

**“A STUDY OF JAN DHAN YOJANA: AS AN ATTEMPT  
OF FINANCIAL INCLUSION WITH REFERENCE TO  
SPECIFIC BLOCKS OF THANE DISTRICT”**

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**Tilak Maharashtra Vidyapeeth,  
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For the Degree of Doctor of Philosophy (Ph.D.)  
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Submitted by

**Ramraje Sanjay Niwarutti Hirabai**

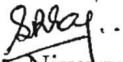
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Principal, (Dr.) G. Y. Shitole

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## ABBREVIATIONS

Sr. No.	Abbreviation.	Full forms.
1.	AEPS	Aadhaar Enabled Payment Service.
2.	ATM	Automatic Teller Machine.
3.	BCs	Business Correspondents.
4.	BMs	Bank Mitra.
5.	BSBDA	Basic Saving Bank Deposit Account.
6.	DBT	Direct Benefit Transfer.
7.	FIF	Financial Inclusion Fund.
8.	FIP	Financial Inclusion Plan.
9.	FINDEX	Financial Inclusion Index.
10.	FITF	Financial Inclusion Technology Fund.
11.	GCC	General Credit Card.
12.	GoI	Government of India.
13.	HHs	Households.
14.	ICT	Information Communication and Technology.
15.	IMPS	Immediate Payment System.
16.	JAM	Jan Aadhar Mobile.
17.	JLG	Joint Liability Group.
18.	JDY	Jan Dhan Yojana.
19.	KYC	Know Your Customer.
20.	KCC	Kisan Credit Card.
21.	MGNREGA	Mahatma Gandhi National Rural Employment Guarantee Act.
22.	NABARD	National Bank for Agriculture Development.
23.	NEFT	National Electronic Fund Transfer.
24.	NPCI	National Payment Corporation of India.
25.	NUIP	National Unique Identity Project.
26.	O.D.	Overdraft.

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## **CHAPTER 1**

### **INTRODUCTION, SIGNIFICANCE, IMPORTANCE, HISTORICAL DEVELOPMENTS AND CONCEPTUAL FRAMEWORK OF THE STUDY**

- 1.1 Introduction.
- 1.2 Significance of the Study.
- 1.3 Scope of the Study.
- 1.4 Historical developments of inclusion of financial access in India.
- 1.5 Financial literacy.
- 1.6 Conceptual framework of the Study.
- 1.7 Chapter Scheme of the Study.
- 1.8 Conclusion.

## **Chapter 1**

### **INTRODUCTION, SIGNIFICANCE, IMPORTANCE, HISTORICAL DEVELOPMENTS AND CONCEPTUAL FRAMEWORK OF THE STUDY.**

#### **1.1 Introduction**

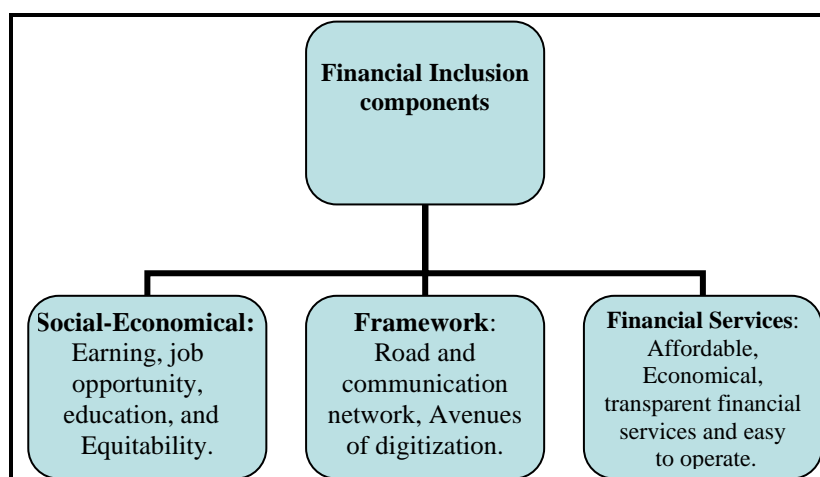
Financial inclusion policy is specially designed for delivering various financial products at an affordable cost to the poor and vulnerable people those are excluded from basic banking access. The main purpose of this scheme is to spread banking awareness amongst underprivileged people and thereby provides the growth potential opportunities. The term “Financial Inclusion” was first time applied when banks were shut down in United Kingdom and due to fear of no access of physical banking facilities. Therefore, the financial inclusion scheme was initiated in order to have equal opportunities to the citizen to avail the various facilities of institutional banking for a better standard of living and also a few income generating activities. Accordingly, financial inclusion has been elucidated as “a set of affordable financial products such as an easy payment system, remittances, saving, micro-credit and insurance by the formal financial system to the people those are excluded from banking access and bring them into the national economy” It is a system which is generating an awareness not only to affordable financial transactions but also privilege to choose appropriate financial products in order to manage earning safely. C. Rangarajan in one his reports on Financial Inclusion in India, illustrated that financial inclusion is the methodology which assures timely and adequate delivery of various financial services, especially for the underprivileged people.

Financial Inclusion is considered as one of the most important initiatives implemented by the government of India towards the socio-economic development of the poor and vulnerable people. It is not only promoting financial safeguards to the

people excluded from banking access, but also advancing them towards capital socio-economic development. Further, it is also assisting to enhance saving, economic development and need of micro-credit at easy and affordable means. It further enables banks to channelize their operations to the most excluded population and encouraging new business opportunities through micro-credit facility. Therefore, the importance of the financial inclusion scheme is consisting of multi-faceted factors, some of them are mentioned as under:

- a. Financial inclusion is endorsing a revised financial system for extensive financial coverage.
- b. Financial inclusion is specially designed for various investment avenues through no frilled savings accounts to attract the underprivileged people.
- c. Financial inclusion is to provide adequate saving opportunities among underprivileged households and made an attempt to keep them away from unregulated market.
- d. Financial inclusion is encouraging poor and vulnerable people make significant improvement in their existing living condition, and
- e. Financial inclusion is promoting easy remittance facility (money transfer) through secured and transparent manners.

**Chart 1.1**



India is having historical and well-structured treasury system which is shouldering the financial needs and supporting people for their social and economic upliftment. The banking sector is exclusively monitoring by the Reserve Bank of India and controlling the various transactions of banks, co-operative banks, international banks, regional rural banks, and financial institutions, etc. The movement of government owned bank was launched through nationalization of the Reserve Bank on 1<sup>st</sup> January, 1949 on the basis of the Reserve Bank of India (Transfer to public ownership) Act,1948. The next line of action was an extension of the government's control over the Imperial Bank of India in 1955 and in the year 1959, the same was conversed as "State Bank of India" with its 8 State's owned banks into subsidiaries. Subsequently, nationalization of 14 State owned banks were done in the year 1969 and another 6 banks in the year 1980. Accordingly, government's bank nationalization policy marked a paramount changed to attract masses towards universal banking and ignite the mission of basic banking access throughout the country.

In our country, the mission of financial inclusion is very old i.e., dates back to 1960s of the last century, wherein government made an attempt to include the

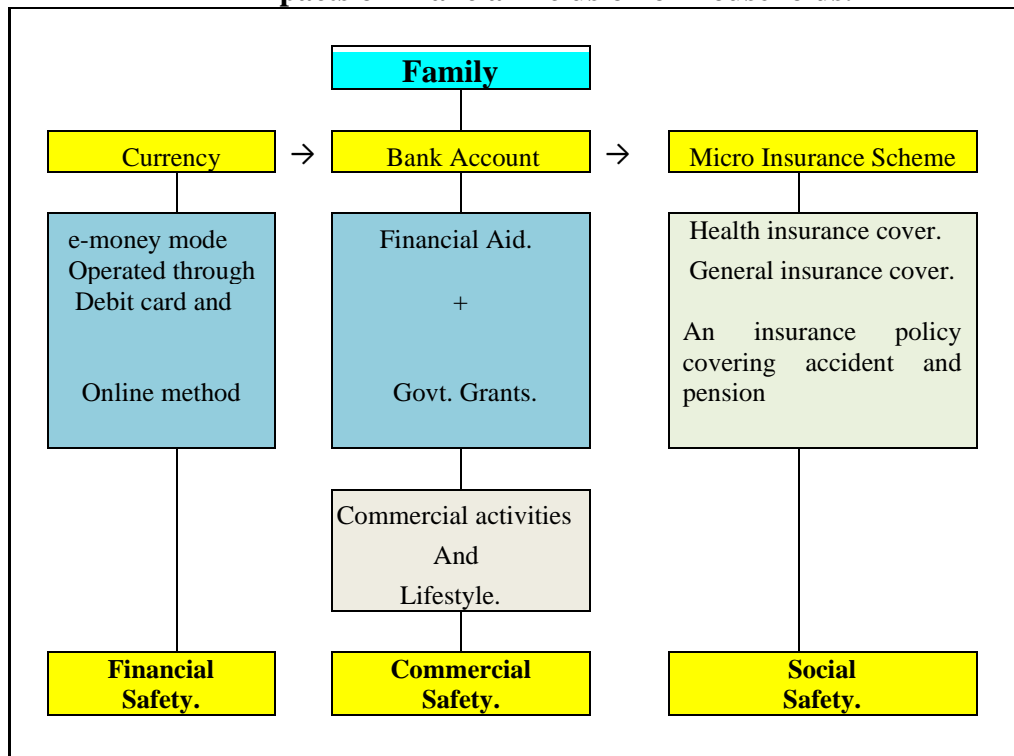
financially deprived segments of the society into an institutional financial system. India's department of Post for several decades, i.e., more than 150 years, having expertise in the delivery of financial operations successfully through post offices. The services are continuously offering by department of the Post are savings, money order, postal order, but doesn't provide any type of credit till date. The goal of financial inclusion can be achieved by banking sector to serve the society, regions, gender, levels of income and to encourage the people to inculcate savings habits. Moreover, it is helpful towards empowerment of the poor and vulnerable segment, especially women and made them self-sufficient to take better financial decisions. Further, it takes into the participation of weaker sections and lower income people on the basis of their execution towards financial operations viz., saving, payment, micro-credit, insurance and pension plan, etc. One of the objectives of financial inclusion is to have awareness of financial operations, investment, business opportunities, financial literacy, and insurance against life risks. In order to strengthen financial inclusion mission, dynamic initiatives were taken up by the government and the Reserve Bank of India such as the nationalization of banks, expansion of the bank branch network, changes in timings of banking operation, customized product, security and extensive use of latest technology, etc.

The period from 1950 to 1970 phase was labelled as "Consolidation of Banking and Facilitation of Trade and Industry" wherein co-operative movement was initiated. State Bank of India along with its subsidiaries were set up to serve regulated financial market in India. Thereafter period from 1970 to 1992 was focused on channelizing of micro-credit to deprived section of the nation. The basic aim was to provide easy and affordable micro-credit to the needy and eligible people, especially farmers. There was a paradigm shift in the banking industry in the year 1969 because

14 State owned banks were nationalized, set up of priority sector lending (1971), started operation of Regional Rural Banks (1975), established National Bank for Agriculture Rural Development (1982), further, private banks were also allowed to start their operations and Self Help Group Bank Linkage Program (1999). The year 2005 was focused on the banking sector by covering people from rural parts with the help of microfinance institutions, self-help groups and business correspondent module. The main objective of promoting financial operations is to cover last mile reach people.

From January, 2006 onwards, all the banks were permitted to utilize the operations of a non-government organization as intermediaries to make the last mile reach of banking operations. During the year 2011, the government seriously pushed a major new welfare scheme “Swabhiman” to cover 74,000 (approximately) villages of the rural part of the country because earlier up to 46,000 villages out of the 5,92,000 which were connected through network of physical bank branches. An electronic devices such as cell (mobile) phone banking facility with unstructured supplementary service data based technology was started through the Indian banking sector. Due to development in information technology, the banking becomes easy, accessible and maximizes customer satisfaction through digital mode. Accordingly, digitization made easy money transfer from remote and rural part to anywhere across the nation. This technology became more popular, but with certain limitations. In view to understand the impact of financial inclusion on households and resultant benefits. The financial inclusion is categorized into three essential factors, such as currency (cash), bank account and micro-insurance schemes. The details are described in the chart given below:

**Chart 1.2**  
**Impacts of financial inclusion on households.**



(Source: PMJDY document)

In India banking sector is playing a key role in promoting business opportunities to the uncovered lower income groups in semi-urban, rural areas and facilitating them with banking operation as well as financial awareness. Hon'ble Prime Minister of India has declared the Jan Dhan Yojana the "*Scheme for People's wealth*" which is a property designed actual goal oriented towards the spread of the financial inclusion scheme in India. This Yojana is totally dedicated towards easy access of financial operations such as savings, remittances, financial aid, government grants, insurance and old age security pension in the most frugal manner. There is provision for children of 10 years and above to open saving account easily through documents like Aadhaar card, and/or any other identity card with applicant's photograph issued by the government authority.

Moreover, in the absence of any such valid proof, bank official can create an identity on verification personal details and fix photograph on plain paper. In order to

fascinate the underprivileged people (who don't have a bank account earlier), the Jan Dhan Yojana was designed with exclusive for underprivileged people to extend various benefits such as protected under accident insurance of ₹1,00,000/-, life insurance of ₹30,000/-, (applicable on after six months satisfactory operation), micro-finance support through overdraft limit of ₹5,000/- per household (preferably women) allowed, pension, and RuPay debit card (mandatory operation within 45 days to avail benefits). This plan is more attractive to the underprivileged people those are interested in banking operations. This strategy is an organized structure of financial inclusion and promoting services to the poor and vulnerable people at their doorstep. So far, this yojana has successfully accessible to 6,00,000 villages across the nation (40,000 from Maharashtra) into partly areas consisting 1000-1500 families. According to Census 2011, only 58.70 percent of families (out of that 68.90 percent in Maharashtra) had approached to basic banking operations. Further, it was mentioned that out of 24.67 Crore total households in the country, only 6 Crore households in rural and 1.5 Crore in urban areas were covered under the revised financial inclusion strategy.

On 15<sup>th</sup> August,2014, the government of Maharashtra divided Thane district in two independent districts viz., Thane and Palghar. Accordingly, revised Thane district is spread within 8 talukas which is an admixture of most urban and extreme rural areas. The areas are semi-urban, rural and extreme backward in position. The rural people are engaged in routine traditional occupations. They are illiterate and don't have banking approach so far. The present scheme is patronizing banking habits amongst the vulnerable and poor people. In this regard, an endeavor was made by researcher to study the Jan Dhan Yojana thoroughly and it functioning in specific



blocks of Thane district and difficulties facing by poor and vulnerable people in their socioeconomic development.

## **1.2 Significance of the Study**

The present study is based on the fact that India is developing country having multifaceted socialistic and democratic setup with well design institutional banking sector. Hence, it's obligatory on the strategy of the government to ensure equitable growth of all segments of the society. The present research work "**A Study of Jan Dhan Yojana: as an attempt of Financial Inclusion with reference to specific blocks of Thane district**" shall be useful to all the authorities in general and to the society in particular. The mission of financial inclusion is one of the important and essential determinant for the socio-economic development of the underprivileged people, but operation of financial transactions is difficult task for them. Moreover, micro-credit is also one of the essential factors for inclusive developments. Now, more and more families are taking interest to grab the benefits of Jan Dhan Yojana duly initiated by the government. Thane district covers variety of people habitants and geographically diverse areas such as semi-urban, extreme rural, agriculture, industrial workers, micro-entrepreneurs, fishermen and special kind of tribal communities, etc.

In this study, the researcher has made a sincere effort to examine the functioning of banking operations in Thane district and accordingly made relevant suggestions for better performance of the Jan Dhan Yojana. Therefore, it is an important research work on a financial inclusion mission in India.

## **1.3 Scope of the Study**

The present study confines the analyses of saving accounts opened under the Jan Dhan Yojana and numerous services offered by the banks. The geographical

sphere of the study is restricted to only specific three blocks of Thane district viz., Kalyan, Bhiwandi and Shahapur, because of their unique mixtures such as agricultural labours, landless labours, industrial labours, daily wage earners, special kinds of tribes, semi-urban and extreme rural parts, etc. The majority of them are still not having banking access due to cumbersome procedures, irregular income, absolute poverty, rude behavior of the bank officials, inconvenient timings of banks and financial illiteracy, etc. Because of these vital factors, these excluded people are managing their financial needs through informal financial means. In view of such backgrounds, researcher has made an attempt to study the Jan Dhan Yojana and customers satisfaction level towards financial inclusion with reference to specific blocks of Thane district.

#### **1.4 Historical development of inclusion of financial access in India**

Traditionally, inclusion of banking access to deprived people is extension to the operation of financial services for daily financial transactions. Hence, banks are not only performing banking operations, but following the guidelines issued by the Reserve Bank of India from time to time. In India, the foundation of financial inclusion was laid down during the British ruling period. Financial Inclusion was first time introduced in the year 1854 during British regime by introduction of department of the post. The Department of Post has started its operation with 889 branches across the nation to provide services of mail and parcel initially and later on financial operations such as saving, remittance, post retired annuity and life coverage, etc.

The network of post offices are easily accessible and trustworthy due to fully owned and duly governed by the nation. Therefore, there is confidence among the people that their investment with department of post is totally safe and secured. The other government policies are continuing the objectives of financial inclusion under

the Co-operative Society Act,1904, creation of the State Bank of India in the year 1955, nationalization of state owned banks during 1969 and 1980, Lead bank scheme 1970, Regional Rural Banks 1975, Self Help Groups-Bank Linkage programme 1992, Swarnjayanti Gram Swarojgar Yojana 1999, Kisan Credit Cards 2001, No frills accounts 2005, Aam Adami Bima Yojana 2008, and the Jan Dhan Yojana'2014, etc. The scenario of the banks functioning before 1991 was extremely different as compared to present situation. There was holistic approach i.e., no profit or no loss, no fix deposits or no lending rates, neither capital adequacy norms nor some specific rules for bad debts. All the banks to obtain prior approval from the Reserve Bank of India to open any new branch and also for any high value transactions to be undertaken. These transactions were with the backup of the income level of an individual. The era 1992-1997 was known as “Reforms in Banking Sector” which transformed the sector into a new methodology to enable them with price factor. Resultantly, private banks came into operational to serve the masses with easy procedures and affordable financial products. Another development was done during 2011 that the Telecom Regulatory Authority of India announced fixed mobile tariff for the financial operations rather than charging on current market price and accordingly economical cost was established to attract more and more customers to avail mobile banking operations at affordable rates.

#### **1.4.1 Evaluation of inclusion of financial access in India:**

The large number of people are still not covered through various inclusion schemes and there is wide scope to include those uncovered people and help them to improve their socio-economic status. The department of Post introduced “**Saving Bank**” is an integral part in order to inculcate saving habits among the people, especially for excluded people. The government has constituted a committee to

examine the role of department of post in financial inclusion in the context of the demand for financial services, especially in rural and remote areas. The Department of Post is serving the people in most economical and transparent manners. Its includes saving account, recurring deposit account, time deposit account, provident fund account, National Saving Certificate (VII/IX issue), Senior Citizen Saving Scheme, Life Insurance, life insurance for rural part, Money Order, International Money Transfer System, E-money order, Sale of Mutual Funds, and other pensions, Forex operations and disbursement of payoff and other social security benefits, etc. The main motto of financial inclusion mission is to educate people about importance of financial operations through the extensive campaign of literacy.

The second effort was made through All-India Rural Credit Survey in the year 1950. As per the report, it is observed that people belongs to extreme poor families habituated in villages, hills, and undeveloped parts were not covered by banking systems. Therefore, during 1969 and 1980, government has done nationalization of banks. In this step, all the major private banks were dedicated to the nation and governed under the rules, regulations and guidelines of the Reserve Bank of India. It was a transformation of monetary services to open avenues for the never banked people, especially in non-operative areas. Despite of a widen connectivity of public sector banks, especially in non-operative areas, a majority of the rural/remote people were neglected from basic banking access because of their insignificant requirements and nationalized banks were perceived to be a non-viable proposition for providing basic banking operations. In view of major discrepancies, the new entities “Regional Rural Banks” were set up under a Presidential Ordinance followed by a Regional Rural Bank Act, 1976 with a primary focus to financing small and marginal farmers, landless labours, rural artisans, small traders and other weaker sections of the society.

National Bank for Agricultural and Rural Development was set up on 12<sup>th</sup> July, 1982, through Parliament, Act, 1981. The basic aim was to transfer the agricultural credit of the Reserve Bank of India and refinances of the Agricultural Refinance and Development Corporation to another independent institution.

In India, major economic reforms were re-initiated in the year 1991 by the government of India by introducing a scheme of Liberalization, Privatization and Globalization. After launching of the scheme, the same has been expanded to wide range measures in banking and insurance sectors too. Simultaneously, changes were made towards considerable improvements such as capital adequacy, asset quality, profitability and operational efficiency, etc. The banking sector was opened to multi-national companies to transact international trade in the country. In simple terms, the new policy was made rapid strides in reforming banking and financial sector to the new competitive environment.

The term “Financial Inclusion” was introduced by the authority of the Reserve Bank of India (the then Governor Y. V. Reddy) in the financial year ended policy documents of April, 2005. Further, the same has been again mentioned by K. C. Chakraborty, the then Chairman of Indian Banks Association, who referred Kerala State’s Mangalam village, as the first gram with fully equipped with all the financial accesses. During 2006, the Reserve Bank of India permitted all banks to incorporate social organizations such as self help groups, micro-finance organizations and other statutory entities as an intermediary agent in promoting financial awareness. Under the mission of comprehensive financial inclusion through publicity across the states such as Puducherry, Himachal Pradesh and Kerala was declared as the first State to have fully access of financial services in India. During 2006, the Reserve Bank permitted all the banks to undertake business correspondent as an individual entity on

commission basis to act as authorized agents of the bank and provides banking operations across the nation, especially to the neglected areas wherein banks didn't reached. Accordingly, in the year 2008, authorized agents of banks i.e., "Business Correspondent" were allowed to function in the nearby villages within areas of 15 kilometer from branch(s). Further, guidelines were administered by the Reserve Bank of India towards mobile phone banking as the easy connectivity to the customers. In the year 2009, it was assured about the viability of such business correspondent model and reasonable charges for their activities. Now, modern technology is assisting to cater prompt services by banks and made significant development. Therefore, the Reserve Bank of India and Telecom Authority of India have jointly entered into agreement to spread mobile phone operations through banks to leverage efficient, affordable and prompt operations to the customers.

In the year 2011, again the Reserve Bank of India has directed all bank account holders to connect with Aadhaar number in order to assured credit of the wage payment to the actual users of accounts. This connectivity is assisting to resolve the issue of proof for opening small saving bank account. In this regards, to strengthen the scheme, the Reserve Bank of India has issued separate notification wherein mentioned about the Aadhaar number to considered as dual purposes i.e., identity and residential proof. The year 2012 was witnessed another progress to link up the Aadhaar payment system to centralized payments of the social benefits of Mahatma Gandhi National Rural Employment Guarantee Scheme. Finally, the scope of inclusion of financial access was expanded through the easy account opening process, e-KYC in the year 2013 and special scheme as Jan Dhan Yojana '2014 to cover excluded people. In the perspective of world scenario, following, table 1.1 describes the access of the international financial scenario.

**Table. 1.1**  
**Global Status of Financial Exclusion of Selected Countries.**

Sr.No.	Country	Number of Bank Branches ( per 0.1 million adults )	Number of ATMs
1	India	10.91	05.44
2	Austria	11.81	48.16
3	Brazil	13.76	120.62
4	France	43.11	110.07
5	Mexico	15.22	47.28
6	United States	35.74	173.75
7	Korea	18.63	250.29

(Source: A Speech by H.R.Khan, Dy. Governor of RBI, on “Issues and Challenges in Financial Inclusion Policies, Partnership, Processes and Products” 2012)

From the above Table 1.1, it reveals that in India banking sector penetration was very thin (10.91 per 0.1 million adults) as compared to developed countries such as France (43.11 per 0.1 million adults) and United States (35.74 per 0.1 million adults). It shows that every Indian citizen is lacking behind more than 3 times as compared to developed nations. Whereas, in case of number of ATMs, India stands as 5.44 numbers (lowest) as compared to Brazil 120.62 (moderate) and Korea 250.29 (highest).

#### **1.4.2 The role of the Reserve Bank of India towards inclusion of financial access.**

During the British regime, the Hilton Young Commission (1926) advised to set up the independent entity to govern the banking and financial function of the country. Accordingly, as per the mandate of the Reserve Bank of India Act, 1934, an autonomous entity the “**Reserve Bank of India**” has started its operation from April 1, 1935. Initially, the primary focus was to regulate the issuance of banknotes, supervising reserves, monetary stability and to control the credit as well as a currency system to its advantage. The bank started activities by taking over the functions of controlling currency from the government and management of government accounts and public debt and acting as a ‘Bankers’ Bank’ for our country. The fundamental

objective was to pool the monetary reserves of country and their management as per the needs of the economy. The first act was framed to maintain a sources of reserves for monetary system and secondly to protect depositors' interest rather than the credit regulation. From 1949 onwards, the government and the banks interest in agriculture credit deepened considerably, leading to the appointment of the Rural Banking inquiry Committee in 1949 and the All India Rural Credit Survey committee in 1951. It was one of the strong support which paved the way for expansion of the Reserve Bank of India and its role in the sphere of agriculture credit for radical organizational changes in the banking system. This period was known as the transformation of the Imperial Bank of India as State Bank of India, into a Public Sector Institution. Resultantly, during this period, Public Sector Institution was established by overtaking existing banks.

Initially, the Reserve Bank was shouldering all general banking businesses such as receipts, payments, remittance, exchange as well as the management of public debts and issuance of loans including treasury bills. During the year 1938, the bank directed all the scheduled banks to reframed the lending policy. The Reserve Bank of India has opened the concept of scheduled bank to meet the credit demand. The scheduled banks were might not have been able to make provision in advance and also not providing demand of the money market.

From the beginning of the year 1960, the banks were starting their operations in major cities and towns, but didn't reach to the rural and remote areas. The nationalization of private banks was the strong push towards financial inclusion, branch expansion, especially in the rural areas. The number of branches were increased from 5,098 (as on December,1961) to 5,858 (as on December 1964). Such tremendous changes have been done only after securing the expansion of banks in the



early 1960 and the main focus was shifted towards the extension of banking industry throughout the country in a phased manner. The guidelines issued under the branch licensing policy in May,1962 had laid down stress on opening of branches in unbanked areas. Accordingly, the banks expansion mission was segmented into two categories, such as:

- i) All the banks to maintain minimum deposit ₹ 50 Crore and open their branches in 10 states across the country.
- ii) All the Regional Rural Banks maintain a minimum deposit of ₹5 Crore and to also open at least 10 branches across the country.

These segments of banks were required for compliance at 1:2 ratio between areas of banked and unbanked for opening their new branches within geographical spheres. It means every branch opened by the banks in urban or semi-urban areas, simultaneously required to open two branches in unbanked or rural/remote areas. The Reserve Bank of India has directed to open 450 branches between 1967-69 but the banks were fixed an upper limit of 550 branches a year. In July'1969, nationalization of 14 major private banks triggered off a sharp branch expansion drive, especially in rural areas. Accordingly, access to credit facility was improved through the bank branches and proper allocation of credit to the productive sectors and backward groups was done. A perspective plan towards expansion of bank branches spread over 3 financial years from 1972 to 1974 made by each bank giving priority to under-developed and un-banked areas. The bank urged upon all the banks to set up a large number of offices, including a sizable number of other unbanked, rural, semi urban areas, and districts across the nation.

### **1.4.3 Promotion of financial inclusion through banks.**

During the year 1954, All India Credit Survey Report has given boosting to all banks in respect of agricultural credit, because it was less than 1 percent out of total lending by the banks. Thus, in view to promote agricultural credit through institutional banking, Imperial Bank of India at Kolkata was renamed as “State Bank of India” in the year 1955. While in the period 1991-92, the support system for agricultural credit had been undertaken. Again in the year 1994-95, the Reserve Bank of India has approved Special Agriculture Credit Plan initially for nationalized banks and later on to private banks from 2005-06 onwards the development of the agricultural economy.

### **1.4.4 Promotion of financial inclusion through co-operative banks.**

The co-operative movement was started with the formation of Anonya Sahakari Mandali in Baroda, (Gujarat) in the year 1889. At present, approximately 790 co-operative banks were covered under mobile banking licences and increasing rapidly. The modern financial sector is more technology driven to operate banking transactions. Therefore, technology based activities are coordinating at higher valuations for banks because of non-acceptance of technological developments. Urban Co-operative Banks were also allowed the financial transactions by the Reserve Bank and also consented for requirement of money needs, twice in case of loan against gold, statutory audits and other banks in maintaining cash credit ration with Reserve Bank and to preserve government bonds as against deposits. At present, online digital services (24X7) are accessible to everyone easily.

#### **1.4.5 Promotion of financial inclusion through National Bank for Agricultural and Rural Development (NABARD).**

NABARD was established with the view to administration of planning and operations of the credit delivery mechanism for agricultural activities especially in rural and remote areas. It's an apex body, providing options for investment and credit facility in rural areas. Being an agricultural centric autonomous organization, it is promoting credit facility to farmers. After banking reforms in 1990, it was 1<sup>st</sup> major debt waiver attempt lead to decline in flow of credit to rural agriculture. In the year 1997, a committee headed by R.V.Gupta, has suggested measures for the revision of the barriers in order to increase the flow of credit to the agricultural sector. It will ensure timely and hassle free credit for all farmers for their various agricultural operations, scheme covered marginal farmers, and short term croppers, etc. The main objectives were to support short term credit towards working capital, special fund for the post harvested period, households' day today consumption, and related activities of agriculture sector. In order to strengthen socio-economical activities, NABARD is promoting Kisan Credit Card in order to facilitate easy credit flow to farmers. As per circular No. 115/Dor-37/2013 dt.16.05.2013, issued guidelines to all the banks for inter-connecting Kisan Credit Card into ATM-cum-debit cards immediately. National Payment Corporation of India is providing infrastructure for all types of retail transactions through 24X7 automated clearing House, electronic transfer of funds, and local payment methods through card terms as RuPay debit card to promote an option to credit card. During, 2015, there were 220 million Indians owned RuPay debit cards. NABARD is pioneer to promote credit support to the agriculture sector since 1988-89 and issued Kisan Credit Card as the first ever efforts of digitization. The operation was very slow due to lack of financial literacy, but increased due to its

significant features. The following table shows the progress of cards since its inception i.e., 1988-89 till 2014-15.

**Table 1.2**  
**Agency wise distribution of Kisan Credit Card from 1988-89 to 2014-15.**

(Figures in Lakh)

S.No.	Year	Co-op. Bank.	RRB's.	Banks	Total
1	1988-89	1.56	0.06	6.22	7.84
2	2000-01	56.14	6.48	23.90	86.52
3	2005-06	25.98	12.49	41.65	80.2
4	2009-10	17.50	19.50	53.10	90.10
5	2010-11	28.10	17.70	55.80	101.60
6	2011-12	29.95	19.96	68.04	117.54
7	2012-13	26.95	20.30	82.43	129.52
8	2013-14	26.85	21.35	N.A.	N.A.
9	2014-15	17.32	24.96	N.A.	N.A.
10	Cum. since inception.	507.97	238.47	717.52*	1463.98

(Source: Dept. of Economics and Research, NABARD 2016)

(1) EPWRF (2014) Agriculture Credit in India, Regional Spread & Data Base NABARD Occasional Paper No.59 , Data from 1988-89 to 2011-12.

(2) \*Cumulative bank, state wise progress of KCC issued by banks in India as of 31.03.2015.

From the above Table 3.1 reveals that Kisan Credit Card is one of the important toll of the our economy, which inculcates basic banking operations amongst the farmers. All the banks were holding a major share in the operation of KCC whereas Co-operative banks are maintaining its share to work in the field of credit delivery mechanism. During the year 2010-11, 2011-12, 2012-13 and 2013-14 Banks were issued cards more than Regional Rural Banks. Therefore, banks are holding a major share in the progress of cards operations followed by Co-operative and Regional Rural Banks.

#### **1.4.6 Evaluation of Financial Inclusion plan**

As per financial inclusion cover as on March, 2014 the data is available in order to understand the implementation of financial inclusion with various indicators viz. number of villages, no frills account, General Credit Cards/Kisan Credit Cards and simultaneously, network of business correspondent for effective banking operations.

**Table 1.3**  
**Banks Financial Inclusion as on 31.03.2014.**

S. No.	Name of the Bank	Number of villages covered with Population		Total	No. of no-frills A/Cs opened. (in lakh)	No. of GCCs (in lakh)	No. of KCCs (In lakh)
		>2000	<2000				
1	Allahabad Bank	--	--	4,912	38.69	0.037	10.46
2	Bank of Baroda	--	--	13,979	74.66	0.04	11.44
3	Bank of India	4,401	9659	14,060	107.28	22.10	
4	Canara Bank	1,624	3,860	5,454	85.46	3.89	46.24
5	Central Bank of India	4,330	6,743	11,073	92.27	0.375	--
6	Corporation Bank	318	1,084	1,402	21.26	0.22	--
7	Dena Bank	1,238	2,190	3,428	24.55	--	2.95
8	Indian Overseas	4,445	7,816	12,261	59.21	--	--
9	Punjab & Sind bank	400	2,316	2,716	1.45		1,545
10	State Bank of Bikaner and Jaipur*	1,207	1,359	2,566	18.07	0.008	6.03
11	State Bank of India	--	--	52,260	353	--	--
12	UCO Bank	1,833	7,802	9,635	40.23	--	--

(Source: Annual reports 2013-14 of various banks) (\* As on May'2014)

It is mentioned in the above table 4.1 that private and public sector banks are jointly implementing the financial inclusion mission in India. There are a number of public sector banks are more as compared to private sector banks. Among the coverage of villages having a population less than 2000 and more than 2000. The State Bank of India covered maximum villages viz., 52,260 whereas in respect of no frills account the Bank of India opened 107.28 lakh accounts. Axis bank also managed financial inclusion mission by establishing 74,000 bank correspondents and their operations were successfully reached the poor and vulnerable people.

#### **1.4.7 Performance of financial inclusion plan**

Ministry of Finance, Government of India and the Indian Banks' Association were jointly decided to extend banking access to poor and vulnerable people either through network of physical branches or door to door services through the business correspondent model. In order to achieve the objectives of the financial inclusion mission, all the banks were advised to incorporate new business plans for 3 years from

2010-11 onwards. Therefore, the basic focus was emphasized to increase the number of accounts. Further expanding banks outlets in never banked villages having a population of less than 2000. Accordingly, about 490,000 unbanked villages were identified to make allotment for coverage.

**Table 1.4**  
**Financial Inclusion Plan's progress from 2010 to 2016.**

Financial Inclusion.	March 2010	March 2013	March 2014	March 2015	March 2016
<b>Banking outlets in villages</b>					
Branch network.	33,378	40,837	46,126	49,571	51,380
Business correspondents.(BCs)	34,316	227,617	337,678	504,142	534,777
<b>Total</b>	<b>67,694</b>	<b>268,454</b>	<b>383,804</b>	<b>553,713</b>	<b>586,157</b>
BCs Coverage (Urban areas)	447	27,143	60,730	96,847	102,552
<b>Basic Saving Bank Dep. A/c</b>					
<b>Branch:</b> (No. Million)	60	101	126	210	238
(Value ₹ Billion)	44	165	273	365	474
<b>BCs :</b> (No. Million)	13	81	117	188	231
(Value ₹ billion)	11	18	39	75	164
<b>Overdraft:</b> (No. Million)	0.2	4	6	8	9
(Value ₹ Billion)	0.1	2	16	20	29
<b>Kisan Cards:</b> (No. Million)	24	34	40	43	47
(Value ₹ Billion)	1,240	2,623	3,685	4,382	5,131
<b>General Cards:</b> (No. Million)	1	4	7	9	11
(Amt ₹ Billion)	35	76	1,096	1,301	1,493
<b>BCs</b> : (No. Million)	27	251	329	477	827
(Value ₹ Billion)	7	234	524	860	1,687

(Source: RBI, 2014-15)

(BSBDA=Basic Saving Bank Deposit Accounts) (BC: Business Correspondent)

The details of financial inclusion are mentioned in the table 1.5, which shows that banking networks increased tremendously from March 2010 onwards. The both the cards having operations more efficiently, maximize utilization and easy access. The business correspondent model based banking operations were also gearing up in all the parts of the country, accordingly, within 5 years there was growth of approx. 1,390 times. The financial transactions made through correspondents were also significant and touched ₹859.80 billion at the end of 2014-15. These cards were also developed with remarkable speed. During the year 2010, there were total 24 million Kisan Credit Cards were issued having transaction of ₹1,240/- billion, which was increased to 42 million cards (75

percent) with transaction of ₹ 4,382/-(350 percent) till 2015. The Information and Communication Technology based transactions were 27 million t value of ₹7 billion, which was increased from 477 million transactions amount to ₹ 860 billion.

The Reserve Bank of India has issued guidelines to all banks to promote ATM operations throughout the country. There are two types of ATMs operations viz. On-site and Off-site ATMs. The On-site means ATMs installed within bank's branches, whereas off-site means ATMs installed at the place other than bank branches (outsourcing) This facilitates customers to operate easily and comfortable transactions as per their convenience. The customer can avail all the banking operations through ATMs such as deposits, withdrawals, remittances and check balances, etc.

**Table 1.5**  
ATMs set-up by Banks from 2011 to 2015.

S.No.	As on Year	Public Sector Banks			Private Sector Banks		
		Off-site	On-site	Total	Off-site	On-site	Total
1	31.03.2011	20032	30201	50233	34377	41268	75645
2	31.03.2012	24181	34012	28193	48141	47545	95686
3	31.03.2013	29411	40241	69652	58254	55760	114014
4	31.03.2014	44504	65920	110424	76676	83379	160055
5	31.03.2015	58763	69902	128665	92191	89061	181252

(Source: [https://finance.operations.gov.in/banking/financial\\_inclusion.asp](https://finance.operations.gov.in/banking/financial_inclusion.asp))

Table 1.6, illustrates that private banks have set up more ATMs i.e., 1,81,252 as compared to public banks set up 1,28,665 only. The ratio between public and private sector has been increased excessively, which was standing at 42.58 as of 31.03.2015. It means that the private sector is more aggressive towards providing efficient banking activities through ATMs. Thus, the financial inclusion mission is growing with more and more ATMs facility in urban, semi-urban and rural/remote parts of our country.

The government is announcing various policies to provide financial benefits to the citizens. In order to have control over services and benefits, authorities have issued regulatory guidelines regularly. Hence, its joint responsibility of service providers and

beneficiaries to move as per the provision of the scheme. Therefore, an inclusive growth policy is required to strengthen inclusion of banking access in India. It is observed that a legally sound policy with strong regulatory framework is essential to promote the development and healthy competition within the financial sector. In this regards, financial institutions along with their agents are playing an important role to encourage transparent, economical, reasonable financial products and to protect customers against exploitation. All the authorities dealing with policy are playing a decisive role in framing as well as execution of a positive environment for financial inclusion in India. Such kind of activities are crucial to implement innovative financial business modules. A real challenge to the government is that to reframe procedures and enhance extensive financial inclusion through updated technologies such as Mobile Banking, Point of Sale Networks, ATMs, Electronically Transfer of Money and Non-Banking Financial companies, etc. The existing financial inclusion mission has challenges on a broader scale. It is unique because approximately 90 percent population is still uncovered and therefore, the government steadfastly promoting the idea of financial inclusion. The merits of the financial inclusion are intrinsically linked to social and economic empowerment of the people. More and more credit avenues are the pivotal link between economic opportunities and empowerment of households in order to propagate income generation activities and saving potentials. There have been several steps undertaken by the government to implement extensive financial inclusion and not relegate it to the realm of lip service.

The Jan Dhan Yojana is government's one of the significant initiatives to assisting a majority of poor and vulnerable households to easily open saving account with any bank. Moreover, there are many elements of financial inclusion that have been anvil for a long time. The fact goes beyond the broader economic agenda which



allows income generating activities to a wide range of people, especially lower income groups. The extensive options of financial operations are value added to economic growth of the nation. Thus, financial inclusion is one of the top priorities of government and also pertinent to distinguish between income disparity. In order to extend institutional credit facility to a maximum unbanked people is one of the essential criteria for success of the financial inclusion scheme. Therefore, the Jan Dhan Yojana not to focus on the supply side, but also concentrate on issues related to market responses, stakeholders coordination, customer relationship, trust, and overall customer protection.

#### **1.4.8 Postal financial inclusion during pre and post-independence in India.**

Historically, the concept of financial inclusion was introduced by the British government in the year 1854 by setting up India Post Department and its wide network to promote basic financial operations such as saving, remittance, pension and life insurance, etc. The backbone of postal department is its long tradition of lending financial operations for more than century with credibility and trustworthiness. India post traditionally been a service provider of mail and parcel operations, but diverse range of retail operations also undertaken which includes remittance, banking, insurance, saving deposit account, money order and national saving certificates, etc., to the hitherto population but does not yet deliver the credit. Since, India Post is fully governed by the country's administration and therefore, investment made is totally safe and secured. The government authorities are framing, various operating policies which serving the nation by reaching every nook and thus solving the problem of last mile reach. Therefore, it is recognized as the separate organization of national importance. The various inclusion schemes undertaken by postal department are as follows:

**(a)** The department of Post is catering operations similar to banking transactions throughout the country for more than 150 years. It facilitates through Post Office Saving Bank Account, Recurring Deposit Account, Time Deposit Account, Monthly Income Scheme, Public Provident Fund Account, National Saving Certificate, and Senior Citizen Saving Scheme, etc. The saving bank account has been designed especially for the lower income groups with a minimum deposit of ₹20/-. India Post has an extensive network across the nation to provide various banking and insurance products to the masses in both urban, semi-urban and rural/remote areas. As per guidelines, KYC is essential for smooth and transparent functioning of financial transactions. In India, a department of the Post is shouldering its financial operation as an authorized agent of the government and securing the financial transactions.

The expert committee report makes a strong case for harnessing the saving bank for achieving financial inclusion as one of the main motto of India Post which is double as of all banks together. These saving bank account was started operations in the year 1832 with a customer base of 206 million (approx.) which was further increased to 3,096 Crore as on 31.03.2014. This growth makes out a strong case for full-fledged banking operations in India. The Core Banking Solutions are providing facilities of ATM banking, internet banking, mobile banking, 24X7 phone banking transactions and transfer of money instantly from one's account to any bank account through National Electronic Fund Transfer and Real Time Gross Settlement facilities.

**(b)** Insurance is one of the essential products offerings by department of Post through their specialized policies in order to protect the life of the people. The scheme "Postal Life Insurance" was started on 1<sup>st</sup> February, 1884 by the British

regime. Initially, it was holistic approached specially designed for the employees of the postal department only, but later on the same was extended to the entire telegraphs department. Further, in 1894, the Postal Life Insurance was made exclusively to female employees of the Department of Post and it was the first of the unique service which is protecting the lives of women workforce and encouraged other women employees to get benefits. At that time, no other scheme was in existence to cover working women under life insurance.

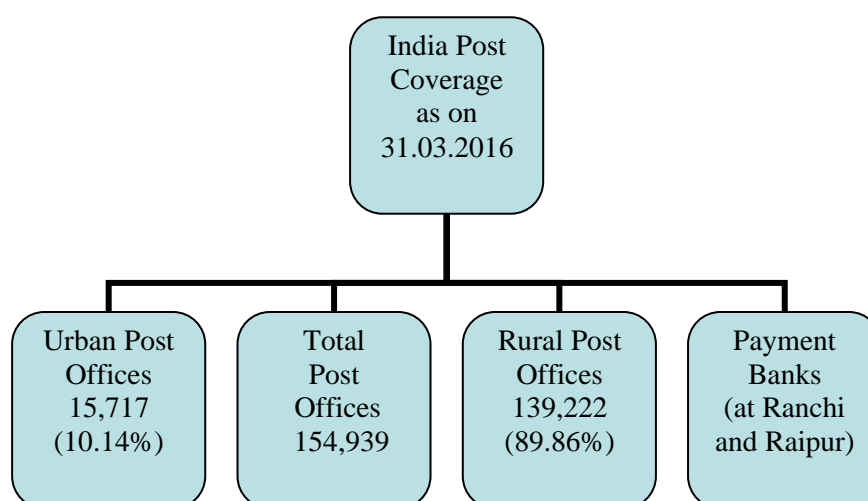
Therefore, it is known as the first of its kind oldest insurance scheme in India. During the initial period, the upper limit of the policy was ₹4,000/- which was further enhanced to ₹50 lakh and above. The Postal Life Insurance was growing substantially from a few hundred policies in 1884 to 64,61,413 policies covered value ₹1,30,745 Crore as on 31.03.2015. Postal Life Insurance is also promoting an insurance scheme to Gramin Dak Sevaks. Presently, it covers government and semi-government employees with tax exemption Under Section 118 (c) of the Insurance Act, of 1938 and exempted Under Section 44 (d) of LIC Act, 1956. Postal Life Insurance is the only insurer in the Indian life insurance market, which gives the highest bonus with the lowest premium charged for any product. In the year 1993, the Rural Postal Life Insurance was introduced as per the recommendations of the Malhotra Committee for reforms in the insurance sector, because the committee had observed that only 22 percent of the population in India had been insured. Postmasters from rural parts are enjoying a trustworthy status in the community and thus have the potential to market products of life insurance easily. The prime objective of the scheme is to promote insurance to the rural and remote areas and extended its

benefits to the underprivileged population. As of 31.03.2015 there were 235,14,055 policies with sum assured ₹ 105,204.79 Crore.

- (c) Department of Post is providing remittance operations such as money orders (domestic and international) and postal orders. There are some exclusive financial operations started such as sale of mutual funds from January 2001 through a joint partnership with IDBI as a Principal Agent. Disbursement of pension payment for services and other operations also undertaken since 1989-90. Other operations such as the foreign exchange operation started in association with HDFC Bank, Social benefit payments to the beneficiaries of Mahatma Gandhi National Rural Employment Guarantee Scheme and social security pension schemes, etc.

As per government's guidelines such beneficiaries are compulsorily engaged for minimum 150 days every year. Department of post is assuring disbursement of their wages by opening, a saving account, and having hassle free banking access anywhere in the country. In case of migrated workers, there is assurance towards wage payments as per their mobility. As on December, 2011 there were 53.5 million account holders benefited with this facility.

**Chart No. 1.3**



- i. Manpower deployed : 4,60,457
- ii. No. of Rural employment : 2,61,162
- iii. Number of ATMs and Micro ATMs : 1,000 and 40,000 respectively.
- iv. Services available : Remittances, Savings, Bill payments, Term insurance, etc.
- v. The population managed : Nearby 8,354 people served per post offices across the country.  
(Rural 6,193 and Urban 2,161)
- vi. Area covered : Total 21.22 kms.(Approx.)

(Source: Standing committee on Information and Technology 2015-16; Ministry of Communication and I.T.(Population of post), 26<sup>th</sup> Report, Lok Sabha Secretariat, New Delhi May,2016)

India Post is well known for a vast network across the nation and easy approach without any hurdle. The main aim is to have access to citizen without any discrimination viz., class, colour, creed, gender, and income groups, etc. As of 31.03.2015, there were 296.22 million Mahatma Gandhi National Rural Employment Guarantee Scheme's beneficiaries received wage payment of ₹ 5,22,252.30 Crore. The Rural Postal Life Insurance was operationalized during 1984 with a holistic approach especially for the employees of Post and Telegraph. After its grand success,

it has also covered employees other than the Post and Telegraph from 1995 onwards. The saving scheme is the largest saving scheme across the country by number of clients as well as network of branches which managing vast transactions uniformly and can't differentiate between any income groups. Through schemes, it inculcates habits of saving amongst the all classes of the people, which is now become a one of the mediums of mobilizing huge amounts of funds.

India Post's rural oriented policies are continuing to grow and enhancing their socio-economic status. Their banking and insurance schemes are an agency function of the Ministry of Finance. Recently on 19.08.2015, India Post got the "in principle licence" to function as "Bank" from the Reserve Bank. After successful completion of 18 months banking operations, it will consider as full fledged banking license Under Section 22 of the Banking Regulation Act,1949. With a view to make progress towards e-commerce, postal department has tied up with professional logistics companies such as Snapdeal, Amazon and Paytm, etc., resultantly, revenue has been jumped by 37 percent during the last year. The India Post's fundamentals are enhancing financial literacy and modernization of branches with advance technology, etc. There are the issues relating to 100 percent inclusion due to low literacy rate, disparity of income, technology upgradation, a density of population, and informal financial market, etc. Moreover, with extensive distribution network and huge customer base, postal department made transformation into public delivery channels for catering services like e-commerce, e-governance and inclusion of financial access. India post made a strategy of aggregator rather than competing to gain market share in the areas of banking. Therefore, ATMs facility is providing low cost transactions at the rate 5 paisa (lowest) as compared to banks settlement of ₹ 15/- per each transaction made through ATMs.

#### **1.4.9 Government policies covering financial inclusion prior to independence.**

Prior to independence in India, the informal market was dominated banking industry. During pre-independence period money lenders, landlords and brokers, etc. were playing a monopolistic role in the supply of finance. They were created huge demand as well as the supply of money and was charging exorbitant rate of interest. They were manipulating financial market strongly to meet the credit requirements of the poor and vulnerable people. Most of the time, rural poor had to mortgage their personal assets as well as lands to manage financial requirements. These credits were most convenient, but harmful with limited choice of financial products for a very short term period. One of the important fact is that before independence, India was depended on the United Kingdom for designing various administrative policies, including monetary.

In the year 1770, “The Bank of Hindustan” was started basic banking operations to cover the employees working under the British regime. Further, in 1786, it was renamed as “General Bank of India” but failed to provide proper financial operations to the people and finally shut down in 1791. The new era of banking industry was started in Calcutta in the year 1806 when “Bank of Calcutta” was set up. The same was further renamed as the “Bank of Bengal”. At that time, in India, the three major banks viz., Bank of Bengal, Bank of Madras and Bank of Mumbai, were set up by the Presidency Government under British rule. But, later on the government agreed to combine all three banks and opened new entity “Imperial Bank of India” which was set up to administer the banking operation throughout coastal regions.

After independence the nationalization of the banking sector was initiated in the year 1955 as per the recommendations of 1<sup>st</sup> Five year plan (1951-55). The

required legislation was passed in Indian Parliament in May, 1955 to shut down “Bank of Bengal” and constituted new entity “State Bank of India” along with its subsidiary bank to fulfill the banking requirements of the nation. The life insurance business was introduced in the year 1818 to cover the life risk of European community which was settled in India. The Oriental Life Insurance Company was started in Kolkatta but faced discrimination against the foreigners and Indian citizen due to higher premium. After that, during 1870, The Bombay Mutual Life Assurance Society was started and the same was recognized as a first Indian insurance company. During the post independence period, on 19<sup>th</sup> January, 1956, the “Life Insurance Corporation of India” was nationalized and covered 154 Indian, 16 non Indian insurers and 75 provident fund societies. Agriculture Credit Co-operative Societies Act, 1904, was passed to administer co-operative banks to facilitate supply of credit to agriculture sector, especially from rural parts. The co-operative banks were playing a significant role in supply of institutional credit to the poor farmers and made an attempt to break the monopoly of the informal financial market. The co-operative society was one of the mechanisms for pooling the resources of people and promoting access to basic financial activities. For better functioning, these banks were categorized into Urban Co-operative Bank and Rural Co-operative Banks. The Rural Co-operative Credit Banks were further traditionally bifurcated into short term credit supply through State Co-operative, Central Cooperative. At the same time, the Primary Agricultural Credit Societies were constituted for medium term and long term loans for making investments in agriculture and rural industrial sectors. Later on, the co-operative movement became a provincial subject and a committee for co-operative planning was framed in 1945 which was mainly focused to examine the problems of frozen assets due to long pending dues. The Reserve Bank of India



Act,1934 provided specific provisions relating to monetary requirements to agriculture sector wherein section 54 covering the agrarian economy in rural parts and section 17 covering monetary supply to the rural parts through state co-operative institutions.

#### **1.4.10 Financial Inclusion after Independence.**

After the independence, immediately, Indian government has adopted a holistic approach through the formal banking sector. The control over the financial sector was the policy behind nationalization of the Reserve Bank of India in the year 1948. The Imperial Bank of India was nationalized in the year 1955 and was renamed as “State Bank of India”. All the banks were played essential role in the transformation of the Indian economy. Basically, it’s fulfilling various financial needs and the self-sufficient strategy of the banking sector to ensure safe and affordable execution to the masses. The reformed policy was framed and divided into 3 phases i.e., the first phase, 1950-1960, second 1961-80 and the third phase was 1990 onwards wherein paradigm changes were made in the working of the banking sector.

The Phase-I (1950-60) was witnessed to set up cooperative institutional level banking. The Phase-II (1961-80), was witnessed as major changes in banking sector such as nationalization of 14 banks in the year 1969 and 6 banks in the 1980. The State Bank of India with its associated banks were set up to fulfill the banking needs of the vast population of the country. Major reforms were made after the year 1990 wherein private banks entry into the working of banks and the introduction of plastic currency (Credit and Debit Cards) and ATMs were set up to promote digital banking. During 1951-52 period, all the banks were extended their network and there were 32,224 branches in villages covering 68 percent of their total network as on 31.03.1991. All the banks were recorded the financial transactions with outstanding

deposits of ₹67,855 Crore (35 percent), and ₹43,797 Crore (36 percent) outstanding credit. As on 31.03.1991, the outstanding aggregate advances of banks were ₹16,687 Crore i.e., 14 percent out of entire advances. The changes in a gram (village) areas were considered as saving accounts of 17.6 Crore with loans outstanding of ₹37 Crore. The phase-III (from 1991-93 to 2003-04) was known as rapid expansion of banking operations due to technology development and agricultural credit facilities. As per the records available during financial year 2003-04, banks altogether have their compounded annual growth of 22 percent with available deposits of ₹60,022 Crore and above. The Reserve Bank of India has initiated Special Agriculture Credit Plan for public banks in the year 1994-95 and the same has been extended till 2005-06. The Self Help Groups' pilot project was undertaken in the year 1992 by NABARD and it was recognized as a major shift to penetrate self help groups to provide the micro-finance to the poor people.

The banking sector access was not enough satisfied till 1999 because only 32,995 self help groups were linked with micro-credit. The rapid growth was made in the year 2002 as there were 4.61 lakh registered self help groups and further there were rapid progress of the groups was 29.25 lakh as on 31.03.2007. The Reserve Bank has contributed an amount of ₹1 Crore to NABARD to create rural credit funds, because of its operation was already in the field of rural agriculture development. In this way a new paradigm set up was done to develop rural agriculture finance. The various guidelines were also provided to improve the banking operations and network in order to solve the problem of last mile reach. The target was fixed at gram level to open more and more bank branches. Accordingly, all the banks were decided to approached at least 250 families annually especially from excluded population. The expansion of banks was one of the criteria to cover the untapped population to have

financial literacy and easy operations. Therefore, a list of selected districts were circulated by the Reserve Bank of India to all the banks along with guidelines to open the District Level Committee Centre for extensive financial inclusion. The President of India has issued Ordinance in 1956 (Emergency Provisions) through which instructed all the banks that not only cover life insurance business, but also bring management under the administrative control. Resultantly, the private insurance business was transferred to the public sector and on 01.09.1956, another new specialized public organization “Life Insurance Corporation of India” was set up to promote life insurance risk portfolio among the people.

#### **1.4.11 Government policies after nationalization of banks.**

Prior to independence, the banking sector was dominated by State’s owned private banks. This dominance was interrupted by nationalization of 14 major private banks’ in the year 1969 through the administrative control of government’s ownership. It was major milestones in the banking industry because it transformed full powers of banking operation from state owned to government’s ownership. Simultaneously, another 6 private banks were also nationalized in 1980. Accordingly, total 20 public sector banks were shouldering the role of institutional banking and have full control over the financial market. Besides, it was also channelize sizable savings from households, provision of payment option and maximum financial services to the people those were excluded from institutional banking. In India, the 1<sup>st</sup> regional rural bank, “Prathama Grameen Bank” was set up on October 2<sup>nd</sup>, 1975 on the occasion of birth anniversary of our father of the nation Mahatma Gandhi. Later on, Regional Rural Bank’s Act was passed in the year 1976 and permitted State Governments to set up numerous regional rural banks to fill up the gap. This act provided legal provision of ownership amongst the stakeholders viz.,

Central Government 35 percent, State Government 15 percent and Sponsored Banks 35 percent. As per the Narsimhan Committee’s recommendation, all the banks were merged with, sponsored banks and started different modes of banking activities. Some of the specialized banks were starting to focus on agriculture sector and rural development with strong intermediaries by opening a large number of zero balance accounts under the control of the Reserve Bank of India. The main objectives behind setting up of the regional rural banks were to manage micro-credit requirements of small and marginal farmers, unemployed youths, local artisans, micro-entrepreneurs and agriculture sector, etc. The regional rural banks are playing a dominant role in promoting cheapest financial products in semi urban areas, remote and rural areas to ensure sufficient flow to agriculture sector through formal banking. The credit facilities provided through the banks are quite cheaper (concessional rates) as compared to informal money market. The regional rural banks are also focusing on activities of lending to weaker section without any hurdle of viability. Such kinds of specialized banks have strategies of combination of financial products such as basic bank account, business correspondent facilities, KYC norms, the use of digital technology and financial literacy camps, etc. The details of regional rural banks in India are described in the following table.

**Table 1.6**  
**Details of Regional Rural Banks from 1975 to 2015.**

Sr. No.	Month and Year	No. of RRBs	No. of Branches.
1	December, 1975	06	17
2	March, 1985	188	12606
3	March, 1990	196	14443
4	March, 2005	133	14489
5	March, 2010	82	15475
6	March, 2012	82	16914
7	March, 2013	64	17867
8	March, 2014	57	19082
9	March, 2015	56	14494

(Source: [www.rbi.gov.in](http://www.rbi.gov.in))

The specialized banking entity for agriculture and rural development, i.e., NABARD was set up under the Parliament Act, 61 of 1981 and came into operational with effect from 12.07.1982 by transferring agriculture credit functions from the Reserve Bank of India. National Bank for Agriculture and Rural Development was dedicated to the nation on 5<sup>th</sup> November, 1982 to cater credit supply to the agriculture sector and thereby developed capital formation of the nation. It is also extending refinance operations to the various banks, rural banks and cooperative banks by way of long term lending. All the banks are giving top priority to financial inclusion through digitization in order to set up scheduled and rural banks. During the year 1982, the co-operative banks were also started the payment system and issued RuPay Kisan Card to facilitate poor and vulnerable farmers. Further, in the year 1982, with government of India's digital financial inclusion mission, the bank launched a special programme for development of self help groups.

This specialized bank is pioneer to provide insurance cover and monetary assistance to farmers as and when products damaged due to natural calamities. This bank is motivating the farmers to adopt progressive farming practices, high value inputs and optimum utilization of technology in agriculture sector. During, the year 1987, as per the government's guidelines and policy of self help groups bank linkage model for delivering financial operations for the poor and vulnerable people in a more appropriate way. The main features of the programme are described as under:

- i. To achieve financial inclusion through self help groups and provide affordable financial services at door steps to the underprivileged people.
- ii. To set up women self help groups, especially from vulnerable population viz., lower income groups and Scheduled Castes and Scheduled Tribes population, etc.

- iii. To additional support system for income generation activities and made an attempt to reduce the poverty.
- iv. To support for the empowerment of household women towards sustainable and better control in respect of decisions making in order to increase standard of living.
- v. To make awareness of financial products and protection from the informal financial market. Attention of different stakeholders for maximum investment. Resultantly, some of the non-government organizations are offering micro-insurance to poor and vulnerable people.
- vi. To set up self help groups for generating employment opportunities for local qualified youth by maintaining books of account, use of information technology applications, financial management and internal controls, etc.
- vii. To speed us the slow progress functions due to aspects such as socio-cultural impact, economical influence, and the role of state governments, etc.

#### **1.4.12 Government's financial inclusion after liberalization policy**

The government of India has introduced “Swarnjayanti Gram Swarajgar Yojana” in the year 1999 to facilitate women self help groups with the aim of inculcating saving habits and accessibility of formal monetary support for development. In our country, women self help groups are motivating most feasible option for the empowerment of poor and vulnerable families. With the help of low cost banking and financial products, an effort was made to reduce the poverty amongst poor and vulnerable people. In order to cover households, a number of measures undertaken by government to access financial operations through a wide network of bank branches, gender based banking and application of latest technology, etc. The conceptual framework of micro finance embraces deposits, remittances,

payment, micro-insurance and group based activities. The importance of women empowerment lies in various activities duly administered through women self help groups. Thus, women can operate with small levels of savings and credit facilities through institutional financial institutions. In our country, large population are not in operation of basic banking activities, therefore the government's role towards women self help groups has become vital for the socio-economic development of the weaker section and thus bring them into the mainstream of the economy.

Secondly, In India, the majority of the people are still out of circle of basic banking activities and financial literacy. Thus, in the absence of any institutional source of finance, the people from disadvantages groups (poor and vulnerable) are managing their financial needs either from friends, relatives and/or from the informal money market. The interest rate is ranging from 4 to 5 percent monthly i.e. 48 to 60 percent per annum, which is extremely high as per the rate of banking industry governed by the Reserve Bank of India. Hence, the informal money disbursement system has been expanded rapidly and there is huge demand for credit disbursements to the unbanked people. In the year 1990, the number of women self help groups, duly linked with banks were 500 which was rapidly increased to more than 8,00,000 in the year 2004. Again between the year from 1999 to 2003, the numbers were shot up rapidly from 32,995 to 7,17,306 (2000 percent). The most impressive fact of these women self help groups is that there was significant improvement in the micro-credit disbursement among the members.

In the Union Budget 2009, it was approved to empower weaker sections through Swarnjayanti Gram Swarojgar Yojana, which was restructured as the National Rural Livelihood Mission to make it universal in application, focused in time bound approach for poverty eradication by 2014-15. Apart from providing capital

subsidy at an enhanced rate, it is also proposed to provide interest subsidy to poor households for loans up to ₹1 lakh from any banks. This kind of women self help groups movement is the main pillar to make a profound transformation in semi urban and rural areas and its wide coverage of 22 lakh groups linked with banks.

#### **1.4.13 Financial Inclusion policy after 2005:**

##### **i. No deposit while opening a saving account (Zero balance account)**

During November, 2005, a revised strategy for banking operation was introduced as “No frills” means open saving account without depositing money (zero balance) to attract poor and vulnerable people those never have banking access. In the year 2012, it was renamed as “Basic Saving Bank Deposit Accounts” with additional facility of an ATM card. Through an ATM facility, an account holder can make four withdrawals in a month free of charges. Accordingly, an individual can open small deposit accounts easily and also avail overdraft limit of ₹5,000/- to meet the urgent need of micro-credit.

##### **ii. Financial Inclusion Fund**

As per the recommendations of C. Rangarajan Committee on Financial Inclusion in the year 2007-08, two funds were framed, i.e., Financial Inclusion Fund (FIF) and Financial Inclusion Technology Fund (FITF) both for a period of 5 years to meet the expenses related to developmental, promotional activities and the technology support for extensive financial inclusion. As on 31<sup>st</sup> March, 2010 the capital amount was ₹50/- Crore which was proportionately shared by the government and the Reserve Bank of India and National Bank for Agriculture and Rural Development in the proportion of 40:40:20 respectively. Immediately, the Reserve Bank of India has made contributed ₹500/- Crore to meet the target within a period of 5 years.



NABARD covered near about 50,225 villages under both the funds by utilizing an amount of ₹41.30 Crore.

