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A STUDY ON DEPLOYMENT OF ATMs OF COMMERCIAL BANKS IN INDIA

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Abstract

India is one of the well organised banking system consist country in the world with effective regulated authorities and connected with more than 80 crore people. The Indian banking system comprises of 12 public sector banks, 22 private sector banks, 46 foreign banks, 56 regional rural banks, 1485 urban cooperative banks and 96,000 rural cooperative banks in addition to cooperative credit institutions As of November 2020, the total number of ATMs in India increased to 209,282. Even now this number has increased due to changing purchase behaviour of the people in the country. Indian banking industry has recently observed the roll out of innovative banking models like payments and small finance banks. RBI's new measures may go a long way in helping the restructuring of the domestic banking industry. With the help of information and communication technology, digital banking becomes a powerful part in the financial services and products. The digital payments system in India has progressed the most among 25 countries with India's Immediate Payment Service being the only system at level five in the Faster Payments Innovation Index. In this aspect this study made an attempt to understand the deployment of ATMs of commercial banks in India.

Keywords: Banking System, Purchase Behaviour, Small Finance Bank, Domestic Banking, Digital Banking, Financial Services, Digital Payment System, immediate Payment Service, ATM, Commercial Banks

COMMERCIAL BANKS IN INDIA

Banking System of the Country provides meaningful mechanism to Smooth flow of money from one source to another. Commercial banks in India are the mainstay of all major economic happenings in the country, whether it is for the people to keep their hard-earned

money safely or get loans whenever they need funds for important things like a home, wedding, a car or for business. It won't be an equivalence to say that banks and businesses run hand in hand, as without adequate credit support, businesses find it hard to flourish, and vice versa. The following are the major

classification of commercial banks in India.

Public Sector Banks: The term “public sector banks” refers to a situation where the majority equity stake in the banks is held by the government. The Indian Government keeps default holdings of a minimum 51 per cent shareholding, but management control is only with the Central Government, thereby classifying them as Public Sector Banks.

Private Sector Banks: They are the banks in which individuals and corporations are the majority shareholders. In India, banks were nationalized in two phases, in 1969 and 1980. In 1993, the Reserve Bank of India (RBI), the regulating body for all the country’s banking organizations, allowed many new commercial banks in India to start operations.

Foreign Banks: They are the final category of banks that serve as an important segment of the commercial banking sector. They are headquartered outside India and they operate from their wholly-owned subsidiaries or branches in the country.

Payment Banks: Payments bank is an Indian new model of banks conceptualized by the Reserve Bank of India (RBI). These banks can accept a restricted deposit, which is currently limited to 100,000 per customer and may be increased further. These banks cannot issue loans and credit cards.

Small Finance Banks: Capital Small Finance Bank opens 10 branches in Punjab; to add nine more in FY17, Capital Small Finance Bank, India's first small finance bank, was launched here on Sunday. It opened 10 new branches on its inaugural day.

AUTOMATED TELLER MACHINE

Computerisation transformed banking services with an innovation aspect with modern facilities. ATM is one of the milestones of the innovative banking practices in the country which

help to simplify the banking transactions. An automated teller machine (ATM) is an electronic banking outlet that permits customers to complete basic transactions without the aid of a branch representative or teller. Anyone with a credit card or debit card can access cash at most ATMs. ATMs are convenient, allowing consumers to perform quick self-service transactions such as deposits, cash withdrawals, bill payments, and transfers between accounts. Fees are commonly charged for cash withdrawals by the bank where the account is located, by the operator of the ATM, or by both. Some or all of these fees can be avoided by using an ATM operated directly by the bank that holds the account.

The first ATM appeared at a branch of Barclay's Bank in London in 1967, although there are reports of a cash dispenser in use in Japan in the mid-1960s. The interbank communications networks that allowed a consumer to use one bank's card at another bank's ATM came later, in the 1970s. Within a few years, ATMs had spread around the globe, securing a presence in every major country. They now can be found even in tiny island nations such as Kiribati and the Federated States of Micronesia. There are now more than 3.5 million ATMs in use across the world. The number of ATMs in India stands at by end of 2020 marginally down from 2,34,357 in March 2020.

REVIEW OF LITERATURE

Ruby Agarwal, & Sarita Vichore. (2020). Pointed that the performance of the financial sector plays a vital role in the development of any economy. However, the performance of the banking industry in India over the years has been characterized by inefficiencies, a high regime of insolvency, serious incidence of distress, vulnerability to systemic financial crises and macro-economic instability.

