

Comparative Analysis of Financial Inclusion in Rural and Urban Area: A Case Study

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Abstract:

Despite the tremendous growth in some Asian Countries, unemployment, poverty and inequality still remain issue in most of countries in general and India in particulars. Many economies tried hard to break vicious circle of these problems by adopting numerous strategies but the success is yet to come. The failure of trickle-down effect is major cause for failure of many strategies at local or national or international level. Financial inclusion which is integral of inclusive growth process and sustainable development is a strategic tool for providing access to financial services in form of savings, loans, insurance, credit and payment to needy, low income and unprivileged people of society. So objective of the paper is to analyse impact of financial inclusion in rural and urban area of Gohana Block of Sonapat District in Haryana.

Key Words: Financial Inclusion, Poverty, Inclusive Growth, Development, Sonapat

1. Introduction

Despite the tremendous growth in some Asian Countries, unemployment, poverty and inequality still remain issue in most of countries in general and India in particulars. Many economies tried hard to break vicious circle of these problems by adopting numerous strategies but the success is yet to come. The failure of trickle-down effect is major cause for failure of many strategies at local or national or international level. Financial inclusion which is integral of inclusive growth process and sustainable development is a strategic tool for providing access to financial services in form of savings, loans, insurance, credit and payment to needy, low income and unprivileged people of society. In this way financial inclusion refers a process that insures the ease of access, availability and usage of the formal financial system for all member of the economy. It facilitates efficient allocation of productive resources and reduces the role of informal sources of credit as money lender which are found to be exploitive in economy.

In India the concept of financial inclusion was first incorporated 2005, when it was introduced by K.C Charoborty, The chairman if Indian bank and Mangalam village turn out to be first village in India where all household were provided banking facilities. National Rural Employment Guarantee Programme is a mile stone for the promotion of financial inclusion as the necessary requirements of channelling the wage payments through the

banking system so that we can evaluate the problems of corruption, redtapism etc and real fruit of development of a country reach to poorest people. It is estimated that around 2.9 billion people around the world do not have access to formal sources of banking and financial services. India is said to be lived villages with around 72% population however a significant proportion of our villages does not have single branch in rural areas (RBI, Working Paper 2015).

So objective of this study is to analyse a comparison of impact of financial inclusion on urban and rural areas. The paper is organised as follow, Section 1 deals with review of literature which put a light on previous work of financial inclusion as national and international level and provides a gap to researcher for further research, Section 2 explores the objectives of the study and section 3 described research methodology. Section 4 represents the main findings of work and the last section 5 captured conclusions and suggestion for further policy implication.

2. Review of Literature

Review of literature helps the researcher not only in understanding the issues involved but also in planning and execution of the experiences of others. Further, the knowledge of possible gap of empirical research provides clue to plug those gaps to the extent possible which in turn helps in making empirical research socially more meaningful. The main objective of the study is to impact of financial inclusion in Gohana Block of Sonapat District. So, we briefly review some of the earlier studies on financial inclusion to identify gaps in research, if any, which would help in formulating the methodology of present study and brief review of some studies, is given below.

Thorat (2007)¹ explained experience of financial inclusion in India. The study based on secondary data using source RBI. The study describes many phenomenon of financial inclusion in India like how to measure financial inclusion, initiatives of reserve bank of India for financial inclusion and also focus on strategies and approach. The approach to financial inclusion in developing countries such as India is thus somewhat different from the developed countries. In the latter, the focus is on the relatively small share of population not having access to banks or the formal payments system whereas in India.

Swain (2008)² analysed current Indian framework of financial inclusion. The study based on secondary data using source NSSO and RBI. The study attempts to develop a framework inclusion well within the propositions of the current Union Budget which is expected to work for the Indian scenario .It also tries to hit on several flaws in the current mass debt waiver policy for farmers announced in the Union Budget and its implication. Within such policy, framework, the study is an attempt to weave an argument starting from the mismatch of credit and deposit growth of banks, steps taken by the Reserve of India, role of IT as an enabling agent, role of government, future challenges and how all this has shaped the present degree of inclusion of India.

