination of poverty and financially empowered them,

Financial Inclusion is to extend financial services to the large hitherto un-served population of the country to unlock its growth potential. In addition, it strives towards a more inclusive growth by making financing available to the poor in particular.

#### **IMPORTANCE OF THE STUDY:**

The term of "Financial Inclusion" is related rural poor people. India is the country of rural area, larger section of population living in rural area and most of them living in below poverty line, they are not assured about earned fixed income for day to day living and to maintain basic standard of living. So this paper basically focus on Financial Inclusion Plan of Bank of Maharashtra to make financial empowered people of rural India or the people of vulnerable group.

#### **INITIATIVE OF BANK OF MAHARASHTRA:**

In Maharashtra state The Bank of Maharashtra taken an initiative to provide banking services to those people who are unbanked till date and also going to open about 18000 banking counter at Gram Panchayat offices (Gram Seva Kendras) of unbanked villages. These special banking counters will offer basic financial services such as depositing, withdrawing and transferring money.

The state's Rural Development Department will sign a memorandum of understanding (MoU) with the Common Services Centers (CSC) special purpose Vehicle (SPV) initiative of the centre, to roll out this financial inclusion programme. CSC and SPV has tied up with 27 Banks to introduce financial services.

The CSC initiative will enable tie up with nationalized banks to set up banking cells at each of these gram panchayat offices. A village level operator/entrepreneur will be given the task of carrying out all banking transactions on behalf of bank. This scheme would be easier to implement because most of gram panchayat in state already have computer with telephone and broadband internet connection with printer.

For villagers, access to banking services could then be as simple as walking in the gram panchayat office to open an account. The Know Your Customer protocol will be carried out at this counter itself; along with details registered online, the thumb print or electronic signature of the customer will be scanned. A nominal transaction fees could be charged for opening an account and carrying out certain transactions.

#### **MAHA GRAM SEVA KENDRA - AN INITIATIVE BY BANK OF MAHARASHTRA:**

Located in a remote village, the Kendra will provide all basic banking services to the customers. It will be manned by one bank official from the parent branch to which the Kendra is linked. This initiative is an alternative to BC model service delivery channel provided by the Bank in selected remote villages to give more personalized services.

#### **RBI Dy Governor, Dr. K. C. Chakrabarty inaugurates Mahabank Gram Seva Kendras (26-12-2011)**

Bank has pioneered in taking the banking to the door steps of remote villagers in real sense when its SIX Mahabank Gram Seva Kendras were inaugurated at the hands of Dr. K. C. Chakrabarty, Dy Governor, RBI at Navghar village near Uran of Raigad District on 26-12-2011.

As an innovation under the financial inclusion plan embarked by the Bank, Mahabank Gram Seva

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Kendras are established in the remote villages like Navghar (Raigad), Dhuktan (Thane), Panoli (Ahmednagar), Koli Boddkha (Aurangabad), Solu (Pune) and Survadi (Satara) on pilot basis.

**BANK OF MAHARASHTRA : FINANCIAL INCLUSION PLAN ACIEVEMENT FOR THE FINANCIAL YEAR 2014-15**

SR NO.	Particulars		Achievement Mar 2014	Target- Year ended March 2015	Achievement April 2014	Achievement May 2014
1	Total No. of Branches		1851	2260	1853	1854
2	Out of 1 above, No. of Rural Branches		648	725	648	648
3	No. of branches in unbanked villages		99	183	99	99
4	Total No. of CSPs Deployed		2472	3500	2535	2616
5	No. of banking outlets in villages with population > 2000	Through Branches	646	720	646	646
6		Through BCs	1165	1165	1165	1165
7		Through Other Modes	0		0	0
8		Sub Total : > 2000		1811	1885	1811
9	No. of banking outlets in villages with population < 2000	Through Branches	2	5	2	2
10		Through BCs	4900	7167	5101	5293
11		Through Other Modes	0		0	0
12		Sub Total : < 2000		4902	7172	5103
13	Total Banking Outlets in all villages		6713	9057	6914	7106
14	No. of BC outlets in Urban Locations		33	350	33	33
15	Basic Savings Bank Deposit Accounts (BSBDAs) through branches	No. in Actuals	2403001	3100000	2421882	2433412
16		Amt. Z In Thousands	1971216	2430000	1873429	1942105
17	Basic Savings Bank Deposit Accounts (BSBDAs) outstanding through BCs	No. in Actuals	440646	500000	446954	452339
18		Amt. Z In Thousands	60736	70000	60736	61384
19	Basic Savings Bank Deposit Accounts (BSBDAs) (Bank as a whole)	No. in Actuals	2843647	3600000	2868836	2885751
20		Amt. ! In Thousands	2031952	2500000	1934165	2003489
21	OD facility availed in BSBDAs	No. in Actuals	2565	16000	2593	2546
22		Amt. Z In Thousands	642	4000	646	745
23	KCCs outstanding - through Branches	No. in Actuals	658165	560000	648731	650179
24		Amt. Z In Thousands	43407058	41110000	42783163	43122580
25	KCCs outstanding -	No. in Actuals	0	21000	0	0

