

## India @ 2047: Amrit Kaal Needs Reforms in Banking Sector

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### Abstract

Banking sector is one of the important sectors for sustainable development of any country. Banking is the way ahead for undeveloped countries to developed countries. Countries like India, which is one of the growing country producing pin to space satellite for reaching India@2047. The Bank of Bengal and Central Bank of India was established in Calcutta in 1785. Since 1785 to till date considerable changes and development has undertaken in banking sector. The banking sector has contributed before independence, i.e. up to 1947, 1948 to 1970, 1971 to 1990, 1991 to 2000 and 2001 onwards. In this period considerable reforms has been undertaken. From Barter exchange to E-banking reforms has undertaken. Indian population size is about second largest in the world where sufficient and effective banking services are required. It has observed that in 2009 there were only 17% population was using banking services in India and now it has reached over 80%. It means, in India over 80% peoples are using banking services directly and indirectly. Over 945 million ATM cards are currently active in India which is good sign for overall development. India is moving barter exchange to online transactions and reaching India@2047. Banking sector is basic sector that boost to all other sectors. Considering the world and Indian population and their activities, this requires banking services. The world economy is 80 Trillion \$ form which India has \$ 2.6 T economy. The world people have classified in different sectors where various facilities and services are required and these facilities are available from the banks directly and indirectly, where reforms in banking sector is required. The world largest public companies are depending on banking sector. The researcher has covered population of countries, classification of world population, world economy, individual wealth, and world people in 100, world largest public companies. The reforms of banking sector, one has to use skill India, make in India, stand-up India, made in India etc.

**Key Words:** India @ 2047, Banking Reforms, 10 M's, World people in 100, E-baking.

### 1. Introduction:

Banking sector in the world and India have been performing very well for the development of the masses and industries. The base need of economic development is money and finance. The development of any economy, Man, Machine, Material, Method, Market, Motivation, Management, Mentoring and Money is required, which Money collects, provides and monitors by the banking sector in the paper writer has trying his level best by considering five variables or factors in the world and India too, on the basis of these factor this paper has designed. The economic ups and down have been managing by the banking sector. To develop all stakeholders in the country, vibrant banking sector is essential. To provide high quality services including e-banking, online banking, net banking etc to the customers, Today banks and banking services are the life blood of the economy. It is especially useful for India @ 2047 for 'me, my life, my business and my career purpose'. The present world is full of ups and down, under this situation, to develop competitive strategy for sustainable development, banking services are in-disciplinable. Rights, Responsibilities, Challenges and Remedies are to be considered for financial reforms. 'One for all and all for one' should be the working style for financial institutions. Financial institutions should follow transparency, accountability, control, trusteeship and ethics for financial reforms. 'If you have a wealth then you have a stability' for effective allocation of financial resources and reformation of financial sector as per requirement. Finance is the backbone of economic, social and cultural development of the nation, institutions and individual too. Finance is an important element in the management. Inflow and outflow of finance is base of success of

financial institutions. Finance is an instrument for mobilization of other resources and the process and conversion of accumulated funds to productive use. Finance is classified into two broad categories; one is public finance and second is business finance or private finance. Finance may be obtained term equity share capital, preference share capital, bonds, debenture, loans, profit and public deposits where financial reforms through banks is required. India has made a remarkable growth in the post liberalization period, especially post 2000 period with the philosophy and “*Bahujan Hitay-Bahujan Sukhay*” in the largest democratic nation in the world. India has been developing considerably but the fruits of growth and development have not been equally distributed among all stockholder of the nation and widening gap of inequality between ‘have’ and ‘have not’. To minimize this gap between haves and have not, financial reforms is essential. To minimize the financial crises in India, South Korea, Thailand, Mexo, Brazil, Europe and U. S. too, financial reforms are essential.

