

**FINANCIAL INCLUSION AS A TOOL FOR SUSTAINABLE DEVELOPMENT: AN
EXPLORATORY ANALYSIS**

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ABSTRACT

There are several factors that affect access to formal banking system in any country. They include culture, financial literacy, gender income and assets, proof of identity and so on. The RBI has taken several measures since Independence to improve access to affordable financial services through financial education, leveraging technology and generating awareness.

This paper focuses on analysing the current position of financial inclusion in the country. The researcher highlights the major tools of RBI and that of GoI to accelerate the growth of financial inclusion in Indian economy. In order to achieve the objectives, hypotheses have been formulated and validated with the help of various research tools like ANOVA, t- test, Leven Test etc.

Keywords: Financial Inclusion, Financial Exclusion, Financial Stability, Disadvantaged people.

1 INTRODUCTION

The aim of financial inclusion is to promote sustainable development and generating employment for a majority of population especially in rural areas. In the first ever Index of Financial Inclusion to find out the extent of reach of banking services among 100 countries, India has been ranked 50. The latest National Sample Survey Organization survey reports that there are over 80 million poor people living in the cities and towns of India and they lack most basic banking services- such as saving accounts, credit, remittances and payment services, financial advisory services and so on. Low-income groups have not access to formal banking systems as they usually do not have the documents needed to open a bank account. As a result they depend on the informal sector for their savings and loan requirements. Recognizing the importance of inclusive growth in India, efforts are being taken to make the financial system more inclusive.

In present scenario, financial inclusion plays a critical role for the inclusive growth of the Indian economy. This concept is not new one in Indian economy. After the nationalization of banks in 1969, RRBs has been established and SGH-bank linkage programs were started by the RBI to spread the financial accessibility to the disadvantaged and unbanked population.

The basic objective of financial inclusion is to gain access for the disadvantaged people to the full domain of financial services at the reasonable cost.

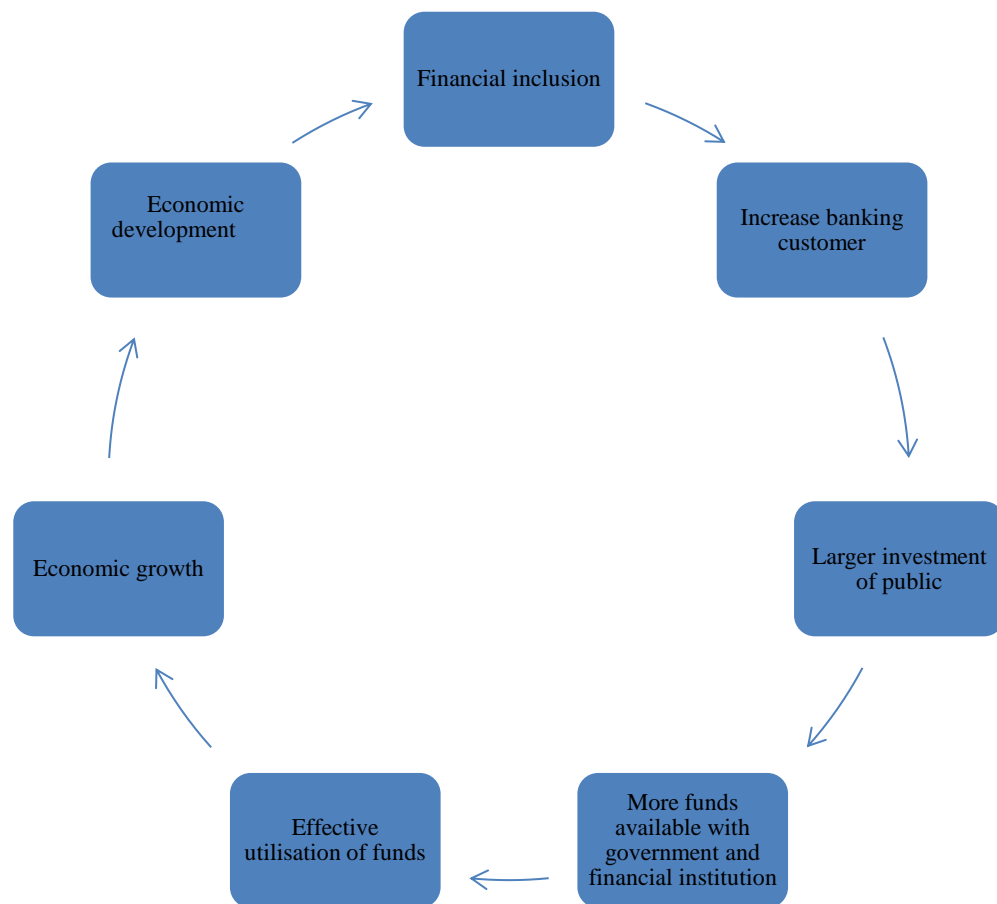
In other words financial inclusion includes attaching the weaker section of the society with the financial (banking) services at a lower cost. These services include opening a bank account at low MAV (Monthly Average Value) and QAV (Quarterly Average Value), and to enlarge the investment safely and continually.

