Financial Inclusion Commercial Bank Branch and Atms in India an-Analysis

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Abstract

The present research work emphasized that the financial inclusion at present commercial bank branch and its importance at this economic juncture from reviewing previous studies, commercial banks and national inflations and the real growth of .The authors have revealed that commercial banks are playing the important role in the financial inclusion are obviously understood by the authors. The policies and laws against of willful defaulters of long-term credit availed from the commercial banks is not justifiable and the state and central government ruling parties are also doing wrong thing or adjoined in these regards of diplomatic robberies. The present study will implicate the authorities who involved in the policy making towards financial inclusions for the betterment of the country.

Kew Words:Financial inclusion

Introduction

India has been growing its economical status in the world arena. The central government has been taking various efforts to increase the (INR) rupee value against of Dollar. The authorities of ministries of various departments and the RBI ensured the steps to enhance the trade and business in domestic and abroad. Indian present Prime Minister has very much interested to attract other countries investments. The financial inclusions are done by politicians and higher officials by means of planning the projects and executing them. There is some lacuna of execution of the projects such as improper tender allocation, implied and injustice settlement of certain percentage of commissions to political and official brokers, corporate thieves, and political parties' donations. These activities are hindering the financial inclusion. These are the continuing stories of the nation for the past fifty years of Indian government. The social media and other Medias are now discussing the same as a debate who are right and wrong. Adam Smith have stated that the financial inclusions to be started from the people to business and to government that will ensure the economic development by its virtue of efforts taking by the different sectors of economy at the same direction. Now, the political parties are functioning them as a business. The national revamp is necessitating identifying a best person for political leader as like as other countries eligibility criteria. The financial inclusion is not a single task; it is a process of multi-task oriented function. It requires fund circulation and capital mobilization from the people through the ensured employment and their savings. The present paper concentrated on the financial inclusion components and its perspective trends in 2020-2021. This paper also described with

Meaning of Financial inclusion

The Committee on Financial Inclusion, Chairman: Dr. C. Rangarajan stated that the 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. The Committee on Financial Sector Reforms, Chairman: Dr. Raghuram G. Rajan expressed that the financial Inclusion, broadly defined, refers to universal access to a wide range of financial services at a reasonable cost. These include not only banking products but also other financial services such as insurance and equity product. Financial inclusion broadens the resource base of the financial system by developing a culture of savings among large segment of rural population and plays its own role in the process of economic development. Further, by bringing low income groups within the perimeter of formal banking sector; financial inclusion protects their financial wealth and other resources in exigent circumstances. Financial inclusion also mitigates the exploitation of vulnerable sections by the usurious money lenders by facilitating easy access to formal credit.

Review of Literature

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Sanjay M Sakariya and Neelima Ruparel (2018) in their article entitled "Evaluation of financial inclusion strategies of banks in India: Reflections from literature" expressed that the government and central bank have made several moves to provide basic banking services to the unbanked people. The introduction of no-frills account and relaxation in know-your-customer norms in 2005, closely followed by introduction of business correspondence model in 2006, liberalization of branch authorization in 2009, commencement of direct benefit transfer scheme in 2013, erection of low-cost payment network and launching the Pradhan Mantri Jan

Dhan Yojna (PMJDY) in 2014, licensing payments banks in 2015, the recent efforts towards opening physical bank branches in remote areas and the aggressive use of modern technology have all contributed to better expansion of banking services across the country and playing crucial role to cover the under banked into the banking fold. They found that the five major factors of the financial inclusions such as Widening the Bank Network, Technology Solutions, Targeting the Neglected Niches, Regulatory Support and Building Trust and Awareness. They concluded that the model of Sandhu & Singh (2016) has been utilized for evaluation of financial inclusion strategies of banks in India with essential modifications. This has opened the door too often work on development/modification of standard model and framework for constant evaluation of financial inclusion strategies of banks in India. Ultimately it will work to refine existing strategies and practices of banks/strategy formulators to make a conscious effort to achieve financial inclusion in India by overcoming the challenges. The constant efforts and practices towards strategic evaluations must help in development of a holistic approach to reach the underprivileged and neglected section of the society. Financial inclusion is daunting task, however can be achieved, if we all together pursue it strategically.

Therefore, all the above articles reviews are stated that commercial banks are playing the important role in the financial inclusion are obviously understood by the authors. The policies and laws against of willful defaulters of long-term credit availed from the commercial banks is not justifiable and the state and central government ruling parties are also doing wrong thing or adjoined in these regards of diplomatic robberies. The objectives of the present paper are to know the present scenario of financial inclusions in India; and to identify the future trend of the components of the financial inclusion with linier growth. From these objectives authors are identified the financial inclusions from the certain important components of various measures of financial inclusions. Such as number of branches and ATMs in India per 200,000 adults are given in the following table.

Table No.1 Commercial Banks Branches and ATMs in India per 200,000 adults

Year	(ATMs) (per 100,000 adults)	Commercial bank branches (per 100,000 adults)
2010-11	4.382	9.575
2011-12	6.138	10.010
2012-13	9.734	10.486
2013-14	11.857	11.160
2014-15	13.778	11.830
2015-16	18.663	12.850
2016-17	19.685	13.557
2017-18	21.230	14.264
2018-19	22.074	14.568
2019-2020	21.737	14.564
Mean	14.769	12.287
STD	6.468	1.929
CoV	0.438	0.157
t value	10.103	17.146
LGR	12.145	0.052
CAGR	**17.755**	**5.354**
P value	0.000	0.000
Growth in 2020-21	**26.456**	**17.344**

Source: World Bank Report 2019-2020

Table 2
analysis for Commercial bank branches (per 100,000 adults)