## 2. Objectives of the study:

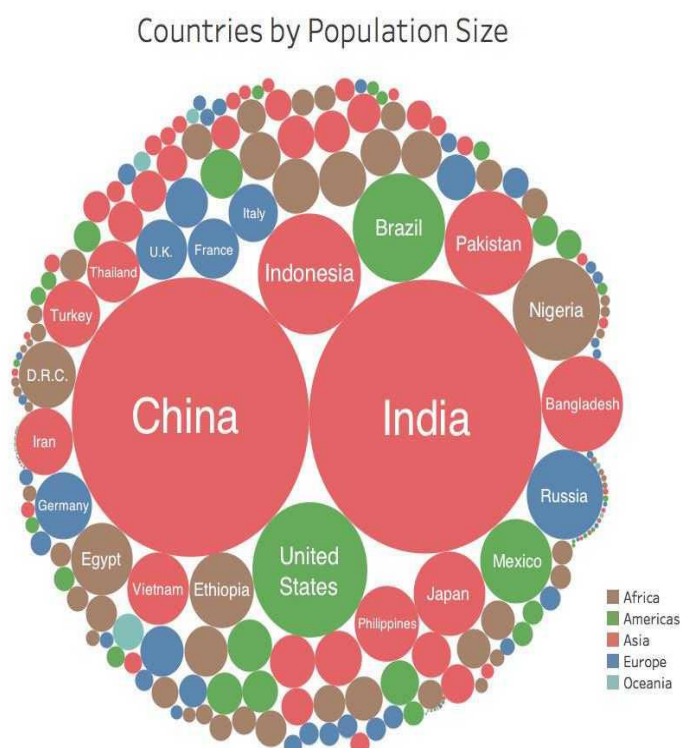
- To know the role of banking sector @ India, 2047.
- To know the requirements of financial reforms in banking.

## 3. Research Methodology:

This research paper is a conceptual based paper. It is based on experience, reading, discussion, literature and pectoral secondary data regarding world scenario from internet. It is secondary data based paper. It is an experience based contribution therefore no primary data has collected. This paper has its limitations and differences of opinions that may occur with other researchers and thinkers. This paper is based on personal opinion, so generalization of the researcher's thoughts are not advisable. This paper has based on world and Indian scenario with six variables or factors which may or may not be acceptable and applied to other sectors. Pectoral secondary data and concepts have collected from internet and presented with inferences. This paper has focused on India @ 2027 for banking sector and its reform.

