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Research Article

Role of Bank of Maharashtra in Financial Inclusion with Special Reference to Post Covid-19 Period

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Abstract

India, being a developing country, has large segments of rural and semi-rural population which need to develop a culture of savings. India has been independent for more than 75 years but big chunks of its people still don't have bank accounts. This is why the Indian government and the RBI are working hard to spread the idea of financial inclusion. In fact, it's now one of the country's main goals. Financial inclusion, or inclusive financing, means providing financial services at prices that people can afford. This is for those who are far away from benefit or don't earn much money and who can't get financial products & services otherwise. In India, RBI's several measures are to achieve the goal of financial inclusion through scheduled banks which includes opening branches and no-frills accounts in unbanked rural areas, engaging business correspondents, relaxation on KYC norms, use of ICT, introduction of GCC facility etc. Scheduled banks include Commercial and Co-operative banks. Scheduled Commercial banks are Public & Private sector banks, Foreign & Regional rural banks. Bank of Maharashtra is one of the largest nationalized banks which plays an important role in financial inclusion. Therefore, in the present study, the researcher has attempted to focus on the Role of Bank of Maharashtra in Financial Inclusion. This research article provides insight into branch expansion, ATM Centers, PM- Jan Dhan Yojana Accounts, and deployment of Credit to MSMEs.

Key words – Financial Inclusion, RBI, PMJDY accounts, ATMs

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1. Introduction:

In India, there is a massive scope for the banking sector to deliver the financial services to the underprivileged & lower income group segments of the society because the villagers are not able to have access to financial services & products due to many reasons like low income, poverty, high expenditure in wasteful social customs etc. The banks are providing the various services to its customers at affordable costs but still there is a scope for banks for financial inclusion especially in the rural areas. Government and RBI are also initiating several measures for developing a culture of savings of the lower income segments of the society. These measures include opening branches in unbanked rural areas, opening no-frills accounts, engaging business correspondents, relaxation on KYC norms, use of ICT, introduction of general purpose credit card facility (GCC) etc.

Financial inclusion involves teaching people about money and making sure everyone in society, including those having less money or from weaker groups, can get the right financial products and services.

The RBI is working to boost financial inclusion in India through banks. These banks offer financial products and services to society at prices that people who don't have access to these things can afford. These services include lending money, saving money, insurance and ways to pay and send money. As a public sector and nationalized bank, the Bank of Maharashtra plays a key role in helping more people in India use financial services. Therefore, in the present study, the researcher has attempted to focus on the Role of Bank of Maharashtra in Financial Inclusion This research article provides insight into branch expansion, ATM Centers, PM- Jan Dhan Yojana Accounts, and deployment of Credit to MSMEs.

2. Review of Literature:

Ensuring vulnerable groups, such as low-income groups and weaker segments of society, have transparent access to relevant financial goods & services at reasonable prices are known as financial inclusion. Every village having more than 2,000 residents should have access to banking facilities and financial services in accordance with RBI directives. Two foundations are financial literacy and financial inclusion. The demand side is stimulated by financial literacy, which informs people of their rights. By offering the financial services that the public wants, financial inclusion operates from the supply side.

The Khan panel was established by the RBI in 2004 to investigate financial inclusion. The panel's suggestions were incorporated into the 2005–06 midterm policy review. To increase financial inclusion, the RBI advised banks to provide a simple "no-frills" bank account in its report. In 2005, Indian Bank chairman K.C. Chakraborty introduced the concept of financial inclusion to the country. The first hamlet in India to offer banking services to every family was Mangalam, located in Coimbatore, Tamil Nadu.

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In comparison to other developing countries, the government's efforts to expand bank branches in rural and isolated areas and the nationwide distribution of financial services are very comprehensive, claims Basu (2006). The Indian banking sector experienced significant growth following bank nationalization, including a surge in branches, ATMs, PMJDY accounts, total deposits, bank savings deposits, advances, cash credits, overdrafts, and term loans, among other things.

The RBI has taken the following actions to promote financial inclusion. i) The creation of a basic account. ii) Using business correspondents (BCs) and business facilitators (BFs) as middlemen to offer banking and financial services. iv) Transferring benefits electronically iv) The easing of know-your-customer (KYC) regulations v) Using information and communication technology (ICT) to solve outreach and credit distribution problems in isolated and rural locations. vi) Establishing branches in underbanked rural communities.

