AMERICAN JOURNAL OF ECONOMICS AND BUSINESS MANAGEMENT

ISSN: 2576-5973
Vol. 5, No. 4, 2022

Financial Inclusion in India: An Analysis

Seema Rani
Assistant Professor, Department of Commerce, Tika Ram Girls College Sonepat, Haryana, India

Abstract: Financial inclusion is the recent concept which helps to achieve the sustainable development of the country, through available financial services to the unreached people with the help of financial institutions. Financial inclusion can be defined as easy aces to formal financial services or systems and their usage by all members of the economy. These members include government, banks, private and social sector. Financial Inclusion is described as the method of offering banking and financial solutions and services to every individual in the society without any form of discrimination. It primarily aims to include everybody in the society by giving them basic financial services without looking at a person's income or savings. Financial inclusion chiefly focuses on providing reliable financial solutions to the economically underprivileged sections of the society without having any unfair treatment. It intends to provide financial solutions without any signs of inequality. It is also committed to being transparent while offering financial assistance without any hidden transactions or costs. This paper helps in studying the present scenario of Financial Inclusion in India, and the various efforts and initiatives taken by the RBI, GOI and other banking institutions towards it.

Keywords: Financial Inclusion, Financial Exclusion, Financial Services, Financial Literacy, Poverty.

ISSN 2576-5973 (online), Published by "Global Research Network LLC"
under Volume: 5 Issue: 4 in Apr-2022
https://www.grnjournals.us/index.php/AJEBM

INTRODUCTION

India boasts of a comprehensive and robust financial system that has supported the economic progress the country has seen in the last two decades. But despite this growth, vast swathes of population still languish without access to formal financial services – a report by BCG in 2007 suggested that with barely 34 percent of its population engaged in formal banking, India had the second highest number of financially excluded households in the world at about 135 million. The extent of financial exclusion casts serious aspersions on the inclusiveness of India's growth and impedes future progress. Having access to mainstream financial systems empowers people to succeed, driving the economy forward and ensuring financial sustainability into the future. The lack of such facilities disenfranchises poor people, trapping them in indebtedness and perpetuating a cycle of poverty and stagnation.

Financial inclusion has been a high-priority policy imperative for India and while considerable progress has been made over the years, India remains a long way from universal financial inclusion. This article attempts to map out the scope and roles of government, private and social sector have played in promoting financial inclusion and highlights the impetus received under the new CSR mandate for the same.

Financial inclusion is a fundamental keystone of socio-economic development. It has been a policy goal of high priority in India for decades. It is an important policy option which aims at reducing poverty and minimizing social as well as financial exclusion, thereby enhancing the inclusive growth process. Though there has been considerable progress in the process of inclusion over the past few years, India remains a long way from attaining universal financial inclusion.

The term financial inclusion is defined as the process of ensuring timely access to financial services and adequate credit where needed by vulnerable groups such as the weaker sections and low-income groups at an affordable cost. However, it is perceived differently under different contexts. It can be viewed as a process of enabling access to credit, improving banking services or as a process of developing social and economic infrastructure available to the public. In short, financial inclusion is not only about money and savings but about directly eradicating the state of social exclusion existing in the economy.

The Government of India and the central bank have been focusing on financial inclusion through increasing financial literacy among the under privileged and by strengthening credit delivery mechanisms to targeted sections. To this end, the increase in financial literacy has not only increased the number of bank accounts, but also significantly reduced the account dormancy. Further, financial inclusion penetrated significantly into India’s traditionally marginalized communities, reducing the gaps between rural and urban, below and above poverty populations and between men and women. Their concerted efforts over the last five decades include nationalization of banks, the creation of well-knit branch network of scheduled commercial banks, co-operatives and regional rural banks, promotion of priority sector lending, the introduction of lead bank scheme, and the formation of self-help groups and provision of zero balance BSBD accounts.