Massey (2010)³ discussed the role of financial institutions in a developing country is vital in promoting financial inclusion. The study is based upon secondary data. The study shows that efforts of the government to promote financial inclusion and deepening can be further enhanced by the pro-activeness on the part of capital market players including financial institutions. Financial institutions have a very crucial and a wider role in fostering financial inclusion. National and international forum have recognized this and efforts are seen on domestic and global levels to encourage the financial institutions to take up larger responsibilities in including the financially excluded lot.

Sharma (2010)⁴ analysed the index of financial inclusion. The study based on secondary data. The study shows promotion of an inclusive financial system is a policy priority in many countries. While the importance of financial inclusion is widely recognized, the literature lacks a comprehensive measure that can be used to measure the extent of financial inclusion across economies. The study attempts to fill this gap by proposing a multidimensional index of financial inclusion (IFI). The proposed IFI captures information on various dimensions of financial inclusion in one single number lying between 0 and 1, where 0 denotes complete financial exclusion and 1 indicates complete financial inclusion in an economy. The proposed index is easy to compute and is comparable across economies.

Damodar (2011)⁵ explained issues and challenges of financial inclusion in India. The study shows that a vast segment of India's population exists on the margins of India's financial systems. There is growing concern about people being 'under-banked'. Financial inclusion is important priority of the country in terms of economic growth and development of society. It enables to reduce the gap between rich and poor. It helps to channelize money-flow to the economy; it ensures people who are unable to access financial system so far can access it with ease. The study discusses the role of financial inclusion in the economy and how the different stakeholders play an important role in developing the whole initiative.

Dangi and Kumar (2013)⁶ evaluated current situation of financial inclusion in India and its future visions. The study based on secondary data using source RBI Bulletin, Annual Reports of RBI and Ministry of Finance, NABARD, Government of India. The study focuses on the RBI and government of India initiatives and policy measures, current status and future prospects of financial inclusion in India on the basis of facts and data provided by various secondary sources. This study concludes that financial inclusion shows positive and valuable changes because of change in strength and technological changes. Therefore, adequate provisions should be inherent in the business model to ensure that the poor are not driven away from banking. This requires training the banks forefront staff and managers as well as business correspondents on the human side of banking.

Kukreja and Sharma (2013)⁷ explained relevance of financial inclusion for developing nations. The study based on secondary data using source Research Journals, E-Journals, RBI Report, and Report of NABARD. This study shows the basic features of financial inclusion, and its need for social and economic development of the society. The study focuses on the role of financial inclusion, in strengthening the India's position in relation to other countries economy. The results of study show that financial inclusion is playing a catalytic role for the economic and social development of society but still there is a long road ahead to achieve the desired outcomes.

Paramasivan and Ganeshkumar (2013)⁸ discussed overview of financial inclusion in India. The study based on secondary data using source World Bank. The study shows that inclusive growth is possible only through proper mechanism which channelizes all the resources from top to bottom. Financial inclusion is an innovative concept which makes alternative techniques to promote the banking habits of the rural people because, India is considered as largest rural people consist in the world. Financial inclusion is aimed at providing banking and financial services to all people in a fair, transparent and equitable manner at affordable cost. Households with low income often lack access to bank account and have to spend time and money for multiple visits to avail the banking services, be it opening a savings bank account or availing a loan, these families find it more difficult to save and to plan financially for the future.

Shastri (2014)⁹ discussed the role of financial inclusion in Madhya Pradesh with reference to Rural Population. The objective of the study is to check financial inclusion in rural areas of Ujjain District, reasons for low inclusion and satisfaction level of the rural people towards banking services. The study has critically analysed the issues and a challenge involved in financial inclusion for inclusive growth and has also successfully attempted to highlight the factors that can aid in achieving financial inclusion for inclusive growth.

Tamilarasu (2014)¹⁰ explained role of banking sectors on financial inclusion development in India. The study based on secondary data using source RBI data related to commercial banks. This study shows that financial inclusion growth is possible only through proper mechanism which channelizes all the resources to all the direction of the customers. It is an innovative concept which makes alternative techniques to promote the banking habits of the rural people. Because India is considered as largest rural populations in the world and belongs to agriculture activities, financial inclusion is aimed at providing banking and financial services to all people in a fair, transparent and equitable manner at affordable cost.