Paramasivan. C (2011) Information technology plays a key role in the modern

world which meets the day to day activities of the human beings directly or indirectly associated. Commercial activities particularly banking and financial sectors may not function without proper information technology. **Bandlamudi Kalpana., & Taidala Vasantaha Rao. (2017).** Mentioned that Banks have always played an important position in the country's economy. They play a decisive role in the development of the industry and trade. They are acting not only as the custodian of the wealth of the country but also as resources of the country, which are necessary for the economic development of a nation. **Mrigya Tewari. (2017).** Found that financial institutions instead their role has changed considerably with the passage of time. The modern economy

is now dependent on banks and their services in order to grow. In India banking sector has undergone series of transformation after independence from being a lending institution to being the fulcrum of our economy. **Alam, Md. Shabbir., Mustafa Raza Rabbani., & et al. (2021).** Concluded that banking sector plays a crucial role in the economic growth of a nation. The purpose of this study is to examine the long-term association between banks' performance and the economic growth of a developing economy: India. **Shweta Anand., & Deepika Saxena. (2012).** Mentioned that financial inclusion is the delivery of basic financial services at an affordable cost to the vast sections of the disadvantaged and low income groups.

**Table No-1
ATM's of Commercial Banks – 2019-20**

Sl. No	Name of the Bank	Metro Centres		Urban Centres		Semi-Urban Centres		Rural Centres		Total
		Number	%	Number	%	Number	%	Number	%	
1	Public Sector Banks	29784	21.72	39725	28.97	39349	28.70	28255	20.61	137113
2	Private Sector Banks	29445	40.13	19169	26.13	18543	25.27	6212	8.47	73369
3	Foreign Banks	645	75.88	162	19.06	19	2.24	24	2.82	850
4	Payment Banks	35	31.25	28	25	28	25	21	18.75	112
5	Small Finance Banks	574	26.94	651	30.55	665	31.21	241	11.31	2131
	Total	60,483	28.32	59,735	27.97	58,604	27.44	34,753	16.27	2,13,575

Source: Report of TPBII 2019-20

Table No-1 Indicates that ATM's of Commercial Banks in India, there are 2,13,575 ATMs owned by the Commercial Banks in the Country of which 60483(28.32%) ATMs in Metro Centres, 59735(27.97%) ATMs in Urban

Centres, 58604(27.44%) ATMs in Semi Urban Centres, 34753(16.27%) ATMs in Rural Centres, Highest number of ATMs (1,37,113) owned by Public Sector Banks and lowest number of ATMs (2131) owned by Small Finance Banks.

Table No-2
ATMs of Public Sector Banks – Bank Wise

Sl. No	Name of the Bank	ATMs				Total
		On-site		Off-site		
		Number	%	Number	%	
1	Allahabad Bank	869	90.24	94	9.76	963
2	Andhra Bank	3,027	79.80	766	20.20	3,793
3	Bank of Baroda	9,354	70.90	3,839	29.10	13,193
4	Bank of India	2,413	41.97	3,337	58.03	5,750
5	Bank of Maharashtra	1,381	71.70	545	28.30	1,926
6	Canara Bank	4,734	53.97	4,038	46.03	8,772
7	Central Bank of India	2,752	75.56	890	24.44	3,642
8	Corporation Bank	2,267	86.43	356	13.57	2,623
9	Indian Bank	3,359	82.75	700	17.25	4,059
10	Indian Overseas Bank	2,678	88.32	354	11.68	3,032
11	Oriental Bank of Commerce	2,340	89.59	272	10.41	2,612
12	Punjab and Sind Bank	1,024	97.15	30	2.85	1,054
13	Punjab National Bank	5,430	59.23	3,738	40.77	9,168
14	State Bank of India	25,634	43.78	32,921	56.22	58,555
15	Syndicate Bank	4,172	91.23	401	8.77	4,573
16	UCO Bank	2,050	91.68	186	8.32	2,236
17	Union Bank of India	3,979	57.71	2,916	42.29	6,895
18	United Bank of India	1,021	50.62	996	49.38	2,017
	Total	78,484	58.20	56,379	41.80	1,34,863

Sources: Consolidated Annual Report of RBI.

Table No-2 Indicates that ATMs of Public Sector Banks – Bank Wise in India, Allahabad Bank have 963 ATMs, of which 869(90.24%) ATMs in on-site and 94(9.76%) ATMs in off-site, State Bank of India have more ATMs (58,555),

Bank of Baroda have more ATMs (13,193), Punjab National Banks have more ATMs (9,168), Canara Bank have more ATMs (8,772), Union Bank of India have more ATMs (6,895).