The Pradhan Mantri Jan-DhanYojana (PMJDY), a people’s welfare scheme launched by Prime Minister Narendra Modi in 2014 has a decisive impact on India’s stride in achieving financial inclusion over the last few years and has been extremely effective in bringing the socially excluded within the preview of the banking system. The program is an initiative to ensure that at least one registered bank account was available for every household nationwide. The FII surveys show a steady increase in the number of adults registered bank accounts post the launch of PMJDY in August 2014. An 18 percent increase in the percentage of population with a registered bank account for the period between 2013 and 2015 demonstrates the success of the program in backing an all-inclusive economic

ISSN 2576-5973 (online), Published by “Global Research Network LLC"
under Volume: 5 Issue: 4 in Apr -2022
https://www.grnjournals.us/index.php/AJEBM

growth. Going forward, the success of financial inclusion greatly depends on expanding the scope of PMJDY to include all individuals in the population (above certain age) rather than only one account per household.

REVIEW OF LITERATURE

Though many researchers have measured financial inclusion at regional level by incorporating different variables representing different dimensions of inclusive finance, but not much work has been done to identify the various factors associated with the development of financial inclusion. Some of the research work done in this direction has been discussed below:

- **Dr. Swamy V. and Dr. Vijayalakshmi (2010)** in their article "Role of financial inclusion for inclusive growth in India-issues and challenges" claimed that importance of financial inclusion arises from the problem of financial exclusion of nearly three billion people from the formal financial services across the world. India has 135 million financially excluded households, the second highest number after China. Through graduated credit, the attempt must be to lift the poor from one level to another, so that they come out of poverty. They identified twenty one steps for twenty first century financial inclusion. There is a need for co-ordinate action between the government and others to facilitate access to bank accounts among the financial excluded.

- **Sadhan Kumar Chattopadhyay (2011)** in a working paper for RBI on "Financial Inclusion in India: A case study of West Bengal". The researcher made an attempt to examine the extent of financial inclusion in West Bengal. According to the study there has been an improvement in outreach activity in the Banking sector, but the achievement is not significant. An Index of Financial Inclusion (IFI) has been developed in the study using data on three dimensions of financial inclusion viz. - Banking Penetration (BP), availability of Banking Services (BS) and usage of the Banking System (BU). The study provides a comparable picture between different states on the basis of IFI rankings.

- **Nitin Kumar (2012)** in his study used six factors, namely population density; average population per bank branch; per capita net state domestic product; credit deposit ratio; the level of industrialization and individual employment status to examine their impact on the level of financial inclusion across different states of India. The author concluded that regional economic conditions of a state greatly influence its level of financial inclusion.

- **Kuldeep Singh & Anand Singh Kodan (2012)** in their study used literacy, employment rate, sex-ratio, per capita net state domestic product and urbanization as the factors of financial inclusion amongst the states of India. The authors found per capita NSDP and urbanization as the two important indicators having significant and positive impact on the level of financial inclusion across different states of India.

- **Sahu (2013)** in her study took per-capita income, literacy, population, branch density, no of SHGs and per capita net state domestic product (PNSDP) as the indicators of financial inclusion and found per capita net state domestic product as a lone indicator having very significant impact on the growth of financial inclusion.

- **Gupta and Singh (2013)** studied the impact of literacy rate on financial inclusion amongst the different states of India. The results showed literacy having insignificant impact on financial inclusion and the authors concluded that literacy rate does not affect the financial inclusion.

- **CRISIL (2016)** measured the extent of financial inclusion in India in the form of an index. It makes use of the non-monetary aggregates for calculating financial inclusion. The parameters used by the

ISSN 2576-5973 (online), Published by "Global Research Network LLC"
under Volume: 5 Issue: 4 in Apr -2022
https://www.grnjournals.us/index.php/AJEBM

CRISIL Incused took into account the number of individuals having access to various financial services rather than focusing on the loan amount.

- **Nandru, Anand and Rentala (2016)** attempted to identify the factors of financial inclusion amongst the southern states of India using Index of Financial Inclusion (IFI) developed by CRISIL. For their work, the authors used five indicators namely branch penetration, size of population, gender ratio, deposit to credit penetration ratio and literacy rate. Except literacy rate, the authors found all the variables having significant impact on financial inclusion amongst the selected states.