Hastak and Gaikwad (2015)¹¹ explained issues relating to financial inclusion and banking sector in India. The study based on secondary data using source RBI and Financial Excess Survey IMF. This study shows that need and importance of financial inclusion for the social and economic development of India. The study also reviews the current scenario as well as current and future plans of RBI for Financial Inclusion. After analyzing the facts and figures it is concluded the, though, various steps are taken by RBI and Government of India to improve financial inclusion there is a long way to achieve the total financial inclusion.

Barua, Kathuria, and Malik (2016)¹³ discussed the status of financial inclusion, regulation in India. The study based on secondary data using source RBI, World Bank and IMF. This study explains the current state of financial inclusion, as well as regulatory changes necessary to make the new architecture for inclusion viable, including a critique of some of the recommendations of the Mor Committee on Comprehensive Financial Services for Small Businesses and Low-Income Households. The study reviews modes of delivery and the regulatory structure being contemplated or recently introduced. It assesses the suitability objective envisaged as critical for inclusion, associated challenge of revamping consumer protection laws, and imperative of improving financial literacy. The paper also discusses the case of micro, small, and medium-sized enterprises in the given context.

In short review of literature is indicative of fact that most of study shows role of financial inclusion in sustainable growth process of country in general and India in particular

with this review of study also explore that there few work is done on micro level especially in Sonapat district so there is ample scope of future research in dynamic character of financial inclusion

3. Objectives of the Study

The main objective of the study is to analyse the impact of financial inclusion in urban and rural area of Gohana Block of Sonapat District in Haryana. With this following is supportive objective:

- To analyse general profile of household in selected area.
- To make a comparison of banking behaviour of urban and rural area.
- To make a comparison of loan behaviour and other financial services in the selected areas.
- To examine the issues and challenges behind financial inclusion in this areas.
- To provide suggestions for further policy implication.

4. Research Methodology

To endeavour the above objectives study is conducted in one city and one village of Gohana block of Sonapat district in Haryana, so that comparison of impact of financial inclusion in urban and rural area can be made. The sample is generated through multistage random sampling. At a very first stage one district is randomly selected in all 21 district of Haryana i.e. Sonapat. Then at second stage one block is randomly selected from all seven blocks of Sonapat that is Gohana. At the third stage one village i.e. Barota and one city that is Gohana is randomly selected. Total of 10% of total household is sampled. So sample size is 300 households, 100 from village and 200 from city for required research. The survey schedule technique of primary data is used to collect the information from respondent in selected area. The analysis is done through table using simple frequency and percentage.

5. Findings of the study

Table 1: General Profile of Respondent in Selected Rural and Urban Area

Characteristics	Rural Frequency	Rural Percentage	Urban Frequency	Urban Percentage
1. Place of Survey				
Gohana	00	00	200	100
Barota	100	100	00	00
2. Gender of respondent				
Male	68	68	115	57.5
Female	32	32	85	42.5
3. Age of respondent				
0-20	00	00	00	00
20-35	32	32	97	48.5
35-50	55	55	70	35
Above 50	13	13	33	16.5
4. Occupation				
Education	00	00	00	00
Farmer	52	52	37	18.5
Self employed	27	27	98	49.5
Service	21	21	65	32.5

Source: Field Survey

Table 1 reveals the general profile of selected urban and rural area in Gohana block of Sonipat district. The figures show that male respondents are more in both areas in comparison to female respondents. Figures also represent that almost 80% respondents lie between the age group of 20-50 in which 50% respondents are young blood but farmer in rural area and self employed in urban area. In short general profile shows that most of samples respondents are young population having agriculture occupation in rural area and self employed in urban area.

Table 2: Bank Account Status of Respondents in Selected Area

Characteristics	Rural Frequency	Rural Percentage	Urban Frequency	Urban Percentage
1. Having bank account				
a) Yes	80	80	175	87.5
b) No	20	20	25	12.5
2. No. Of a/c in household				
a) one	50	50	55	27.5
b) Two	20	20	75	37.5
c) Three	10	10	40	20
d) More than three	00	00	05	2.5
3. Type of a/c				
a) Saving a/c	50	50	87	43.5
b) Current a/c	11	11	40	20
c) Recurring a/c	00	00	05	2.5
d) Fixed deposit a/c	19	19	26	13
e) Any other	00	00	17	8.5
4. Purpose of opening a/c				
a) Saving/ Banking	30	30	95	47.5
b) Due to loan a/c	08	8.0	25	12.5
c) For MNREGA payment	02	2.0	15	7.5
d) Other payment	40	40	40	20