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19	Basic Savings Bank Deposit Accounts (BSBDAs) (Bank as a whole)	No. in Actuals	2843647	3600000	2868836	2885751
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25	KCCs outstanding - through BCs	No. in Actuals	0	21000	0	0
26		Amt. Z In Thousands	0	250000	0	0
27	KCCs-Total (Bank as a whole)	No. in Actuals	658165	581000	648731	650179
28		Amt. Z In Thousands	43407058	41360000	42783163	43122580
29	GCCs outstanding through Branches	No. in Actuals	132952	252000	134033	135305
30		Amt. Z In Thousands	74773991	723000	73022237	73310189
31	GCCs outstanding through BCs	No. in Actuals	0	2000	0	0
32		Amt. Z In Thousands	0	14000	0	0
33	GCC-Total (Bank as a whole)	No. in Actuals	132952	254000	134033	135305
34		Amt. Z In Thousands	74773991	737000	73022237	73310189
35	Transactions in BC-ICT Accounts (during the month) *	Savings Deposit (No. in Actuals)	397742	540000	82950	82097
36		Savings Deposit (Amt. Z In thousands)	858337	141800	259655	303734
37		Credit/OD (No. in Actuals)	0	5000	0	0
38		Credit/OD (Amt. Z In Thousands)	0	2500	0	0
39		Term Dep./RD (No. in Actuals)	0	5000	0	0
40		Term Dep./RD (Amt. Z In Thousands)	0	400	0	0
41		EBT/Remittance (No. in Actuals)	68457	240000	5747	5963
42		EBT/Remittance (Amt. Z In Thousands)	152437	50300	48487	60708

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40		Term Dep./RD (Amt. Z In Thousands)	0	400	0	0
41		EBT/Remittance (No. in Actuals)	68457	240000	5747	5963
42		EBT/Remittance (Amt. Z In Thousands)	152437	50300	48487	60708
43		Others (No. in Actuals)	0	10000	0	0
44		Others (Amt. Z In Thousands)	0	5000	0	0
45	Total of Transactions in BC-ICT Accounts	No. in Actuals	466199	800000	88697	88060
46		Amt. In Thousands	1010774	200000	308142	36444 2

Source: Website of Bank of Maharashtra [www.bankofmaharashtra.in](http://www.bankofmaharashtra.in)

From the above table, in briefly, it seems that up to May 2014 the achievements is, total 1854 branches of Bank of Maharashtra running successfully in all over India, out of these more than 1/3 branches running in rural area and the number is 648 branches. Bank opens 99 branches in unbanked villages to provide financial services to rural people of India and Maharashtra to improve their standard of living.

### CONCLUSION:

The Government of India and Reserve Bank of India has been pushing the concept and idea of financial inclusion in remaining part of rural India and in Maharashtra The Bank of Maharashtra promote the banking services in rural Maharashtra with the support of Ministry of Rural Development, Maharashtra state, with this programme Bank of Maharashtra initially opens Gram Panchayat Level Banking Service Counter viz. Gram Seva Kendras in 18000 villages of Ten Districts to provide basic banking services to rural people of unbanked area of Maharashtra to upgrade to economical standard of rural society.

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