

DR. BEENA DIAS
DEPARTMENT OF MBA
ST. ALOYSIUS COLLEGE
MANGALORE 575 003

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SUMMARY OF THE FINDINGS

AN EXAMINATION OF MEASURES FOR FINANCIAL INCLUSION INTRODUCED BY BANKS IN MANGALORE DAKSHINA KANNADA DISTRICT

Financial inclusion has become one of the most critical aspects in the context of inclusive growth and development of an Indian economy. Supply of credit is a critical input for the development of rural economy. A high population of people living in rural areas remains excluded from the purview of the formal financial institutions and banking system which provide financial assistance and rural credit to the weaker section of society.

The existing extensive formal banking structure and the facilities offered by banks is not yet sufficient to meet the growing demand of rural customers. The issue under financial inclusion programme is delivering of financial products and services more especially the banking services at an affordable cost to vast sections of underprivileged and low income groups. India has, for a long time, recognized the social and economic imperatives for broader financial inclusion and has made an enormous contribution to economic development by finding innovative ways to empower the poor. Despite all these efforts, a significant proportion of the households, especially in rural areas, still remained outside the coverage of the formal banking system.

To reach out to the hitherto unreached/ remain unreachable segment of population and to provide such segment basic financial needs RBI in consultation with Government of India introduced the novel concept of financial inclusion.

The major objectives of the study are (i) to identify the various financial products offered by the banks to facilitate financial inclusion. (ii) to assess the extent to which

the financial products and services utilized by the customers (iii) to measure the impact of the financial inclusion and summarise the measures introduced by the banks with regard to financial inclusion.

The major findings are: most of the rural people operate the savings bank account for their transactions. The most challenging issue for the bank with regard to rural customers is that they do not avail the banking facilities due to physical disability, lack of know-how and huge amount of charges for availing credit. It is worth noting that around 84 per cent possess the KCC/ GCC cards for availing subsidies and credit and utilise the business correspondence model. People in the rural area are not educated by this inclusion, we can make them aware of the safety and how the money grows and deposit can be very small and how they can apply for the loan facilities. Many people are not able to trust the bank culture, and banking habits need to be making know to them by creating awareness and make them feel good. People in the rural areas do not use banking services due to high transaction cost such as travel cost, wage loss incidental expenses and minimum balance in the bank account.

According to Union Finance Ministry India has attained 99 per cent financial inclusion measure as household access to bank accounts within three months of launching PMJDY government entered the Guinness book for opening the large number of bank a/c in short time. The prime measures adopted by banks towards achieving financial inclusion of rural masses are *RuPay card, direct benefit transfer, Prime Minister Jan Dhan Yojana*. Significant strides should be taken in the area of financial inclusion so that banking in Mangalore can be a model to other banking areas in reaching the unreachable. It is equally essential to design an all-comprehensive model to reach the unbanked and poor farmers, coolly workers to deliver them from rich landlords and money lenders and to make their life easier and happier. It also helps to overcome poverty by promoting small savings and creating healthier happier families.