

Availability of Banking Facility in India

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Introduction: Banking facilities leads to comprehensive growth of the economy through growth of financial sector in the country. It equips the population with financial services and financial instruments and increases the level of financial literacy in the economy. Banks provide the financial services at very sound rates and accelerate benefits of banking or financial services at their door step. Banking facilities will not only help in balancing the growth of the nation but also help in increasing the productivity of the rural areas or underdeveloped areas. Availabilities of these facilities will serve various other purposes such as; growth of the rural areas, increase in the income sources of the village people, saves the villagers from the exploitation of the unorganized financial market dealers, solves the problem of capital in case of starting a new business or venture and raising living standard through increased employment. The people of urban areas who have bank accounts, have all the facilities to access the banking system anytime and anywhere but due to the security concern they hesitate and refuse to make use of the financial system at its maximum. It clearly highlights the shortcomings of the financial system which do not motivate or attract the people to get the benefits from organized banking system in the economy. Hence, there is a need to put efforts for increasing the outreach of banking facilities to all the parts of the nation, with an emphasis on improving the problem areas as well which distracts or demotivates the existing customers of the banks while making use of the banking system for the economic transactions.

Keeping in view the vitality of the banking facilities, the study have attempted a study to with a fundamental objective to measure availability of banking facilities in various provinces of India based on various parameters.

Review of Literature: Francis¹ (2014) connected the two constructs namely; social development and financial inclusion. Researcher found a significant association between these two constructs and stated that financial inclusion proved a base or foundation for the overall development of the society and nation both. Altaf² (2014) studied the concept of Financial Inclusion and the growth of India in this direction. It was concluded that financial inclusion is the basic criterion to be achieved for the economic and social growth of the nation. Further, it was highlighted that information technology can prove the best element for achieving the objective of financial inclusion

Objectives: The main objective of the study is to make a comparative study of the banking facilities In India. The study also aims to measure the banking facilities index for the six different regions of India.

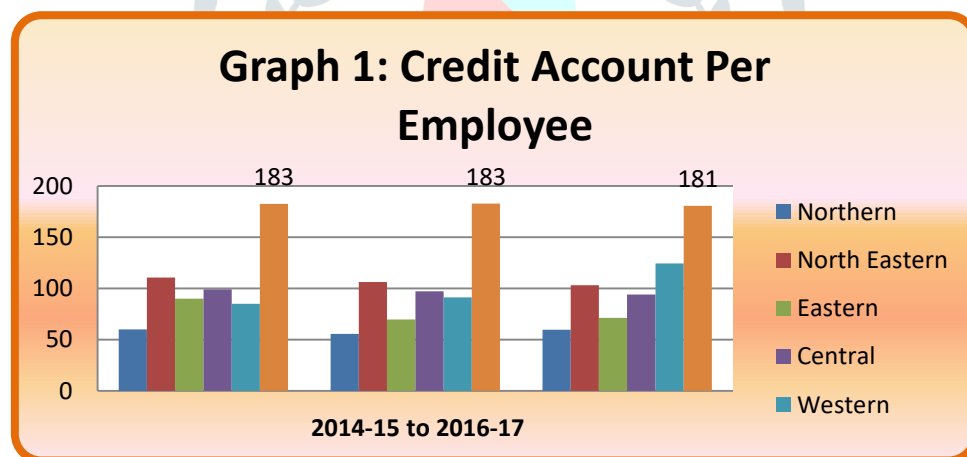
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Research Methodology: This study utilised secondary data from the annual reports of the Reserve bank of India, statistical data related to banks and the trend & progress report of Scheduled commercial banks in India. The banking facilities have been measured for the six different regions of India i.e. northern, north eastern, eastern, central, western, and southern region. The study is mainly devoted to the scheduled commercial banks in India. Banking facilities index is measured through:

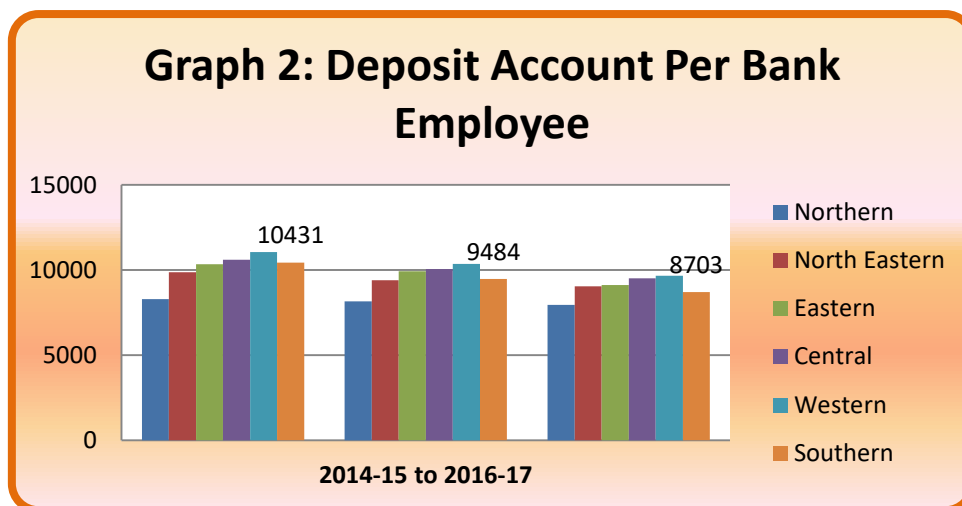
1. Deposit Account Per Office
2. Credit Account Per Office
3. Deposit Account Per Employee and Credit Account Per Employee

Data Analysis:

Graph 1 shows the banking facilities index on the basis of number of credit accounts per bank employee. Southern region is again at top in this variable of financial inclusion, while northern region is at bottom position. Year wise comparison of data shows a mixed trend increasing and decreasing both for almost all the regions during last three years.

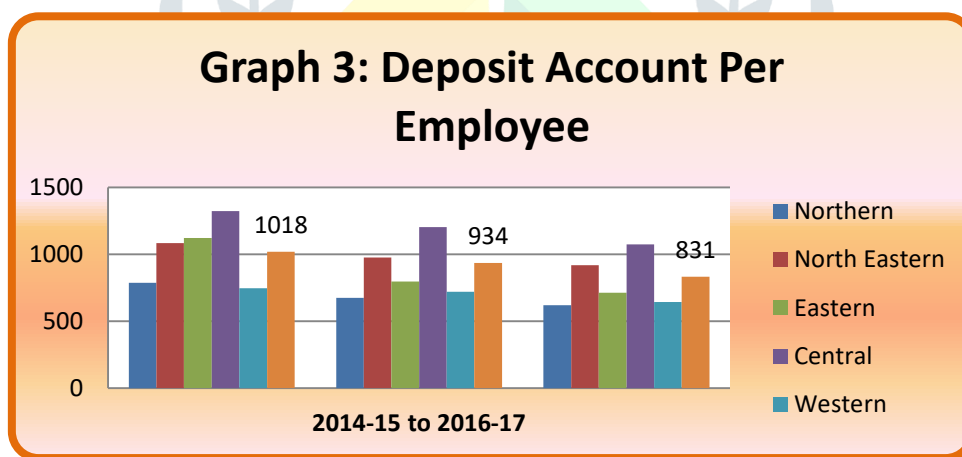


Graph 2 shows the banking facilities index on the basis of deposit account per bank office of scheduled commercial banks of India region wise.



Interpretation: It can be interpreted from the graph 2 that western region of India have highest number of deposit accounts per bank office in India. Northern region of India has lowest number of deposit accounts per bank office of scheduled commercial banks in India. Therefore it can be concluded that the northern region of India has lowest rate of financial inclusion in comparison to other regions of India. Year wise comparison of number of deposit accounts per bank office of different regions shows a declining trend in all the six regions during last three years.

Graph 3 shows the number of deposit account per bank employee of scheduled commercial banks in India region wise.



Interpretation: It can be interpreted from the graph 3 that central region of India have highest number of deposit accounts per bank employee in India. Northern region of India has lowest number of deposit accounts per bank employee of scheduled commercial banks in India. Therefore it can be concluded that the northern region of India has lowest rate of financial inclusion in comparison to other regions of India. Year wise comparison of number of deposit accounts per bank employee of different regions shows a declining trend in all the six regions during last three years.

Table 1: Ranking of regions on the basis of Financial Inclusion Index

Regions ↓ Parameters	Banking facilities index	
	Credit Account per bank office	Deposit Account per bank office
Northern	6	6
North Eastern	2	5
Eastern	4	4
Central	3	2
Western	5	1
Southern	1	3

Conclusion: It can be concluded from the study that Northern region of India have lowest ranking in both the availability banking facilities index credit account per bank office and deposit account per bank office which indicates that the banking expansion process in slow in this region of country. But this is speedy in Southern region of India, which shows that this region has good access and usage of financial services. The reason could be assigned to the developed infrastructure facilities, financial awareness of people living in southern reason of the country etc.

References:

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2. Nufazil Altaf “Towards Financial Inclusion”, Global Journal of Commerce and Management Perspective, Vol.3, No. 4, 2014, pp.128-131