Table No-3
ATMs of Private Sector Banks – Bank Wise

Sl. No	Name of the Bank	ATMs				Total
		On-site		Off-site		
		Number	%	Number	%	
1	Axis Bank Limited	5,447	31.17	12,030	68.83	17,477
2	Bandhan Bank Limited	485	100	-	-	485
3	City Union Bank Limited	1,110	61.91	683	38.09	1,793
4	CSB Bank Limited	248	82.94	51	17.06	299
5	DCB Bank Limited	299	59.33	205	40.67	504
6	Dhanalaxmi Bank Limited	201	79.13	53	20.87	254
7	Federal Bank Limited	1,480	76.41	457	23.59	1,937
8	HDFC Bank Ltd.	6,268	44.58	7,793	55.42	14,061
9	ICICI Bank Limited	7,258	41.64	10,172	58.36	17,430
10	IDBI Bank Limited	2,207	59.92	1,476	40.08	3,683
11	IDFC First Bank Limited	336	94.12	21	5.88	357
12	IndusInd Bank Ltd.	1,255	45.47	1,505	54.53	2,760
13	Jammu & Kashmir Bank Ltd.	590	43.57	764	56.43	1,354

14	Karnataka Bank Limited	348	34.02	675	65.98	1,023
15	Karur Vysya bank Ltd.	744	44.85	915	55.15	1,659
16	Kotak Mahindra Bank Ltd.	1,269	50.38	1,250	49.62	2,519
17	Lakshmi Vilas Bank Ltd.	445	45.73	528	54.27	973
18	Nainital Bank Ltd.	-	-	-	-	-
19	RBL Bank Ltd.	289	74.29	100	25.71	389
20	South Indian Bank Ltd.	817	57.37	607	42.63	1,424
21	Tamilnad Mercantile Bank Ltd.	592	44.81	729	55.19	1,321
22	Yes Bank Ltd.	1,002	74.22	348	25.77	1,350
	Total	32,690	44.75	40,362	55.25	73,052

Sources: Consolidated Annual Report of RBI.

Table No-3 Indicates that ATMs of Private Sector Banks – Bank Wise in India, Axis Bank Limited have 17477 ATMs, of which 5447(31.17%) ATMs in on-site and 12030(68.83%) ATMs in off-site, ICICI Bank Limited have more

ATMs (17,430), HDFC Bank Limited have more ATMs (14,061), IndusInd Bank Limited have more ATMs (2,760), Kotak Mahindra Bank Limited have more ATMs (2,519). Federal Bank Limited have more ATMs (1,937).

Table No-4
ATMs of Foreign Banks – 2019-20

Sl. No	Name of the Bank	ATMs		
		Rural	Semi-urban	Urban
1	Citibank N.A	47	478	525
2	DBS Bank India Limited	20	34	54
3	Deutsche Bank AG	13	19	32
4	Hongkong And Shanghai Banking Corp. Ltd	46	38	84
5	Standard Chartered Bank	99	109	208
	Total	225	678	903

Source: Report of TPBII 2019-20.

Table No-4 Indicates that ATMs of Foreign Banks in India, As regards Citibank N.A indicates that 47 ATMs in Rural areas, 478 ATMs in Semi Urban areas and 525 ATMs in Urban area as on 2019-20, As regards DBS Bank India Limited indicates that 20 ATMs in Rural areas, 34 ATMs in Semi Urban areas and 54 ATMs in Urban area as on 2019-20, As regards Deutsche Bank AG indicates that 13 ATMs in Rural areas, 13 ATMs in Semi Urban areas and 32 ATMs in Urban

area as on 2019-20, As regards Hongkong and Shanghai Banking Corporation Limited indicates that 46ATMs in Rural areas, 38 ATMs in Semi Urban areas and 84 ATMs in Urban area as on 2019-20, As regards Standard Chartered Bank indicates that 99 ATMs in Rural areas, 109 ATMs in Semi Urban areas and 208 ATMs in Urban area as on 2019-20, on the whole, total of which 225 ATMs in Rural areas, 678 ATMs in Semi Urban areas and 903 ATMs in Urban area as on 2019-20,

