

1. Literature Review

1. Overview of Financial Exclusion

This paper explains the meaning of financial inclusion , benefits of financial inclusion, challenges faced in India in the way of the financial inclusion and various measures for the success of the financial inclusion. Financial Inclusion means providing finance to every section of the society with reduced cost. The main objective of financial inclusion is to provide access to the financial services with no discrimination for this large number of bank branches must be opened , people must be educated towards the financial services , technology must be improved. It is very important to study this.(Singla , 2013)

It discusses the conceptual aspects of financial inclusion, point out the reasons for financial exclusion, highlight the measures taken by Reserve Bank of India for promoting financial inclusion and the role of banks towards financial inclusion. The study is based on secondary data collected from different publications, journals, and news paper and websites. Government of India and Reserve Bank of India has taken various initiatives like opening of no-frills accounts, relaxation on know-your-customer norms, engaging business correspondents for promoting financial inclusion which is very crucial.

It concludes that there are certain problems like lower financial literacy, lack of awareness, the cost of transaction and customer acquisition is high and it is not at all cost-effective. RBI has taken various initiatives to strengthened financial inclusion. Information and communication technology offers the opportunity for the banks to improve financial inclusion for the unbanked people. (Shabna ,2014)

This book contains overall financial management. It contains the budgeting, capitalization, basic financial concepts and how manage the funds and how to invest them in appropriate opportunities. (Vechalekar , 2010)

2. Concept & Need of Financial Inclusion

This paper stresses the need of matured, positive attitude and approach and sound strategy to achieve complete financial inclusion. It is very essential study. This paper also looks at some of the business models and essential elements of profitable models for financial inclusion so as to increase the meaningful and whole hearted participation of the banks in achieving complete financial inclusion. (Gandhi , 2013)

This paper concludes that Government should review the speed at which it is currently targeting to achieve the goal of covering the whole India with bank accounts. Certainly with a firm intent and infrastructural network of institutions the dream of financial services for all can be realized in the near future. A bold step is indeed required to withstand the heat of economic down surge and fight poverty, and the Jan Dhan Yojana is definitely a good fighting mechanism to check the poverty. (Barhate ,Jagatap ,2014)

The papers states that RRB network will have to be leveraged for benefiting the people of the rural areas through broader banking services; and in West Bengal, these institutions take a long stride towards inclusive economic growth by promoting various financial products meant for broader financial inclusion. (Chakrabarti)

For building customer awareness E-banking and mobile banking training and Education programmes should be conducted. It is a very crucial study. New bank branches have been opened and new ATMs have been installed for the purpose of achieving financial inclusion. PSBs and RRBs played a key role in the financial inclusion process. (Malik ,Yadav ,2014)

The Researcher attempts to introduce the concept of financial inclusion and highlights its need. This paper briefly reviews the Indian banking sector and reports the level of financial exclusion in India. In the second part, it provides a brief understanding on Business Correspondent model and emphasizes how BC model could significantly helps in promoting financial inclusion of the hitherto excluded population. It concludes by emphasizing some of the operational challenges in its functioning and suggests a way forward. (Kolloju ,2014)

This study attempts to measure and understand financial inclusion by looking at supply of (banking outreach indicators such as number of deposit and credit accounts, number of bank branches, average deposit and credit amount per account and credit utilized) and demand for (indicators of household level access such as the proportion of households having saving, credit and insurance facilities from formal as also informal sources) financial services. Separate composite Financial Inclusion Indices (FIIs) using both the data sets are calculated for the year 2002-03 (as the most recent household level data available is for this year) for all the States/Union Territories of India and used as complementary to each other to get a comprehensive picture. In both the cases, one observes a lot of variation across states, for rural and urban regions. Even within a state, differences are clearly evident between rural and urban

areas for the different indicators considered. The presence of informal sector in providing financial services is significant, especially in rural areas (Kumar ,Mishra)

The paper briefs that, the country can not claim economic growth when sections of people are marginalized to the periphery of the society of the society. The rapid economic growth process should accelerate the access to services like education and health services for all, especially the marginalized citizens. In India , even now in spite of all the development during the past five and half decades, 34.3% of the population was getting less than \$ 1 (PPP) a day. This percentage of population was considered to be poor on an international criterion suggested by World Development Report. So, this paper attempt to study national policies , Plans and programs for poverty eradication which is very important. (Kumari, 2013)

This paper states that , there is a long way to modify particularly the credit delivery system of the banks and other related institutions to meet the credit requirements of marginal and sub-marginal farmers in the rural areas in a fuller measure. However, creating an appropriate credit delivery system is only a necessary condition. This needs to be supplemented by efforts to improve the productivity of small and marginal farmers and other entrepreneurs so that the credit made available can be productively employed. While banks and other financial institutions can also take some efforts on their own to improve the absorptive capacity of the clients, it is equally important for Government at various levels to initiate actions to enhance the earnings capacity of the poorer sections of the society. The two together can bring about the desired change of greater inclusion quickly. (Mittal ,Shukla , 2014)