- **Sathiyan and Panda (2016)** examined the pattern, progress, and determinants of financial inclusion in India during the post-reform period for Indian states for the years 2001 and 2011. The results revealed positive association between the increase in the number of bank accounts availed by households with the factors such as the number of bank branches, population dependency per branch, and industry concentration in the state. The authors suggested that effective implementation of the financial literacy programs and leveraging existing bank branches will go a long way in achieving greater financial inclusion.

- **Sharma Dipasha et.al (2018)** this study critically assessed one of the financial inclusion policy “Pradhan Mantri Jan Dhan Yojana” introduced by the govt of India in 2014. It assessed that Andaman and Nicobar, Puducherry and Chandigarh came out to be the top three State indexes for Financial Inclusion under the policy. Status of infrastructure was found to be the most significant determining factor. Other factors were labour force participation, poverty and regional disparity.

OBJECTIVES OF THE STUDY

This research paper has two main objectives:

1. To understand the financial inclusion and its importance.
2. To study the present scenario of financial inclusion
3. To study the major initiatives and policy measures taken by Reserve Bank of India and Government of India for financial inclusion.
4. To suggest the future prospects of financial inclusion

RESEARCH METHODOLOGY

The present study is descriptive in nature. The data used for the study is secondary in nature. Secondary research was conducted to review the present status of financial inclusion in India. The information and data for the research has been collected from RBI bulletin, annual reports of RBI and Ministry of Finance, Government of India, Report on trend and progress of banking in India, published articles, journals, newspapers, reports, books, and websites of RBI and also taken from various committee reports on financial inclusion.

NEED FOR THE STUDY

Since India is moving towards becoming a developed country from being a developing country, so in this, the contribution of each and every section of the society is needed - rich and poor, urban and rural. For this financial untouchability, people have to be made financially inclusive so that they all contribute in development. India needs inclusive growth in order to attain rapid and disciplined growth. Inclusive growth is necessary for sustainable development and equitable distribution of wealth and prosperity. However, for attaining the objectives of inclusive growth there is a need for resources and for resource generation and mobilization of financial inclusion is required. It plays a very crucial role in the process of economic growth. Financial inclusion through appropriate financial services can solve the problem of resource availability, mobilization and allocation particularly for those who do not have any access to such resources. Thus in the present paper an effort is made to study the role of financial

ISSN 2576-5973 (online), Published by “Global Research Network LLC"
under Volume: 5 Issue: 4 in Apr -2022
https://www.grnjournals.us/index.php/AJEBM

inclusion in inclusive growth.

Importance of financial inclusion

Easy access to financial services will allow the population leaving in lower strata, to save money safely and help in preventing concentration of economic power with a few individuals, thus mitigating the risks that the poor could face as a result of economic shocks. Therefore, providing access to financial services is becoming an area of concern for the policymakers as it has far reaching economic and social implications.

In India, The single most frequently used source of loan for medium Indian household is still moneylender. Large parts of our financial system are still hampered by political intervention and bureaucratic constraints, limiting their potential contribution. India's poor, many of who work as agricultural and unskilled semi skilled wage labour and low salaried workers are largely excluded from the formal financial system. Even micro and small enterprises, find it difficult to have an access to formal sources of finance and thus are largely excluded from financial system. Over 40% of India working population earn but have no saving. Financial inclusion provides protection to poor from the control of the spurious money lenders.

