

Importance of Mortar- and-Brick Banks in India: - A Study Related to Rise in Technology in Banking Sector

Swati Aggarwal, Damini Chopra, Anchit Jhamb

Abstract:- In the interview given by Mr. Amitabh Kant the CEO of NITI Aayog said it will take three more years to make the mortar and bricks banks in India irrelevant but there are some basic problems which are unheard and NITI Aayog and Government of India is trying to make an illusion for the same.

Keywords :- Mortar and Brick banks, Mr. Amitabh Kant, Niti Aayog, Digitalization of Banking sector.

I. INTRODUCTION

India in 21st century is running on the path of advanced technology giving high jumps to its economy and hence proving itself to be the good contender for superpower and in every sector and industry the technology is being used but to time taking process of Financial Inclusion and less awareness for the technology majority of population of India is not able to mark themselves in this technological approach which can be seen as a result that still the complete implementation of making India cashless is not executed which highlights the importance of mortar and brick banks in India. Before moving further let's understand the meaning of mortar and brick banks in simple laymen language the mortar and brick banks means the physical institute or a place where one can visit and make the transaction possible if that person is not able to use technology or is not aware about the same. So, the meaning in itself marks the importance of presence of mortar and brick banks in India. The following comparison shows the presence of bank branches around the world and India being on the top with 126337 commercial bank branches

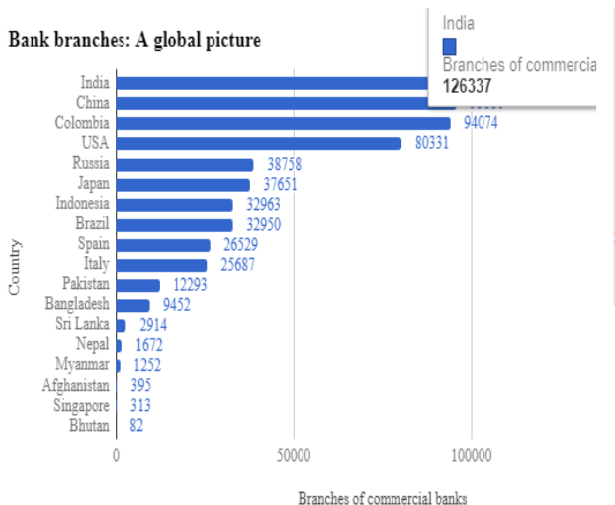
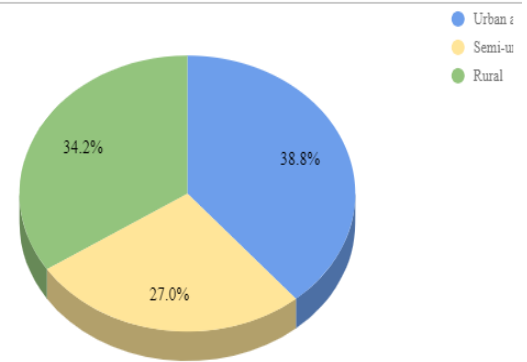


Fig 1:- Comparison of branches in different countries

Following is the graphic re-presentation of the presence of branches in urban and rural sector in India which signifies that even with introduction of technology there are some reasons why the people demand the mortar and brick banks in India.



(Data: RBI, June 2016)

Fig 2:- Presence of branches in urban and rural sector in India

Let us discuss importance of mortar and brick banks in India in descriptive manner in relation to technology and its advancement in the banking sector and to understand that what Mr. Amitabh Kant the CEO of NITI Aayog said on 18th January 2018 that physical banks will be irrelevant by next three years

- **Less awareness about technology:** - India geographically is very wide nation and due to heavy presence of heavy population there are some areas which are very remote and financial inclusion has not even been possible over there in those places basic necessities are not available properly there technology feels like a big dream and as these areas are finally excluded the rate of literacy is not so good henceforth implementation of technological ideas looks bit bumpy road.
- **Personalized Service :-** Money as it is said it the root of all evils but due to the confidence generated by RBI amongst the people of India and we can keep money safely in the bank but dealing on internet with the person you do not know to keep your money will lead to problems and hence to meet the person face to face will be more helpful for the trust going on

- *NPA's problem*: -The handling of Non-Performing Assets will be a big deal even with the presence of physical banks and staff the problem is not much controlled what a bank will do when everything is being online and the remote areas are not able to do the bank dealings.
- *Role in Financial Inclusion* :- With non-presence of technology and instable IT infrastructure in the country supported with huge illiteracy rate it will be very difficult for the government to financially include the remote areas how the government will create the awareness of banking and its importance in India the persons who have not seen banks or are not much aware about the banking systems how the technology will gain trust over there.

II. CONCLUSION

The NITI Aayog and government of India should consider the point that the plans are big but still the problems at grass root level are very big that such dreams look like an illusion for the common man. First make the financial inclusion possible then provide with the basic necessities make the people understand the basics of banking sector then think of introducing the technology but still the physical branches will always be the basic requirement of any economy and especially the ones like India. Hope we will also do a cashless transactions and our banking system will be the best in the world but problems should be answered from the grass root level.

III. ANNEXURE

Fig-1 Comparison of branches in different countries

Fig-2 Presence of branches in urban and rural sector in India

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