The paper contains that branch density in a state measures the opportunity for financial inclusion in India. Literacy is a prerequisite for creating investment awareness, and hence intuitively it seems to be a key tool for financial inclusion. But the observations in this paper imply that literacy alone cannot guarantee high level financial inclusion in a state. Branch density has significant impact on financial inclusion. It is not possible to achieve financial inclusion only by creating investment awareness, without significantly improving the investment opportunities in an India.. (Paramasivan ,Ganeshkumar ,2013)

The paper highlights 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. For analysing such facts data for the study has been gathered through secondary sources including report of RBI,

NABARD, books on financial inclusion and other articles written by eminent authors. After analysing the facts and figures it can be concluded that undoubtedly 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. (Sharma , Kukreja ,2013)

3. Overview of Steps taken For Financial Inclusion

This paper focuses on the RBI and GoI 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. It is concluded 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. (Dangi, Kumar ,2013)

The Researcher began with the introduction of subject and provided two major definitions of financial inclusion Thereafter, the important policy initiatives of RBI and progress achieved / identified trends in Financial Inclusion have been explained to assess where we stand at the present juncture. I tried to identify stakeholder-wise issues in Financial Inclusion based on such an assessment as also on the basis of feedback received by us during our financial outreach programs and the conferences of front line managers which we have been conducting for the past few years. It is one's earnest hope and desire that the issues raised herein would trigger an informed debate and discussion, which could provide an invaluable feedback in the run up to the Report of Nachiket Mor Committee, which at present is examining the entire gamut of issues surrounding Financial Inclusion. Further on, the research community may like to go into such aspects of Financial Inclusion, which would provide valuable leads to the regulators and all the stakeholders concerned in achieving meaningful and holistic Financial Inclusion at the earliest in our country. (Bhaskar, 2013)

This report focuses on the insurance schemes being implemented by the Central Government for the vulnerable sections of the society. It provides an overview of the nature of schemes and their basic features, analyzes aspects of their performance and factors affecting , highlights expenditure commitment of Government of India on these schemes and discuss issues related to the design and implementation of these schemes . (Choudhury ,Srinivasan)

This paper states that the widely acknowledged & successful launch of this PMJDY scheme also strengthens the resolve that when coordination, dedication, opportunism, commitment, formalization, dependence, trust, satisfaction, cooperation and continuity is provided by all the constituents and stakeholders, a framework of construct is created which acts as a dominant force for accomplishment of any Mission. (Chowhan ,Pande , 2014)

This paper tries to analyze the performance so far, benefits, difficulties and future prospects of the scheme. It studies the basic information like the PradhanMantri Jan-DhanYojana, a major socio-economic initiative of the National Democratic Alliance government, was announced by the Prime Minister in his Independence Day speech. Jan DhanYojana roughly translates into English as “People’s Wealth Scheme”. India’s prime minister Narendra Modi announced the launch of this scheme at the historic Red Fort on the occasion of India’s Independence Day. The name “Jan Dhan” was chosen through an online competition on the MyGov Platform and received more than 6000 suggestions from Indian citizens. (Mohan , 2014)

The PradhanMantri Jan-DhanYojana was launched on 28 August, 2014, across the nation simultaneously. It was launched formally in Delhi with parallel functions at the state level and also at district and sub-district levels. Camps were also to be organized at the branch level. This PradhanMantri Jan DhanYojana focuses on many things like, to provide Bank Account to every household in the country and make available the basic banking service facilities, to provide financial literacy. To provide these banking services banking outlets to be provided within 5 KM distance of every village. (Ministry of Finance ,2014)

The paper studies the objective of financial inclusion is to deliver banking services at an affordable cost to vast sections of the low-income groups. Indian Finance Minister has set the ball rolling by articulating the Government's decision to provide essential financial services like savings, credit, micro insurance and remittance, for all villages with population over 2,000 by March 2012. Therefore, this study attempts to find out the impact of financial inclusion on daily wage earners. This study is very crucial. It concludes that there is more need to educate and create some new instruments for daily wage earners and also make them a part of financial inclusion. (Divya, 2013)

In this paper, the researcher attempts to understand financial inclusion and its importance for overall development of society and Nation’s economy. This study focuses on approaches

adopted by various Indian banks towards achieving the ultimate goal of financial inclusion for inclusive growth in India and analyses of past years progress and achievements. It is very essential to study this. The relevant data for this study has been collected with the help of from various Research journals, Articles, reports of RBI, reports of NABARD and online resources. (Garg, Agrawal ,2014)