DIMENSIONS OF FINANCIAL INCLUSION

The level of financial inclusion in India can be measured based on three tangible and critical dimensions. These dimensions can be broadly discussed under the following heads:

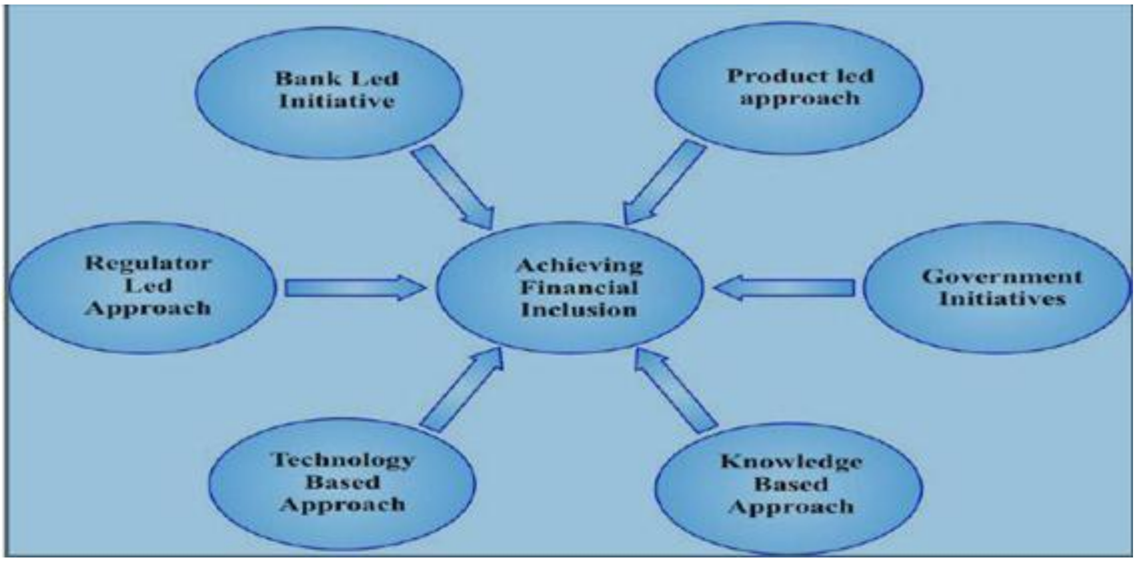
1. **BRANCH PENETRATION:** Penetration of a bank branch is measured as number of bank branches per one lakh population. This refers to the penetration of commercial bank branches and ATMs for the provision of maximum formal financial services to the rural population.
2. **CREDIT PENETRATION:** Credit Penetration takes the average of the three measures: number of loan accounts per one lakh population, number of small borrower loan accounts per one lakh population and number of agriculture advances per one lakh population.
3. **DEPOSIT PENETRATION:** Deposit penetration can be measured as the number of saving deposit accounts per one lakh population. With the help of this measure, the extent of the usage of formal credit system can be analyzed.

Among the three dimensions of financial inclusion, credit penetration is the key problem in the country as the all India average ranks the lowest for credit penetration compared to the other two dimensions. Such low penetration of credit is the result of lack of access to credit among the rural households. Therefore, the problem of low penetration needs to be understood more deeply.

VARIOUS APPROACHES TO ACHIEVE FINANCIAL INCLUSION

In India, various measures taken by banks, GOI and RBI for financial inclusion plan. Below are highlighted currently adopted financial inclusion approaches.

ISSN 2576-5973 (online), Published by "Global Research Network LLC"
under Volume: 5 Issue: 4 in Apr -2022
https://www.grnjournals.us/index.php/AJEBM



Source: Rangarajan committee (2008)

1. **Product Based Approach:** Reserve bank of India has been proactive, liberal and supportive while making policies so as to enable financial institutions to come up with innovative products for enabling a common man to get the benefit of the financial inclusion plan. Some products developed for fulfillment of this approach have been mentioned in this paper.

A. **No- Frills Account (NFAs):-** This concept was introduced by RBI in November 2005 to provide access to basic baking services by financially excluded peoples. Under this approach banks open accounts with zero balance or very minimum balance requirement for the under-privileged. In 2012, the banks under RBI guidelines came-up with a better version of the no-frill accounts where they would open Basic Savings Bank Deposit Accounts (BSBDAs) for all individuals with the facility of debit card, cheque book, internet banking, overdraft limits at minimal charges.

B. **Kisan Credit cards (KCCs):-** Under this scheme banks issue smart cards to the farmers for providing timely and adequate credit support from single window banking system for their farming needs. During 2012-13 (up to December 2012), public and private sector banks issued 1.2 million smart cards as KCCs.