## 4. Data analysis & interpretation: India @ 2047

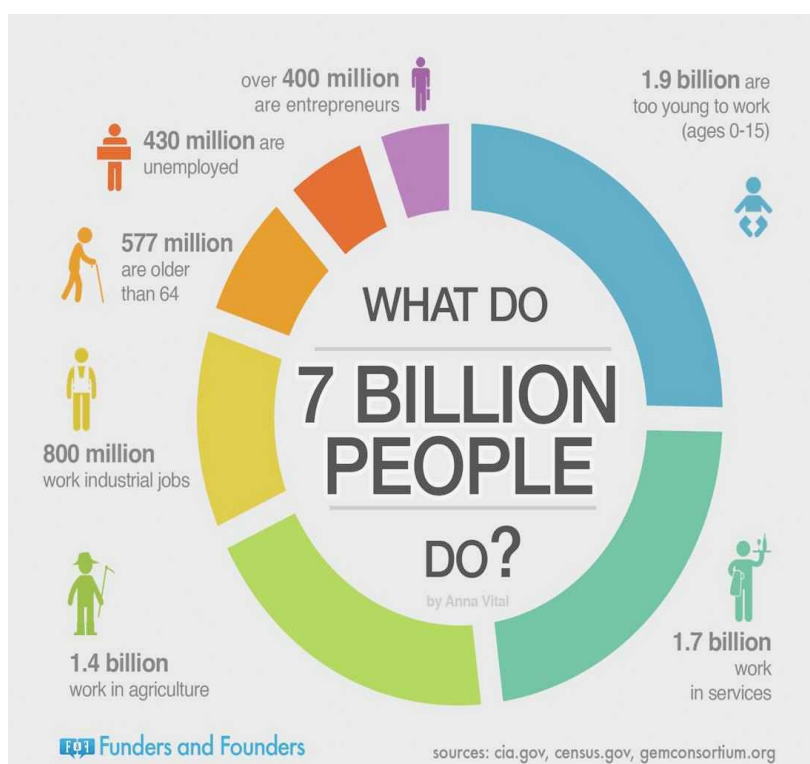
Picture No. 1: Population of Countries



Source: Internet

Pictures no 1 shows the population of the countries. It has found that BRICS nations are the major populated countries in the world where financial reforms are very much required. These countries are more populated countries. It has interpreted that China and India are the height in populated countries in the world. It is inference that India is the second largest populated country in the world. India @ 2047 is the long journey of independence of India with various issues and solutions. The India is marching from barter exchange to digital banking in last 75+ years of its independence. Banks can provide the financial services to the masses for increasing GDP, Per Capita Income and industrial development. In India at present about 80% population have been using directly and indirectly banking services. To uplift the economy, financial sector reforms is essential. Rate of interest on loans and deposits, rate of borrowing, rate of return, number of banks, number of branches, types of loans etc are the dominant factors in financial reforms. Self Help Groups is our tradition and culture, which is useful for financial management of the mass population in India. To provide food, shelter and clothing to about 140 crores population of India, effective and vibrant banking services are essential. To create skill India, make in India, stand-up India, made in India, banking support is essential. Considerably population of India, continuous reforms in banking is essential. Thick population is considerable population in India, where we have demographic dividend. In short population size, demographic dividend, employment and self employment growth, role of banking sector is considerable. India is youngest country in the world and to utilize the HR power effectively, outcome based efforts are essential which will be provided through bringing reforms in the banking sector.

## Picture No.2 : Classification of World People



Source: Internet

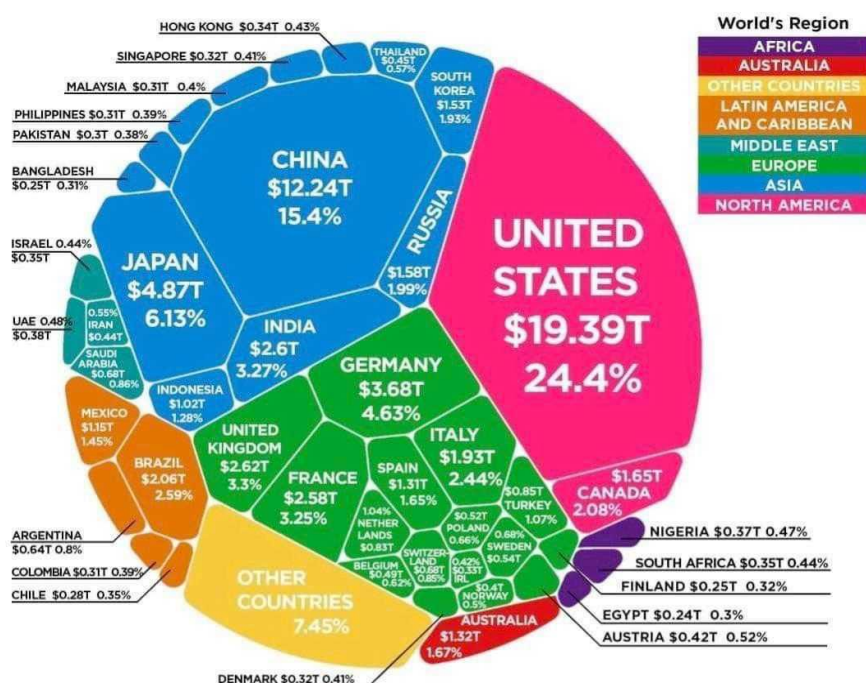
Picture no.2 shows that the world people activities, contributions and scenario. The picture shows that 7 billion people, what they are doing. These 7 billion people have divided in to seven areas including 26.36% people are in the age group of 0-15, 23.59% people are working in service sector, 19.43% people are working in agriculture, 11.10% are working in industries, 8% are in the age group of 64 years and above, 5.97% people are unemployed and 5.55% people are entrepreneurs. It can be interpreted that to utilize the available manpower effectively, literal education, outcome based education, interest based education, need based education, flexible education ... is required, which can be made available through effective and appropriate financial reforms and plane. At present we are spending 4% of GDP on education. The researcher is interested to suggest to the policy makers that we should spent of make budgetary provision by 7%. The GER at present is 28-35% we are interested to increase GER by 50%. Cnsidering commerce and

management, maximization of service and industrial jobs, advancement in all areas of agriculture, maximum utilization of senior citizens' knowledge, maximization of entrepreneurs-startups-innovations-incubations, minimization of unemployment and proper health-environment-education for 26.36% of world population is essential which may be possible through bank reforms as per appropriate way. The researcher has interested to suggest that online banking, avoidance of bank fraud, easy loan facility, reasonable rate of interest on loan etc are essential for banking growth and industrial growth, i. e. development of all stakeholders and categories in picture number two.