The paper concludes that various efforts by the RBI to further Financial Inclusion aim at 'connecting people' and not just opening accounts (Subbharao – 2009). This is very important study. No doubt, a significant progress has already been achieved in the State of Jammu and Kashmir to achieve the wider objective of Inclusive growth through financial inclusion; even the bankers and the government agencies have shown earnestness in implementing the Financial Inclusion Plan in a coordinated manner. But it is also important to keep in mind that the objective behind all such efforts doesn't get diluted and that Banks operating in the State don't resort to camouflaging tactics. A lot has already been done but a lot is yet to be achieved, so bankers need to keep reforming their plans and ensure that the poor are not left to the clutches of informal sources of finance. There is a need to work in a coordinated way to remove the constraints (both supply side and demand side) in order to achieve the objective of Greater Financial Inclusion for Poverty alleviation (Khaki ,Sangmi , 2012)

This paper endeavors to study the recent trends in financial inclusions in India with special reference to Pradhan Mantri Jan Dhan Yojana, analysis of its different key areas, the barriers in the process and suggests strategies to ensure maximum financial inclusion for the underprivileged and unbanked areas . (Khuntia ,2014)

The paper concludes that Access to finance especially by the poor and vulnerable groups is prerequisite for poverty alleviation, employment, social upliftment and economic growth. Financial inclusion has become one of the most critical aspects in the context of inclusive growth and sustainable development in the developing countries like India. The Government of India and the RBI have been making concerted efforts to promote financial inclusion as one of the important national objectives. This study is apex. Even though various measures have been taken and more flow of credit to various sectors of the economy is made, still majority of the rural population have not come under the purview of financial inclusion. Therefore,there is a need for coordinated action between the banks, the Government and other related institutions to facilitate access to bank accounts amongst the financially excluded. (Kushalakshi, Raghurama,2014)

This paper studies that , No. of innovative products for making payment has developed in topical year , taking advantages of swift technologies steps forward and financial market development. Transactions refined using these innovative are accounting for a mounting proportion of the dimensions and value of domestic and cross bordered retail payments This paper has been framed based on the concept of payments made through Plastic Money. Plastic money is the alternative to the cash or standard money. This study is really important. Plastic money is referring to the credit cards or debit cards that we use to make purchases in our everyday life. (Manivannan , 2013)

4. Financial Inclusion overview in different States

This article analyzes the state of financial inclusion using the case of Madhya Pradesh, one of the poorest states in India, and suggests microfinance as a tool for successful financial inclusion. Through various interviews with the stakeholders of financial inclusion in Madhya Pradesh, the author identifies the obstacles and challenges faced by banks, microfinance institutions, and non-governmental organization in their efforts to scale up. (Mendoza , 2009)

This paper is states that to make an attempt to study the nature of deprivation from the various schemes of financial inclusion on the identified slum dwellers in Assam. The present research works bears quite a significant bearing and impact factors for the society. It is very crucial. The present research inference would definitely draw the attention of the policy makers to give second thought on various financial planning for addressing issues relating to financially excluded people in the slum dwellers of Assam. For the brevity of the present research study and for the time constraint, as a whole the state level data are collected from the secondary sources. The present research work is the outcome of the same. (Bhattacharjee, 2014)

In Guwahati, a sizeable segment of the population is financially excluded as per Guwahati Municipal Corporation records as such it becomes very essential to know the reasons because of which a large segment of the population is financially excluded. Hence, through this study the impact and significance of financial unawareness on financial exclusion has been studied. Based on the study it has been observed that most of the investors who have investable surplus do not possess sufficient knowledge about all the financial services and schemes which they can avail off. Of the schemes and financial services regarding which they have information

most of the respondents have received information regarding them through friends. (Baruah ,Mukherjee , 2014)

5. Global context of Financial Inclusion

This paper summarizes the first publicly available, user-side data set of indicators that measure how adults in 148 countries save, borrow, make payments, and manage risk. We use the data to benchmark financial inclusion—the share of the population that uses formal financial services in countries around the world, and to investigate the significant country- and individual-level variation in how adults use formal and informal financial systems to manage their day-to-day finances and plan for the future. A very important study. The data show that 50 percent of adults worldwide are “banked,” that is, have an account at a formal financial institution, but also that account penetration varies across countries by level of economic development and across income groups within countries. (Kunt, Klapper , 2013)

This paper provides the first analysis of the Global Financial Inclusion (Global Findex) Database, a new set of indicators that measure how adults in 148 economies save, borrow, make payments, and manage risk (Kunt , 2012)

The researcher studies that nationally & internationally efforts are being made to study the causes of financial exclusion and designing strategies to ensure financial inclusion of the poor and disadvantaged. The reasons may vary from country to country and hence the strategy could also vary but all out efforts are being made as financial inclusion can truly lift the financial condition and standards of life of the poor and the disadvantaged. (Shahul ,2014)