C. **General Purpose Credit Cards (GCC) :-** In 2005 Reserve bank of India, issue guidelines to banks that to provide General Purpose Credit Card (GCC) which facilitate credit up to Rs.25000/- without any collateral requirement for rural and semi urban people based on assessment of household cash flows.

D. **Saving account with Overdraft facility: -** Banks have been advised to provide overdraft (OD) facility in saving account and also Small Overdrafts in No-frills accounts. The setting up of the limit for the same would be done by banks considering the transaction in the account. This would help the customer to get easy access to the credit at lower rates.

2. **Bank Led approach:** Under bank led approach there are 2 approaches i.e..

A. **Self Help Group - Bank Led Initiative (SLBP):-** The SLBP or Self Help Group – Bank Linkage Program has been the major institutional based innovation in India for enabling access and covering the gap of reaching financially excluded population of the country in the last two decades. In this model, the banks involve themselves with a group of local people with the idea of enabling them to pool up their savings. The same is deposited with the bank against which the bank also

ISSN 2576-5973 (online), Published by "Global Research Network LLC"
under Volume: 5 Issue: 4 in Apr -2022
https://www.grnjournals.us/index.php/AJEBM

provides a certain amount of credit facility. The group takes a decision to whether to lend to any member of the group.

B. **Business Facilitators (BFs)/Business Correspondents (BCs):-** The BC/BF model is a model which based on information and communication technology (ICT). In this model the intermediaries or BC/BFs are technologically empowered by the banks to provide the last mile delivery of financial products and services. However, a number of issues both for the partner banks and also for the regulators have surfaced since the start of this model.

3. **Regulatory Approach:** Various points under regulatory approach

A. **Simplified KYC Norms: -** Under current KYC norms, a customer has to provide number of documents for opening an account as per RBI guidelines. However, the people living in rural areas face problem in fulfilling these norms. To enable banks to tap in this huge opportunity of rural banking in unbanked areas and to meet the objective of financial inclusion, RBI has relaxed a number of norms for accounts opened by people who plan to keep balances not exceeding Rs.50, 000 and whose total credit in all the accounts taken together is not expected to exceed Rs.100, 000 in a year.

B. **Simplified bank saving account opening: -** The account opening form has been simplified to ease the opening of account by the poorer sections, street hawkers and other migratory labours of the society.

C. **Bank branch authorization: -** RBI has permitted banks to open branches without taking authorization, thus deviating from its normal norms, in tier 3 to 6 city, towns, or villages. This would enable the government, regulator and the banks to speed up the drive for financial inclusion and this make available the financial services to the unbanked population of the country.

4. **Technology Based approach:**

A. **Mobile Banking :-** One of the most remarkable developments in terms of innovation in order to harness the full power of technology, the banks have tied up with mobile operators to provide financial services like bill and utility payment, fund transfer, ticket booking, shopping etc. Some examples of this model are m-Pesa by Vodafone and Airtel Money.

B. **Kiosk / ATM based banking: -** In some states, the state government has taken initiatives for providing kiosk based model for access to financial services. Also banks have used the technology to enable their ATMs to virtually act like a 24x7 branches.

C. **Branchless Banking: -** Some of the leading banks have come up with this concept where there would be an online system with chat facility assisting the person to make use of various electronic machines for depositing and withdrawing cash and cheques. However this initiative is in a very initial stage and has a limitation in terms of initial Cost for banks and literacy / knowledge for the rural population and hence this concept is currently limited to urban and semi-urban areas.

D. **Aadhaar Enabled Payment Services:-** In this system, any Indian citizen having an Aadhaar number updates his account with the same. All accounts having aadhaar number updated are to be reported to RBI, which in turn reports it to various government departments. While making payments to people for working under initiatives like MGNREGA or various subsidy schemes, the departments use this information for directly crediting the money to the beneficiary's account. This not only reduces the delay in the benefits being received by the end user, but also reduces the chances of corruption in the distribution of the benefits under schemes.