3. Objectives of the Research:

The purpose of this research is to study the role of Bank of Maharashtra in Financial Inclusion in India. The major objectives are as follows:

- 1) To examine the branch expansion of Bank of Maharashtra in Rural, Semi-urban, Urban and Metropolitan areas.
- 2) To enquire the ATM Network of Bank of Maharashtra.
- 3) To study the status of PMJDY accounts of Bank of Maharashtra.
- 4) To know the deployment of Credit to MSMEs of Bank of Maharashtra

4. Methodology:

This study is based mainly on secondary data obtained from books, magazines, related articles and annual reports of bank of Maharashtra. Simple bar diagram and Pie-diagram techniques were used to analyze the data. For this study, a sample of total branches, total no. of ATM networks, No. of PMJDY Accounts and total deployment of Credit to MSMEs of Bank of Maharashtra has been considered for the years 2017-18, 2018-19, 2019-20, 2020-21, 2021-22 and 2022-23. The study in the this research paper is of branch expansion, ATM network, PMJDY Accounts and total deployment of Credit to MSMEs of the bank. The available data is appropriate to study the Role of Bank of Maharashtra in Financial Inclusion. Following is the break-up of branch expansion, ATM Networks, PMJDY Accounts and total deployment of Credit to MSMEs from the financial year 2017-18 to 2022-23.

Break-up of Branches & ATM Networks of Bank of Maharashtra

Sr. No.	Branches	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23

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1)	Rural	616	615	616	611	611	606
2)	Semi-urban	427	426	428	461	511	602
3)	Urban	329	325	331	372	412	476
4)	Metropolitan	474	466	458	471	488	519
5)	Total Branches	1846	1832	1833	1915	2022	2203
6)	Total No. of ATMs	1864 Offsite 559 Onsite 1305	1858 Offsite 552 Onsite 1306	1926 Offsite 545 Onsite 1381	1950 Offsite 445 Onsite 1505	2128 Offsite 429 Onsite 1,699	2330 Offsite 420 Onsite 1,910
7)	No. of PMJDY A/cs (Rs. in lakhs)	51.57	56.67	61.74	68.15	71.64	70.46
8)	Deployment of Credit to MSMEs (Rs. in Crores)	16283.00	13,632.94	17,163.92	23,132.87	26,279.0	33,243.62

Source: Annual Reports of Bank of Maharashtra

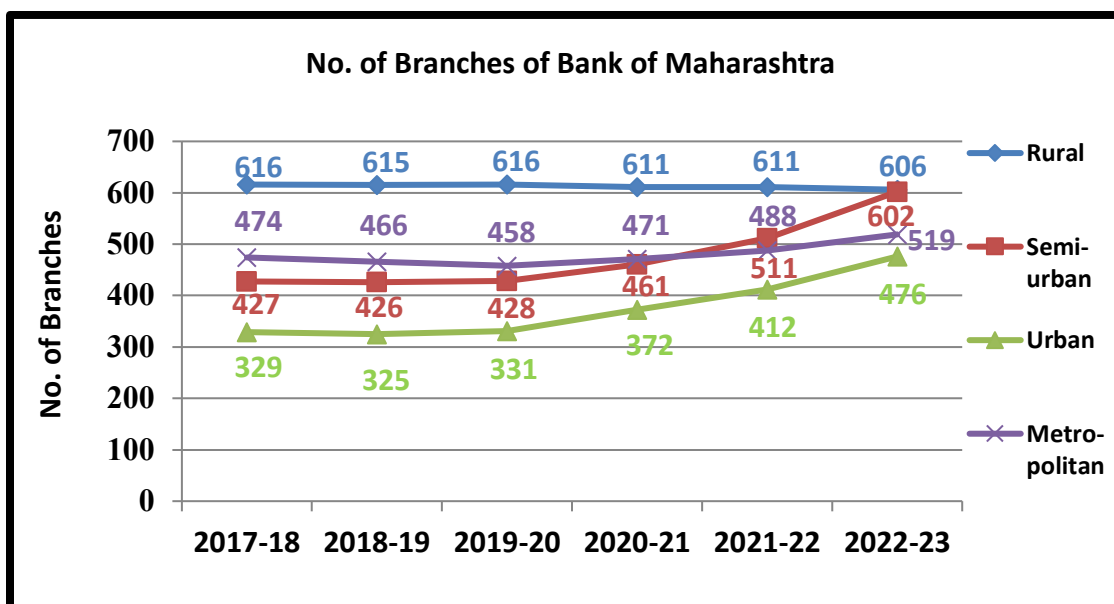
5. Analysis of Data:

The secondary data has been gathered from Annual Reports of Bank of Maharashtra and analyzed by using Simple bar diagram and Pie-diagram techniques.