5. Frequency to visit bank				
a) Once in a week	14	14	85	42.5
b) Once in 15 days	30	30	40	20
c) Once in a month	30	30	45	22.5
d) Never after opening a/c	03	3.0	20	10
e) using ATM/ Internet banking	23	23	10	5.0
6. Problem faced in opening a/c				
a) Distance from bank	5	5	0	0
b) Illiteracy	10	10	17	8.5
c) Family problem	05	5.0	34	12.5
d) No problem faced	70	70	135	67.5
e) Any other	10	10	14	7.5
7. Received any payment in a/c				
a) Scholarship	20	20	30	15
b) Pensions	45	45	80	40
c) LPG subsidy	15	15	35	17.5
d) Salary	15	15	35	17.5
e) Any other	05	5.0	20	10

Source: Field Survey

Table 2 explores the status of bank account in rural and urban areas. Figure shows that almost 80 percent households have bank in both rural and urban area with one account. Only 20 percent households have more than account and in gernal household having saving for their day-today financial activities. Figures also reveals that rural people make less visit to bank in comparison to urban people. With this 70 percent respondent also reported that they have not faced in any problem in opening of an account in bank. Pensions and LPG subsidies is main reason of opening of an account in both urban and

rural areas. In short, figures represent that people are integrated with banking facilities in rural area also but less in comparison to urban area in usage frequency of bank.

Table 3: Loan Behaviour of Respondents in Rural and Urban area

Characteristics	Rural Frequency	Rural Percentage	Urban Frequency	Urban Percentage
1. Household ever taken loan				
a) Yes	31	31	75	37.5
b) No	69	69	125	62.5
2. If yes, from where				
a) Banks	16	16	50	25
b) Relatives/ Friends	10	10	25	12.5
c) Money lenders	05	5.0	00	00
3.If taken from bank, reason led to this choice				
a) Low rate of interest	00	00	18	9.0
b) Was offered/arranged by bank	00	00	12	6.0
c) It is easy.	16	16	20	10
4. Type of loan				
a) Housing loan	00	00	15	7.5
b) Educational loan	00	00	07	3.5
c) Business loan	03	3.0	06	3.0
d) Personal loan	07	7.0	18	9.0
e) Vehicle loan	06	6.0	29	14.5

Source: Field Survey

Table 3 represents loan behaviour of respondents in both rural and urban area. Figures explore that 69% respondents in rural area and 62 % in urban area reported that they never took loan from bank. Respondents who are availing loan also reported that share of money lenders as loan provider is declining with the reason that low interest rate of bank and its convenience. In loan types, personal loan is on top in rural area and vehicle loan in urban area. It is also observed that rural population is not availing housing or education loan whereas urban population is availing all types of loan. In short, figures reveal that urban population is more aware about banking facility and also making use of it.

Table 4: Usage of Other Financial Services in Rural and Urban area

Characteristics	Rural Frequency	Rural Percentage	Urban Frequency	Urban Percentage
1. Other form of financial service	12	12	30	15
a) No	16	16	42	24
b) If yes, which one: Credit card	21	21	119	59.5
<input type="checkbox"/> Debit card	51	51	150	75
<input type="checkbox"/> Insurance				
2. Type of insurance				
a) Life insurance	15	15	77	38.5
b) Health insurance	05	5.0	25	12.5
c) Vehicle insurance	31	31	116	58
3. Taking advice about money lenders:				
a) No	05	5.0	20	10
b) Family/ Friends	78	78	136	68
c) Financial advisor	00	00	00	00
d) Bank	17	17	44	22

4. Financial advisor centre in area	00	00	00	00
a) Yes	100	100	200	100
b) No				
5. What you do if needed money?	86	86	156	78
a) Ask family or friends	09	9.0	78	39
b) Bank loan	10	10	23	11.5
c) Money lenders	03	3.0	54	27
d) Use credit card	05	5.0	47	28.5
e) Sell something	45	45	89	44.5
f) Draw savings				
6. Need of bank branch in your area	100	100	00	00
a) Yes	00	00	200	100
b) No				

Source: Field Survey

Table 4 shows uses of other financial services of bank in selected area. Figures presents that households are also making use of other financial services in which insurance is leading in both areas followed by debit card an credit card. Whereas credit card is used by urban population more. In insurance types, vehicle insurance is leading in both areas and followed by life insurance and health insurance. Respondents are reported that family and

friends is main source of advice in both areas. Figure also reveal that 100% respondents reported that they don't have financial adviser centre are not available for their queries about financial services and their uses in both areas. In conclusion, urban population is availing more financial services in comparisons to rural one.

