

Rayat Shikashan Sanstha's

Dr. Patangrao Kadam Mahavidyalaya, Ramanandnagar (Burli)

Tal.-Palus, Dist.-Sangali

Department of Economics

2020-21

### **BEST PRACTICE**

**1. Title of the practice: "BOOSTING RELATIONSHIP BETWEEN BANKS AND RURAL CUSTOMERS"**

**2. Objectives of the practice:**

1. To increase awareness about the benefits of financial services among the economically underprivileged sections of the society.
2. To organize Awareness programme for the rural population through the department.

**3. The Context:**

Formerly we take up relationship that exists among a banker and his rural customer. The meaning of the business of banking and a huge quantity of events acceptable for banks are given in the Banking Regulation Act 1949. The relationship among a banker and his rural customer depends upon the environment of facility providing by a banker.

The term customer of a bank is not well-defined by law. Generally, a person who has an account in a bank is considered its customer. Banking authorities and legal judgment in the past, however, used to succeed this declaration by laying importance on the period for which such account had really been continued with the bank.

**4. The Practice:**

Banking customers in rural areas may be harmed if mergers in rural areas are treated more leniently. Rural communities have reported increasing costs in accessing financial services, in part due to branch closures in areas which already have fewer choice alternatives. Mergers further reduce rural consumers' choice alternatives and increase rural banks' market power. Differences between urban and rural banking customers could also shape the local effectiveness of monetary policy. Market power in deposit taking has been shown to affect bank pass-through of interest rate adjustments by a monetary authority. Market power in turn depends on banking clients' reasons for choosing their financial institution, as well as on their willingness and ability to switch banks and to search for alternative borrowing and savings options. We investigate whether differences between urban and rural banking clients give



grounds for more lenient antitrust policy and less aggressive monetary policy in rural areas. In the SCF, we find that conditional on using banking services, rural and urban retail banking clients have similar reasons for choosing their primary financial institution, visit brick-and-mortar branches at similar rates, and use direct deposit and autopay services with similar frequency. Student is the one of the customer of the Banks. Students was enrolled in the department in the academic year 2020-21 from the rural area. Hence the department of Economics was organized the lecture for student for create the healthy environment among the banker and his customer in the academic year.

#### 5. Evidence of Success:



#### 6. Problems Encountered and Resources Required:

Most of the students was enrolled in the department came from rural area around the college campus. They doesn't know banking sector and various banking facilities and they faced various problem in bank branch like open the account, deposit of money in bank, withdrawal of money, loan facility, how to apply loan etc. All these things keep in the mind the departmental faculties decided to organize guest lecture on the topic of basic banking because of students of economic subject should know all this things. Manager of the Bank of Maharashtra branch Kirloskrwadi was successfully done two hour lecture about banking facilities in the college and explain the basic concept of the banking services which was helpful to the students.

#### 7. Notes (Optional): No

  
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