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.876[a]	.987	.980	.027629540573571

a. Predictors: (Constant), year

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.323	3	.124	293.987	.000[b]
	Residual	.005	7	.006		
	Total	.251	8			

a. Dependent Variable: b

b. Predictors: (Constant), year

Coefficients[a]

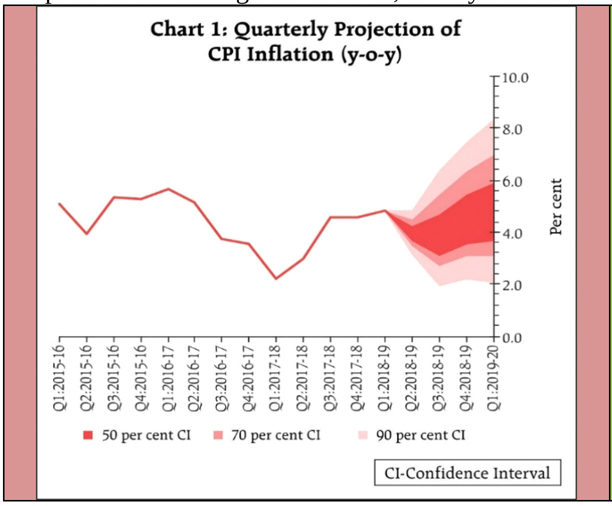
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std.	Beta		

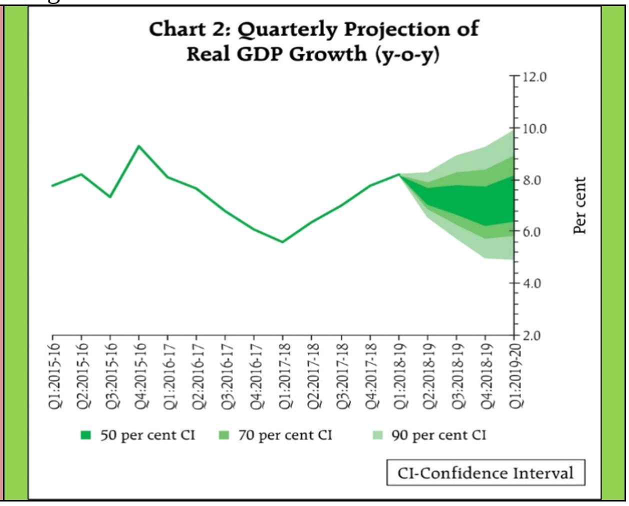
			Error			
1	(Constant)	2.210	.019		117.103	.000
	year	.052	.003	.987	17.146	.000
a. Dependent Variable: b						

Source: Computed Secondary Data of Table 1

Quarterly Projection of CPI Inflation and real GDP growth

Turning to the growth of the GDP in Q1:2019-20 was significantly higher than that projected in the August of 2018. Private consumption has remained robust and is likely to be sustained even as the recent rise in oil prices may have a bearing on disposable incomes. Improving capacity utilization, larger FDI inflows and increased financial resources to the corporate sector augur well for investment activity. However, both global and domestic financial conditions have tightened, which may dampen investment activity. Rising crude oil prices and other input costs may also drag down investment activity by denting profit margins of corporate(s). This adverse impact will be alleviated to the extent corporate(s) are able to pass on increases in their input costs. Uncertainty surrounds the outlook for exports. Tailwinds from the recent depreciation of the rupee could be muted by the slowing down of global trade and the escalating tariff war. Based on an overall assessment, GDP growth projection for 2018-19 is retained at 7.4 per cent as in the August resolution (7.4 per cent in Q2 and 7.1-7.3 per cent in H2), with risks broadly balanced; the path in the August resolution was 7.5 per cent in Q2:2019-20 and 7.3-7.4 per cent in H2. GDP growth for Q1:2019-20 is now projected marginally lower at 7.4 per cent as against 7.5 per cent in the August resolution, mainly due to the strong base effect.





2020-2021 Resolution of the Monetary Policy Committee (MPC)Reserve Bank of India", October 5, 2019, pp 4-5, Point 20

Conclusion

From the above discussion and charts of RBI authors have acknowledged that there is a lesser significant chances to got the growth in the future for the both of CPI Inflation and real GDP growth. Particularly, CPI Inflation having the chances of growth but the real GDP will met the down trend as per the data of RBI bulletin. Therefore, the financial inclusions steps of the RBI will create the inflationary conditions during the 2019-20. It will cause the down trends of GDP is possible. Now the RBI is decreased the Repo rate of interest to commercial banks. It will keep some extent to stable the inflations. The purchasing power of the people should be increased by taking several steps by means of: 1. relaxation of direct taxes slabs to middle incomes groups and government officials, teachers, professors and servants; 2. increasing of employment opportunities to the educationally qualified persons in the public and private organization on the basis of reservation policy of India as per the state governments regulations; 3. employment guarantee programmes of central government should be monitored very closely to assure the real benefit reached the beneficiaries; 4. rivers should be merged to undergo the agricultural activities continuously; 5. rationale and reasonable small farmers are to be promoted by the higher subsidiaries wherever backward areas of poor rainfall and poor land water resources; 6. public sector and private sector banks should give credits to people who are involved in the tiny, micro, small and medium levels of business in the rural and urban; 7. purchasing pattern of commodities and services from the OnLine shopping will cause and affect the money in circulation in the rural and urban economic conditions, it should be reduced; and political and corporate thieves are holding the higher denominated currencies that will affect the economy and financial inclusions in the country. Therefore, the government should take steps to avoid such negative circumstances to improve the financial inclusion will definitely improve the real GDP growth in the future.

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