Table 5: Impact of Financial Services on Respondent in Selected Area

Characteristics	Rural Frequency	Rural Percent age	Urban Frequency	Urban Percentage
1.Asset created support from bank				
a) Yes	10	10	50	25
b) No	90	90	150	75
2. Name of asset:				
a) Dairy animals/ Farming equipments/ Fisheries	02	2.0	00	00
b) Vehicle	06	6.0	29	19.5
c) Start any business	02	2.0	45	22.5
d) Entertainment equipment	00	00	50	25
e) Any other	00	00	20	10
3. Would you like to acquire these assets, if bank loan provided?				
a) Yes	27	27	124	62
b) No	73	73	76	38

4. Why you don't need these assets?				
a) No need	28	28	34	17
b) Cannot afford	24	24	21	10.5
c) Available on rent	13	13	56	28
d) Bank loan is not available	16	16	16	8.0
e) any other	09	09	23	11.5

Source: Field Survey

Table 5 represents impact of financial services in selected areas. Figures show that 90 % respondents reported that they did not have any asset created through banking sport in rural area and 75% in urban areas. It is also reported that in rural area households have assets in form of diary, farming and fisheries equipments followed by vehicles, whereas in urban areas entertainment equipment is leading followed by business start-up equipments. Figures also reveals that urban population is more interested in keeping assets through bank loan. Whereas for rural population it is not a part of their culture. In conclusion urban population is more linked to banking facilities usage.

Issues and Challenges of Financial Inclusion

There are several issues, challenges and strategies to achieve the target of complete financial inclusion: -

1. Change in the approach of banks:

Only access to credit or banking is not the financial inclusion. It is often notices that mere opening a bank account is taken or claimed as achieving the target of financial inclusion. Many empirical studies and usage analysis reveals that after opening such bank accounts, hardly there are any transactions take place in such bank accounts. Bank must genuinely strive to provide the directed services under the scheme of financial inclusion to the rural population, since they are the main pillars for the desired success.

2. Relaxation in regulatory Framework:

The RBI, in November 2005, set the population benchmark, which will help it, for taking its financial inclusion drive to the next level, mandating all banks to reach out the villages, all habitations with population in excess of 2000. The RBI asked banks to provide the zero-balance facility in the basic banking accounts along with ATM-cum-Debit cards without extra charge.

3. Self Help Group-Bank Linkage Programme:

In the last two decades, the major institutional innovation in India for expanding financial system access and usage for the poor and marginalized sections of the population has been the SBLP. The project provided a cost-effective SBLP model for providing financial services to the underserved poor. Being a 'savings-first, credit later' model, credit discipline became a norm for Self Help Groups (SHGs) and 'social collateral' made them bankable.

4. Microfinance Institutions (MFIs):

The MFIs have served the underserved populace in the last few years and improved access to credit though there have been quite a few debatable issues on the style of corporate governance and ethics of conducting business on part of some of the MFIs. However, it has been often realized that the MFIs do help in financial deepening and can remain an important segment of the Indian financial market keeping in view the present level of penetration of the banking system.

5. Product Initiatives:

To ensure that more and more people come within the banking fold the banks should offer all the customers a 'basic savings deposit account' with certain minimum common facilities and without the requirement of minimum balance. The services provided in this account should include deposit and withdrawal of cash at the bank branches as well as ATMs, receipt/credit of money through electronic payment channels or by means of deposit/collection of cheques drawn by Central/State Government agencies and departments. Innovation of products for the specific needs of the poor is necessary for achieving the ultimate objective of inclusive growth.