The Reserve Bank of India has also undertaken a pilot project in the North East Regions by encouraging banks to extended branch networks. Accordingly, the Reserve Bank identified 35 non-banking areas from 5 North Eastern States and provided seed capital to setup new branch along with a subsidy towards maintenance for first five years. This subsidy was applicable when the respective state government will provide land to set up a new branch. In consideration of the various developments over the period, the government has decided to merge these two funds and constitute a single financial inclusion fund. Moreover, National Bank for Agriculture and Rural Development is appointed as the custodian for this new financial inclusion fund and supervising all the operations as per the directions of the government. The financial inclusion policy allows to distribute funds to eligible institutions viz. Banks, Regional Rural banks, Co-operative Banks, and other financial institutions. Now all the banks can seek support from social organizations. Further, farmers' associations, Co-operatives societies, computerized rural outlets, Gram Panchayats, and Primary Agricultural Societies, etc. The detailed disbursement for the year 2011-12 to 2014-15 of the funds are described in the following table.

**Table 1.7**  
Progress under the Financial Inclusion Fund and Financial Inclusion  
Technology Fund from 2011 to 2015.

(₹ in Crore)

Name of fund	2011 - 12		2012 - 13		2013 - 14		2014 - 15		Cum. till date	
	S	D	S	D	S	D	S	D	S	D
FIF	75.96	18.90	67.02	33.31	321.16	68.58	203.57	100.67	706.37	236.02
FITF	221.07	128.39	22.01	17.14	42.96	20.25	101.31	41.47	509.76	252.38
Total	297.03	147.29	89.03	50.45	364.12	85.83	304.88	304.88	1216.13	488.40

(Source: NABARD Annual Report 2014-15) (S= sanctioned and D= Disbursement, Cum=Cumulative)

Table 1.8, reveals that the summary of progress under two different funds, i.e., Financial Inclusion Fund and Financial Inclusion Technology Fund for the period

from 2011-12 to 2014-15. It shows that funds were not utilized properly and therefore variation observed in sanctioned and disbursement of funds. As on financial year 2014-15, total funds sanctioned were ₹1,216.13 Crore, wherein disbursement was made upto 40 percent only. Both the funds were not properly allocated and it was one of the major reasons towards hurdle in the development of financial mission in India.

### **iii. Objectives of financial inclusion fund**

- a) To support development and promotional activities through network of financial inclusion, awareness of issues, investment in Green Information and Communication Technology solution with a view to achieve greater financial inclusion. This fund is meant for the promotion of financial inclusion mission only but not for the day to day banking activities.
- b) To promote a policy of financial inclusion as a business opportunity. Banks should expand their business operation with the appropriate feasibility of the financial products.
- c) To promote the business correspondent through digital mode for banking operations in the unbanked areas. Being the low cost and speedy operations, the digitization will replaced with the traditional banking model.
- d) To find out a solution for specific issues related to financial inclusion implementation viz., non-operational accounts, non-functioning of business correspondents, and indifferent attitude of the bank officials, etc.

### **iv. Business Correspondent Model**

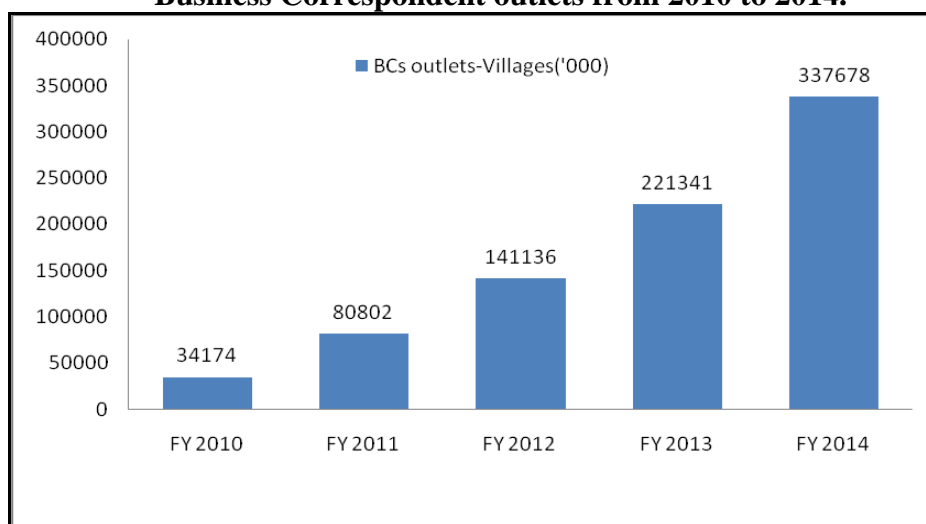
In order to make awareness of financial inclusion mission to the poor and vulnerable people, there is a need of more and more efforts by the banks and financial institutions. The business correspondents are appointed by all the banks in order to provide easy and convenient banking access to the last mile reach. They are contacting

directly through in person to deliver of basic banking operations and thus solving the issue of last mile reach. The offers open to the unemployed youth aged between 18 to 60 years, retired bank officials, teachers, government and military personnel, etc., to work as a Business Correspondent. Simultaneously, retail vendors such as Kirana shops, Rationing shops, micro-finance institutions/Section 25 Companies (Not for profit), self-help groups, petrol pumps, post offices, and co-operative societies, etc., are also allowed by the Reserve Bank to engage as a “Business Correspondent”. The regular and timely payment through business correspondent for such operations are the key factor in ensuring their effectiveness.

The office of the business correspondents are fully equipped with computer and other peripherals like micro-ATMs, bio-metric scanners, printer, webcam and internet connectivity, etc. All the banks made the additional financial assistance of ₹ 50,000/- (recoverable within 35 equated monthly instalments) to set up office. Also assistance for infrastructure upto ₹ 25,000/- and a loan of ₹ 50,000/- to purchase of two wheeler. This business correspondents are upgraded with different skills such as basic banking, insurance, pension and customer relationship management, etc. There is provision of monthly remuneration of ₹ 5,000/- to provide timely services in all respects. It is mandatory to follow all the compliances of the Reserve Bank of India and credit rating as per guidelines. Further, it is also confirmed that engaged business correspondent is not to be defaulter to any bank and/or financial institutions. Moreover, with effect from September, 2010, the Reserve Bank of India, further allowed other profit organization, except Non-Banking, Financial Companies to act as an a business correspondent in order to penetrate the network of mobile companies. These companies make collaboration with banks to make easy operations of unbanked people. The agents of mobile companies can work as a service provider to enhance

banking activities and thereby extending the outreach of banking operations. Details of business correspondents outlets from the year 2010 to 2014 are mentioned as under:

**Graph 1.1**  
**Business Correspondent outlets from 2010 to 2014.**



(Source: Gandhi R. at Strastra University, campus Kambakonam on 18.04.2015 and Chakraborty K. C. at 32<sup>nd</sup> financial Inclusion sumon 06.06.2013)

Above Graphs 1.4, indicates that the banks started the branchless banking through a business correspondent module. It means a retail agents duly authorized by banks are promoting basic banking operations at different locations which are far away from bank branches or ATMs. Over the years, there were rapid growth to the satisfaction of banks and customers due to its unique service delivery system. At the end of 31<sup>st</sup> March, 2010 there were 34,174 business correspondents were increased to 3,37,678 till the end of financial year 2014. This progress was due to various operations offered by them and assisting poor and vulnerable people to develop confidence among them to operate banking services on a large scale.

**v. Committee on Financial Inclusion**

The Committee, Chaired by C. Rangarajan has studied the concepts of financial inclusion and its impact on Indian economy. After various deliberations on the subject of financial inclusion, the committee has defined as “Financial Inclusion is

the process of ensuring access to suitable financial products and adequate micro-credit at an affordable cost". Accordingly, a committee emphasized a wide range of financial products to the poor and vulnerable people at economical rate of interest. Meanwhile, other concepts were also developed by research scholars and defined financial inclusion as "a promotion of the financial services and products to the vast section of the society" National Sample Survey Organization's 59<sup>th</sup> round's report mentioned that there were ample of financial resources but only 27 percent population using institutional financial operations to avail banking operations and credit facility. Overall, there were 73 percent household (farmers) don't have access to formal financial sources and lacking micro-credit facilities, resultantly forcefully borrowing funds from informal sources at a higher rate of interest. In respect of occupation, marginal household farmers constituted 66 percent of the total farmers, out of which 45 percent were indebted either to institutional or non-institutional finance market. Further, near about 20 percent of these indebted households and farmers have access to institutional sources of credit and in respect of non-cultivator farmer, nearly 80 percent doesn't any sources of finance. Therefore, social groups are the most important components of the society and reported that only 36 percent of farmers belongs to Scheduled Tribe and 51 percent Other Backward Class households were trapped by informal sources. At the end of March, 2006, there were total 5.91 Crore Kisan Credit Cards were promoting credit for more than 51 percent of land holdings. As per the National Bank for Agriculture and Rural Development's report 2006-07, the loan disbursement was made to 3.97 Crore beneficiaries. Several studies on the financial inclusion revealed that the various efforts were made for financial inclusion through institutional sources which has significant impact to the extent of financial exclusion.

The committee recommended the improvement within the existing credit delivery mechanism, new measures for improvement of the credit absorption capacity and to find out new models for financial outreach. In order to make awareness of financial inclusion among poor and vulnerable people, there is a strong need to modify the technology based solution which is one of the instruments to cover large scale unbanked people. Accordingly, in order to update the need of credit delivery mechanism, the National Rural Financial Plan was introduced to cover rural households and extend formal credit. The main goal is to promote access to comprehensive financial inclusion, including micro-credit to at least 50 percent of financially excluded households of 55.77 million by 2012 with the help of an extensive network of banks. Further, the target was fixed to cover the never banked people, especially from rural and semi-urban areas by the end of 2015. The main purpose is to achieve financial inclusion within a specific time schedule and suggesting appropriate changes which are most pertinent, to targeting the desired financial inclusion goal and also to support a mission in the domain of public to undertake welfare activities more effectively. The bank branches set up in semi-urban and rural areas are fixed a minimum annual target of coverage of 250 million cultivators and non cultivator households with emphasized on micro-finance to marginal farmers and poor non-cultivator households. All the banks were directed to identify and cover unbanked villages having a population of more than 2000 and to operate their operations. Accordingly, all the banks have identified total 73,000 unbanked centers and started their full fledged banking activities.

**vi. Simplification of bank branch authorization**

From the December, 2009 onwards, there was special permission for Schedule Banks by the Reserve Bank to enhance their network in tier 3-6 cities having a

population of less than 50,000. Moreover, the relaxation of norms such as prior permission to open bank branches anywhere in India. It simply means, the bank can decide now to open their branches anywhere as deemed fit for operation, especially in rural and remote areas.

**vii. National Unique Identity Project**

The government has set up a National Unique Identity Project in February, 2009 with an aim to generate a unique database for citizen completed age of 15 years. It is a one of the attempts to analyze targeted population required for financial inclusion and the kyc norms. The need of financial assistance to unbanked people is one of the key agenda of the project. The Indian Bank Association has worked out the possibility to link the National Unique Identity Project database with smart card issued by banks and the same will be further used for pensions, insurance and various other welfare schemes. It's one of its kinds of project which was specially designed to create the database to assist all other government agencies and issue smart card to the people. The main objective behind this project is to distinguish between citizens and non-citizens and thus protect the nation from fraudulent transactions.

**ix. Financial Inclusion Plan 2010-13**

A well structure and systematic plan was prepared for financial inclusion with commitment through preparation of Board appended Financial Inclusion Plan. The first phase of said plan was implemented over the period 2010-13. The Reserve bank directed all the banks to prioritize of financial inclusion plan's implementation as a regular banking activities. The top management assured full support to initiate financial inclusion and also ensure accountability of the functioning of the banks. The annual meeting was arranged by Deputy Governor of Reserve Bank of India with Chairman-Cum-Managing Director and Executives of all the banks was held to

discuss the banking network. As per the recommendation, the banking outlets in villages were increased from 67,694 (year 2010) to 2,68,000 till March'2013. There were total 74,000 rural branches opened during the period of 3 years and approximately 109 million savings accounts were added. Information and communication Technology based network also increased substantially at 25 percent in March, 2010 which increased to 45 percent in March, 2013 and around 4,904 lakh transactions made through information and communication technology based account with the help of business correspondents.

In order to spread financial inclusion mission, a revised plan for three years from 2013 to 2016 was created to cover all stakeholders and ensured uniformity. It is essential to incorporate a wide network of banking sector for the promoting micro-credit facility. This step was an attempt to help poor and vulnerable people, resulting in an equally large volume of transaction taking place and people can reap the benefit of getting linked to the formal financial institutions. The Financial Stability and Development Council was launched to undertake the issues related to financial inclusion and financial literacy. In order to measure the performance of banks, a committee "Financial Inclusion Advisory Committee" was set up which was headed by Deputy Governor of Reserve Bank of India.

#### **x. Mobile Banking Policy 2012**

There is a comprehensive framework for delivery of basic financial services through digital means. Accordingly, a basic financial transactions are linked with mobile phone operators using the PIN authentication system. In the year 2012, "Mobile Banking Point of Sale" was introduced through digital wallet, wherein the Reserve Bank of India has identified 3 major telecom companies viz., Airtel (Airtel money), Vodafone (m-pesa) and Idea Cellular (idea money) and 5 others under



consideration. Among private bank, ICICI bank, has promoted mobile wallet service “m-pesa” for transfer, bill payment and cash withdrawals at the ease and created more than 70,00,000 customers based to get benefit out of it.

**xi. Committee on Medium-term path on Financial Inclusion 2015**

The Committee on Medium-term path on Financial Inclusion was chaired by Deepak Mohanty of the Reserve Bank of India and described about the progress of the Jan Dhan Yojana in terms of financial services availed by the poor and vulnerable people those are excluded from banking access. However, it was observed that there were significant gaps in terms of usage, inadequate last mile connectivity, exclusion of women, farmers and micro-small-medium enterprises, etc. This committee was set a wider vision of the financial inclusion on “Convenient access to a basket of basic institutional financial products and operations” that includes savings, remittance, credit, insurance and pension plan to small and marginal farmers, low income households at economical cost with adequate protection. It was supported by social cash transfer benefits which are increasing among small and marginal enterprises. The formal finance system is having greater reliance on technology and is able to cut cost to improve service delivery by 2010. Accordingly, over 90 percent of the hitherto unbanked population can be active in economic development. This committee has a meaningful view that the financial inclusion is not feasible without payment to government and cash transfer benefits, etc. The committee has made recommendations to achieve the objectives of the financial inclusion. Some of them are mentioned as under:-

- a. To speed up opening of saving account, especially for women. Simultaneously, the government to secured future of girl child through Sukanya Shiksha as a welfare scheme.

- b. To strengthen the connectivity of Aadhaar card number and accordingly share the information with the financial institutions to enhance the micro-credit mechanism.
- c. To enhance the last mile reach and accordingly provide the financial access extensively to poor and vulnerable people through mobile banking facility. It helps to extend maximum possible payments to the government.
- d. To enhance micro-credit supply to farmers, digitization of their land records, and other related matters,
- e. To phase out the agriculture segment's interest subvention scheme for agriculture credit and ploughing the subsidy amount into an affordable technical aided universal crop insurance scheme for marginal and small farmers with a monetary ceiling of ₹2,00,000/- at a nominal premium which can reduced the distress among the farmers and divert them from suicide attempts.
- f. To strengthen a Gold Kisan Credit Card with top priority for the borrowers those made prompt repayment. This could be done with the government sponsorship and digitization of Kisan Credit Cards to overcome expenditure patterns of government.
- g. To set up extensive mechanism to enhance credit guarantee for micro and small enterprises in order to explore their cover under counter guarantee and re-insurance facilities.
- h. To start credit support system for micro-small-medium enterprises and develop new centers of financial support.

- i. To introduce dedicated windows by the banks for specialize financial transactions such as demand deposits, financing, payment and delivery contracts, etc.
- j. To promote economic system consists of multiple financial models through partnership among the banks and non-banking financial companies.
- k. To encourage the corporate sector to nurture self help groups through Corporate Social Responsibility activities.
- l. To set up ATMs in rural and semi-urban areas, inter-operatability of Micro ATMs and use of point of sale network.
- m. To make awareness of financial literacy to strengthened the basic financial literacy at all levels. Banks to identify financial literacy programs to introduce through the College of Agricultural Banking to train the people through financial literacy camps.

**xii. Eleventh Five Year Plan 2012-17**

This plan was specially designed to cover government's social welfare agendas which are covering all the sections of society to achieve the inclusive and sustainable growth. Initially, the plan was facing too much on gross domestic products as the main objective and secondly, promotion of better quality of life of the poor and vulnerable people in socio-economic dimensions. The growth of Gross Domestic Products is an important for our country because it provides production and administering welfare programs such as Mahatma Gandhi National Rural Employment Guarantee Programme, Serva Shiksha Abhiyan, Gram Sadak Yojana and National Rural Health Mission, etc. Therefore, this plan was fully recognized the objectives through improvement in socio-economic status of the poor and vulnerable people. The ratio between bank credit and gross domestic product is only about 57

percent as compared to 140 percent in East Asia and Pacific countries. The insurance premium is as low as 1 percent of gross domestic product and about 3 percent of the international average. Recently, the financial inclusion has emphasized through technological developments like information technology, core banking solution, mobile phone banking, ATMs and the business correspondents outlets with an electronic device for extending the banking operations at the door steps.

**xiv. e-Know Your Customer (KYC)**

In the year 2013, the Reserve Bank of India has permitted e-kyc, i.e., use of electronic mode as a valid process for verification of customer status under the Prevention of Money Laundering (Maintenance of Records) Rules, 2015. This e-kyc process is simple as biometric authentication of data base of individual records like name, age, gender and photograph, etc. All the banks adopted this process because its paperless and much convenient manner. Therefore, such e-KYC is successful and supports for opening of small saving accounts.

**xv. Payments Bank**

The concept of “Payments Banks” was initiated to attain easy and convenient banking access with the help of digitization. As per the Reserve Bank’s notification dt. 27<sup>th</sup> November, 2014, a registered Payment bank can be regulated under Section 22 of the Banking Regulation Act, 1949, with specific licensing conditions. The Reserve Bank of India has announced the bank licences to 11 private applicants to set up the “Payment Bank” as a banking entities. The banking sector in India is so far only one category of banks, known as Universal Bank in nature. Such universal banks are licenced to carry out the complete range of the various banking activities like borrowing, lending, investments, and catering all classes of the people.

Now, with the introduction of the Payment Banks, the existing banking structure in India has now been modified to a new variety of banks. The year 2015, witnessed mobile phone is one of the important tools of ICICI bank by which successfully linked to 2.8 million customers through pockets and a digital banking service. In the same year, HDFC bank also opened a mobile phone app “PayZapp” to attract customers to make online payments that allow users to transfer money to any person through a mobile phone. This apps was received with tremendous response of approximately 1 million downloads. During December, 2015, another online payment system was introduced and covered all retail shops including the kirana stores. Axis bank opened app “Lime” in September, 2015, which integrates wallets, shopping payments/banking on a single platform and received response over 1 million downloads of the app within three months. Axis bank’s mobile banking operations was increased by 68 percent in the year 2015 with transaction growth of 118 percent. As the economy grows, the needs become more complex, and accordingly financial products facilitates participants with growth. As per the Reserve Bank of India’s guidelines, the private banks to perform the numerous banking functions. Some of the functions are mentioned as under:

- a. Acceptance of demand deposits upto ₹1,00,000/- per customer except non-resident of India, covering under Deposit Insurance and Credit Guarantee Corporation.
- b. Issuance of ATM cards.
- c. Introduction of payment and remittance operations through various digitization such as ATM, internet banking, mobile banking and the business correspondents, etc.

- d. Introduction of sale of mutual funds, insurance products and pension products, and undertaking bill payment facility.

There were 11 different business firms consist of leading telecom operators and new-age technology companies, are incorporated through issuance of licence of banking operation and entered into the formal banking sector viz., Aditya Birla Nuvo, Airtel M-Commerce Operations, Cholamandalam Distribution Operations, Department of Post, Fino Pay Tech Limited, National Securities Depository Limited, Reliance Industries Limited, Dilip Shanghvi (Founder of Sun Pharmaceuticals), Paytm, Tech Mahindra, and Vodafone (M-Pesa) Thus, their entry into the formal banking system is an important step towards fulfilling the vision of universal access to a banking operations to the masses. These banks are extending banking operations and promotion of financial activities to the excluded people, especially household to inculcate savings habits, capital formation activities and thereby keeping away myriad forms of unregulated financial transactions. Such kind of reforms in banking are one of its kind and thus the enhancing the services of the banking sector extensively.

The implementation of such kind of banking entities is showing the way towards the successful transformation of banking services and confirmed that there are sources to cater banking operations. Presently, the financial inclusion is compliance requirement to fulfill the government's mandate and social agenda to provide basic banking operations to un-served and underserved population. It was a revolutionary step in the banking sector, which brought sustainable business strategies with the latest innovations in technology and ease of doing business. Also possible to reach out to untapped segment, especially in rural/remote areas by using new business models which are now considered as the biggest opportunity for the Indian banking industry.

The main objective of the financial inclusion mission is to encourage banking operations universally to the potential customers with the help of digitization. Hence, information based technology service providers are promoting new product and services with low cost transactions. The newly launched banks are characterized by digital banking, convenient, cost effective, lowest value financial products and deepening financial inclusion. Whereas, the rapid growth of internet penetration helping the branch based banking transactions to reduce the cost at least by 7 percent. Therefore, digital banking is ready to tap 230 million customers by 2020. Thus, private bank are mostly financial transactions are made through mobile phones and are minimizes cash transactions in order to support cashless economy.

The implementation of private banks depends upon the various prospects such as the demographic pattern of our country, unbanked population, cost effective means and ease of operation arising out of hassle free operations, distribution of insurance and mutual funds which are growing at 10 to 15 percent annually and bill payment market with 20 to 22 percent rate of growth and mobile market with an annual growth rate of 8 to 10 percent annually. If the private bank having own telecom network, they can invest significantly towards technology expansion. These business houses already in telecom operations and now migrating their existing mobile users as banking customers. This is helpful to make a natural extension of their business opportunities. It is essential to provide secured banking transactions and therefore, set up new customer oriented digital payment with the help of Aadhaar and e-kyc. The department of Post needs to train their staffs to perform on latest technology. The postman services of Indian Post can utilize as a strong network to deliver mail services to last mile reach. Financial literacy programme to be initiated regularly so that more and more customers covered through the online banking system.

**xvi. Reserve Bank of India's policy on Financial Inclusion 2014**

The various monetary and financial policies are framed by the Reserve Bank of India time to time to regulate the financial system in our country. Though, the financial inclusion is very old concept in India's financial history, there is need to redesign its policy as per the current requirement. The most important policy framed for the social and economic welfare of our country. It has dual concepts such as on one hand it is a business opportunity for the financial institutions and other hand it is access of banking facilities to the poor and vulnerable people. These policies are helpful to financial institutions for penetrating into unbanked areas and thereby attaining profits. Basically, these inclusive growth policies are based on 4 pillars of financial inclusion, i.e., productivity, employment opportunities, financial Inclusion and inclusive development. The Reserve Bank of India is announcing numerous polices with aim to enhance access to basic banking operations, credit market and financial education. For example, the introduction of lead bank scheme on the banks to encourage a specific bank to initiate in providing banking operations at the district level and to promote self-help groups. The some of the initiatives for the penetration of financial inclusion are mentioned as under:

- a. To promote business correspondent model in order to cover poor and vulnerable people, especially rural and remote households.
- b. To promote the concept of no frills account and support banks to open such account for poor and vulnerable people.
- c. To set up a support system to assists regional rural banks and cooperative banks in marketing of insurance and financial products.
- d. To create special funds for financial inclusion.



- e. To reframe the cooperative credit structure consists of primary agricultural committee, District credit co-operative banks and State Co-operative banks.
- f. To promote digital banking through prepaid cards, and mobile banking, etc.
- g. To promote bank branch expansion and set up financial literacy centers to strengthen consumer based.

Further concentrating on poor and vulnerable people towards the mainstream of the economy. Towards inclusive growths the important measures were undertaken by the Reserve Bank of India since last four decades. During the first phase, i.e., 1960-1970 witnessed for development in the banking sector. This period, mainly focused on enhancement of credit facilities to the neglected section of the society. Simultaneously, there were several developments in the rural banking system. There was a setup of social contract with banks, lead bank set up for rural lending and thereby increasing socio-economic development of the people. During the second phase 1980-1990, the Reserve Bank of India introduced the branch licencing policy with special focus on expansion of banking network in rural and remote areas. A specialized bank, “National Bank for Agriculture and Rural Development ” was set up on 12<sup>th</sup> July, 1982 to provide refinance to banks in order to fulfill credit needs of the agriculture sector. The third phase started in the year 2000, wherein the term “Financial Inclusion” was introduced for the first time in Reserve Bank’s annual policy statement 2005-06. Thereafter, a new policy plan was initiated “Financial Inclusion Plan” in order to undertake 100 per cent financial inclusion drive across the nation. In the year 2004, the Reserve Bank of India further set up H.K. Khan Committee to look into broader financial inclusion and recommendations incorporated into the midterm review of policy in 2005-06 and instructed all banks to reframe objectives towards implementation of financial inclusion.

**xvii. KYC relaxation**

The relaxation in Know Your Customer (KYC) norms for the small savings deposit account was introduced in August'2005 to simplify the procedure. It's assisting to open saving accounts, simplified KYC guidelines to such extend that potential customers can open accounts without any documentation. Further, in order to leverage on the initiative of UIDAI, Aadhaar Card is allowed as one of the proofs and considered as eligible documents for fulfilling kyc requirements for account opening w.e.f. September, 2013. The Reserve Bank of India is allowing e-kyc operations based on Aadhaar number and paved the new initiatives towards easy banking operations for all.

**xvii. Opening of new branches in unbanked rural and remote areas**

All the banks have to compulsory open at least 25 percent of their new branches in unbanked rural centers. As per the annual policy statement for 2013-14, banks were advised to prioritize the opening of branches in unbanked rural cities over 3 years continuously. This process facilitates the expansion of branch in unbanked rural centers. The idea is to create an ecosystem for easing efficient delivery of operations, effective cash management, redressed of consumer grievances and supervision on business correspondents. In June, 2006, the Reserve Bank of India has further permitted to utilize the operations of intermediaries in providing banking operations through use of the business correspondent model which allowed banks to "Cash-in-Cash Out" transactions at a location much closer to the rural/remote excluded population, thus solving the last mile problem of financial inclusion. It was a roadmap for promoting banking access in unbanked villages having a population of more than 2000 habitats. Accordingly, during the first phase, i.e., 15.08.2014 to 14.08.2015 total 74,000 with population more than 2000 were provided with banking

outlets. Second phase, i.e., 15.08.2015 to 15.08.2018, cover balance unbanked villages approximately 4,90,000 were identified in villages less than 2,000 population and allocated to banks for opening of banking outlets by March, 2016.

#### **xix. Credit Guarantee Fund**

The forth and most important aspect of socio-economic development is the creation of a Credit Guarantee Fund. As per the Reserve Bank's statistics, till March, 2014, there were 5.90 million small deposit account holders already availed overdraft facility of ₹16 billion as against 242 million accounts opened in March, 2014. Hence overdraft availed by beneficiaries is in a very small fraction due to various reasons. Some of them are listed below:

- a. To fix the upper ceiling of ₹2,500/- per each account.
- b. Under the Jan Dhan Yojana, there is a provision of overdraft of ₹5,000/- per account holder after satisfactory performance of six months.. It is a scheme to have multi dimensional benefits such as medical, health and education, etc.
- c. The corpus fund of ₹1,000/- Crore to provide guarantees against defaults in overdraft in basic bank accounts and it is estimated that there is another 7.5 Crore will be included. There is a provision of ₹25 Crore for households (₹13 Crore) and KCC (₹12 Crore) and an overdraft facility of ₹65,000/- Crore.

#### **1.5 Financial Literacy**

Financial education is assisting to make awareness among people to change their attitude and behavior towards financial matters. This includes various concepts like the financial planning, savings, old age support, micro-finance, term loans, the fungibility of money, and prevention of fraudulent transactions. It's motivating people to use financial products through authorized agents only. Due to lack of financial

awareness, people are not aware of the benefits of financial products such as insurance, finance, bank account, ATMs, net banking and check book facility, etc. The majority of the people are gaining through personal experiences to take right decisions at the right time. Financial literacy is basically making awareness of managing urgent need of finance. In a real sense, it is terminology towards change in socio-economic status of the people and linked to solution for demand as well as supply of financial products and operations. In simple terms, financial literacy provides basic knowledge of finance, skills, values, habits and attitude to manage earning, spending, saving, borrowing and investment activities, etc.

There are various financial literacy programs done, which envisages the ways of creating awareness and educating people about access to various benefits of financial management. The main features of the financial literacy is to focus on financial behavior and understanding of rights and obligations. Financial literacy is a continuously promoting initiatives by organizations such as the Reserve Bank of India, Security Exchange Board of India, Provident Fund Regulatory Development Authority, banks, non-government organizations and micro-finance institutions, etc. Some of the activities are mentioned as under:-

- a. The Reserve Bank of India has framed policy on “National Strategy for Financial Education” and directed all the banks to implement financial literacy campaign across the nation. The dedicated website was set up to provide financial education in different 13 languages, financial literacy project’2007 for the banking system and introduced financial literacy young scholar award for undergraduate students.
- b. All the banks through business correspondent and business facilitator model made an attempt to resolve the problem of last mile reach. It is helpful to the

poor and vulnerable people to take benefits and transact their day to day money matters without visiting the banks.

- c. Self Employed Women's Association taken initiative to developed manual for financial literacy for their members and Financial Inclusion Network in India to undertake a financial literacy campaign more effective. Some of the educational institutions also developed the National Centre for Financial Education, and syllabus for colleges related to financial inclusion.
- d. Insurance Regulatory Authority of India also started awareness program and spread information related to the rights and duties of policy holders through media channels such as television, radio, newspapers and mobile phone, etc. For easy understanding of various insurance products, a handbook for the policy holder and comic books for children also. A separate Grievance Management System has been set up to redress the complaints.
- e. The Security and Exchange Board of India, also promoting the nationwide campaign with the help of eminent personalities as resource persons, and arranged workshops for target groups, seminars for stakeholders, and dedicated website for investors education, etc.
- f. The Pension Fund Regulatory and Development Authority has developed dedicated website and spread the information through Frequently Ask Questions (FAQ) on the pension related matters. Further, also set up intermediaries "Aggregators" for pension awareness in different languages.

**The some of the financial literacy schemes have been described as under:-**

### **1.5.1 National Strategy for Financial Education**

It was introduced with main objectives to develop financial awareness among the people to encourage towards financial inclusion mission. There is a multi agency approach to enhance financial literacy among the various channels including banks. There were 644 financial literacy camps opened in different districts. The regional rural banks have arranged near about 35,000 financial literacy camps in every month. The awareness also done through posters, banners, books, comics and street plays were also arranged in the local fairs and exhibition so that more and more people can participate and understand the importance of financial inclusion. All the banks and business firms jointly undertaken various initiatives towards financial literacy camps in schools and colleges through discussion, quizzes, and essay competition, etc.

### **1.5.2 An Institutional framework to spread financial literacy**

Financial stability and Development Council, chaired by the Union Finance Minister along with executives of all financial entities to meet together to discuss the framework. Such intellectual group to revise the policy to spread financial inclusion in general and financial literacy in particular. The national financial strategy was framed to envisage ways of creating awareness, operations, financial behaviour, and promoting consumer to understand rights and obligations. The government has directed the Reserve Bank of India to reframe the mechanism for financial literacy to make more awareness among the people, protect their interest and operate financial transactions in a more transparent manner.

### **1.5.3 National Centre for Financial Education**

National Centre for Financial Education is an institutional body to spread financial literacy among the various segments of the society. It was set up to make awareness to potential customers about financial transactions and thus update their knowledge and competitiveness. It comprises a representative of all leading financial regulators viz., Reserve Bank of India, Security and Exchange Board of India, and Provident Fund Regulatory Development Authority, etc., to set up to the national strategy for financial education under the guidance of a technical support of Financial Stability and Development Council. For better operations, this mission is to undertake massive financial education camps to promote people towards money management and thereby minimize financial risks. During September'2013, the Reserve Bank has formed a committee headed by Nachiket Mor and directed to enhance financial inclusion, especially amongst the small businesses and low income families. The committee has recommended many measures to overcome the issues of financial literacy like Universal Electronic Bank Account for all the citizens, ubiquitous access to payment operations, economical bank charges, openness to affordable micro-credit, investment, and accountability.

#### **1.6 A Conceptual Framework of the Study**

A conceptual framework is a rational approach in research studies which comparing several variations and contexts. It is useful to understand conceptual ideas about the research work. The strong conceptual structure is actually pillar of the study in such a way to understand, remember its applications thoroughly. The main purpose in developing a structure is to have a set of specific and relevant information about the research work undertaken. In the present research titled "*A Study of Jan Dhan Yojana - as an attempt of Financial Inclusion with reference to specific blocks of Thane District*" wherein the researcher has made an attempt to collect the relevant

information from reliable sources and put in a plausible manner to enable to develop a strong conceptual framework of the study.

The main focus of the present study is to evaluate the Jan Dhan Yojana, which is one of the attempts of financial inclusion mission. Accordingly, the researcher has studied different theories of the financial inclusion, financial exclusion, financial literacy, rural finance, micro-credit, micro-insurance, institutional banking sector, technological developments, infrastructure support and policy guidelines, etc.

Some of the concepts are described as under :

### **1.6.1 Concepts related to financial inclusion**

#### **i. Financial Inclusion:**

It is for easy operation of various financial products and services with low and affordable cost without any discrimination. This concept recognizes the fact that households should easily access of financial services. Access means utilization of financial operations supported by demand and supply. The problems of financial inclusion are arise due to demand of various financial products and operations but doesn't have easy access. Further, financial inclusion is also meant for the appropriation to everyone towards uses financial operations regularly. This has a treasury of diversion that reflects the variety of possible financial operations from the payment side of the small deposit saving account, credit facility, pension, insurance and security market. Hence, to achieve one of the objectives of financial inclusion, households must have bank saving account. Having a bank account is a part of inclusion, social status, empowerment and approach to the National Payment System and is an important facet of the financially excluded poor and vulnerable people to enhance their financial operations.



Financial inclusion is broadly referred to ubiquitous access to a wide range of financial operations at an affordable price. These include not only banking operations, but also other financial services such as insurance, micro-credit, remittance operations, money transfers and micro-business transactions. Financial inclusion is also means that each and every individual is able to operate legal, banking operations and they should be able to choose appropriate products/operations as and when needs. The household's access to financial transactions includes access to exigency planning for fund and wealth generating activities. On the other hand, access to wealth creation activities includes savings and investments depends on a family's income pattern, awareness of financial operations and risk taking ability.

The main merits of financial inclusion are assisting the poor and vulnerable people who never have access to banking and bring them into the mainstream so that poor and vulnerable people can utilize more options to avail financial services such as savings, payments, remittance and insurance, etc. These policies have a comprehensive impact on their socioeconomic development to scale up the standard of living. The government policies are also meant for fostering agricultural growth by providing direct credit to the farmers, market information and generating institutional parameters to balance financial market in the country. This process is effective because, it ensures access to financial products and operations needed badly by all the sections of the society (especially poor and vulnerable groups) at an affordable cost and transparent manner.

## **ii. Financial inclusion as a tool**

In India, financial inclusion provides an assurance to every citizen to open small deposit saving account easily. Financial products such as RuPay card, cash deposit, withdrawals, fund transfer, remittances, insurance, balance inquiry, mini

statement, phone banking and internet banking facilities, etc. available at ease and affordable cost to the underserved and un-served population those are still not considered for basic banking operations. These operations are available through authorized financial institutions and the availability of vast network, especially in rural, remote and hilly areas. Some of the barriers such as physical distance of banks branches, stringent working hours, cumbersome documentation process and proof of identity, etc. are the main hurdle for poor and vulnerable people to operate banking operations. To overcome these barriers, banking regulators modified bank branch network and allowed to operate within 5 kms distance from the villages and extended at the doorstep through business correspondents. It is a basic feature of the banking industry to understand the various financial needs of the customers. The bank branches or services through the ATMs are transacting efficiently, but with few a limitations. In the today's technological development scenario, a personal computer and/or smart phone, etc. are the devices that considered as a tool where customers are executing their financial transactions easily. Price is another vital aspect which plays an important role as far as financial inclusion concerns, especially for poor and vulnerable people. The low cost products and operations are attracting the customers to use as and when the need occurs. Therefore, an appropriate and transparent pricing policy is the most decisive to boost confidence amongst the poor and vulnerable people. Protection against unfair trade practices is another aspect which needs to be illustrates to the financially excluded people. Therefore, financial inclusion is an important tool for the socioeconomic developments of the people.

### **iii. Scope of financial Inclusion**

The financial inclusion is significant for creating affordable avenues of various financial products and services to the poor and vulnerable people who don't have

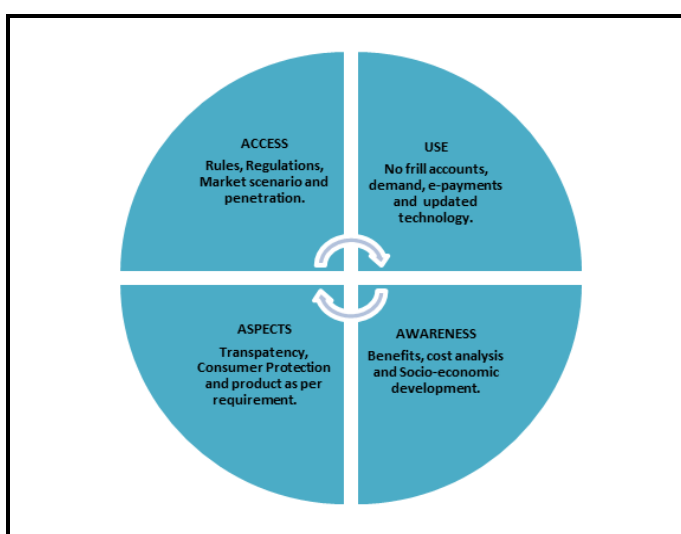
bank approach. At the beginning, financial inclusion was considered as having access of small deposit account to all individuals so that they can make money transactions in a secured manner. These financial operations consist of no frills account, suitable saving products, money transfers, micro-credit, micro-insurance, overdraft facility and regulatory reforms, etc. Further, every individual has right but not obligation to choose appropriate financial products which will provide attractive secured returns. Therefore, opening of small deposit account becomes a significant means of financial inclusion. Financial inclusion is also useful to understand the risk components, compared with open market and various other benefits. Moreover, it is essential to arrange an awareness program to select appropriate products as per the demand of the customers, because it facilitates to operate the saving accounts through electronic devices, ATMs and internet banking, etc.

Now, with the help of simplified account opening procedure and relaxed norms, there are more customers inclined to cater their financial needs through small savings bank deposit account opened under the Jan Dhan Yojana. The prime objective of the mission is to make available financial products and operations without transaction fees, and no extra charges. Thus, financial inclusion is dynamic system to serve lower income group customers and helping regulatory changes to accommodate at the levels of understanding of the poor and vulnerable families. There is a strong need to redesign some of the strategies for financial inclusion with special emphasis on consumer protection and financial literacy to build up confidence and ultimately enhance demand and supply of financial products. Finally, financial inclusion enables consumers to develop confidence in financial matters and take appropriate decisions.

#### iv. Dimensions of Financial Inclusion

There are basic four different magnitudes of financial inclusion which indicates its essentiality and measures to understand its impingement on underprivileged people. These are the main sources for policy makers and regulators to reform policies accordingly.

**Graph 1.2**  
**Dimensions of Financial Inclusion.**



(Source: Frost and Sullivan 2009)

- (a) Access is the first element which describes the ability to provide financial products and services to the people. The financial plan is linked with the rules, regulations, guidelines, market access and technology environment, etc., to provide protection. Access is nothing but depth of outreach of service providers, especially in semi-urban, rural and remote areas.
- (b) Usability, indicates the actual operation of financial services such as no frills account, ATMs and point of sale mechanism, etc. The usage can be developed with the help of financial literacy programs to enable to capture financial market.

- (c) Aspect is the third dimension of financial inclusion which clarifying the quality of financial products and services. The quality reflects the congruity of financial products/services which can fulfill customers' needs. It simply means the ability of the products, measures, transparency, safety, and consumer protection, etc.
- (d) Awareness is useful to the customers towards evaluations about the products and cost effectiveness. Awareness builds confidence among the customers to choose appropriate products and services for a longer benefit. It is one of the tools, which provides the protection from misleading financial products and services.

**v. Poor and Vulnerable people**

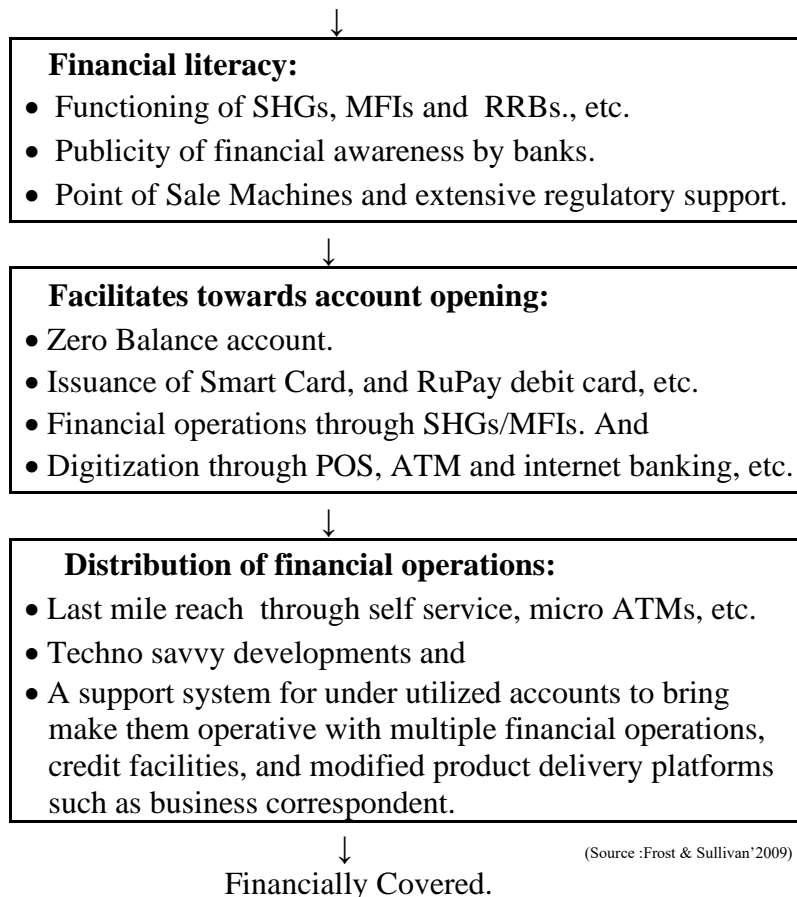
The expert group under the Chairmanship of Prof. Tendulkar has computed the poverty on the basis of cost involved in food consumption. As per the extensive review, the estimation of poverty calculated on the basis of the amount spent on consumption by the people. The methodology is based on an exigency determined poverty which express in terms of per capita consumption per month and the class distribution of National Survey Sample round. Planning Commission of India for estimation of poverty line uses a methodology in State's and regional's specifications which further divided into rural and urban parts. Accordingly, in the year 2011-12, poverty line was fixed based on per capita monthly expenditure of ₹ 972/- in rural part and ₹ 1,407/- in urban areas. It means rural people those were spending less than ₹ 32/- per day and urban population spending less than ₹ 47/-per day towards food consumption, were categorized as "Below Poverty Line" group. Another, expert group under the guidance of the Reserve Bank has different measurement of per capita consumption, which based on National Sample Survey Organization's 68th round and

defined that average monthly per capita consumption expenses on food was ₹ 554/- in rural areas and ₹ 656 in urban areas. It means rural people those are not spending ₹ 18/- per day and urban people those are not spending ₹ 22/- per day for food, etc. are categorized as below the poverty line. This vulnerability is a severe situation in which the poor always resist their lives in the non-accessibility of proper social security mechanism.

#### **vi. Lifecycle of financial inclusion**

In the year 2009, Frost and Sullivan developed the financial inclusion cycle to understand the characteristics of the excluded poor and vulnerable people from basic banking operations. The functions are operating in different environments, but same time connected with each other. Financial literacy plays a vital role to control the informal market and make the path for financial planning through mobilization of savings, utilization and allocation of available financial resources, etc. Delivery of financial services are an important aspect in the financial lifecycle. Therefore, it is essential to incorporate every segment of the population under financial inclusion mission. There are steps to transform financially discriminated people into institutional financial segments. The important step is to educate people towards bank account and motivate to operate which may result in an active account. Therefore, initial efforts were made to make all the accounts operative. Secondly, link all accounts with government subsidies and payments of social benefits, etc. Following is the financial inclusion conduct describes the features of financially excluded people.

**Chart 1.6**  
**Financial Inclusion conduct.**  
Financially not covered.



Financial literacy is the process to educate people about various financial products and services, their appropriate usages, operation and management of funds. The Reserve Bank of India has defined financial literacy as “the mechanism by which consumers and investors can develop their ability to understand financial products/services along with concepts and risk associated with them. Apparently, it is helpful to the customer to develop confidence and avail more opportunities in order to grab the benefits out of it and ultimately develop socio-economic status. The opening of bank account is one of the significant steps towards financial inclusion, because it caters understanding of institutional banking operations of the underprivileged people through regular sources. Therefore, it is essential for all banks to develop easy banking operations and technological support .

### **vii. Delivery mechanism of financial products and services**

The branches of banks are having limitations on the scale of banking operations due physical distance and can't solve the problem of last mile reach. Therefore, delivery of financial services to the underprivileged people becomes more critical task due to feasibility of operation and cost factor. Technological knowhow is helpful to develop overcome traditional methods of banking operations with limited access to selected customers. Therefore, to have last mile delivery of financial services via business correspondent is one of the alternative mode.

The scheme known as “Swavalamban” was launched by the government to provide banking services at the doorstep and thereby extending the scale of financial operation. Self operating tools can provide a feasible platform for the delivery of financial services to the financially neglected people. Thus, well managed financial services with updated technology such as mobile phone banking, internet banking, biometric electronic device, and micro-ATMs, etc. are made for excluded people to bring into the institutional financial system.

### **viii. Exclusion of basic financial operations**

The term “Financial Exclusion” was first introduced in the year 1993 by British geographers who were concerned about negligible availability of banking operations due to closure of the bank's branches. The same has been further used in a broader sense to categorize people who never have an awareness of basic banking operations and illustrated as lack of access by certain consumers to avail the benefits of financial products/services which can be affordable, low cost, fair, transparent and safe through the formal financial system. Prior to nationalization of banks in India (year 1969) people were excluded from financial operations due to physical distance and there were fewer bank branches i.e., 1,443 were available. As a result, bank



licence policy was re-introduced in the year 1977 and physical bank branches in rural/remote areas were increased from 1,443 to 10,856. As per the Reserve Bank's report 2005-06, there were only 30,769 bank branches in rural/remote part of the country. Some of the poor and vulnerable people made an attempt to open a bank account, but due to income disparity, lack of financial access, non-availability of bank branches, illiteracy and indifferent attitude of the bank staffs, etc. couldn't operate regularly. Finally, they are using the services of the informal financial market. This kind of situation is termed as financial exclusion which simply means people are willing to operate through financial market but still not covered so far.

Financial exclusion can be measured in different types which are conceptually distinctive from each others like bank operation, term deposits, financial planning, lack of micro credit, insurance, mortgage of loans, old age income source and term loans, etc. All these applications are important for inclusive growth of the people of different strata of the society such as poor and vulnerable, disabled, children, senior citizen, women, widows, illiterate, ethnic, minorities and unemployed, etc. Whereas, in rural parts, people experiencing limited access to financial operations such as saving account (70 percent), life insurance (10 percent), fixed assets (2 percent), assets insurance (2.53 percent), health insurance (0.20 percent), credit card (3 percent), debit card (5.66 percent) micro-credit/over draft (3.65 percent), entrepreneurial credit (2 percent) and physical coverage (5 percent). Thus, government introduced self help groups Bank Linkage scheme covered around 400 million poor people out of which 125 million belongs to weaker section. There were total 89.35 million small and marginal household farmers out of which 34.70 million (46.30 percent) were covered. Therefore, the financial services and required operations were identified which will be beneficial to excluded people. These operations are useful for micro-credit, overdraft,

account's inquiry, small saving deposit products, insurance, fixed assets, credit card, and entrepreneurial credit, etc.

The main factors considered for exclusion of financial services are irregular income, uncertain employment, lack of banking access and financial literacy, etc. There are other aspects also having comparatively less impact such as disability issues, indigenous and ethnic issues, physical and remote bank branches, lack of computers and internet facility, and no alternate products, etc. The great confusion of financial exclusion is that consumers issues such as physical coverage, cost, micro-credit, suitable products, flexibility, community entrepreneurship and financial management support system.

#### **ix. Financial education and awareness**

Financial education is the most important aspect which must be incorporated while designing or redesigning national policy of financial inclusion. As per the schedule of financial inclusion mission, government to declare it as a priority sector for social and economic developments of the poor and vulnerable people. The policy is strengthening banking operations, consumer's protection, sharing of financial knowledge to operate with the existing financial education and promote their own financial livelihood. The government's financial education policy is focusing on consumer protection, safety and regulatory mode.

In the year 2007, the Committee was setup as "Regulation and Inspection of Financial Capital, Insurance, Pension and Capitalization Markets." and observed that while implementing such policies there were few challenges faced by bankers such as improvement of data on the financial inclusion, wider scope of the microfinance operations, savings, and strengthening the institutional structure to protect consumer's rights, etc. Such types of committees were also framed at international level viz.,

Brazil, Mexico, Indonesia, Philippines, United Kingdom, United States of America and South Africa to cover excluded people. The promotion of the financial education across the nation is an essential to protect consumer's rights and ensure complete financial illiteracy.

The "Financial Mission Policy" was formed to spread financial inclusion and explains the objectives of massive financial literacy campaigns. This policy is helpful to the poor and vulnerable people to open a bank account and manage their savings more efficiently. The Reserve Bank of India is regularly issuing various directives to banks to serve rural/remote areas having a population of at least 2,000 habitants either through bank branches or business correspondents. This plan also covering other characteristics viz., advanced technology to connect remote/rural areas bank branches and process transaction rapidly, simplified authentication, e-kyc and wide utilization of Aadhaar number, etc. Updated technology based education required to deliver services through schools, colleges, government offices, institutions, road shows, pamphlets and films, etc. According to 2011 Census, there were 53,180 villages with residents of above 2,000 people, which has been already captured and further 46,443 small villages of 74 million (approx) population covered will be with the help of zero balance accounts.

**x. Rural Financial Market**

Rural finance covers the micro-finance, micro-deposits, risk opportunities for financial market with related norms and operated in rural/remote parts of the country. Thus, rural finance market is an integral part of the domestic financial system. The market understands the demand of the various range of financial products for social-economic developments of the people residing in rural parts. These areas are serving by financial market consists of institutions, semi-institutions and institutional financial

intermediaries, regional rural banks, cooperative banks, credit societies, and chit funds, etc. It is an important aspect of the Indian economy wherein financial operations offered and used in large scale by rural people. Simultaneously, micro-credit is use for the agriculture related activities such as purchase of raw materials, distribution and marketing of finish goods, etc., are also an essential under the rural finance. Agriculture Produce Market Committee was set up to assists rural farmers for marketing their products and providing financial assistance to the agriculture sector.

**xi. Ease of doing banking operations**

It means to administer banking operations with simple, easy and adoptable procedures as well as convenient manner. The easy banking system is fully operational through digital mode duly adopted by the banking systems such as online banking with electronic devices and ATMs, etc. A mobile handset with a network connection is one of the instruments to make a gateway to convenient banking operations. Further, mobile banking also one of the important steps to implement, easy banking through net banking and ATMs operations. In this operation, e-banking is very much essential for verification of balance enquiry, transfer of funds, utility payments, and remittances, etc. Such types of operations are customer friendly due to its special features such as time consuming, need not to wait at cash counter and also no botheration for any kind of banking operations.

**1.6.2 Concepts related to banks providing financial services**

**i. Banking sector**

The Indian banking sector is administering a various financial operations linkages such as the saving and investment for the wealth creation and securing future life. It is an oldest and largest financial institution established widespread

all over the country. Being the central banking institution, the Reserve Bank of India is administering banking industry, which classified into Scheduled Banks and Non-Scheduled Banks. Scheduled banks are those which are included in the 2<sup>nd</sup> schedule of the Reserve Bank of India Act,1934. The scheduled banks are further classified into nationalized banks, regional rural banks, foreign banks and private sector banks. In the year 1969, the government had nationalized 14 major private banks and again in 1980 another 6 private banks were nationalized to serve the majority of people. The banking sector is influencing economy with its large size and widespread network. During the year 2010, banking system in India was well matured in terms of supply, product range and network in rural parts of the country and till the end of 2014, there were total 2,145 banks consist of Public Sector Banks (85), Private Banks (54), Foreign Banks (42) and Co-operative banks (1964).

**ii. Operations of the banks**

It offers various financial operations to the public as well as to the business entities. All the banks implementing the financial inclusion scheme by offering various financial products viz., small deposit account with the inbuilt overdraft facility, money back recurring deposit, smart cards, direct benefits transfer, Kisan Credit Card and RuPay debit card, etc. All the banks social banking division are exclusively working on the implementation of the financial inclusion mission. Initially, branches are proactive in opening of the saving accounts of migrant labours, daily wage earners, casual labours, and hawkers within the area of 500 meters of the branch and thereafter to cover an area beyond 500 meters.

Moreover, there is a special schedule for urban migrant labours, vendors and rickshaw pullers, etc. to bring into institutional banking fold to achieve objectives of the financial inclusion scheme. Under the financial inclusion plan, public sector banks are offering a variety of financial products as per the demand of the poor and vulnerable people. For example, Corporation Bank has 114 urban locations which spread across seven states and opened Corp Shahari Vittiya Samaveshan Kendra to support farmers. The one of the leading private banks, i.e., IDBI is also providing payment of the social pension scheme through smart cards and set up “Financial Inclusion Gateway and Central Authentication Service” to facilities, inter-operation within the bank for better and efficient delivery of the banking products.

### **iii. Private Bank**

The newly introduced Private Banks are offering plethora of financial operations to fulfill the objectives of the financial inclusion mission duly announced by the government of India. All the banks to set up their network strong in urban as well as semi-urban areas and operate through the physical banking network and digital system. The banks are offering paperless and instant banking operations through the business correspondent model. For example, a leading private bank i.e., HDFC in addition to their regular banking operations, also supports Micro, Small and Medium Enterprise Sector which in turn generating employment opportunities to the poor and vulnerable people. Secondly, ICICI Bank, another leading private bank had installed effective mechanism of the banking operations through “**Bank on Wheels**” and providing doorstep banking services to their customers and resultantly recorded the highest number of small saving accounts.

**iv. Saving of money**

Saving is a part of the money deposited with bank by the account holders at a particular time or at regular intervals. Saving amount depends on the account holder's capacity to deposit in the bank account. There is a wide scope of direct deposit of cash into the bank as per stipulated limit fixed by the Reserve Bank of India and/ or deposit through cheque or e-payment. Therefore, saving is termed as a seed capital available with depositor, which is useful in case of emergency and it is one of the income generation activities. In simple terms, saving is denoted as a financial planning for future financial emergencies.

**v. A Remittance of money**

A remittance is the process of transferring money or making a payment to a person residing in faraway places. It simply means a transfer of funds to an expatriate via wire, mail or online transfer. Such kinds of peer to peer transfers of funds across the borders are economically significant for many nations. Therefore, money transfer is the tool to transfer of available fund to a person staying far away. It is basically derived mainly from two sources, i.e., income earned by workers, especially migrated workers and the need of money for any other cause. Remittance is also transmitting cash through secured institutional wireless channels to a person located across the borders.

**vi. Electronic Banking (e-banking)**

This is a web based service which enables the customers to operate their account. Electronic banking is allowing all kinds of banking operations through an exclusive portal of respective bank with the help of username and password technology. It is one of the e-modes which eliminating the banking inconvenience timing of operation and long waiting time too. The services of e-

banking started during the mid 1990s when internet and the world web was catching on. At present, internet is assisting an exclusive use of technology for information sharing in order to meet the different needs of customers by integrating operations like data transmission, data integrity, data acknowledgement, data authenticity and data security, etc. With the increasing awareness of the internet and its application by customers is the source of the expansion of the role of the banks. Simultaneously internet, and e-banking technology are becoming an integral part of Indian banking sector for the socioeconomic development of the people.

**vii. Techno-savvy device for financial operations**

The banking sector is playing a vital role in providing basic financial operations in the most affordable manner with the help of technological developments. Technological developments are one of the most effective tools by which these operations covering each and every part of the nation in a convenient, easiest and fastest mode. Thus, technological developments are most suitable to improve the banking procedures and to serve the masses with ease of doing business. Now, traditional way of the banking is on the way to exit because of digitization, such as credit cards, debit cards, ATMs, internet banking, core banking solution, e-fund transfer, business correspondents, and mobile phone apps, etc. In view of the innovative technological advancements in Indian banking sector, it is pertinent to understand all the technological modifications in the banking sector as a structure.

The year 1980 is known as the first phase of the financial inclusion (digital) in India because the credit card was launched by the foreign banks to cater urgent needs of micro-finance of at least 200 million middle class



households in India. Noteworthy, this was christened as plastic currency mechanism. These credit cards are providing hassle free finance, which was not accessed through the traditional banking system. During 1987, the ATM's were opened for customers to operate financial operations efficiently. In the year 1997, technological development was further extended in the of internet banking to access the banking services through a computer. The Core Banking Solution was initiated in the year 2001-02 to cover all the branches of banks towards easy operation. A customer can operate, saving or current account from any bank branch offices of the bank from one branch to all other branches.

**viii. National Payment Corporation of India**

The “National Payment Corporation of India” was set up in 2009 to operate the country's financial system which facilitates all the ATMs transactions through inter-connectivity between the banks and thus allowing the customers to operate through all the ATMs for their day to day transactions. These were some of the measures which were taken to encourage the entire payment system for ushering in a cashless system in the country. It was also ensured that the payment mechanism is safe, efficient, interoperable, authenticate, accessible and inclusive in compliance with international standards. In the year 2005, the advanced technology was introduced to transfer the funds immediately through the bank account by using internet operations. This system is known as “National Electronic Fund Transfer” which was introduced to assists the customers to transfer their fund(s) safely from one bank account to another instantly. It is appropriate for online payment of utilities such as electricity bill, merchant payments, telephone bills, mobile

bills/recharge, inter-operation of accounts, university fees, school fees and examination fees, etc.

At present, all the banks are offering the multiple channels for mobile banking operations so that options can be open to all types of customers through their handset device with appropriate features of security. These operations are value added to make merchant payment within seconds after authorizing through either M-Pin or One Time Password which sent to the registered mobile number of the customer. Despite lower value, it has been increased from 6 million to 22.5 million in the last three years i.e., 2010 to 2013. As on 2014, there were about 22 million active customers using mobile phones for banking operations in India and increasing rapidly.

**ix. Immediate Payment Systems**

This technology is based on payment system “IMPS” was originated in the year 2010, as easy access to bank customers to enable them to transfer their funds immediately to any other registered bank accounts through highly secured manner. It enables real time transfer of funds between different bank accounts and provides a centralized inter-bank settlement service. In respect of mobile phone banking transactions, the accessibility of internet based credit transfer facility as and when funds request made from the bank. This facility is administered by the National Payment Corporation of India through its existing mechanism. As on August’2014, total numbers of IMPS transactions were 5.06 million, amounting to ₹ 36.78 billion and same are being increased rapidly.

**x. Direct Benefit Transfer (DBT)**

Direct Benefit Transfer scheme was introduced to transfer the amount of subsidies directly to the beneficiaries bank account. Under the Jan Dhan

Yojana, most of the accounts having a zero balance and in order to avoid non-operational status of such accounts, the government subsidies are transferring to these accounts so that accounts are in active mode and beneficiaries can avail the benefits of the scheme. All the banks are using an electronic payment system which is linked to Aadhaar enabled payment systems. Approximately, one million Aadhaar enabled micro ATMs are added to incorporate over 750 million mobile phone devices.

**xi. Business Facilitators**

The services of business facilitator are engaged as authorized agent by the banks with the aim to focus on broader financial inclusion and increasing the outcome of the banking sector. These business facilitators are pursuing the client's financial proposal and facilitate to carry out its transaction, but not allowed to perform financial transactions. The Reserve Bank's circular Dt. 25<sup>th</sup> January'2008 allowed non-government organizations, self help groups, micro-finance institutions and other civil society organizations to provide operations as facilitator on behalf of specific banks. Further, included corporate entities, post offices, insurance agents, gram Panchayats, agricultural societies, and Krushi Vigyan Kendras, etc., for effective financial inclusion.

**xii. Business Correspondent**

The concept of business correspondent was introduced as agents duly appointed by the banks to carry out banking operations on behalf of respective bank. The transactions are disposal of micro-credit, recovery of principle and interest, deposit of small value, issuance of micro insurance policies, micro-finance, pension products, third party products, receipt/delivery of small value remittance and other payment instruments. All the business correspondent are

authorized agent of the banks in the normal course and performing operations other than the bank locations. Any person retired from government services viz., department of Post, school teacher, headmasters and ex-serviceman, etc., are eligible by the Reserve Bank of India to act as a business correspondent. After identification of criteria, the banks should ensure opportunities for transactions by providing suitable operations. As per guidelines, business correspondent should cater services at the bottom level of society, where bank branches can't reach. Further, Non-government Organizations, micro-finance institutions, credit societies, registered trust, co-operative society, companies registered Under Section 25 (not for profit) and Post Offices, etc. are also permitted by the Reserve Bank of India to act as a business correspondent for extensive coverage of financial services.

**xiii. Automatic Teller Machine (ATM)**

The ATMs are performing all the banking operations digitally at any given point of time as per the customers need. The ATMs are set up by the concerned bank to make easy transactions by the customers irrespective of working hours. Therefore, it is considered as “Center for e-banking” which is connected and communicated through a host processor of issuing bank. Hence, when authorized card is inserted for withdrawal operation, then an encoded signal is sent to the ATM switch for its verification. Simultaneously, other encoded signals verified the account balance amount. After the successful verification, the core banking allowing to deduct the amount from the respective account only and signals the ATM to dispense cash. In case of the customer is other than home branch, then National Payment Corporation of India is assisting in the verification and authorized ATM to dispense cash to the customer. As on

28.02.2017 the operation of credit cards at all ATMs were 4.77 lakh with a worth of ₹ 224.20 Crore, whereas the transactions of a debit cards at all ATMs were 71 Crore with a worth of ₹ 2.25 Crore. The following table describes the total ATM operations as on 28.02.2017.

**Table 1.8**  
**Number of ATMs all over India as on 28.02.2017**

No. of ATMs	On-site ATMs	Off-site ATMs	White labels	Urban ATMs	Rural ATMs	POS# Machines
2.22 Lakh	1.09 Lakh	0.98 Lakh	14,121	1.82 Lakh	40,165	25.25 Lakh

(Source: RBI, Bulletin March'2017) # POS: Point of Sale.

Above Table 1.9 indicates that the Urban ATMs are more in numbers as compared to rural parts, which shows that ATMs facility is not easily available in rural/remote parts of the country.