ISSN 2576-5973 (online), Published by "Global Research Network LLC"
under Volume: 5 Issue: 4 in Apr -2022
https://www.grnjournals.us/index.php/AJEBM

5. **Knowledge Based Approaches:** Financial education, financial inclusion and financial stability are three elements of an integral strategy to empower people to make effective use of the financial services network. While financial inclusion works from supply side, financial education feeds the demand side by promoting awareness among the people regarding the needs and benefits of financial services offered by banks and other institutions. These two strategies together promote greater financial stability.

A. Financial Stability Development Council (FSDC) has explicit mandate to focus on financial inclusion and financial literacy simultaneously.

B. RBI had issued guidelines on the financial literacy Centres (FLC) on in June 2012 for setting up FLCs. It was advised that the rural branches of scheduled commercial banks should increase efforts through conduct of outdoor Financial Literacy Camps at least once a month. Accordingly, 718 FLCs had been set up as at end of March 2013.

6. **Governments Initiatives:** The government has taken various initiatives indirectly through the regulators, government promoted schemes through its various ministries. Some such initiatives have been listed below.

A. Induction of SHG-2:- The original SHG as initialized by NABARD had certain limitations. This led to NABARD preparing a strategy to revitalize the SHG movement leading with the induction of SHG-2 model.

B. Women SHGs Development Fund: - The Union Budget 2011-2012 proposed a "Women's SHGs Development Fund" with a corpus of Rs. 500 crore. The GOI created this fund to empower women and promote their SHGs. The responsibility of managing the fund is of NABARD. It managed the same through two of its major microfinance funds, namely Financial Inclusion Fund (FIF) and the Financial Inclusion Technology Fund (FITF).

C. Swarnjayanti Gram Swarozgar Yojana (SGSY):- It is a centrally sponsored scheme that follows the mechanism of forming SHGs of rural poor households, providing capacity building training and linking groups to banks. SGSY is primarily designed to promote self-employment oriented income generating activities for the Below Poverty Level (BPL) households in rural areas.

D. National Rural Livelihood Mission (NRLM):- Established in June 2010 by the Ministry of Rural Development (MoRD), GoI. It is based on the success of Indira Kranti Patham (IKP), a poverty alleviation program being implemented in Andhra Pradesh. The key strategies of NRLM are to

a) Implement the program with greater emphasis on federations of SHGs
b) Provide flexibilities to states for designing specific action plans for poverty alleviation,
c) Introduce interest subsidy for encouraging repayments of loans and provide multiple doses of credit
d) Improve training and capacity building efforts by setting up skill training institutes in each district

E. The Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS):- This scheme aims to enhance the livelihood of the rural people by guaranteeing at least one hundred days of wage employment in a financial year to a rural household whose adult members volunteer to do unskilled manual work. As the payments are made through the bank/post office accounts, in 2010-11, nearly 10 crore bank/post office accounts have been opened.

F. Aadhaar- Unique Identification Authority of India (UIDAI):- The GoI has embarked an initiative to provide an individual identification number to every citizen of India and in 2009; it established the UIDAI to issue these cards on behalf of the GoI. This number provided by UIDAI

ISSN 2576-5973 (online), Published by "Global Research Network LLC"
under Volume: 5 Issue: 4 in Apr -2022
https://www.grnjournals.us/index.php/AJEBM

will serve as a proof of identity and address, anywhere in India. The Aadhaar number will also enable people to have access to services such as banking, mobile phone connections and other government and non-government services in due course.

