



AN EMPIRICAL STUDY OF THE AWARENESS AND ACCESS OF FINANCIAL INCLUSION SCHEMES IN MANGALURU CITY, KARNATAKA

* MR. JNANESHWAR PAI MAROOR

** DR. AMBALAM PUSHPANATHAN

*** DR. B VAMANA BALIGA

Abstract

Financial inclusion is the delivery of financial services or products at inexpensive costs to the underprivileged and lower income sections of the society. By providing these financial services to the people with no access to banking activities, country can achieve the goal of financial inclusion. RBI and Government of India has taken many steps and introduced many schemes in order to bring the people of the unbanked area under financial inclusion. Recently Government has come up with several financial inclusion schemes, among all those schemes Pradhan Mantri Jan Dhan Yojana has given big push for the financial inclusion in the country. This was followed by the two life insurance scheme with low premium amount and one pension scheme. Government also introduced Pradhan Mantri Mudra Yojana which will provide financial assistance to the small business units. The main objective of this study was to study the awareness of financial inclusion schemes among the customers of Mangaluru branch of a nationalized Bank.

The Study was conducted to make an attempt to understand the preference and awareness of financial inclusion among the customers of Mangaluru branch of a nationalised Bank. After getting the responses from the bank customers it was found that, majority of the people are aware about PMJDY followed by the two insurance schemes of financial inclusion. 20 percent of the people opted for both the insurance schemes and about 59 percent of the people who have enrolled for these insurance schemes are those who didn't had any insurance policy before. It was also found that majority of the respondents came to know about these schemes from the advertisement given by the Government, so it is evident that advertisement given by the Government on financial inclusion schemes has been effective. From the responses of PMJDY account holders it was found that, account holders are not operating their account frequently, most of the respondents are operating their account semi-annually. There was lack of awareness among the respondents about the Atal Pension Yojana and Pradhan Mantri Mudra Yojana loan. The number of people enrolled for APY was just 05 in the bank. It was found that the bank has given majority of Pradhan Mantri Mudra Yojana loan under Shishu scheme followed by the Tarun scheme.

Key words: *Financial inclusion, PMJDY, Financial Literacy, Economic Growth*

* Assistant Professor & Ph.D Research Scholar, Justice K.S. Hegde Institute of Management, NMAMIT, Nitte,

** Dean - Faculty of Business Studies, Vavuniya Campus of the University of Jaffna, Vavuniya, Sri Lanka,

*** Research Supervisor & Associate Professor - Commerce Department, Sri Mahaveera College, Moodbidri,



Introduction :

Financial inclusion is the delivery of financial services or products at reasonable costs to the disadvantaged and lower income segments of the society. In a contrast to financial exclusion these financial services or products are not available or affordable to these sections of the society. According to the report of United Nations, it was estimated that over 2 billion working age people around the world do not have any access to any types of formal financial services which is delivered by financial institutions of their country.

In Indian context, despite country is achieving higher economic growth rates compared to most of the developed countries in recent years, country's major portion of the population still remains unbanked. In India financial inclusion is a new socio-economic concept that targets to change this current situation by providing financial services at reasonable rates to the people who cannot be able to take these products. Creating the awareness about the availability of finance products as among these people is also considered as the part of financial inclusion scheme. Global developments have shown that, in order to reach inclusive growth and development in the underprivileged society, expansion of financial services to all the sections of society is necessary for achieving the goal of financial inclusion. As the income levels among the peoples of country is increasing consequently as well as increase in savings habit of rural people, it is necessary to help these people to manage their funds and help their receipts and payments. Allowing people to create simple no frills accounts, relaxing know your customers' norms and crediting subsidies and other benefits directly to the account holders will boost an inclusive approach to finance in rural areas and thereby achieving the goal of financial inclusion.

Objectives of the study :

1. To understand the financial inclusion and its importance.
2. To overview the current status of financial inclusion in the country.
3. To understand the measures and initiatives taken by the Government of India and RBI for promoting financial Inclusion in the country.
4. To study the preference and awareness of financial inclusion schemes among the customers of the bank through survey.

Scope of the study :

The study helps to understand the concept of financial inclusion. By conducting the survey and interview with the bank manager relevant information can be obtained. The Study helps to understand preference and awareness of bank customers towards financial inclusion schemes. This study is useful to understand the success of these schemes towards achieving financial inclusion.

Research Methodology :

The required data for the study are collected from two sources, Primary data and Secondary data sources. Primary source includes the data collected through the discussions and personal interviews with bank officials and survey of bank customers regarding their awareness and preference towards financial inclusion schemes. Secondary data includes information collected from, magazines, bank websites, RBI websites etc.

Literature Review :

The research paper titled, the role of Banking sector on financial inclusion development in India by Dr. A. Tamarasu (February 2016). This paper tries to discuss about the overview of the financial inclusion in the country. The study states that low income households often lack access to bank account and have to spend time and money for several visits in order to get the banking services. The findings of the study shows that, there has been an increase in a number of bank branches, ATM installation,



aggregate deposits and credit grants but decreasing trend in population per branch office from the year 2011 to 2015.