### **1.6.3 Government schemes**

In the month of June, 2014, the Department of Financial Operations, New Delhi has prepared a comprehensive Financial Inclusion Plan. It was framed for evaluation of existing policy of a financial inclusion and analyzed further that the policy was ineffective due to its major drawbacks such as non-coverage of villages, poor remuneration to business correspondent, trustworthiness, issues with technology, financial illiteracy, poor operations in small savings deposit accounts and coverage of financial benefits. Both the financial inclusion plan was meant to resolve the inclusion gaps in two phases, i.e., 2014-15 and 2015-18 and accordingly, all the households can have access to small saving account and micro-credit, insurance and pension, etc. Noteworthy, Financial inclusion is considered as one of the extensive missions to encourage the savings, remittance, micro-credit to the poor and vulnerable people at an affordable rates and easy to transact.

The prime objective of the financial inclusion scheme is to ensure access of banking to the poor and vulnerable people who are depending on the informal market for their financial needs. Further, in order to provide financial awareness to the people for best use of their money. The demand of formal financial services stands as a positive developmental indicator towards social and economic progress. Therefore, policy makers are redesigning inclusion measures in broader ways as a public welfare enhancing scheme. The Reserve Bank is implementing financial inclusion to target more and more poor and vulnerable people especially from the unorganized financial sector.

As per the statistics released by the Reserve Bank of India during 2014, nearly 50 percent of adults maintaining an account with financial institutions as compared to 70 percent (approximately) in BRICS (Brazil, Russia, India, China and South Africa) nations. In India in the year 2014, there were only 6 percent adult population had borrowed financial aid from the formal financial institutions as compared to more than 10 percent among BRICS members. In respect of ATMs installed through the formal financial institutions, it was estimated that in India there were only 18 ATMs per 100,000 adult population as compared to South Africa 65 ATMs and 180 ATMs in United State of Soviet Russia. The transactions made through debit cards for merchant payments from above 15 years customers were standing at 10 percent, whereas in South Africa it was high up to 40 percent.

In order to ensure the financial inclusions, the various initiatives were introduced by the government and implemented by the Reserve Bank of India such as nationalization, expansion of the bank branch network, expansion of co-operative and regional rural banks, introduction of priority sector lending, lead bank scheme, and motivation to self-help groups, etc. The present financial inclusion scheme is more

efficient, since its financial products are consists of 5 P's i.e., Produce, Premium, Place, Protection and Proceeds. It is also covering safety, reliability (send money and receive money), prompt service mechanism which is easy to understand the various benefits of insurance cover (general and life insurance), saving for save for old age, simplicity and transparency, etc.

**i. Unique Identification Authority of India (UIDAI)**

Aadhaar card for all citizens is one of the aspiring missions initiated by the government of India in the year 2009 through UIDAI. Under this project, Aadhaar Card is issuing to every citizen with all the related information, their fingerprints and 12 digit unique identification number, which is identical proof as a resident of India. The main goal of the mission is to create an easy and efficient mechanism to trace out the identity of the citizens at any given point of time. Moreover, it is also termed as one of the powerful innovations which ensures smooth functioning of welfare schemes duly initiated by government.

**ii. Jan Dhan Yojana**

The Jan Dhan Yojana was introduced in 2014, to incorporate the poor and vulnerable people those are excluded from basic banking services. It attracts the poor and vulnerable people towards financial inclusion which is helpful for the overall economic growth of our country. It has been designed especially for citizens to get the opportunity to open at least small saving bank account and ensuring financial inclusion. In order to have a hassle free banking operation for the poor and vulnerable people, financial inclusion is mandatory. The Yojana is pioneer to open of small savings deposit account to every household (preferably a lady), with no balance, lesser documents, inbuilt insurance and digital banking, etc. All such facilities are available easily and there is no any

extra cost involved. Hence, it's a golden opportunity for the poor and vulnerable people to enter into the arena of organized banking sector and avail numerous benefits. Secondly, the accounts opened under the Yojana are also linked with the Aadhaar number for safety, transparency and secured financial operations. The existing Jan Dhan Yojana stands on six important aspects such as (i) Universal access of banking facilities, (ii) Saving and remittance, (iii) Issuance of RuPay debit card with inbuilt insurance (iv) financial awareness campaign (v) Overdraft limit ₹ 5,000/-(eligibility of six months satisfactory performance) and (iv) Micro-insurance and pension scheme for people working in unorganized sector. This Yojana was declared on 15<sup>th</sup> August'2014 and divided into two phases of two years each. At present second phase is operational.

### **iii Households**

A group of people living together under one shelter with blood relationship and/or through legally binding. In simple terms, household is termed as people staying together within one binding as a single unit.

### **iv. Representative**

A representative is a one of the members of the group of person. He acts in the place of one or a group of person and standing on behalf of others.

## **1.6.4 Concepts related to socio-economic development**

The socio-economic developments mean the process of development in a society which can be measured through indicators such earning capacity, life expectancy, literacy, levels of employment, banking operations and much more. One of the primary purpose of participation in the Jan Dhan Yojana is to have access to



saving accounts and financial decision making to assist an individual to make a growth. Therefore, it describes as a process which improves the standard of living of the people. The socio-economic welfare takes into account such as the value of time, environment, income generating activities, freedom, social justice and gender quality, etc. The per capital income indicates the level of income equality amongst the people. Therefore, the process starts through transformation of the people from the bottom of society to fulfill their aspirations which ultimately helps to improve the standard of living. The social and economic developments are helpful to improve quality changes in the way the society shapes itself and carried out various progressive activities, attitude/behavior of the people, standard of living, sanitation, drinking water, medical facilities and use of technology, etc.

Moreover, the socio-economic developments of the poor and vulnerable people can be achieved through the promotion of employment and income generating activities. The economic developments are the development of wealth, individuals and society for the well-being of their inhabitation. The growth process is often assumed to indicate the levels of economic development which refers to the increase of specific measures such as real income, gross domestic products and per capita income, etc. Thus, access to the basic banking activities, saving habits, and awareness of financial products, etc., are the basic parameters of financial inclusion. Noteworthy, the Jan Dhan Yojana is inculcating saving habits among poor and vulnerable people and thereby promoting them to save hard earned money and increasing investment for future financial planning.

**i. Access to credit**

Access to credit facility is important for the day to day operations of the people as well as business firms also. Accordingly, formal access to credit

facility also essential to make improvement in life. All the banks are catering credit needs of the people with an affordable rate of interest. This is beneficial to the poor and vulnerable people to plan their financial requirements in a better way to have an impact on their standard of living. The access to credit is one of the important factors which is responsible for the socio-economic growth of the people.

**ii. Decision capacity within the household**

The socio-economic developments are based on the decision making capacity within the household, especially in financial matters. This is having an impact on their future transactions and prevents them to face financial emergencies at any given point of time.

**1.7 Chapter Scheme of the Study**

The present study is divided into five innovative chapters.

**Ch. 1** Introduction, significance, scope, historical developments and conceptual framework of the study, etc., are the contents of the chapter. Further, it describes the overall view of the financial inclusion mission and the Jan Dhan Yojana. Moreover, it also covers the various features of the financial inclusion scheme, the Jan Dhan Yojana declared by the government of India and its implementation by all the banks as per the guidance of the Reserve Bank. This chapter is also highlighting the statement of problem, significance, objectives, research gaps, the scope of the study, methodology, sampling design, construction of tools, pilot study, hypotheses to be tested, and limitations of the study. This chapter is unique for the theoretical and conceptual framework of financial inclusion as well as exclusion, the Jan Dhan Yojana, various government's schemes, banking sector, and customer

satisfaction level, etc. Further, it also covered the various related concepts of the study, which are providing deeper insight into the extensive research work to facilitate analysis of the concerned problems from various angles.

## **Ch. 2 Reviews of Related Literature**

This chapter presents the systematic analysis of various government reports, journals, magazines, accredited books, dissertations, newspapers, research reports and related websites, etc., to gain depth knowledge of various aspects of financial inclusion and the Jan Dhan Yojana. The previous studies made in this area of research are limited. An overview of previous studies has been provided various views, opinions and findings by eminent authors, experts, academicians, and various committees, etc., on financial inclusion. In this study, the researcher has made an attempt to review the related literature available in various forms. The researcher has mainly entrusted with the data available in the form of reference books, journals, published reports and research journals, proceedings, dissertations, Ph.D. thesis and newspaper articles, etc., which assisted to understand the uncovered topic and areas too.

## **Ch.3. Research Methodology.**

This chapter is meant to study the various objectives and hypotheses of the research proposal. The researcher has illustrated the data collected from respondents and analyzed further for logical conclusions. The data tabulated with various statistical tools to ascertain the problems, level of satisfaction with the Jan Dhan Yojana functioning in the Thane district. This chapter covered the sample size and geographical areas for the descriptive research purpose.

#### **Ch.4 Data Collection, Analysis and Interpretation**

This chapter highlights the details of financial inclusion scheme in specific blocks of Thane district i.e., Kalyan, Bhiwandi and Shahapur and its significant features such as demographic profile, occupation, standard of living, and financial literacy, etc. Further, this chapter is also focusing on the study of survey conducted among the 525 randomly selected respondents from 3 specific blocks of the Thane District and made an attempt to critically analyze the responses to draw logical conclusion. The scheme which was introduced by the government of India has been examined thoroughly and analyzed its impact on beneficiaries of the Jan Dhan Yojana. The researcher has used 5 points rating scale consists of Strongly Agree to Strongly Disagree. Finally, this chapter deals with comparative analysis of the Jan Dhan Yojana obtained by respondents from the specific blocks selected for the study.

#### **Ch.5 Conclusion, Findings, Suggestions, Recommendations and Further Scope of the research.**

This chapter presents the conclusions and findings of the study. An attempt has been made by the researcher to put specific conclusions and findings of the extensive study. Further, it includes general conclusions, and specific conclusions. On the basis of the study in analytical and descriptive manner and testing of hypotheses through the appropriate statistical modules, the conclusions were drawn along with the major findings. The researcher has further deciphered specific conclusions, suggestions and further scope of the research, which turns out to be essential to the policy makers. This chapter also presented various suggestions and recommendations which are generated during the course of the study towards improvement in the functioning of the

Jan Dhan Yojana. The researcher has recommended relevant parameters in the functioning of the Jan Dhan Yojana in Thane district. Finally, this chapter contains the significant contributions made by the researcher and the scope for the further research.

## **1.12 Conclusion**

In this chapter, the researcher has made an attempt to study various concepts of financial inclusion, their dimensions, financial exclusion, banking sector, the Jan Dhan Yojana, micro-economics, financial technology, financial literacy, rural finance, remittances, small savings deposit accounts, personal insurance, business correspondent model and other related government schemes, etc., which have provided a clear understanding about implementation of the financial inclusion mission.

Further, the concepts related to financial inclusion and Jan Dhan Yojana are assisting to understand the mechanism of extending banking operations to the poor and vulnerable people. Traditionally, basic banking access was denied to poor and vulnerable people on the basis of financial backwardness, lack of documents and non-effective banking network, etc. The Jan Dhan Yojana is trying to overcome all the barriers and provides basic banking services to the poor and vulnerable people at ease and initiated for the development of their socio-economic status. The banking industry is undertaking new measures to cover people who never have any saving bank account and accordingly created a new segment of customers in the banking fold. The concept of providing banking operations to hitherto people have been specially designed to cover people who are willing to avail financial access but denied due to various reasons. The poor and vulnerable people have fundamental rights to cover under financial inclusion scheme in order to upgrade their present status.

Further, the researcher has made an attempt to study selected schemes viz., Financial Inclusion and the Jan Dhan Yojana functioning in Thane district. This study mainly focused on a large number of vulnerable people and their actual responses which were recorded through data collection in detailed, measures of financial inclusion mission and make valuable suggestion for the improvements. Therefore, such extensive study shall be useful to government authorities in general and to the society in particular. The research methodology is the main part of the study, which covered collection of pertinent information and relevant data from primary and secondary sources. The primary data consist of 525 samples from specific blocks of Thane district, which are further categorized into semi-urban and rural households. The hypotheses were formulated to test the collected data and to find out the hidden facts about the implementation and better functioning of the scheme. This study may be useful to the bankers for understanding loopholes and shortfalls in the functioning of the scheme. At the same time, it will also be helpful to the government, the Reserve Bank of India and other banks to design revised guidelines, policies for the poor and vulnerable people those are excluded from institutional banking so far. The analysis of data may serve as ready information for logical decisions making for policy makers and authorities of financial inclusion as well as bankers those are providing financial services to the masses. The outcome of the study will also be useful to other organizations such as non-government organizations, educational institutions, academicians, research scholars and other students, etc. Finally, in this study, various chapters have been designed and placed in the proper manner in order to complete extensive research work and to conclude precisely.

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**CHAPTER 2**  
**REVIEW OF RELATED LITERATURE.**

- 2.1 Introduction.
- 2.2 Reviews of literature regarding financial inclusion.
- 2.3 Reviews of literature regarding the Jan Dhan Yojana.
- 2.4 Reviews of literature regarding the RBI's scheme on financial inclusion.
- 2.5 Reviews of literature regarding NABARD's scheme on financial inclusion.
- 2.6 Research gap pertaining to reviews of literature.
- 2.7 Conclusion.

## **Chapter 2**

### **REVIEW OF RELATED LITERATURE**

#### **2.1 Introduction**

Knowledge is omnipotent and can be gain throughout the life for development. The growth is tremendous in various dimensions. It can be gain throughout the life either from theories and/or through practical experiences. Research is one of the strongest applications wherein extensive knowledge about the subject can be updated. It is a scientific attempts which involve systematic methods and reviews of pertinent literatures to provide related information about the studies undertaken in past and also present scenario of the study. The academicians, students, research scholars, and eminent writers, etc., are updating their knowledge through various studies. Regularly new literatures publish by the eminent authors on different subjects and therefore, it increases with tremendous speed in the form of accredited materials such as books, journals, periodicals, dissertations and research articles, etc. In order to understand the past and current scenario of the topic, the researchers have to study pertinent literature thoroughly. Therefore, researchers are always focusing on specific purposes and selected the kinds of literature for review. The basic purpose of review of literature is to understand a background of the research topic, identify the related concepts, find out various concepts, design research hypotheses, identifying appropriate research methodology, methods of techniques, analyzes sources of data collection method and also to find out research gaps.

The present study deals with the financial inclusion scheme implemented by all the banks, department of post, insurance sector and micro finance institutions, etc. in order to cover the underserved and un-served population. The financial inclusion policy framed by government and the Reserve Bank of India has a significant impact on the underprivileged people.



In this chapter, the researcher has made an attempt to mentioned brief account of related literature to understand the past and the present scenario of the financial inclusion and the Jan Dhan Yojana. Therefore, it is important to review the literature related to nationalization of banks, Regional Rural Banks, Co-operative banks, Microfinance Institutions, Self-help Groups, Swarnjayanti Gram Swarojgar Yojana, the Jan Dhan Yojana, newly licensed Private Banks and Payments Banks, etc. Also researcher has reviewed various policies framed by government and the Reserve Bank of India to implement financial inclusion in India.

## **2.2 Reviews of literature regarding Financial Inclusion:**

**Anand Nupur (2016)** in one of his articles “*Duplicate accounts under Jan Dhan Yojana raising*” (Business Standard, Mumbai Edition on Dt. 12.05.2016, p.13) has narrated about the study on financial inclusion conducted by consulting firm M/s. MicroSave (I) Pvt. Ltd. The study found that there were numbers of duplicate small savings accounts opened under the Jan Dhan Yojana. In order to examine the genuineness of the account opened under the Jan Dhan Yojana, an extensive survey was conducted in two phases, i.e., December, 2014 and July, 2015. It is observed that approximately 33 percent account holders were already holding a bank account. Such kind of duplication of saving account was done due to massive campaigned and bankers’ aggressive approached to open the small deposit accounts without balance, few documents and several attractive benefits, etc. Obviously, a number of accounts have been increased but some of them are non-operative. As per statistics, as on 9<sup>th</sup> March, 2015, banks opened 212.2 million accounts out of which 93.2 million were linked with Aadhaar number. The basic motive behind the opening of such duplicate accounts under the Jan Dhan Yojana has to avail the collateral free overdraft facility upto ₹ 5,000/- and with inbuilt life insurance coverage.

**Anantha Subramanian Usha, (2016)** in one of her articles, (*“Next phase of PMJDY-moving from financial literacy to real economic inclusion”* (Vol-I, Issue No.1, FICCI, , April-June, 2016, New Delhi, pp.9-13) said that financial literacy programs are needed to re-structured in a scientific way to focus various levels of financial literacy such as primary, middle, high, and advanced. The revised models of financial inclusion should allow people irrespective of their literacy level to understand the benefits of banking operations. The Bhartiya Mahila Bank is organizing financial literacy programs across the nation through its branches in every weekend and focusing on micro insurance and micro credit products. Actual inclusion of the poor and vulnerable women can be achieved only when more and more women will cover under the ambit of universal banking. Thus, one of the major challenges is to bring poor and vulnerable women into the formal banking as well as financial operations and thus protect them from the vicious circle of the informal money lenders. The Jan Dhan Yojana, Phase-II (15.08.2015 to 15.08.2018) is ensuring transparent cash free banking and financial transactions resulting in digital financial inclusion and economic empowerment of Indian households, preferably women.

**Barquin Sonia and Vinayak H.V. (2016)** in one of their articles on *“Digital India”* (The Economic Times, Mumbai Edition, Dt. 11.04.2016, p.16) have narrated about the digital banking revolution and innovations in India. The banks are offering high quality web based portals and mobile apps to operate financial transactions. This is an alternative and most effective approach wherein customers’ are fully integrated with mobile phone to operate financial transactions such as opening of bank accounts, making payments and micro-credit facility, etc. As per the survey conducted by M/s. Asian Market Agency, on digital banking and its relevance. It is found that more than 80 percent customers are willing to shift to a specific bank, which in order to get

attractive benefits. Resultantly, there is migration of approximately 35 to 45 percent of saving deposits account holders, 40 percent credit cards and 45 percent of the investments. Therefore, it is important for banks to develop a new digital system to meet customers' expectations quickly and effectively. The success of digital banking is totally depends on understanding the system in all respects by all segments of customers.

**Bakshi Pawan and Parameshwarn Anand,** (2016) in one of their research article "*Does Financial Inclusion really include*" (The Hindu, Business Line, Mumbai edition, Dt.01.06.2016, p.7) have described the status of the present scenario of the financial inclusion in India. They emphasized that the financial inclusion is making extensive exercise by providing small bank accounts for 218 million unbanked people and also issuance cover through issuance of more than 180 million debit cards. It helps to all potential account holders to drive regular and consistent banking habits. It is found that customers are using their account regularly and dormancy rate was reduced from 67 percent to 26 percent and an average balance in account increased from ₹ 836 to ₹ 1700 during May'2016. In order to realize the vision of the Jan Dhan Yojana, it is pertinent to understand the shortcomings of the Yojana. The beneficiaries of the Jan Dhan Yojana are mainly from below poverty line groups, repaying their outstanding loan availed from the informal market at a very high rate of interest and therefore, they couldn't manage any surplus amount of their meager income to save. Due to a lower income level, they are forcefully entering into a cycle of debt and therefore micro-credit is in high demand. Due to cumbersome process and indifferent behavior, most of them don't trust banks for availing a micro credit. The banks have designed small deposit account to realize the vision of poor and vulnerable people by providing better financial products and

minimize the gap between current and future financial needs. The overdraft facility is not well understood by the lower income groups and therefore banks should make more awareness about their working capital inflows in order to avail overdraft facility. The business correspondents are failing to provide efficient banking operations due to lack of skills. Thus, there is an urgent need to provide soft skills training in order to deal with vulnerable groups. In case, the saving habits, increased amongst the lower income people, it will lead to a healthier lifestyle.

**Bandopandhya Tamal, (2014)** in one of his articles, *“India Post best bet for Financial Inclusion”* (Live Mint, New Delhi, Dt.15.12.2014) has described about the financial inclusion by Department of Post. He narrated that the government is seriously working on the wider expansion of financial inclusion through India Post due to its vast physical connectivity across the nation, especially in rural and remote areas. As per global scenario, departments of Post is providing mails and parcel services along with various financial operations through an extensive physical network. The proposed “Indian Postal Bank” will pioneer to accept deposits and payments from all segments of people. This move is not only allows easy operations to lower income groups, but also made penetration to increase saving potentials, especially in rural and remote parts of the country.

**Bhattacharya Arundhatti (2015)** Chairman and Managing Director, State Bank of India, in one her of the expressions on Financial inclusion in India (Business Standard, Mumbai Edition, Dt.21.08.2015, p 7) has narrated about State Bank of India’s vast experience in delivering financial products to the different segment of customers. The digital access provided by the State Bank of India through a Reliance Industries Limited is most efficient, simple and affordable delivery model with utmost focus on financial inclusion.

**Bhole L.M. and Mohakund, (2011)** in one of their publications “*Financial Institutions and Markets*” (5<sup>th</sup> edition, Tata McGraw Hill Education Private Ltd., New Delhi) have opined that financial inclusion provides affordable financial services to the vast sections of the disadvantaged and lower income groups. Availability of banking services to the nation without any discrimination should be the prime concept of the public policy. The financial advancement in developing countries are different from under developing nations, because developed nations are focusing the policies on small share of the people those are excluded from institutional banking systems. Whereas, in under developing countries like India, financial inclusion is determined on the basis of a majority of the people those excluded from basic banking and financial services. Thus, financial inclusion can be explained in a two ways, i.e., first is people excluded from the basic banking system and the second is exclusion from the micro-credit facility.

**Chakraborty Rajesh (2006)** noted author in one of his publications, “*The Financial Sectors in India: Emerging Issues*” (Oxford University Press, New Delhi) narrated about the Indian Banking sector, which is playing an important role in the socio-economic development of the country. Microfinance is one of the initiatives implemented by government to promote financial inclusion through self help groups, especially for women belong to extreme poor and socially backward communities. The biggest challenge is the development of investment opportunities and improvement of skill level amongst the poor and vulnerable people. The empowerment of the rural poor people depends on financial awareness training and discipline. This step will definitely have a long term socio-economic benefits in the life of the poor and vulnerable people.

**Chattopadhyay Sadhan Kumar, (2011)** in one of his articles “*Financial Inclusion in India- A case study of West Bengal*” (MRPA Working Paper No.34269, Munich University, Germany) has studied the mechanism which provides small loans to the poor farmers. Author observed that micro credit is one of the essential elements of financial inclusion for the poor farmers. Despite the various measures undertaken by the government, only 35.5 percent of the households in the country were able to operate banking operations, whereas urban and rural access accounted for 49.5 percent and 39.1 percent respectively. As per NSSO’s 59<sup>th</sup> round survey, the largest farmers indebted (82 percent) in Andhra Pradesh and out of them 54 percent have been sourced from informal financial sources. Further financial inclusion index described that from 0.5 to 1 is termed as Higher growth; from 0.3 to 0.5 is termed as Medium financial inclusion and upto 0.3 is termed as lowest financial inclusion. Accordingly, the study of 23 states, it was found that Maharashtra and Karnataka were standing at high financial inclusion category (scored more than 0.5 values) and others States such as Kerala, Tamil Nadu, Andhra Pradesh, Punjab and Himachal Pradesh were standing at medium financial inclusion (scored between 0.3 to 0.5 values) and rest all the states were declared as low financial inclusion.

**Chinara Mitali and Kamila Santosh, (2014)** in one of their publications “*Financial Inclusion through India Post- Financial Inclusion Inclusive Growth and the poor*” (New Century Publications, New Delhi, 2014, pp 55-72) held a view that India Post is serving financial operations for more than 150 years. Among Asian countries, China has approximately 475 million customers (30 percent) opened their saving accounts through Postal Bank. While, in Japan, it is accounted for more than € 2700 billion in Postal Bank and Japanese life insurance, managed worth of € 2000 billion business, but there was unanimity in the view that the postal network is under-

utilized as a means to achieve financial inclusion. In India, Department of Post has the largest connectivity of 1,54,882 post offices out of which 139,182 (89.86 percent) were situated in the rural/remote areas. Expert committee on harnessing the India Post network for financial inclusion, reported that a micro credit facility up to ₹ 500/- with one month credit may have a huge impact on the rural poor. India Post should serve as a promoter for micro credit and not to allow private investment players, but also to maintain transparency in micro-credit providers.

**Dekate Maniram K. (2016)**, noted academicians in one of his research articles “*Financial Inclusion in India and Rural Postal Life Insurance*”(International Journal of Management and Economics, Vol. V, No. 16, Chetan Publications, Aurangabad (M.S.) pp 502-508) described about the financial inclusion through the postal rural life insurance along with its impact on poor and vulnerable people. Further, stated that the level of financial literacy is very low in India. While ensuring the social security, the insurance cover is an important factor. The government has initiated several schemes to provide life insurance to the rural population through Prime Minister Suraksha Bima Yojana and Prime Minister Jeevan Jyoti Yojana. With the introduction of all such schemes, the government has not only safeguarded lives, but also improving the participation in financial matters of the poor and vulnerable people. This measure is emphasized on insurance sector to provide effective financial inclusion in India and ultimate goal of the socio-economic growth of the nation.

**Dubey Nandani (2015)** in one of his report “*The future of Post Banks as banking institutions in India*” (Policy report No.8, The Hindu Centre, Politics and Policy, New Delhi) stated that India post is a government’s fully owned establishment in discharging financial services such as disbursing of wages of MGNREGS and old age pension, etc. Accordingly, India Post is a true promoter of financial services to

the last mile reach. It needs to upgrade not only by its staffs' skills, but also technological strength. India Post's vast network has the capacity to reach out the remotest areas and absorb financially discriminated people. Newly launched software "Finacle" can speed up operations in a digital manner to benefit customers efficiently. India Post has financial transactions of about ₹2,800/- million through cash on delivery and benefits of e-commerce enterprises such as Snapdeal, Flipkart and Amazon, etc.

**Gangadharan K. (2012)** noted economist in one of his publications "*Financial Inclusion and Inclusive Growth: Scope and Dimension*" (Preference Press, New Delhi) has studied retail banking in India and stated that banking sector assuming greater importance due to adoption of digital. It helps to expedite business processes to cater the increasing demands of the customers. Therefore, the financial inclusion agenda must be set up in such a way that the benefits must be percolate to the downtrodden, marginalized and vulnerable section of the society in a better, accessible and affordable manner. This step will also ensure to support to the vast section trapped by the informal money lenders. Author further said that the one of the prime focus for promoting financial inclusion is to minimize the hurdle for banking and payment services. There is need to include more measures to simplify saving account opening procedure and no frills accounts, etc., to cover every citizen. Therefore, massive efforts were made by the government towards financial inclusion through Self help Groups, bank linkage program, Rashtriya Swasthya Bima Yojana and financing of Regional Rural Banks, Co-operative banks and Public Sector Banks, etc., to lending to the rural clients.

**Gokarn Subir (2011)** the Deputy Governor of the Reserve Bank of India in one of his speeches "*Financial Inclusion: A Critical View*"(At Sastra University,



Kambakonam on Dt. 21.03.2011) has reviewed the current status of financial inclusion in India. Further, said that goal of improving banking facilities to all citizens is un-realistic and therefore, the financial inclusion strategy largely depends on the use of Information and Communication Technology to expand banking access through business correspondents to handheld network of banking through an electronic device. Consequently, the selection of appropriate financial products and operations is surely important for the success of the financial inclusion strategy. From the supply point of view, it is pertinent to have behavioral and motivational attitudes for the success of the financial inclusion. There is a need to develop the specialized strategy in order to maximize the possibilities of achievement. Overcoming the shortfalls is important to understand the potential customers need and fulfillment of the requirements in an easy manner.

**Gortsos Christo (2016)** in one of his working papers, *“Financial Inclusion: An overview of its various dimensions and the initiatives to enhance its current level”* (European Centre of Economic and Financial Law” W.P. No. 2016/16, Greece) described that financial inclusion is associated with micro-credit growth and the rapid expansion of the informal financial sector and increase in financial risk. When financial inclusion strengthens, the one of the important factor which is activate the interest part of the borrowings. When financial inclusion is minimal, a larger share of the money has been blocked, but when it expands, money becomes an important part of interest on bank deposit. Therefore, financial inclusion attracting depositors and borrowers to shift in the rotation, which help to attain a greater level of financial stability. The digitization is one of the solutions to financial exclusion, but it cannot be beneficial to the poor and vulnerable people, because these people preferred

traditional way of banking and not interested to avail new possibilities because of ignorance and associated risk factor.

**Gupta Rajat, et.al. (2014)** in one of their working papers on *“From poverty to empowerment – India’s imperative for jobs, growth and effective basic services”* (Mckinsey Global Institute, London) described that the financial inclusion is providing new avenues to the poor and vulnerable people by promoting basic banking services and required working capital, instant loan for education and healthcare purpose, etc. The reality is that the financial inclusion has covered only about 40 percent of households those never have access to the basic banking operations and thus lacking on the socio-economic improvement. At present, up to 34 percent of low income group people have cash saving habits and only 17 percent have access to banks as well as life protected insurance coverage. In the year 2009, Raghuram Rajan Committee recommended for allowing entry of private and small finance banks by liberalizing regulation so that a wide range and last mile reach of banking operations can be extended. This allowed banks to understand their priority sector obligations to keep emergency instruments issued by other banks in lieu of direct credit and minimum rate of interest. In the year 2013, committee on comprehensive financial operations for small entrepreneurs and low income households designed a road map for accepting universal electronic bank account for every Indian citizen by 2016. Access to bank branch nearby 15 minute walking distance, credit to gross domestic product ratio of at least 10 percent and universal access of financial products. Technology is playing a significant role in financial inclusion, especially in the least deprived sector. Hence, it is essential to develop low cost financial products, mitigate risk in lending to the poor people as non-performing assets of agriculture of the State Bank of India was as high as 9 percent of the agricultural assets. The capacity of the

poor people to avail and repay the micro-credit is limited due to insignificant agricultural productivity, no income opportunities, inadequate market, and the seasonal unemployment, etc.

**Gupta Yogesh, (2016)** in one of his articles “*Financial Inclusion Summit*” (The Economic Times, Mumbai edition, Dt.18.04.2016, p 9) stated that insurance is one of the important pillars among 4 pillars of the financial inclusion. As per the financial inclusion mission, the most important aspect is to have life risk coverage through insurance policies. Insurance makes an impact on the life of the poor and vulnerable people because they are continuously working in hazardous environment. In India, the penetration of the life insurance product is extremely low, i.e. 0.25 percent. This ratio indicates about the type of market available for life insurance products and understood that maximum people are still uncovered under financial inclusion mission.

**Gurnaik Jogeswar, et. al. (2014)** in one of their publications “*A Policy Perspective of Financial Inclusion in India, Inclusive Growth and the Poor*” (New Century Publications, New Delhi, pp 134-147) described various dimensions of financial inclusion in our country. Being a developing country, in India, there is a significant scope to implement the schemes of socio-economic development for the poor and vulnerable people. In the year 2005, there were 135 million households excluded from basic banking operations. Nearby, 40 percent of the total population covered under basic bank accounts and out of them only 10 percent was covered under life insurance policies. Present financial inclusion is having a scope of accessibility, micro-credit facility and financial awareness to excluded population within the ambit of the banking system. Thus, the financial inclusion is considered as

a growth engine for sustaining equity among society in general and assisting in poverty eradication in particular.

**Ghosh Chandra Shekhar, (2014)** in one of his articles, “*Leveraging Prime Minister Jan Dhan Yojana*” (Vol-6, Issue-I, April-June,2016, FICCI, New Delhi, pp 16-30) has narrated about the rapid expansion process of financial inclusion in India. In this respect, the government already initiated progress work in tandem. It has to be considered on a top priority to the financial sector, because it is gradually warming up to the significance of micro-finance institutions which are solving the problem of the last mile reach. There is the necessity of making the whole banking operation accessible, affordable and within the ambit of the poor and vulnerable people. The safe, fast and transparent mode of money transfer is urgently needed by workers (migrated) engaged in construction work and transportation sector. Mudra Bank is helping the Micro, Small and Medium Enterprise Units with broader scope and in turn improving productivity of the units. These measures are helpful for growth of gross domestic product of our country.

**Ghosh Samit (2014)** founder and Managing Director of M/s. Ujjivan Financial Operations in one of his articles “*Small Bank not ideal for present needs*”(Business Standard, Mumbai edition, Dt. 27.07.2014, p 9) narrated about the actual financial inclusion which consists of a comprehensive set of financial services such as savings, micro-credit for farming, animal husbandry, emergencies, education, housing, remittance facility, insurance for protection against an unforeseen act, social welfare benefits and pension in support of old age, etc.

**Hanning Alfred and Janson Stefan, (2010)** in one of their working papers “*Financial Inclusion and Financial Stability: Current Policy Issues*”( No.259, Asian Development Bank Institute, Japan, December, 2010) stated that financial inclusion

to unbanked population is the major area of concern for policy makers because financial inclusion is one of the development agendas of the nation. The redesigning of financial inclusion system recognizes that the goal to incorporate poor and vulnerable people and bring them into the mainstream of the economy. Thus, the financial inclusion is considered as one of the important policy objectives that protects the traditional pillars of the financial sector.

**Jaganath Rajesh, (2012)**, Senior consultant M/s. Infosys Finacle Limited, in one of his articles "*Measures for achieving Financial Inclusion in India*" (Infosys finacle, Bangaluru) has narrated about the status of poor and vulnerable people and their inclusion under the financial structure in India. In India, the majority of the people i.e. 72 percent are living in rural parts and a significant proportion of villages i.e., 6,50,000 doesn't bank branches. Thus, it is considered as the financial exclusion of the poor people. Ironically, financially excluded people are depending on the informal money market for their financial needs. Their complete ignorance of the financial inclusion creates an adverse situation and unknowingly gets caught in a trap of informal financial markets. It is observed that most of them doesn't subscribe to any financial plan(s) or product(s). When pension plan was introduced to unorganized sector, almost 90 percent people did not enroll it. Hence, the government should make subscription mandatory for the social welfare scheme. Under the financial inclusion plan, more and more women, especially from rural and remote areas should incorporate. Community based education will sharpen the manifold and enable women to understand and fight for their rights. Financial inclusion strategy is useful for the poor and vulnerable people come out of trap of informal financial market and enhance their own sources of income.

**Jain Niti and Shukul Shruti, (2012)**, in one of their publications *“Financial Inclusion and Poverty Alleviation”* (Kunal Books, New Delhi) have narrated about the various dimensions of poverty exists in India. Poverty is affecting the structural transformation of our country. Underlying the eradication of poverty with the help of financial inclusion may be a progressive transformation of India’s economic growth. In the year 1990, a much stronger growth of rural poverty has been done. It is observed that in urban areas, small towns, medium sizes cities and big cities are appearing to demonstrate the strongest urban-rural growth linkages through job opportunities. Thus, the financial inclusion without a policy on the reduction of poverty is meaningless and therefore, it is essential to encourage income generating activities to the poor and vulnerable people.

**Joseph Anthony and Barla Poonam, (2014)** in one of their publications, *“Affordable Financial Operations and Inclusive Growth-Financial Inclusion, Inclusive Growth and the Poor”* (New Century Publications, New Delhi, pp 106-116) have stated that the affordable financial operations are essential for the equality and social justice of the people, especially for poor and vulnerable groups. It is considered as a public welfare system that assures full participation by policy makers to make monetary policy more public oriented, effective and thus helping towards growth of the socio-economic status. Financial inclusion is one of the components of a social welfare scheme through which a citizen can access banking operations easily but due to vast demographics and extreme poverty, implementation financial inclusion scheme is not as easy as think. Now, the people those are neglected from banking system, are started banking access as per their capacity of earning. Financial inclusion is capital formation process and must cover all the segments of the society without any discrimination.

**Joshi Deepali Pant, (2016)** in one of her publications, “*Financial Inclusion Growth and Governance*”(Gyan Publishing House, New Delhi) narrated about financial inclusion and financial literacy model through which revised financial products are launching as per the demands of the lower income groups. As per the banks’ policies, all the banks are implementing a well structure and planned approach towards the financial inclusion with commitments. In order to ensure a smooth implementation of the government’s direct benefit of tax initiative, banks directed all the customers to connect their Aadhaar numbers with their bank accounts. Financial Inclusion can be achieved with the participation of all stakeholders viz. the government of India, the Reserve Bank of India, banks, Financial Institutions and Non-government Organizations, etc. Ubiquitous financial inclusion is playing an important role to achieve inclusive growth with greater financial stability in our nation.

**Joshi Vasudha, (2015)** in one of her articles, “*Facilitating Economic Development By Overcoming Financial Exclusion*” *Financial Inclusion: A Gateway of Inclusive Development* (Shivaji University Publication, Kolhapur, M.S.) has proposed a 3 phased strategy to overcome the problems of financial exclusion. Firstly, it is banking services, which is not focused on needy people. Secondly, set up of alternative financial infrastructure in the form of Postal Department financial services, to provide micro-finance, community based loan and other related financial operations. Lastly, the efforts to be made in promoting financial education as public domain at all levels of society, especially for women and children to encourage their habits of saving and awareness of other financial services.

**Karmakar K. G. et.al.(2011)** in one of their publications, “*Towards Financial Inclusion in India*” (Sage Publications India Pvt. Ltd. New Delhi) narrated about the

role of the banking sector, in the promotion of awareness of various financial products, several benefits, money management and debt consultancy, saving and micro-credit, etc. Now-a-days, private banks are also ensuring the digitization and encouraging basic banking operations across the country. All the banks to redesign their business procedures and incorporate relevant plans to encourage lower income groups under financial inclusion mission. This helps to enhance business opportunity and corporate social responsibility. Accordingly, in future financial inclusion can be emerge as a natural extension of business activities of the banks.

**Kaul Rajiv, (2016)** in one of his articles, “*We still Gotta Cash’n’Carry*” (The Economic Times, Mumbai Edition, Dt.21.11.2016, p.18) stated that our nation should better focus on actual financial inclusion and significant control over the shadow economy rather than total no cash transactions. In this respect, ATMs will be a key enabler due to its wider reach, easy to operate and digitization. It is observed that in India more than one third of payments transactions are done by cash settlements. Therefore, financial inclusion through digitization may be one of the alternative form of payment system in the cashless economy.

**Kelkar Vijay, (2009)** in one of his research articles, “*Financial Inclusion for Inclusive Growth*”( Journal of Management No. 39(1), Administrative Staff College of India, Hyderabad) has studied the role of financial inclusion in India and stated that financial inclusion is an attempt to minimize financial debts of farmers and prevent them by attempting suicides due to financial stress. Financial inclusion is leading towards the rapid modernization of agriculture sector and thus poor, landless and marginal farmers are benefiting out of it. The main motto of the financial inclusion mission is to cover the agriculture sector under the financial inclusion policy and efforts should make to achieve the target on priority basis.



**Kesavan Varun, (2015)** in one of his research article, “*The Diversification of Banks Era of Payment Banks by RBI with specific reference to Indian Banking Sector*” (International Journal of World Research, Vol-I, Issue-XX, August,2015, pp 7-14) opined that the introduction of Payments Bank is one of the innovations to meet the committed goal of financial inclusion. The success of “Payments Bank” is fully depends on gaining customers’ confidence and fulfilling their requirements by all the means. This type of advancement in the banking sector will make innovative changes and creates a competitive environment. Ultimately, customers will benefit from such innovative and flexible financial operations in an efficient manner.

**Lamba Deepak (2016)** in one of his deliberations at “*Financial Inclusion Summit*” (The Economic Times, Mumbai edition, Dt. 13.04.2016, p 15) opined that the merits of the financial inclusion are naturally correlated with the empowerment of the people. Thus empowerment helps individuals to generate income opportunities. Financial inclusion is a powerful tool for strong and inclusive growth. There are several laudable steps introduced by the government to implement financial inclusion in India. Such steps are allowing poor and vulnerable people bring into the mainstream and became part of the economic growth. Thus, the financial inclusion is one of the fundamental aspects which help to reduce the income disparity and eradication of the poverty.

**Loksatta (2016)** leading Marathi newspaper, one of the articles, “*Now banks are cutting their zero balance Jan Dhan Yojana account by depositing money by employee through their own pocket*” (Mumbai edition Dt. 13.09.2016, p 11) reported about the functioning of the Jan Dhan Yojana operations by all the banks. The bank employees were forced to deposit ₹1/- in each account to reduce the number of zero balance account and thereby avoiding dormancy in accounts opened under the

Yojana. In the Purnapur village of Bareilly district (Uttar Pradesh) one customer was shocked while printing of his bank passbook and observed that there was a credit of ₹1/- in Jan Dhan Yojana account without his knowledge. Due to extreme poverty, some of the account holder can't afford to deposit any amount in their account. The Indian Express group has collected the information under the Right of Information Act. It was found that more than 30 nationalized and other private banks forced their staffs to deposit cash in saving accounts opened under the Jan Dhan Yojana in order to maintain the accounts above zero balance status. Accordingly, reports were updated as the negligible inoperative account under the Jan Dhan Yojana.

**Minal, (2012)** in one of her articles "*Financial Inclusion – A Road that India needs to travel*" (Financial Inclusion and Poverty Alleviation in India, Kunal Books, New Delhi) narrated that India is moving towards universal financial inclusion as per the recommendations of the national committee and revised public policy. In order to achieve the ultimate objective of reaching banking operations to at least all 6 lakh villages, financial inclusion is a viable proposition for the banks. The Reserve Bank of India has undertaken financial inclusion initiatives in a mission mode through a combination of strategies ranging from the provision of new products, relaxation of regulatory guidelines and other supportive financial inclusion. It is attracting global market players in our country and resultantly, increase employment opportunities and business prospects so inclusive growth will act as a source of empowerment and allow people to participate more effectively in the socio-economic development process.

**Narsimhan T. E. (2016)** in one of his articles "*Our vision is to save 5 percent households by 2025*" (The Pioneer, New Delhi Edition, Dt. 06.06.2016) described about implementation of the financial inclusion scheme through Small Finance Bank

licence by rendering financial operations to at least 5 percent of the households till 2025. Equitas Holding Limited has currently served about 1 percent of the Indian households with the help of the newly introduced Small Bank, the holding company will function as “Bank”, which is offering various financial operations viz., savings, deposits, remittance, and third party products (pension/insurance), etc. Some of the services are comprehensive which allows lower income households to enter into institutional financial market. The banks will focus on revised strategies, including an existing range of micro-credit to tiny firms, finance for purchase of vehicle for use, home loan and few cross selling products i.e., loan against gold, etc.

**Nathan Narendra, (2016)** in one of his articles, “*Protect Financial Inclusion buyers from mis-sellers*” (The Economic Times, Mumbai Edition, Dt. 14.07.2016, p 9) stated that the Jan Dhan Yojana gives avenues of basic banking operations to more than 15 percent of people who never accessed to a bank operations. The main focus is to safe banking operations, because other financial intermediaries were trying to get rid on this emerging market. Therefore, the government should take a note of such types of frauds happened in Kerala and introduced an appropriate measure to prevent in future. The promises were given by micro-insurance companies, but failed to give returns at the time of withdrawals. The increase in financial literacy is the best way to protect people from the mis-sellers of financial products. The financial literacy can be divided into two phases viz., firstly, inclusion of basic knowledge about the money, investment options and secondly clear understanding of complicated financial products. The disclosures are important towards awareness about the risk factor involved and reduce mis-selling of financial products. In our country, risk information is hidden by the business firms. In India, there is a new level of financial literacy and therefore a plethora of financial products are confusing investors. High level of

financial literacy is needed for investments of products with risk taking capacity apart from strict supervision. Investors should make aware through financial literacy text duly conducted by authorized agencies and eligible citizens should consider allowing to operate in the investment market.

**Narasimhan C. R. L. (2016)** in one his articles, "*A Mission mode approach key to Financial Inclusion*"(The Hindu, Business Column, New Delhi Edition, Dt. 23.05.2016) said that financial inclusion is one of the processes which caters a comprehensive range of financial products in order to promote financial inclusion mission effectively. The National Rural Financial Plan was launched with an aim to provide avenues of financial operations initially to at least 50 percent of the financially excluded households (approx. 55.77 million). Further, stated that through banks and regional rural banks, remaining households will also be covered by 2020. Microfinance, Self Help Groups and bank linkage schemes are another important mode for incorporating financial inclusion. In order to spread banking practices among the poor and vulnerable people, there is needed to relax banking norms, because such groups are not in a position to open saving bank account and maintain a minimum deposit of ₹ 500/-

**Nilekani Nandan, (2016)**, Ex-Chairperson, Unique Identification Authority of India (UIDAI) in one of his expressions, "*Big shift in financial inclusion in next 5 years*"(The Times of India, Pune Edition, dt. 20.02.16, p 9) described that in the next five years, there will be a paradigm shift in financial inclusion mission in India. The initiatives undertaken by the Reserve Bank of India such as the JAM trinity i.e., Jan Dhan Yojana, Aadhaar and Mobile Phone, will positively connect with the maximum number of customers to provide financial services. A strong foundation will lay to eligible customers by promoting a smart phone penetration.

**Mahajan Srikrishna, (2015)** in one of his publications, “*Financial Inclusion of Poor : BOP Market for Banking*” (Financial Inclusion : A Gateway of Inclusive Development, Department of Commerce and Management, Shivaji University Publication, Kolhapur) said that financial inclusion is very much useful for sustainable income generating activities for the poor and vulnerable people. It is one of the vital tools to eradicate poverty among poor and vulnerable people. All the banks have the potential to acquire poor and vulnerable people to extend them more and more benefits by providing financial aid. The banks’ financial operations are one of the important sources of economic activities, especially for the daily wage earners. Thus, banks can help them by opening a small deposit saving account and overdraft facilities at door steps through the business correspondent model. Therefore, banking sector should perceive the financial inclusion as a market potential, especially in the bottom of the pyramid of society.

**Maharashtra Times (2016)**, leading Marathi daily newspaper (Mumbai edition, Dt. 19.05.2016, p 11) reported about the awareness of the various social benefits schemes duly declared by the government. As per the study conducted by Centre of Management Studies, it is observed that there are 40 different schemes implemented by the government, but only two viz., the Jan Dhan Yojana and Swachh Bharat are successfully reaching up to the people. The study revealed that approximately 3 percent people are known about 25 schemes out of total 40 introduced by the government in the year 2014. At present, there are 6 to 7 schemes out of 40 with the nomenclature of prime minister title reached to the masses and others are in unknown status. The other schemes which have little awareness amongst the people are financed to minorities, Prime Minister Krushi Sanchay Yojana, pension to physically challenged person, Matrubhoomi Vikas Yojana, Solid Health Card, Bal Vikas Yojana

and Namami Gange. Further, the study described that the Jan Dhan Yojana and Swachha Bharat scheme are most popular schemes which are effectively operational all over the country regardless of political power in State Administration.

**Mani N. (2015)** in one of his publications, *“Financial Inclusion in India”* (New Century Publications, New Delhi) asserted that the problems of financial inclusion do not merely belong to one segment of the country, but differ from each other. The international scenario is exclusively about creating assets and reducing risk for micro-entrepreneurs and small medium businesses. The author has emphasized that the empowerment of individuals depends upon the availability of banking services. Therefore, it is essential to provide banking services to all segments of the society in order to have financial stability, awareness and their socio-economic development. It will support the poor and vulnerable people who are at the lowest segment of the society.

**Massey Joseph, (2010)** in one of his articles, *“Role of Financial Institutions in Financial Inclusion”* (FICCI, Banking and Finance Digest, Issue 4, New Delhi) examined the role of financial institutions in implementing the financial inclusion mission in India and opined that financial institutions can promote inclusive growth by ensuring opportunities for each and every segment of the society. Financial organizations have a need to understand the needs of the poor people and their diverse requirements of financial products and services. The availability of funds at cheaper rates is important for small and micro-entrepreneurs because it creates investment and self-employment opportunities. Accordingly, financial institutions have a great responsibility in developing and deepening the capital markets by implementing the financial inclusion mission in India. The banks are playing a main role in market penetration by devising low cost products to meet the preferences of the probable investors.

and lower income groups. The Reserve Bank of India has directed all the banks and financial institutions to acknowledge the penetration level of internet, mobile phone device technology and operate it as an effective medium to achieve greater financial inclusion.

**Mehar Shibalal, (2010)** in one of his publications, *“Financial Inclusion in India: An Inter-State Analysis”* (New Century Publications, New Delhi, pp 12-26) opined that the implementation of the financial inclusion scheme is based on three basic dimensions, viz., availability, accessibility and uses of the banking operations. Accordingly, Kerala State was topper in all three dimensions of the financial inclusion scheme, whereas Tamil Nadu is a worst State in implementing all dimensions of the scheme. Even though having a very strong income sources, some of the states like Maharashtra, Punjab, Haryana and Gujarat are performing moderately in the financial inclusion scheme. Apparently, Odisha is having a poor income source, but proved to be one of the best implementer of the financial inclusion scheme with the help of a strong network of self help groups and their proactive activities.

**Mohanty Alekha Chandra, (2014)** in one of his articles, *“Financial Inclusion in Rural India”, Financial Inclusion, Inclusive Growth and the Poor”* (New Century Publications, New Delhi, pp 148-157) asserted that there should be a strategy for building an inclusive financial sector based on effective improvements within existing credit delivery mechanism, measures for improving credit absorption capacity especially amongst marginal and sub-marginal farmers as well as a poor cultivator households. While, leveraging on the technology based solutions, the banking sectors should tend to include best practices rather than attract vast sections of the population. In rural areas the financial inclusion is not performing well because of the lower level

of economic opportunities, indifferent working environment and lack of growth of potentialities activities.

**Mohanty Deepak, (2015)** Ex-Chairman of Committee on Medium-term path on Financial Inclusion in one his reports, “*Report of the Committee on Medium-term on financial inclusion*” (The Reserve Bank of India publication, Mumbai, December,2015) narrated that the financial inclusion is focusing on the maximum number of accounts opened by the banks. Also stated that it is a scheme which credits the funds in the bank account for each girl after enrollment in school. Now, lead bank scheme will initiate in schools and colleges to open bank accounts of girls to enable to operate account easily, especially in case of government subsidies, and scholarship, etc., to be credited to their accounts.

**Mishra Reenati, (2014)** in one of her of the articles, “*Financial Inclusion Strategy in India- Financial Inclusion, Inclusive Growth and the Poor*” (New Century Publications, New Delhi, pp 158-166) stated that India has 135 million (as on 31.03.2014) financially excluded households and thus the rate of financial inclusion is very slow i.e., 40 percent of the account holders don’t operate their account once in a month. In order to incorporate excluded population, needs to strengthen various strategies such as Self Help Group bank linkage program, upgradation of such groups into micro-small-medium-enterprises, assistance of micro finance and Kisan Credit Cards, etc. These are effective means of ensuring a hassle free and timely operations due to availability of credit with minimum transaction cost and documents.

**Pamarthy Hemant Kumar (2012)** in one of his reports, “*Financial Literacy as a tool for Financial Inclusion and Client Protection*”(United Nation Development Programme, New Delhi) wherein described that despite the hue and cry for the total financial inclusion by unbanked people to be limited to open no frills account in



banks, out of them 11 percent are operated at least twice in a month. All the banks are still reluctant to fulfill KYC obligations in a qualitative manner to promote the concept of financial literacy as an integral part of the financial inclusion mission. It is an important and efficient tool towards clients protection. MGNREGA payments are directly credited to the account of the poor and to enable them to spend as per their profligacy and save some amount for emergency needs. Financial inclusion scheme is leading as a specific tool to pave the way for the economic growth and the strength of the people and country as well.

**Patil Ramchandra (2015)** in one of his publications, *“Role of Commercial Banks in Financial Inclusion Through Kisan Credit Card Scheme in India”*(Financial Inclusion: A Gateway of Inclusive Development, Shivaji University, Kolhapur, Maharashtra) studied the role of commercial banks to spread the financial inclusion through Kisan Credit Card. Author further added that the agriculture sector prefers Kisan Credit Cards due to its significant features such as allowing credit facilities without time spending bank credit screening processes. There is a large amount of micro-credit availed by the farmers through Kisan Credit Cards and moving ahead financial inclusion program. This card is revolutionary in nature since it is providing adequate and timely credit to farmers under a single scheme such as short-medium and long term credit to the borrowers for agriculture and allied activities.

**Paliwal Lokesh Kumar, (2012)** in one of his publications, *“Financial Inclusion and Poverty Alleviation”* (Kunal Books, New Delhi) said that microfinance is an important aspect of the financial inclusion mission, due to its extensive track records. It is observed that the reforms in the financial sector are operating through two major objectives, i.e., profitability of the financial institutions and sharing the needs of the poor and vulnerable people considering the principles of equity concern. In order to

extend the formal financial assistance, it is essential to take out the poor and vulnerable people from the clutches of money lenders. Such types of financial inclusion measures should be measured in terms of the dynamics of the relationship between the real economy as well as financial economy.

**Pioneer (2015)** leading newspaper in one of the articles “*Service of banking reporters under PMJDY out of tax loop*” (New Delhi Edition Dt.23.10.2015, p 19) reported about operations to promote the financial inclusion scheme in India. The government has decided to exempt from tax the operations rendered by bank facilitators and business correspondents towards accounts opening under the Jan Dhan Yojana, cash deposits, cash withdrawals, obtaining e-life certificates and other seeding in rural branches of banking companies from service tax. This Yojana is mainly for cashless transactions and termed as “Better than Cash Alliance” i.e., a transaction through electronic means.

**Ramraj T. Nadar (2014)** in his Ph.D. thesis titled, “*Impact of Banking Operations towards slum dwellers in Mumbai city and its suburbs*”(submitted to Mumbai University, Dept. Of Commerce, Santacruz, Mumbai) observed that a large portion of poor household doesn't using financial operations as compared to rich households because of the vulnerability. Whereas, it is observed that the middle/lower income households of urban areas using banking operations regularly. This ultimately considered as a greater financial inclusion. The researcher has further observed that the employment and the household size is significantly affected the use of the formal financial operations by households in the urban sector. The educated people are having more awareness of the banking operations, especially in digital banking operations as compared to illiterate people. Thus, the movement of no frill account by banks has made a little impact on the socio-economic development of the slum

dwellers. The awareness of the mobile phone banking is at high with male respondents as compared to female. Young generation is also more familiar towards ATMs and net banking as compared to elderly people. The study also reveals that one third of the respondents from all the groups are not aware of the financial inclusion mission of the government and the Reserve Bank of India's direction in connection with the development banking operations in slum areas. Corporate Sector should come forward to adopt slum areas to assist the people in financial literacy under the Corporate Social Responsibility Policy.

**Rajan Raghuram, (2016)**, the Ex-Governor of the Reserve Bank of India, in his one of the deliberations at the National Seminar on "*Equity, Access and Inclusion- Transforming Rural India through Financial Inclusion*" (National Institute of Rural Development and Panchayat Raj, Hyderabad, dt. 08.07.2016) said that as per the direction of the government, the Reserve Bank of India enhanced financial inclusion by promoting various financial products and allowing micro-credit facilities. Many organizations are working towards financial literacy of the poor people so that they can keep some money as savings for future. The Self Help Groups are assisting them to inculcate the habits of savings, regular repayment, micro-credit and leading towards extending credit allocation. Saving scheme is attractive with the help of easy payments and cash out transactions. The banking network and availability of banking operations through Aadhaar Enabled Payment Operations. Thus, the power of technology viz., smart phone and mobile apps, etc., can make payment instantly by giving authentication. Now customers need not to visit a bank branches and not to the point of sale is required for any financial transactions. Technology made it simplified on the verge of solving the last mile reach problem. In this direction, during the June, 2012, the Reserve Bank of India has instructed all banks to set up financial literacy

camps across the country and conduct it regular basis, at least once in every month. As of 31.12.2015 there were 1,329 financial literacy camps organized by the banks. The government has a mission to provide easy and convenient banking operations, ensuring access, equity, building blocks for the sustainable growth of our country.

**Ravi Jayanti, (2016)**, The Commissioner of Rural Development, Government of Gujarat, expressed at “*Financial Inclusion Summit held on 2016*” (The Economic Times, Mumbai edition, dt. 01.02.2016, p 15) said that the financial inclusion scheme was introduced on higher demand side, but not taken into consideration the supply side. The intention to introduce such scheme was good, but time was wasted to roll out the scheme without looking at the granularity of the beneficiaries, especially for rural and remote areas. If this scheme is implemented properly, it will be a great help to all of us in making the goal of the socio-economic development agenda of the government.

**Ravi Shamika and Gokhar Shruti, (2015)** in one of their articles, “*Advancing Financial Inclusion in India, the Beyond Jan Dhan Yojana*” (Brokings India Impact Series, New Delhi, pp 2-9) identified that financial inclusion is promoting saving habits amongst the poor people and galvanize financial literacy to make awareness of better utilization of financial products. The main barriers of the financial inclusion are lack of awareness, limited financial products, operations and limited banking access, etc. Most of the products are not matching with the requirements of the vulnerable people and various scams happened in financial sectors which indicates lack of financial literacy can result in people to choose wrong product and become vulnerable to financial risk. The developing countries are facing three major issues such as low income, lack of financial tools and unpredictable outcomes. Chit fund schemes are more popular in rural parts of the country. Therefore, the government has

initiated the Amendment of the Chit Fund Act, 1982 and making it more user friendly and thereby encouraging unregistered sectors to fall within the ambit of banking sector.

**Ray Deepti and Raut Himanshu, (2014)**, in one of their publications, *“Financial Inclusion Models in India” (Financial Inclusion, Inclusive Growth and the Poor, New Century Publications, New Delhi, pp 27-43)* described that India has adopted the most effective model for the implementation of the financial inclusion scheme with aim to cover a large population those are still excluded from formal financial system. The model includes the opening of new branches, micro-finance facility, network of business correspondent and information technology based banking, etc. Thus, the financial inclusion scheme is an opportunity for the poor people to exercise their fundamental rights to have banking access. There is expansion of banking facilities because of its strong five “A” model, i.e., Adequacy, Affordability, Accuracy, Availability and Awareness. These models are basically focused on the supply of basic financial products and sources including thrift, credit, remittance, payment facilities to financially excluded population. It is important to understand that despite of a strong network of banks, there are approximately 27 percent of the total households are indebted to institutional sources of financial market and among them 1/3<sup>rd</sup> borrowed micro-credit from the formal financial market. North East, Eastern and Central region’s households do not have access of the micro-credit facility from institutional sources and indebted through informal market mentioned that North East (95.91 percent), East (81.26 percent) and Central (77.59 percent).

**Reserve Bank of India**, (May, 2007 Bulletin, Mumbai) described about the various measures of financial inclusion in terms of adult population those are operating small saving bank accounts. As per available data, it is assumed that each

individual must open at least one small saving bank account. As per all India survey, there is about 59 percent of the adult population having bank accounts. It means 41 percent of the population is still unbanked. In rural parts, the small deposit bank account average is 39 percent as against 60 percent in urban areas. The unbanked population is higher in Northern and Eastern Regions. The extent of exclusion from credit market is much more as number of micro credit constituted only 14 percent of the adult population. These regional differences are significant with the credit coverage at 25 percent for the South Region and lowest in North (7 percent), East (8 percent) and Central Regions (9 percent).

**Richal Chitra, (2016)** in one of his articles, *“NPCI aims at financial inclusion at 74 percent of RuPay Debit card holders for first time users”* (The Times of India, Mumbai edition, Dt. 12.01.2016 ) said that National Payment Corporation of India has 170 million credit card customers out of its total strength of 230 million. Now District Cooperative Credit banks are also covered under the financial inclusion mission, especially in rural/remote parts of India. The operational plastic currency services are Visa, Master card and American express card, etc. Now with the help of a domestic card service system, a transaction charges can be retained by the institutions and not to charge to the customers. Hence, poor and vulnerable people are availing the financial inclusion’s benefits without any extra cost and at an affordable rate.

**Schydowsly Daniel M, (2015)** in one of his articles, *“Commenting on Basel Committee guidance on Financial Inclusion”* (Centre for Financial Inclusion, Consultative documents, Washington, D.C.) asserted that due to discrimination of a socio-economic development, there is an interruption in the progress of the financial inclusion. Therefore, it is important to develop a mechanism to ensure that the flow of micro-credit to help in the unforeseen event occurs. Microfinance is playing a vital

role towards successful execution of the financial inclusion scheme. But the same is not effective unless all the borrowers are significantly providing lowest rates. The customer orientation and protection is fundamentally asymmetry in bargaining power between a single consumer and a large bank or other financial institutions. Accordingly legitimacy of the banking system is an integral part of safety and security of the customers.

**Sethy Susanta Kumar, (2017)** in one of his publications, “*Financial Inclusion – An Overview*” (Bharti Publications, New Delhi) has focused on the financial inclusion scenario in India, causes and issues of financial exclusion, level of income, structural process, financial literacy, supply and demand sides, and extent of banking access to the poor people across the country. Further, stated that in order to resolve the problems of the financial exclusion, a revised strategy should be incorporated in the eleventh five year plan. The plan envisages an opportunity to refer policies to achieve a new level of growth which is much broader and efforts to reduce poverty line. Financial inclusion is one of the systems through which inclusive growth can be achieved and large sections of the people will participate in the formal financial system. In view of the above, the government directed the Reserve Bank of India and other financial intermediaries to revise the policy interventions in order to accommodate the poor and vulnerable people in the financial system.

**Shah Paresh (2017)** in one of his research articles, “*Financial Inclusion of society at large- Challenges and need of policy intervention*” (The Management Accountant, January, 2018, Kolkata, pg.75-79) has said that the universal financial inclusion can be achieved only through synergistic efforts between mainstream financial attempts and intermediaries such as Rural Co-operative Societies, Non-Banking Financial Companies, Micro-Finance Companies, Self Help Groups and

Non-Government Organizations, etc. All of them have to play a vital role in wider scale of the financial inclusion. All the banks must have to charge minimum interest rate for vulnerable and poor people, so that they can survive in a normal situations. In order to enhance the livelihood among the below poverty line groups, the promotional financial services are required to fulfill micro credit. Further step is to introduce zero balance saving account and penetrate to operate through digital sources to support cashless economy.

**Sharma Jitendra Kumar, (2009)** in one of his publications, “*Microfinance, Financial Inclusion and Inclusive Growth*” (Himalaya Publication, New Delhi) said that the financial inclusion scheme is a process which is leading to a mechanism wherein each and every citizen should have access to a basic financial operations. It may be primary credit and savings, but no one will out of financial operations. The maximum utilization of the financial operations will make deployment of capital and thereby generating livelihood, reduction of poverty, improvement in basic health, education requirements and fostering the entrepreneurship trend towards sustainable growth, etc. Microfinance is helping the poor people to develop income generating activities and make greater financial inclusion.

**Sharma Mandira, (2008)** in one of her working papers “*Index of Financial Inclusion*” (W.P. No.215, Indian Council for Research on International Economic Relations Publication, New Delhi) has examined the various indexes of financial inclusion based on actual dimension. Accordingly, India ranked 29<sup>th</sup> in the world towards implementing financial inclusion and index shows that the penetration level is 0.164 (appx), availability index 0.075 (appx) and usage index at 0.269 (appx). The data have a large number of economic indicators, which have low levels of financial inclusion. A comprehensive measure of financial inclusion is able to exchange



information on several dimensions of financial inclusion. Such measures can be used to compare the levels of financial inclusion, its access, and effectiveness at a particular time. Financial inclusion serves basic purposes, designed for the information on many dimensions, simple to compute, and comparable across the countries.

**Sharma R.S. (2017)** in one his articles, "*The Phoney Aadhaar Bogey*"(The Economic Times, Mumbai Edition, Dt. 23.11.2017, page 18) said that bankers are providing e-services to bring financial inclusion through customers using digital instrument i.e., cell phone. It is the cheapest and fastest mode of communication and also resist the fraud which is useful for customers as well as bankers. An Aadhaar linked financial inclusion is the largest transformational process which is playing a vital role to reframe public policies.