2 ROLE OF FINANCIAL INCLUSION IN INDIAN ECONOMY

Financial Inclusion broadens the resources base of the financial system by developing a culture of savings among large segment of rural population and plays its own role in the process of economic development. By bringing the low income groups within the ambit of financial services, the financial wealth of the low income groups can be protected by this exercise.

With the help of financial inclusion, the vulnerable groups may be provided with the ease of credit and can be protected from the exploitation by the usurious money lenders.

Figure 1: Role of Financial Inclusion in the economic development



3 FINANCIAL INCLUSION – RBI POLICY INITIATIVES AND RECENT MEASURES

As Financial Inclusion is considered as the most important objective of the Nation for Financial Stability, RBI and Government of India have focusing on below mentioned key areas to promote this:-

1.) Basic Saving Bank Deposit (BSBD): RBI has recommended all banks to open **BSBD** accounts with minimum ordinary facilities such as Zero balance account, deposit and withdrawal of cash at bank branch and ATMs, receipt/credit of money through electronic payment channels, facility of providing ATM card etc.

2.) Relaxed and simplified KYC norms: RBI has relaxed and simplified the process of easy bank account, especially for small accounts with balances not exceeding Rs. 50,000 and aggregate credits in the accounts not exceeding Rs. one lakh a year. Further, banks are advised not to insist on introduction for opening bank accounts of customers. In addition, banks are allowed to use Aadhar Card (UID) as a proof of both identity and address.

3.) Simplified Branch Authorization Policy: RBI has Simplified Branch Authorization to tackle the issue of uneven spread bank branches, domestic Schedule commercial Banks are permitted to freely open branches in Tier 2 to Tier 6 centers with population of less than one lakh under general permission, subject to reporting. In North- Eastern States and Sikkim domestic SCBs (Schedule Commercial Banks) can open branches without having any permission from RBI.

4.) Compulsory Requirement of Opening Branches in Unbanked Villages: Banks are directed to allocate at least 25 per cent of the total number of branches to be opened during the year in un-banked (Tier 5 and Tier 6) rural centers.

5.) Redress of customer grievances and Close supervision of BC operations: Opening of transitional brick and mortar composition, for effective cash management, documentation, redress of customer grievances and close supervision of BC operations, banks have been advised to open intermediate structures between the present base branch and BC(Business Correspondences') locations.

6.) Financial Inclusion Plan (FIP): Public and private sector banks had been advised to submit board approved three year Financial Inclusion Plan (FIP) starting from April 2010. These policies aim at keeping self-set targets in respect of rural brick and mortar branches opened, BCs employed, coverage of un-banked villages with population above 2000 and as well as below 2000, BSBD accounts opened, KCCs, GCCs issued and others. RBI has been monitoring these plans on a monthly basis.

7.) FIPs should be disaggregated: Banks have been advised that their FIPs should be disaggregated and percolated down up to the branch level. This would ensure the involvement of all stakeholders in the financial inclusion efforts.

8.) Financial Literacy Centers (FLCs): In June 2012, guidelines on FLCs revised. Accordingly, it was advised that FLCs and all the rural branches of scheduled commercial banks should scale up financial literacy efforts through conduct of outdoor Financial Literacy Camps at least once a month, to facilitate financial inclusion through provision of two essentials i.e., 'Financial Literacy' and easy 'Financial Access'.