The research paper titled, Financial inclusion - means of inclusive growth authored by Purvi Shah and Medha Dubhashi (March 2015). In this paper author rolls out the importance of technology in delivering the financial products and mentions about the importance of technology in delivering financial products of the banks in distant areas. Thus suggests banks require restructuring their strategies to initiate specific plans in order to encourage financial inclusion among low income group people and considering it both as a business purpose as well as part of their social responsibility campaign.

The article titled Let's put the inclusive back in financial inclusion, published in the American Banker magazine in December 2015 which was authored by Christine Duhaime. In this article author mentions about the availability of services such as credit and insurance. Duhaime states that these services depend on individual's perception as well as they might think these services as relevant or irrelevant. According to author financial inclusion refers to financial services that are delivered in a stable and competitive market. Author also feels that financial inclusion also should take teenagers into consideration. According to Christine Duhaime every person and business has a right to essential banking services. The research paper titled, Financial Inclusion in India - a review of initiatives and achievements authored by Sonu Garg and Dr. Parul Agarwal (2014). The study analyzes various approaches to achieve financial inclusion such as product based approach, bank led approach, regulatory approach, technology based approach, and Governments initiatives. The study also examined the performance and achievements all scheduled commercial banks including RRBs towards reaching out to the unbanked area under financial inclusion plans.

The article titled financial inclusion; how banking is coming to India's countryside which was published on April 2008 authored by Gabriele Parussini. In this article author mentions about the role of banking system in India to bring people of the country under financial inclusion. He also stated that India is using subsidies to bring more people into financial inclusion. Author mentioned the importance of post office as well by making post offices as a payment agency, which will help the people in the rural areas to get access to financial needs. According to him poor banking infrastructure and poor service from the bank employees are the hindrances of financial inclusion in the country.

Conceptual Overview :

In India the term "financial inclusion" was first used in April 2005 by Y. Venugopal Reddy, the Governor of Reserve Bank of India during that time. Later on, this concept of financial inclusion gained importance and came to be widely used in India and as well as in abroad also. It was recognized that banking practices in the country was excluding large sections of the society than attracting these sections into the banking practices. This made banks in the country to review their existing banking practices and align them with the objective of financial inclusion.

In January 2006, the RBI permitted banks to make use of the services of nongovernmental organizations, self-help groups' and micro finance institutions as intermediaries for providing financial and banking services especially in rural areas. These intermediaries are being intended to use as a business facilitators by commercial banks. RBI suggested the commercial banks in different regions of the country to start a 100 percent financial inclusion campaign on a pilot basis. As a result of this campaign, states and union territories like Himachal Pradesh, Kerala and Puduchery, announced 100 percent financial inclusion in their all districts.

Role of RBI in promoting Financial Inclusion in India
The Reserve Bank of India has taken several steps



and introduced various initiatives to further financial inclusion in the country. Recently, RBI has issued licenses to payment banks and small banks, which will benefit the people of rural to get access to their financial requirements. RBI has introduced several schemes and measures to achieve greater financial inclusion in the country, such as opening of branches in unbanked rural centers, opening of no frills accounts, relaxation on know your customer norms, introduction of General Credit Card, simplified branch authorization etc.

Benefits of financial inclusion:

- ▶ The rural population will get access to banking activities like cash payments, cash receipts and withdrawal of money through ATMs. This will create financial literacy among the rural people.
- ▶ There will be absence of nature of savings among the people of rural areas. Financial inclusion will help to promote the habit of savings among these rural area people.
- ▶ Savings habit among the people will bring more money to the banking system, thus there will be increase in capital formation and giving an economic boost to the country.
- ▶ Direct transfer of subsidies and benefits to the bank accounts of the beneficiary, instead of physical cash payments will ensure funds will reach to the actual beneficiary.
- ▶ Easy availability of credit facilities from banking channels will exhibit the skill of entrepreneurship among the people and thereby it will encourage small and medium manufacturing units in the country.

Various financial inclusion schemes :

Over the past one year, Government of India has introduced various schemes with an objective of expanding the financial inclusion in India. This was carried out in order to provide financial services such as banking, insurance and others financial products available to the citizens of the country, especially for the low and middle class category people and make them financially secure. Various

financial inclusion schemes introduced by the Government of India are:

Pradhan Mantri Jan Dhan Yojana (PMJDY) :

PMJDY is an initiative implemented by the Government of India with an aim of providing bank account to an every Indian household. Account under this would be a normal savings bank account and it can be opened with zero balance. The account holder is liable to get the overdraft facility of Rs.5,000, if the account kept active for 6 months after opening. This account can be opened by a minor with age above 10 years. PMJDY has been implemented in 2 phases that is first phase from 28th August 2014 till 15th August 2015 and August 2015 till August 2018.