**Sharma Sameer,(2016)** in one of his articles, "*Jan Dhan Yojana-A Revolutionary financial inclusion programme*"( Ministry of Urban Development, Delhi, ) examined the functioning of a large number of savings bank account opened under the Jan Dhan Yojana. Accordingly, all the banks are offering an appropriate form of transfer of subventions to the underprivileged people. In future, it will strengthen the self-reliance of poor and vulnerable people and particularly assist them to reduce the vulnerabilities. In order to roll out of the program, the existing development program should be restructured and absorb the development in a systematic manner and transfer various benefits directly into bank accounts. There are three categories of transfer of benefits such as direct cash transfer, conditional cash transfer and transfer through wages. Financial Inclusion scheme transmuted more forms of direct benefit transfer through to indemnify actual beneficiaries and subsidy transferred to a beneficiary's account directly into accounts opened under the Jan Dhan Yojana.

**Shitole G.Y. (2016)** noted academician and eminent author in a major research project (submitted to the University Grant Commission, New Delhi) has studied Swarnjayanti Gram Swarajgar Yojana and its impact on socio-economic development on the society, especially on women. Author strongly emphasized that rural women should come out of traditional welfare activities and promote the concept of financial inclusion. They have to get involved in all such activities like depositing of money into bank, savings, remittances, insurance, sale and purchase of products in the markets and effective conversations with buyers, etc. There are more avenues available to women Self Help Groups which they have to acquaint with the contemporary business practices. This scheme is one of the major tools implemented by the government in order to encourage women empowerment and strengthening their socio-economic status, family welfare and activate their leadership skills by undertaking Micro-Small and Medium Enterprises activities. Overall, women empowerment process has been expanding rapidly with the help of Swarnjayanti Gram Swarajgar Yojana and maximum women, especially from rural/remote areas are coming forward to avail the benefits.

**Shukla Rajesh and Shree Megha, (2016)** in one of their articles, *“Financial inclusion includes female headed households”*(The Financial Express, Mumbai Edition, dt. 01.04.2016, p 13) said that financial inclusion of women is considered as an integral part of nation’s overall economic development agenda. In this direction, most of the underdeveloped countries achieved women empowerment and made an attempt to overcome the problems of poverty. Similarly, in respect of gender development index and gender inequality index, India stood at 155<sup>th</sup> in the year 2014 and reached to the 130<sup>th</sup> position in 2015. It means gender discrimination is still

exists in India. The female labours, especially from unorganized sector are paid significantly less than male counterparts.

**Subbarao D. (2009)** in one of his speeches on “*Financial Inclusion*” (Bankers’ Club, Kolkatta dt. 09.12.2009) stated that financial inclusion is vital for sustaining equitable growth in our country. Financial inclusion is providing ample opportunities towards savings, micro-credit facilities and also protects the poor from the clutches of the usurious money lenders. In our country, up to 40 percent people have bank accounts and the ratio for the same is much lower in the North-East parts. The Reserve Bank of India has made tremendous efforts by incorporating financial curriculum in the school/college syllabus to students to understand digitization enabled financial inclusion. Further, the Reserve Bank of India also made commitments to raise financial inclusion to support which consists of a bank led model in their financial inclusion initiatives by way of information, dissemination, using best practices and regulatory incentives. Thus, the financial inclusion is a win-win situation for the needy people and also for bankers.

**Sabnavis Madan,(2014)** in one of his articles, “*Jan Dhan is a cross for state run banks to Carry*”(The Economic Times, Mumbai edition, D.24.10.2014, p.11) said that a financial inclusion policy is providing access to deposits, micro-credit and insurance to everyone brings in a feeling of déjà vu. All the banks are ready to provide easy operations to a new segment of customers, i.e., opened saving accounts under Jan Dhan Yojana. The ATMs are rolled over just 1.4 to 1.5 times, which means that the operations are extremely low and there are several ATMs in non-metro cities are hardly used due to non-working condition. The banks’ lending is based on collateral basis, but the overdraft limit of ₹ 5,000/- is not as per collateral basis. Now, automatic force to lend to such customers will have further jeopardy in NPAs. This

will provide the higher priority for lending to turn into assets. The major challenges for bank is that out of every ₹ 100/- they are receiving ₹ 26/- is to be kept aside as preemption and 40 percent of the balance keep as priority sector lending leaving aside just ₹ 44/- for lending. Thus, for banks, it is aggressive measures and few bankers admitted that it is sacrosanct. Now, banks should come out of traditional functioning and resolve various issues through the Jan Dhan Yojana and mark up a new paradigm shift to protect to our banking system from misuse.

**Sukhdeve M. L.(2008)**, in one his articles, “*Institutional saving of the poor: Prospects for Financial Inclusion*” (College of Agriculture Banking Magazine, Pune, January-March,2008) studied the importance of savings made by the poor towards the future prospect of planning. Further, said that the of the poor people have expectation to save money initially for security and safety purpose, low transaction cost and appropriate deposit products, easy access, and convenient methods of financial inclusion. The study mainly focused on the institutional financial system which is not accessible to the poor people because of numerous issues viz., regulations, connectivity, cost effectiveness, product safety, and faith to tap the resources for the poor. Therefore, the banking sector is in need to develop a new mechanism to cover the poor people under the financial inclusion arena. For better prospects of the financial inclusion of the rural poor, it is essential to introduce the small savings deposit account, income based financial products, door to door services, better use of technology, active participation of self help groups, India Post bank, and the most important is awareness about the financial operations in order to avail its long term benefits.

**The Economic Times (2017)**, in one of the news articles, “*JAM Revolution to End Financial Exclusion*” (Mumbai Edition, dt.28.08.2017, p 15) reported about the

success of the Jan Dhan Yojana which was started three years back with the ambitious attempt to cover under financial inclusion mission. The Jan Dhan Yojana is providing financial services to the poor and vulnerable people to overcome their socio-economic deprivation, also became an integral part of the social mainstream of our country. JAM (Jan Dhan, Aadhaar and Mobile) is a strategy which allowing poor to make payments digitally and entered into a social revolution. It is estimated that about 52.4 Crore unique Aadhaar numbers are linked to a 73.62 Crore accounts. The JAM revolution is linked among all citizens into one common financial, economic, digital space and no citizen will be outside the mainstream of the economy.

**The Economic Times (2018)**, in one of the articles, “*Number of Adult Indians with Bank account Rises to 80 percent*” (Mumbai Edition, Dt. 20.04.2018, p 11) reported about the World Bank Findex Report and described that Indian adult citizens are now accessing more transactions digitally through bank accounts and thus avoids cash transactions. The digitization of banking operations is one of the successful attempts to improve the collection of tax revenue. Further the report acknowledged that 36 percent account holders are already using their accounts to make or receive payments and also described that there is rapid increase in the number of financial transactions such as receiving wages, payment against agricultural goods and utility transactions. As on 31.03.2018, there were 31.44 Crore account holders under the Jan Dhan Yojana using digital modes of operations. Accordingly, India is having the potential to improve the banking access as total number of saving accounts have risen to 157.1 Crore (till March,2017) as against 122.3 Crore two years back.

**The Hindu Business Line, (2016)** in one of the headlines, “*60 percent women financially included in 2015*”(The Hindu Publication, New Delhi Dt. 08.07.2016) reported on the financial inclusion insight survey which revealed that women are more

financially included (61 percent in the year 2015) and narrowing gender gaps in the implementation of financial inclusion in India. This survey was conducted between June-October, 2015 with 45,035 Indian adults to evaluate the access and use of institutional financial operations, mobile apps potentiality for use. The Jan Dhan Yojana is kept the target of opening of least bank account by every household and also encouraging women to operate a bank account. Accordingly up to 47 percent women are regularly operating bank accounts. In the last three years viz., 2013, 2014 and 2015, India was the fastest growing country in the areas of utilization of financial services by women at the international level as compared to SAARC member countries. The newly launched payment banks are also promoting financial inclusion to potential customers, especially the most vulnerable people to access the easy financial operations.

**The Hindustan Times, (2015)** leading newspaper in one of the news headlines, “*White label ATMs can get 100 percent automatic FDI*” (Hindustan Times, Mumbai, Dt.10.09.2015, p13) reported about 100 percent requirements of foreign direct investment to promote financial inclusion in India through the route of white label ATM operations. The white label ATMs are those machines which are set up by private (non-banking) firms to boost financial inclusion, especially in semi-urban and rural areas. It will help to expedite foreign investment inflows in our country and provide a fillip to our economy. As per Payment and Settlement Act, 2007, the Reserve Bank of India allowed only institutional banks to set up ATM facility, but also permitted for non-banking entities having net worth more than ₹100/- Crore to set up ATMs. In case entity is engaged in any activity run by non-banking financial companies, the foreign investment in setting up ATMs have to comply with minimum capitalization norms of foreign investments.

**Temitope Akin Foodie, (2008)** in one of his articles *“Enhancing Financial Inclusion for Women in Nigeria”* (Consultative Group to Assist Poor, Washington D.C.) narrated about the financial inclusion for women, which is an integral part of nation’s overall development. Since, women are playing important role in the family and society. At present, there is a rise of micro-finance activities which leads to economic growth and reduce inequality amongst low income groups. Further, it leads the women to improve their decision power capacity in the house. The Central Bank of Nigeria, has identified five key reasons which are mainly responsible for adults lacking from the bank operations. The exclusion is due to either unemployment or irregular income, high cost financial products, financial literacy, lack of trust, eligibility criteria and limited access to banks.

**Venkatesh Jayshree, (2016)** in one her articles, *“What next after financial inclusion”*(The Hindu-Business Line, Mumbai edition, dt.19.04.2016, p 21) has examined the various issues related to financial inclusion and described that under the Jan Dhan Yojana, approximately 136.8 million small bank accounts opened but most of them i.e., 85.39 million (63 percent) are still inoperative and kept zero balance. Such kinds of accounts can be transferred into operational by crediting of subsidy amount and other social benefits too. There is an urgent need to enhance the banking operations through the Jan Dhan Yojana in order to share the required information to the masses. The revised banking system should allow low income group customers to participate in the main frame of the banking sector. This paradigm shift for most of the financial service providers can make a way towards sustainability of financial inclusion in India.

**Twelfth Five Year Plan 2012-17**, (Planning Commission of India, Vol-I and II, Sage Publication, New Delhi,2012) emphasized the inclusive growth of the poor and

vulnerable people in the economic as well as non-economic dimension. The government sponsored various schemes are the sources of income generation activities of these groups. The five year plan mainly focused on the socio-economic development of the poor and vulnerable people. There are approximately 40 percent of the Indian households doesn't have access to institutional banking operations at all. The ratio of total bank credit outstanding for gross domestic product is only about 57 percent in India as compared to 140 percent in East Asia and Pacific countries. The insurance premium is less than 1 percent of gross domestic product and nearby 3 percent of the international average. Recently, financial inclusion measured on the basis of latest information technology development in the banking sector such as core banking solution, mobile phone banking, ATMs, and business correspondents with an electronic device (Kiosk), etc., which are providing banking operations at door steps. All the banks, non-banking financial companies and other financial institutions have to shoulder the responsibility to fulfill the gaps in the financial inclusion of micro-small-medium-enterprises entrepreneurs for sustainability.

**Vijayalakshmi B. (2012)** in her one of the publications "*Emerging Trends in Financial Operations –Challenges and Opportunities*"(Serial Publication, New Delhi) examined the existing financial system in India and stated that financial system plays an important role towards economic growth through channelizing savings and improves the allocation of financial resources. An efficient financial system is now regarded as a necessary pre-condition for development of the nation. Further, the author emphasized the role of ATM facilities of the Indian banking industry in the early 1990. At that time, the technology was used as a means to overcome traditional banking access and approaching the customers for digitization with hassle free



operations. There was a change in scenario in the banking sector due to updated technology. ATMs now part of daily banking aspect of all the classes of people.

### **2.3 Reviews of literature regarding the Jan Dhan Yojana:**

**Acharya Namrata, (2016)** in one of her articles, *“Why Jan Dhan Yojana is gaining currency in Uttar Pradesh and West Bengal; The two states account for 24 percent of the total accounts opened under the Financial Inclusion Scheme”* (Business Standard, Kolkatta edition, Dt. 26.06.2016) has analyzed that the success of the Jan Dhan Yojana, especially in states viz., Uttar Pradesh and West Bengal, as coverage of 24 percent of the total account opened under the financial inclusion mission. As on date, approximately 124 million accounts are already opened under the scheme out of which nearby 57 million accounts are non-operative with zero balance. There is total deposit of ₹ 37,775 Crore, out of which Uttar Pradesh has ₹5,916 Crore and West Bengal ₹ 4,932 Crore. It shows that these two states are accumulated of about 29 percent of total deposits. The Bengal State has recorded 19 million new accounts due to collapse of informal financial markets. The Rajasthan State is also extending banking services to the unbanked population covered 17 million (approx.) account holders, out of which 11 million are from the rural areas with a deposit of ₹2,933 Crore. Notably, the Jan Dhan Yojana is gaining the confidence among the never banked population.

**Das Salkat and Sinha Shilpy, (2015)** in one of their articles, *“Jan Dhan gives fillip to the government’s mission of financial inclusion as more and more people sign up”* (The Economic Times, Mumbai Edition, Dt.21.07.2015) stated that the Jan Dhan Yojana is a big push for government’s financial inclusion mission and its minimizing the big gap happened due to exclusion of the banking access. More and more people are coming forward to avail the benefits under the Yojana and inculcating the habits

of saving. It is great moves towards the direct transfer of welfare funds into bank accounts of beneficiaries and thus no manipulation occurred.

**Iyer Satyanarayan, (2015)** in one of his articles, "*Smaller States, UTs, go big on Jan Dan*"(Times of India, Pune Edition, Dt.27.10.2015, p 13) narrated that the Jan Dhan Yojana is doing better in a smaller states in terms of operative accounts with the help of socio-economic conditions and banking network. The States with higher average account balances are also with a higher financial literacy. Account holders in all seven Union Territories, have average balances of more than that of the national average of ₹ 1,362.13 per account. Another State, Lakshwadeep is having a minimum ₹ 7,787 balance which is more than five times of national average balance. Some of the States are performing better due to modified applications of the direct benefit of transfer scheme in their regions and also developing saving habits amongst a lower income group people to enhance their savings.

**Kale Sumita, (2016)** in one of her articles, "*Jan-Dhan not perfect, but its progress is laudable*" (Business Standard, Mumbai Edition, Dt. 04.05.2016, pp 10) has examined the Jan Dhan Yojana implemented by the banks and opined that the Yojana has made more awareness among the unbanked population about various banking services. All the banks nominated their business correspondent and their numbers are increasing significantly, but their ability to serve the customers is not up to the mark. It is observed that business correspondents are not focusing on the Jan Dhan Yojana because of insufficient honorarium, negligible commission and indifferent attitude of bank officials. These banks authorized agents reported that account holders are maintaining multiple accounts and so they are partially financially excluded from the basic banking operations. There are significant challenges with delivery of services, activation of RuPay card and the problems of the internet, etc.

There is an extreme low level of awareness regarding insurance, pension schemes and no clarity on overdraft facility. The goal of the Jan Dhan Yojana towards universal financial inclusion and literacy is not an easy task, but the Yojana has achieved the target of account opening and thereby providing access to the full suite of financial operations in semi-urban and rural parts of our country.

**Kanti Soumya and Gosh Pulak, (2015)** in one of their articles, *“Janata likes Jan Dhan: The past three years have been a rapid growth of active PMJDY accounts across all geographies”* (The Times of India, Mumbai edition, Dt.30.10.2015) stated that the Jan Dhan Yojana has created a huge customer base of the population excluded from banking access. There is tremendous growth in active bank accounts which has grown 25 times between August, 2014 to May, 2015 and dormant accounts have multiplied by 10 times. Areas such as semi-urban in the East and South showed an exponential growth. “Act of the active accounts” are considered as having more than two transactions in a month. The Jan Dhan Yojana is providing domestic remittance operations, which are beneficial to the migrant workers to send money to their family members staying far away. Women are an important component of the Jan Dhan Yojana, hence, it is essential to acquire skills, enhance capacities and knowledge of the latest banking challenges. Thus, the Jan Dhan Yojana is one of the tools of women empowerment by taking decisions on their own to motivate family. It is understood that as and when, the benefits made under the direct cash transfer scheme connected with Aadhaar number and mobile cell phone, the Jan Dhan Yojana and the financial inclusion can be extended in a broader scale. The next level of financial inclusion will require a more flexible and technological aided platform that can be effectively leveraged to increase the reach of the institutional financial system.

**Nair Tara and Tankha Ajay, (2015)** in one of their reports, *“Inclusive Finance India Report 2014”*(An Access Publications, New Delhi) narrated that Jan Dhan Yojana is specially designed as a problem solution tool of financial operations for the poor and low income groups. The concept of the mission is to ensure easy access to various financial operations such as availability of basic bank saving account, micro-insurance, micro-credit, remittance facility and pension facility to the workers belongs to unorganized sector to protect old age life. The poor implementation of the financial inclusion strategy and lack of accountability at the levels of top management of banks are the main reasons for the ineffectiveness of the financial inclusion project. Further, banks lacking the system of the business correspondent linkage with an information technology model which is scalable and will develop the best strategy to achieve the financial inclusion targets. At the beginning of the Jan Dhan Yojana (year 2014), there were 2,476 business correspondents covered approximately 9 lakh no frills accounts with deposits of ₹ 6 Crore and above.

**Nair Vishwanathan, (2015)** in one of his articles, *“Jan Dhan Yojana has helped poor, but financial inclusion still far off”* (Live Mint, dt. 02.02.2015) stated that as per World Bank’s Global Financial Inclusion Survey 2012, there were only 35 percent of Indian adults have access to banking system and up to 8 percent borrowed loan from formal sources. Under the Jan Dhan Yojana, all the banks opened near about 124 million accounts out of which 74 million accounts to take care while the lending overdraft facility. There should be the viability of business possibilities while ensuring financial inclusion. The best way to make financial inclusion viable is to bring multi-purpose products at affordable rates to the poor and vulnerable people.

**Nath Sachinder, (2016)** in one of his articles, *“Prime Minister Jan Dhan Yojana- A Political Economic Revolution”* (FICCI, Vol.6, Issue.1, New Delhi, April-June, 2016) said that opening a small saving account to every household in the country is a giant step towards the financial inclusion because nearly 42 percent of the population lacking access to the banking sector. The Jan Dhan Yojana has positive impacts towards this direction. There were about ₹ 6,745.41 Crore of cooking gas subsidy already credited to the saving account of beneficiaries. If the same is executed properly, then there will be an economic revolution which will deliver better opportunities to the society especially to the marginalized sections. The poor and vulnerable people are in need to bring a high degree of effectiveness and channelize resources. The Jan Dhan Yojana is one of the viable means towards cashless transactions and thereby strengthen our economy.

**Mishra Mayank, (2015)** in one of his articles, *“The JDY scheme and its success across the country”* (The Economic Times, Mumbai Edition, Dt. 28.09.2015) stated that accounts opened under the Jan Dhan Yojana are facilitating overdraft limit of ₹ 5,000/- which is applicable after successful operation of at least 6 months. As on 26<sup>th</sup> August, 2015, there were 179 million accounts were opened, but only 1 million beneficiaries were found eligible for overdraft facility and out of which 1.64 lakh account holders availed the overdraft facility. Overall, it is found that the gaps were due to procedural complexities and many accounts were opened by banks in a hurry, but not entered into the bank accounts. In order to attract more such accounts, banks should be linked with other government schemes such as Pradhan Mantri Jeevan Bima Yojana, Suraksha Bima Yojana and Atal Pension Yojana. The success of the Jan Dhan Yojana will primarily depend on reconsideration of shortfalls in an appropriate manner.

**Mundra S.S.(2016)** in one of his keynote addresses (BRICS nations workshop on financial inclusion in Mumbai, Dt.19.09.2016, available at [www.rbi.org.in/script/BS\\_SpeechesView.aspx?id=963](http://www.rbi.org.in/script/BS_SpeechesView.aspx?id=963)) said that financial inclusion measures resulted in impressive gains in enhancing the outreach of banking operations and extension of micro-credit facility to the poor and vulnerable people. The introduction of business correspondents and their operation through electronic device is a major step towards enhancing access of basic banking operations and extending financial inclusion in geographic backward areas. Under the Jan Dhan Yojana as on 1<sup>st</sup> June, 2016 there were total 220 million customers with a balance of ₹384 billion. In order to motivate more and more consumers to cover under financial inclusion mission, it is essential to understand their income level, protect them from frauds and ensure that they should not be over indebted. The enhancement of the financial capability of the micro-small medium enterprise sector would help to move away from the informal sources of finance. This achievement, not only through synergistic efforts between the financial entities and fringe players such as co-operative societies, non-banking financial companies, micro-finance institutions, credit societies, and non-government organizations, etc.

**Nayak Gayatri, (2015)** in one of her articles, *“Operations of Banking Reporters under PMJDY out of tax loops”* (The Poiner, New Delhi, dt. 23.10.2015) narrated about the present status of financial inclusion and the Jan Dhan Yojana. Further author narrated that the scheme successfully opened almost 22 Crore accounts with deposits of ₹ 37,000/- Crore and providing access to banking operations to more than 15 percent of the unbanked population. An overdraft limit of ₹ 5,000/- was disbursed by banks to about 19 lakh accounts holders amounting to ₹ 256 Crore, The eligible accounts for overdraft facility was 63.07 lakh out of which bank

sanctioned to 35.55 lakh customers, but the facility was availed by 18.93 lakh only. These overdraft amounts were successfully disbursed by banks viz., Punjab National Bank ( ₹ 61.05 Crore), Canara Bank ( ₹ 51.55 Crore), State Bank of India ( ₹ 27.48 Crore), Bank of Baroda ( ₹ 23.35 Crore) and Indian bank ( ₹ 17.91 Crore).

**Prakash Sandeep, (2016)** in one of his articles, “*Financial Sector Reforms: Move faster, sooner*” (The Economic Times, Mumbai Edition, Dt. 25.05.2016) examined the financial sector reforms in India and narrated that the financial sector is regulated and is fulcrum to develop our economy. The Jan Dhan Yojana is one of the banking reforms having significant impact on financial inclusion in India. The main target of the scheme is to facilitate banking operations to maximum poor and vulnerable people by removing the hurdle of address proof, especially in case of migrated workers. It is also essential to redesign the various cumbersome procedures to help out unbanked people and thus made an attempt to improve the national economy.

**Rajalakshmy G. and Dakshina A. (2014)** in one their publications, “*Bringing gap between banking operations and common man-Financial Inclusion through PMJDY*” (Emerging Trends in Banking, Commerce and Insurance, Top Publications, Dombivali, 2014, p.315) have narrated about financial inclusion through the Dhan Yojana. The scheme is functioning successfully all over the country to have an impact on poor and vulnerable households. This scheme is helpful to achieve a better standard of living, socio-economic development and better lifestyle for the underprivileged people. Overall, our nation will benefit by implementing financial inclusion scheme and thereby capital formation procedure is inclusive growth.

**Ramakumar. (2014)** noted columnist in one of his articles, “*Miraje of inclusion*” (Frontline, The Hindu Publications, New Delhi, Dt. 03.10.2014) examined

that financial inclusion through the Jan Dhan Yojana, is an attempt by the present government to cover rural poor and vulnerable people those are interested to operate banking operations but excluded due to some reasons. The Jan Dhan Yojana is most effective because it is a continuation of the earlier government's failure towards liberalization of policies and inherits their systematic infirmities. This is an ongoing process and attracts more households to cover them under banking operations. Awareness programme needs to be revised for the financial literacy, utility, risk factors and digitization, etc., especially in hilly and remote areas.

**Ravi Shamika, (2015)** in one of her articles, "*Going beyond Prime Minister Jan Dhan Yojana to achieve financial inclusion in India*" (FICCI, Issue No.1 Vol. 6, New Delhi, pp 20-23) has emphasized the role of designing of an array of financial products such as insurance and pension under the Jan Dhan Yojana. The scheme encourages the best use of banking activities through mobile apps with the help of the National Unified USSP platform to access banking operations through a uniform number across all banks, irrespective of the telecom service providers. Such technology should be more leveraged to bring down the operating cost of financial products, which is more expensive in comparison to a larger instrument of the mainstream financial sector. In India, chit funds have been operating more than 1,000 years and still continuing financial assistance to traders and households. This is working on a similar way to "Rotating Savings and Credit Associates" which are persistent in some part of the country and allowing poor people to save from their hard earnings. The most common reason for participation in the chit fund scheme is the saving and need of money for the households as well as business purpose. The result of the Institute of Financial Management and Research study shown strong



positive implications of chit funds as a source of savings and borrowings for the poor households in India.

**Rao Nageswara Dara, (2013)** in his Ph.D. Thesis, titled “*Status of Financial Inclusion among rural Households in Andhra Pradesh*”( submitted to the Department of Economics, Andhra University, Vishakhapatnam) examined the status of financial inclusion among the rural households of selected districts of Andhra Pradesh viz., Mahabubnagar, Srikakulam and Vijayanagarm. The researcher has found that the majority, (53.84 percent) of the households doesn't have awareness of online banking facility whereas only 5.76 percent are transacting through online banking. There were total 65.89 percent of the households did not have sufficient income, 2.94 percent covered livestock insurance and 19.87 percent covered under a life insurance policy. Simultaneously, 3.58 percent possessing accidental insurance. Secondly, in respect of internet banking awareness and its utilization, there were only 1.53 percent had knowledge, 9.87 percent poor awareness, whereas very little percentage, i.e., 0.51 percent only has fairly awareness of internet banking. In respect of banking services through self help groups linkage through business correspondent, upto 7.05 percent customers are eligible for agricultural credit, 17.82 percent availed short term loan and 10.89 percent were successfully operating basic banking operations viz, withdrawal and deposits. Moreover, 33.20 percent households were deposited once in every 2 months, 1.28 were deposited once in a week and 21.92 percent within every six months. After examining the status of financial inclusion, the author has suggested the measures to overcome this scenario of exclusion. All the banks should explore the micro-credit flow to rural and remote parts, priority sector lending and innovative economic strategy should be adopted for greater use of technology to enhance financial inclusion.

**Singh Charan, (2016)** in one of his articles, *“Challenges to Financial Inclusion”* (The Hindu Business Line, Mumbai edition, Dt. 01.10.2016, p 6) narrated about the some recent reports of malpractices in savings accounts opened under the Jan Dhan Yojana. In India, approximately one fourth of the population is illiterate, living below the poverty line, and ensuring that financial inclusion is a major challenge. The two main indicators such as poverty and illiteracy are widely implemented in different parts of our country. The rural poverty is above 30 percent of the population in some States viz., Assam, Bihar, Madhya Pradesh, Utter Pradesh, Orissa, Jharkhand, Chattisgarh and Manipur. The rural poverty is the main concern to the farmers, lack of skills, and seasonal unemployment. Thus ensuring deposit operates in these accounts are challenging. India has a total literacy rate of 73 percent, whereas some of the states like Bihar, Uttar Pradesh, Madhya Pradesh, Jharkhand and Rajasthan have literacy rates between 62 and 70 percent. The various banking operations through biometric machines, the Jan Dhan Yojana along with aadhaar card number are required to push towards operational. At present, messages are in English and bank staffs or trained business correspondents only read and connect to Aadhaar number. Similarly, sms received on mobile phones are also in English and thus the illiterate person can't read and maintaining assistance to understand the message. Therefore, the privacy of an individual's bank balance is breached. This makes way to frauds with households, women, elderly person and vulnerable to malpractices. There were total 25 Crore accounts have been opened under the Jan Dhan Yojana in last two years. The main responsibility should be undertaken by banks to ensure that these accounts are operational in all respects.

**Singh Porush, (2016)** (President, South Asia Design, Master Card) in one of his articles, *“Lack of cash in the system will boost digital transactions”* (The

Economic Times, Mumbai, Dt.19.05.2016, p 13) narrated that the Jan Dhan Yojana issued RuPay debit card for operational through entire online transaction facilities. Now, master card holders are intending to work with RuPay card to incorporate merchant payments. The devices are launched through auto rickshaws in Mumbai. It is fixed on the back of an auto driver's seat in order to view by customers. Thus, the financial inclusion scheme's one of the goals is at the transformation stage from the lowest segment of the society.

**Sinha Abhishek, (2016)** in one of his articles, "*End of road for standalone Business Correspondents*" (The Economic Times, Money and Banking, Mumbai edition, Dt.23.03.2016, p 22) described about the financial inclusion has attracted serious attention during the year 2014 through Jan Dhan Yojana. Before the introduction of this Yojana, banks didn't spend time and energy to promote financial products to the poor and vulnerable people and failed to bring those accounts in profits. The model has not been able to pick-up on the way the Reserve Bank of India expected because of the inability of banks to customize products especially for the grassroots people. The existing regulations did not allow any retail outlets to offer products from multiple banks, thus leaving only corporate business correspondents to transact on behalf of multiple banks and cater to multiple products. Further, in pushing out standalone business correspondents, the operations will become profitable only when numerous financial products are sold through them and bring the financially excluded people in the gamut of financial inclusion.

**Shah Rajesh, (2016)** in one of his articles, "*Financial foresights' views, Reflections and Erudition*"(FICCI, Vol.6, Issue-1, New Delhi, pp 5-8) opined that the Jan Dhan Yojana must resolve the problem of last mile reach connectivity that has tripped up in the "Swavalambam" scheme which was focused on urban households

rather than rural and remote villages to ensure deep penetration into sparsely inhabited pockets of the country and has enabled digital financial inclusion through mobile banking. This Yojana has opened nearby 7.5 million savings accounts till January, 2015 but reached more than 13 Crore accounts. The benefits of the subsidy amounts are obvious through the direct benefit of transfer amounting of ₹1,800 Crore of cooking gas subsidy already been transferred to beneficiaries till January'2015. Also ensuring that the banks are offering a full range of micro-credit and insurance operations to the zero balance account holders in the rural parts will also require the evolution of risk analysis at the bank level. Thus, the financial inclusion mission can't be shortly finished, but is endurance game that requires continuous capacity building, innovations and mentoring. The Jan Dhan Yojana has a unique inherent capability in innovative ways to fetch marginalized million people out of the grips of debts.

**Sharma Aman, (2016)** in one of his articles, "*PMJDY- Aadhaar to ensure cashless treatment for the poor*" (The Economic Times, Mumbai Edition, Dt.21.04.2016, p 4) described about 21 Crore account holders opened accounts under the Jan Dhan Yojana and these are maintaining cashless transactions upto ₹ 1 lakh at various hospitals. The poor and vulnerable people availing medical treatment can be linked to the account and an Aadhaar number in order to cater into cashless transactions facility. There are 24 districts of West Bengal and Assam's Nagaon which was declared as best implementer of the Jan Dhan Yojana. Further mentioned that the average balance of ₹1,700/- in the accounts and number of zero balance accounts had also dropped to 27 percent and almost 95 percent of all the Jan Dhan Yojana accounts were opened by banks.

**Sinha Jayant, (2016)** in one of his articles, "*Improving financial literacy a way forwards towards financial inclusion*" (The Economic Times, Mumbai Edition,

Dt.20.04.2016, p 11) opined about development in financial literacy is stressed upon forward financial inclusion scheme. The maximum participation, appropriate use of technology, substantial role of banks and convergence of schemes, etc., are identified as critical components for the implementation of the scheme. The rapid development in financial literacy can lead to better utilization of the scheme by poor and vulnerable people.

**Sridhar Naga G.(2016)** in one of his articles, *“Money flow into Jan Dan Account gather pace”* (The Hindus Business Line, Hyderabad Edition, Dt.07.07.2016, p 7) has narrated that accounts opened under the Jan Dhan Yojana are steadily growing, especially in rural and remote parts of our country and satisfactorily maintaining cash balances in their accounts. It is observed that, zero balance accounts were reduced by 25 percent during the period between January-June, 2016. This Jan Dhan Yojana is known as biggest financial inclusion drive in the world because it opened accounts under the scheme have touched 22.29 Crore with overall credit balances of ₹39, 251 Crore. It means public sector banks have 37.33 percent overtaken private banks 25.61 percent accounts whereas regional, rural banks have 21.35 percent in regard to maintenance of zero balance accounts.

**Sriram M.S. (2015)** in one of his publications, *“Inclusive Finance India Report 2015”* (An Access Publication, Sage Publication, New Delhi) said that the Jan Dhan Yojana is the approach to overcome the past efforts at ameliorating the poor and vulnerable people from the clutches of the informal money market and thereby covered through formal credit at the affordable rate of interest. Some of the other government schemes, viz., Integrated Rural Development Programme and Swarnjayanti Gram Swarojgar Yojana have also made an attempt to help the poor people from the primary requirement of micro-credit to saving habits. The Jan Dhan

Yojana is helping them to lay down the foundation for financial inclusiveness. The issuance of RuPay debit card picked-up the stream, therefore savings accounts are opened with enthusiasm, but some of them might remain inoperative due to various reasons.

**Sriram M.S. (2016)** in one of his publications, *“Inclusive Finance India Report 2016”* (An Access Publication, Sage Publication, New Delhi) described that some accounts opened under the Jan Dhan Yojana but now reaching at saturation stage. Therefore, it is essential to focus not only volume of bank accounts but also concentrate on inoperative accounts which stands at 24.55 percent. Now, the focus is slowly shifting to the level of transaction and there is one more significant step to enhance the scope of direct benefit of transfer and migration of all direct benefit of transfer transactions into accounts opened under the Jan Dhan Yojana. Financial inclusion is in the development stage driven in the largest part of the country by the simultaneous growth in bank account access and registration. Almost, 65 percent adult citizens are now financially included means they are accessing few basic financial operations such as saving, insurance and money transfers. Simultaneously, the ratio of women considered as financial inclusion was recorded as 61 percent in 2016 and 48 percent in 2015. The Below Poverty Line groups covered upto 54 percent in 2014 largely due to the expansion of banks and non banking financial corporation’s operations.

**Tiwari Dheeraj, (2016)** in one of his articles, *“NPCI to Audit, Financial Inclusion Tech for Jan Dhan Accounts”* (The Economic Times, Mumbai Dt. 15.07.2016, p 19) stated that nearby 80 percent of accounts opened under the Jan Dhan Yojana is failed to operate interbank transactions. The National Payment Corporation of India has decided to undertake audits of the financial inclusion

technology platform of all banks to find out the reasons for non-operation of such accounts. Some of the banks are already closed the financial inclusion scheme due to non-operation. The government asked to look into the issue as it pushes various social welfare schemes under the Jan Dhan Yojana. According to latest government's data, there are 1.25 lakh business correspondent, 1.05 lakh manual handled machines, 23 Crore account opened under Yojana amounting to ₹40,000 Crore balances in accounts, approximately 11 Crore accounts seeded with Aadhaar number and nearby 25 percent with nil balance. An audit programme is designed to ascertain which banks are lagging behind and to bring down future rate up to 20 percent.

**The Hindu Business Line, (2016)** leading daily newspaper in one of the articles, *"58 lakh pensioners to come under PMJDY"* (Kasturi and Sons Publications, New Delhi edition, Dt. 03.08.2016) reported that there were 58 lakh Central Government pensioners to covered through the Jan Dhan Yojana and benefited from the direct benefit transfer during the financial year. Department of Personnel, Public Grievances and Pension has issued instructions to cover all such pensioners under the Jan Dhan Yojana and mapped with Aadhaar number of an individual. Department of Financial Operations further has directed that the linked all such accounts with Aadhaar number and used it is a primary tool to transfer of various government benefits schemes. As per the statistics of the Ministry of Finance, so far 22.65 Crore accounts opened under the Jan Dhan Yojana with a balance of more than ₹ 40,750 Crore.

**The Economic Times (2016)**, leading daily newspaper in one of the articles, *"All Central Government Schemes on track to be linked to DBT"* (The Times Groups, Mumbai edition, dt. 31.03.2016, p 13) reported about the correlation between the Jan Dhan Yojana and direct benefit of transfer scheme duly initiated by the government of

India. It is mentioned that Aadhaar number is essential for accounts for utility. The Public Distribution System and Mahatma Gandhi National Rural Employment Guarantee Scheme having lots of scope towards saving, but must be entirely connected to Aadhaar Based Payment System. At present total savings under public distribution system and Mahatma Gandhi National Rural Employment Guarantee Scheme are only ₹10,000/- Crore and ₹ 3,000/- Crore respectively. As Aadhaar card based public distribution system is being operational in only 2 States viz., Andhra Pradesh and Telengana. The direct benefit transfer scheme now gathered momentum and its scope extended to other welfare schemes, benefits to individuals in kinds. The government is also pushing public and private banks to seed the Jan Dhan Yojana accounts with an Aadhaar number so that they can receive benefits of government schemes. As the Aadhaar number is considered as a primary KYC document for easy opening of saving accounts, but only 9.32 Crore (out of 21 Crore) accounts opened are linked to Aadhaar number. It shows that the connectivity of an Aadhaar number for the poor and vulnerable people is very slow.

**The Economic Times, (2016)** in one of the articles, *“Jan Dhan’s Withdrawal Cap to Trap the Money Changers”* (The Times Group, Mumbai edition, dt.01.12.2016, p 6) reported about the growing cases of money laundering through accounts opened under the Jan Dhan Yojana account. The Reserve Bank of India has issued notification for compliance of KYC for withdrawal of more than ₹10,000/- per month. This step was imposed to protect innocent farmers from cash transactions and the legal consequences may arise from law covered benami transactions. The government already warned people about the operations of the Jan Dhan Yojana and not to deposit illegal money, which will punished under a stringent acts covered under “benami” transactions i.e., Prevention of Money Laundering Act.



**The Financial Express, (2016)** leading daily newspaper in one of the editorials, “*About ₹ 23,000 Crore received in a bank deposit under Jan Dhan Yojana Accounts*” (Indian Express Groups, Mumbai Edition, Dt. 20.04.2016, p 11) reported about the present scenario of the Jan Dhan Yojana in India. At present total 28,000 accounts are successfully opened under the government’s prime initiatives of financial inclusion mission and approximately ₹36,000 Crore deposits in the bank accounts. It means citizens are not only economically empowered, but have full dedication towards the nation. The grievances cell has redressed almost all the cases and the provision of self-attestation of documents essential to implement good governance.

**The Pioneer, (2015)** leading newspaper in one of the articles, “*Operations of banking reporters under PMJDY out of tax loop*” (Pioneer Group Co. Pvt. Ltd, New Delhi Edition, dt.23.10.2015,p 14) reported that the government will exempt from taxes of all the operations of business correspondents, those are promoting financial inclusion under the Jan Dhan Yojana. At present, an individual functioning as business correspondent will not cover under the income tax for their banking activities such as opening of bank accounts, cash deposits, cash withdrawals, obtaining e-life certificates and Aadhaar seeding in rural/remote branches of banks.

**Upadhyay Jayshree P. (2016)** in one of her articles, “*Only 28 percent of Jan Dhan Yojana accounts are active*”(Business Standard, Mumbai Edition, Dt. 22.01.2016, p 16) said that the Jan Dhan Yojana should overcome its financial inclusion goal by opening 115 million bank accounts. The accounts opened under Yojana are accounted for 28 percent with a deposit of ₹ 9,000/- Crore. The public banks are holding 71 percent zero balance accounts, whereas private sector banks is holding 64 percent zero balance accounts. Among them, the State Bank of India has opened 95 percent accounts with zero balance, whereas Indian Overseas Bank is

having 84 percent account with zero balance. Among the private bank, Yes Bank holds 89 percent, Kotak Mahindra 77 percent and Axis Bank 75 percent of zero balance accounts. In rural parts of our country, there are 90 million accounts opened by public banks and rest 4.1 million accounts opened by private banks to deepening major financial inclusion in India. It is observed that public sector banks having wider rural penetration as compared to private banks.

#### **2.4 Reviews of literature regarding the Reserve Bank of India's scheme on financial inclusion:**

**Bhowmik Goutam, (2015)** in one of his articles, "*Introduction of Payment Bank in India: Prospects and challenges*" (The Management Accountant, Journal for CMAs, Vol.50, No.5, Kolkatta, May,2015) stated that in global scenario policy makers are positive to change the landscape of financial inclusion and payment system. There are several measures of the financial inclusion implemented by the government and the same has been administered by the Reserve Bank of India, but still a majority of the people are living semi-urban, rural areas and not within the reach of banking operations. The banking structure is needed to understand and solve the difficulties faced by certain poor and vulnerable people. Moreover, the Reserve Bank of India has introduced business opportunities as a part of comprehensive financial operations to the poor and vulnerable people. A mini version of the M-pesa has been already operational in India through the Prepaid Payment Issuers. The Reserve Bank of India has issued the guidelines to payments banks towards setting up of institutions which will help in achieving the broad objectives of financial inclusion. This step is an opportunity for non-banking financial companies to migrate into the scope of the banking sector.

**Garg Vijay, (2016)** in one of his articles, “*Financial Inclusion: An Overview of national and international scenario*” (The Chartered Accountants Journal, Mumbai Edition, Dt.20.04.2016) has stated that recently financial literacy assumed greater height due to emerging complexities of financial inclusion. It helps people to understand their financial operation and its consequences. In India, rural empowerment is an important factor which needs to correlate with implementation of the financial inclusion scheme effective. It also plays a vital role to emphasize the requirement of insurance and remittance facilities to the poor and vulnerable people. The nationwide awareness of financial inclusion is solving the basic problems of growth of equality and plays an important role in deepening financial inclusion more efficiently. Financial literacy gives confidence among the individual to choose best range of financial products. It is helpful to minimize debts of an individual arise due to unforeseen circumstances.

**Ghumre Nileshwari, (2014)** in one of his articles, “*Customer Relationship Management Systems among Commercial Banks in India*” (Emerging Trends in Banking, Commerce and Insurance” Top Publications, Dombivli, Dist. Thane, pp 383-388) opined that Customer Relationship Management is an integrated business model of banks, which created the strong customer base. This technology is helpful to resolve problems instantly and provides better solutions. With the help of this technology, banks are providing a diversity of operations, immediate access and convenient timings, etc. In this way customer relationship practices are assisting the banks to implement the scheme of financial inclusion mission more efficiently so it can minimize the problem of last mile reach.

**Khanna Somesha et. al. (2016)**, in one of his articles, “*Banking Digitally*” (The Economic Times, Mumbai Edition, Dt.25.04.2016, p 16) opined that traditional

banking has a big threat due to rise of digitization of financial operations. All the banks are offering online financial products and services such as check balances, investment options, credit cards, payment of fees and foreign exchange transactions, etc. It is observed that out of total revenue generated by banks, only 59 percent earning received from payment of fee transactions viz., advance, payments and organizations sales, and loans and deposits, etc. Now due to emergence of genetic landscape, the customers are most susceptible towards digitization because it is enhancing experience through digital distribution method.

**Menon Usha Gopinath, (2017)** in one of her articles, “*A Robust System*” (IBEF, Vol-3, Issue-4, December,2016 to January,2017, Mumbai) said that our country has positive environment for digital operations such as ATMs, apps on mobile handset, banking through internet and Point of Sale, etc. The digital India initiative has already set the infrastructure technology accessibility and extensive connectivity. This is helpful to the government to implement welfare scheme, like transfer of direct benefit of subsidy on cooking gas cylinder. The direct benefit of transfer is successful in providing scholarships, welfare of women, child and labour, etc. During the year 2016-17 more than ₹44,382.02 Crore were transferred through direct benefit of transfer and through transactions more than ₹ 91.67 Crore. Financial inclusion drive is facing some challenges which can be resolve through the use of digitization viz., e-kyc, interbank mobile payment system, aadhaar number enabled payment system and also apps on mobile handset, etc.

**Mohanty Deepak, (2015)** the Chairman of the Reserve Bank of India Committee on Financial Inclusion in “*Report of Medium Term Path on financial Inclusion*” (The Reserve Bank of India publication, Mumbai) stated that a systematic approach of the financial inclusion scheme has implemented various benefits in order

to make inter-connection of access of funds and also maintenance of land records, agricultural subsidy, and direct benefit transfer, etc. In order to encourage financial inclusion of the poor and vulnerable people, the panel suggested 8 percent markup on the interest rate applicable to the poor and vulnerable borrowers from a bank. The Reserve Bank of India also initiated liberalized norms in respect of business correspondents, use of mobile technology to tap the excluded population of our country. Hon'ble Supreme Court stands its verdict on the utility of Aadhaar card as a legal document in all government schemes. The mapping of Aadhaar to individual's credit account and sharing of the information with financial institutions is essential for financial inclusion. The report also suggested that 90 percent of unbanked people will cover by 2021 through access to the banking system. More and more micro ATMs operations should be set up in rural and remote areas to facilitate maximum poor and vulnerable.

**Mor Nachiket, (2013)** the Chairman, (Committee on Comprehensive Financial Operations for Small Businesses and Low Income Households, Central Board Members, the Reserve Bank of India, December, 2013) urged about the urgent needs for replacement of some measures like reduction in interest rate and loan waive through the direct benefit of transfer in bank accounts and connectivity with the credit portfolios. Inclusiveness in all respects will happen only when there is a wide acceptance of risk factor, cost analyses and free market access. The risk and liquidity transfers are allowed banking system to execute the active role in financial inclusion. Further, in order to enhance the efficiency of the services and promote customer interest, there is urgent need of setting up risk transfer system within the scope of the financial system to build confidence among underprivileged people.

**Phanse Shubhalakshmi, (2016)** noted banker in one of her speeches, “*Financial Inclusion Summit*” (The Economic Times, Mumbai Edition, Dt.13.04.2016, p 9) stated that with the help of financial inclusion mission the new segment of customers are coming into the scope of the banking sector. These new classes of customers are required to handle properly because they don’t have knowledge of banking. So that it is absolutely important to literate them with new avenues with proper banking operations. This group should aware about the saving, timely repayments and appropriate borrowing from the banks. The financial education is presently executed through digital mode and it is covered under financial inclusion scheme.

**Pimprikar Niyati, (2014)** in one of her articles, “*Digital Banking: State Bank of India initiatives on Futuristic Banking*” (Emerging Trends in Banking, Commerce and Insurance” Top Publications, Dombivli, Dist. Thane, p 11) described the digital banking initiative introduced by State Bank of India during the launch of “**INTOUCH**” with aims to extend the vast network of the banking ecosystem. The digital platform is providing a world class banking operations to the customers. The strong network of State Bank of India’s outlets are equipped with multiple banking related operations such as instant cash deposits and cheque book facility, etc., and also assisting in providing financial opinions through experts. It will be a great assistance to the customers to exercise their banking operations and improve financial inclusion.

**Raghuram Rajan,(2016)**, the ex-governor of the Reserve Bank of India, in his one of his articles, “*Financial Inclusion necessary for sustainable growth*” (Business Standard, New Delhi, Dt.18.07.2016) said that in order to building blocks for sustainable growth of our country, the Reserve Bank of India is trying to frame attractive policies for financial institutions to offer banking operations to everyone.

Aadhaar enabled operations will go a long way in taking financial operations to the poor and vulnerable people, wherein financial inclusion is ensuring access and equity in an easy manner. The Reserve Bank of India is continuously making efforts to implement financial inclusion by moving from mandates, subsidies, and reliance on public sector banks to target the never banking people. The last mile service problem can be solved through expanding operations of financial transactions through Indian Postal Bank and other payment banks. The system will ensure the transfer of funds from a bank account to an individual's account in the safest manner.

**Raghuram Rajan, (2015)** Ex-governor of the Reserve Bank of India, in one his report (The Reserve Bank of India Publication, Mumbai) mentioned that the financial inclusion is providing protection to the newly included unsophisticated customers. These segments of customers are having an easy access, grievance redressal, customer support and financial literacy, etc. Accordingly, the Reserve Bank of India has developed a Charter of Consumers' Rights towards the protection of fair transactions, ethical operations, suitability, privacy, grievances redressal cell and compensation also. Now, consumers can fight legally against discrimination, unfair business practices, inoperative, coercive contractual terms, misleading advertisements, and mis-selling of financial products, etc. The basic aim is to promote appropriate financial products with a clear understanding of the risks and charges involved therein. This step will be helpful to the customers to select appropriate financial products and services.

**Reserve Bank of India (2016)** (Annual Report 2015-16, the Reserve Bank of India Publication, Mumbai,) described that cash transfer for social benefits is an integral part of the financial inclusion mission and also helps to control corrupt practices. The government has to enhance the use of electronic modes of payments

and promoting greater financial inclusion. The Committee on Financial Inclusion is opined that the meaningful financial inclusion is possible through specialized transactions such as payment by government to individual and vice versa. Secondly, digitization can help to minimize the corrupt practices in the society. The welfare payments transfer through digitization caused corruption dropped down by 47 percent and beneficiaries to receive satisfaction towards the credit of payments to his account. A major positivity of government payment through digital mode is overcoming of robust payments infrastructure. Simultaneously, the digitization in turn also supports the safe and efficient methods of receipt of government payments. At present, there are total 37 Central Government Sponsored Schemes (including 3 subsidies) are operating under the Direct Benefit Transfer and its coverage is gradually increasing.

**Shukla Salomi and Rebello Joel, (2015)** in one of their articles, “*RuPay No More a Poor Cousin to Visa and Master*” (The Economic Times, Mumbai edition, Dt.18.11.2015, pp 18) stated that the evaluation of RuPay debit card is an alternate to the Masters and Visa cards. This is not only ensuring the industry to get diverse products, but also makes it possible for the digital payments, which is to be operated by the poor and vulnerable people. The Jan Dhan Yojana and RuPay debit card implementation is a healthy competition in the plastic money market. Initially, the debit card market was dominated by international players, but now upto 36 percent of the debit cards are operational through the Jan Dhan Yojana accounts. The financial inclusion initiatives by the government has promoted a big boost to RuPay card. The government’s efforts to make every household operative through bank funds only from the support of National Payment Corporation of India. As per the data released by the Reserve Bank of India, there are 603 million debit cards issued in India as on 31.10.2015 out of which 222 million (37 percent) were RuPay cards. Amongst total



RuPay cards, approximately 70 million (32 percent) are already mapped with the Jan Dhan Yojana accounts out of which only 52 million (72 percent) cards are operative. There are many small deposit accounts opened under the Jan Dhan Yojana, but still doesn't have enough money for the operations. It is a great achievement that the government is promoting new market, but the same should be driven by open competition to extend financial inclusion mission.

**Saloni Shukla, (2016)** in one of her articles, "*Axis bank enter urban microfinance segment*" (The Economic Times, Mumbai Edition, Dt. 29.06.2016, p 13) narrated about the entry of private banks into microfinance segment to provide collateral free micro-credit facilities to the lower income groups, especially for women. Axis Bank, being India's third largest private bank has initiated "Axis Sahyog Scheme" for providing micro-credit via technology. Initially, it will operate in 85 branches located in Chennai, Kolkatta and Mumbai to provide collateral free credit facility upto ₹ 15,000/- especially for small women entrepreneurs. This move will help women to set up income generating activities through self employment such as tailoring, household activities and Kirana shops, etc. Moreover, the bank is also introduced a first of its kind concept of 'Map Module' under which the villages will be connected through physical distance and displayed on a map. This will help policy makers in tracking the locations of remote villages and delivering financial operations on time and with accuracy.

**The Economic Times (2018)**, in one of the articles, "*Number of Adult Indians with Bank account Rises to 80 percent*" (Mumbai Edition, Dt.20.04.2018, p.11) reported about the World Bank Findex Report which has cited the success of the Jan Dhan Yojana and covered the masses within the formal banking system. The account opened under the Yojana were increased to 31.44 cores in March,2018 as compared to

28.17 Crore in the last year. The Jan Dhan Yojana initiated by government is ideal of the global development in banking sector. During this three years, i.e., 2014-2017, the globally saving accounts opened were recorded as 51.4 Crore, whereas in India, the Jan Dhan Yojana accounts recorded as almost 55 percent of the global scenario. This also indicates the more and more women are participating in banking operations.

**Vishwanathan Ratna, (2016)** in one of her articles on “*Financial Inclusion Summit*” (The Economic Times, Mumbai Edition, dt.13.04.2016, p.9) opined that under the financial inclusion scheme to banking operation is one of the prime criteria that needs to serve through Micro Finance Institutions. The advantage is that they have access to poor and vulnerable people. As far as financial inclusion concerned, Micro Finance Institution is reaching broader scale to cover all segments of client which is the key factor for easy access of financial inclusion mission extensively.

## **2.5 Reviews of literature regarding National Bank for Agricultural Rural Development’s scheme on Financial Inclusion:**

**Bhanwala Harish Kumar (2014)** Chairman-and-Managing Director, National Bank for Agriculture and Rural Development, in one his speeches at “National Microfinance Conclave” held at Mumbai, focused on various policies implemented towards development of the sector. Author further opined that microfinance sector has emerged as one of the vital tools for policy makers to cover the millions of those people those are beyond the reach of financial operations. The microfinance sector is helpful to fulfill the efforts of government in resolving issues like financial exclusion and empowerment, especially for women. Accordingly, in the year 1992, National Bank for Agriculture and Rural Development had initiated Bank Led Self Help Bank Linkage Programme of 500 Self Help Groups. At present 74 lakh Self help Groups

are functioning successfully with aggregate deposits of ₹ 9,900 Crore, annual credit of ₹ 24,000 Crore and outstanding amount ₹ 43,000 Crore. Such groups are playing an important role in social transformation of millions of rural poor households, especially women. The members of self help groups are enjoying hassle free financial aid through formal financial institutions and earns a livelihood opportunities. This movement is not only the efforts towards financial inclusion, but also an attempt to escape poor and vulnerable people.

**Dinesha P.T. et. al. (2012)**, in one of their articles, “*Urban Poverty and Microfinance in India-Dynamics and Dimensions*” (Global Research Publications, Mumbai) narrated about the microfinance’s outreach in rural parts of India. Microfinance programme is inoperative in rural parts as compared to semi-urban and urban areas. There are incidences that the urban poor are depending on micro-credit from money lenders, and paying high interest rate such as 10 percent per day. In spite of wide network of bank branches and ATMs, many poor and vulnerable people yet to meet their financial needs. Thus, it is understood that providing urban microfinance operations can be tremendous opportunities, giving the gravity of the existing demand and market expansion. It is observed that 58 percent of semi-urban people (low income groups) doesn’t have appropriate saving, and life insurance.

**Dhirendra Kumar, (2016)** in one his articles, “*India Post’s payment bank likely to be started in January’2017*” (Millennium Post, New Delhi Edition, dt. 14.04.2016) asserted about the India Post Bank launched recently. India Post Bank has fulfilled requirements of compliances with the Reserve Bank of India to start banking operation across the country through a widespread network of 20,500 post offices. There are 40 business houses which are ready to venture with the department of post for banking operation. India Post is already in association with the Western

Union for money transfer and department included global payment service provider for domestic transactions.

**Kidwai Naina Lal, (2016)** in one of her articles, “*Financial Inclusion and Women Empowerment*” (The Economic Times, Mumbai Edition, dt. 26.10.2016, p 9) narrated about the financial inclusion which is based on four dimensions such as commitment, capacity (mobile handset), regulatory compliances and digitization. In our country, financial inclusion is providing numerous benefits through the banking systems, better access to operations and transparent governance. States like Rajasthan has taken a lead and implemented a model that puts together social and economic reforms as the development strategy, social justice, effective governance and employment opportunities, etc. The merits of financial inclusion are deeply rooted in women empowerment because women empowerment has potential to develop the entire family. The access to micro-credit is a connectivity which is having income opportunities and its outcomes. Financial Inclusion is one of the powerful tools for inclusive growth by empowering individuals as well as families in order to cultivate banking access among them.

**Manasa T. (2017)** in one of his speeches on “*Financial Inclusion-Issues and Constraints*” (Andhra Mahila Sabha School of Informatics, Osmania University, Hyderabad, Student’s Internship, NABARD, Mumbai) said that the majority of the households are opening saving accounts to receive payment under the direct benefit transfer and availing the various schemes of the government. In Andhra Pradesh, approximately 72 percent households are operating their saving account frequently and rest are non-operative due to issues of money. The social security schemes are well understood by the rural population as 85 percent (approx.) households availed accident insurance, whereas 60 percent protected under a life insurance scheme. There

is a need to spread financial inclusion from school and stages level by organizing financial literacy camps. Schools/colleges can start accepting school fees through bank accounts and also the credit of welfare funds in the students' bank accounts.

**NABARD (2015)** (National Bank for Agricultural Development Publication, Mumbai) in its annual report, described the status of microfinance in India. The report revealed that private sector banks provide micro-credit to Self Help Groups to manage micro-economic activities. During the year 2015, the total disbursement of credit of ₹4,179.02 Crore and financial support to micro finance institutions was ₹7,277 Crore. It is also observed that private banks managed their Non-Performing Assets at 1.05 percent and for Micro Finance Institutions at 2.67 percent. It shows that there is effective recovery system adopted and it is helpful to refund dues regularly and avail the benefits as per policy framed by government of India.

**NABARD (2017)** (National Bank for Agricultural Development Publication, Mumbai) the financial year 2016-17 report described that the co-operative and regional rural banks' main objective is to spread digital banking operation to initiate cashless economy. It was reported that financial aid of ₹2.05 lakh was given to set up point of sale devices to the more than 82,000 villages against an actual target of 1 lakh. Also assisted in procuring EMV clip based 1 lakh RuPay Kisan Card issued by Co-operative banks. Accordingly, National Bank for Agriculture and Rural Development has made a significant game changing impact on rural banking in India. During the year 2016-17, there was a support system for solar energy project as a potential technology in financial inclusion mission. The banks are extending financial assistance of ₹ 274.78 Crore towards the development of solar V-SATs in 8,257 sub service areas to provide power and telecom connectivity regularly.

**Sahoo Prakash Kumar and Behera Alok, (2014)** in one of their publications, *“Financial Inclusion Through Micro-finance”* (Financial Inclusion, Inclusive Growth and the poor, New Century Publication, New Delhi, pp 45-53) narrated about the microfinance and financial inclusion scheme. They opined that economic growth is an integral part of financial inclusion. Microfinance is an alternative mechanism for financial assistance to the poor and vulnerable people. A numerous schemes were initiated by government to extend microfinance operations in our country, wherein self help groups are playing an important role to provide basic banking operations nearby 40 million households, especially women. The National Bank for Agriculture and Rural Development is providing self help groups linkage program for the rural poor people to take active participation in the socio-economic development process of our country. Due to low cost products and risk coverage. It is using by more and more underprivileged people. Now, microfinance has emerged as one of the powerful tools for financial inclusion due to its affordability and last mile reach option. It is a novel approach of government of India by providing basic banking operations to the excluded people and now ready to enter into the formal banking system.

**Sundaram N. and Sriram M. (2016)** in one of their research articles, *“Financial Inclusion in India: Review”* (International Journal of Applied Engineering Research, Vol. II, Research India Publications, New Delhi, pp 1575-78) held a view about greater financial inclusion which will achieve through net working between microfinance institutions and local communities. All the banks should make a mass publicity for no frills account, use of technology for the promotion of the financial inclusion scheme to lower income group and consider the scheme as a business prospects and corporate social responsibility. The process of financial inclusion

includes three aspects such as cash transactions by the poor and vulnerable people in a traditional system, virtual account operation through e-money and psychological approached by the poor and vulnerable people to plan their money management through the thought process of the brain and ultimately marching towards actual utilization of the financial services.

## **2.6 Research Gap pertaining to review of the literature.**

With the help of above mentioned numerous reviews, researcher has made an attempt to fill up a research gap. Considering the present scenario of financial exclusion, there is a strong need to study the scope of financial inclusion of the poor and vulnerable people for their socio-economic upliftment. Though, many studies had been undertaken by the research scholars and eminent authors to understand the importance of financial inclusion, whereas the impact of government schemes, especially for the purpose of financial inclusion of vulnerable groups has not been considered in depth. There are various issues such as low level of literacy, geographical locations in rural, remote and extreme areas, dependency on formal financial sources and lack of affordable financial products, etc. With the help of above mentioned literature reviews, researcher has made an attempt to understand the literature carried out by the various authors on financial inclusion mission as well as the Jan Dhan Yojana which was started in 2014 and accordingly tried to fill up the research gaps.

The Jan Dhan Yojana is especially designed for the banking access and financial awareness to the poor and vulnerable people those doesn't have any banking access. The basic banking services are the pillars to improve the socio-economic development of the underprivileged people. Apart from these, reviews also provided relevant information on the various issues, difficulties and opportunities faced by the

beneficiaries of the Jan Dhan Yojana. Even though, there are so many studies related to financial inclusion which had been undertaken, but only few of them had focused on operational difficulties and socio-economic development of the poor and vulnerable people.

In view of these, the researcher has made an attempt to study the impact of recently launched the Jan Dhan Yojana to spread banking access especially for the poor and vulnerable people. The Jan Dhan Yojana is one of its kind of scheme and it is redesigned especially for the poor and vulnerable people those are excluded from banking access and now willing to access their rights. In this regard, the researcher has selected specific blocks viz., Kalyan, Bhiwandi and Shahapur of Thane district of Maharashtra State for the extensive research. The present study is focusing on the various features and actual implementation of the Jan Dhan Yojana and its benefits to the poor and vulnerable people those are never considered for financial inclusion.

## **2.7 Conclusion:**

Review of literature is an exhaustive task which is helping the research scholars to get insight into the subject of research topic. It is pertinent to review various related literature such as published books, published information by various financial institutions, statistical data, periodicals, and newspapers, etc. The review of various published literature provides in-depth clarity of dimensions of financial inclusion in India. In this chapter, researcher has made an attempt to review the specific related literature and statistics in respect of financial inclusion and the Jan Dhan Yojana in India. In this context, poor and vulnerable people are covered in research, therefore, the review of poor and vulnerable people and their socio-economic development has also been undertaken for the study. There are various other schemes initiated by the government and directed to the Reserve Bank of India to implement, but researcher reviewed the literature specific to the Jan Dhan Yojana



and financial inclusion mission only. The present study is focusing on the various aspects of the most popular scheme of government, i.e. the Jan Dhan Yojana and its actual utilization along with the difficulties encountered with regard to its operation. Therefore, it is an attempt made by the researcher to find out the various gaps in the earlier literature in respect to the various concepts undertaken for the study.

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**CHAPTER 3**  
**RESEARCH METHODOLOGY**

- 3.1 Introduction.
- 3.2 Objectives of the study.
- 3.3 Research Problems.
- 3.4 Methodology, Data Collection and Sample Size.
- 3.5 Limitations of the study.
- 3.6 Conclusion.

## Chapter 3

### RESEARCH METHODOLOGY

#### 3.1 Introduction

In the actual terms, applied research is one of the scientific attempts to find out new aspects. It simply means to explore the hidden facts through questionnaires and provide solutions to problems. Thus, it is termed as a well structure investigation of the problems, because it brings out factual position on the problems arising out of plans and schemes on a realistic basis. It helps to open up the possibility of testing the validity of the assumptions of the study. Research in management is purely applied research because it is assisting the management for undertaking multi-tasking activities. Moreover, management research comprises studies of various factors such as reporting, descriptive, explanatory and visionary approach. Though exploratory research, the special focus is made on the problems which has not been studied earlier, not priorities and didn't develop any definitions. Whereas, in descriptive study, the researcher tries to describe with a single event and correlate with other related deviation and tries to relate variables through statistical analysis. Explanatory study is helpful to find out for the various techniques, modes, and development of hypotheses, etc. implied in the research process.

The present research work "*A Study of Jan Dhan Yojana: as an attempt of Financial Inclusion with reference to specific blocks of Thane District*" is an descriptive study in nature. The information gathered through secondary and primary data is analyzed to draw suitable conclusions towards hidden facts and suggestions for improvements of the Jan Dhan Yojana in Thane district.