### Picture No.3: World Economy

80 Trillion Dollar \$ 🤔

World Economy in a Single Chart 👉



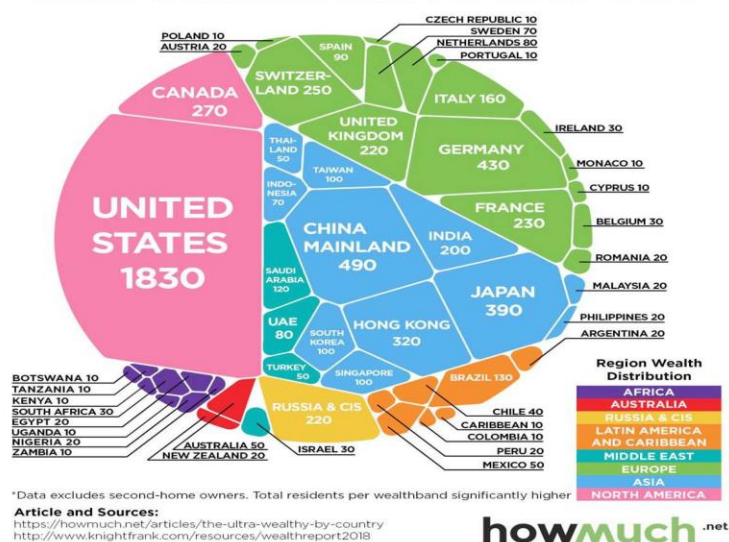
Source: Internet

Picture no.3 shows that the world economy. The world economy is divided into eight regions e.g. Africa, Australia, United Countries, Latin America and Caribbean Middle East, Europe, Asia and North America. The above picture shows that United States have 24.4% share, China has 15.4% share, Japan has 6.23% share, Germany has 4.63% share and India has 3.27% share in the world economy. It can be interpreted that the India is at fifth rank in the world economy share or stats. We are at number 2 in population but number 5 in economy. It indicates that we have to improve our self in economic position, where bank role is vital. To improve the economic status in the world; India should train the available young manpower which is as a demographic dividend for India, which may be by way of effective implementation of NEP-2020 and effective implementation of commerce and management in all sectors. The India has tremendous scope for improvement of HR by way of higher education, which requires reform in banking sector. Commerce and Management is a backbone of all sectors. Commerce and Management through bank CSR should focus on skill development, entrepreneurship development, agro process industry development, interdisciplinary education, use of senior persons' expertise, etc is necessary and it is possible through effective banking services. The banks help to maintain infrastructure, with open and transparent mindset of all stockholders in country. This practice will help for development of Indian economy.

### Picture No.4: Individual Wealth



### The Ultra-Wealthy by Country Number of Individuals Worth Over \$500M+ in 2017



Source: Internet

Picture no. 4 shows the wealth of the individual country in the world. US, China, Germany, Japan, Hong Kong, Canada, Switzerland, France, United Kingdom are in 1 to 10 rank of individuals wealth of the world people respectively. It is inference that India's individual wealth rank is at 10<sup>th</sup> in the world. To improve our wealth rank from 10<sup>th</sup> to 1<sup>st</sup>, banking reforms is essential, which includes advancement in banking, awareness regarding banking, digitalization of banking, rigorous and applied bank support to the borrowers, e-banking, bank employment generation, guidance and consultancy to industrialists, mentoring through banks, sufficient number of ATMs like one ATM for 1000 ATM card holders, bar code ATM, QR code facility for cash deposit and withdrawal, etc are very much required for wealth creation. Individual Indian's wealth will increase when one rupee will move more number of times per day and for which financial reforms, banking sector reforms, development of insurance sector, bringing recent trends in capital market, bringing recent trends in commerce and management, boosting the money market are the base line for development of individual wealth. Financial reforms will help for individual wealth development; improvement in per capita income, improvement in GDP and skill development.