9.) Current Status of Financial Exclusion: According to NSSO 59th Round Survey Results out of total Farmer households- 51.4% of farmer households are financially excluded from formal /informal sources, 27% access formal source of credit :one third of this group borrowed from non-formal source, Overall, 73 per cent of farmer households have no access to formal sources of credit.

10.) Government of India Population Census 2011: As per census 2011, only 58.7 per cent of households are availing banking services in the country. However, as compared with previous census 2001, availing of banking services increased significantly largely on account of increase in banking services in rural areas.

11.) World Bank 'Financial Access Survey' Results: it would be observed that in our country, financial exclusion measured in terms of bank branch density, ATM density, bank credit to GDP and bank deposits to GDP is quite low as compared with most of developing countries in the world.

12.) Nachiket Mor-Committee Vision Statement

As Financial Inclusion has great Importance in Economic Development thus policy makers are keen to observe and to learn from the successful occurrence of Financial Inclusion in other countries and to try out with new ideas. The supervisory body, while paying close notice to the attainment of financial inclusion goals of the organization as a whole would allow each participant to implement momentous sovereignty to chart its own corridor. It would also apply regular caution in order to guarantee that solution devise ideology such as systematic Stability, Complete Transparency of balance sheets, Neutrality of regulatory stance towards different types of participants, and the need to protect customers, are not violated.

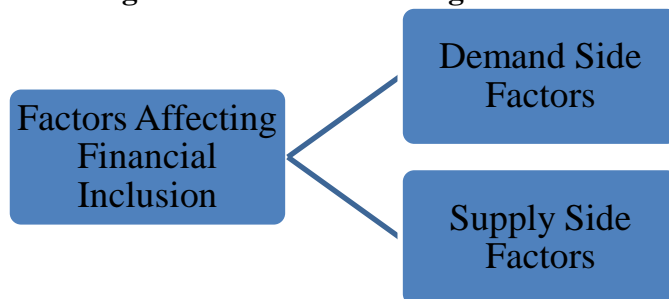
4 FACTORS AFFECTING FINANCIAL INCLUSION

Factors having an impact on financial inclusion include the demand side factors as well as supply side factors. In Indian economy, the supply side factors are the various tools and parameters used by the Reserve Bank of India and Government of India which have discussed earlier. On the other part, the demand side factors include many regions, segment of the population and sub sectors of the economy. These sectors have low demand for the financial and banking services. So these sections of the

community must be properly focused. In order to improve the level of inclusion, demand side efforts need to be undertaken including improving human and physical resource endowments, enhancing productivity, mitigating risk and strengthening market linkages.

Both factors are equally important for the growth of financial inclusion in the Indian economy. Government of India and the Reserve Bank of India have focused more on the supply side factors and delivery system for the financial inclusion which will lead to create a demand for these financial services and boosting the inclusion of vulnerable groups into the ambit of financial services.

Figure 2: Factors Affecting Financial Inclusion



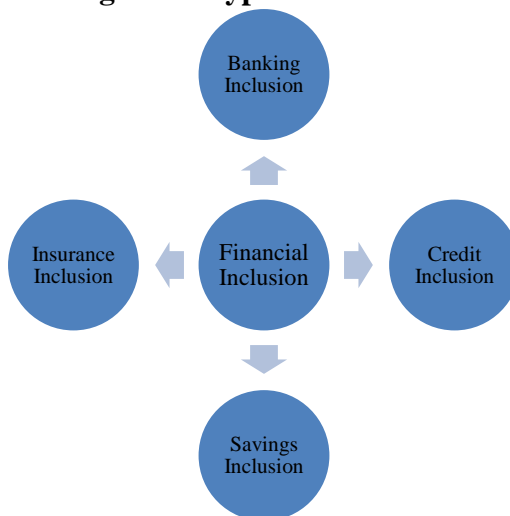
5 REVIEW OF LITERATURE

A. K. Arya (2015) elaborate Financial Inclusion as attaching the weaker sections of the society with the financial (Banking) services at a reasonable rate. These services are like providing the bank account at a lower MAV or QAV, relaxing the KYC norms etc.