### **3.2 Objectives of the Study**

**(i) To study the conceptual framework of Jan Dhan Yojana and Financial Inclusion in India.**

The financial inclusion scheme is promoting basic banking operations, especially to the poor and vulnerable people. The Jan Dhan Yojana is an integral part of the financial inclusion scheme and large number of underprivileged people not only opening the savings account, but also protecting their life through inbuilt ₹ 1 lakh life insurance cover, ₹ 30,000/- accident cover, free usage of RuPay card, and the overdraft limit of ₹ 5,000/-, etc. This Yojana is implementing by banks without charging cost to the customer. In view of the above, researcher observed that it is essential to understand the working of the Jan Dhan Yojana. The study also covers the level of operation of banks, supporting the role of Bank officials/Bank Mitras and other related crucial factors to understand the concepts of financial inclusion.

**(ii) To understand the social and economic significance of Jan Dhan Yojana on poor and vulnerable households in Thane district.**

With the help of the Jan Dhan Yojana, the poor and vulnerable people are availing several financial benefits. The saving accounts opened under the Jan Dhan Yojana can penetrate towards saving, RuPay card and overdraft facilities, etc. The financial literacy in turn educates people not to operate in the informal financial market. Thus, banking operation through financial market is enhancing our national economy. It is interesting to study absolute changes in the life of the poor and vulnerable people through active

participation into the main frame of banking sector and contributes to towards socio-economic developments.

**(iii) To study the various issues and challenges of Jan Dhan Yojana functioning in Thane district.**

The Jan Dhan Yojana was announced by the government of India with special focus on poor and vulnerable people those are excluded from institutional banking sector. They are facing various issues and challenges such as branch locations, income level, educational levels and updated infrastructure, etc. Simultaneously, challenges regarding implementation and functioning of the scheme are also emerging due to the lack of financial literacy among the poor and vulnerable people. Therefore, the researcher has made an attempt to study multiple issues and challenges of functioning of the Jan Dhan Yojana in Thane district.

**(iv) To study the various initiatives undertaken by the government of India and the Reserve Bank of India, while promoting the Jan Dhan Yojana.**

The Jan Dhan Yojana is mainly focusing on the banking and financial operations of the poor and vulnerable people those never having access to the bank operations. So that at least the opening of the small saving account by this segment is considered as successful. Therefore, policy makers viz., government of India, the Reserve Bank of India and other financial intermediaries are required to undertake actual strategies which are helpful for better functioning of the scheme, especially in rural and remote parts of our country. Therefore, it is pertinent to study the Jan Dhan Yojana, its actual pursuance and last mile reach also.

- (v) **To make valuable suggestions for further implementation of the scheme and designing appropriate policies by the government.**

After thorough study financial inclusion scheme and the Jan Dhan Yojana, it is possible to understand the different pillars of the scheme, its utilization and responses from beneficiaries. The present study communicates the actual scenario of the Jan Dhan Yojana introduced to cover poor and vulnerable people. Accordingly, the researcher has made an attempt to contribute certain suggestions in order to make the scheme more attractive and effective for operational purpose. The suggestion will be useful as a ready reckoner for the policy maker as well as an implementer.

### **3.3 Research Problem**

It is important to note that in our country, every citizen needs adequate opportunity of banking operations with proper security and protection. Due to lack of access of banking facilities in India, the poor and vulnerable people are paying higher charges for basic financial transactions. Apparently, people have access to bank but can't operate due to security threat. There are automatic financial exclusion due to prolong and persistent deprivation of financial operations to a large segment of the society. The poor and vulnerable people are eagerly waiting to open a saving account with banks, but due to various issues, it is not easy for them to access banking operations. The access to financial operations is allowing the poor and vulnerable people to save their hard money and concentrate on socio-economic development. Hence, there exists a strong need for re-designing effective financial inclusion policy by the government of India in order to focus development of the poor and vulnerable people in general and development of the nation in particular.

### **3.4 Methodology, Data Collection and Sample Size.**

#### **i. Secondary Data**

The secondary data pertaining to study has been collected from various sources like accredited books on the financial inclusion and the Jan Dhan Yojana, reputed journals, magazines, newspapers, annual reports of the banks, and specialized banks, etc. Other related published documents such as updated information on financial inclusion and Jan Dhan Yojana published by Ministry of Finance and the Reserve Bank of India, etc., are extensively used for the purpose of systematic investigation work.

#### **ii. Primary Data**

The primary data was collected by applying well designed questionnaire and interview schedule method. A relevant questionnaire has been designed for bank officials and business correspondents duly appointed by banks to study their working merits/demerits, management skills, infrastructure problems and business probabilities. A separate questionnaire has been framed for individuals to study the actualization of financial inclusion and benefits derived from the Jan Dhan Yojana in specific blocks viz., Kalyan, Bhiwandi and Shahapur of Thane District. Accordingly, the researcher has made an attempt to undertake field survey of total 525 samples selected as 175 samples from each block with different segments. All the samples were categorized into different categories such as labours, farmers, vendors, households and students, etc., in a proportionate manner with random sample size method. The information related to banking operations was collected from 75 bank officials (including business correspondents) those are providing banking services to the poor and vulnerable people those opened saving accounts under the Jan Dhan Yojana in the study area.

### **iii. Questionnaire**

In any investigation, “Questionnaire” is one of the most suitable and popular methods of data collection which was used for field survey. Accordingly, suitable questionnaire prepared carefully having significance with respondents, and reconstructed without errors before they used on a large scale. As per research methodology practice, the questionnaire gets filled by the respondents. The questionnaire is the easiest method to gather information from respondents, less expensive, and one of the most probable alternatives for measuring important elements such as attitudes, values, preferences, intentions and a personality.

### **iv. Sample Size**

The Jan Dhan Yojana has been operational through banks across the nation since 28<sup>th</sup> August, 2014. Here, the researcher has made an attempt to study specific blocks of the Thane District of Maharashtra State for the extensive research purpose. According to Census report 2011, Thane district consists of 8 blocks with a population of 80,70,032 out of which 30,20,906 (37 percent) were residents of Kalyan, Bhiwandi and Shahapur blocks. For the study, 525 beneficiaries were considered as samples which is shown in Table 3.1. These blocks were selected on the basis of diversity in geographical areas, population, income level, occupations and was special kinds of tribal communities, etc. Through convenience sampling method collected data from 525 respondents which is considered as a 0.31 percent of 172,000 accounts opened under the Jan Dhan Yojana as of 31.03.2015.



**Table 3.1**  
**Sampling frame of the study.**

S. No	Name of Block.	Households (Semi urban areas)		Households ( Rural areas)		Total Respondents
		Male	Female	Male	Female	
1	Kalyan	75	50	25	25	<b>175</b>
2	Bhiwandi	75	50	25	25	<b>175</b>
3	Shahapur	75	50	25	25	<b>175</b>
	<b>Total</b>	<b>225</b>	<b>150</b>	<b>75</b>	<b>75</b>	<b>525</b>

(Rural and Semi-urban areas defined as per the declared by the Collector of Thane district and Census Survey 2011)

According to the Census Report 2011, there were 18,58,712 households in Thane district, out of which 6,75,689 were from Kalyan, Bhiwandi and Shahapur blocks. The ratio between the male and female in semi-urban areas are considered as an equal proportion, whereas in rural areas, it has been taken as fifty percent of semi-urban areas due to the occupational trend of rural/remote population. This proportion is useful for analyses and interpretation of collected responses to draw a logical conclusions. Therefore, in this study, total 525 samples were considered for the purpose of extensive research work.

**v. Data Collection method**

The present research work consists of primary and secondary data. The required data have been collected from the segment of poor and vulnerable people those never have any banking access. There is motivation to open small savings deposit account without hurdle through the Jan Dhan Yojana. A structured and well design, pre-tested interview schedule (Appendix–I) was undertaken to collect specific information relating to the study. In order to analyze the socio-economic development of the beneficiaries of the Jan Dhan Yojana, the researcher has made a review of various previous related studies. Accordingly, the researcher has conducted the sample survey of the total 525 respondents, categorized into 150 samples from

each block which consisted of labours, farmers, vendors, households (preferably women) and students in the proportionate manner by using simple random sampling method. Further, the researcher also had preliminary discussion with the 75 Bank Officials and /Bank Mitras those are rendering banking operations under the Jan Dhan Yojana in the specific blocks of Thane district. Aware of the financial products is one of the important aspects which attracting poor and vulnerable people to avail benefits under the Jan Dhan Yojana.

#### **vi. Structure of Data Analysis**

The primary data has been processed for meaningful analyses by application of suitable statistical techniques such as simple frequency, weighted average mean index, Chi-square test, t-test, factor analysis, Mann-Whitney U test, Binomial test, Kruskal-Wallis test, ANOVA and SPSS software, etc. and drawn meaningful conclusions about the effectiveness of financial inclusion and the Jan Dhan Yojana, functioning in the study with specific blocks of Thane district. In further analysis these qualitative grades are converted into quantitative terms by using suitable statistical techniques. A five point scale of customer satisfaction is used as (a) Excellent (b) Very Good (c) Good (d) Satisfactory and Not Satisfactory for the purpose of fining out the level of customer satisfaction and drawn meaningful conclusions about the effectiveness of financial inclusion and the Jan Dhan Yojana, functioning in the study with specific blocks of Thane district. Questionnaire as a tool of collecting information from the Jan Dhan Yojana account holders and the data collected should be tested for its reliability and validity. Reliability of the questionnaire tested with Corn Bach's Alpha, which is a measure of testing reliability of a tool. In the present study the Corn Bach's Alpha was found to be more than 0.80 (80 percent) which indicates an acceptable reliability of the questionnaire.

## **vii. Hypotheses**

The focus of the research study is to understand the impingement of the Jan Dhan Yojana and its impact on the socio-economic developments of the poor and vulnerable people, those are not covered under the banking sector. The main concept behind the formulation of hypotheses (proposition) is to arrive that the possible queries of research questions. This is considered as an important step in the process of formulation of the research problems. The hypothesis is a declared statement which also incorporated various concepts of the research. The present research work deals with the functioning of the Jan Dhan Yojana in Thane district and the study of government authorities providing financial assistance to the poor and vulnerable people. In view of the above, researcher has made an attempt to understand the functioning of the Yojana and its positive as well as a negative impact on the poor and vulnerable people. Therefore, following hypotheses were designed for proper evaluation of the study.

1. There are significant developments of the poor and vulnerable households through financial inclusion.
2. The Jan Dhan Yojana provides an appropriate boosting to the financial inclusion mission.

## **vii. Universe of the Study**

The universe of the present study is Thane district and its specific three blocks viz., Kalyan, Bhiwandi and Shahapur. These three blocks are further divided into urban and rural parts. A survey was undertaken by the researcher to gather relevant information for the purpose of the study. The total population of the Thane district as per the Census 2011 was 80,70,032, out of which 22,80,000 located in the rural parts

and rest in urban parts. The universe is typically divided into specific three blocks such as Kalyan, Bhiwandi and Shahapur. Details are as under:

**Table 3.2**  
**Abstract of Population Census' 2011.**

S. No	Name of block.	No. of House holds	Total Popula Tion	SCs Popula tion.	STs Popula tion.	Literate Popula tion	Sex Ratio (overall)	Literacy rate. (%)
1	Thane	899330	3787036	257085	74940	3013249	872	79.57
2	Bhiwandi	234249	1141386	42861	92664	785669	746	68.86
3	Shahapur	64924	314103	18028	112183	207246	957	65.98
4	Kalyan	377146	1565417	151774	54516	1266907	908	80.93
5	Ulhasnagar	111799	506098	86680	6576	397938	881	78.63
6	Ambernath	130986	565340	75686	36221	465322	914	77.05
7	Murbad	40908	190652	10997	47343	127755	961	67.01

(Source: Director of Economics and Statistics, Planning Dept. Maharashtra)

**ix. Pilot Study (pre-schedule)**

An initially pilot study was undertaken through in-depth interviews done in a disorganized manner to check the gravity of questionnaire of the research work. Total 84 respondents (28 each blocks) were interviewed with the draft schedule (pilot study) in all three blocks. As per the recommendations of the guide and statistician, the appropriate changes were made in the difficulties come across through pilot study, and accordingly revised interview schedule was finalized for further research work. There were 700 structured questions were distributed among the respondents to get their feedback. The survey was undertaken as per the convenience of the respondents. Most of the data were gathered from their workplaces and residence, etc. Sufficient care had been taken for the respondents those were not in the purview of the study. The researcher has taken maximum efforts to collect the first hand information (original) from all the respondents. At the time of the interviews, respondents were given full freedom to choose their answers appropriately and free assistance also provided wherever they required. The most of the interview schedules were done

directly from the respondents on the spot. The simple random survey method was used by the researcher to get first hand information.

### **3.4 Limitations of the study**

The present study is based on the Jan Dhan Yojana which is operational by the banks for the poor and vulnerable people to have easy access of banking operations and thereby attains socio-economic developments. The Jan Dhan Yojana is an integral part of the financial inclusion scheme bringing underprivileged people into the mainstream of the economy. The banking sector is strongly campaigning to formalize the Yojana to keep the attention of the poor and vulnerable people from semi-urban, rural and remote areas. The present research study had been completed with few limitations. Firstly, the results of the study can't generalize to the whole of the financial inclusion scheme, because the researcher has made an attempt to study small sample size of specific blocks of Thane district. Secondly, the sensitive nature of the research might have led no responses of beneficiaries due to illiteracy, and vulnerability. The reliability of the study depends on the authenticity of the information collected from the respondents. The convenience sampling method is having its own limitations which may affect the effectiveness of the study. Another important limitation observed during the study is that researcher being employed and therefore, could not undertake nationwide survey and hence only specific three blocks of Thane district was covered under the study. The study of the Jan Dhan Yojana in Thane district is unique and numerous studies had been undertaken to correlate with the several other aspects of the formal banking operations. The present study has dimensions in relation to the financial inclusion scheme of government of India and its impact on society in general and vulnerable groups in particular.

Therefore, the researcher has made an attempt to study only the Jan Dhan Yojana apart from other similar government's schemes due to the constraint of resources. In this study, various statistical techniques were used for the purpose of analyses which have their own limitations. Conclusions mentioned relies upon the opinions expressed by the respondents, out of which opinions of few customers may not be hundred percent accurate. As the Jan Dhan Yojana is mainly focusing on the poor and vulnerable people, therefore, collected data from a sampling frame cannot be generalized with any other factors. As the information collected as data from specific blocks of Thane district, cost and time constraints have also affected the effectiveness of the study even though every effort has been made to keep the essence of the research methodology.

### **3.5 Conclusion**

In this chapter, researcher has made an attempt to describe various government policies from pre-independence period to till date and financial literacy spread all over the country. Some of the policies are highlighted in various aspects to examine their role in bringing the excluded people under the gamut of socio-economic development. Some of the government policies are specially meant for implementation of financial inclusion in our country. It has been a regular feature in the institutional banking and financial sector to consider strategies which are beneficial to the masses, especially for the rural population.

Financial inclusion is on top priority on the government's agenda and there are regular improvements in the banking system, wherein the government is focusing to includes poor and vulnerable people those are still excluded from basic banking operations. These schemes have its own challenges which are unique and massive in scale. The majority of the people are still not covered through the banking system and also no significant awareness about the financial literacy. The merits of the

government policies towards implementation of financial inclusion are deeply rooted not only promoting basic banking operations, but also empowering them to cultivate greater socio-economic benefits. Thus, financial inclusion is a powerful measure of driving force for inclusive growth of our country. On economic and social front, the government has made several policies to cover poor and vulnerable people. In order to ensure financial inclusion of the poor and vulnerable people, especially in semi-urban, rural and remote areas, the some policy measures are required to undertake by the government. The government of India has done remarkable developments such as the nationalization of banks in the year 1969 and 1980, introduction of rural co-operative credit societies, regional rural banks/urban co-operative banks, micro finance institutions, self help groups, expansion of the banking network in rural and remote areas, business correspondent model, pension schemes, insurance policies, banking licence to Department of Post, and finally the Jan Dhan Yojana in the year 2014.

Financial literacy is another important aspect to spread financial inclusion across the nation with vigorous awareness of banking products, procedures, insurance and pension funds, etc. The role of financial literacy is defined strategically to promote basic financial awareness to each and every citizen of our country. Accordingly, the benefits of innovative financial inclusion along with the transformation of poor and vulnerable people are useful for all inclusive growth of our nation. Research methodology helps the researcher to understand the hidden facts of the research study and enlighten the policy makers in order to make suitable changes in the policies in order to extend maximum benefits and wider coverage of financial inclusion.

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## **CHAPTER 4**

### **DATA COLLECTION, ANALYSES AND INTERPRETATION.**

- 4.1 Introduction.
- 4.2 The Jan Dhan Yojana in Thane district.
- 4.3 Profile of Thane district of Maharashtra State.
- 4.4 Hypotheses Testing.
- 4.5 Data Analysis and Interpretation.



## **CHAPTER 4**

### **DATA COLLECTION, ANALYSES AND INTERPRETATION.**

#### **4.1 Introduction**

Financial inclusion and financial literacy, both are the most important aspects of socio-economic developments of the poor and vulnerable people. The economic growth of the nation is not progressive till the impact of the banking sectors on each and every citizen of the country. The Jan Dhan Yojana is one of the attempts to consider the poor and vulnerable people those never have banking access and thus excluded from fundamental rights. Secondly, financial inclusion is one of the instruments which is important for social transformation, especially for poor and vulnerable people. It denotes delivery of various financial products and operations at an affordable cost to the vast sections under developed and lower income groups.

Several research studies have been undertaken to understand the scenario of the poor and vulnerable people and their banking outreach. These studies revealed that, there is still a gap towards coverage of large sections of the population, which is still excluded from the institutional financial system and unknowingly trapped in the hands of the informal financial market. This segment suffers from timely and appropriate financial products and micro-credit easily. Therefore, the study titled “A Study of Jan Dhan Yojana- as an attempt of Financial Inclusion with reference to specific blocks of Thane district” has been undertaken for an extensive research purpose.

#### **4.2 Financial Inclusion and the Jan Dhan Yojana in Thane district**

Institutional banking sector is the backbone of the any nation’s inclusive development. It gives socio-economic updates to the people who are operating regular banking activities. It is the prime aims of the government to provide smooth and

transparent banking operation to the each and every citizen of the country. The government has initiated a financial inclusion policy in the year 2005 to ensure easy access to various financial operations such as opening of the small bank deposit account, micro-credit, remittance facility, micro-insurance and pension to the un-banked population, especially from rural and remote areas of the country. The Jan Dhan Yojana is covering each and every household and motivate them to come out of the grip of the informal money market. Overall economic growth is affected due to the majority of the poor and vulnerable people are excluded from basic banking operations and financial risk portfolios. Therefore, financial inclusion is considered as one of the vital tools for the socio-economic development of the country. The Jan Dhan Yojana was declared on 14<sup>th</sup> August,2014 and started operation from 28<sup>th</sup> August, 2014 through all the banks across the country to provide easy banking access to every households in order to easily access banking operations with a variety of cheapest and affordable financial product such as micro-credit, saving, micro-insurance, payment and remittances, etc. In order to make nation's development there is urgent need to cover more poor and vulnerable people into institutional banking sector. Therefore, this yojana is specially meant to migrate the poor and vulnerable people towards formal banking system.

In this study, the researcher is availed an opportunity to understand the Jan Dhan Yojana thoroughly and its implementation by various banks to promote financial inclusion in India. In this chapter, the researcher has made an attempt to study the issues affecting the effective implementation of the scheme, socio-economic development, attitude of the bank officials towards poor and vulnerable segment of the society, etc.

**Table 4.1**

Details of accounts opened under the Jan Dhan Yojana as on 18.04.2018.

(Figures in Crore)

Category	Rural Areas	Urban Areas	Total Accounts	Women's accounts.	RuPay Issued	Balance in A/Cs
Public Bank	13.67 (74 %)	11.77 (91 %)	25.44 (81 %)	13.33 (80 %)	19.10 (81 %)	65,267.46 (81 %)
Regional Rural Bank	4.27 (23%)	0.79 (6 %)	5.05 (16 %)	2.76 (17 %)	3.68 (16 %)	13,567.64 (17 %)
Private Bank	0.60 (3%)	0.40 (3 %)	0.99 (3 %)	0.52 (3 %)	0.92 (4 %)	2,227.55 (3 %)
Total	18.53	12.95	31.42	16.62	23.69	81,002.64

(Source: www.pmjdy.gov.in)

Table 4.1 shows that the status of accounts opened under the Jan Dhan Yojana as on 4<sup>th</sup> April, 2018. It is observed that the public sector banks having more connectivity in rural areas (74 percent) as accounts opened as compared to Regional Rural Banks (23 percent) and the private banks' role is negligible (3 percent). Moreover, a similar situation occurred in urban areas where public sector banks stand at 91 percent, regional rural banks 6 percent and private banks 3 percent. Similarly, in case of issuance of RuPay Debit card, the Public sector banks issued (81 percent), followed by regional, rural banks (16 percent) and private banks with negligible (4 percent). It indicates the less awareness of RuPay debit card in rural areas. In respect of maintenance of minimum balance in the Jan Dhan Yojana accounts, public sector banks maintaining 81 percent, followed by regional, rural banks 17 percent and private banks 3 percent. It shows that regional, rural and private sector banks opened account under the scheme, but doesn't gained the customer's confidence towards a deposit and therefore their percentage is negligible. It is also observed that the women participation in the yojana is showing tremendous scope, since there were total 16.62 Crore accounts opened by women out of which public banks opened 80 percent as

compared to regional rural banks at 17 percent and private banks at the lowest rung at 3 percent only.

The Jan Dhan Yojana is operational in the various parts of our country and successfully working in the rural and remote areas. Poor and vulnerable people opened no frills account and maintaining the status quo. The following table indicates the progress of the Jan Dhan Yojana for the last two years.

**Table 4.2**  
**Statement showing accounts opened under the Jan Dhan Yojana**

Sr. No.	Accounts opened.	Jan'2015	Aug.'2017	Growth (%)
1	Urban areas	5.01 Cr	11.88 Cr	137
2	Rural/remote areas	7.54 Cr	17.64 Cr	134
	<b>Total</b>	<b>12.55 Cr</b>	<b>29.52 Cr</b>	
3	Average balance maintained	837 Cr	2,231 Cr	166
4	Zero balance accounts.	76.81%	21.41%	-54
5	RuPay cards issued.	11.08 Cr	22.71 Cr	105

(Source: The Economic Times, Mumbai Edition, Dt.28.8.2017, page 15)

It indicates from the above Table 4.2 that there is tremendous growth in all the aspects of the Jan Dhan Yojana such as account opened in urban areas (137 percent), rural area (134 percent), total average balance maintained in the account (166 percent), number of RuPay debit cards issued 105 percent and simultaneously zero balance reduced to 54 percent. It shows that the yojana is successfully operational in all the parts of the country. The poor and vulnerable people are opening no frills account instantly which is not done before.

#### **4.3 Profile of Thane District of Maharashtra State.**

Thane district of Maharashtra State is developing area because of its close connection with Mumbai city. This district is unique for agriculture, industrial, fishing, forestry, and water reservoirs, etc. It is economically and socially developed as compared to other districts of Maharashtra, wherein an ample of infra-structural facilities and availability of basic requirements, etc. Therefore, the researcher has

made an attempt to present a bird's eye view of economic as well as non-economic factors which are indirectly affecting the developments of the district in general and welfare of the people in particular. The core concepts is to study historical background, geographical updates, socio-economic status, people, and business activities, agriculture, and banking developments in the study area. A review of infrastructure facilities, academic opportunities, transportation facilities, administration, commerce and banking access, etc. can be ascertained from the study.

In this context, the researcher has made an attempt to study the poor and vulnerable peoples' interest towards the Jan Dhan Yojana particularly in Thane district of Maharashtra State. Accordingly, the specific blocks viz., Kalyan, Bhiwandi and Shahapur, were selected for the study and are elaborated further in understanding their present status.

#### **4.3.1 Kalyan**

This block is an important area of the Thane district of Maharashtra state due to its diversity as activities, cultural and social activities. There are district level administrative offices as well as the judiciary. This place is famous for marketing of the bulk purchases of vegetables, fruits and domestic animal in the district. The adjacent place Dombivli covered under the Kalyan Dombivali Municipal Corporation, having a population of 1,247,327 (Male 649,626 and female 597,701) as per 2011 census. The female ratio was 920 as against Maharashtra State's average of 929 female per male. Moreover, child ratio was around 902 as against the state average of 894 children. The literacy rate was 92 percent, which is higher than the state average rate of 82 percent, wherein male literacy was around 94 percent and female literacy was 89 percent. The Kalyan block is a good combination of a mixed population of semi-urban and rural areas, because 27 villages are still under gram Panchayats. The

majority of the people living in semi urban areas and approximately 1/3<sup>rd</sup> population is still living in rural and slum areas. They are engaged either in agriculture, small factories, labor industries, fishing and or as vendors (a daily wage earner). There were 3,02,735 houses covered under basic civic amenities like water, sewerage and roads, etc.

#### **4.3.2 Bhiwandi**

This is a second most important block of Thane district, which is located nearby Thane city. This block is under the administration of the Bhiwandi Nizampur Municipal Corporation and famous for its textile industry business, which has the largest number of power looms in the country. Therefore, a major portion of the population is working in the power loom sector. National Highway (NH-3) is passing through Bhiwandi and ensuring the smooth connectivity of the areas such as Mumbai, Thane, Gujarat, Wada, Nashik, North and South India. At present, Bhiwandi is known as an industrial hub for the textile industry in the past and all industries, warehousing, logistics sector in recent times. Due to availability of ample water, cheap labour and easy procedure to set up industrial units or warehouses, etc., made Bhiwandi an ideal location for various commercial activities.

#### **4.3.3 Shahapur**

This is the biggest block in respect of geographical area in Thane District, which is surrounded by the Sahyadri mountains and places like Mahuli, Aaja (popular spots for trekking) The government of Maharashtra has declared Shahapur as a tourism place due to availability of important places such as Manas Mandir and Gurudawara, etc. Shahapur is also a main source for drinking water supply to Mumbai and nearby places. There are four dams such as Tansa, Bhatsa, Vaitarna, and Modak Sagar, which are supplying drinking water approx. 2900 mega

litres per day. Due to its advantage of drinking water reservoirs, the government of Maharashtra has declared it as a chemical banned zone.

#### **4.3.4 Social profile**

According to the 2011 Census, Thane district has a population of 80,70,032. The total literacy rate of the district is 80.67 percent (male 87.06 percent and female 73.10 percent). Density of population was estimated at 1,157 people per square kilometer. The sex ratio, (number of females per 1000 males) was 880 which is less than the state average of 925 and the national average of 940. The locally speaking language is Marathi being the official language and migrated people developed other languages like Urdu, Sindhi, Gujarati and Hindi. It is a part of Western coastal which is mostly populated by the farmers and fishermen and eastern side is thickly populated with the Varlis tribes.

#### **4.3.5 Commerce and Economics**

##### **i. Agriculture**

Agriculture is one of the most important occupations of the district because it supports the livelihood of about 1/3<sup>rd</sup> population. The important kharif crops such as rice, vari, nachani and pulses(Urad, moong and kulith) are seasonal produce. Being Kokan part, rice is the main crop growing in Palghar, Bhiwandi, Murbad, Shahapur, Vada, and Dahanu talukas. Whereas, Vari and Nachani are grown in the hilly areas of namely Jawhar, Murbad, Vikramgad, Shahapur and Mokhada talukas. Special kinds of Chickoos are available in the district having high demand in national and international markets. Other fruits available in the district are guavas, mangoes, papayas, grapefruits and coconuts. Different kinds of green vegetables, which are growing on a large scale. Following are the important information about Thane district.

1. The economy of the district depends on the non agriculture sector because 83 percent population is engaged in household industry.
2. In Kalyan block, the Nandiwali Tarf Pachanand village was the most populated as 36,163 residents and Gorakhand village in Murbad Taluka is the least populated.
3. As per the area wise, Tanasa village in Shahapur Taluka has the largest area as 9588 hectares and Bandhanwadi village in Ambarnath Taluka has the smallest area is 10 hectares among 1,721 villages of the district.
4. Bhiwandi block is also known for its handloom production.

## **ii. Industries**

Thane District is the third most industrialized district in the Maharashtra State, wherein total industries are 20,028 (approx.) out of which 1,548 are large and 18,480 are Medium and Small Scale Industries. Most of the industries belongs to manufacturing of Drugs, Textiles, Adhesives, Plastics, Chemicals, Iron and Steel, etc. This Taluka is maintaining more than 4,000 industries and provide income generating opportunities for the poor people living in the district. The most important industries are located in areas notified as The Maharashtra Industrial Development Corporation situated at Ambarnath, Bhiwandi, Badlapur, Dombivali and Murbad. The manufacturing of machine tools and spare parts, metal products are the most important and the biggest group of industries in the district and included in the manufacture of prime movers, boilers, refrigerators, machine tools, computing, industrial machinery and textile industries, machinery for chemicals, paper and cement industries, etc.

The basic industrial chemicals such as fertilizers, vegetable and animal oils, fats, paints, varnishes and lacquers and other miscellaneous chemical products, etc.,



are another important manufacturing industries in the district. The medium and large scale industries are in the business of manufacturing of chemicals and its allied products. The chemical industries are also available in other parts of the district like Wagle Industrial Estate, Pokhran Road, Ambarnath and Dombivli industrial zone. The power looms are mainly located in Bhiwandi. Traditionally, Bhiwandi is famous for its handloom industries. Fisheries activities are important commerce, which is carried out into sea and in the creeks. Marine fishery predominates over inland fishery in the district and provides employment to about 75 percent of the population. Sea fishing is carried out all along the coastal areas of about 110 km long. Food processing industries such as grains, bakery products, and sugar confectionery, salt, ice, slaughtering, preparation and preservation of meat, dairy products, processing of fruits and vegetables, canning, preserving and processing of sea products are developed in the district.

### **iii. Banks**

Thane district is covered with all types of banks viz., nationalized banks, schedule banks, co-operative banks, private banks, and regional rural banks, etc., catering financial needs of the people. These banks are promoting various operations through their vast network of branches, ATMs, business correspondents and net banking services, etc. The public sector banks are nationalized banks and private sector are other than nationalized banks. The co-operative movement is the pillar of banking transaction in the District. Since, all the areas are engaged in farming, agriculture, labour, industrial labour and daily wage earners, etc. therefore micro-finance is one of the major sources for the immediate need of finance. Thus, banks are performing major financial operations to attract poor and vulnerable people. Presently, there are various banking locations of bank branches in the district.

Following are the list of various banks serving to the people residing in the semi urban and rural parts of Thane district.

**Table 4.3**  
**Banks in Thane district as of 31.03.2016**

Sr.No.	Name of the bank	Semi Urban	Rural	Total
1	Allahabad Bank	1	3	4
2	Andhra Bank	7	4	11
3	Axis Bank	9	3	12
4	Bank of Baroda	8	8	16
5	Bank of India	7	9	16
6	Bank of Maharashtra	13	16	29
7	Canara Bank	14	15	29
8	Central Bank of India	7	9	16
9	City Bank	1	0	1
10	Dena Bank	4	7	11
11	Dhanalakshmi Bank	2	2	4
12	G.P.Parsik Bank	1	4	5
13	Federal Bank	1	0	1
14	Indian Bank	5	6	11
15	ICICI Bank	13	10	23
16	IDBI Bank	10	10	20
17	Indian Overseas Bank	3	6	9
18	Ing Vysya Bank	1	2	3
19	Indusind Bank	3	2	5
20	Kotak Mahindra Bank	11	5	16
21	Oriental Bank of Commerce	3	4	7
22	Punjab and Sind Bank	1	1	2
23	South Indian Bank	1	1	2
24	Ratnakar Bank	3	3	6
25	State Bank of Bikaner and Jaipur	2	2	4
26	State Bank of Hyderabad	3	6	9
27	State Bank of India	25	18	43
28	State Bank of Mysore	1	2	3
29	State Bank of Patiala	1	2	3
30	State Bank of Travencore	1	2	3
31	Syndicate Bank	4	6	10
32	UCO Bank	2	4	6
33	Union Bank of India	6	9	15
34	United Bank	1	1	2
35	Vijaya Bank	4	7	11
36	Yes Bank	4	4	8

(Source: www.banksifscode.com)

#### **4.4 Hypotheses testing**

For the proper evaluation of the study, the researcher has developed two hypotheses and subsequently statistical hypotheses in order to draw a logical conclusion with the help of statistical tests. Therefore, following hypotheses were designed for proper evaluation of the study.

1. There are significant developments of the poor and vulnerable households through financial inclusion.
2. The Jan Dhan Yojana scheme provides an appropriate boosting to the financial inclusion mission.

##### **4.4.1 Statistical Hypotheses**

**H0<sub>1</sub>**: Banks are not providing satisfactory services to the poor and vulnerable people those opened saving account under the Jan Dhan Yojana.

**H1<sub>1</sub>**: Banks are providing satisfactory services to the poor and vulnerable people those opened saving account under the Jan Dhan Yojana.

**H0<sub>2</sub>**: The Jan Dhan Yojana is not helpful to the poor and vulnerable people.

**H1<sub>2</sub>**: The Jan Dhan Yojana is helpful to the poor and vulnerable people.

**H0<sub>3</sub>**: There are no socio-economic developments of the poor and vulnerable people through Jan Dhan Yojana.

**H1<sub>3</sub>**: There are socio-economic developments of the poor and vulnerable people through the Jan Dhan Yojana.

**H0<sub>4</sub>**: There is no significant impact of the difficulties like operation, services and political interference on the opinion of the respondents regarding

overall satisfaction towards the Jan Dhan Yojana for poor and vulnerable people.

H14: There is the significant impact of the difficulties like operation, services and political interference on the opinion of the respondents regarding overall satisfaction towards the Jan Dhan Yojana for poor and vulnerable people.

#### **4.5 Data Analysis and Interpretation.**

The data collected are reliable with respect to the subject matter of the study and appropriate to test the hypotheses. The primary data was collected through a structured questionnaire specially designed for the customers those opened bank accounts under the Jan Dhan Yojana. This procedure is an attempt of study primary data with the help of statistical tools and accordingly to draw the logical conclusions. Analysis has been done with the view to compute certain measures along with the correlation with variable aspects. Therefore, the validity of the collected data can be measured with the process of analysis, relationship arising with the statistical tests of significance in order to determine logical conclusions. In this study, analysis involves estimation of the values of hidden parameters. As a part of statistical analysis, it is further categorized as descriptive analysis and inferential analysis. The collected data was analyzed with different statistical tools and in some cases null hypotheses were formulated to support the statistical hypotheses for arriving at appropriate findings and conclusions.

##### **4.5.1 Measures of central tendency**

In the present investigations, the researcher used several measures of central tendency to find out mean, modes and the standard deviation of the distribution. It is helpful to find out the correlation between two parameters and accordingly made

logical conclusions. In order to appropriate understanding of the data collected, the various observations used for the descriptive statistical procedure. Therefore, the use of measures of central tendency is most important aspect in this research study.

#### **4.5.3 An analysis of the data collected from respondents i.e., customers of the Jan Dhan Yojana of selected blocks of Thane district.**

##### **i) Nature and scope of the Jan Dhan Yojana and its significance.**

To understand the nature and scope of the Jan Dhan Yojana and its significance with reference to socio-economic development. The researcher has made cross tabulation of data by demographic variables such as gender, age, block, occupation, income level, and financial literacy, etc. The economic profile of the Jan Dhan Yojana account holders consists of family income, expenditure pattern, saving habits, and standard of living, etc. Accordingly, various tables are presented to understand the details of income level, transactions, operation of RuPay debit card, and financial literacy, etc.

##### **ii. Gender-wise classification of the respondents.**

In order to understand the information about total population with reference to gender and its significance from the opportunities to have access to banking facilities to each of the segments. Accordingly, the researcher has made an attempt and tabulated data of gender wise details from the total sample size of 525 from selected blocks of Thane district. Following table presented to understand the gender-wise proportion of respondents.

**Table 4.4**  
**Gender wise details of respondents.**

Sr.No.	Gender	Frequency	Percentage
1	Male	345	66
2	Female	180	34
	<b>Total</b>	<b>525</b>	<b>100</b>

(Source: Compiled from primary data)

Table 4.4, shows the observed frequency of male and female wherein male members (66 percent) are more inclined towards banking operations as compared to female (34 percent) even though the Jan Dhan Yojana boosts preference to female households to have at least bank accounts. It means male members are still dominating the society and women empowerment is lacking behind.

**iii. Specific blocks of Thane district.**

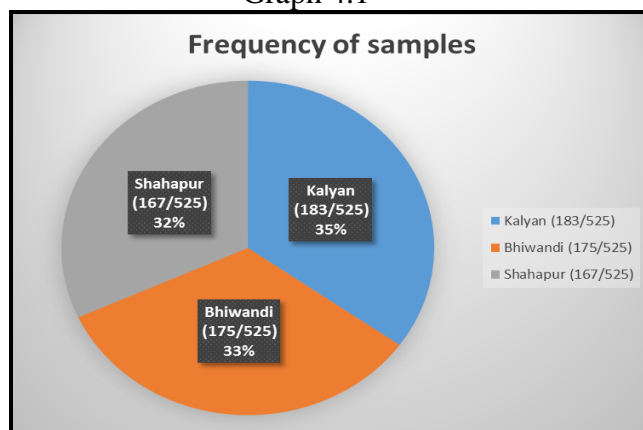
In this investigation, the researcher has selected specific blocks of Thane district to study the entire Thane district and understand the awareness of the Jan Dhan Yojana. The specific three blocks, i.e., Kalyan, Bhiwandi and Shahapur, are semi-urban as well as extreme rural areas consisting various types of population such as farmers, workers, self-employed, migrant workers and special kinds of tribes, etc. Therefore, study of the sample size is important to understand their proportion. The following table shows the details of respondents within the study areas.

**Table 4.5**  
**Frequency of samples.**

Sr.No.	Block.	Frequency
1	Kalyan.	183
2	Bhiwandi	175
3	Shahapur	167
	Total	525

(Source: Compiled from primary data)

**Graph 4.1**



(Source: Compiled from primary data)

From the above Table 4.5 and Graph 4.1, it is observed that there are total 525 respondents which are divided into three specific blocks viz., Kalyan 35 percent (183), Bhiwandi 33 percent (175) and Shahapur 32 percent (167). Among them Kalyan is consists of mixed population, such as self-employed, workers, farmers, maidservants, and small vendors, etc. Whereas, Bhiwandi is consists of maximum workers (including migrant) because of industrial zone and Shahapur is consists of farmers, agricultural workers and special kinds of tribes.

**iii) Age-wise distribution of respondents.**

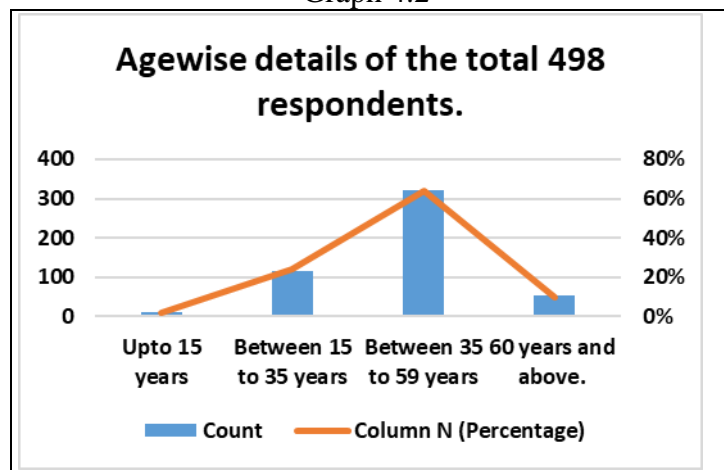
Age is most vital factor to understand the behavior of the human beings. It reflects their understanding level as well as methods of operation. Accordingly, the researcher has made an attempt to find out ages of respondents to understand their concepts towards various banking operations. Details are as under:

**Table 4.6**  
**Age profile of the respondents.**

Sr.No.	Age group	Frequency	Percentage
1	Upto 15 years.	12	02
2	Between 15 to 35 years.	114	24
3	Between 35 to 59 years.	320	64
4	60 years and above.	52	10
	<b>Total</b>	<b>498</b>	<b>100</b>

(Source: Compiled from primary data)

**Graph 4.2**



(Source: Compiled from primary data)

From the above Table 4.6 and Graph 4.2, it describes that the respondents in the age group of 35-59 years old are represents good numbers (64 percent) those opened saving accounts under the Jan Dhan Yojana, whereas in the age group of 15-35 years old, it shows 24 percent and other groups such as age upto 15 years is negligible participation i.e., 2 percent only. Hence, it concludes that age group of upto 15 years are in need of small saving account to understand the banking operations and accordingly they are assisting to illiterate parents.

**iv. Academic profile of the respondents.**

Education is one of the factors which is showing the appropriate path in the life. It is a tool which not only provides an understanding of the circumstances, but also made vigilant about the unforeseen events. Therefore, it is essential to have basic education to make the development in life, especially in case of banking transactions. In this investigation, researcher has made an attempt to understand the level of financial inclusion of the respondents and therefore academic proficiency of the respondents is important. The following data shows the level of academic profile of the respondents.

**Table 4.7  
Qualification of the respondents.**

Sr.No.	Status.	Frequency	Percentage
1	Illiterate.	57	11
2	Upto 8 <sup>th</sup> standard.	148	28
3	SSC passed.	171	33
4	HSC and above.	144	28
	<b>Total</b>	<b>520</b>	<b>100</b>

(Source: Compiled from primary data)



From the above Table 4.7, it specifies that the 171 (33 percent) respondents are qualified upto SSC passed. Secondly, 148 respondents (28 percent) studied upto 8<sup>th</sup> standard only. Whereas, 144 respondents (28 percent) are studied Higher Secondary level and above, and only 57 (11 percent) not entered into school. It represents that maximum respondent are below secondary level of education, but can read, write in local language easily.

**v. Marital status**

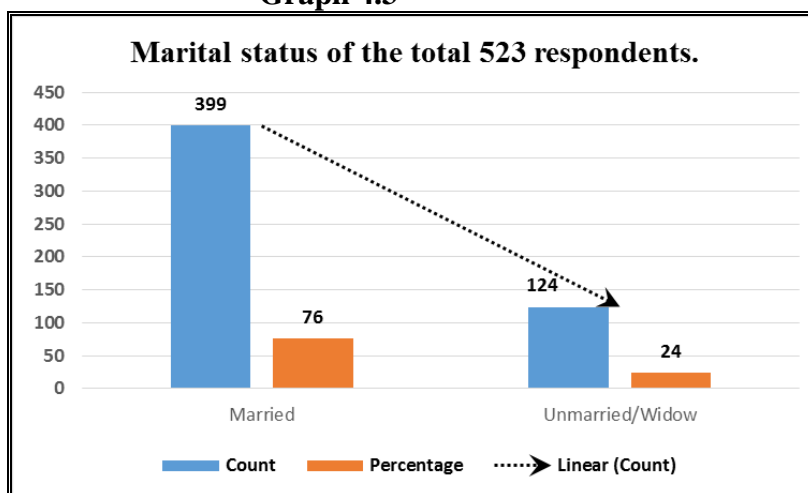
Marriage is a social arrangement. It develops the family, which further needs social protection and economic developments too. In order to make economic growth, an individual required access to the banking system so that one can cater financial needs through the institutions. The Jan Dhan Yojana is providing opportunity for poor and vulnerable people those are excluded from banking access to open saving account (preferably women of the household) through banks considering zero balance, a few sets of documents, and several benefits. The researcher has made an attempt to find out the marital status of the respondents in order to count their preference towards availing benefits under the Jan Dhan Yojana.

**Table 4.8**  
**Marital status of the respondents.**

Sr.No.	Status	Frequency	Percentage
1	Married	399	76
2	Unmarried/Widow	124	24
	<b>Total</b>	<b>523</b>	<b>100</b>

(Source: Compiled from primary data)

**Graph 4.3**



(Source: Compiled from primary data)

It indicates in the above Table 4.8 and Graph 4.3, about the largest part of the respondents' i.e., 399 (76 percent) are married. This indicates that there is a tremendous gap between marital status of the respondents. The figures represents the accessibility of the Jan Dhan Yojana which reached to the households and extensively covers financial inclusion mission.

**vi. Occupational profile.**

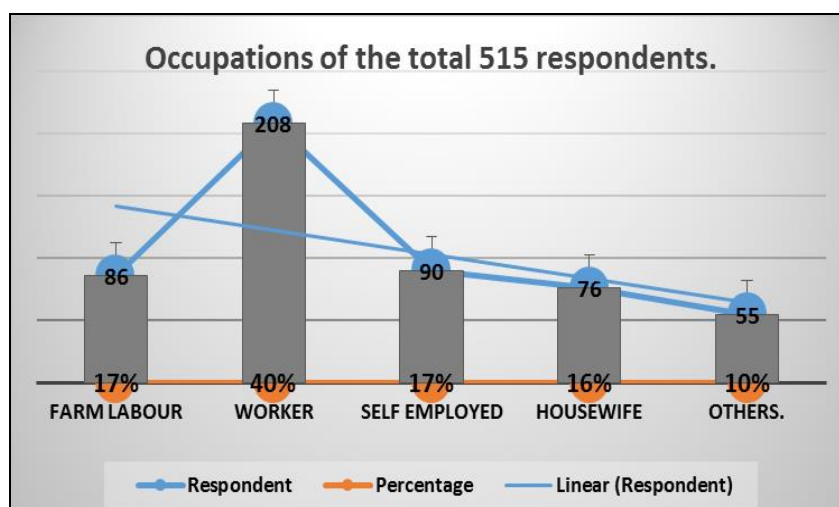
The socio-economic profile of any part of the country is totally depends on the occupation of the habitant of that area. It represents different occupations such as farm labour, workers, small/micro entrepreneurs, housewives and others along with dependency. The distribution of the respondents on the basis of occupation is as under:

**Table 4.9**  
**Occupations of the respondents.**

Sr.No.	Occupation	Frequency	Percentage
1	Farm Labour	86	17
2	Worker	208	40
3	Self Employed	90	17
4	Housewife	76	16
5	Others (Student)	55	10
	<b>Total</b>	<b>515</b>	<b>100</b>

(Source: Compiled from primary data)

**Graph 4.4**



(Source: Compiled from primary data)

The details of occupation of respondents are described in the above Table 4.9 and Graph 4.4 that the “worker” is the main occupation i.e., 208 respondents (40 percent) of the beneficiaries of the Jan Dhan Yojana. The other occupations such as farm labour and self employment are equally distributed among respondents.(17 percent each) Thus, its concludes that the respondents requires banking operations to safeguard their money.

**vii. Monthly income pattern.**

Income (money) is the base of standard of living and operations of financial needs. For this investigation purpose, the income earns during the month, i.e., personal income of the respondent is considered as the source of earning. The source of income includes earning (money) from various services such as labour, employment, farm labour, agricultural activities, and other activities as deemed fit. It measures the standard of living of the beneficiaries of the Jan Dhan Yojana. The monthly income in the present investigation is categorized between ₹ 1000 to 2000; between ₹2000-4000; between ₹4000-6000 and ₹ 6000 and above for better

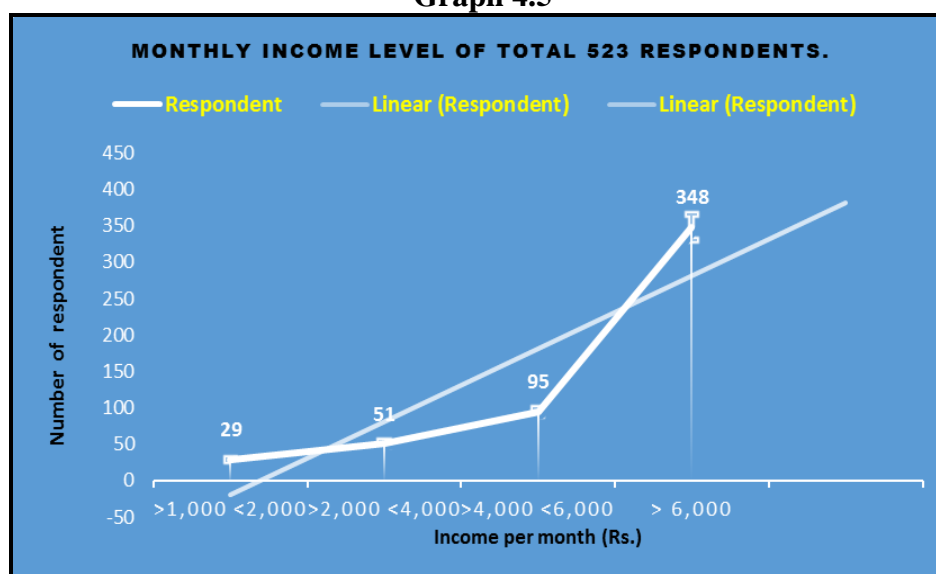
analysis. The distribution of the respondents accordingly to their personal income is described in the following table.

**Table 4.10**  
**Monthly income level of the respondents.**

Sr.No.	Monthly income	Frequency	Percentage
1	₹ 1,000 to 2,000	29	06
2	₹ 2,000 to 4,000	51	10
3	₹ 4,000 to 6,000	95	18
4	More than ₹ 6,000	348	66
	<b>Total</b>	<b>523</b>	<b>100</b>

(Source: Compiled from primary data)

**Graph 4.5**



(Source: Compiled from primary data)

It is observed from the above Table 4.10 and Graph 4.6, that the majority respondents i.e., 348 (66 percent) earns more than ₹ 6,000/- per month, Whereas other levels of monthly earnings are 95 (18 percent) respondents belongs between ₹ 4000-6000; and 51 (10 percent) belongs to ₹ 2000-4000. Thus, the monthly earnings level between ₹ 1000-2000 is observed very thin level. It concludes that the Jan Dhan Yojana is most favourable to the respondents having monthly income of ₹ 6000/- and above.

### viii. Categories of the family

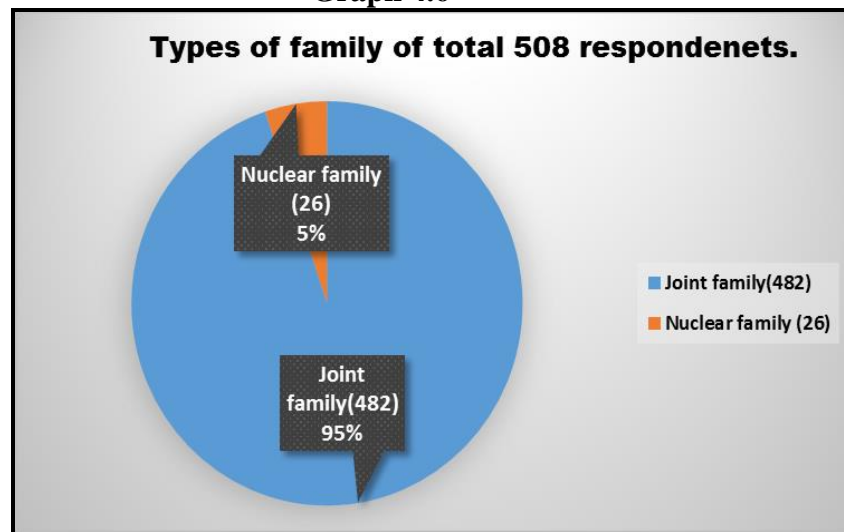
Family consists of mainly blood relations of the people. Its size varies from small, medium and large. The joint family and the nuclear family are the main categories to classify. The joint family consists of blood related family members from grandfather to children including relatives. In a joint family, the members are large in numbers, i.e., 15-20 and above. Whereas, nuclear family consists of parents and their children only. The size is very small and may consist of 3 to 5 persons in a family. No other relatives consist of such kinds of family. The present study area covers the samples from different categories. The Jan Dhan Yojana is mainly focusing on the poor and vulnerable people those are excluded from financial services due to residential proof or require amount to operate account, etc. This Jan Dhan Yojana also gives preference to women to open saving account. Such joint families indicate that they are covered under financial inclusion towards secured financial transactions. Following is the table describes the types of family of the respondents and their distribution in the study area.

**Table 4.11**  
**Types of family of the respondents.**

Sr.No.	Type	Frequency	Percentage
1	Joint family	482	95
2	Nuclear family	26	05
	<b>Total</b>	<b>508</b>	<b>100</b>

(Source: Compiled from primary data)

**Graph 4.6**



(Source: Compiled from primary data)

From the above Table 4.11 and Graph 4.6, it is observed that the 95 percent respondents are belongs to joint family. The present study covered the samples from different categories. The Jan Dhan Yojana is covering poor and vulnerable people those are excluded from financial services. Its concludes that joint family members are more inclined to open saving account under the Jan Dhan Yojana. Thus, it means more and more families are availing formal banking sources for their financial needs and secured their life under the Jan Dhan Yojana.

**ix. Sources of finance of respondents.**

In order to understand the banking operation and various sources of the finance of the beneficiaries of the Jan Dhan Yojana. The opening of saving account is one of the main concepts of the financial inclusion mission. By opening of saving account doesn't mean inclusion, but needs to operate on a regular basis. The poor and vulnerable people need money to operate a bank account regularly. The sources of funds have been categorized into as own funds, funds borrowed from the bank and fund availed from informal way. Here researcher has made structured interviews and

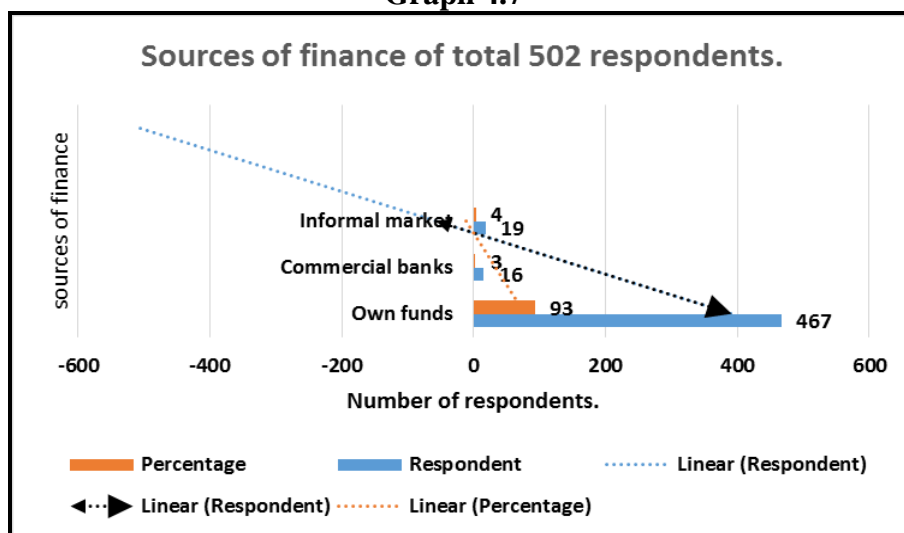
collected the relevant data to analyze in an appropriate statistical method. The details of the responses are presented in the following table.

**Table 4.12**  
**Sources of finance of respondents.**

Sr.No.	Source	Frequency	Percentage
1	Own funds	467	93
2	Borrowed from Banks	16	03
3	Informal market	19	04
	<b>Total</b>	<b>502</b>	<b>100</b>

(Source: Compiled from primary data)

**Graph 4.7**



(Source: Compiled from primary data)

As per the above Table 4.12 and Graph 4.7, it is clear understanding that the majority of the respondents i.e., 467/502 (93 percent) utilized their own funds for banking transactions through accounts opened under the Jan Dhan Yojana. It means poor and vulnerable people are availing benefits of the Jan Dhan Yojana and covered under financial inclusion mission.

**x. Profile of accounts opened under the Jan Dhan Yojana.**

In order to understand the preference given by respondent to open saving bank account under the Jan Dhan Yojana, it is pertinent to study the Jan Dhan Yojana account. As per the guidelines of the Reserve Bank of India, all the banks have started

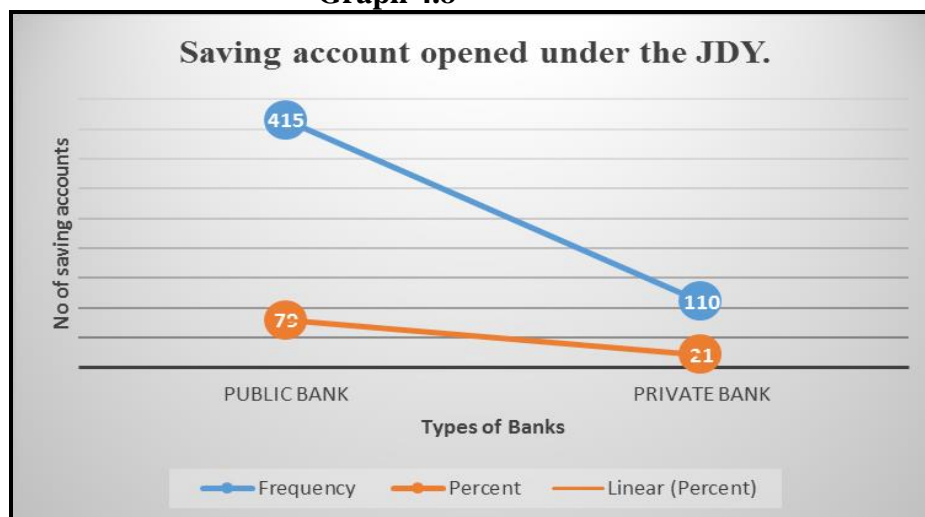
special mission to encourage the poor and vulnerable people to open small saving account through easily, few sets of documents and zero balance. The researcher has collected the relevant information with the help no scheduled interviews of the respondents and data described in the following table.

**Table 4.13**  
**Saving account opened under the Jan Dhan Yojana.**

Sr. No.	Type	Frequency	Percent
1	Public Bank	415	79
2	Private Bank	110	21
	<b>Total</b>	<b>525</b>	<b>100</b>

(Source: Compiled from primary data)

**Graph 4.8**



(Source: Compiled from primary data)

From the above Table 4.13 and Graph 4.9, it is observed that 79 percent (415/525) respondents preferred public sector banks to open their saving accounts under the Jan Dhan Yojana. It means the Jan Dhan Yojana is a powerful tool to extend financial inclusion to the last mile reach population.

#### **xi. Information about the Jan Dhan Yojana.**

In order to understand the access of the Jan Dhan Yojana reached upto the respondents, it is pertinent to get their perception about the variables. The banking services are essential towards socio-economic development of the poor and vulnerable



people. The Jan Dhan Yojana is an attempt made by the government to cover poor and vulnerable people and bring into the mainstream of the economy. The following table described the various channels which provide information about the Yojana.

**Table 4.14**  
**Broadcasting of the Jan Dhan Yojana.**

S.No	Channel	Kalyan		Bhiwandi		Shahapur	
		Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
1	Television	<b>141</b>	82	<b>170</b>	94	<b>119</b>	71
2	Newspaper	5	3	6	4	13	8
3	Friends and Relatives	18	10	4	2	34	20
4	Bank Awareness Programme	6	3	0	0.0	1	1
7	Others	7	4	0	0	0	0
<b>Pearson Chi-square</b>							
Value		Df	p-value				
53.646		8	0.000				

(Source: Compiled from primary data)

From the above Table 4.14, the researcher has following observations:

1. The largest part of the respondents i.e., 141 (82 percent) from Kalyan block, 170 (94 percent) from Bhiwandi block and 119 (71 percent) from Shahapur block of Thane district, are highly influenced by television broadcasting of the Jan Dhan Yojana and collected detailed information as per best of their understanding.
2. Simultaneously, friends and relatives were also played a moderate role to share the information related to the Jan Dhan Yojana. There are 18 (10 percent) respondents from Kalyan block, 4 (2 percent) respondents from Bhiwandi block and 34 (20 percent) from Shahapur block, were sourced from the friends/relatives.

3. The newspapers are also one of the sources of information related to the Jan Dhan Yojana to target poor and vulnerable people of Thane district. The newspapers have little role viz., Kalyan 8 (5 percent) respondents, Bhiwandi 6 (4 percent) and Shahapur 13 (8 percent) respondents were getting the information.
4. Bank awareness programs have a negligible role to spread the information related to the Jan Dhan Yojana. In Kalyan 6 (3 percent) respondents, Bhiwandi no response and Shahapur 1 (1 percent) respondents got the information through banks awareness programs.
5. The calculated p-value of Pearson Chi-Square is less than 0.05, which indicates that broadcasting the information of the Jan Dhan Yojana through television is the major source in Bhiwandi block, but in other blocks, i.e., Kalyan and Shahapur the sources such as newspaper, canvassing through friend, relatives and bank awareness program were also used by people.

**xii. Details of variable such as ages of saving account and frequency of monthly visits to bank branches or Bank Mitras.**

In order to understand the beneficiaries' perception about various variables related to the Jan Dhan Yojana. The researcher has framed following variables for comparison with each other. The variables covered under the study, are as under:

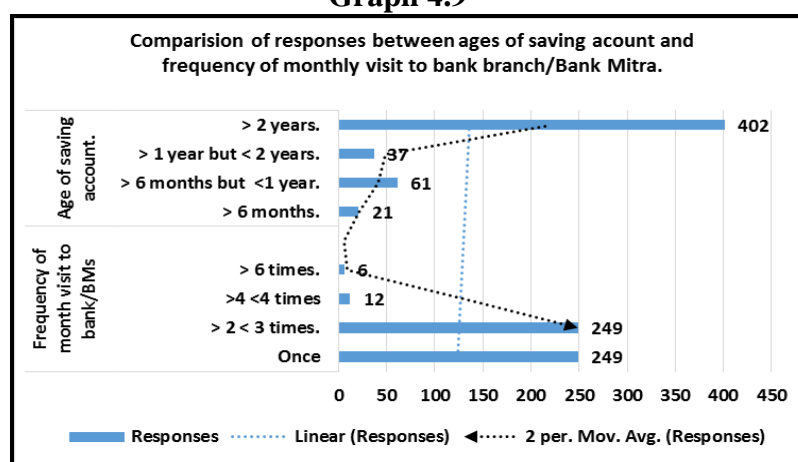
- i. Duration of operation of saving account opened under the Jan Dhan Yojana.
- ii. Frequency of monthly visit to bank branch.
- iii. Receipt of ATM card.
- iv. Utilization of overdraft facility, and
- v. Awareness of banking services offers by banks.

**Table 4.15**  
**Duration of saving account and monthly visit to the bank by**  
**the Jan Dhan Yojana account holders.**

S.No.	Variable	Parameter	Frequency	Percentage
1	Duration of saving account.	< 6 months.	21	4%
		> 6 months, but < 1 year.	61	12%
		> 1 year but < 2 years.	37	7%
		> 2 years.	<b>402</b>	<b>77%</b>
		Total:	521	100%
2	Frequency of monthly Visit.	Once.	<b>249</b>	<b>49%</b>
		2 to 3 times.	249	48%
		4 to 6 times.	12	2%
		More than 6 times.	6	1%
		Total:	516	100%

(Source: Compiled from primary data)

**Graph 4.9**



(Source: Compiled from primary data)

From the above Table 4.15 and Graph 4.10, the researcher has the following observations.

1. The majority of the respondents i.e., 402 (77 percent) opened their bank account in the year 2014 and accounts are operational for the period of more than 2 years.
2. The Jan Dhan Yojana was initially very popular, but later on the number of new accounts opened were declined. This shows that respondents are not

satisfied with the operations covered under the Yojana. Accordingly, the account opening ratio has been declined.

3. The majority of the respondents i.e., 249 (49 percent) were visited bank once in a month for their banking operations. It means respondents neithser visiting bank nor bank mitra frequently. It seems their of banking operations are limited.

a) Further, in order to understand the significance between two variables. Here researcher has made comparison of both the variables with different parameters and the statistics have been tested through Chi-Square test to arrive logical conclusion.