### Picture No. 5: World People in 100



Source: Internet

Picture no.5 shows the world people in 100. This picture shows the gender, age, religion, literacy, college, internet, phones, water, poverty, nutrition, housing, language area, and continent. It can be interpreted that gender is about 50%-50% male & female, 66% age group is between 15-64 years, 33% christen religion, 83% able to read and write, 93% are not having college degree, 70% people are not having access for internet, 75% people are having cell phone, 87% people getting safe water, 48% live with less than 2 USD per day, 21% over weight, 23% are not having shelter, 62% people speaking other languages, 49% people are living in rural area and 60% people are living in Asian continent. It can be inference that 14 categories or clusters are considered for knowing the classification of 100 people in the world. The paper writer want to know the potential for Indian banking sector, Indian talent, entrepreneurship avenues, improvement in and social activists that gender balance, effective utilization of 15-64 age group people, increasing literacy awareness, increasing degree holders, increasing internet connectivity, increasing and effective use of cell phones, focused on poverty irradiation activities, increasing nutrition food supply, increasing shelters, protecting other languages which languages are about to die and providing quality livelihood in rural area. It can be revealed that India @ 2047 has tremendous opportunities to find short falls in above 14 clusters which can be converted into an opportunity for betterment of the world, especially India. Banks have been facing market challenges. How to expand the bank business? How to get good borrowers? How to get deposits with less rate of interest? How to maintain cash flow? How to increase bank products and services? How to increase good will/ reputation of the bank? How to minimize physical distance among bank and customers? How to use 4 P's and 7P's? How to use CRM? How to find out market potential and sales potential? How to maintain cyber security? How to establish security measures and fire walls for online banking? To know the borrowers mentality regarding repayment? Projects DSCR at the time of proposal and at the time refund? etc. Considering these challenges effective resource management is required in the financial institutions. Alwen Toffler says that, there is not only change but rate of change is important. It means that drastic changes have been going on in economic and banking sector. One should consider and bring the financial reform for betterment of all stakeholders. It is suggested that everyone should think, "My Bank - My Funds - My Contribution - My Commerce and Management for India @ 2047.



*Source: Internet*

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has inference that computer online business, household appliances, oil and petroleum, edible items and financial sectors are doing very well in the world. It can be interference that service sector, manufacturing sectors, petroleum sector are leading sectors in the world and India too. It also inferences that food and basic need industries have not booming, where more scope for business and bank business too. It is inferences that cost volume profit of computer, online business, house hold appliances, petroleum and edible item businesses is more. It is suggested that world business people may concentrate basic industries which are very much essential for the society although these businesses are giving less profit and return on investment where financial institutions having good scope. It can be inference that the young generation has tremendous scope in basic industries sector for startups and entrepreneurship development where financial institutes can offer loans. The true sense implementation of financial reforms in Commerce and Management will help to building the nation. The world largest corporations and financial institutions should follow manpower management, although it is the crucial part in financial institutions. It is suggested that there should not be retirement of manpower. The senior and experience employees will be re-recruited on contractual bases or consultancy basis. Recruitment should based on performance based salary.

## **5. Conclusion:**

Financial sector reforms are the crucial part of banking sector. The Commerce-Management and Financial Reforms are having positive partial correlation in the present scenario. India @ 2047 is the way ahead for development of all stakeholders in the economy. Commerce and Management functions are the foundation stone for all other activities in any economy. The researcher has covered six variables e.g. population of countries, classification of world population, world economy, individual wealth, world people in 100, world largest public companies for this paper writing, where financial reforms are essential at all levels. The present world is full of ups and down, under this situation, to develop competitive situation for financial institutions, sustainable society in Commerce and Management is essential. The financial reforms will provide development of India @ 2047 with commerce and management discipline. To solve recovery problems financial institutions have to customers re-assessment. Online/ offline visit to borrower's place, develop SOP – Standard Operating Process for collection of dues and controlling NPA, branding for borrowers and bank. Risk categoration of borrowers, use of rules and regulations, priority sector lending, RBI provisions, non collateral loan, unsecured loan, secured loan, gold loan, real estate loan etc should be considered as per rules and regulations. It is suggested that bankers should use professional approach, outcome based work, high productivity of banking services, 72 rules for funds management, cost of capital, financial condition index, financial liquidity, short term loan, middle term loan, long term loan, survival of cooperative banks, credit cooperative banks, no push start....but button start is required, bank products differentiation, balance sheet analysis, bank cash flow maintenance, foreign direct investment and foreign capital etc should be considered for financial reforms in India. It is suggested that the banks should reduce bank cost, management cost, operating expenses, staff cost should be 1% of working capital, reduce the employees allowances, no staff loan with concession, no unnecessary expenses, no advertisement, declare and follow cost cutting month / year, reduce electricity expenses, reduce stationery cost, reduce transport expenses., try to save one rupee, try to save unproductive one minute, increase business per employee, increase per square feet business, enhance competitiveness, improve corporate governance, financial institute should active in market, CLV – Customer Life Time Value and training to all are some tips and suggestions to the financial institutions for financial reforms.

## **6. References:**

- Internet.
- Conferences papers and discussions.