In the opinion of **Akhil Damodaran (2014)** , “Financial inclusion enhances the economy. In the contemporary era of running for economic power and self reliance, it is imperative for any regime to create congenial conditions for individual, households and private institutions which include the availability of banking services.” He also highlight the importance of financial inclusion that if poor are not connected to our formal financial system, their growth and improvement will not take place and as the country grows they will still be poor without access to basic necessities.

Financial Inclusion as defined by **RBI**, “Financial Inclusion is the *process of ensuring access to appropriate financial products and services needed by vulnerable groups such as weaker sections and low income groups at an affordable cost in a fair and transparent manner by mainstream Institutional players.*”

Figure 3: Types of Financial Inclusion



According to **Dr. Parul Agarwal (2014)**, the process of economic growth, especially when it is on high growth line, must attempt to take participation from all sections of society. She described the concept of financial exclusion as well. She provided six basic approaches to achieve financial inclusion. The steps are as: Product led approach, Bank led approach, Regulator led approach, Technology based approach, knowledge based approach, and government initiatives.

Dr. Anupma Sharma and Ms. Sumita Kukreja (2013) argued “Financial Inclusion is considered to be the objective of many developing nations since from last decade as many research findings correlate the direct link between the financial exclusion and the poverty prevailing in developing nations.”

Deepti K C (2013) focuses that providing financial access to the poor by linking them with banks has always been an important priority of the Government of India (GoI). She suggested financial inclusion through microfinance services.

Former UN Secretary- General Kofi Annan States that- “The stark reality is that most poor people in the world still lack access to sustainable financial services, whether it is savings, credit or insurance. The great challenge before us is to address the constraints that exclude people from full participation in the financial sector. Together, we can and must build inclusive financial sectors that help people improve their lives.”

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

Roy, (2012) studied the overview of financial inclusion in India. The study concluded that banks have set up their branches in the remote corner of the country. Rules and regulations have been simplified. The study also said that banking industry has shown tremendous growth in volume during last few decades.

Khan (2011) defined financial inclusion as *the process of ensuring access to financial services and timely and adequate credit where needed by vulnerable groups such as weaker sections and low income groups at an affordable cost. It primarily represents access to a bank account backed by deposit insurance, access to affordable credit and the payments system.*

Khan (2011) suggests three main ways in which greater financial inclusion can contribute positively to financial stability. First, greater diversification of bank assets as a result of increased lending to smaller firms could reduce the overall riskiness of a bank’s loan portfolio. This would both reduce the relative size of any single borrower in the overall portfolio and reduce its volatility. According to the scheme described in the previous section, this would reduce the “inter-connectedness” risks of the financial system. Second, increasing the number of small savers would increase both the size and stability of the deposit base, reducing banks’ dependence on “non-core” financing, which tends to be more volatile during a crisis. This corresponds to a reduction of pro-cyclicality risk. Third, greater financial inclusion could also contribute to a better transmission of monetary policy, also contributing to greater financial stability.

6 OBJECTIVES OF THE STUDY

To be specific, the objectives of the study are as follows:

1. To analyze the performance of major tools of Reserve Bank of India and Government of India to promote financial inclusion.
2. To identify and analyze the major factors having an impact on the access of financial services and on financial inclusion.

7 RESEARCH HYPOTHESES FORMULATION

On the basis of above aligned research objectives and literature review, the hypotheses framed for the research are given as follows:

Objective	Null Hypothesis	Alternate Hypothesis
To analyze the performance of major tools of Reserve Bank of India and Government of India to promote financial inclusion.	H_0 = There is no relation between occupation and satisfaction regarding financial services.	H_1 = There is significant relation between occupation and satisfaction regarding financial services.
To identify and analyze the major factors having an impact on the access of financial services and on financial inclusion.	H_0 = There is no significant difference between access to saving account and usage of that account.	H_1 = There is significant difference between access to saving account and usage of that account.
	H_0 = There is no relation between availability and access to bank account.	H_1 = There is significant relation between availability and access to bank account.

8 RESEARCH METHODOLOGY

The current research finds out the factors responsible for financial inclusion. For this purpose, Descriptive cum Analytical Research design is adopted.