The block wise details of the comparison are as under:

**Table 4.16**  
**Block wise details of duration of saving account and**  
**A monthly visit to the bank by the Jan Dhan Yojana account holders.**

<b>Comparison with respect to different variables.</b>							
Variable	Parameters	Kalyan		Bhiwandi		Shahpur	
		Freq uency	Perce ntage	Freq uency	Perce ntage	Freq uency	Perce ntage
<b>Duration of saving account.</b>	< 6 month.	7	4%	13	7%	1	1%
	> 6 months, but >1 year.	13	7%	3	2%	46	26%
	>1 year, but < 2 years	12	7%	6	3%	21	12%
	> 2 years.	143	82%	<b>154</b>	<b>88%</b>	107	61%
	<b>Total</b>	<b>175</b>	<b>100%</b>	<b>175</b>	<b>100%</b>	<b>175</b>	<b>100%</b>
<b>Frequency of monthly visit to bank.</b>	Once.	94	54%	76	43%	85	49%
	>2 times, but < 3 times.	73	42%	<b>94</b>	<b>54%</b>	84	48%
	>4 times, but <6 times	4	2%	4	2%	4	2%
	> 6 times.	4	2%	1	1%	2	1%
	<b>Total</b>	<b>175</b>	<b>100%</b>	<b>175</b>	<b>100%</b>	<b>175</b>	<b>100%</b>

(Source: Compiled from primary data)

### Chi-Square Test result.

Parameter	Test	Value
Duration of saving account.	Chi-square	78.960
	Degree of freedom	6
	p-value	.000*
Frequency of monthly visit to bank.	Chi-square	5.847
	Degree of freedom	6
	p-value	.441

As per the above Table 4.17 and subsequent Chi-Square test result, the researcher has following observations:

1. The majority of the respondents i.e., 154 (88 percent) from Bhiwandi block are successfully operating their a saving bank account for the period of two years and above. Whereas, Kalyan block is lacking behind with moderate as 143 (82 percent) respondents operating accounts more than two years. Shahapur block is having least number of respondents 107 (61 percent) in respect of operation of accounts for more than two years.
2. With reference to opening of bank account under the Jan Dhan Yojana, Shahapur block is recorded as very poor performance. There are 21 (12 percent) respondents holding bank accounts for the period of more than 1 year but less than 2 years and 46 (26 percent ) have their bank account more than 6 months but less than 1 year period. There is a negligible number of respondent i.e., 1 (1 percent) operating account for the period of less than 6 months. It is observed that there is down trend in opening of no frilled account due to meager income level and other informal sources of finance available in the Shahapur block.
3. The respondents belong to Bhiwandi block was initially given tremendous responses to the Jan Dhan Yojana but after that slow down. Therefore,

accounts opened in the period of more than 1 year and less than 2 years stand at 6 (3 percent) and more than 6 months and less than 1 year stand at 3 (2 percent), whereas proportion has been slightly increased to 13 (7 percent) for the period more than 6 months period of account opened under the scheme.

4. The respondents belong to Kalyan block are consistent with the Yojana and shown interest 12 (7 percent) during the period more than 1 year but less than 2 years. For the period of more than 6 months but less than 1 year was standing at 13 (7 percent) but the respondents dropped to 7 (4 percent) during the period of more than 6 months. It indicates that at present the Jan Dhan Yojana is not attracting poor and vulnerable people and therefore needs to revamp the essential parameters of the Yojana.
5. The maximum respondents i.e., 97 (54 percent) of Bhiwandi block visited bank or contacted Bank Mitras between 2 to 3 times in a month for banking operations. Whereas, respondents of Kalyan block only 92 (54 percent) visited bank or contacted bank mitra once in a month for their financial operation.
6. With reference to the observed frequency of the respondents visited to Banks or Bank Mitras for their financial operations. In Kalyan 3 (2 percent), Bhiwandi 1 (1 percent) and Shahapur 2 (1 percent) shows negligible frequency of more than 6 visits per month. It is clear that respondents are neither visiting Banks nor Bank Mitras regularly and therefore this is a strong need to motivate this segment with additional monetary incentives to attract them to operate accounts regularly.
7. The calculated p-value of Pearson Chi-square test is less than the table value of Pearson Chi-square at 0.05 of significance for 6 degrees of freedom for duration of saving account opened under the Jan Dhan Yojana. It is observed that p-value

is less than that of 0.05 which indicates that the respondents are operating their bank accounts successfully for the period of more than 2 years.

8. The calculated p-value of the Pearson Chi-square is 0.441 which is more than the level of significance value 0.05 of for frequency of monthly visit to the Banks or Bank Mitras i.e., once, more than 2 times but less than 3 times, more than 4 times but less than 6 times and more than 6 times. It is observed that p-value is more than that of 0.05 which indicates that the respondents' frequency among the block regarding visit to banks or bank mitras is not significant.
9. Since the p-value for the chi-square is less than that of 0.05 for option of time of account opening which indicates that the number of respondents in Kalyan and Bhiwandi have the Jan Dhan Yojana account which is older as compared to Shahpur. But when the researcher compared the operation of the account with respect to these areas, it is observed that p-value is greater than that of 0.05 indicating the account operation is almost similar in all these areas.

**xiii. From the above parameters, researcher tested these three selected parameters with a binomial test to find out the significance of information related to Jan Dhan Yojana. These parameters are as follows:**

- i. Receipt of ATM Card.
- ii. Utilization of overdraft facility, and
- iii. Awareness of banking services offered by banks.

**Table 4.17**  
**Distribution of responses for selected parameters –**  
**ATM card and Overdraft facility.**

<b>Binomial Test.</b>						
<b>Parameter</b>		<b>Category</b>	<b>Frequency</b>	<b>Observed Prop.</b>	<b>Test Prop.</b>	<b>p-value</b>
<b>ATM Card</b>	Group 1	<b>Yes</b>	449	.86	.50	.000 <sup>a</sup>
	Group 2	<b>No</b>	72	.14		
	Total		521	1.00		
<b>Overdraft</b>	Group 1	<b>No</b>	482	.95	.50	.000 <sup>a</sup>
	Group 2	<b>Yes</b>	27	.05		
	Total		509	1.00		
<b>Banking services.</b>	Group 1	<b>Yes</b>	463	.94	.50	.000 <sup>a</sup>
	Group 2	<b>No</b>	32	.06		
	Total		495	1.00		
a. Based on Z Approximation.						

(Source: Compiled from primary data)

It is observed from the above Table 4.17 that the p-value for the binomial test is less than the table value of 0.05 which indicates that the observed proportion in favour of services such as acceptance of ATM cards is 86 percent and awareness of banking services offered by banks is 94 percent but only 5 percent respondents are able to utilize overdraft facility.

**xiv. Hypothesis Testing for Satisfaction of the services offered by banks**

In the present study, the researcher would like to examine that whether the banks providing satisfactory services to the customers opened their account under the Jan Dhan Yojana or not. Accordingly, through interview 5 options were given to respondents such as, Strongly Agree, Agree, Can't Say, Disagree and Strongly Disagree. The result of the Chi - square test is described in the following table. The following hypothesis framed to test through appropriate statistical methods.



H0<sub>1</sub> : Banks are not providing satisfactory services to the customers those opened accounts under the Jan Dhan Yojana.

H1<sub>1</sub> : Banks are providing satisfactory services to the customers those opened accounts under the Jan Dhan Yojana.

**Chi-square test result**

Test Statistics	Value
Chi-Square	354.134 <sup>a</sup>
Degree of freedom	4
p-value	.000
a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 101.4.	

(Source: Analysis from primary data)

From the above Chi Square test results, it is observed that the p-value for the chi-square test is less than that of 0.05 which indicates that the responses on the scale of “Strongly Disagree to Strongly Agree” is not equally distributed. It can be observed from following residual table that the residual value for the number of respondents which agrees for the satisfaction is positively more than expected. Further, the researcher also confirmed the results using the binomial test by comparison of the variables such as those who agreed and do not agreed.

**a) Residual table**

Here researcher would like to see that whether the banks providing satisfactory services to the Jan Dhan account holders. The same has been described in the following table.

**Table 4.18**  
**Satisfactory services provided by banks to the JDY account holders.**

The bank providing satisfactory services.				
S.No.	Parameter	Observed frequency(O)	Expected (E)	Residual (O-E)
1	Strongly Disagree.	83	101.4	-18.4
2	Disagree.	74	101.4	-27.4
3	Neutral.	31	101.4	-70.4
4	Agree.	267	101.4	165.6
5	Strongly Agree.	52	101.4	-49.4
	Total	507		

(Source: Compiled from primary data)

With the help of above Table 4.18 the researcher has the following observations:

1. The majority of the respondents i.e., 267 (positive residual value 165.6) are agreed that Banks are providing satisfactory services to the customers the Jan Dhan accounts holders. Whereas, other opinions observed frequency is less than expected frequency and their residual values are in negative status. Hence, it indicates that Banks are offering satisfactory services to the respondents having a no-frills saving account under the Jan Dhan Yojana.
2. Considering the opinions received from respondents, Binomial test was undertaken to find out variance between two factors such as “neutral or disagree and agree” or “strongly agree” responses.

**Table 4.19**  
**Binomial test results for banks providing satisfactory services.**

		Category	No of respondent	Observed Prop.	Test Prop.	p-value
<b>Satisfactory Services.</b>	Group 1	Neutral or disagree.	188	0.37	.50	.000 <sup>a</sup>
	Group 2	Agree and strongly agree.	319	0.63	--	--
	Total		507	1.00		
a. Based on Z Approximation.						

(Source: Analysis from primary data)

From the above Table 4.19, the researcher has the following observations.

1. It is observed that the p-value for the Binomial test is less than that of table value 0.05 which indicates that the proportion of neutral or disagree, i.e., 37 percent is significantly less than that of 50 percent and hence the proportion of agree and strongly agree is 63 percent which is higher. Thus,  $H_0$  “The banks are not providing satisfactory services to the customers opened saving accounts under the Jan Dhan Yojana” is rejected and  $H_1$  is accepted.
2. It is concluded that banks are providing satisfactory services to the customers opened saving accounts under the Jan Dhan Yojana.

**b) Comparison between awareness about services offered by banks and opinion about the Jan Dhan Yojana for the poor and vulnerable people.**

All the banks are providing various financial banking services to the Jan Dhan account customers. As per the government’s guidelines, banks designed banking operations easy and convenient through bank branches as well as through bank mitras especially in remote/rural areas. The pertinent information was sought through survey to find out awareness about the various services offered by banks and their opinion about the Jan Dhan Yojana covering poor and vulnerable people residing in selected blocks of Thane district. The following table shows cross tabulation about the

respondents' awareness of banking services and their opinion about the Jan Dhan Yojana.

**Table 4.20**  
**Cross tabulation of various banking services.**

		Opinion about Jan Dhan Yojana						Total
		Excellent	Very Good	Good	Average	Need Change		
<b>Awareness of services offered by banks.</b>	Yes	Count	52	87	136	137	40	452
		Percent	96%	92%	94%	94%	100%	94%
	No	Count	2	8	9	9	0	28
		Percent	4%	9%	6%	6%	0%	6%
Total		Count	54	95	145	146	40	480
		Percent	100%	100%	100%	100%	100%	100
<b>Pearson Chi-Square</b>								
Value		Df	p-value					
4.148		4	0.386					

(Source: Compiled from primary data)

From the above Table 4.20 and test statistics, the researcher has following observations:

1. Out of total 480 responses, 452 respondents (94 percent) having knowledge about the services offered by banks. Among them, 137 respondents feel that the scheme's operation is "Average" whereas, 136 respondents (94 percent) feels that scheme is working in "Good" but very few i.e., 52 respondents having "Excellent" opinion about Jan Dhan Yojana and 40 respondents expressed that that there is need to make changes in the Yojana for efficient functioning as well as satisfaction level.
2. Out of total 480 responses, 28 responses (6 percent) don't have awareness about services offered by banks.
3. The majority, i.e., 452 out of 480 of the respondents were agreed that they have knowledge about the various services offered by banks and have

“Average” opinion about the operation of the Jan Dhan Yojana in Thane District.

4. Since the p-value, i.e., 0.386 for the chi-square test is greater than significant level of 0.05 which indicates that the respondents are well awareness of the various services which is independent of their opinion of about the Jan Dhan Yojana.

**xiv. Hypotheses testing for the Jan Dhan Yojana:**

The researcher has framed statistical hypotheses and tested with appropriate statistical tool. Following is the null hypothesis, which results are described in the basic data distribution about the perception of the Jan Dhan Yojana and descriptive parameter values pertaining the access of the Jan Dhan Yojana. The null and alternate hypothesis are as under:

**H0<sub>2</sub> :** Jan Dhan Yojana is not helpful to the poor and vulnerable people.

**H1<sub>2</sub> :** Jan Dhan Yojana is helpful to the poor and vulnerable people.

**Table 4.21**  
**Basic Data Distribution about perception of the Jan Dhan Yojana.**

S. No	Parameter.	Strongly Disagree		Disagree		Neither Agree Nor Disagree		Agree		Strongly Agree	
		No.	%	No.	%	No.	%	No.	%	No.	%
1	Easy operation.	7	1	3	2	9	2	26	5	478	91
2	RuPay debit card.	16	3	31	19	70	13	24	5	382	73
3	Receipt of insurance.	256	51	68	41	181	35	9	2	11	2
4	Remittance facility.	156	31	50	30	242	46	33	6	44	8
5	Overdraft facility.	71	14	15	9	418	80	5	1	14	3

(Source: Compiled from primary data)

It is observed from the above Table 4.21, that majority of the respondents, 91 percent (478/525) respondents agreed that there are easy banking operations under the

Jan Dhan Yojana. The 73 percent respondents disagree towards receipt of RuPay debit cards, 51 percent disagree to receipt of insurance benefits. In respect of remittance and overdraft facility, there are mixed responses, i.e., neither agree nor disagree.

**Table 4.22**  
**Descriptive parameter values pertaining to the access of the Jan Dhan Yojana.**

Sr.No.	Parameter	No. of Respondents	Median	Mean	Standard Deviation
1	Easy and comfortable operation of saving account.	523	5.00	4.85	0.60
2	Issuance and operation of RuPay Debit card are satisfactory.	523	5.00	4.39	1.11
3	In time receipt of Insurance payment.	523	2.00	1.96	1.04
4	Remittance facility is satisfactory.	523	3.00	2.55	1.21
5	Overdraft facility is beneficial.	523	3.00	2.76	0.80

(Source: Compiled from primary data)

From the above Table 4.22, the researcher has the following observations.

1. The mean score for perception related to the statement that banks are offering easy and comfortable operation of saving account is 4.85 which is close to 5. This clearly indicates that respondents have strongly agreed with the statement.
2. The mean score for perception related to the statement that banks are issuing RuPay debit cards and its operation at a satisfactory level, is 4.39 and is considered as 5. This clearly indicates that respondents have strongly agreed with the statement.

3. The mean score for perception related to the statement that banks are disbursing in timely payment of insurance policies covered under the Jan Dhan Yojana is 1.96 which is close to 2. This clearly indicates that respondents strongly disagree with the statement.
4. The mean score for perception related to the statement that banks are providing overdraft facility to the respondents who covered under the Jan Dhan Yojana, is 2.55, which is close to 3. This clearly indicates that respondents are not sure about the statement.
5. The mean score for perception related to the statement that banks are providing the effective overdraft facility to the respondents covered under the Jan Dhan Yojana is 2.76, which is close to 3. This clearly indicates that respondents are not sure about the statement. It means banks overdraft facility is not well understood by the respondents. Simultaneously, the bank is not promoting overdraft facility appropriately due to fear of no repayment by the Jan Dhan Yojana account holders.
6. Since the scores on each of the parameters is collected by allowing respondent on a scale of 1 to 5 with 1 as strongly disagree and 5 being strong agree and 3 being neither agree nor disagree. The score of neither agree and nor disagree is considered as average expected score of the respondent. Therefore, researcher compares the observed median score in each of the parameters with an average score of 3. If the observed median score is significantly more than that of expected score for the parameters, it is concluded that the respondents do agree in that particular parameter.

a) **Comparison of responses “agree and disagree” in each of the parameter:**

In case the observed median score is significantly more than that of expected score for the parameters then it is concluded that the respondents do agree in that particular parameter. In order to compare the responses with each of the parameters, a Wilcoxon test was used. The result of Wilcoxon test is shown in the following table.

**Table 4.23**  
**Comparison of responses with variables pertaining to the access of the Jan Dhan Yojana.**

S.No	Parameter.	Wilcox test value.	p-value.
1	Easy and comfortable operation of saving account.	130410	0.000
2	Issuance of RuPay debit card and its operations are satisfactory.	97891	0.000
3	In time receipt of insurance payment.	2661	1.000
4	Remittance facility is satisfactory.	9416	1.000
5	Overdraft facility is beneficial.	934.5	1.000

(Source: Analysis from primary data)

From the above Table 4.23, the researcher has following observations:

1. Since the p-value for parameter “Easy and comfortable operation of saving account” is less than that of 0.05 this indicates that the observed median score is significantly more than the average expected score of 3. It means respondents are agreeing that there is an easy and comfortable operation of saving account opened under the Jan Dhan Yojana.
2. Since the p-value for parameter “Issuance of RuPay debit card and its operations are satisfactory” is less than that of 0.05 this indicates that the observed median score is significantly more than the average expected score of 3. It means respondents agreed that the RuPay debit card has been issued and its operations are satisfactory with respect to Jan Dhan Yojana.



3. Since the p-value is 1.00 for the Wilcoxon test which is greater than that of 0.05 this indicates that the respondents do not agree to the following parameters:

- In time receipt of insurance payment.
- Remittance facility is satisfactory, and
- Overdraft facility is beneficial.

4. Considering above, we reject  $H_0$  “The Jan Dhan Yojana is not helpful for the poor and vulnerable people”

5. Thus, its concluded that the Jan Dhan Yojana is helpful for the poor and vulnerable people.

**b) Comparison of each of the parameter with each other was done with the Kruskal Wallis test.**

Under this test, the null hypothesis tested from independent variables as against the alternate hypothesis to get the factors are not equal. Here data ranked jointly from low to high or vice versa when constituted in a single sample. If the null hypothesis is true, then there is no difference between the sample means. On comparisons with respect to respective expected median scores, it compared all the parameters with each other to find out the significance of difference when compared for different parameters.

**Table 4.24**  
**Mean Rank distribution of variables of Jan Dhan Yojana.**

<b>The Kruskal-Wallis Test (H test) result.</b>				
Sr. No.	Parameter.	No of Respondents	Mean Rank.	Ranking on the basis of agreement.
1.	Easy and comfortable operation of saving account.	523	2073.52	1 <sup>st</sup>
2.	Issuance and operation of RuPay debit card are satisfactory.	523	1839.86	2 <sup>nd</sup>
3.	In time receipt of insurance payment.	523	662.66	5 <sup>th</sup>
4.	Remittance facility is satisfactory.	523	937.03	4 <sup>th</sup>
5.	Overdraft facility is beneficial.	523	1026.92	3 <sup>rd</sup>
	Total	2615		

(Source: Compiled from primary data)

**Test Statistics<sup>a,b</sup>**

Kruskal-Wallis test comparison	Easy and comfortable operation of saving Account.
Chi-Square	1523.906
Df	4
Asymp.Sig.	0.000

a. Kruskal Wallis Test

b. Grouping Variable: Parameters.

From the above Table 4.24 and Kruskal Wallis test result, the researcher has the following observations:

1. The p-value is less than that table value of 0.05 of significance for 4 degree of freedom. It indicates that the average scores of the parameters differ significantly when compared with each other.
2. The respondents given their first preference for saving because there has been no such scheme for them since long time. Secondly respondent needs RuPay debit card for easy withdrawal. The respondent given their 3<sup>rd</sup> preference to overdraft facility because they are in need micro-finance. The 4<sup>th</sup> preference

relates to remittance facility, which is not used by all the respondents. Finally, least preference given to timely settlement of insurance claims because it doesn't work for them.

3. To find out the exact significance of the comparison of the pair of the parameter, the researcher used the Mann-Whitney U test to enable to draw logical conclusion.

**c) Mann-Whitney Test used for the purpose of comparison of variables :**

- i. Easy and comfortable operation of saving account.
- ii. Issuance and operation of RuPay debit card are satisfactory.

**Table 4.25**

Distribution of mean rank between the operation of saving account and issuance of RuPay debit card.

	Parameter.	No.of respondents	Mean Rank	Sum of Ranks
Operation of saving accounts.	Easy and comfortable operation of Saving account.	523	573.55	299964.50
	Issuance and operation of RuPay debit card are satisfactory.	523	473.45	247616.50
	Total	1046		

(Source: Compiled from primary data)

**Test Statistics<sup>a</sup>**

Test result	Value
Mann-Whitney U	110590.500
Wilcoxon W	247616.500
Z	-8.044
P-value	.000

a. Grouping Variable: parameter.

In view of the above Table 4.25 and the Mann-Whitney U test results, the researcher has following observations:

1. Since the p-value is less than that of 0.05 indicates that the average scores of the parameter “Easy and comfortable operation of saving account” is

significantly more (as the mean rank score is higher) than that of parameter “Issuance and operation of RuPay debit card are satisfactory”

2. It concludes that respondents strongly agreeing to the statement that under the Jan Dhan Yojana small saving bank accounts procedure is easy and comfortable.

**d)** In order to find out the comparison between parameters to test the viability of the bank account procedure. The researcher made a cross comparison between two parameters, as mentioned under:

- i. Easy and comfortable operation of saving account.
- ii. Punctuality in receipt of insurance payment.

Here, the researcher has tested the above two parameters with Mann-Whitney U test. The following table showing mean rank between the operation of saving account and punctuality in insurance payment.

**Table 4.26**  
**Distribution of mean rank between the operation of saving account and Punctuality in insurance payment.**

	Parameter	No. of Respondents	Mean Rank	Sum of Ranks
Operation of saving account	Operation of saving account	523	770.65	403051.50
	Punctuality in insurance payment.	523	276.35	144529.50
	Total	1046		

(Source: Compiled from primary data)

**Test Statistics<sup>a</sup>**

Test results.	Value
Mann-Whitney U	7503.500
Wilcoxon W	144529.500
Z	-28.271
P-value	.000

a. Grouping Variable: Parameters.

From the above Table 4.26 and Mann-Whitney U test, a researcher has the following observations.

1. The calculated p-value is less than that of 0.05 this indicates that the average scores of the parameter “Easy and comfortable operation of saving account” is significantly more (as the mean rank score is higher) than that of “Punctuality in receipt of insurance payment”
  2. Therefore, it concludes that under the Jan Dhan Yojana, account opening procedure is easy and comfortable for the respondents. However, insurance is also covered under the Yojana, but there is no punctuality in claim settlement of the insurance payment to the account holders.
- e) In order to find out the comparison between parameters to test the viability of accounts opened under the Jan Dhan Yojana. Here researcher made a cross comparison between two parameters, as mentioned under:
- i. Easy and comfortable operation of saving account.
  - ii. Remittance facility is satisfactory.

The researcher has tested the above two parameters with Mann-Whitney U test. Following is the mean rank table to find out the correlation between two parameters.

**Table 4.27**  
**Distribution of mean rank between the operations of saving account and remittance facility.**

	Parameter	No. of Respondents	Mean Rank	Sum of Ranks
Operation of saving account	Easy and comfortable operation of saving account.	523	750.54	392530.00
	Remittance facility is satisfactory.	523	296.46	155051.00
	Total	1046		

(Source: compiled from primary data)

### Test Statistics<sup>a</sup>

Test results.	Value
Mann-Whitney U	18025.000
Wilcoxon W	155051.000
Z	-26.241
P-value	.000

Grouping Variable: Parameters.

From the above Table 4.27 and Mann-Whitney test results, researcher has the following observations:

1. Since the p-value is less than that of 0.05 indicates that the average scores of the parameter “Easy and comfortable operation of saving account” is significantly more (as the mean rank score is higher) than that of “Remittance facility is satisfactory”
  3. It concludes that the Jan Dhan Yojana account opening procedure is easy and comfortable for the respondents. However, remittance facility is also covered under the Jan Dhan Yojana but the same is not at satisfaction level of the account holders.
- f) In order to find out the comparison between parameters to test the viability of the operation of saving account. Here, the researcher has made a cross comparison between two parameters as under:
- i. Easy and comfortable operation of saving account.
  - ii. Overdraft facility is beneficial.

Here, the researcher tested the above two parameters with Mann-Whitney U test to find out its correlation with each other to understand the status of operations of saving accounts opened under the Jan Dhan Yojana. The following is the mean rank table to find out the correlation between two parameters.

**Table 4.28**  
**Distribution of mean rank between the operation of saving bank account**  
**and Overdraft facility is beneficial.**

Parameter		No.of Respondent	Mean Rank	Sum of Ranks
Operation of saving account	Easy and comfortable operation of saving account.	523	764.78	399982.00
	Overdraft facility is beneficial.	523	282.22	147599.00
	Total	1046		

(Source: Compiled from primary data)

**Test Statistics<sup>a</sup>**

Test results.	Value
Mann-Whitney U	10573.000
Wilcoxon W	147599.000
Z	-28.397
P-value	.000

a. Grouping Variable: Parameters.

From the above Table 4.28 and the Mann-Whitney test results, researcher has the following observations:

1. Since the p-value is less than that of 0.05 indicates that the average scores of the parameter, “Easy and comfortable operation of saving account” is significantly more (as the mean rank score is higher) than that of, “Overdraft facility is beneficial
  2. It concludes that under the Jan Dhan Yojana account opening procedure is easy and comfortable for the respondents. However, overdraft facility is also covered under the scheme, but same is not up to the satisfaction of the account holders.
- g) In order to find out the comparison between parameters to test the viability of the bank account procedure. The researcher has made a cross comparison between two parameters, as mentioned below:

- i) Issuance and operation of RuPay debit card are satisfactory.
- ii) Punctuality in insurance payment.

Here, the researcher has tested the above two parameters with Mann-Whitney U test. Following table showing distribution of mean rank between two parameters to find out the correlation.

**Table 4.29**  
**Distribution of mean rank between issuance and the operation of RuPay debit Card and Punctuality in insurance payment.**

Parameter		No. of Respondents	Mean Rank	Sum of Ranks
Operation of saving account.	Issuance and operation of RuPay Debit card.	523	739.44	386726.00
	Punctuality in insurance payment.	523	307.56	160855.00
	Total	1046		

(Source: Compiled from primary data)

**Test Statistics<sup>a</sup>**

Test results.	Value
Mann-Whitney U	23829.000
Wilcoxon W	160855.000
Z	-24.167
P-value	.000

a. Grouping Variable: parameters.

From the above Table 4.29 and Mann-Whitney U test results, the researcher has the following observations:

1. It is observed that the p-value is less than that of 0.05 this indicates that the average scores of the parameter, “Issuance and operations of RuPay debit card are satisfactory” is significantly more (as the mean rank score is higher) than that of “Punctuality in insurance payment”
2. It is concludes that under the Jan Dhan Yojana, the issuance and operations of RuPay debit card are at the satisfaction level of the respondents. However, punctuality in insurance claim settlement is also covered but the claims are not settled in time in time.



**h)** In order to find out the comparison between parameters to test the viability of the bank account procedure. The cross comparison between two parameters, such as:

- i. Issuance and operations of RuPay debit card are satisfactory.
- ii. Remittance facility is beneficial.

The above two parameters were tested through Mann-Whitney U test to find out their correlation as well as impact on operations of saving account. Following is the mean rank table to shows the distribution of mean rank between parameters to find out the correlation between.

**Table 4.30**  
**Distribution of mean rank between issuance and the operations of RuPay debit card are satisfactory and remittance facility is beneficial.**

Parameter.		No. of Respondents	Mean Rank	Sum of Ranks
Operation of saving account.	Issuance and operations of RuPay debit card are satisfactory.	523	705.62	369039.00
	Remittance facility is satisfactory.	523	341.38	178542.00
	Total	1046		

(Source: Compiled from primary data)

**Test Statistics<sup>a</sup>**

Test results.	Value
Mann-Whitney U	41516.000
Wilcoxon W	178542.000
Z	-20.541
P-value	.000

a. Grouping Variable: Parameters

From the above table 4.30 and subsequent Mann-Whitney U test result, the researcher has the following observations:

1. Since the p-value is less than that of 0.05 this indicates that the average scores of the parameter, “Issuance and operations of RuPay debit card are satisfactory” is significantly more (as the mean rank score is higher) than that of “Remittance facility is beneficial”

2. It is concludes that under the Jan Dhan Yojana, the issuance and operations of RuPay debit card are at the satisfaction level of the respondents. However, remittance facility is also covered under the scheme, but same is not at the satisfaction level of the account holders as compared to issuance and operations of RuPay debit cards.

i) In order to find out the comparison between parameters to test the viability of the bank account procedure. The researcher has made a cross comparison between two parameters, as mentioned below:

- i. Issuance and operations of RuPay debit card are satisfactory.
- ii. Overdraft facility is beneficial.

Here researcher has tested the above two parameters with Mann-Whitney U test to find out the correlation between both of them to understand the impact on operations of saving accounts opened under the Jan Dhan Yojana. The following is the mean rank table to find out the correlation between two parameters.

**Table 4.31**  
**Distribution of mean rank between issuance and the operations of RuPay debit card are satisfactory and overdraft facility is beneficial.**

Parameter		No. of Respondents	Mean Rank	Sum of Ranks
Operations of saving account	Issuance and Operations of RuPay Debit card are satisfactory.	523	707.35	369945.50
	Overdraft facility is beneficial.	523	339.65	177635.50
	Total	1046		

(Source: Compiled from primary data)

**Test Statistics<sup>a</sup>**

Test results.	Value
Mann-Whitney U	40609.500
Wilcoxon W	177635.500
Z	-21.431
P-value.	.000

a. Grouping Variable: Parameters.

From the above Table 4.31 and subsequent Man-Whitney U test result, the researcher has the following observations.

1. Since the p-value is less than that of 0.05 which indicates that the average scores of the parameter “ Issuance and Operations of RuPay debit card are satisfactory” is significantly more (as the mean rank score is higher) than that of “Overdraft facility is beneficial”
2. Therefore, it concludes that under the Jan Dhan Yojana, issuance and operations of RuPay debit card are at the satisfaction level of the respondents. However, overdraft facility is also covered under the Jan Dhan Yojana, but same is not at the satisfaction level of the account holders as compared to “issuance and operations of the RuPay debit cards are satisfactory”

**j)** In order to find out the comparison between parameters to test the viability of the bank account procedure. The researcher made a cross comparison between two parameters, as mentioned below:

- i. Punctuality in insurance claims settlement.
- ii. Remittance facility is satisfactory.

Here, the researcher has tested the above two parameters with Mann-Whitney U test to find out the correlation between two variables and to understand their impact on operation of saving accounts opened under the Jan Dhan Yojana. Following is the mean rank table to find out the correlation between two parameters.

**Table 4.32**  
**Distribution of mean rank between “Punctuality in insurance payment”**  
**and “Remittance facility is satisfactory”**

	Parameter	No. of Respondents	Mean Rank	Sum of Ranks
Operation of saving account.	Punctuality in insurance claims settlement.	523	453.64	237254.50
	Remittance facility is satisfactory.	523	593.36	310326.50
	Total	1046		

(Source: Compiled from primary data)

**Test Statistics<sup>a</sup>**

Test results.	Value
Mann-Whitney U	100228.500
Wilcoxon W	237254.500
Z	-8.005
P-value	.000

a. Grouping Variable: Parameters.

From the above Table 4.32 and subsequent Man-Whitney U test result, the researcher has the following observations:

1. Since the p-value is less than that of 0.05 this indicates that the average scores of the parameter, “ Remittance facility is satisfactory” is significantly more (as the mean rank score is higher) than that of “Punctuality in insurance claim settlement”
2. Therefore, it concludes that under the Jan Dhan Yojana, the remittance facility is at the satisfaction level of the respondents. However, punctuality in insurance claim settlement is also covered under the scheme, but same is not at the satisfaction level of the account holders as compared to remittance facility.

**k)** In order to find out the comparison between parameters to test the viability of the bank account procedure. Therefore, the researcher has made a cross comparison between two parameters, which are mentioned below:

- i. Punctuality in insurance claims settlement.
- ii. Overdraft facility is beneficial.

Accordingly, the researcher has tested the above two parameters with Mann-Whitney U test to understand their correlation and find out their impact on operations of saving account opened under the Jan Dhan Yojana. Following is the mean rank table to find out the correlation between two parameters.

**Table 4.33**  
**Distribution of mean rank between Punctuality in insurance payment and Overdraft facility is beneficial.**

	Parameter	No of Respondents	Mean Rank	Sum of Ranks
Operation of saving account.	Punctuality in insurance claims settlement.	523	411.11	215010.50
	Overdraft facility is beneficial.	523	635.89	332570.50
	Total	1046		

(Source: compiled from primary data)

**Test Statistics<sup>a</sup>**

Test results.	Value
Mann-Whitney U	77984.500
Wilcoxon W	215010.500
Z	-13.609
P-value	.000

a. Grouping Variable: Parameters.

Here, the above Table 4.33 and subsequent Mann-Whitney U test result, the researcher has the following observations.

1. Since the p-value is less than that of 0.05 this indicates the average scores of the parameter, “Overdraft facility is beneficial” is significantly more (as the mean rank score is higher) than that of “Punctuality in insurance claim settlement”
2. Therefore, it concludes that under the Jan Dhan Yojana, “Overdraft facility is beneficial” is at the satisfaction level of the respondents. However, Punctuality

in insurance claims settlement is also covered under the Jan Dhan Yojana, but not at satisfaction to the account holders as compared to overdraft facility is beneficial.

D) In order to find out the comparison between parameters to test the viability of the bank account procedure. The researcher made the cross comparison between two parameters, as mentioned below:

- i. Remittance facility is satisfactory.
- ii. Overdraft facility is beneficial.

Here, the researcher tested the above two parameters with Mann-Whitney U test to find out the correlation and find out their impact on operations of saving account opened under the Jan Dhan Yojana. Following is the mean rank table to find out the correlation between two parameters.

**Table 4.34**  
**Distribution of mean rank between Remittance facility is satisfactory and Overdraft facility is beneficial.**

Parameter.		No of Respondent	Mean Rank	Sum of Ranks
Operation of saving account.	Remittance facility is satisfactory.	523	491.83	257226.50
	Overdraft is beneficial.	523	555.17	290354.50
	Total	1046		

(Source: Compiled from primary data)

**Test Statistics<sup>a</sup>**

Test results.	Value
Mann-Whitney U	120200.500
Wilcoxon W	257226.500
Z	-3.946
P-value	.000

a. Grouping Variable: Parameters.

From the above Table 4.34 and subsequent Mann-Whitney U test result, the researcher has the following observations.

1. Since the p-value is less than that of 0.05 this indicates that the average scores of the parameter “Overdraft facility is beneficial” is significantly more (as the mean rank score is higher) than that of “Remittance facility is satisfactory ”
2. Therefore, it concludes that overdraft facility is beneficial to the respondents. However, remittance facility is also covered under the Jan Dhan Yojana, but same is not at a satisfactory level as compared to an overdraft facility.

From the above testing of various descriptive parameter values pertaining to the access of the Jan Dhan Yojana. It concludes that only two services such as “Easy and comfortable operation of saving account” and “Issuance of operation of RuPay debit card are satisfactory” are agreed by the respondents and other three rejected. Hence, H<sub>02</sub> “The Jan Dhan Yojana is not helpful to the poor and vulnerable people” is rejected and it is conclude that the Jan Dhan Yojana is helpful to the poor and vulnerable people.

**xvi) Factor Analysis:**

Factor Analysis is carried out to reduce the data into small factors representing these variables.

**Table 4.35  
KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.572
Bartlett's Test of Sphericity	Approx. Chi-Square	340.330
	Df	10
	Sig.	.000

(Source: Analysis from primary data)

Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy and Bartlett's test of sphericity are very important measures to conclude the worthiness of factor analysis. KMO takes values between 0 and 1. A value of 0 indicates that the sum of partial correlations is large relative to the sum of correlations, indicating diffusion in

the pattern of correlations and the factor analysis is not appropriate to be conducted. A value close to 1 indicates that patterns of correlations are relatively compact and so factor analysis should yield distinct and reliable factors.

In other words, KMO indicates the amount of variance shared among the items designed to measure a latent variable when compared to that shared with the error. The KMO values are greater than that of 0.5 are acceptable. Before doing factor analysis, it should be ensured that the data has an adequate level of multicollinearity, The multicollinearity issue is a prerequisite here. Bartlett's tests the null hypothesis that the original correlation matrix is an identity matrix.

**H<sub>0</sub>: The Correlation Matrix= Identity Matrix (I)**

**H<sub>1</sub>: The Correlation Matrix≠ Identity Matrix (I)**

Since the p-value for the Bartlett's test is less than that of 0.05 this indicates to reject the null hypothesis and conclude that the assumption of Sphericity is satisfied, i.e. there are some relationships between the variables, considered in the analysis. Therefore, factor analysis cannot be performed on the data.

**xviii) Communalities:**

The communalities are used to determine which of the items contribute for the variance. If the extraction communalities are greater than that of 0.3 which indicates that the variable contributes for the variance.

**Table 4.36  
Distribution of Communalities of variables.**

S.No.	Parameter	Initial	Extraction.
1	Easy and comfortable operation of saving account.	1.000	.740
2	Issuance and operations of RuPay Debit card are satisfactory.	1.000	.705
3	Punctuality in insurance payment.	1.000	.653
4	Remittance facility is satisfactory.	1.000	.677
5	Overdraft facility is beneficial.	1.000	.379

(Source: Analysis from primary data) Extraction Method: Principal Component Analysis



All the extraction communalities are greater than that of 0.3 and therefore further confirming that each item shared some common variance with other items, total variance explained in the following table.

**Table 4.37**

<b>Total Variance Explained</b>									
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
Operation	1.826	36.517	36.517	1.826	36.517	36.517	1.638	32.756	32.756
Debit card	1.327	26.548	63.065	1.327	26.548	63.065	1.515	30.309	63.065
Insurance	.828	16.559	79.624	-	-	-	-	-	-
Remittance	.535	10.697	90.322	-	-	-	-	-	-
Overdraft	.484	9.678	100.000	-	-	-	-	-	-
Extraction Method: Principal Component Analysis.									

(Source: Analysis from primary data)

Principle components analysis procedure was used as the aim is to identify and compute composite scores for the factors underlying for the different service parameters. The initial eigen values showed that the first factor explained almost 37 percent of the variance, the second factor almost 27 percent of the variance. The varimax rotations of the factor loading matrix are used to rotate the loading. The two factor solution, which explained 64 percent of the variance, was preferred on the basis of eigen values. The loading on extracted factors and final loadings are given in the rotated component matrix by the method of VARIMAX.

**Table 4.38**  
**Distribution of Component Matrix<sup>a</sup> between variables.**

Sr. No.	Parameter.	Component	
		Services	Operations
1	Easy and comfortable operations of saving account.	-.462	.726
2	Issuance and operations of RuPay Debit card are satisfactory.	-.634	.550
3	Punctuality in insurance claims settlement.	.781	.206
4	Remittance facility is satisfactory.	.624	.536
5	Overdraft facility is beneficial.	.459	.410

(Source: Analysis from primary data)

Extraction Method: Principal Component Analysis.

a. 2 components extracted.

**XIX) Rotated Component Matrix:**

The loadings on each of the factors, after using the varimax rotation procedure, are shown below in the rotated component matrix table. The loadings below 0.5 are ignored to show in the table. The variables in each of the components with highest loading value in the column are chosen as contributing variable for that component.

**Table 4.39**  
**Rotated Component Matrix<sup>a</sup>**

Sr. No	Parameter	Component	
		Services	Operations
1	Easy and comfortable operations of saving account.		<b>.856</b>
2	Issuance and operations of RuPay Debit card are satisfactory.		<b>.824</b>
3	Punctuality in insurance payment.	<b>.743</b>	
4	Remittance facility is satisfactory.	<b>.822</b>	
5	Overdraft facility is beneficial.	<b>.614</b>	

(Source: Analysis from primary data)

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 3 iterations.

**Factors used for further analysis:**

Component	
Services	Operations
	Easy and comfortable operation of saving account.
	Issuance and operation of RuPay Debit card are satisfactory.
In time receipt of insurance payment.	
Remittance facility is satisfactory.	
Overdraft facility is beneficial.	

It compared the factor scores of the Services and Operations to see which of these are significant.

**Table 4.40**  
**t-test result of banking services and operations.**

S.No.	t-test results.	Services	Operations
1	Mean	5.18E-16	4.59E-17
2	Variance	1	1
3	Observations	523	523
4	Pooled Variance	1	
5	Hypothesized Mean Difference	0	
6	Df	1044	
7	t Stat	7.64E-15	
8	P(T<=t) two-tail	1	
9	t Critical two-tail	1.962239	

(Source: Analysis from primary data)

From the above Table 4.40, it is observed that when compared with the average factor scores, it indicates that there is a significance of difference in the individual agreement with the statement, but when it compare as a whole, it doesn't show any significance of difference.

**XX) Comparison on Impact on opinion about the Jan Dhan Yojana.**

**Table 4.41**  
**Spearman’s rank correlation coefficient to test to find out the**  
**association with “Opinion about the Jan Dhan Yojana”**

		Easy and comfortable operation of saving account	Issuance and operations of RuPay Debit Card are satisfactory	Punctuality in insurance payment	Remittance facility is satisfactory	Overdraft facility is beneficial
<b>Opinion about the JDY</b>	Correlation Coefficient	.163**	.338**	-.004	.119**	-.110*
	p-value	.000	.000	.925	.007	.014
		<b>Significant Positive</b>	<b>Significant Positive</b>	<b>No Correlation</b>	<b>Significant Positive</b>	<b>Significant Negative</b>
**. Correlation is significant at the 0.01 level (2-tailed).						
*. Correlation is significant at the 0.05 level (2-tailed).						

(Source: Analysis from primary data)

From the above Table 4.41, it is observed that the response scores for the variable “Opinion about the Jan Dhan Yojana” between 1 to 5 scale, wherein 1: Excellent and 5: need not change. The higher the agreement on responses on “Easy and comfortable operations of saving account” “Issuance and operations of RuPay Debit cards are satisfactory” and “Remittance facility is satisfactory” are increasing the respondents’ views that need not to change. But for “Overdraft facility is beneficial” as an agreement for the overdraft facility increases the respondents’ opinion on the Jan Dhan Yojana approaches to excellent.

**a) Information about socio-economic development of the poor and vulnerable people after opened bank account under the Jan Dhan Yojana.**

The researcher has made comparison of each of the parameter with each others. The parameters are (i) Increased in saving habits, (ii) Growth in business, (iii) Improvement in banking operations, (iv) Improvement in cash handling transactions, (iv) Better understanding of financial products, and (v) Efficiency to manage finance. The researcher has framed null hypothesis to test the various variables.

H0<sub>3</sub>: There are no socio-economic developments of the poor and vulnerable people through the Jan Dhan Yojana.

H1<sub>3</sub>: There are socio-economic developments of the poor and vulnerable people through the Jan Dhan Yojana.

While comparison made with respective expected median scores, then researcher compared all the above mentioned parameters with each other to find out the significance of difference when compared for different parameters.

**Table 4.42**  
**Distribution of data related to Socio-economic development after opening of bank account under the Jan Dhan Yojana.**

Sr. No	Parameter	Strongly Disagree		Disagree		Neither Agree Nor Disagree		Agree		Strongly Agree	
		Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent
1	Increased in saving habits.	32	6	30	6	12	2	27	5	<b>422</b>	<b>81</b>
2	Growth in business.	<b>340</b>	<b>65</b>	58	11	90	17	15	3	20	4
3	Improvement in banking operations.	18	3	12	2	15	3	137	26	<b>341</b>	<b>66</b>
4	Improvement in cash handling transactions.	111	21	65	12	<b>140</b>	<b>27</b>	71	14	136	26
5	Better understanding of financial products.	106	20	84	16	<b>260</b>	<b>50</b>	35	7	38	7
6	Efficiency to manage finance.	82	18	69	13	<b>350</b>	<b>65</b>	17	3	5	1

(Source: Compiled from primary data)

From the above Table 4.42, it is observed that the majority of the respondents i.e., 81 percent agreed that there is increased in a saving account and 66 percent agreed to improvement in banking operations after joining the Jan Dhan Yojana. There is no growth in business at 65 percent disagreed. There is mixed reaction about the better understanding of financial products and efficiency to manage finance.

**b) Comparison of Agree and Disagree in each of the parameters:**

The researcher has observed that the scores on each of the parameters were collected by allowing respondents on the scale of 1 to 5 wherein 1 being Strongly Agree and 5 being Strongly Disagree. In case, respondents' comment as 3 which is labelled as Neither Agree nor Disagree, which means not sure about their responses. The score of such confusion is considered as the average expected score of the respondents. Therefore, it compares the observed median score in each of the parameters with an average expected of 3. If the observed median score is significantly more than that of expected score for the parameter, it is concluded that the respondents do agree in that particular parameter.

**Table 4.43**  
**Wilcoxon test result for Socio-Economic Development of**  
**the Jan Dhan Yojana account holders.**

S.No.	Parameter	Wilcoxon test value	p-value
1	Increase in saving habits.	120840	0.000
2	Growth in business.	5615	1.00
3	Improvement in banking operations.	122460	0.000
4	Improvement in cash handling transactions.	40224	0.048
5	Better understanding of financial products.	9377	1.00
6	Efficiency to manage finance.	1389.5	1.00

(Source: Analysis from primary data)

From the above Table 4.43 and subsequent Wilcoxon test results, the researcher has the following observations.

1. Since the p-value for increase in saving habits, improvement in banking operations, improvement in cash handling transactions is less than that of 0.05 which indicates that the observed median score is significantly more than that of 3 and hence it concludes that the respondents agreed that the after opening account under the Jan Dhan Yojana by respondents, there is increased in

saving habits, improvement in banking operations and improvement in cash handling transactions.

2. Since p-value of the Wilcoxon test is greater than that of 0.05 indicates the respondents disagree to the following parameters:

- a. Growth in business.
- b. Better understanding of financial products and
- c. Efficiency to manage the finance.

3. Since the p-value for 2 parameters has less than 0.05 than that of table value, Hence H<sub>0</sub> is rejected. Thus, it is conclude that there are socio-economic developments of the poor and vulnerable people through the Jan Dhan Yojana.

**c) Comparison of each of the parameter with each other:**

While comparing with respective expected median score, researcher then compared all the parameters with each other to find out the significance of difference when compared for differential parameters.

**Table 4.44**  
**Distribution of mean rank between parameters**  
**of socio-economic development.**

Parameter		No. of respondents	Mean Rank	Ranking on the basis of Agreement
Socio-Eco. Development.	Increased in saving habits.	523	2351.70	1 <sup>st</sup>
	Growth in business.	523	726.07	6 <sup>th</sup>
	Improvement in banking operations.	523	2335.96	2 <sup>nd</sup>
	Improvement in cash handling.	523	1530.44	3 <sup>rd</sup>
	Better understanding of financial product.	523	1251.21	4 <sup>th</sup>
	Efficiency to manage finance.	523	1221.62	5 <sup>th</sup>
	Total	3138		

(Source: Compiled from primary data)

**Test Statistics<sup>a,b</sup>**

Kruskal – Wallis Test result.	Socio-economic development.
Chi-Square	1450.551
Df	5
P-value	.000

- a. Kruskal Wallis Test
- b. Grouping Variable: parameters.

From the above Table 4.44 and subsequent Kruskal-Wallis test result, the researcher has the following observation:

Since the p-value is less than that of 0.05 this indicates that the average scores of the parameters differ significantly when compared with each other. Accordingly, to find out the exact significance of the comparison of the pair of the parameter, researcher used Mann-Whitney U test.

- d) Following is the comparison of the pair of the parameters.
  - i. Increased in saving habits after joining the Jan Dhan Yojana.
  - ii. Growth in business after joining the Jan Dhan Yojana.

**Table 4.45**  
**Distribution of Mean Rank with a comparison of the pair of**  
**“Increased in saving habits and “Growth in business after joining**  
**the Jan Dhan Yojana.”**

Parameter		No. of respondents	Mean Rank	Sum of Ranks
Socio-Economic Development	Increased in saving habits.	523	743.24	388716.50
	Growth in business.	523	303.76	158864.50
	Total	1046		

(Source: Compiled from primary data)

**Test Statistics<sup>a</sup>**

Mann –Whitney U test result.	Socio-economic development
Mann-Whitney U	21838.500
Wilcoxon W	158864.500
Z	-25.107
P-value (2-tailed)	.000

- a. Grouping Variable: parameters.



With the help from the above Table 4.45 and subsequent Mann-Whitney U test result, the researcher has the following observations:

1. Since the p-value is less than that of 0.05, this indicates that the average scores of the parameters “Increased in saving habits” is significantly more (as the mean rank score is higher) than that of “Growth in business”
  2. The respondents given their first preference to option “increase in saving habits” because they did not have saving account before joining the Yojana. Thus, the Jan Dhan accounts help them to save some money.
  3. Hence, it concludes that respondents are benefited from the Jan Dhan Yojana and their habits of saving have been increased but no growth in business.
- e) Following is the comparison of the pair of the parameters.
- i. Increased in saving habits after joining the Jan Dhan Yojana.
  - ii. Improvement in banking operations.

**Table 4.46**  
**Distribution of Mean Rank with a comparison of the pair of**  
**“Increased in saving habits after joining the JDY” and**  
**“Improvement in banking operations”**

	Parameter.	No. of Respondent	Mean Rank	Sum of Ranks
Socio-Economic Development	Increased in saving habits.	523	555.07	290303.50
	Improvement in banking operations.	523	491.93	257277.50
	Total	1046		

(Source: compiled from primary data)

**Test Statistics<sup>a</sup>**

Mann-Whitney U test result.	Socio-economic development.
Mann-Whitney U	120251.500
Wilcoxon W	257277.500
Z	-4.336
P-value (2-tailed)	.000

a. Grouping Variable: parameters.

From the above Table 4.46 and subsequent Mann-Whitney U test result, the researcher has the following observations:

1. Since the p-value is less than that of 0.05 this indicates that the average scores of the parameter “Increased in saving habits” is significantly more (as the mean rank score is higher) than that of “Improvement in banking operations”
  2. It’s concludes that respondents’ saving habits has been increased after joining the Jan Dhan Yojana but there is no improvement in other banking operations.
- f) Following is the comparison of the pair of the parameters.
- i. Increased in saving habits.
  - ii. Improvement in cash handling transactions.

**Table 4.47**  
**Distribution of Mean Rank with a comparison of the pair of “Increased in saving habits and “Improvement in cash handling transactions”**

Parameter		No. of respondent	Mean Rank	Sum of Ranks
Socio-Economic Development.	Increased in saving habits.	523	664.55	347559.50
	Improvement in cash handling transactions.	523	382.45	200021.50
	Total	1046		

(Source: Compiled from primary data)

**Test Statistics<sup>a</sup>**

Mann-Whitney U test result.	Socio-economic development.
Mann-Whitney U	62995.500
Wilcoxon W	200021.500
Z	-16.466
P-value (2-tailed)	.000

a. Grouping Variable: parameters.

From the above Table 4.47 and subsequent Mann-Whitney U test result, the researcher has the following observations:

1. Since the p-value is less than that of 0.05 this indicates that the average scores of the parameter “Increased in saving habits” is significantly more (as the

mean rank score is higher) than that of “Improvement in cash handling transactions”

2. It concludes that the respondents’ saving habits has been increased after opening of saving account under the Jan Dhan Yojana, but there is no improvement in cash handling transactions.

- g) Following is the comparison of the pair of the parameters.
- i. Increased in saving habits.
  - ii. Better understanding of financial products.

**Table 4.48**  
**Distribution of Mean Rank with a comparison of the pair of**  
**“Increase in saving habits” and “Better understanding of financial products”**

Parameter.		No of Respondents	Mean Rank	Sum of Ranks
Socio-Eco. Development	Increase in saving habits.	523	711.88	372312.50
	Better understanding of financial products.	523	335.12	175268.50
	Total	1046		

(Source: Compiled from primary data)

Test Statistics<sup>a</sup>

<b>Mann-Whitney U test result.</b>	Socio-economic Development.
Mann-Whitney U	38242.500
Wilcoxon W	175268.500
Z	-21.335
P-value (2-tailed)	.000

a. Grouping Variable: Parameters

From the above Table 4.48 and subsequent Mann-Whitney U test result, the researcher has following observations:

1. Since the p-value is less than that of 0.05 this indicates that the average scores of the parameter “Increased in saving habits” is significantly more (as the mean rank score is higher) than that of “Better understanding of financial products”

2. It concludes that respondents saving habits have been increased, but no understanding of financial products after joined the Jan Dhan Yojana.
- h) Following is the comparison of the pair of the parameters.
- i. Increased in saving habits.
  - ii. Efficiency to manage finance.

**Table 4.49**  
**Distribution of Mean Rank with a comparison of the pair of**  
**“Increased in saving habits” and “Efficiency to manage finance”**

	Parameter	No. of Respondents	Mean Rank	Sum of Ranks
Socio-Eco. Development	Increase in saving habits.	523	724.96	379152.50
	Efficiency to manage finance.	523	322.04	168428.50
	Total	1046		

Test Statistics<sup>a</sup>

Mann-Whitney U test result	Socio-economic Development
Mann-Whitney U	31402.500
Wilcoxon W	168428.500
Z	-22.883
P-value (2-tailed)	.000

a. Grouping Variable: Parameter.

From the above Table 4.49 and subsequent Mann-Whitney U test, researcher has the following observation:

1. Since the p-value is less than that of 0.05 this indicates that the average scores of the parameter “Increase in saving habits” is significantly more (as the mean rank score is higher) than that of “Efficiency to manage finance”
  2. It concludes that respondents saving habits has been increased, but no efficiency to manage finance after joined of the Yojana.
- i) Following is the comparison of the pair of the parameters.
- i. Growth in business.
  - ii. Improvement in cash handling transactions.

**Table 4.50**  
**Distribution of Mean Rank with a comparison of the pair of**  
**“Growth in business” and “Improvement in banking operations”**

Parameters		No. of Respondents	Mean Rank	Sum of Ranks
Socio- Eco. Develop- ment.	Growth in business	523	293.70	153605.50
	Improvement in banking operations.	523	753.30	393975.50
	Total	1046		

(Source: Compiled from primary data)

Test Statistics<sup>a</sup>

Mann-Whitney U test results.	Socio-economic Development.
Mann-Whitney U	16579.500
Wilcoxon W	153605.500
Z	-25.727
P-value (2-tailed)	.000

a. Grouping Variable: Parameter.

From the above Table 4.50 and subsequent Mann-Whitney U test result, the researcher has the following observation:

1. Since the p-value is less than that of 0.05 this indicates that the average scores of the parameter, “Improvement in banking operations ” is significantly more (as the mean rank score is higher) than that of “Growth in business”
  2. It concludes that the respondents agreed that there is improvement in banking operations but no growth in business after joined the Jan Dhan Yojana.
- j)** Following is the comparison of the pair of the parameters.
- i. Growth in business.
  - ii. Improvement in cash handling transactions.

**Table 4.51**  
**Distribution of Mean Rank with a comparison of the pair of**  
**“Growth in business” and “Improvement in cash handling transactions”**

Parameter.		No. of Respondents	Mean Rank	Sum of Ranks
Socio-economic development.	Growth in business	523	383.81	200731.50
	Improvement in cash handling transactions.	523	663.19	346849.50
	Total	1046		

(Source: Compiled from primary data)

Test Statistics<sup>a</sup>

Mann-Whitney U test result	Socio-economic development
Mann-Whitney U	63705.500
Wilcoxon W	200731.500
Z	-15.732
P-value (2-tailed)	.000

a. Grouping Variable: Parameters.

From the above Table 4.51 and subsequent Mann-Whitney U test result, the researcher has the following observations:

1. That the p-value is less than that of 0.05 this indicates that the average scores of the parameter, “Improvement in cash handling transactions” is significantly more (as the mean rank score is higher) than that of “Growth in business”
  2. It concludes that respondents’ are agreed that there is improvement in cash handling transactions as compared to growth in business after accounts under the Jan Dhan Yojana.
- k)** Following is the comparison of the pair of the parameters.
- i. Growth in business.
  - ii. Better understanding of financial products.

**Table 4.52**  
**Distribution of Mean Rank with a comparison of the pair of**  
**“Growth in business” and “Better understanding of financial products”**

Parameter		No. of Respondents	Mean Rank	Sum of Ranks
Socio- Eco. Develop ment.	Growth in business	523	400.62	209522.50
	Better understanding of financial products.	523	646.38	338058.50
	Total	1046		

(Source: Compiled from primary data)

**Test Statistics<sup>a</sup>**

Mann-Whitney U test result.	Socio-economic development.
Mann-Whitney U	72496.500
Wilcoxon W	209522.500
Z	-14.006
P-value (2-tailed)	.000

a. Grouping Variable: Parameter.

From the above Table 4.52 and subsequent Mann-Whitney U test result, the researcher has the following observations.

1. Since the p-value is less than that of 0.05 this indicates that the average scores of the parameter, “Better understanding of financial products ” is significantly more (as the mean rank score is higher) than that of “ Growth in business”
  2. It concludes that respondents agreed that there is better understanding of financial products, but no growth in business.
- I) Following is the comparison of the pair of the parameters.
- i. Growth in business.
  - ii. Efficiency to manage finance.

**Table 4.53**  
**Distribution of Mean Rank with a comparison of the pair of**  
**“Growth in business” and “Efficiency to manage finance”**

	Parameter	No. of Respondents	Mean Rank	Sum of Ranks
Socio- Eco. Develop ment.	Growth in business.	523	392.19	205115.50
	Efficiency to manage finance.	523	654.81	342465.50
	Total	1046		

(Source :Compiled from primary data)

**Test Statistics<sup>a</sup>**

Mann-Whitney U test result.	Socio-economic development.
Mann-Whitney U	68089.500
Wilcoxon W	205115.500
Z	-15.176
P-value (2-tailed)	.000

a. Grouping Variable: Parameter

From the above Table 4.53 and subsequent Mann-Whitney U test result, the researcher has the following observations:

1. Since the p-value is less than that of 0.05 this indicates that the average scores of the parameter “Efficiency to manage finance” is significantly more (as the mean rank score is higher) than that of “Growth in business”
2. It concludes that respondents agreed that there is efficiency to manage finance, but no growth in business after joining of Jan Dhan Yojana.

**m)** Following is the comparison of the pair of the parameters.

- i. Improvement in banking operations.
- ii. Improvement in cash handling transactions.



**Table 4.54**  
**Distribution of Mean Rank with a comparison of the pair of “Improvement in banking operations” and “Improvement in cash handling transactions”**

Parameter		No.of Respondents	Mean Rank	Sum of Ranks
Socio-Eco. Develop ment.	Improvement in banking operations.	523	663.00	346747.50
	Improvement in cash handling transactions.	523	384.00	200833.50
	Total	1046		

(Source: Compiled from primary data)

**Test Statistics<sup>a</sup>**

Mann-Whitney U test result.	Socio-economic development.
Mann-Whitney U	63807.500
Wilcoxon W	200833.500
Z	-15.814
P-value (2-tailed)	.000

a. Grouping Variable: Parameter.

From the above Table 4.54 and subsequent Mann-Whitney U test result, the researcher has the following observations:

1. That the p-value is less than that of 0.05 this indicates that the average scores of the parameter “ Improvement in banking operations” is significantly more (as the mean rank score is higher) than that of “Improvement in cash handling transactions”
  2. It concludes that respondents agreed to improvement in banking operations but no improvement in cash handling transactions after joined the Jan Dhan Yojana.
- n) Following is the comparison of the pair of the parameters.
- i. Improvement in banking operations.
  - ii. Better understanding of financial products.

**Table 4.55**  
**Distribution of Mean Rank with a comparison of the pair of “Improvement in banking operations” and “Better understanding of financial products.”**

Parameter		No. of Respondents	Mean Rank	Sum of Ranks
Socio-Eco Development	Improvement in banking transactions.	523	727.47	380467.50
	Better understanding of financial products.	523	319.53	167113.50
	Total	1046		

(Source: Compiled from primary data)

**Test Statistics<sup>a</sup>**

Mann-Whitney U test result.	Socio-economic Development.
Mann-Whitney U	30087.500
Wilcoxon W	167113.500
Z	-22.676
P-value (2-tailed)	.000

a. Grouping Variable: Parameter

From the above Table 4.55 and subsequent Mann-Whitney U test result, the researcher has the following observations:

1. Since the p-value is less than that of 0.05 this indicates that the average scores of the parameter “ Improvement in banking operations” is significantly more (as the mean rank score is higher) than that of “Better understanding of financial products”
2. It’s concludes that respondents agreed that there is improvement in banking operations, but no understanding of financial products.

o) Following is the comparison of the pair of the parameters.

- i. Improvement in banking operations.
- ii. Efficiency to manage finance.

**Table 4.56**  
**Distribution of Mean Rank with a comparison of the pair of**  
**“Improvement in banking operations” and “Efficiency to manage finance.”**

Parameter		No. of Respondent	Mean Rank	Sum of Ranks
Socio-Eco Develop ment	Improvement in banking operations.	523	748.27	391344.00
	Efficiency to manage finance.	523	298.73	156237.00
	Total	1046		

(Source: Compiled from primary data)

**Test Statistics<sup>a</sup>**

Mann-Whitney U test result	Socio-economic development.
Mann-Whitney U	19211.000
Wilcoxon W	156237.000
Z	-25.131
P-value (2-tailed)	.000

a. Grouping Variable: Parameter.

From the above Table 4.56 and subsequent Mann-Whitney U test result, the researcher has the following observations:

1. Since the p-value is less than that of 0.05 this indicates that the average scores of the parameter, “Improvement in banking operations” is significantly more (as the mean rank score is higher) than that of “Efficiency to manage finance”
2. It concludes that respondents agreed that there is improvement in banking operations but no efficiency to manage finance after joined the Jan Dhan Yojana.

p) Following is the comparison of the pair of the parameters.

- i. Improvement in cash handling transactions.
- ii. Better understanding of financial products.

**Table 4.57**  
**Distribution of Mean Rank with a comparison of the pair of**  
**“Improvement in cash handling transactions” and**  
**“Better understanding of financial products.”**

	Parameter	No. of Respondents	Mean Rank	Sum of Ranks
Socio- Eco. Developm ent	Improvement in cash handling transactions.	523	571.83	299065.50
	Better understanding of financial products.	523	475.17	248515.50
	Total	1046		

(Source: compiled from primary data)

**Test Statistics<sup>a</sup>**

Mann-Whitney U test result	Socio-economic development.
Mann-Whitney U	111489.500
Wilcoxon W	248515.500
Z	-5.375
P-value (2-tailed)	.000

a. Grouping Variable: Parameter.

From the above Table 4.57 and subsequent Mann-Whitney U test result, the researcher has the following observations:

1. The p-value is less than that of 0.05 this indicates that the average scores of the parameter, “Improvement in cash handling transactions” is significantly more (as the mean rank score is higher) than that of “Better understanding of financial products”
2. It concludes that respondents agreed that there is improvement in cash handling transactions, but not understanding of financial products.

**q)** Following is the comparison of the pair of the parameters.

- i. Improvement in cash handling transactions.
- ii. Efficiency to manage finance.

**Table 4.58**  
**Distribution of Mean Rank with a comparison of the pair of Improvement in cash handling transactions” and “Efficiency to manage finance”**

	Parameter	No. of Respondents	Mean Rank	Sum of Ranks
Socio-Eco. Development	Improvement in cash handling transactions.	523	576.96	301752.00
	Efficiency to manage finance	523	470.04	245829.00
	Total	1046		

(Source: Compiled from primary data)

**Test Statistics<sup>a</sup>**

Mann-Whitney U test result.	Socio-economic development.
Mann-Whitney U	108803.000
Wilcoxon W	245829.000
Z	-6.082
P-value (2-tailed)	.000

a. Grouping Variable: Parameter.