6. Mobile Banking:

With the rapid growth in the number of mobile phone subscribers in India, banks in collaboration with telecom companies are seeking to develop an alternate channel of delivery of banking services. Keeping in view the issues relating to diversity of network providers in India, remittance centric approach of such model and Know Your Customer (KYC) related concerns, the RBI has advocated bank-led mobile banking model and issued operative guidelines to banks for effecting mobile-based banking transactions. The empirical studies indicate that banks are yet to fully exploit this technology even for their existing customers. The banks and the mobile operators reach a workable understanding while protecting their mutual interests. Such an approach would result in a 'win-win' situation for both and, more importantly, serve the larger cause of public good of financial inclusion.

7. Aadhaar-enabled Payment Systems (AEPS):

The AEPS having the ability to service customers of many banks based on the unique biometric identification data stored in the Aadhaar database is expected to

empower a bank customer to use Aadhaar as his/her identity to access the respective Aadhaar enabled bank account and perform basic banking transactions like balance enquiry, cash withdrawal and deposit through the BC. A pilot scheme in four districts of Jharkhand is currently being carried out under which MGNREGA wages to labourers are credited to their Aadhaar enabled bank accounts.

8. Innovative product lines & processes:

Banks have to look at their policies and procedures to develop new product lines rather than merely adopting the complex products of urban India in the rural milieu.

9. Financial literacy and awareness:

There is a strong concern about the pathetic attitude of the banks to arrange regular campaigns for spreading awareness about financial inclusion and financial literacy need to be intensified. Banks need to do efforts in this area through innovative dissemination channels including films, documentaries, pamphlets and road shows.

10. Customer service and consumer protection:

Customer service is another issue that needs closer attention. Mind-set, cultural and attitudinal changes at the grass-root levels and user friendly technology at the level of branches of banks and BC outlets are needed to extend holistic customer service to the new entrants to the banking system.

7. Conclusions:

It is concluded that financial inclusion as a process of ensuring access to financial services and timely and adequate credit for needed and vulnerable section of society at an affordable cost is very important for the growth and development of the any nations. The results of the study show that male respondents are more in both areas in comparison to female respondents. Figures also represent that almost 80% respondents lie between the age group of 20-50 in which 50% respondents are young blood but farmer in rural area and self employed in urban area. In short general profile shows that most of samples respondents are young population having agriculture occupation in rural area and self employed in urban area.

Findings also show that almost 80 percent households have bank in both rural and urban area with one account. Only 20 percent households have more than account and in general household having saving for their day-to-day financial activities. Figures also reveals that rural people make less visit to bank in comparison to urban people. With this 70 percent respondent also reported that they have not faced in any problem in opening of an account in bank. Pensions and LPG subsidies is main reason of opening of an account in both urban and rural areas. In short, figures represent that people are integrated with banking facilities in rural area also but less in comparison to urban area in usage frequency of bank.

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area and 62 % in urban area reported that they never took loan from bank. Respondents who are availing loan also reported that share of money lenders as loan provider is declining with the reason that low interest rate of bank and its convenience. In loan types, personal loan is on top in rural area and vehicle loan in urban area. It is also observed that rural population is not availing housing or education loan whereas urban population is availing all types of loan.

In short, figures reveal that urban population is more aware about banking facility and also making use of it. Figures presents that households are also making use of other financial services in which insurance is leading in both areas followed by debit card and credit card. Whereas credit card is used by urban population more. In insurance types, vehicle insurance is leading in both areas and followed by life insurance and health insurance. Respondents are reported that family and friends is main source of advice in both areas. Figure also reveal that 100% respondents reported that they don't have financial adviser centre are not available for their queries about financial services and their uses in both areas. In conclusion, urban population is availing more financial services in comparisons to rural one.

8.Suggestions:

For achieving complete financial inclusion the RBI, Government, NABARD and the implementing agencies will have to put their minds and hearts together so that the financial inclusion can be taken forward. There should be proper financial inclusion regulation in our country and access to financial services should be made through SHGs and MFIs. Thus, financial inclusion is a big road which India needs to travel to make it completely successful. Miles to go before we reach the set goals but the ball is set in motion.

Financial Inclusion should be taken as a business prospect rather than compulsion so that probable business opportunity can be utilized by tapping and targeting untapped and unorganized market. The RBI and commercial banks should plan a coordinated campaign in partnership with the trainers and professional to educate customers about the basic financial products, services and offerings. For building customer awareness E-banking and M-banking training and education programme should be conducted.