Under the aforesaid research design, following aspects have been focused:

1. **Sources of Data:** Primary and Secondary sources of data are used. Primary Data is collected through structured questionnaire. Secondary Data is collected through various reports published by Government agencies, data through websites, journals, books, magazines, reports of committees.
2. **Research instrument:** Questionnaire
3. **Selection of Sample/ Sampling Procedure:** Disproportionate Stratified Random and Convenience Sampling.
4. **Method of data collection:** Offline direct personal interview to fill the questionnaire and observation.
5. **Sample Unit:** Households
6. **Sample Size:** 430
7. Data processing and analysis
8. Interpretation

9 SAMPLE DESIGN

The target population covered in this study are the household members of BPL families in Moradabad. The sampling method used in this research is stratified random sampling. To ensure the true representative sample, few villages were selected at random to represent various areas and also to keep the convenience of data collection in mind. Then the samples were drawn at random from these villages to ensure cross section representation from these villages.

The sample size is derived with the help of cochran's formulae, with 5 % *significance level*, the size of sample 385 respondents. 430 respondents participated in the study. The technique of data analysis in this study are examination of differences between independent samples and paired samples, and as well as association between variables. 500 questionnaires were send for data collection but based on factors like literacy level and other reasons, valid answers were taken for the analysis. The valid number of questionnaires collected in the study is 430.

For the purpose of comparison of means of two independent groups, independent sample t-test is used. For this purpose the sample size required for medium effect size ($d=0.5$) with a power of **80%** and a 5% significance level is 40 to 50.

The sample size required for an independent sample one way ANOVA analysis, assuming medium effect size (Cohen's $f=0.25$), is around 150 for 80% power of test and a 0.05 significance level.

Leven Statistics is used to find the homogeneity of variances.

10 RELIABILITY TEST

Research used Cronbach's Alpha for reliability test. The test statistics are as follows:

Table 1: Reliability Test Statistics

Reliability Statistics	
Cronbach's Alpha	N of Items
.749	79

*Source: SPSS Output

The total sample size in this study is 430 (n=430). The demographic analysis of sample is shown in table below:

Table 2: Demographic Profile

Sr. No.	Demographic Characteristics	Frequency	Percent
1	Occupation of Respondents		
a	Agriculture	162	37.7
b	Business	111	25.8
c	Service	80	18.6
d	Others	77	17.9
	Total	430	100.0
2	Age of Respondents		
a	Below 30	141	32.8
b	30-40	132	30.7
c	40-50	74	17.2
d	Above 50	83	19.3
	Total	430	100.0
3	Gender of Respondent		
a	Male	247	57.4
b	Female	183	42.6
	Total	430	100.0
4	Income of Respondent		
a	Below Rs. 60,000	215	50.0
b	Rs. 60,000 to Rs. 2,50,000	173	40.2
c	More than Rs. 2,50,000	42	9.8
	Total	430	100.0

*Source: Primary Data

11 LIMITATIONS OF STUDY

1. The data collection was carried out for the period of more than one year which may prove to be a limitation of the study.
2. The sample size was also taken on the basis of stratified random sampling which may prove to be a limitation as the population size was more.
3. The BPL families were decided on the basis of their ration card data. If their income has increased in the one year period, they can be considered as above poverty line which will again be the limitation.
4. The rural population has been covered for the research. The behaviour of urban and rural population may not be the same which can also prove as a limitation.

12 HYPOTHESIS TESTING**Testing of Hypothesis 1:**

Hypothesis 1: There is no relation between occupation and satisfaction regarding financial services.

ANOVA:**Table 3: || Hypothesis 1 || ANOVA test statistics**

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
Internet Banking	Between Groups	5.278	3	1.759	1.524	.208
	Within Groups	491.840	426	1.155		
	Total	497.119	429			
Mobile Banking	Between Groups	2.495	3	.832	.772	.510
	Within Groups	458.995	426	1.077		
	Total	461.491	429			
ATM/ Debit Card	Between Groups	2.773	3	.924	.817	.485
	Within Groups	482.213	426	1.132		
	Total	484.986	429			
Credit Card	Between Groups	4.192	3	1.397	1.186	.315
	Within Groups	501.876	426	1.178		
	Total	506.067	429			
Cheque Book	Between Groups	4.137	3	1.379	1.202	.308
	Within Groups	488.526	426	1.147		
	Total	492.663	429			
Mooney Transfer	Between Groups	1.545	3	.515	.409	.747