Table No-5
State Wise Deployment of ATMs – 2019-20

Sl.No	State	Small Finance Banks	Total	% to Total
1	Andaman & Nicobar	0	128	0
2	Andhra Pradesh	18	10112	0.18
3	Arunachal Pradesh	0	251	0
4	Assam	27	3987	0.68
5	Bihar	83	6466	1.29
6	Chandigarh	9	722	1.25
7	Chhattisgarh	39	3169	1.23
8	Dadra Nagar Haveli	0	205	0
9	Daman	0	68	0
10	Delhi	70	8041	0.87
11	Diu	0	3	0
12	Goa	4	956	0.42
13	Gujarat	137	11741	1.17
14	Haryana	97	6447	1.50
15	Himachal Pradesh	6	1869	0.32
16	Jammu & Kashmir	1	2642	0.04
17	Jharkhand	34	3352	1.01
18	Karnataka	136	17218	0.79
19	Kerala	220	9866	2.23
20	Ladakh	0	139	0
21	Lakshwadeep	0	20	0
22	Madhya Pradesh	111	9353	1.19
23	Maharashtra	224	24640	0.91
24	Manipur	0	380	0
25	Meghalaya	1	410	0.24
26	Mizoram	0	176	0
27	Nagaland	0	319	0
28	Orissa	22	6923	0.32
29	Pondicherry	5	545	0.92
30	Punjab	195	7196	2.71
31	Rajasthan	212	9190	2.31
32	Sikkim	0	188	0
33	Tamil Nadu	259	24315	1.06
34	Telangana	14	9643	0.14
35	Tripura	8	516	1.55
36	Uttar Pradesh	110	17998	0.61
37	Uttarakhand	12	2542	0.47
38	West Bengal	77	11839	0.65
	Total	2131	213575	1.00

Source: Report of TPBII 2019-20

Table No- 5, Indicates that State Wise Deployment of ATMs Small Finance Banks in India, there are 2,13,575 ATMs

through out of the Country of which 2,131 ATMs are owned by Small Finance Banks, as on 2019-20, Maharashtra have more

ATMs (24,640), Tamil Nadu have more
ATMs (24,315), Uttar Pradesh have more
ATMs (17,998), Karnataka have more

ATMs (17,218), West Bengal have more
ATMs (11839).

Table No. -6
State Wise Deployments of ATMs– 2019-20

Sl.No	State	Payment Banks	Total	% in Total
1	Andaman & Nicobar	0	128	0
2	Andhra Pradesh	0	10112	0
3	Arunachal Pradesh	0	251	0
4	Assam	2	3987	0.05
5	Bihar	8	6466	0.12
6	Chandigarh	0	722	0
7	Chhattisgarh	0	3169	0
8	Dadra Nagar Haveli	0	205	0
9	Daman	0	68	0
10	Delhi	1	8041	0.01
11	Diu	0	3	0
12	Goa	0	956	0
13	Gujarat	0	11741	0
14	Haryana	4	6447	0.06
15	Himachal Pradesh	0	1869	0
16	Jammu & Kashmir	1	2642	0.04
17	Jharkhand	10	3352	0.30
18	Karnataka	2	17218	0.01
19	Kerala	0	9866	0
20	Ladakh	0	139	0
21	Lakshwadeep	0	20	0
22	Madhya Pradesh	0	9353	0
23	Maharashtra	14	24640	0.06
24	Manipur	0	380	0
25	Meghalaya	0	410	0
26	Mizoram	0	176	0
27	Nagaland	0	319	0
28	Orissa	1	6923	0.01
29	Pondicherry	0	545	0
30	Punjab	9	7196	0.12
31	Rajasthan	3	9190	0.03
32	Sikkim	0	188	0
33	Tamil Nadu	3	24315	0.01
34	Telangana	7	9643	0.07
35	Tripura	0	516	0
36	Uttar Pradesh	38	17998	0.21
37	Uttarakhand	5	2542	0.20
38	West Bengal	4	11839	0.03
	Total	112	213575	0.05

Source: Report of TPBII 2019-20

Table No- 6, Indicates that State Wise Deployment of ATMs Payment Banks in India, there are 2,13,575 ATMs through out of the Country of which 112 ATMs are owned by Payment Banks, as on 2019-20. Maharashtra has more ATMs (24640), Tamil Nadu have more ATMs (24,315), Uttar Pradesh have more ATMs (17,998), Karnataka have more ATMs (17,218), West Bengal have more ATMs (11839).

CONCLUSION

Banking sector transformed into digitalised system with the help of innovative banking practices. ATMs is one of the innovative technologies in banking whereas now it become slowly losing its importance due to digital payment system. The banking sector handles finances in a country including cash and credit. Banks are the institutional bodies that accept deposits and grant credit to the entities and play a major role in maintaining the economic stature of a country. Given their importance in the economy, banks are kept under strict regulation in most of the countries. In India, the Reserve Bank of India (RBI) is the apex banking institution that regulates the monetary policy in the country. As computed to the world average of 50 ATM per one lakh population, India is only an average of 28 ATM per one lakh population. In future ATM will reduce its importance due to its operational and maintenance expenditure. And also, digital payment systems will occupy the place of ATM.

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