FINANCIAL INCLUSION SCHEMES IN INDIA

The Government of India has been introducing several exclusive schemes for the purpose of financial inclusion. These schemes intend to provide social security to the less fortunate sections of the society. After a lot of planning and research by several financial experts and policymakers, the government launched schemes keeping financial inclusion in mind. These schemes have been launched over different years. Let us take a list of the financial inclusion schemes in the country:

- Pradhan Mantri Jan Dhan Yojana (PMJDY)
- Atal Pension Yojana (APY)
- Pradhan Mantri Vaya Vandana Yojana
- Stand Up India Scheme
- Pradhan Mantri Mudra Yojana
- Pradhan Mantri Suraksha Bima Yojana (PMSBY)
- Sukanya Samriddhi Yojana
- Jeevan Suraksha Bandhan Yojana
- Credit Enhancement Guarantee Scheme (CEGS) for Scheduled Castes (SCs)
- Venture Capital Fund for Scheduled Castes under the Social Sector Initiatives
- Varishtha Pension Bima Yojana (VPBY)

SPECIAL FINANCIAL PRODUCTS OFFERED FOR ATTAINING FINANCIAL INCLUSION

Keeping in mind that low-income people living in rural and urban areas have very limited access to financial products and services, scheduled commercial banks (SCBs) have been asked by the Reserve Bank of India to design and offer exclusive financial products to the economically weaker sections of the society. Many of them are only aware of basic financial services such as savings schemes, savings accounts, personal loans, crop loans, microfinance, etc. They do not know anything about credit cards or debit cards.

However, due to their lack of access to instant credit facilities, banks were instructed to issue cost-efficient credit cards to the low-income groups of the society. Some of the special financial products provided to them include:

- **General Credit Cards (GCC):** Banks were asked by the RBI to launch and offer General Credit Card facilities with an amount of up to Rs.25,000 at their branches located in semi-urban and rural areas.
- **Kissan Credit Cards (KCC):** The Reserve Bank of India also instructed banks to provide Kissan Credit Cards exclusively to small farmers who earn very low incomes and who have very limited funds due to which they cannot invest in proper farming tools, fertilisers, pesticides, crop seeds, tractors, land for farming, storage warehouses, etc. They are forced to rely on other wealthy landlords for getting land to sow crops.
- **ICT-Based Accounts via BCs:** The Reserve Bank also devised a plan to help banks to reach out to the unbanked individuals of the society by offering information and communications technology (ICT)-based bank accounts with the help of business correspondents (BCs).
- **Increase in ATMs:** The Reserve Bank of India also reported that many rural parts of the nation do not have enough automated teller machines (ATMs) and this is hampering many buying and selling operations of the people residing in those areas. In order to increase the availability of physical cash for these people, the number of ATMs increased massively.

ISSN 2576-5973 (online), Published by "Global Research Network LLC"
under Volume: 5 Issue: 4 in Apr -2022
https://www.grnjournals.us/index.php/AJEBM

SUGGESTIONS

1. India needs to develop a low cost bank branch model, possibly attached to village post office. Use e-advertising about the financial products so that people with shortage of time can be accessed more easily through internet.
2. Reserve Bank of India and government of India should give suggestion to commercial banks to promote the financial product and services of banking through all the educational institution.
3. The Reserve Bank of India should mandate that commercial banks have a certain percent of their portfolio in small loans. In addition to that, important social considerations should be factored into loan decisions. The government could add extra incentives to lend at rural areas.
4. The government of India should develop financial literacy among the population, particularly in low income families. That can be done by teaching it in primary, secondary school and colleges.
5. The community based financial system like hit funds need to be revived and strengthened.
6. The government should encourage the banks to adopt financial inclusion by means of financial assistance, advertisement and awareness programme etc. to achieve the inclusive growth.
7. Any government payments under the government schemes should be strictly routed through the service area bank account. This will make people in rural areas to compulsory have an account in their service area branch to avail the government benefit.
8. Business correspondents should be remunerated appropriately so that they will work loyalty and regular check should be made on them to check any of their corrupt practices.

CONCLUSION

Financial inclusion is not a short-term goal. It is a progressive initiative, which will evolve itself over a period of time. The short-term opportunities should be made use of and the shortcomings should be duly corrected in order to accelerate the process of inclusion. The opportunities and challenges provide useful insights regarding innovative ways of economic value addition, which help the Nation, reach a growth trajectory that is sustainable. Therefore, policymakers should focus on developing policies considering a sustainable banking services delivery model and need-based products for rural and urban consumers.