From the above Table 4.58 and subsequent Mann-Whitney U test result, the researcher has the following observations:

1. The p-value is less than that of 0.05 this indicates that the average scores of the parameter, “Improvement in cash handling transactions” is significantly more (as the mean rank score is higher) than that of “Efficiency to manage finance”
2. It concludes that respondents agreed that there is improvement in cash handling transactions but no efficiency to manage finance after joined the Jan Dhan Yojana.

r) Following is the comparison of the pair of the parameters.

- i. Better understanding of financial products.
- ii. Efficiency to manage finance.

**Table 4.59**  
**Distribution of Mean Rank with a comparison of the pair of “Better understanding of financial products ” and “Efficiency to manage finance”**

Parameter		No. of Respondents	Mean Rank	Sum of Ranks
Socio-Eco. Development	Better understanding of financial products.	523	523.00	273529.50
	Efficiency to manage finance.	523	524.00	274051.50
	Total	1046		

(Source: Compiled from primary data)

**Test Statistics<sup>a</sup>**

Mann-Whitney U test result	Socio-economic development.
Mann-Whitney U	136503.500
Wilcoxon W	273529.500
Z	-.060
P-value (2-tailed)	.952

a. Grouping Variable: Parameter.

From the above Table 4.59 and subsequent Mann-Whitney U test result, the researcher has the following observations.

1. The p-value is greater than that of 0.05 this indicates that the average scores of the parameter, “Better understanding of financial products” is not significantly different than that of “Efficiency to manage finance”
2. It concludes that respondents agreed that there is better understanding of financial products as well as efficiency to manage finance.

Overall, it is observed that while testing above variables through the Kruskal Wallis test, the p-value is less than that of the table value of 0.05 and further tested through Mann-Whitney test, also the p-value is less than that of the table value of 0.05. Hence, the null hypothesis is rejected and alternative hypothesis is accepted.

It concludes that there is socio-economic development of the poor and vulnerable people through the Jan Dhan Yojana.

**xxi) Kaiser-Meyer-Olkin (KMO) and Bartlett's Test for measure sampling adequacy.**

In order to identify the factors influencing the various services offered to the saving accounts opened under the Jan Dhan Yojana, factor analysis methods was used as an appropriate statistical tool. For the research purpose, data from all the three blocks of respondent was taken into account. At a later stage, factor analysis is applied on overall data.

Kaiser-Meyer-Olkin test is to find out whether tabulated data are appropriate for factor analysis or not. In short, this test is meant for measuring sampling adequacy with each variable for further analysis of data. The statistics are a proportionate of variance among the variables that might be common variance. The lower the proportionate, the most suitable for factor analysis. To analyze the measure, K-M-O test from rule such as 0.8-1.0 (sampling is adequate), more than 0.06/0.05 (sampling is not adequate). Secondly, Barlett's test of sphericity is used to measure whether the factor analysis will be appropriate or not.

**Table 4.60  
Kaiser-Mayer-Olkin ( Measure of sampling adequacy) and  
Bartlett's Test (Viability measure for factor analysis)**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		<b>.552</b>
Bartlett's Test of Sphericity	Approx. Chi-Square	<b>354.146</b>
	Df	<b>15</b>
	Sig.	<b>.000</b>

(Source: Compiled from primary data)

From the above Table 4.60 the researcher has the following observations.

1. Since the p-value for the Barlett's test is less than that of 0.05 indicates one should reject the null hypothesis.

2. It concludes that the assumption of Sphericity is satisfied. i.e., there are some relationships between the variables that considered in the analysis. Therefore, the factor analysis is appropriate to perform on the data.

**a) Communalities (Factor loading)**

The communalities are used to determine which of the items contribute for the variance. If the extraction communalities are greater than that of 0.3 indicates that the variable contributes for the variance.

**Table 4.61**  
**Distribution of values under communalities extraction towards socio-economic development after entering into Jan Dhan Yojana.**

Sr.No	Variable.	Initial	Extraction
1	Increase in saving habits.	1.000	.666
2	Growth in business.	1.000	.800
3	Improvement in banking operations.*	1.000	.677
4	Improvement in cash handling transactions.**	1.000	.682
5	Better understanding of financial products.	1.000	.728
6	Efficiency to manage finance.	1.000	.729

(Source: Compiled from primary data) Extraction Method: Principal Component Analysis.  
 (Note : \* Improvement in banking operations means regularly transacting banking access and  
 \*\*Improvement in cash handling transactions means started depositing/withdrawal of cash)

It is observed from the above Table 4.61 that all the extraction communalities are greater than that of 0.3 and further confirming that each item shared some common variance with other items.

**b) Total Variable explanation as factors.**

In order to identify and compute composite scores for the factors underlying for the different service parameters the Principle components analysis procedure was used. The number of factors are determined using the approach of percentage of variance. In this approach the number of factors extracted is determined to enable to get the cumulative percentage of variance extracted by the factors reaches at a satisfactory level. It should be at least 60 percent of the variance.



**Table 4.62**  
**Total Variance Explained for specific blocks of Thane District.**

Component	Initial Eigen values			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	Percent of Variance	Cumulative (%)	Total	Percent of Variance	Cumulative (%)	Total	Percent of Variance	Cumulative %
1	1.790	29.832	29.832	1.790	29.832	29.832	1.623	27.042	27.042
2	1.359	22.649	52.481	1.359	22.649	52.481	1.408	23.469	50.511
3	1.133	18.885	71.366	1.133	18.885	71.366	1.251	20.855	71.366
4	.650	10.830	82.196	-	-	-	-	-	-
5	.589	9.816	92.013	-	-	-	-	-	-
6	.479	7.987	100.000	-	-	-	-	-	-
Extraction Method: Principal Component Analysis.									

(Source: Analysis from primary data)

Table 4.62 exhibits the three factors that are extracted with total cumulative variance of 71.366.

1. In this method, it is noticed that the values which are greater than 1 are only considered for factor analysis.
2. Principle components analysis procedure was used as the aim is to identify and compute composite scores for the factors underlying for the different service parameters. The initial eigen values shows that the first factor explained almost 30 percent of the variance, the second factor almost 23 percent of the variance and the third factor contributes almost 19 percent of the variance. The varimax rotations of the factor loading matrix are used to rotate the loading. The two factor solution, which explained 72 percent of the variance, was preferred on the basis of eigen values. The loading on extracted factors are shown in component Matrix and final loadings are given in the rotated component matrix by the method of VARIMAX.

**c) Rotated Component Matrix for forming groups (Construct)**

There are many methods of rotating the initial factor matrix to attain the simple structure. Among them varimax rotation is one of the methods which maximizes (simultaneously for all factors) the variance of the loading with each factor. When the small loading factor tend to be zero, then variance of a factor is large. The solution obtained from varimax rotation produces factors that are characterized by large loading on relatively few variables.

**Table 4.63**  
**Component Matrix for Specific blocks of Thane District with factor loading.**

S.No	Variables	Component		
		Factor 1	Factor 2	Factor 3
1	Increase in saving habits.	.371	.632	.360
2	Growth in business.	.180	-.492	.725
3	Improvement in banking operations.	.265	.777	.050
4	Improvement in cash handling transactions.	.752	-.078	.334
5	Better understanding of financial products.	.759	-.319	-.224
6	Efficiency to manage finance	.640	-.080	-.560

(Source: Analysis from primary data) Extraction Method: Principal Component Analysis.

a. 3 components extracted.

**d) Rotated component Matrix:**

The loading on each of the factors, after using the varimax rotation procedure, is shown below in the rotated component matrix table. The loading below 0.5 are ignored to show in the table. The variables in each of the components with highest loading value in the column are chosen as contributing variable for that component.

**Table 4.64**  
**Rotated component matrix of Jan Dhan Yojana.**

S.No.	Variable	Component		
		1	2	3
1	Increase in saving habits.		<b>.804</b>	
2	Growth in business.			<b>.881</b>
3	Improvement in banking operations.		<b>.794</b>	
4	Improvement in cash handling transactions.			<b>.563</b>
5	Better understanding of financial products.	<b>.826</b>		
6	Efficiency to manage finance.	<b>.826</b>		

Extraction Method: Principal Component Analysis.  
 Rotation Method: Varimax with Kaiser Normalization.  
 a. Rotation converged in 5 iterations.

From the above table 4.64, it is observed that the loadings on each of the factors, after using the varimax rotation procedure, are shown below in the rotated component matrix table. The loadings below 0.5 are ignored and doesn't considered. The variables in each of the components with highest loading value in the column are chosen as contributing variable for that component. Accordingly, variables considered for further analysis.

**e) Factors used for further analysis:**

**Table 4.65**

Sr. No.	Component		
	Financial Aspect	Social Aspects	Economic Aspects
1		Increased in saving habits.	
2			Growth in business.
3		Improvement in banking operations.	
4			Improvement in cash handling transactions
5	Better understanding of financial products.		
6	Efficiency to manage finance.		

(Source: Analysis from primary data)

From the above table 4.65, it reveals about the variables were distributed into 3 components i.e., financial, social and economic. It is observed that increase in saving habits is the most important component followed by growth in business, improvement in banking operations, improvement in cash handling, better understanding of financial products and efficiency to manage finance.

**f) Information related to the difficulties facing by Jan Dhan Yojana account holders.**

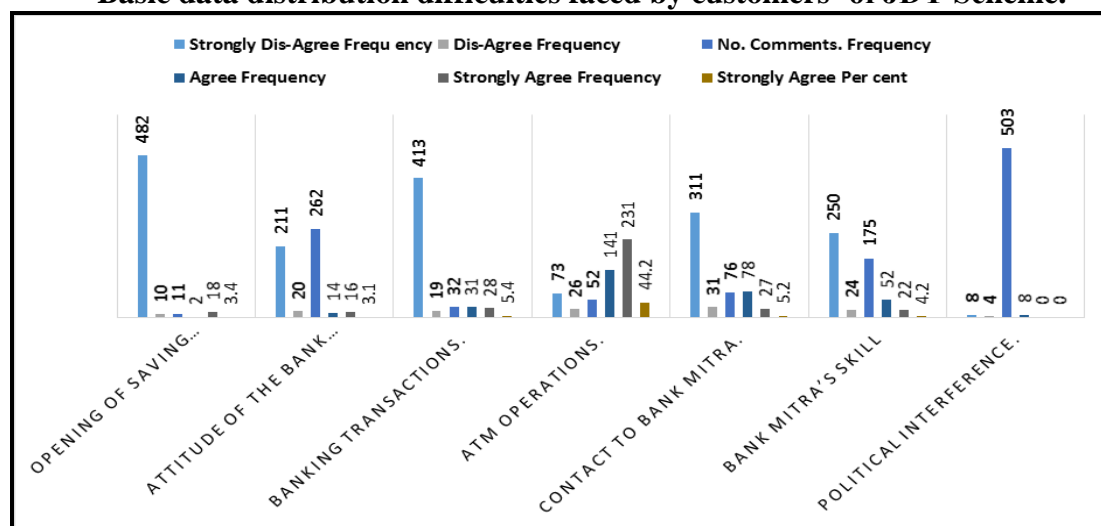
The basic information related to the customers facing difficulties while operating their saving account opened under the Jan Dhan Yojana. Now, bank officials have to provide services to this kind of account holders. They are totally different because in the study area the sample joined the Jan Dhan Yojana for their banking needs such as develop saving habits, remittances to their family members residing far away, obtained direct benefits of transfer, etc. The researcher has developed certain parameters to gather pertinent information in order to draw logical conclusions. In order to identify the various difficulties faced by the Jan Dhan Yojana beneficiaries' responses were collected in 5 points scale viz., Strongly Agree, Agree, No Comments, Disagree, and Strongly Disagree. The parameters as well as responses are mentioned in the following table.

**Table 4.66**  
**Basic data distribution in respect of the difficulties faced**  
**by Customers of the Jan Dhan Yojana.**

Sr. No.	Parameter.	Strongly Dis-Agree		Dis-Agree		No. Comments.		Agree		Strongly Agree	
		Frequency	Per cent	Frequency	Per cent	Frequency	Per cent	Frequency	Per cent	Frequency	Per cent
1	Opening of saving bank account.	482	92	10	2	11	2	2	1	18	3
2	Attitude of the bank officials.	211	40	20	4	262	50	14	3	16	3
3	Banking transactions.	413	79	19	4	32	6	31	6	28	5
4	ATM operations.	73	14	26	5	52	10	141	27	231	44
5	Contact to Bank Mitra.	311	60	31	6	76	14	78	15	27	5
6	Bank Mitra's Skill	250	48	24	5	175	33	52	10	22	4
7	Political interference.	8	2	4	1	503	96	8	1	0	0

(Source: Compiled from primary data)

**Graph 4.10**  
**Basic data distribution difficulties faced by customers' of JDY Scheme.**



(Source: Compiled from primary data)

From the above Table 4.66 and Graph 4, the researcher has the following observations about the difficulties faced by customers' those opened saving bank account under the Jan Dhan Yojana. Respondents were asked to give their opinions

in the measurement of 5 points viz., 1. Strongly Disagree, 2) Disagree, 3) Neither agree neither disagree, 4) Agree and 5) Strongly Disagree. Accordingly, from the survey, the researcher has following observations:

1. The Jan Dhan Yojana was initiated by government to encourage to open atleast one bank account to the excluded people (especially women household). The procedure was simplified so that poor and vulnerable people should not face difficulty and open their bank account easily. There are total 523 respondents those joined the Jan Dhan Yojana out of which, majority of respondents' i.e., 482 (92.2 percent) are strongly disagreeing that there is no difficulty while opening of saving account under the Jan Dhan Yojana.
2. When inquired about the attitudes of the bank officials and any difficulty faced by them while operating saving bank account, the good numbers of the respondents, i.e., 262 (50 percent) were reluctant to give any response. It shows that respondents are not satisfied with the attitude of the bank officials while transacting bank operations. It means bank officials have an indifferent attitude to this class of customers as compared to other customers.
3. The maximum respondents i.e., 413 (80 percent) strongly disagree that there is no hurdle while operating banking transactions, especially through Bank Mitras.
4. In respect of ATM operations, there is totally dis-satisfaction among the respondents. More and more respondents i.e., 231 (44 percent) agreed that there are major difficulties faced by them while transacting through ATMs. It is due to illiteracy, the demonetization of cash and no ATMs available nearby places.

5. The Bank Mitra services are one of the most convenient and accessible to the respondents. The good numbers, i.e., 311 (60 percent) are strongly disagreeing with the statement of difficulties faced while contacting Bank Mitras. The respondents prefer bank mitra services because he belongs to local areas using local dialects and easily available within their reach.
6. The Bank Mitras' skill is also highly appreciable by the respondents. Out of the total 523 respondents, 250 (48 percent) strongly disagree that there is no difficulty while transacting banking operation through Bank Mitras.
7. In respect of political interference involvement in the Jan Dhan Yojana. The respondents were neither agree not disagree with the statement that there is any political interference involved while implementing the Jan Dhan Yojana. The respondents were reluctant to mentioned anything about political interference due to fear.

**Table 4.67**  
**Descriptive Statistics related to difficulties faced by**  
**the Jan Dhan Account holders.**

S.No	Parameter	Median	Mean	Standard Deviation
1	Opening of saving bank account.	1.00	1.21	0.80
2	Attitude of the bank officials.	3.00	2.24	1.11
3	Banking transactions.	1.00	1.55	1.17
4	ATM Operations.	4.00	3.82	1.40
5	Contact to Bank Mitra.	1.00	2.00	1.34
6	Bank Mitra skill.	2.00	2.18	1.25
7	Political interference.	3.00	2.98	0.29

(Source: Compiled from primary data)

From the above Table 4.67, it is observed that the services are available without difficulties such as opening of bank accounts, banking transactions, contact to bank mitras, bank mitras' skill, and attitude of the bank officials. Whereas, difficulties found in ATM operations either due to non-functioning of machines or cash

disbursement problem. Also observed that there is no political interference in the Jan Dhan Yojana operations.

**g) Comparison of Agree and disagree in each of the parameters:**

Since the scores on each of the parameters is collected by allowing respondents to give an opinion on a scale of 1 to 5 wherein 1 being strongly disagree, 5 being strongly agree and 3 being neither agree nor disagree. The score of neither agree and nor disagree is considered as the average expected score of the respondents. Therefore, it compares the observed median score in each of the parameters with an average expected score of 3. When the observed median score is significantly more than that of expected score for the parameters, it concludes that the respondents do agree in that particular parameter.

**h) Wilcoxon method in order to find out the correlation of difficulties with variables.**

**Table 4.68**  
**Wilcoxon test results in respect of the difficulties faced by**  
**the Jan Dhan Yojana Account holders.**

Sr.No.	Parameter	Wilcoxon test value	p-value
1	Opening of saving bank account.	4738	1.000
2	Attitude of bank officials.	2613	1.000
3	Banking transactions.	8378.5	1.000
4	ATM operation.	85648	0.000
5	Contact to Bank Mitra.	11810	1.000
6	Bank Mitra's skill.	6677	1.000
7	Political interference.	52	0.981

(Source: Analysis from primary data)

From the above Table 4.68 and Wilcoxon test result, the researcher has the following observations.

1. Since p-value for ATM operation is less than that of 0.05 this indicates that the observed median score is significantly more than that of 3 and hence, it



concludes that the respondents do agree that respondents facing difficulties in ATM operations.

2. Since p-value for the Wilcoxon test is greater than that of 0.05 this indicates that the respondents **do not agree that there is any difficulty** for the following parameters:
  - a. Opening of saving bank account.
  - b. Attitude of bank officials.
  - c. Banking transactions.
  - d. Contact to Bank Mitras.
  - e. Bank Mitras skill, and
  - f. Political interference.

**i) Comparison of each of the parameter with each other:**

On comparing difficulties faced by respondents, while transacting banking operations with respect to respective expected median scores, then compared all the parameters with each other to find out the significance of difference when compared for different parameters. Here, the researcher has used Kruskal Wallis test to find out the correlation of difficulties with variables.

**Table 4.69**  
**Distribution of Mean Rank under kruskal-Wallis test in respect of difficulties faced by the Jan Dhan Yojana account holders.**

	Parameter	No. of Respondents	Mean Rank
Difficulties faced	Opening of saving bank account.	523	1024.14
	Attitude of the bank officials.	523	1834.85
	Banking transactions.	523	1279.66
	ATM Operations.	523	2847.40
	Contact to Bank Mitra.	523	1632.87
	Bank Mitra's skill.	523	1777.77
	Political Interference.	523	2420.31
	Total		3661

(Source: Analysis from primary data)

**Test Statistics<sup>a,b</sup>**

Kruskal Wallis Test results.	Difficulties
Chi-Square	1291.682
Df	6
P-value	.000

a. Kruskal Wallis Test

b. Grouping Variable: Parameters.

From the above Table 4.69, it is observed that the p-value for the Kruskal-Wallis test is less than that of 0.05 this indicates that the average scores of the parameters differ significantly when compared with each other. To find out the exact significance of the comparison of the pair of the parameter, the researcher here used the Mann-Whitney U test.

**j) Following is the comparison of the pair of the parameters.**

- i. Opening of saving bank account.
- ii. Attitude of the bank officials.

**Table 4.70**

**Distribution of Mean Rank Table with a comparison of the pair “Opening of saving bank account” and “Attitude of the bank officials”**

Parameter		No. of Respondent	Mean Rank	Sum of Ranks
Difficulties	Opening of saving bank account.	523	390.71	204339.00
	Attitude of the bank officials.	523	656.29	343242.00
	Total	1046		

(Source: Compiled from primary data)

**Test Statistics<sup>a</sup>**

Mann-Whitney U test results.	Difficulties
Mann-Whitney U	67313.000
Wilcoxon W	204339.000
Z	-17.098
P-value (2-tailed)	.000

a. Grouping Variable: Parameter.

From the above Table 4.70 and subsequent Mann-Whitney U test result, the researcher has the following observations.

1. Since the p-value is less than that of 0.05 this indicates that the average scores of the parameter, “Attitude of the bank officials” is significantly more (as the mean rank score is higher) than that of “Opening of saving bank account”
2. It concludes that there is are indifferent attitudes of the bank officials but respondents were facing difficulty while opening of saving bank accounts under the Jan Dhan Yojana.

**k) Following is the comparison of the pair of the parameters.**

- i. Opening of saving bank account.
- ii. Banking transactions.

**Table 4.71**  
**Distribution of Mean Rank Table with a comparison of the pair**  
**“Opening of saving bank account” and “Banking Transactions”**

Parameter		No. of Respondent	Mean Rank	Sum of Ranks
Difficulties	Opening of saving bank account.	523	489.16	255833.00
	Banking transactions.	523	557.84	291748.00
	Total	1046		

(Source: Compiled from primary data)

**Test Statistics<sup>a</sup>**

Mann-Whitney U test result.	Difficulties
Mann-Whitney U	118807.000
Wilcoxon W	255833.000
Z	-6.016
P-value (2-tailed)	.000

a. Grouping Variable: Parameter.

From the above Table 4.71 and subsequent Mann-Whitney U test result, the researcher has the following observations.

1. The p-value is less than that of 0.05 this indicates that the average scores of the parameter, “Banking transactions” is significantly more (as the mean rank

score is higher) than that of “Opening of saving bank account”

2. It concludes that respondent faced less difficulties in banking transactions but facing difficulties while opening of saving bank account under the Jan Dhan Yojana.

**I) Following is the comparison of the pair of the parameters.**

- i. Opening of saving bank account.
- ii. ATM operations.

**Table 4.72**  
**Distribution of Mean Rank Table with a comparison of the pair**  
**“Opening of Saving bank account” and “ATM Operations”**

Parameter		No of Respondents	Mean Rank	Sum of Ranks
Difficulties	Opening of saving bank account.	523	314.78	164632.00
	ATM operations.	523	732.22	382949.00
	Total	1046		

(Source: Compiled from primary data)

**Test Statistics<sup>a</sup>**

<b>Mann-Whitney U test result</b>	Difficulties
Mann-Whitney U	27606.000
Wilcoxon W	164632.000
Z	-24.463
P-value (2-tailed)	.000

a. Grouping Variable: Parameter

From the above Table 4.72 and subsequent Mann-Whitney U test result, the researcher has the following observations.

1. The p-value is less than that of 0.05 this indicates that the average scores of the parameter, “ATM Operations” is significantly more (as the mean rank score is higher) than that of “Opening of saving bank account”
2. It’s concludes that respondents are comfortable with ATM operations, but faced difficulties while opening of saving bank account.

m) **Following is the comparison of the pair of the parameters.**

- i. Opening of saving bank account.
- ii. Contact to Bank Mitras.

**Table 4.73**  
**Distribution of Mean Rank Table with a comparison of the pair**  
**“Opening of saving bank account” and “Contact to bank mitras”**

Parameter		No. of Respondents	Mean Rank	Sum of Ranks
Difficulties	Opening of saving bank account.	523	438.83	229507.00
	Contact to bank mitras	523	608.17	318074.00
	Total	1046		

(Source: Compiled from primary data)

**Test Statistics<sup>a</sup>**

Mann-Whitney U test result	Difficulties
Mann-Whitney U	92481.000
Wilcoxon W	229507.000
Z	-12.080
P-value (2-tailed)	.000

a. Grouping Variable: parameter.

From the above Table 4.73 and subsequent test statistics, the researcher has the following observations.

- i. The p-value is less than that of 0.05 this indicates that the average scores of the parameter, “Contact to Bank Mitra” is significantly more (as the mean rank score is higher) than that of “Opening of saving bank account”
- ii. It concludes that respondent are contacting Bank Mitra easily without any difficulties, but faced difficulties while opening of saving bank account.

n) **Following is the comparison of the pair of the parameters.**

- i. Opening of saving bank account.
- ii. Bank Mitras’ skills.

**Table 4.74**  
**Distribution of Mean Rank Table with a comparison of the pair**  
**“Opening of saving bank account” and “Bank Mitras’ Skills”**

	Parameter	No. of Respondents	Mean Rank	Sum of Ranks
Difficulties	Opening of saving bank account.	523	409.25	214038.50
	Bank Mitras’ skills.	523	637.75	333542.50
	Total	1046		

(Source: Compiled from primary data)

**Test Statistics<sup>a</sup>**

<b>Mann-Whitney U test result.</b>	Difficulties
Mann-Whitney U	77012.500
Wilcoxon W	214038.500
Z	-15.154
P-value (2-tailed)	.000

a. Grouping Variable: Parameter

From the above Table 4.74 and subsequent test statistics, the researcher has the following observations.

1. The p-value is less than that of 0.05 this indicates that the average scores of the parameter, “Bank mitras’ skills” is significantly more (as the mean rank score is higher) than that of “Opening of saving bank account”
2. It’s concludes that the respondents are satisfied with bank mitras’ skills but faced difficulties while opening of saving bank account.

**o) Following is the comparison of the pair of the parameters.**

- i. Opening of saving bank account.
- ii. Political interference.

**Table 4.75**  
**Distribution of Mean Rank Table with a comparison of the pair**  
**“Opening of saving bank account” and “Political Interference”**

Parameter		No. of Respondents	Mean Rank	Sum of Ranks
Difficulties	Opening of saving bank account.	523	291.40	152404.50
	Political Interference.	523	755.60	395176.50
	Total	1046		

(Source: Compiled from primary data)

**Test Statistics<sup>a</sup>**

<b>Mann-Whitney U test result.</b>	Difficulties
Mann-Whitney U	15378.500
Wilcoxon W	152404.500
Z	-28.161
P-value (2-tailed)	.000

a. Grouping Variable: Parameter

From the above Table 4.75 and subsequent test statistics, the researcher has the following observations.

1. Since the p-value is less than that of 0.05 this indicates that the average scores of the parameter, “Political interference” is significantly more (as the mean rank score is higher) than that of “Opening of saving bank account”
2. It concludes that there is no political interference, but respondents faced difficulties while opening of the account under the Jan Dhan Yojana.

**p) Following is the comparison of the pair of the parameters.**

- i. Attitude of the bank officials.
- ii. Banking transactions.

**Table 4.76**  
**Distribution of Mean Rank Table with a comparison of the pair**  
**“Attitude of the bank officials” and “Banking transactions”**

	Parameter	No. of Respondents	Mean Rank	Sum of Ranks
Difficulties	Attitude of the bank officials.	523	614.30	321280.50
	Banking transactions	523	432.70	226300.50
	Total	1046		

(Source: Compiled from primary data)

**Test Statistics<sup>a</sup>**

Mann-Whitney U test result.	Difficulties
Mann-Whitney U	89274.500
Wilcoxon W	226300.500
Z	-11.112
P-value (2-tailed)	.000

a. Grouping Variable: Index1

From the above Table 4.77 and subsequent test statistics, the researcher has the following observations.

1. The p-value is less than that of 0.05 this indicates that the average scores of the parameter, “Attitude of the bank officials” is significantly more (as the mean rank score is higher) than that of “Banking transactions”
2. It concludes that respondents faced less difficulties as a part of the attitude of the bank officials but difficult for banking transactions.

**q) Following is the comparison of the pair of the parameters.**

- i. Attitude of the bank officials.
- ii. ATM Operations.



**Table 4.77**  
**Distribution of Mean Rank Table with a comparison of the pair**  
**“Attitude of the bank officials” and “ATM Operations”**

	Parameter	No. of Respondents.	Mean Rank	Sum of Ranks
Difficulties	Attitude of the bank officials.	523	361.03	188818.50
	ATM operations.	523	685.97	358762.50
	Total	1046		

(Source: Compiled from primary data)

**Test Statistics<sup>a</sup>**

Mann Whitney U test result.	Difficulties
Mann-Whitney U	51792.500
Wilcoxon W	188818.500
Z	-17.974
P-value (2-tailed)	.000

a. Grouping Variable: parameter

From the above Table 4.77 and subsequent statistics, the researcher has following observations.

1. Since the p-value is less than that of 0.05 this indicates that the average scores of the parameter, “ATM Operation” is significantly more (as the mean rank score is higher) than that of “Attitude of the bank officials”
2. It concludes that respondents agreed that ATM operations have less difficulties as compared to attitude of the bank officials.

**r) Following is the comparison of the pair of the parameters.**

- i. Attitude of the bank officials.
- ii. Contact to Bank Mitra.

**Table 4.78**  
**Distribution of Mean Rank Table with a comparison of the pair**  
**“Attitude of the bank officials” and “Contact to bank mitras”**

Parameter.		No. of Respondents	Mean Rank	Sum of Ranks
Difficulties	Attitude of the bank officials.	523	555.40	290476.50
	Contact to Bank Mitras.	523	491.60	257104.50
	Total	1046		

(Source: Compiled from primary data)

**Test Statistics<sup>a</sup>**

Mann-Whitney U test result.	Difficulties
Mann-Whitney U	120078.500
Wilcoxon W	257104.500
Z	-3.724
P-value (2-tailed)	.000

a. Grouping Variable: Parameter

From the above Table 4.78 and subsequent statistics, the researcher has following observations.

1. Since the p-value is less than that of 0.05 this indicates that the average scores of the parameter, “Attitude of the bank officials” is significantly more (as the mean rank score is higher) than that of “Contact to Bank Mitras”
2. It concludes that respondent agreed that there is the positive attitude of the bank officials but finding difficulties while contacting bank mitras to avail their services.

**s) Following is the comparison of the pair of the parameters.**

- i. Attitude of the bank officials.
- ii. Bank Mitras’ skills.

**Table 4.79**  
**Distribution of Mean Rank Table with a comparison of the pair**  
**“Attitude of the bank officials” and “Bank Mitras’ skills”**

	Parameter	No. of Respondents	Mean Rank	Sum of Ranks
Difficulties	Attitude of the bank officials.	523	531.92	278196.00
	Bank Mitras’ skills.	523	515.08	269385.00
	Total	1046		

(Source: Compiled from primary data)

**Test Statistics<sup>a</sup>**

Mann-Whitney U test result.	Difficulties
Mann-Whitney U	132359.000
Wilcoxon W	269385.000
Z	-.983
P-value (2-tailed)	.325

a. Grouping Variable: Parameter

From the above Table 4.79 and subsequent statistics, the researcher has following observations.

1. Since the p-value is greater than that of 0.05 this indicates that the average scores of the parameter, “Attitude of the bank officials” is almost same as “Bank mitras’ skill”
2. It concludes that both the parameters such as “attitude of the bank officials and bank mitra’s skill” similar and essential for banking operations.

**t) Following is the comparison of the pair of the parameters.**

- i. Attitude of the bank officials.
- ii. Political interference.

**Table 4.80**  
**Distribution of Mean Rank Table with a comparison of the pair**  
**“Attitude of the bank officials” and “Political interference”**

	Parameter	No. of Respondents	Mean Rank	Sum of Ranks
Difficulties	Attitude of the bank officials.	523	425.89	222741.00
	Political interference.	523	621.11	324840.00
	Total	1046		

(Source: Compiled from primary data)

**Test Statistics<sup>a</sup>**

Mann-Whitney U test result.	Difficulties
Mann-Whitney U	85715.000
Wilcoxon W	222741.000
Z	-13.495
P-value (2-tailed)	.000

a. Grouping Variable: Parameter.

From the above Table 4.80 and subsequent statistics, the researcher has following observations.

1. Since the p-value is less than that of 0.05 which indicates that the average scores of the parameter, “Political interference” is significantly more (as the mean rank score is higher) than that of “Attitude of the Bank Officials”
2. It concludes that respondents are agreed that there is no political interference while transacting saving accounts but the attitudes of the bank officials are indifferent.

**u) Following is the comparison of the pair of the parameters.**

- i. Bank transactions.
- ii. ATM Operations.

**Table 4.81**  
**Distribution of Mean Rank Table with a comparison of the pair**  
**“Bank transactions through branch” and “ATM Operations”**

	Parameter	No. of Respondent	Mean Rank	Sum of Ranks
Difficulties	Banking transactions through branch.	523	336.54	176011.00
	ATM Operations.	523	710.46	371570.00
	Total	1046		

(Source: Compiled from primary data)

**Test Statistics<sup>a</sup>**

Mann-Whitney U test result.	Difficulties
Mann-Whitney U	38985.000
Wilcoxon W	176011.000
Z	-21.343
P-value (2-tailed)	.000

a. Grouping Variable: Parameter.

From the above Table 4.81 and subsequent statistics, the researcher has following observations.

1. The p-value is less than that of 0.05 this indicates that the average scores of the parameter, “ATM Operations” is significantly more (as the mean rank score is higher) than that of “Banking transactions through branch”
2. It concludes that respondents agreed to less difficulties in ATM operations but faced difficulties in banking transactions.

v) **Following is the comparison of the pair of the parameters.**

- i. Bank transactions.
- ii. Contact to Bank Mitras.

**Table 4.82**  
**Distribution of Mean Rank Table with a comparison of the pair**  
**“Bank transactions through branch ” and “Contact to Bank Mitras”**

	Parameter	No. of Respondents	Mean Rank	Sum of Ranks
Difficulties	Banking transactions.	523	474.27	248044.00
	Contact to Bank Mitras.	523	572.73	299537.00
	Total	1046		

(Source : Compiled from primary data)

**Test Statistics<sup>a</sup>**

Mann-Whitney U test result.	Difficulties
Mann-Whitney U	111018.000
Wilcoxon W	248044.000
Z	-6.458
P-value (2-tailed)	.000

a. Grouping Variable: Parameter.

From the above Table 4.82 and subsequent statistics, the researcher has following observations.

1. The p-value is less than that of 0.05 which indicates that the average scores of the parameter, “Contact to bank mitras” is significantly more (as the mean rank score is higher) than that of “Banking transactions through branch”
2. It concludes that respondents agreed to less difficulties while contacting bank mitras but faced difficulties in banking transactions.

w) **Following is the comparison of the pair of the parameters.**

- i. Bank transactions through branch.
- ii. Bank mitras’ skill.

**Table 4.83**  
**Distribution of Mean Rank Table with a comparison of the pair**  
**“Bank transactions” and “Bank Mitras’ skill”**

	Parameter	No. of Respondents	Mean Rank	Sum of Ranks
Difficulties	Banking Transactions.	523	447.91	234258.00
	Bank Mitras’ skill.	523	599.09	313323.00
	Total	1046		

(Source: Compiled from primary data)

**Test Statistics<sup>a</sup>**

Mann-Whitney U test result	Difficulties
Mann-Whitney U	97232.000
Wilcoxon W	234258.000
Z	-9.427
P-value (2-tailed)	.000

a. Grouping Variable: Parameter

From the above Table 4.83 and subsequent test results, the researcher has the following observations:

1. Since the p-value is less than that of 0.05 which indicates that the average scores of the parameter, “Bank Mitras’ skill” is significantly more (as the mean rank score is higher) than that of “Banking transactions”
  2. It concludes that respondents agreed to bank mitras’ skill, but find difficult while transacting through bank branches.
- x) Following is the comparison of the pair of the parameters.**
- i. Banking transactions through branch.
  - ii. Political Interference.

**Table 4.84**  
**Distribution of Mean Rank Table with a comparison of the pair**  
**“Banking transactions” and “Political Interference”**

	Parameter	No. of Respondents	Mean Rank	Sum of Ranks
Difficulties	Banking Transaction.	523	340.41	178033.00
	Political interference.	523	706.59	369548.00
	Total	1046		

(Source: Compiled from primary data)

**Test Statistics<sup>a</sup>**

Mann-Whitney U test result	Difficulties
Mann-Whitney U	41007.000
Wilcoxon W	178033.000
Z	-21.903
P-value (2-tailed)	.000

a. Grouping Variable: parameter.

From the above Table 4.84 and subsequent test results, the researcher has the following observations:

1. Since the p-value is less than that of 0.05 which indicates that the average scores of the parameter, “Political interference” is significantly more (as the mean rank score is higher) than that of “Banking transactions”
2. It concludes that respondents agreed to no political interference while opening of the account under Jan Dhan Yojana but find difficult in banking transactions.

**y) Following is the comparison of the pair of the parameters.**

- i. ATM operations.
- ii. Contact to bank mitras.



**Table 4.85**  
**Distribution of Mean Rank Table with a comparison of the pair**  
**“ATM operations ” and “Contact to Bank Mitras”**

	Parameter	No. of Respondents	Mean Rank	Sum of Ranks
Difficulties	ATM.	523	685.96	358758.00
	Contact to Bank Mitras.	523	361.04	188823.00
	Total	1046		

(Source: Compiled from primary data)

**Test Statistics<sup>a</sup>**

<b>Mann-Whitney U test result</b>	Difficulties
Mann-Whitney U	51797.000
Wilcoxon W	188823.000
Z	-18.091
P-value (2-tailed)	.000

a. Grouping Variable: Parameter

From the above Table 4.85 and subsequent test result, the researcher has following observations:

1. Since the p-value is less than that of 0.05 this indicates that the average scores of the parameter, “ATM Operations” is significantly more (as the mean rank score is higher) than that of “ Contact to Bank Mitras”
2. Its concludes that respondents agreed that no difficulties in ATM operations, but facing difficult to contact to bank mitras.

**z) Following is the comparison of the pair of the parameters.**

- i. ATM operations.
- ii. Bank Mitras’ skill.

**Table 4.86**  
**Distribution of Mean Rank Table with a comparison of the pair**  
**“ATM Operations and “Bank Mitras’ Skill”**

	Parameter	No. of Respondents	Mean Rank	Sum of Ranks
Difficulties	ATM Operations.	523	682.62	357008.00
	Bank Mitras’ Skill.	523	364.38	190573.00
	Total	1046		

(Source: Compiled from primary data)

**Test Statistics<sup>a</sup>**

Mann-Whitney U test result	Difficulties
Mann-Whitney U	53547.000
Wilcoxon W	190573.000
Z	-17.572
P-value (2-tailed)	.000

a. Grouping Variable: Parameter

From the above Table 4.84 and subsequent test result, the researcher has following observations:

1. Since the p-value is less than that of 0.05 which indicates that the average scores of the parameter, “ATM Operations” is significantly more (as the mean rank score is higher) than that of “Bank Mitras’ skill”
2. It concludes that the respondents agreed that no difficulties in ATM operations, but facing difficulties due to lack of bank mitras’ skill.

**Aa) Following is the comparison of the pair of the parameters.**

- i. ATM operations.
- ii. Political Interference.

**Table 4.87**

**Distribution of Mean Rank Table with a comparison of the pair  
“ATM Operations” and “Political Interference”**

Parameter		No. of Respondents	Mean Rank	Sum of Ranks
Difficulties	ATM Operations.	523	660.18	345272.00
	Political interference.	523	386.82	202309.00
	Total	1046		

(Source: Compiled from primary data)

**Test Statistics<sup>a</sup>**

Mann-Whitney U test result	Difficulties
Mann-Whitney U	65283.000
Wilcoxon W	202309.000
Z	-15.999
P-value (2-tailed)	.000

a. Grouping Variable: Parameter

From the above Table 4.87 and subsequent test result, the researcher has the following observations.

1. Since the p-value is less than that of 0.05 this indicates that the average scores of the parameter, “ATM Operations” is significantly more (as the mean rank score is higher) than that of “ Political interference”
2. Its concludes that the respondents agreed to no difficulties in ATM operations, but faced difficulties due to political interference.

**v) Following is the comparison of the pair of the parameters.**

- i. Contact to Bank mitras.
- ii. Bank mitras’ skill.

**Table 4.88**  
**Distribution of Mean Rank Table with a comparison of the pair**  
**“Contact to Bank Mitras” and “Bank Mitras’ skill”**

Parameter		No. of Respondents	Mean Rank	Sum of Ranks
Difficulties	Contact to Bank Mitras.	523	501.67	262371.00
	Bank Mitras’ skill.	523	545.33	285210.00
	Total	1046		

(Source: Compiled from primary data)

**Test Statistics<sup>a</sup>**

Mann-Whitney U test result.	Difficulties
Mann-Whitney U	125345.000
Wilcoxon W	262371.000
Z	-2.566
P-value (2-tailed)	.010

a. Grouping Variable: Parameter

From the above Table 4.88 and subsequent result, the researcher has following observations.

1. Since p-value is less than that of 0.05 this indicates that the average scores of parameters, “Bank Mitras’ Skill” is significantly more (as the mean rank score is higher) than “Contact to Bank Mitras”
2. Its concludes that respondents agreed that bank mitras’ having enough skill, but find difficult to contact bank mitras.

**Ab) Following is the comparison of the pair of the parameters.**

- i. Contact to Bank Mitras.
- ii. Political interference.

**Table 4.89**  
**Distribution of Mean Rank Table with a comparison of the pair**  
**“Contact to Bank Mitras” and “Political interference”**

	Parameter	No. of Respondents	Mean Rank	Sum of Ranks
Difficulties	Contact to Bank Mitras.	523	407.67	213209.00
	Political Interference.	523	639.33	334372.00
	Total	1046		

(Source : Compiled from primary data)

**Test Statistics<sup>a</sup>**

Mann-Whitney U test result	Difficulties
Mann-Whitney U	76183.000
Wilcoxon W	213209.000
Z	-13.852
P-value (2-tailed)	.000

a. Grouping Variable: Parameter

From the above Table 4.89 and subsequent test result, the researcher has following observations.

1. Since the p-value is less than that of 0.05 this indicates that the average scores of the parameter, “Political Interference” is significantly more (as the mean rank score is higher) than that of “Contact to Bank Mitras”
2. Its concludes that respondents agreed that there is no political interference, but facing difficulties while contacting to bank mitras.

**Ac) Following is the comparison of the pair of the parameters.**

- i. Bank Mitras’ skill.
- ii. Political interference.

**Table 4.90**  
**Distribution of Mean Rank with a comparison of the pair**  
**“Bank Mitras’ skill” and “Political interference”**

	Parameter	No. of Respondents	Mean Rank	Sum of Ranks
Difficulties	Bank Mitras’ skill.	523	426.14	222872.50
	Political interference.	523	620.86	324708.50
	Total	1046		

(Source: Compiled from primary data)

**Test Statistics<sup>a</sup>**

Mann-Whitney U test result	Difficulties
Mann-Whitney U	85846.500
Wilcoxon W	222872.500
Z	-12.348
P-value (2-tailed)	.000

a. Grouping Variable: Parameter.

From the above Table 4.90 and subsequent test result, the researcher has following observations:

1. Since the p-value is less than that of 0.05 this indicates that the average scores of the parameter, “Political interference” is significantly more (as the mean rank score is higher) than that of “Bank Mitras’ skill”
2. Its concludes that the respondents agreed that there is political interference in the Jan Dhan Yojana but find difficult due to bank mitras ineffective skills.

**xxii) Information about the government of India’s financial inclusion schemes.**

The Jan Dhan Yojana has been designed by the government of India to facilitate poor and vulnerable people those were excluded from the formal banking. The researcher has made an attempt to examine the scheme with a few different parameters which were covered under the scheme. The parameters are as follows:

1. Financial inclusion scheme's benefits.
2. Financial inclusion is useful for poor and vulnerable people.
3. The Jan Dhan Yojana is one of the best financial inclusion.
4. The Jan Dhan Yojana is helpful for self-socio-economic developments of poor and vulnerable people.
5. Financial inclusion is implemented properly, and
6. The Poor and vulnerable people needs easy and affordable scheme for their day today financial benefits.

**Table 4.91**  
**The Jan Dhan Yojana as an attempt of Financial Inclusion.**

S. No.	Parameter	Strongly Disagree		Dis-agree		Neither agree nor disagree		Agree		Strongly Agree	
		Frequency	Per Cent	Frequency	Per cent	Frequency	Per cent	Frequency	Per cent	Frequency	Per Cent
1	Financial inclusion scheme's benefit.	2	0.4	4	.8	61	12	49	10	<b>407</b>	<b>78</b>
2	Financial inclusion is useful for the poor and vulnerable people.	5	1	4	.8	89	17	37	7	<b>388</b>	<b>74</b>
3	JDY is one of the best financial inclusion.	7	1	10	2	<b>243</b>	<b>47</b>	47	9	216	41
4	JDY is helpful for the socio-economic development of the poor and vulnerable people.	15	3	14	3	<b>362</b>	<b>70</b>	38	7	94	18
5	Financial inclusion scheme is implemented properly.	18	3	17	3	<b>240</b>	<b>46</b>	62	12	186	36
6	The Poor and vulnerable people needs easy and affordable scheme for their day today day financial benefits.	116	22	1	0.2	144	28	14	3	<b>248</b>	<b>47</b>

(Source: Compiled from primary data) (JDY=Jan Dhan Yojana)

Table 4.91, shows that the following observations in respect of the Jan Dhan Yojana as an attempt of financial inclusion. Respondents were asked to give their

opinions in the measurement of 5 points viz., 1. Strongly Disagree, 2) Disagree, 3) Neither agree neither disagree, 4) Agree, and 5) Strongly Disagree.

Accordingly, from the survey, the respondents' observations mentioned below:

1. The Jan Dhan Yojana is an attempt of financial inclusion which is mission to promote poor and vulnerable people towards banking operations. There were total 523 samples from finding perception about the Yojana. Majority of respondents' i.e., 407 (78 percent) are strongly agreed that they are availing the benefits of financial inclusion.
2. When the inquiry made about the usefulness of financial inclusion for the poor and vulnerable people. The 388 (74 percent) respondents agreed that the financial inclusion is most the useful scheme for them. It means poor and vulnerable people are well understand the benefits of financial inclusion.
3. Some of the respondents are not sure about the parameters and therefore, received mixed opinions from them. Such as 47 percent are neither agree nor disagree in respect of "The Jan Dhan Yojana is one of the best financial inclusion" Secondly, 69 percent respondents are neither agree nor disagree in respect of statement "The Jan Dhan Yojana is helpful for socio-economic developments of the poor and vulnerable people" and 46 percent respondents shows neutral responses in respect of "Financial inclusion scheme is implemented properly" Simultaneously, 47 percent respondents feels that there is need of easy and affordable scheme for their day to day financial benefits.



**Table 4.92**  
**Descriptive Statistics of the Jan Dhan Yojana and**  
**Socio-economic development.**

S.No.	Parameter	Median	Mean	Standard Deviation
1	Financial inclusion scheme's benefit.	5.00	4.63	0.75
2	Financial inclusion is useful for the poor and vulnerable people.	5.00	4.53	0.87
3	JDY scheme is one of the best financial inclusion.	4.00	3.87	1.03
4	JDY is helpful for the socio-economic development of the poor and vulnerable people.	3.00	3.35	0.90
5	Financial inclusion scheme is implemented properly.	3.00	3.73	1.09
6	The Poor and vulnerable people needs easy and affordable scheme for their day today day financial benefits.	4.00	3.53	1.59

(Source: Analysis from primary data) (JDY = Jan Dhan Yojana)

From the above Table 4.92, the researcher has the following observations.

1. The mean score for perception related to the statement that financial inclusion scheme's benefits are 4.63 (close to 5). It's clearly indicates that respondents strongly agree with the statement and availing the benefits under the financial inclusion scheme.
2. The mean score for perception related to the statement that financial inclusion is useful for the poor and vulnerable people, is 4.53 (close to 5) This clearly indicates that respondents strongly agree with the statement that financial inclusion is useful for the poor and vulnerable people.
3. The mean score for perception related to the statement that the Jan Dhan Yojana is one of the best financial inclusion, is 3.87 (close to 4).
4. The mean score for perception related to the statement that the Jan Dhan Yojana is helpful for the socio-economic developments of the poor and

vulnerable people, is 3.35, which is considered as 3. It's clearly indicates that respondents are not sure about the statement.

5. The mean score for perception related to the statement that the financial inclusion scheme is implemented properly, is 3.73, which is considered as 3. This clearly indicates that respondents are not sure about the statement.
6. The mean score for perception related to the statement that the poor and vulnerable people needs easy and affordable scheme for their day to day financial benefits, is 3.53, which is considered as 4.
7. Hence, it concludes that from the above six statements, only two services, i.e., "Financial inclusion scheme's benefits" and "Financial inclusion is useful for the poor and vulnerable people" are at the satisfaction level.

**a) Comparison of Agree and disagree in each of the parameters:**

Since the scores on each of the parameters were collected by allowing respondents on a scale of 1 to 5 wherein 1 being strongly disagree and 5 being strongly agree and 3 being neither agree nor disagree. The score of neither agree and nor disagree is considered as the average expected score of the respondent. Therefore, we compare the observed median score in each of the parameters with an average expected score of 3. If the observed score is significantly more than that of expected score for the parameters and accordingly concluded that the respondents do agree in that particular parameter.

The above values tested by the Wilcoxon method in order to find out the correlation of Jan Dhan Yojana and Financial Inclusion.

**Table 4.93**  
**Wilcoxon test for Jan Dhan Yojana and financial inclusion.**

S.No.	Parameter	Wilcox test value	p-value
1	Financial inclusion scheme's benefits.	106330	0.000
2	Financial inclusion is useful for poor and vulnerable people.	93121	0.000
3	Jan Dhan Yojana is one of the best financial inclusion.	37867	0.000
4	Jan Dhan Yojana is helpful for self-socio-economic development of poor and vulnerable people.	11065	0.000
5	Financial inclusion is implemented properly.	36239	0.000
6	The poor and vulnerable people needs easy and affordable scheme for their day today financial benefits.	49092	0.000

(Source: Analysis from primary data)

From the above Table 4.93, the researcher has following observations.

1. Since the p-value for all the information related to the Jan Dhan Yojana is less than that of 0.05 this indicates that the observed average score is significantly more than that of 3.
2. Its concludes that the respondents are agreed that they got sufficient information about the Jan Dhan Yojana.

**b) Comparison of each of the parameter with each other:**

On comparing difficulties with respect to respective expected median scores we then compared all the parameters with each other to find out the significance of difference when compared for different parameters.

**Table 4.94**  
**Mean Rank distribution for Jan Dhan Yojana and Financial inclusion.**

Parameter		No. of Respondents	Mean Rank
Financial inclusion scheme's benefit.	Financial inclusion scheme's benefits.	523	2074.93
	Financial inclusion is useful for the poor and vulnerable people.	523	1997.39
	Jan Dhan Yojana is one of the best financial inclusion.	523	1479.55
	Jan Dhan Yojana is helpful for self-socio-economic development of poor and vulnerable people.	523	1082.39
	Financial inclusion scheme is implemented properly.	523	1385.75
	The poor and vulnerable people needs easy and affordable scheme for their day today financial benefits.	523	1397.00
	Total	3138	

(Source: Compiled from primary data)

**Test Statistics<sup>a,b</sup>**

Kruskal Wallis Test result.	Financial inclusion scheme's benefit.
Chi-Square	571.304
Df	5
P-value	.000

a. Kruskal Wallis Test

b. Grouping Variable: Parameter

As observed in above Table 4.94 and subsequent test result, the p-value for the Kruskal-Wallis test is less than that of 0.05 this indicates that the average scores of the parameters differ significantly when compared with each other. In order to find out the exact significance of the comparison of the pair of the parameter, the researcher used the Mann-Whitney U test.

**c) In order to identify the comparison between two parameters for the purpose of Mann-Whitney U test. The following parameters set to find out the test results.**

- i. Financial inclusion scheme's benefits.
- ii. Financial inclusion is useful for the poor and vulnerable people.

**Table 4.95**

**Distribution of Mean Rank with a comparison of the pair “Financial Inclusion scheme’s benefits” and “Financial inclusion is useful for the poor and vulnerable people”**

	Parameter	No. of Respondents	Mean Rank	Sum of Ranks
FI scheme's benefit.	FI scheme's benefits.	523	535.25	279934.00
	FI is useful for the poor and vulnerable people.	523	511.75	267647.00
	Total	1046		

(Source: Compiled from primary data) (FI = Financial Inclusion)

**Test Statistics<sup>a</sup>**

Mann-Whitney U test result.	Financial inclusion scheme's benefits
Mann-Whitney U	130621.000
Wilcoxon W	267647.000
Z	-1.684
P-value (2-tailed)	.092

a. Grouping Variable: Parameter.

From the above Table 4.95 and subsequent test result, the researcher has following observations.

1. Since the p-value is greater than that of 0.05 which indicates that the average scores of the parameter, “Financial inclusion scheme’s benefits” is not significantly different than that of “Financial inclusion is useful for the poor and vulnerable people”
2. Its concludes that respondents have acknowledged the financial inclusion scheme’s benefits and agreed that the financial inclusion is useful for the poor and poor and vulnerable people.

**d) In order to identify the comparison between two parameters for the purpose of the Mann-Whitney U test.** The following parameters set to find out the test results.

- i. Financial inclusion scheme's benefits.
- ii. Jan Dhan Yojana is one of the best financial inclusion.

**Table 4.96**  
**Distribution of Mean Rank with a comparison of the pair “Financial Inclusion scheme's benefits” and “Jan Dhan Yojana is one of the best financial inclusion”**

Parameter		No. of Respondents.	Mean Rank	Sum of Ranks
FI scheme's benefits.	FI benefits.	523	627.77	328326.00
	JDY best FI.	523	419.23	219255.00
	Total	1046		

(Source: Compiled from primary data) (JDY=Jan Dhan Yojana) (FI=Financial Inclusion)

**Test Statistics<sup>a</sup>**

Mann-Whitney U test result.	Financial inclusion Scheme's benefits
Mann-Whitney U	82229.000
Wilcoxon W	219255.000
Z	-12.777
P-value (2-tailed)	.000

a. Grouping Variable: Parameter

From the above Table 4.96 and subsequent test result, the researcher has following observations.

1. Since the p-value is less than that of 0.05 which indicates that the average scores of the parameter, “Financial inclusion scheme's benefits” is significantly more (as the mean rank score is higher) than that of “Jan Dhan Yojana is one of the best financial inclusion”
  2. Its concludes that the respondents are agreed that the financial inclusion is beneficial, but the Jan Dhan Yojana is not effective for financial inclusion.
- e) **In order to identify the comparison between two parameters for the purpose of the Mann-Whitney U test. The following parameters set to find out the test results.**
- i. Financial inclusion scheme's benefits.

- ii. Jan Dhan Yojana is helpful for the socio-economic developments of the poor and vulnerable people.

**Table 4.97**  
**Distribution of Mean Rank with a comparison of the pair “Financial Inclusion scheme’s benefits” and “Jan Dhan Yojana is helpful for the Socio-economic development of the poor and vulnerable people”**

Parameter		No.of Respondents	Mean Rank	Sum of Ranks
FI scheme’s benefits.	FI scheme’s benefits	523	695.53	363761.00
	JDY is helpful for Socio-economic developments.	523	351.47	183820.00
	Total	1046		

(Source: Compiled from primary data) (JDY=Jan Dhan Yojana) (FI=Financial Inclusion)

**Test Statistics<sup>a</sup>**

Mann-Whitney U test result	Financial inclusion’s benefits.
Mann-Whitney U	46794.000
Wilcoxon W	183820.000
Z	-20.296
P-value (2-tailed)	.000

a. Grouping Variable: Parameter

From the above Table 4.97 and subsequent test result, the researcher has following observations.

1. Since the p-value is less than that of 0.05 this indicates that the average scores of the parameter, “Financial inclusion scheme’s benefits” is significantly more (as the mean rank score is higher) than that of “Jan Dhan Yojana is helpful for the socio-economic development of the poor and vulnerable people”
2. Its concludes that the respondents are agreed for more benefits of the financial inclusion scheme, but the Jan Dhan Yojana is less helpful for their socio-economic developments.

f) **In order to identify the comparison between two parameters for the purpose of Mann-Whitney U test. The following parameters have set to find out the test results.**

- i. Financial inclusion scheme’s benefits.
- ii. Financial inclusion scheme is implemented properly.

**Table 4.98**  
**Distribution of Mean Rank with a comparison of the pair “Financial Inclusion scheme’s benefits” and “Financial inclusion scheme is implemented properly”**

Parameter		No.of Respondents	Mean Rank	Sum of Ranks
FI scheme’s benefits.	FI scheme’s benefits.	523	643.61	336609.00
	FIs implemented properly.	523	403.39	210972.00
	Total	1046		

(Source: Compiled from primary data) (FI=Financial Inclusion)

**Test Statistics<sup>a</sup>**

Mann-Whitney U test result.	FI scheme’s benefits.
Mann-Whitney U	73946.000
Wilcoxon W	210972.000
Z	-14.442
P-value (2-tailed)	.000

a. Grouping Variable: Parameter

From the above Table 4.98 and subsequent test result, the researcher has following observations:

1. Since the p-value is less than that of 0.05 this indicates that the average scores of the parameter, “Financial inclusion scheme’s benefits” is significantly more (as the mean rank score is higher) than that of “Financial inclusion scheme is properly implemented”
2. Its concludes that the respondents are agreed for more awareness of the benefits of the financial inclusion scheme, but financial inclusion is not implemented properly.



g) **In order to identify the comparison between two parameters for the purpose of the Mann-Whitney U test.** The following parameters have set to find out the test results.

- i. Financial inclusion scheme’s benefits.
- ii. The Poor and vulnerable people needs of the easiest and affordable scheme for their day today financial benefits.

**Table 4.99**  
**Distribution of Mean Rank with a comparison of the pair “Financial Inclusion scheme’s benefits” and “Poor and vulnerable people need of the easy and affordable scheme for their day today financial benefits”**

Parameter		No. of Respondents	Mean Rank	Sum of Ranks
FI scheme’s benefits.	FI benefits.	523	620.77	324662.00
	Need of the easy and affordable scheme.	523	426.23	222919.00
	Total	1046		

(Source: Compiled from primary data) (FI= Financial Inclusion)

Test Statistics<sup>a</sup>

Mann-Whitney U test result	Financial inclusion scheme’s benefits.
Mann-Whitney U	85893.000
Wilcoxon W	222919.000
Z	-12.062
P-value (2-tailed)	.000

a. Grouping Variable: Parameter.

From the above Table 4.99 and subsequent test result, the researcher has following observations.

1. Since the p-value is less than that of 0.05 this indicates that the average scores of the parameter, “Financial Inclusion scheme’s benefits” is significantly more (as the mean rank score is higher) than that of “ Poor and vulnerable people needs easy and affordable scheme for their day today financial benefits”
2. Its concludes that respondents are agreed for awareness of the benefits of the financial inclusion scheme and the poor and vulnerable people needs easy and affordable scheme for their day today financial benefits.

h) In order to identify the comparison between two parameters for the purpose of Mann-Whitney U test. The following parameters have set to find out the test results.

- i. Financial inclusion is useful for poor and vulnerable people.
- ii. The Jan Dhan Yojana is one of the best financial inclusion.

**Table 4.100**  
**Distribution of Mean Rank with a comparison of the pair “Financial Inclusion is useful for poor and vulnerable people” and “Jan Dhan Yojana is one of the best financial inclusion”**

Parameter		No. of Respondents	Mean Rank	Sum of Ranks
FI scheme's Benefits.	FI is useful	523	613.63	320927.50
	JDY is one of best FI	523	433.37	226653.50
	Total	1046		

(Source: Compiled from primary data) (JDY=Jan Dhan Yojana) (FI =Financial Inclusion)

Test Statistics<sup>a</sup>

Mann-Whitney U test result	Financial inclusion scheme's benefits.
Mann-Whitney U	89627.500
Wilcoxon W	226653.500
Z	-10.961
P-value (2-tailed)	.000

a. Grouping Variable: Parameter

From the above Table 4.100 and subsequent test result, the researcher has following observations:

1. Since the p-value is less than that of 0.05 this indicates that the average scores of the parameter, “Financial inclusion is useful for poor and vulnerable people” is significantly more (as the mean rank score is higher) than that of “Jan Dhan Yojana is one of the best financial inclusion”
2. Its concludes that respondents are agreed that financial inclusion is useful for them, but the Jan Dhan Yojana is not best financial inclusion.

j) **In order to identify the comparison between two parameters for the purpose of Mann-Whitney U test.** The following parameters have set to find out the test results.

- i. Financial inclusion is useful for poor and vulnerable people.
- ii. The Jan Dhan Yojana is useful for socio economic development of the poor and vulnerable people.

**Table 4.101**  
**Distribution of Mean Rank with a comparison of the pair “Financial Inclusion is useful for the poor and vulnerable people” and “Jan Dhan Yojana is helpful for the socio-economic development of poor and vulnerable people”**

Parameter		No. of Respondents	Mean Rank	Sum of Ranks
FIs scheme’s benefits.	FI is useful	523	680.11	355699.50
	JDY useful for the socio-economic development.	523	366.89	191881.50
	Total	1046		

(Source: Compiled from primary data) (FI=Financial Inclusion, JDY=Jan Dhan Yojana)

**Test Statistics<sup>a</sup>**

Mann-Whitney U test	Financial inclusion scheme’s benefits.
Mann-Whitney U	54855.500
Wilcoxon W	191881.500
Z	-18.497
P-value (2-tailed)	.000

a. Grouping Variable: Parameter.

From the above Table 4.101 and subsequent test result, the researcher has following observations.

1. Since the p-value is less than that of 0.05 this indicates that the average scores of the parameter, “Financial inclusion is useful for poor and vulnerable people” is significantly more (as the mean rank score is higher) than that of “Jan Dhan Yojana is helpful for the socio-economic developments of the poor and vulnerable people”

2. Its concludes that the respondents are agreed that the financial inclusion is useful for them but the Jan Dhan Yojana is not helpful for their socio-economic developments.
- k) **In order to identify the comparison between two parameters for the purpose of the Mann-Whitney U test.** The following parameters have set to find out the test results.
- i. Financial inclusion is useful for poor and vulnerable people.
  - ii. Financial inclusion scheme is implemented properly.

**Table 4.102**  
**Distribution of Mean Rank with a comparison of the pair “Financial Inclusion is useful for the poor and vulnerable people” and “Financial inclusion scheme is implemented properly”**

Parameter		No. of Respondents	Mean Rank	Sum of Ranks
FIs scheme's benefits.	FI is useful for the poor and vulnerable people.	523	629.32	329134.00
	FI implemented properly.	523	417.68	218447.00
	Total	1046		

(Source: Compiled from primary data) (FI=Financial Inclusion)

**Test Statistics<sup>a</sup>**

Mann-Whitney U test result	Financial inclusion scheme's benefits
Mann-Whitney U	81421.000
Wilcoxon W	218447.000
Z	-12.644
P-value (2-tailed)	.000

a. Grouping Variable: Parameter

From the above Table 4.102 and subsequent test result, the researcher has following observations:

1. Since the p-value is less than that of 0.05 this indicates that the average scores of the parameter, “Financial inclusion is useful for the poor and vulnerable people” is significantly more (as the mean rank score is higher) than that of

“Financial inclusion scheme is implemented properly”

2. Its concludes that respondent are agreed that the financial inclusion is useful for them but the financial inclusion scheme is not implemented properly.

**D) In order to identify the comparison between two parameters for the purpose of Mann-Whitney U test.** The following parameters have set to find out the test results.

- i. Financial inclusion is useful for poor and vulnerable people.
- ii. The poor and vulnerable people needs easiest and affordable scheme for their day today financial benefits.

**Table 4.103**

**Distribution of Mean Rank with a comparison of the pair “Financial Inclusion is useful for poor and vulnerable people” and “ The Poor and vulnerable people needs easiest and affordable scheme for their day today financial benefits.”**

Parameter		No. of Respondents	Mean Rank	Sum of Ranks
FIs scheme’s benefits.	FI useful for the poor and vulnerable people.	523	610.58	319331.00
	The Poor and vulnerable people needs easiest and affordable scheme.	523	436.42	228250.00
	Total	1046		

(Source: Compiled from primary data) (FI=Financial Inclusion)

**Test Statistics<sup>a</sup>**

Mann-Whitney U test result	Financial inclusion scheme’s benefits
Mann-Whitney U	91224.000
Wilcoxon W	228250.000
Z	-10.676
P-value (2-tailed)	.000

a. Grouping Variable: Parameter.