Fig. 1 No. of Branches of Bank of Maharashtra:

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Source: Annual Reports of Bank of Maharashtra

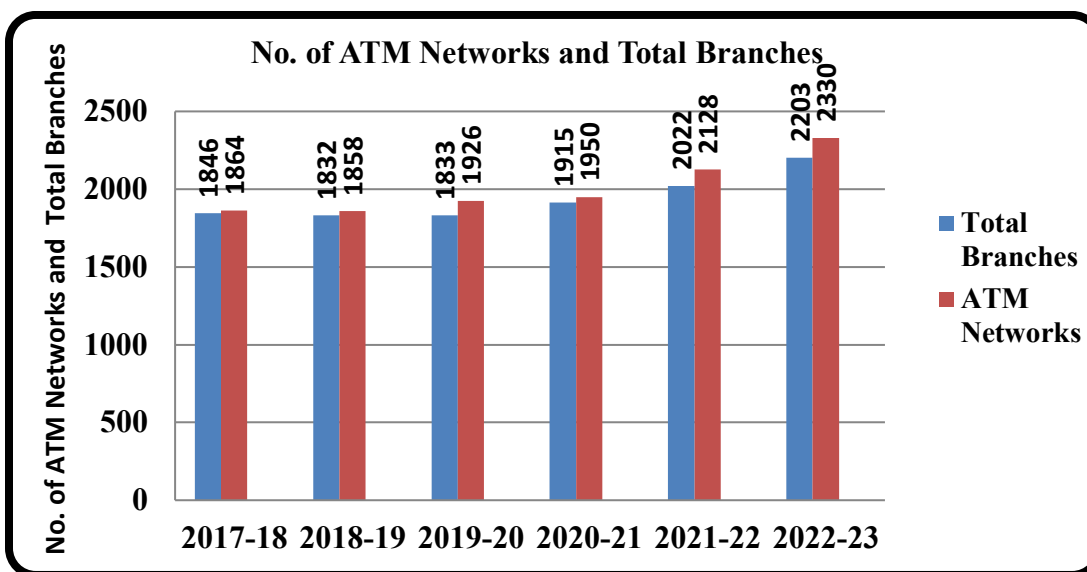
Fig. No. 1 Shows No. of Branches of Bank of Maharashtra:

- In the year 2017-18 which is considered as the base year, the branches in the rural areas were 616 which decreased to 615, 616, 611, 611 and 606 i.e. from 100% in the year 2017-18 to 99.84%, 100%, 99.19%, 99.19% and 98.34% respectively during five years from 2018-19, 2019-20, 2020-21, 2021-22 and 2022-23.
- In 2017-18 which is considered as the base year, the branches in the semi-urban areas were 427 which decreased to 426 and then increased to 428, 461, 511 and 602 i.e. from 100% in the year 2017-18 to 99.77%, 100.23%, 107.96%, 119.67% and 140.98% respectively in aforesaid five years.
- In 2017-18 which is considered as the base year, the branches in the urban areas were 329 which decreased to 325 and again increased to 331, 372, 412 and 476 i.e. from 100% in 2017-18 to 98.78%, 100.61%, 113.01%, 125.23% & 144.68% respectively during the same period of five years.
- In 2017-18 which is considered as the base year, the branches in the metropolitan areas were 474 which decreased to 466, 458, 471 and again increased to 488 and 519 i.e. from 100% in the year 2017-18 to 98.31%, 96.62%, 99.37%, 102.95%, and 109.49% respectively in the years 2018-19, 2019-20, 2020-21, 2021-22 and 2022-23.

Fig. 2 No. of ATM Networks and Total Branches of Bank of Maharashtra:

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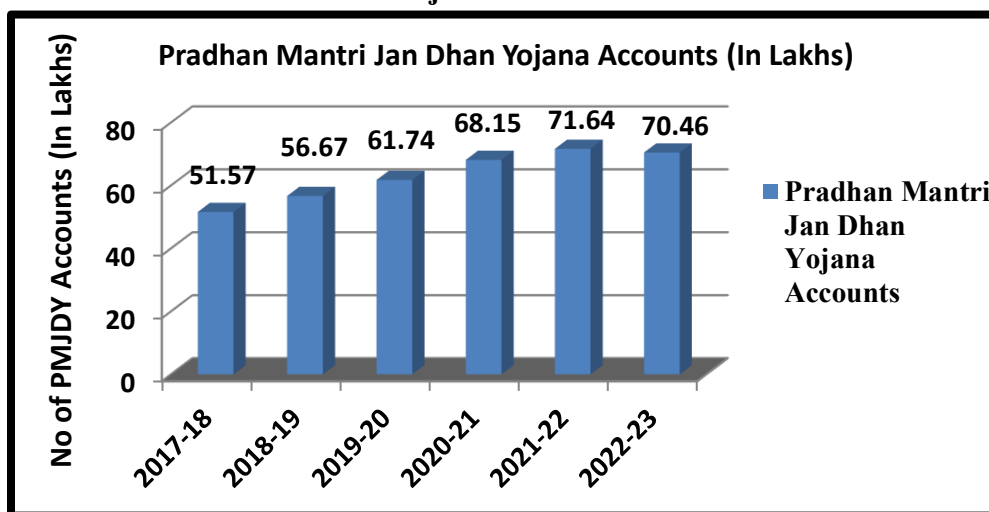


Source: Annual Reports of Bank of Maharashtra

Fig. No. 2 Shows No. of Total Branches and ATM Networks of Bank of Maharashtra:

- In the year 2017-18, total branches were 1846 and total ATM Networks including offsite and onsite were 1864 i.e. the ratio of branches to ATM Networks was 1:1.01.
- The ratios of branches to ATM Networks were 1:1.01, 1:1.01, 1:1.05, 1:1.02, 1:1.05 & 1:1.06 in the subsequent years i.e. in the year 2018-19, 2019-20, 2020-21, 2021-22, & 2022-23 respectively.