In achieving inclusive growth in India, the Financial Inclusion will play a vital role and help the nation to drive away the not only rural poverty but also urban poverty in India. It is the duty of every Indian citizen to ensure that all the Indian will have bank account and everybody should take part actively in achieving 100% financial inclusion in India.

The Financial inclusion is required for the development of the country. The more gaps between rich and poor will make the society uneven and create lot of social problems. The Authors have given brief about the PMJDY with reference to make the common man a financial aware and include him in banking facility. The results are going too studied in later part of the research study and the data analysis with respect to the study will be reported in next study. The main aim of the research study is create the financial awareness and make common man the part of bank for his financial requirements. It is becoming increasingly apparent that addressing financial exclusion will require a holistic approach on the part of the banks in creating awareness about financial products, education, and advice on money management, debt counseling, savings and affordable credit. The banks would have to evolve specific strategies to expand the outreach of their services in order to promote financial inclusion. One of the ways in which this can be achieved in a cost-effective manner is through forging linkages with banks.

Banks have played a significant role in financial inclusion but the ground reality is that the actual access to banking products is quite low. Hope and desire, the findings and the issues raised could

ISSN 2576-5973 (online), Published by "Global Research Network LLC"
under Volume: 5 Issue: 4 in Apr -2022
https://www.grnjournals.us/index.php/AJEBM

provide an invaluable feedback in making strategies by banks in ensuring 100% financial inclusion. It is rightly said by the Prime Minister Narendra Modi. “Mahatma Gandhi tried to end untouchability in the society, if we want to eradicate poverty; we need to get rid of financial untouchability”.

REFERENCES

1. Thorat Usha, (2007), Financial Inclusion- The Indian experience, HMT- DFID, Financial Inclusion conference 2007, London.
2. Pawar Ganesh, joshi,Chandra Deepak, 2008, Inclusive Growth- Role of banks and credit providers in the economy and credit delivery models.
3. Government to open 50mn bank accounts in villages, BS reporter, New Delhi, February 8, 2011.
4. Evaluation of 100% financial inclusion in Himanchal Pradesh & two district of Punjab, (2010) University Business School, Punjab University, Chandigarh.
5. Pratima Trivedi, “Financial Inclusion: A Must for Financial Stability”, Vinimaya, Vol.XXIX (2), 2008-09, Pp.59-64.
6. Devaki Muthukrishnan, “Financial Inclusion”, The Journal of Indian Institute of Banking and Finance, April-June 2008, Pp.30-33.
7. Gadewar, A.U, “Financial Inclusion: Issues and Challenges”, Vinimaya, Vol.XXVII (4), 2006-07, Pp.49-56.
8. “Banks Back RBI’s Inclusion Plan with no Frills Account”, Business Standard, December 30, 2005.
9. Nair, M.V., “RBI Policy Reiterates Stress on Financial Inclusion”, The Financial Express, April 19, 2006.
10. Mahendra Dev.S. (2006), “Financial Inclusion – Issues and Challenges”, Economic and Political Weekly, Vol.41 (41), October 14-October 20, 2006.
11. Rangarajan, C. (2007), “Financial Inclusion – Some Key Issues”, Lecture delivered at Mangalore University, Mangalore, August 10, 2007.
12. Rakesh Mohan, (2006), “Economic Growth, Financial Deepening and Financial Inclusion”, Address by Dr.Rakesh Mohan at the Annual Bankers’ Conference 2006, at Hyderabad on November 3, 2006. .
13. Sujatha, B (2009), “Financial Inclusion Concepts and Strategies”, ICFAI
14. Sameer Kochal (2009), “Financial Inclusion”, Eastern Book Corporation, New Delhi
15. www.rbi.org.in
16. www.iibf.org.in
17. www.inclusion.in
18. http:/pfrda.org
19. www.oecd.org
20. www.nabard.org
21. www.toostep.com

ISSN 2576-5973 (online), Published by “Global Research Network LLC"
under Volume: 5 Issue: 4 in Apr -2022
https://www.grnjournals.us/index.php/AJEBM