	Within Groups	536.523	426	1.259		
	Total	538.067	429			
Locker Facility	Between Groups	.141	3	.047	.035	.991
	Within Groups	574.987	426	1.350		
	Total	575.128	429			
Mutual Fund	Between Groups	1.367	3	.456	.320	.811
	Within Groups	606.775	426	1.424		
	Total	608.142	429			
Money Advice and Credit Counseling	Between Groups	.475	3	.158	.107	.956
	Within Groups	627.795	426	1.474		
	Total	628.270	429			

*Source: SPSS Output

- 1) If we consider satisfaction regarding internet banking with occupation, the F value is equal to 1.524 and p value is equal to 0.208. So null hypothesis needs to be accepted and it can be concluded that occupation and satisfaction regarding financial services is significantly different.
- 2) For Mobile banking and occupation, $F = 0.772$, $p > 0.05$.
- 3) For ATM/ Debit card and occupation, $F = 0.817$, $p > 0.05$.
- 4) For Credit card and occupation, $F = 1.186$, $p > 0.05$.
- 5) For cheque book card and occupation, $F = 1.202$, $p > 0.05$.
- 6) For money transfer facility and occupation, $F = 0.409$, $p > 0.05$.
- 7) For locker facility card and occupation, $F = 0.035$, $p > 0.05$.
- 8) For Mutual Fund and occupation, $F = 0.320$, $p > 0.05$.
- 9) For Money advice and credit counselling and occupation, $F = 0.107$, $p > 0.05$.

Testing of Hypothesis 2:

Hypothesis 2: There is no significant difference between access to saving account and usage of that account.

t test:**Table 4: || Hypothesis 2 || Independent Sample t test statistics**

Independent Samples Test								
	Levene's Test for Equality of Variances		t-test for Equality of Means					
	F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference

						d)		nce	Lower	Upper
Types of Deposits you have	Equal variances assumed	.006	.937	-.487	428	.627	-.031	.064	-.157	.094
	Equal variances not assumed			-.485	413.987	.628	-.031	.064	-.157	.095

*Source: SPSS Output

If we considered access to saving account and usage of that account, then following statistical value are arrived:

In the case of independent sample t test (Leven's test for Homogeneity of variances), the F value is 0.006 and p value (significance value) is 0.937 and the value of t test statistic is equal to -0.487 with significance value (two tailed) 0.627.

The significance value of the test statistic makes the null hypothesis true. This means that access to saving account and usage of that account is not significantly different.

ANOVA:

Table 5: || Hypothesis 2 || ANOVA test statistics

ANOVA					
Do you save regularly?					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.604	3	.201	.805	.492
Within Groups	106.503	426	.250		
Total	107.107	429			

*Source: SPSS Output

Between access to saving account and usage of that account, the value of the test in ANOVA table is equal to 0.805 and p value is 0.492. Since the value of significance level is more than 0.05, Null Hypothesis needs to be accepted.

Testing of Hypothesis 3:

Hypothesis 3: There is no relation between availability and access to bank account.

t test:

Table 6: || Hypothesis 3 || Independent Sample t test statistics

Independent Samples Test									
	Levene's Test for Equality of Variances		t-test for Equality of Means						
								95% Confidence Interval of the Difference	
	F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper

Various Deposits Accounts (SB/FB)	Equal variances assumed	2.595	.108	2.075	428	.039	.168	.081	.009	.328
	Equal variances not assumed			2.069	416.149	.039	.168	.081	.008	.328
Various Loans	Equal variances assumed	22.098	.000	-1.642	428	.101	-.144	.088	-.316	.028
	Equal variances not assumed			-1.622	388.026	.106	-.144	.089	-.318	.030
Various Other Financial Services	Equal variances assumed	40.393	.000	-2.804	428	.005	-.241	.086	-.410	-.072
	Equal variances not assumed			-2.754	364.725	.006	-.241	.088	-.413	-.069
Various Insurance Products	Equal variances assumed	4.456	.035	-1.203	428	.230	-.1262	.1049	-.3323	.0800
	Equal variances not assumed			-1.195	408.115	.233	-.1262	.1055	-.3336	.0813

*Source: SPSS Output

1) If we considered the first factor in case of financial inclusion, i.e. Having a deposit account, then following statistical value are arrived:

In the case of independent sample t test (Leven's test for Homogeneity of variances), the F value is 2.595 and p value (significance value) is 0.108 and the value of t test statistic is equal to 2.075 with significance value (two tailed) 0.039.