Fig. 3 No. of Pradhan Mantri Jan Dhan Yojana Accounts of Bank of Maharashtra:

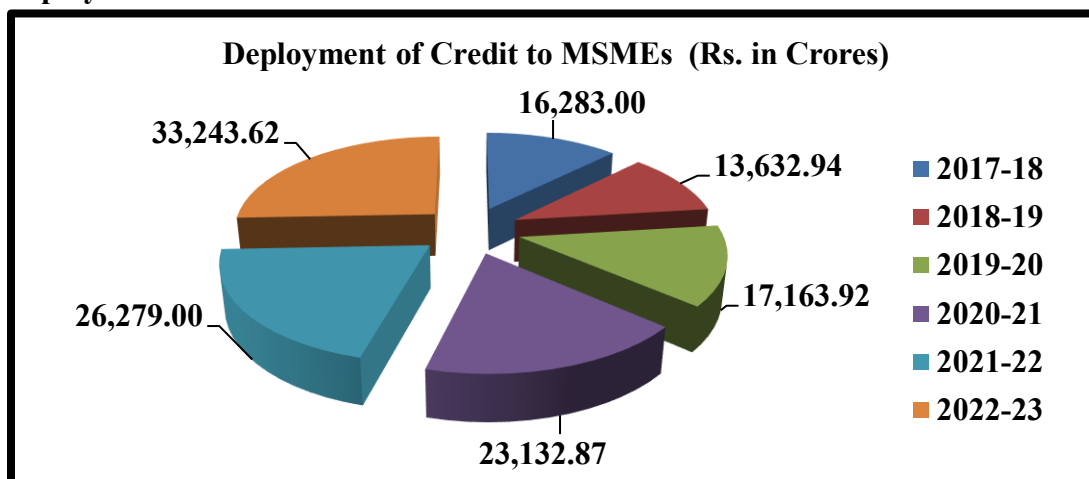


Source: Annual Reports of Bank of Maharashtra

Fig. No. 3 Shows No. of PMJDY Accounts of Bank of Maharashtra:

- In the year 2017-18 which is considered as the base year, No. of PMJDY Accounts of Bank of Maharashtra were 51.57 lakhs which increased to 56.67, 61.74, 68.15, 71.64 and 70.46 lakhs respectively in the years 2018-19, 2019-20, 2020-21, 2021-22 and 2022-23 i.e. from 100% in the year 2017-18 to 109.89%, 119.72% 132.15% 138.92% and 136.63%.

Fig. 4 Deployment of Credit to MSMEs of Bank of Maharashtra:



Source: Annual Reports of Bank of Maharashtra

Fig. No. 4 Shows deployment of Credit to MSMEs of Bank of Maharashtra:

- In 2017-18 which is considered as the base year, deployment of Credit to MSMEs of Bank of Maharashtra were 16283.00 crores which increased to 13,632.94; 17,163.92; 23,132.87; 26,279.00 and 33,243.62 crores respectively in the years 2018-19, 2019-20, 2020-21, 2021-22 and 2022-23 i.e. from 100% in the year 2017-18 to 83.72%, 105.41% 142.07%, 161.39% and 204.16%.

6. Findings and Conclusions :

- The number of rural branches has been decreasing gradually, therefore to provide the services to villagers; the bank should open branches in large numbers in rural areas.
- Total No. branches, Semi-urban and Urban branches increased drastically in the year 2022-23 in comparison with rest of the years. There is no change in the no. of metropolitan branches.
- Total No. of Offsite ATMs has been decreasing consistently. Therefore the banks should increase the offsite ATMs networks.

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- Onsite ATMs gradually increased except in the year 2022-23 in which the number increased from 100% in the year 2017-18 which is considered as the base year to 146.36%.
- The ratio of Total branches to ATM Networks is very low. The number of ATMs is less therefore banks should open maximum new ATM Centres.
- Pradhan Mantri Jan Dhan Yojana Accounts has been increasing continuously.
- There is constant increase in Deployment of Credit to MSMEs except in the year 2018-19.

7. Limitations

- The present study is of Role of Bank of Maharashtra only in Financial Inclusion and not the other banks therefore it would not be applicable to universe.

8. References

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