From the above Table 4.103 and subsequent test result, the researcher has following observations.

- i. Since the p-value is less than that of 0.05 this indicates that the average scores of the parameter, “Financial inclusion is useful for poor and vulnerable

people” is significantly more (as the mean rank score is higher) than that of “  
 Poor and vulnerable people needs easy and affordable scheme for their day  
 today financial benefits”

- ii. Its concludes that respondents are agreed that financial inclusion is more useful for them but needs easy and affordable scheme for their day today financial benefits.

**m) In order to identify the comparison between two parameters for the purpose of Mann-Whitney U test.** The following parameters have set to find out the test results.

- i. Jan Dhan Yojana is one of the best financial inclusion.
- ii. Jan Dhan Yojana is helpful for the socio-economic developments of the poor and vulnerable people.

**Table 4.104**  
**Distribution of Mean Rank with a comparison of the pair “Jan Dhan is one of the best financial inclusion and “Jan Dhan Yojana is helpful for the socio-economic developments of the poor and vulnerable people”**

Parameter	No. of Respondents	Mean Rank	Sum of Ranks	
FI scheme’s Benefits.	JDY is one of the best FI.	523	593.53	310414.50
	JDY helpful for socio-economic development of the poor and vulnerable people.	523	453.47	237166.50
	Total	1046		

(Source: Compiled from primary data) (FI=Jan Dhan Yojana) (JDY=Jan Dhan Yojana)

**Test Statistics<sup>a</sup>**

Mann-Whitney U test result	Financial inclusion scheme’s benefits
Mann-Whitney U	100140.500
Wilcoxon W	237166.500
Z	-8.489
P-value (2-tailed)	.000

a. Grouping Variable: Parameter.

From the above Table 4.104 and subsequent test result, the researcher has following observations.

- i. Since the p-value is less than that of 0.05 this indicates that the average scores of the parameter, “Jan Dhan Yojana is one of the best financial inclusion” is significantly more (as the mean rank score is higher) than that of “Jan Dhan Yojana is helpful for the socio-economic development of poor and vulnerable people”
- ii. Its concludes that the respondents are agreed that the Jan Dhan Yojana is one of the best financial inclusion, but it’s not helpful for their socio-economic developments.

**n) In order to identify the comparison between two parameters for the purpose of the Mann-Whitney U test.** The following parameters have set to find out the test results.

- i. Jan Dhan Yojana is one of the best financial inclusion.
- ii. Financial inclusion scheme is implemented properly.

**Table 4.105**  
**Distribution of Mean Rank with a comparison of the pair “Jan Dhan Yojana is one of the best financial inclusion and “Financial inclusion scheme is implemented properly”**

Parameter		No. of Respondents	Mean Rank	Sum of Ranks
FI scheme’s benefits.	JDY is one of the best FI.	523	539.73	282281.00
	FI implemented properly.	523	507.27	265300.00
	Total	1046		

(Source: Compiled from primary data) (FI=Financial Inclusion) (JDY=Jan Dhan Yojana)

**Test Statistics<sup>a</sup>**

Mann-Whitney U test result	Financial inclusion scheme's benefits
Mann-Whitney U	128274.000
Wilcoxon W	265300.000
Z	-1.892
P-value (2-tailed)	.058

a. Grouping Variable: Parameter.

From the above Table 4.105 and subsequent test result, the researcher has following observations.

- i. Since the p-value is less than that of 0.05 this indicates that the average scores of the parameter, "Jan Dhan Yojana is one of the best financial inclusion" is significantly more (as the mean rank score is higher) than that of "Financial inclusion scheme is implemented properly"
- ii. Its concludes that respondents are agreed that the Jan Dhan Yojana is one of the best schemes, but financial inclusion is not implemented properly.

**o) In order to identify the comparison between two parameters for the purpose of the Mann-Whitney U test.** The following parameters have set to find out the test results.

- i. Jan Dhan Yojana is one of the best financial inclusion.
- ii. The poor and vulnerable people needs easy and affordable scheme for their day today financial benefits.



**Table 4.106**  
**Distribution of Mean Rank with a comparison of the pair “Jan Dhan Yojana is one of the best financial inclusion and “The poor and vulnerable people needs easy and affordable scheme for their day today financial benefits”**

Parameter		No. of Respondents	Mean Rank	Sum of Ranks
FI scheme's benefits.	JDY best scheme.	523	541.69	283304.00
	Poor needs easy and affordable scheme.	523	505.31	264277.00
	Total	1046		

(Source: Compiled from primary data) (FI=Financial Inclusion) (JDY=Jan Dhan Yojana)

**Test Statistics<sup>a</sup>**

Mann-Whitney U test result	Financial inclusion scheme's benefits
Mann-Whitney U	127251.000
Wilcoxon W	264277.000
Z	-2.100
P-value (2-tailed)	.036

a. Grouping Variable: Parameter

From the above Table 4.106 and subsequent test result, the researcher has following observations.

- i. Since the p-value is less than that of 0.05 this indicates that the average scores of the parameter, “Financial inclusion is one of the best scheme” is significantly more (as the mean rank score is higher) than that of “Poor and vulnerable people needs easy and comfortable scheme for their day today financial benefits”
- ii. Its concludes, that respondents agreeing that financial inclusion is one of the best schemes for them, but needs easy and comfortable scheme for poor and vulnerable people for their day today financial benefits.

q) **In order to identify the comparison between two parameters for the purpose of the Mann-Whitney U test.** The following parameters have set to find out the test results.

- i. The Jan Dhan Yojana is helpful for the socio-economic developments of the poor and vulnerable people.
- ii. Financial inclusion is implemented properly.

**Table 4.107**  
**Distribution of Mean Rank with a comparison of the pair “Jan Dhan Yojana is helpful for the socio-economic development of the poor and vulnerable people and “Financial inclusion is implemented properly”**

Parameter		No.of Respondent	Mean Rank	Sum of Ranks
FI scheme’s benefits.	JDY is helpful SED	523	469.77	245690.00
	FI is implemented properly	523	577.23	301891.00
	Total	1046		

(Source: Compiled from primary data) (FI=Financial Inclusion) (JDY=Jan Dhan Yojana) (SED=Socio-economic development)

**Test Statistics<sup>a</sup>**

Mann-Whitney U test result.	Financial inclusion scheme’s benefits.
Mann-Whitney U	108664.000
Wilcoxon W	245690.000
Z	-6.475
P-value (2-tailed)	.000

a. Grouping Variable: Parameter.

From the above Table 4.107 and subsequent test result, the researcher has following observations.

- i. Since the p-value is less than that of 0.05 which indicates that the average scores of the parameter, “Financial inclusion scheme is implemented properly” is significantly more (as the mean rank score is higher) than that of “Jan Dhan Yojana is helpful for socio-economic developments of poor and vulnerable people”

- ii. Its concludes that respondents are agreed that financial inclusion scheme is implemented properly, but the Jan Dhan Yojana is not helpful for the socio-economic developments of poor and vulnerable people.

r) **In order to identify the comparison between two parameters for the purpose of the Mann-Whitney U test.** The following parameters set to find out the test results.

- i. Jan Dhan Yojana is helpful for the socio-economic development of the poor and vulnerable people.
- ii. The poor and vulnerable people needs easy and affordable scheme for their day today financial benefis.

**Table 4.108**  
**Distribution of Mean Rank with a comparison of the pair “Jan Dhan Yojana is helpful for the socio-economic developments of the poor and vulnerable people” and “The poor and vulnerable people needs easy and affordable scheme for their day today financial benefis”**

Parameter		No. of Respondents	Mean Rank	Sum of Ranks
FI scheme's benefits.	JDY helpful for socio-economic developments.	523	488.79	255635.00
	The Poor needs easiest and affordable scheme.	523	558.21	291946.00
	Total	1046		

(Source: Compiled from primary data) (FI=Financial Inclusion) (JDY=Jan Dhan Yojana)

**Test Statistics<sup>a</sup>**

Mann-Whitney U test result	Financial inclusion scheme's benefits.
Mann-Whitney U	118609.000
Wilcoxon W	255635.000
Z	-4.032
P-value (2-tailed)	.000

a. Grouping Variable: Parameter.

From the above Table 4.108 and subsequent test result, the researcher has following observations.

1. Since the p-value is less than that of 0.05 which indicates that the average scores of the parameter, “Poor and vulnerable people needs easy and affordable scheme for their day today financial benefits” is significantly more (as the mean rank score is higher) than that of “The Jan Dhan Yojana is helpful for the socio-economic development of poor and vulnerable people”
2. Its concludes that respondents are agreed that they needs easy and affordable scheme for their day to day financial benefits, but the Jan Dhan Yojana is not helpful for their socio-economic developments.

s) **In order to identify the comparison between two parameters for the purpose of the Mann-Whitney U test.** The following parameters have set to find out the test results.

- i. Financial inclusion scheme is implemented properly.
- ii. The poor and vulnerable people needs easy and affordable scheme for their day today financial benefits.

**Table 4.109**  
**Distribution of Mean, Mean Rank with a comparison of the pair “ Financial inclusion scheme is implanted properly” and “Poor and vulnerable people needs easy and affordable scheme for their day today financial benefits”**

	Parameter	No. of Respondents	Mean Rank	Sum of Ranks
FI scheme’s benefits.	FI implemented properly.	523	528.18	276240.50
	Poor needs easy and affordable scheme.	523	518.82	271340.50
	Total	1046		

(Source: Compiled from primary data) (FI=Financial Inclusion)

**Test Statistics<sup>a</sup>**

Mann-Whitney U test result	Financial inclusion scheme's benefits.
Mann-Whitney U	134314.500
Wilcoxon W	271340.500
Z	-.536
P-value (2-tailed)	.592

a. Grouping Variable: Parameter

From the above Table 4.109 and subsequent test result, the researcher has following observations.

- i. Since the p-value is greater than that of 0.05 this indicates that the average scores of the parameter, "Financial inclusion scheme is implemented properly" is not significantly different from "Poor and vulnerable people needs easy and affordable scheme for their day today financial benefits"
- ii. Its concludes that the respondents are agreed that the financial inclusion scheme is implemented properly, but needs of easy and affordable scheme for their day today financial benefits.

**xxiii) Banks role in financial inclusion.**

Banks are the pillars of Indian Banking System and catering needs of the customers to manage their finances. In order to find out the banks role in implementing the financial inclusion of the poor and vulnerable people. The researcher has made an attempt to find out observed and expected frequency and accordingly test Chi Square to get the logical conclusion.

**Table 4.110**  
**Banks role in financial inclusion.**

S.No	Parameter	Observed Frequency	Expected Frequency	Residual
1	Positive Role.	351	173.3	177.7
2	Moderate Role.	164	173.3	-9.3
3	Little Role.	5	173.3	-168.3
	Total	520		

(Source: Compiled from primary data)

**Test Statistics.**

Chi-Square test result.	Value
Chi-Square	346.088
Df	2
p-value	.000

From the above Table 4.110 and subsequent test result, the researcher has following observations:

- i. Since the p-value is less than that of 0.05 this indicates that the responses for “Banks role in financial inclusion” are not distributed equally in all the categories.
- ii. The observed residual value of banks positive role is highest.
- iii. Its concludes that the banks are pro-active and playing positive role while implementing the financial inclusion scheme.

**xxiv) Respondents awareness about the technology used.**

Banks are providing financial services to the customers those opened their small saving bank account under the Jan Dhan Yojana. While catering the services, banks are deploying various technologies based instrument for the convenience of the customers. Therefore, in order to understand the utility and level of satisfaction of technology used, the researcher has made an attempt to find out observed and expected frequency and used Chi-square test for logical conclusions. There were total

523 samples size of the investigation, but responses were received from 519 respondents only and the same has been tabulated as under:-

**Table 4.111**  
**Awareness of digital banking.**

S.No.	Parameter	Observed frequency	Expected Frequency	Residual
1	Yes	416	259.5	156.50
2	No.	109	259.5	-156.50
	Total	519		

(Source: Compiled from primary data)

**Test statistics.**

Chi-Square test result	Value
Chi-Square	188.765
Df	1
p-value	.000

From the above Table 4.111 and subsequent test result, the researcher has following observations.

1. Since the p-value is less than that of 0.05 this indicates that the response for “Awareness of the respondents about the technology used in Jan Dhan Yojana” is not distributed equally in all the categories of responses received.
2. Its concludes that the observed residual value is highest and positive for “Yes” category and it shows that they are well aware of the technologies used by banks.
3. Thus it is concludes that there is a awareness of the digital banking among the Jan Dhan Yojana customers.

xxv) The opinion of the respondents about the banking services operates through technology.

**Table 4.112**  
**Opinion about banking services operates through technology.**

S.No.	Option	Observed frequency	Expected frequency	Residual
1	Excellent.	67	83.8	-16.8
2	Very good.	47	83.8	-36.8
3	Good.	146	83.8	62.2
4	Poor.	127	83.8	43.2
5	Very bad.	32	83.8	-51.8
	Total	419		

(Source: Compiled from primary data)

**Chi-Square test:**

Chi-Square test result	Value
Chi-Square	119.986
Df	4
p -value	.000

From the above Table 1.112 and resultant Chi-Square test, the researcher has the following observations.

1. Since the p-value is less than that of 0.05 this indicates that the responses for “Opinion about banking services operate through technology” is not distributed equally in all the categories of the responses.
2. Its observed that the residual value is highest and positive for option “Good” and “Poor”
3. Hence, its concludes that respondents agreed that there is a strong need towards improvement in technology .



**xxvi) The main purpose of opening account under the Jan Dhan Yojana.**

The main objectives of the Jan Dhan Yojana is to cover poor and vulnerable people excluded from banking access and promote them for banking operations for their socio-economic developments. This is true because in the study area the respondents were eagerly waiting to join the Jan Dhan Yojana with the main purpose to save money, avail insurance free of cost, social status, make remittances, avail government subsidies and also to get micro-credit. The researcher has made an attempt to investigate the main purpose to open account under the Jan Dhan Yojana. Accordingly, to identify the main reason behind joining the Jan Dhan Yojana, the beneficiaries' responses were tabulated in the form of priority selected rank between 1 to 5 wherein 1 being most preferred and 5 being least preferred. The responses are described in the following table.

**Table 4.113**  
**The main reason behind joining the Jan Dhan Yojana.**

S.No.	Purpose	Mean	Standard Deviation
1	Social status.	3.42	1.53
2	Saving.	1.10	0.52
3	Overdraft facility.	4.52	0.87
4	Insurance.	2.89	1.05
5	Subsidy.	2.14	1.33
6	Remittance.	3.83	1.15
7	Financial literacy	3.81	1.46
8	Loan.	1.83	1.24

(Source: Compiled from primary data)

**One sample “ANOVA test” of mean vs standard deviation of  
the main purpose for joining the Jan Dhan Yojana.**

ANOVA test result.					
	Sum of Squares	Df	Mean Square	F	p-value
Between Groups.	4853.002	7	693.286	494.361	.000
Within Groups.	5704.919	4068	1.402		
Total.	10557.921	4075			

From the above ANOVA test result, the researcher has following observations.

Since, the p-value for the ANOVA test is less than that of 0.05 this indicates the significance of difference between the average rankings of the purposes. Accordingly, the option “Saving” is close to 1 and hence it is the most preferred purpose selected by the respondents to open account under the Jan Dhan Yojana. To find out exact difference, the researcher further used post hoc test for multiple comparison dependent variables such as social status, saving, overdraft facility, insurance, subsidy, remittance, financial literacy and loan (micro credit)

**Table 4.114**  
**Post Hoc Test statistics parameters for reason of joining  
the Jan Dhan Yojana.**

Dependent variable. (i)	Multiple Parameter (j)	Comparisons Mean Difference (I-J)	(Tukey Std. Error	HSD) p- value	Interpretation
Social status	Saving.	2.31618*	.07387	.000	<b>Significant</b>
	Overdraft facility.	-1.10666*	.07427	.000	<b>Significant</b>
	Insurance.	.52892*	.07405	.000	<b>Significant</b>
	Subsidy.	1.27653*	.07398	.000	<b>Significant</b>
	Remittance.	-.41192*	.07409	.000	<b>Significant</b>
	Financial literacy.	-.38879*	.07423	.000	<b>Significant</b>
	Loan(micro-credit)	1.58251*	.07412	.000	<b>Significant</b>
Saving	Social status.	-2.31618*	.07387	.000	<b>Significant</b>
	Overdraft facility.	-3.42284*	.07420	.000	<b>Significant</b>
	Insurance.	-1.78726*	.07398	.000	<b>Significant</b>

	Subsidy.	-1.03965*	.07391	.000	<b>Significant</b>
	Remittance.	-2.72811*	.07402	.000	<b>Significant</b>
	Financial literacy.	-2.70497*	.07416	.000	<b>Significant</b>
	Loan(micro-credit)	-.73367*	.07405	.000	<b>Significant</b>
Overdraft facility	Social status.	1.10666*	.07427	.000	<b>Significant</b>
	Saving.	3.42284*	.07420	.000	<b>Significant</b>
	Insurance.	1.63557*	.07438	.000	<b>Significant</b>
	Subsidy.	2.38318*	.07431	.000	<b>Significant</b>
	Remittance.	.69473*	.07442	.000	<b>Significant</b>
	Financial literacy.	.71787*	.07456	.000	<b>Significant</b>
	Loan(micro-credit)	2.68916*	.07445	.000	<b>Significant</b>
Insurance	Social status.	-.52892*	.07405	.000	<b>Significant</b>
	Saving.	1.78726*	.07398	.000	<b>Significant</b>
	Overdraft facility.	-1.63557*	.07438	.000	<b>Significant</b>
	Subsidy.	.74761*	.07409	.000	<b>Significant</b>
	Remittance.	-.94084*	.07420	.000	<b>Significant</b>
	Financial literacy.	-.91771*	.07434	.000	<b>Significant</b>
	Loan(micro-credit)	1.05359*	.07423	.000	<b>Significant</b>
Subsidy	Social status.	-1.27653*	.07398	.000	<b>Significant</b>
	Saving.	1.03965*	.07391	.000	<b>Significant</b>
	Overdraft facility.	-2.38318*	.07431	.000	<b>Significant</b>
	Insurance.	-.74761*	.07409	.000	<b>Significant</b>
	Remittance.	-1.68845*	.07412	.000	<b>Significant</b>
	Financial literacy.	-1.66532*	.07427	.000	<b>Significant</b>
	Loan(micro-credit)	.30598*	.07416	.001	<b>Significant</b>
Remittance	Social status.	.41192*	.07409	.000	<b>Significant</b>
	Saving.	2.72811*	.07402	.000	<b>Significant</b>
	Overdraft facility.	-.69473*	.07442	.000	<b>Significant</b>
	Insurance.	.94084*	.07420	.000	<b>Significant</b>
	Subsidy.	1.68845*	.07412	.000	<b>Significant</b>
	Financial literacy.	.02314	.07438	1.000	<b>Not significant</b>
	Loan(micro-credit)	1.99443*	.07427	.000	<b>Significant</b>
Financial literacy	Social status.	.38879*	.07423	.000	<b>Significant</b>
	Saving.	2.70497*	.07416	.000	<b>Significant</b>
	Overdraft facility.	-.71787*	.07456	.000	<b>Significant</b>
	Insurance.	.91771*	.07434	.000	<b>Significant</b>
	Subsidy.	1.66532*	.07427	.000	<b>Significant</b>
	Remittance.	-.02314	.07438	1.000	<b>Not Significant</b>

	Loan(micro-credit)	1.97129*	.07442	.000	<b>Significant</b>
Loan	Social status.	-1.58251*	.07412	.000	<b>Significant</b>
	Saving.	.73367*	.07405	.000	<b>Significant</b>
	Overdraft facility.	-2.68916*	.07445	.000	<b>Significant</b>
	Insurance.	-1.05359*	.07423	.000	<b>Significant</b>
	Subsidy.	-.30598*	.07416	.001	<b>Significant</b>
	Remittance.	-1.99443*	.07427	.000	<b>Significant</b>
	Financial literacy.	-1.97129*	.07442	.000	<b>Significant</b>
* The mean difference is significant at the 0.05 level.					

(Source: Analysis from primary data)

From the above Table 4.114, the researcher has following observations.

1. Since the p-value is less than that of 0.05 this indicates the significance of difference and value close to 1 indicates highest preference.
2. Therefore, dependent variables such as social status, saving, overdraft, insurance, subsidy, remittance, financial literacy and loan (micro-credit) having significant impact except financial literacy compares with remittance facility, whose p-value is higher than the significant level of 0.05 and therefore, such variables are non-significant.
3. Its concludes that the respondents strongly agreed that the saving of money is one of the most important factors influencing to poor and vulnerable people to join the Jan Dhan Yojana.

xxvii) To understand the frequency of ATM access, the researcher has presented following details.

**Table 4.115**  
**Access to ATM facilities.**

S.No.	Option	Observed frequency	Expected frequency	Residual
1	Every day.	5	100.6	-95.6
2	Once in week.	8	100.6	-92.6
3	Twice in a week.	38	100.6	-62.6
4	Once in a month.	333	100.6	232.4
5	Never.	119	100.6	18.4
	Total	503		

(Source: Compiled from primary data)

**Test Statistics.**

Chi-Square test:	Value
Chi-Square	755.280
Df	4
p-value	.000

From the above Table 4.115 and subsequent Chi-Square test's result, the researcher has following observations:

1. Since the p-value is less than that of 0.05 this indicates that the responses for "Access of ATM Facilities" is not distributed equally in all the categories of the responses. The observed residual value is highest and positive for option "once in a month"
2. Its concludes that respondents are using ATM facilities once in a month due to working timings and also non-availability of ATMs within their reach.
3. The poor and vulnerable people are not satisfied with the ATMs services of banks and therefore extensive financial inclusion doesn't take place.

**xxviii) Understanding the level of monthly saving after opening account under the Jan Dhan Yojana.**

**Table 4.116**  
**Descriptive statistics of saving after joining the Jan Dhan Yojana.**

S.No.	Monthly Saving	Observed Frequency	Expected Frequency	Residual
1	Upto ₹ 100	250	117.0	133.0
2	Between ₹ 101 to 200	167	117.0	50.0
3	Between ₹ 201 to 300	7	117.0	-110.0
4	More than ₹ 301	44	117.0	-73.0
	Total	468		

(Source: Compiled from primary data)

**Chi-Square test**

Chi-Square test result	Value
Chi-Square	321.521
Df	3
p-value	.000

From the above Table 4.116 and subsequent Chi-square test, the researcher has following observations:

1. Since the p-value is less than that of 0.05 this indicates that the responses for “amount of monthly saving after joined the Jan Dhan Yojana” is not distributed equally in all the categories.
2. The observed residual value is highest and positive for option “Upto ₹ 100/- per month”
3. Saving is one of the important factors which influence poor and vulnerable people to open an account under the Jan Dhan Yojana but not maintaining regularly due to meager income or unusual working timings.

**xxix) In order to obtain preference of respondents to borrow money in future to fulfill financial needs.**

**Table 4.117  
Future Sources of funds.**

S.No.	Option	Observed Frequency	Expected Frequency	Residual
1	From unorganized sector.	22	256.5	-234.5
2	From JDY account.	491	256.5	234.5
	Total	513		

(Source: Compiled from primary data) (JDY=Jan Dhan Yojana)

**Chi-Square test:**

Chi-Square test result	Value
Chi-Square	428.774
Df	3
p-value	.000

From the above Table 4.117 and subsequent Chi-Square test, the researcher has following observations:

1. Since p-value is less than that of 0.05 this indicates that the responses for “Preference to borrow money in future” is not distributed equally in all the categories of the responses.
2. The observed residual value is highest and positive for future sources of funds from saving bank accounts opened under the Jan Dhan Yojana.
3. Its concludes that the respondents are comfortable with banks and in future they prefer to borrow funds from the Jan Dhan Yojana account.

xxx) In order to gather the information in respect of change in lifestyle after joined Jan Dhan Yojana. The researcher has asked the respondents to any one option from 5 options such as strongly agree, agree, neither agree nor disagree, disagree and strongly disagree. Accordingly, collected responses were tabulated and described in the following table.

**Table 4.118**  
**Changes in lifestyle after joined the Jan Dhan Yojana.**

S.No.	Option	Observed Frequency	Expected Frequency	Residual
1	Strongly Agree.	48	102.4	-54.4
2	Agree.	57	102.4	-45.4
3	Neither Agree Nor Disagree.	119	102.4	16.6
4	Disagree.	236	102.4	133.6
5	Strongly Disagree.	52	102.4	-50.4
	Total	512		

(Source: Compiled from primary data)

**Chi-Square test:**

Chi-Square test result	Value
Chi-Square	250.832
Df	4
p-value	.000

From the above Table 4.118 and subsequent Chi-Square test result, the researcher has the following observations:

1. Since the p-value is less than that of 0.05 this indicates that the responses for “Changes in lifestyle after joined the Jan Dhan Yojana” is not distributed equally in all the categories of the responses.
2. The observed residual value is highest and positive for option “Disagree”
3. Thus, its concludes that there is no changes in the lifestyle after joined the Jan Dhan Yojana.



**xxxi) The opinion about the Jan Dhan Yojana beneficial to the poor and vulnerable people.**

In order to study the impact of the JanDhan Yojana, the respondents were asked to give their opinion on one of the options such as Excellent, Very Good, Good, Average and Need to Change. The continuing operations and varied benefits are the main factor to analyze the importance of the Yojana. The collected responses were tabulated and tested with Chi-Square test.

**Table 4.119**  
**Beneficiaries' perception about Jan Dhan Yojana.**

S.No.	Option	Observed Frequency	Expected Frequency	Residual
1	Excellent.	57	101.0	-44.0
2	Very good.	99	101.0	-2.0
3	Good.	151	101.0	50.0
4	Average.	149	101.0	48.0
5	Need to change.	49	101.0	-52.0
	Total	505		

(Source: Compiled from primary data)

**Chi-Square test:**

Test result	Value
Chi-Square	93.545
Df	4
p-value	.000

From the above Table 4.119 and subsequent Chi-Square test result, the researcher has the following observations.

1. Since the p-value is less than that of 0.05 this indicates that the responses for “Opinion about the Jan Dhan Yojana “is not distributed equally in all the categories of the responses.
2. The observed residual value is highest and positive for options “Good” and “Average”
3. Hence, its concludes that respondents have strongly agreed with the statement that the “Jan Dhan Yojana is an effective scheme of financial inclusion”

**xxxii) Analysis of data gathered from Bank Officials/Bank Mitras through personal interviews.**

Bank Officials and Bank Mitras are playing major role in implementing the financial inclusion in India. Therefore, the researcher has made an attempt to study the attitudes of bank officials/bank mitras towards a new segment of customers i.e., Jan Dhan account holders. Accordingly, there were total 75 respondents (Bank Mitras) selected as 25 from each block, i.e., Kalyan, Bhiwandi and Shahpur. Through structured questionnaire, responses were collected and analyzed for the logical conclusion. The detailed statistical data and analyses are mentioned as under :

**a) Role of bank officials/Bank mitras:**

Initial responses were collected from bank officials/bank mitras relating to their role while implanting the Jan Dhan Yojana. The researcher has given three options such as active, moderate and little role while implementing the scheme. The information are mentioned in the following table.

**Table 4.120**  
**Role of Bank Officials in implementing financial inclusion**

<b>S.No.</b>	<b>Role</b>	<b>Frequency</b>	<b>Percent</b>
1	Active.	69	92
2	Moderate.	3	04
3	Little.	3	04
	Total	75	00

(Source: Compiled from primary data)

It is observed from the above Table 4.120 that 92 percent responses are in favour bank's active role while delivering banking services to the Jan Dhan Yojana account holders. Banks to develop the confidence among the customers of the Jan Dhan Yojana and accordingly there is an effective utilization of accounts.

a) **Ratio of male and female account holders.**

In order to understand the participation of women in financial inclusion. A detailed information was obtained through bank officials/bank mitras by giving options as male to female ratio such as 20:80; 40:60; 50:50 and 80:20 participation. Respondents have to choose one of the options as per their dealing with customers of the Jan Dhan Yojana.

**Table 4.121**  
**Ratio of male and female participation.**

S.No.	Male/Female Ratio	Frequency	Percent
1	20 : 80	00	00
2	40 : 60	20	28
3	50 : 50	27	35
4	80 : 20	28	37
	Total	75	100

(Source: Compiled from primary data)

From the above Table 4.121, it is observed that the most 37 percent respondents given preference to the male to female ratio is 80:20 which means the males are still dominating the banking sector and females have negligible participation i.e., 20 percent participation. Therefore, there is a strong need to develop the strategy to attract more and more female participation in the scheme.

b) **Banking norms:**

In order to understand the whether the Jan Dahn Yojana account holders following the banking norms or not. A detailed information was sought from bank officials/bank mitras by giving options as strongly agree, agree and can't say.

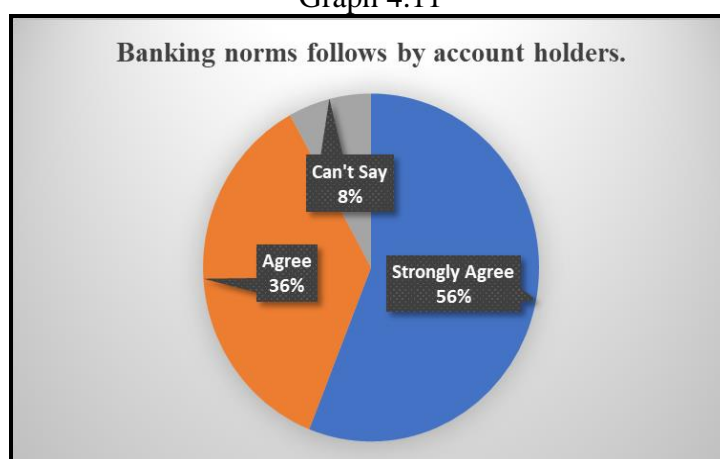
**Table 4.122**

**Jan Dhan Yojana account holders follows banking norms.**

S.No.	Parameter	Frequency	Percent
1	Strongly Agree.	42	56
2	Agree.	27	36
3	Can't say.	06	08
	Total	75	100

(Source: compiled from primary data)

**Graph 4.11**



(Source: Compiled from primary data)

From the above Table 4.122 and Graph 4.11 it is observed that 56 percent bank officials/bank mitras opined that customers of the Jan Dhan Yojana are observing the banking norms while operating their bank accounts. It means through the Jan Dhan Yojana, the poor and vulnerable people are covered under banking system.

**c) Details of banks visits.**

The Jan Dhan Account holders visiting bank branches/bank mitras are analyzed with frequency of monthly visits in two separate parameters viz., Upto 5 visits and more than 5 visits in a month. The higher the visits shows the necessity of banking networks and fulfillment of the financial operations. The following are the details of the visits of the Jan Dhan account holders.

**Table 4.123**  
**Number of visits by bank account holders to bank**

Monthly Visits	Frequency	Percent
More than 5.	60	80
Upto 5.	15	20
Total	75	100

(Source: Compiled from primary data)

From the above Table 4.123, it is observed that the majority, i.e., 80 percent of the Jan Dhan account holders are visiting banks more than 5 times in a month. It means the poor and vulnerable people are well understand the needs of banking operations and therefore they are regularly operating the bank accounts. This attitudes shows there is need to provide awareness about banking products.

d) **Facilities covered under the Jan Dhan Yojana:**

There are various facilities being provided to the poor and vulnerable people those opened their small saving account under the Jan Dhan Yojana. The researcher has made an attempt to understand the frequency of some the facilities. There are 6 major facilities identified and kept as the option to choose one of them by the respondents The parameters were used as 1 being most preferred and 5 being least preferred facilities. The Bank officials/bank mitras were requested to rank the facility covered under the Jan Dhan Yojana. The following table described the analysis of the various facilities availing by the Jan Dhan account holders.

**Table 4.124**  
**Facilities provides under the Jan Dhan Yojana.**

S. No.	Facility.	1 (Most preferred)		2		3		4		5 (Least Preferred)	
		Count	%	Count	%	Count	%	Count	%	Count	%
1	Saving	75	100	0	0	0	0	0	0	0	0
2	Remittance	27	36	26	35	13	17	6	8	3	4
3	Insurance	9	12	36	48	16	21	9	12	5	7
4	Overdraft	0	0	0	0	17	23	14	19	44	58
5	ATMs	6	8	21	28	34	45	11	15	3	4
6	RuPay Debit card	20	27	24	32	16	21	0	0	15	20

(Source: Compiled from primary data)

It is observed from the above Table 4.124 that there are various benefits, providing by banks to the Jan Dhan Yojana account holders, but few benefits are most preferred by respondents. The bank officials/bank mitras have opined that saving is one of the most preferred options of the poor and vulnerable people. The Jan Dhan Yojana is attracting the poor and vulnerable people to save money for emergency needs. Secondly, 36 percent responses shows remittances made to the family members and also protection through insurance cover is also essential on the part of the account holders.

e) **Difficulties facing by bank officials/bank mitras.**

There are various difficulties facing by the poor and vulnerable people those opened their saving accounts under the Jan Dhan Yojana. Here, the researcher has made an attempt to understand to study the difficulties through parameters such as 1 being most preferred and 5 being least preferred.

**Table 4.125**  
**Bank officials/Bank Mitras facing difficulties while providing financial services to the Jan Dhan Yojana account holders.**

S. No	Difficulty	1 (Most preferred)		2		3		4		5 (Least Preferred)	
		Count	%	Count	%	Count	%	Count	%	Count	%
2	Knowledge of banking products.	46	61	3	4	20	27	3	4	3	4
3	Illiteracy.	44	59	12	16	14	19	5	7	0	0
4	Language.	11	15	10	13	15	20	6	8	33	44
5	Availability of funds	29	39	12	16	9	12	0	0	25	33
6	Distance from bank branches.	13	17	20	27	9	12	6	8	27	36
7	Government Policies.	2	3	12	16	7	9	12	16	42	56

(Source: Compiled from primary data)

From the above Table 4.125, the bank officials/bank mitras have observed that the account holders of the Jan Dhan Yojana don't have sufficient knowledge of

banking and therefore, facing difficulties to assist them. Secondly, illiteracy and the availability of funds are other hurdles to operate banking operations. Language and government policies doesn't have any impact on the operations of the customers of the Jan Dhan Yojana.

f) **Difficulties facing by the Jan Dhan Account holders.**

In this study, it is important to study the procedures adopted by banks to resolve the difficulties facing by the poor and vulnerable people those opened saving accounts under the Jan Dhan Yojana. There were certain parameters set for the analyses which includes 1 being most preferred and 5 being least preferred. The detailed analysis is mentioned in the given table.

**Table 4.126**  
**Procedures to address the difficulties facing by the Jan Dhan Yojana account holders.**

S No	Parameter	1 (Most preferred)		2		3		4		5 (Least Preferred)	
		Count	%	Count	%	Count	%	Count	%	Count	%
1	Providing appropriate information.	75	100	0	0	0	0	0	0	0	0
2	Modification of policy/ Procedure.	6	8	0	0	3	4	12	16	54	72
3	Counselling.	35	47	40	53	0	0	0	0	0	0
4	Funding.	0	0	0	0	18	24	6	8	51	68
5	No Solution.	0	0	0	0	18	24	3	4	54	72

(Source: Compiled from primary data)

From the above Table 4.126, then it is observed that the bank officials/bank mitras feels that the difficulties facing by the Jan Dhan Yojana account holders can be resolve by providing appropriate information and timely counseling.

g) **Issuance of RuPay debit cards.**

The Jan Dhan Yojana is attracting unbanked poor and vulnerable people through issuance of RuPay Debit Card. Therefore, it is essential to study the issuance

of card to the Jan Dhan Yojana account holders and its usages in an appropriate manner. The following table describes about the issuance of RuPay Debit card.

**Table 4.127**  
**Issuance of RuPay debit card to the Jan Dhan Yojana account holders.**

<b>Response</b>	<b>Frequency</b>	<b>Percent</b>
Yes	50	67
No	25	33
Total	75	100

(Source: Compiled from primary data)

From the above Table 4.127 it is described that 67 percent bank officials/bank mitras have agreed that the RuPay debit cards were issued to the account holders of the Jan Dhan Yojana. It seems that the majority of the account holders are performing the satisfactory operation through the Jan Dhan Account and availing benefits of it. The facilities such as imbibed insurance cover is one of the focused features of the Jan Dhan Yojana. No frills account opened by the poor and vulnerable people and covered benefits of life and accident insurance protection. The researcher has made an attempt to find out the actual execution of the insurance cover given to the Jan Dhan account holders and punctuality in claim settlement. The following table describes the details of settlement of insurance claims to the beneficiaries of the Jan Dhan Yojana.

**Table 4.128**  
**Settlement of insurance claims under the Jan Dhan Yojana**

<b>Response</b>	<b>Frequency</b>	<b>Percent</b>
Yes	31	41
No	44	59
Total	75	100

(Source: Compiled from primary data)

From the above table 4.128, it is observed that the insurance claims of the Jan Dhan account holders are not settled with in time. There are a lot of issues relating to the documentation which can't be fulfilled by poor and vulnerable people due to



illiteracy and below poverty line status. Majority i.e., 59 percent bank officials are agreed that banks failed to settle insurance claim in time.

**k) Frequency of inoperative accounts:**

The Jan Dhan Yojana is assisting poor and vulnerable people to open with zero balance easily with few documents. But, it is very difficult to operate such account regularly. Therefore, banks mentioned such un-operational account as dormant accounts. The details of the dormant accounts of the Jan Dhan Yojana are as under:

**Table 4.129**  
**Frequency of the dormant accounts of the Jan Dhan Yojana**

<b>Response</b>	<b>Frequency</b>	<b>Percent</b>
Yes	17	23
No	58	77
Total	75	100

(Source: Compiled from primary data)

From the above Table 4.129, it is observed that there are less dormant accounts, i.e., 23 percent as compared to operative accounts, i.e., 77 percent. It means poor and vulnerable people have opened small saving accounts under the Jan Dhan Yojana and also operating regularly, irrespective of a lower income level and less financial awareness. This is possible only because of strong networking of bank branches and bank mitras.

**l) Rank the procedures to deal with dormant account:**

There are various issues related to inoperative account of the Jan Dhan Yojana. The researcher has set the parameters to understand the modes operandi in order to deal with inoperative bank accounts. The following tables shows the ranking given by respondents to deal with dormant accounts of the Jan Dhan Yojana.

**Table 4.130**  
**Details of procedures to deal with dormant accounts.**

S No	Procedure	1 (Most preferred)		2		3		4		5 (Least Preferred)	
		Count	%	Count	%	Count	%	Count	%	Count	%
1	Encouragement to operate the account	75	100	0	0	0	0	0	0	0	0
2	Giving incentives	25	33	6	8	20	27	6	8	18	24
3	Depositing cash	3	4	11	15	3	4	0	0	58	77
4	Transferring subsidies	25	33	47	63	0	0	3	4	0	0
5	Close the account	0	0	0	0	6	8	8	11	61	81

(Source: Compiled from primary data)

From the above Table 4.130, it is observed that bank officials/bank mitras have opined that encouragement to operate a dormant account is one of the essential initiatives. Secondly, other incentives will also attract the customers of the Jan Dhan Yojana account holders to operate their account regularly. There are 63 percent respondents strongly agreed that government subsidies are playing a vital role to keep such account operational.

**m) Dropout rate of the Jan Dhan Yojana bank account holders:**

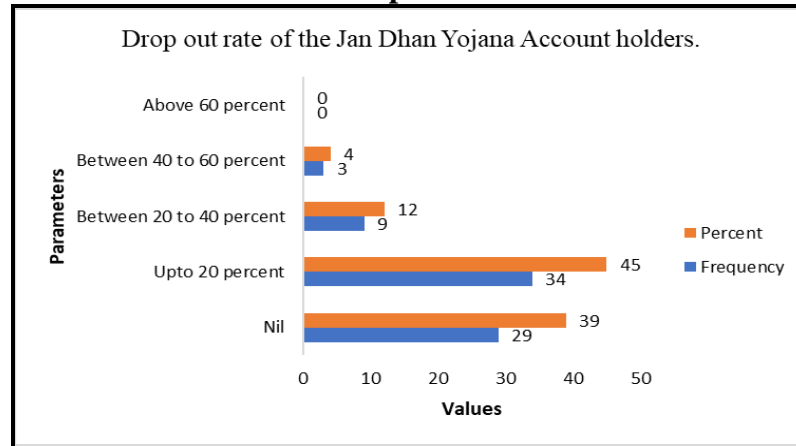
The poor and vulnerable people have opened small saving accounts but can't operate regularly due to meagre income, below poverty status and ignorance about the operations, etc. In order to understand the dropout rates of the Jan Dhan Yojana accounts, the researcher has set the percentage wise parameters and collected the data from the respondents. The details of dropout rates are as under :-

**Table 4.131**  
**Dropout rate of Jan Dhan Yojana bank account holders.**

S.No.	Parameter	Frequency	Percent
1	Nil.	29	39
2	Upto 20 percent.	34	45
3	Between 20 to 40 percent.	09	12
4	Between 40 to 60 percent.	03	04
5	Above 60 percent.	00	00
	Total	75	100

(Source: Compiled from primary data)

**Graph 4.12**



(Source: Compiled from primary data)

From the above Table 4.131 and Graph 4.12, it is observed that upto 20 percent bank accounts are closed due to various reasons. It means there is need of revision of policies in order to support poor and vulnerable people to operate a bank account easily and avoid dropouts.

**n) Satisfaction for the Jan Dhan Yojana:**

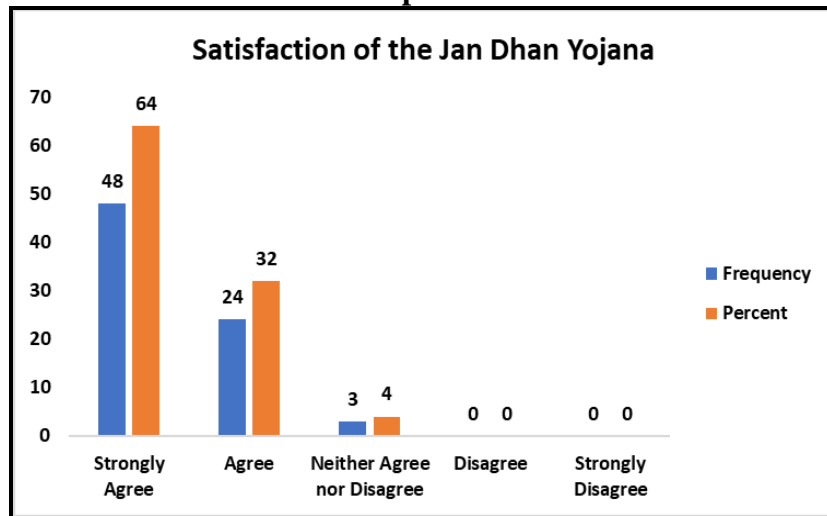
It is essential to understand the perception of bank officials and business correspondents about the Jan Dhan Yojana and its satisfaction level. Here, the researcher has given 5 points options viz., 1 being strongly agree and 5 being strongly disagree with the respondents and collected their feedbacks. The details of responses are listed in the following table.

**Table 4.132**  
**Satisfaction of the Jan Dhan Yojana.**

S.No.	Parameter	Frequency	Percent
1	Strongly Agree.	48	64
2	Agree.	24	32
3	Neither Agree nor Disagree.	03	04
4	Disagree.	0	00
5	Strongly Disagree.	0	00
	Total	75	100

(Source: Compiled from primary data)

**Graph 4.13**



(Source: Compiled from primary data)

From the above Table 4.132 and Graph 4.15, it is observed that there is the maximum satisfaction level of poor and vulnerable people those opened saving accounts under the Jan Dhan Yojana. Majority i.e., 64 percent bank officials/bank mitras are satisfied with the existing operation of the Jan Dhan Yojana account by poor and vulnerable people.

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**CHAPTER 5.**  
**CONCLUSIONS, FINDINGS, SUGGESTIONS, RECOMMENDATIONS**  
**AND FURTHER SCOPE OF THE RESEARCH.**

- 5.1 Introduction.
- 5.2. General Conclusions.
- 5.3 Specific Conclusions.
- 5.4 General Findings.
- 5.5 Specific Findings.
- 5.6 General Suggestions and Recommendations.
- 5.7 Specific Suggestions and Recommendations.
- 5.8 Further Scope of the Research.

## **Chapter 5.**

### **CONCLUSIONS, FINDINGS, SUGGESTIONS, RECOMMENDATIONS AND FURTHER SCOPE OF THE RESEARCH.**

#### **5.1 Introduction:**

The present research is an attempt of study related to the Jan Dhan Yojana and its working on a recipients fulfillment level with reference to particular squares of Thane region. In this chapter, a systematic and detailed study of the Jan Dhan Yojana has been done by collecting most relevant data and pertinent information with the help of a questionnaire specially designed for the poor and vulnerable people, and bank officials/bank mitras. Simultaneously, an effort is also made to put some suggestions and recommendations on the conclusions and findings. This research is an important in view of the financial incorporation of the poor and vulnerable people of our country through the Jan Dhan Yojana. Here researcher has categorized the general conclusions, specific conclusions, general findings-specific findings, general recommendations, specific recommendations and suggestions. However, being an individual researcher, therefore a limited number of respondents were examined to draw logical conclusions. There may be some other parameters left to study and therefore, the scope for further research is also mentioned in this chapter.

#### **5.2 General Conclusions**

##### **5.2.1 Related to Financial inclusion.**

1. The Jan Dhan Yojana's role is vital to promote financial inclusion among poor and vulnerable people. It is one of the exclusive activities attempted by legislatures to provide banking access to the poor and vulnerable people and made an attempt to bring them into the mainstream of the economy.

2. The poor and vulnerable people residing in semi-urban areas possess better knowledge of money management as compared to residing in provincial and distant zones.
3. Department of Post is actualizing incorporation of various financial services for more than one and half decades and focusing on the provincial and distant zones. Further, Department of Post is also providing financial services to all the people irrespective of their position.
4. Department of post is pioneer to bring the poor and vulnerable people into the scope of financial inclusion through disbursement of various social security payments.

#### **5.2.2 Related to the Jan Dhan Yojana:**

1. It is one of the most successful attempts of financial inclusion and entered into Guinness World Records in the year 2014.
2. It is not only providing ease of opening a saving account with banks, but also promoting to get well versed with all the financial products, so that easily select appropriate products by poor and vulnerable people for their financial planning.
3. Its future is closely linked to the effective operation of the banking services and availing benefits by the poor and vulnerable people.
4. It is effectively implemented all over the India in order to reach the last mile. The banks are the main players to extend financial incorporation extensively to the poor and vulnerable people.
5. Its bridging the gap of challenges from semi-urban and distant areas that are much wider, more backward as well as unbanked so far.

6. Due to its effective implementation, it is also getting the importance in various research and development fields and management practices too.
7. The most important features behind the success of the Jan Dhan Yojana, are the better banking services, financial awareness and opportunity to avail various incentives and also major role is played by bank mitras, especially in rural/remote areas.
8. Although, Yojana gives opportunity to the poor and vulnerable people (preferably women) to open saving account easily, but the actual representation of women is lacking behind.
9. The children of age group between 10 to 18 years are opening saving account and imparted awareness about the banking.
10. There are indifferent attitudes of the bank officials, which significantly affects the level of satisfaction of the Jan Dhan account holders.
11. The socio-economic developments and financial security are the most important factors influencing the poor and vulnerable people to open bank account.
12. It is also encouraging entrepreneurship opportunities to work as a “Bank Mitra” an authorized agent of the banks.
13. The Jan Dhan Yojana account holders are facing major problems due to low level of income and job insecurity.

### **5.2.3 Related to Banks:**

1. The main aim is to provide basic services to the poor and vulnerable people and thus inculcating habits of saving and remittances, etc. Also offering various financial products to enable poor and vulnerable people to place into an financial system to avail the benefits out of it.



2. After presentation of the Jan Dhan Yojana, the majority of poor and vulnerable people are in line with banking services for their monetary considerations, especially for micro-finance needs. Thus, before there was a large section of the poor and vulnerable people excluded from financial services. Ironically, this exclusion was one of the hurdles for the overall developments of our country.
3. The various banking services offered through the Jan Dhan accounts, are one of the support systems for the overall growth of our country.
4. The services offer to the customers and their level of satisfaction is mostly influenced by the promptness provided by bank mitras.
5. Although, bank mitras are serving the customers round the clock (24X7) but remuneration is not paid as mentioned in the scheme. Therefore, they are simultaneously undertaking other business activities for the scope of survival. Hence, the banking services became the second part of their routine business activities.
6. The poor and vulnerable people are in needs of basic banking services and thereby gets free from the clutches of the informal money market.
7. Banks need to perform effortlessly to gearing up to nourish poor and vulnerable people, especially in young individuals to bring into the formal banking fold.
8. Bank mitras are not satisfied with the honorarium and commission paid by the private agency M/s. Vakrangee Pvt. Ltd. There is no punctuality in payments and also not paid as per the mission document.
9. The digital mobile phone banking is not nurtured in the rural areas because of low levels of income.

10. Most of the poor and vulnerable people feels that the traditional banking is the safest mode rather than digital banking.

### **5.3 Specific Conclusions**

#### **5.3.1 Related to financial inclusion:**

1. The Reserve Bank of India has issued in-principle licences to 11 business entities to start banking operations and accordingly, one of them, i.e., Department of Post has started the banking operations through their post offices network.
2. The Regional Rural Banks needs to strengthen their inclusion of monetary policy objectives to attain last mile reach.
3. The Jan Dhan Yojana's achievement is counted as one of the successful attempts of government which gives total satisfaction of banking access, particularly in rural/remote ares.

#### **5.3.2 Related to the Jan Dhan Yojana:**

1. It is found that the majority of the customers opined that the Jan Dhan Yojana proved as one of the powerful tools for financial inclusion.
2. It is evident from the survey that the overdraft limit of ₹ 5,000/-is helpful for poor and vulnerable people to meet microfinance needs.
3. Apropos, to the financial inclusion, the Jan Dhan Yojana is to nurture monetary support extensively. The government's move is seen as a tactical maneuver to cover poor and vulnerable people. If the focus of the Yojana is shifting from offering basic banking services to overall development, then our country will be placed in a better position.
4. The beneficiaries of the Yojana felt that there is paradigm shifts in their life due to various banking services.

5. Under the Bank Mitra model, women getting less opportunities as compared to male and hence there is gender gaps.
6. At present, 60 percent young population are using digital banking and thereby brought many changes in their lifestyle.

### **5.3.3 Related to Banks:**

1. Since the updated technology and bank mitra model are playing a significant role to meet the objectives of financial inclusion.
2. The poor and vulnerable farmers should also promote extensively for banking access.
3. It is observed from the survey that innovative ideas of banking access are very popular among poor and vulnerable people and therefore the responses are increasing tremendously.

## **5.4 General Findings**

### **5.4.1 Related to Financial incorporation:**

1. The government is implementing special incentives programmes, especially in rural and remote areas to motivate poor and vulnerable people towards banking operations regularly and made an attempt to resolve the problem of financial exclusion.
2. Department of Post is also serving with numerous financial services and the majority (80 percent) of the poor and vulnerable people are availing the benefits of the financial inclusion.

### **5.4.2 Related to Banks.**

1. The Reserve Bank of India issued circular DBOD No. BL-BC.58/20/22.01.001/2005-06 directed to the non-government organizations, micro-finance institutions, co-operative societies, companies registered under

Section 25 and Post offices, were allowed to extend banking operations extensively.

2. Banks are providing satisfactory services to the poor and vulnerable people those opened saving accounts under the Jan Dhan Yojana.
3. All the banks are upgrading modern technology to market their products to all types of customers to make awareness of financial services and greater financial inclusion.
4. In Thane district, all the banks are playing a dynamic role to assist poor and vulnerable people and extensive coverage of financial inclusion.

#### **5.4.3 Related to the Jan Dhan Yojana:**

1. Jan Dhan Yojana is an successful attempt of financial inclusion. It provides an appropriate boosting to the financial inclusion.
2. Jan Dhan Yojana is helpful for the poor and vulnerable for their socio-economical developments.
3. The major challenge is that poor and vulnerable people are facing inappropriate income sources and therefore can't operate banking transactions regularly.
4. The government is initiating several steps to measure basic banking operations. Due to gravity and demographic profile of Indian population, there are some issues and challenges facing by the policy makers.
5. The low cost products and ease of doing business are helping the Jan Dhan account holders to update financial status.
6. The free of cost supply of financial products to the Jan Dhan account holders is a need of an hour.

## **5.5 Specific Findings.**

### **5.5.1 Related to Financial inclusion.**

1. It is found that 49 percent poor and vulnerable people are well connected with financial inclusion.
2. The banks are enrolling the poor and vulnerable people from the base of the nation.
3. The most of the poor and vulnerable people developed confidence to operate the banking transactions.

### **5.5.2 Related to Banks.**

1. It is found that 94 percent customers of Jan Dhan Yojana are aware of services offers by banks.
2. The digital banking operations is accepted by the poor and vulnerable people.
3. The bank mitras are belongs to local areas and understand the needs of the poor and vulnerable people. As per the survey, about 60 percent of the customers are availing the services of bank mitras and facing no difficulties.
4. There are regular skill development trainings to bank mitras. It is found that around 48 percent customers highly appreciated the activeness of bank mitras.
5. Around 92 percent customers opined that banks are playing active role in implementing financial inclusion.
6. In respect of opinion about the various banking services, operations through technology. It is found that the result is excellent (more than 90 percent).
7. While describing frequency data relating to the ratio of male and female participation. It is found that the male to female ratio is 37 percent.
8. It is found that about 80 percent customers are visiting bank branches or bank mitras more than 5 times in a month.

9. It is found that saving is one of the most preferred options for customers.
10. It is found that 61 percent customers feel that the knowledge of the banking products is one of the major difficulties for them.
11. The bank officials and bank mitras were opined that around 67 percent customers are satisfied with RuPay debit card.
12. About 59 percent bank officials/bank mitras have opined that there is a delay in insurance claim settlement.
13. It is found that there are 23 percent Jan Dhan Yojana accounts are not in operations.
14. Around 45 percent bank officials/bank mitras are in the view that 20 percent accounts were closed due to indifferent reasons.

### **5.5.3 Related to the Jan Dhan Yojana**

1. It is found that most of the account holders (66 percent) are from male category as compared to female (34 percent).
2. It is found that around 64 percent account holders belong to 35-59 years age group, whereas 24 percent belong to 15-35 years age group and 10 percent are in senior citizen group. Further, negligible 2 percent is from a very young age of 12 years group.
3. It is found that about 40 percent of the account holders are workers, 17 percent are farm labours, 17 percent self employed, 16 percent housewives and only 10 percent students.
4. It is found that nearly 66 percent of the account holders earn more than ₹ 6,000/- per month; whereas, 18 percent account holders monthly earning stands between ₹ 4,000 to 6,000/- ; 10 percent monthly earning stands

between ₹2,000 to 4,000/- and lower portion i.e., 6 percent earns between ₹ 1,000 to 2,000/- per month.

5. It is found that majority, i.e., 95 percent account holders belong to joint family.
6. In respect of sources of funds, it is found that 93 percent customers using their own funds as compared to 3 percent obtaining funds from banks and 4 percent borrow from informal financial market.
7. It is found that in Kalyan, 80 percent account holders got the information of the Jan Dhan Yojana through television broadcasting, whereas other sources such as 5 percent from newspapers, 10 percent from friends/relatives and 3 percent from bank awareness programme.
8. It is found that in Bhiwandi, 94 percent of the account holders got the information of the Jan Dhan Yojana through television broadcasting as compared to newspapers 4 percent, friends/relatives 2 percent and negligible (1 percent) from bank awareness programme.
9. While in Shahapur, 71 percent account holders got the information of the Jan Dhan Yojana through television broadcasting, 8 percent from newspapers, 20 percent from friends, relatives and negligible (1 percent) from bank awareness programme.
10. It is found that the majority, i.e., 76 percent Jan Dhan Yojana customers are successfully operating their bank accounts more than two years.
11. It is found that 86 percent customers agreed towards the receipt of ATM card, 95 percent availing overdraft facility and 94 percent are well aware of various banking services.

12. It is found that 90 percent account holders were reluctant to give any response about the attitude of the bank officials. It means account holders getting indifferent treatment from bank officials.
13. It is found that 80 percent account holders feel that there are no difficulties while transacting banking operations through bank mitras.
14. It is found that 44 percent account holders have shown their dis-satisfaction in respect of ATM services.
15. An absolute majority, i.e., 96 percent customers are in a view that there is no political interference while availing various benefits under the Jan Dhan Yojana.
16. It is found that the saving (1<sup>st</sup> rank) is the most preferred option since it motivates the poor and vulnerable people to join the Yojana. Whereas, others stand as a subsidy/loan (2<sup>nd</sup>), insurance (3<sup>rd</sup>), remittance, financial literacy (4<sup>th</sup>), and overdraft facility (5<sup>th</sup>)
17. It is found that ₹100/- is the most preferred amount for saving per month by the Jan Dhan Yojana account holders.
18. The Jan Dhan account holders preferred to borrow money from banking sources only.
19. It is found that 64 percent bank officials/bank mitras are satisfied with operations of the Jan Dhan Yojana.
20. It is found that 49 percent account holders have visited banks once, 48 percent visited 2 to 3 times, 2 percent visited 4 to 6 times and negligible (1 percent) visited more than 6 times in a month.
21. While measuring the satisfaction level about banking services, it is found that the customers' satisfaction level is more than expectation.



## **5.5 General Suggestions and Recommendations.**

### **5.6.1 Related to Financial inclusion:**

1. It is specially designed for poor and vulnerable people, those are not covered with the banking system. Hence, there is strong need of collective efforts to spread financial inclusion effectively by all the policy makers.
2. The availability of funds and its various sources are very large, diverse and has great economic significance. Hence, it is pertinent to inculcate habits of banking among all the classes of the people and accordingly, helps to reduce financial exclusion.
3. Poverty is the sixth, “P” of the financial inclusion. The success of the mission can’t be achieved without concentrating on below poverty line groups.
4. The financial operations can be increased with the help of financial literacy programmes to attain financial inclusion extensively.

### **5.5.2 Related to Banks:**

1. The banking sector is continuously evolving in several changes to manage financial inclusion of the poor and vulnerable people.
2. The future of the banking sector should be change from class banking to mass banking with the help of digitization and all the accounts should be linked with Aadhaar number.
3. All the banks must organize financial literacy camp regularly and impart knowledge, improve skills and reorient attitudes of the poor and vulnerable people towards financial operations.
4. All the banks must maintain a personal relationship with the Jan Dhan account holders and builds customer loyalty.

5. The banking sector should consider the management of financial inclusion as an ethical responsibility.
6. Banks should arrange a periodic training programme to bank mitras and other recreational activities to enhance their skills.

### **5.5.3 Related to the Jan Dhan Yojana:**

1. The government should introduce more incentives (other than cooking gas subsidy) to the Jan Dhan Yojana account holders. For example, every payment made to government, such as electricity charges, school fees, water charges etc., or money transfer should get attractive benefits such as 10 percent discount on bill amount.
2. In order to resolve issues of dormant accounts, especially in case account holder who has lost his income source and therefore, can't operate the account. In this case, government should convert such account holder under the Mahatma Gandhi National Employment Guarantee Scheme and provide employment as per guidelines.
3. For all the contract labours, make it mandatory to open small saving account under the Yojana and monthly wages should be credited to such accounts.
4. The government of India should make the poor and vulnerable people to realize that the Yojana is the main source for their financial planning.
5. The Yojana is one of its kind welfare scheme. Its intent is laudable, but facing many challenges. Therefore, government should redesign a robust financial edifice to make more effective.
6. The "Entrepreneurship" should consider as a 7<sup>th</sup> pillar, since it is an integral part of the prosperity of the poor and vulnerable people.
7. There should be exclusive financial support system to to motivate customers.

## **5.6 Specific Suggestions and Recommendations.**

### **5.7.1 Related to Financial inclusion:**

1. The universal acceptance of RuPay debit card with no premium and free sms alert facility will boost the banking operations.
2. There should be more and more benefits to senior citizens to safeguard their lives.
3. The Common Service Centre should increase in rural/remote parts of the Thane district to enhance financial inclusion.
4. The “Gram Chetna” the concept of banking outlets with counselling center, linkages, channel for rural financial development, and credit support to the farmers shall be are provided. Under this system, initially ₹25,000/- shall be provided as a micro KCC. After recovery of equal monthly installment, the limit shall be enhance to ₹1 Lakh. This will help farmers to maintain their money management and stop suicides.

### **Related to Banks:**

1. The bank awareness programme should not be implemented as a formality, but more transparent to understand by the poor and vulnerable people, especially women.
2. It is found that the private banks role in implementing the Yojana is only 21 percent. The Reserve Bank of India should instruct to all the private banks to enhance their activities, especially in rural and remote areas.
3. The majority of the poor and vulnerable people are visiting bank branches or bank mitras for their operations and giving personal recommendations for the betterment of the services, which should also incorporate in the policy matters.

4. There is a need to strengthen the banking services operate through technology towards easy and convenient operations.

#### **5.6.2 Related to the Jan Dhan Yojana:**

1. It should encourage student from the level of secondary school (above 8<sup>th</sup> standard) to understand banking operations.
2. It should assist the girls in their career progression.
3. It can use as one of the intermediaries for the payment of government subsidies/sponsorship to the students, poor and vulnerable people, sports persons, artisans and craftsmen, etc.
4. With the few modifications, the Yojana can provide a unique opportunity for government to map out comprehensive universal banking ecosystem which encompassing basic financial management, financial literacy centers and digital banking operations, etc.
5. The cash back (credit to account) incentives will motivate towards the various utility payments through the Jan Dhan Yojana.
6. The overdraft facility shall be increased to ₹ 25,000/-
7. It can linked with National Health Protection Scheme for free coverage of upto ₹ 2,50,000/- (Two Lakhs Fifty Thousand) per year.
8. To promote entrepreneurship among the poor and vulnerable people, a free training, and seminars shall conduct on a regular basis.
9. Under the Yojana, it is found that the women participation is 34 percent only. Therefore, the government should revise policy to enhance women's participation.
10. There is a need to provide proper guidance to the age groups up to 15 years to enhance their participation.

11. The existing participation ratio of married to unmarried/widows women is 76:24. Hence, the government should provide special focus, to enhance their participation.
12. The percentage of farm labours (17 percent) and housewives (16 percent) are negligible. Hence, more and more farm labours and housewives should cover under the Yojana.
13. At present, the Jan Dhan Yojana account holders are familiar with banking operations. Therefore, it is essential to develop their saving habits to enable them to not only avail the benefits of the scheme, but generating additional micro-income by way of interest.

#### **5.8 Scope for Further Research.**

In order to find the scope for the further research in this study, the researcher observed the much wider encompassing different geographical parts. The various scopes for the further research are mentioned as under:

1. A Study of satisfaction level of beneficiaries of the Jan Dhan Yojana with reference to other geographical areas.
2. A comparative study of the customers opened saving accounts under the Jan Dhan Yojana and other account holders in different geographical areas.
3. An evaluation of financial literacy programs undertaken by banks to the different income level groups/below poverty line people/different geographical areas/students in the schools and colleges.
4. A study of management of bank mitras services functioning in India.
5. A study on the impact of digital banking on the performance of the Jan Dhan Yojana.
6. A study on the role of banks in promoting financial services with the help of

the Jan Dhan Yojana, especially to Below Poverty Line groups.

7. The Performance evaluation of the public and private banks implementing the Jan Dhan Yojana, especially in rural and remote parts of the country.
8. Empowerment of Indian Youth: A Scope as a Bank Mitra.
9. Empowerment of Indian Women: A Scope as a Bank Mitra.

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