To the right of the Leven test result; there are two rows of the output for the variables, corresponding to the equal and unequal variance conditions. Since we assume equal variance for this test, only top line is considered. The test statistic t is equal to 2.075. The significance value of the test statistic makes the null hypothesis false. Since p value in the test statistic is lesser than 0.05, therefore null hypothesis is rejected. This means that there is a relation between availability and access to bank account.

The Shapiro-Wilk test assesses whether there is a significant departure from normality in the distribution for each type of groups. I have applied central limit theorem. The null hypothesis in this case is that the data distribution is normal. The significance value is greater than 0.05, the null hypothesis is accepted and concludes that these data do not violate the normality assumption.

2) If we considered the other financial services (banking as well as non banking), then following statistical value are arrived:

In the case of independent sample t test (Leven's test for Homogeneity of variances), the F value is 40.393 and p value (significance value) is 0.000.

To the right of the Leven test result; there are two rows of the output for the variables, corresponding to the equal and unequal variance conditions. Since we assume unequal variance for this test, only second line is considered. The test statistic t is equal to -2.754 with a significance value of 0.006. The significance value of the test statistic makes the null hypothesis false.

ANOVA:**Table 7: || Hypothesis 3 || ANOVA test statistics**

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
Various Deposits Accounts (SB/FB)	Between Groups	3.030	1	3.030	4.304	.039
	Within Groups	301.298	428	.704		
	Total	304.328	429			
Various Loans	Between Groups	2.216	1	2.216	2.697	.101
	Within Groups	351.554	428	.821		
	Total	353.770	429			
Various Other Financial Services	Between Groups	6.228	1	6.228	7.864	.005
	Within Groups	338.983	428	.792		
	Total	345.212	429			
Various Insurance Products	Between Groups	1.705	1	1.705	1.446	.230
	Within Groups	504.482	428	1.179		
	Total	506.186	429			

*Source: SPSS Output

In availability and access to bank account, there are several factors to be considered.

1) If we considered Various Deposits Accounts, the statistics in ANOVA table, $F(1,428) = 4.304; p < 0.05$. So null hypothesis is to be rejected.

2) If we considered Various other financial services, the statistics in ANOVA table, $F(1,428) = 7.864; p < 0.05$. So null hypothesis is rejected.

13 RESULTS AND FINDINGS

The study was conducted on the BPL families of Moradabad district to understand the impact of supply side factors and demand side factors on financial inclusion. The validation of the research is done by testing of three hypotheses which is presented in the table given below. It shows that collected data supports some Null Hypotheses and some Alternate Hypotheses.

Table 8: Hypotheses Summary

Null Hypothesis	Alternate Hypothesis
Hypothesis 1: There is no relation between	Hypothesis 1: There is significant relation

occupation and satisfaction regarding financial services. ACCEPTED	between occupation and satisfaction regarding financial services. REJECTED
Hypothesis 2: There is no significant difference between access to saving account and usage of that account. ACCEPTED	Hypothesis 2: There is significant difference between access to saving account and usage of that account. REJECTED
Hypothesis 3: There is no relation between availability and access to bank account. REJECTED	Hypothesis 3: There is significant relation between availability and access to bank account. ACCEPTED

14 FINDINGS

- 1) There is significant difference between financial necessity and financial availability.
- 2) There is no relation between occupation and satisfaction regarding financial services.
- 3) There is no significant difference between access to saving account and usage of that account.
- 4) There is no significant difference between income and financial inclusion.

15 CONCLUSION

This study shows that on the part of households, low level of awareness results in financial exclusion. In order to bring the disadvantage people within the ambit of financial services, these disadvantaged people must be facilitated with information of financial products and services. Lack of awareness about financial information is a barrier in the laudable goal of financial inclusion. On the other hand, if we talk about the developed countries, financial services are the need of people like other basic need like food, water etc. but in the context of India the need of financial services does not give due weight. So it can be concluded that in order to improve the present condition of financial inclusion, Government of India and RBI should take more effective steps to provide relevant information about the financial products/services.

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