Following suggestions are to be implemented in India for enhancing the financial inclusion:

- Government should increase number of banks branches in remote areas.
- Banks should focus more on products which should be simple, affordable, and should have high utility.
- RBI should frequently check whether the financial products are actually utilized by customer effectively, if not it should analyse the reasons.
- Banks should do regular surveys in villages for understanding the financial needs of the people.
- NGOs and other not for profit organisation/ social organisations / Non Governmental organisations etc. may be involved more to propagate the financial services to the remote and non accessible areas.

- Banks should allow customers to provide feedback about the product services.
- R B I should allow service providers to provide better mobile banking products at affordable price.
- Micro Finance Organisations/ Non Banking Financial organisations may be given permissions to do limited financial services in remote areas.
- Enlist many intermediaries/ agents with incentives to facilitate popularising financial products in remote areas.
- Opening of Bank Accounts without minimum balance condition should be allowed at all branches and places.

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Appendix

QUESTIONNAIRE ON FINANCIAL INCLUSION

Name of investigator: _____

Place of Survey: _____

Date: _____

Name: _____

Age: _____

Gender: M/F _____

Occupation: _____

Head of Family: _____

No. Of Family members: _____

Adults: _____

Children: _____

A. SAVING:

1. Is your household having a bank account? Yes / No

2. No. Of accounts in your household: () 1 () 2 () 3 () 4 or more than 4 ()

3. Which type of account do you have?

a) Saving account

b) Current account

c) Recurring account

d) Fixed deposit account

e) If other, please specify

4. Purpose of opening account:

a) Saving/ Banking

b) Due to loan account

-
- c) For MNREGA payment
- d) Other DBT payment
5. Frequency to visit bank:
- a) Once in a week
- b) Once in 15 days
- c) Once in a month
- d) Never after opening
- e) Using ATM
- f) Using internet banking
6. Problem faced in opening bank:
- a) Distance from bank
- b) Rush in bank branch
- c) Illiteracy
- d) Family problem
- e) Any other
- f) No problem faced
7. Any member of family received any payment in bank a/c: Yes / No
8. If yes than what type:
- a) Scholarship
- b) Old age pension/ Widow pension / Handicapped pension
- c) LPG Subsidy
- d) Salary
- e) Any other specify

LOAN

1. Have your household ever borrowed or taken loan: Yes / No
2. If yes, from where?

-
- a) Banks
 - b) Relatives
 - c) Moneylenders
 - d) If other, please specify
3. If borrowed from bank, which of the following reason led to this choice?
- a) Low rate of interest
 - b) Was offered/ arranged by the banks
 - c) It is easy
 - d) Trustworthy lenders
 - e) If other, please specify
3. If ever borrowed, what was the type of the credit / loan?
- a) Housing loan
 - b) Business loan
 - c) Education loan
 - e) Vehicle loan
 - f) If personal loan

Other Financial services

1. Are you using any other form of financial services or product?
 - a) No
 - b) If yes, then which one: Insurance () Credit card () Debit card ()
2. If already having insurance, which of the following type is it?
 - a) Life insurance
 - b) Health insurance
 - c) Vehicle insurance
 - d) If other, please specify
3. Over the past couple of years, have been anywhere for taking advice about money matters?

- a) No
 - b) Family/ Friends
 - c) Bank
 - d) Financial advisor
 - e) Social worker
4. Is there any financial advice centre/ credit counselling centre in your area? Yes / No
5. What would you do if you needed money in an emergency?
- a) Ask family or friends
 - b) Take out a bank loan or overdraft
 - c) Take out loan from the other sources
 - d) Use credit card
 - e) Sell something
 - f) Draw on savings
 - g) If other, please specify
6. Are you feel the need of a bank branch at your place? Yes/ No
7. What do you think that the Government, local bodies, banks, NGOs and others might need to do to further achieve financial inclusion?

Impact of financial inclusion

1. Productive asset created with support from bank loan: Yes/ No.
2. Name of the productive assets:
 - a) Dairy animals / Farming equipments / Fisheries
 - b) Transport vehicle
 - c) Shop
 - d) Start any business
 - e) Entertainment equipments
 - e) Any other, please specify
3. Would you like to acquire, if bank loan is provided? Yes / No.

4. Why you don't need these assets?

- a) No need
 - b) Cannot afford
 - c) Available on rent
 - d) Bank loan is not available
 - e) Any other please specify
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