Pradhan Mantri Suraksha Bima Yojana (PMSBY):

PMSBY is considered as the cheapest accidental death cum disability insurance policy with an annual premium of just Rs.12. This scheme is introduced in the country because; nearly 80 percent of the country's population does not have any type of insurance policy. The insurance cover under this scheme is Rs.2,00,000 for accidental death and Rs.1,00,000 for partial disability. Under the scheme of policy holder need to pay the insurance premium till he attains the age of 70.

Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) :

PMJJBY is also another type of cheapest life insurance policy which is similar to PMSBY. This policy comes up with annual premium amount of Rs.330. The insurance cover offered in this scheme is Rs.2,00,000 and after the holder reaches the age of 55 years the policy gets terminated.

Atal Pension Yojana (APY) :

APY scheme was introduced with a purpose of providing pension to the workers from unorganized sector in order to meet their daily requirement after their retirement. Contribution for this scheme can be done monthly or quarterly or for every 6 months and also Government of India contributes equal



amount. Pension amount receivable is from the range of Rs.1,000 to Rs.5,000. To join APY, minimum age for an individual is 18 years and maximum age should be 40 years. There won't be any tax on the amount deposited under APY and person can claim deduction under the section 80CCD

Pradhan Mantri Mudra Yojana (PMMY) :

The primary product of Mudra will provide lending facilities to micro business units. Under the scheme of PMMY businesses which includes proprietorship or partnership firms running as small manufacturing units, shopkeepers, beauty parlors, transporters, cooperatives or body of individuals, self-help groups, repair shops, food processors, professionals and service providers etc. in both rural and urban areas with financing assistance up to Rs.10 lakh. It has been proposed to fund the units based on the stage of growth and funding needs of an entrepreneur or a micro unit. There are three products available under the scheme of PMMY, they are, Shishu, Kishor and Tarun.

Shishu: Loan amount up to Rs.50,000, this is the first stage when the business is just starting up.

Kishor: Loan amount of above Rs.50,000 and up to Rs.5 lakh.

Tarun: Loan amount above Rs. 5 lakh and up to Rs.10 lakh.

Current Status of Financial Inclusion India :

Government of India has taken a number of steps to further strengthen the process of financial inclusion in the country. Even the efforts of Reserve Bank of India to the changing needs of the economy and enabling greater access to financial services to the unbanked rural areas and less penetrated segments are praiseworthy. In India, savings generated by the household sector is more than the savings of private corporate and public sectors. So number of steps and plans has been taken by the Government and RBI to route these savings into the bank accounts.

The statistics on financial exclusion in India provides a very depressing picture. Out of over 6,00,000 rural

population in the country, only about 30,000 or just 5 percent have a commercial bank branch. The population having bank accounts are about 40 percent across the country. The proportion of people having any kind of life insurance policy is only 20 percent. People having debit cards comprise as low as 13 percent and credit card holders just 2 percent.

Out of the total number of saving bank accounts the majority of the accounts are zero balance or nil account. Status of active 'no frill accounts' is less than 10 percent. Because of the absence of financial literacy, people who are active with their banking operations are very few, as a result number of people receive bank credit are very less. Hence millions of people across the country, because of lack of financial resources, are not given the opportunity to exhibit their entrepreneurial skills and increase their earning capacity.

So in order to bring the people of the country under financial inclusion, Government of India came up with number of schemes in the last 2 years. The big push towards financial inclusion in India has come in August 2014 from the PMJDY, followed by the 2 insurance schemes namely, PMSBY and PMJJBY. These two insurance schemes are considered as the cheapest insurance schemes which comes with annual premium amount of Rs.12 and Rs.330. Along with these two insurance schemes, in order to benefit the people of unorganized sector Government came up with the pension scheme called Atal Pension Yojana, in which pension schemes comes up in a range between Rs.1,000 to Rs.5,000. Pradhan Mantri Mudra Yojana is the another financial inclusion scheme, which will benefit small business units in the country. MSME employs a large number of people in the country. So this Pradhan Mantri Mudra Yojana will help MSME sector both in urban as well as in rural areas by providing financing requirements up to Rs. 10 lakh. So in this way RBI and Government of India has taken many steps and introduced several schemes in order to achieve the financial inclusion in the country.



RBI and Government of India have the vision for 2020 to open nearly 600 million new customers' bank accounts and service them through a variety of channels with the help of information technology. However, illiteracy, low income savings and lack of bank branches in rural areas continue to be problem for financial inclusion in the country.

Financial inclusion at IOB, Mangaluru Branch :

Mangaluru branch of IOB also made its contribution towards financial inclusion in the region of its operation. Employees of the banks once participated in an initiative called walk in bank, where employees of the bank went to door steps of the people and created awareness about the banking products and schemes as well as suggested the importance of having an bank account among the people. Bank has opened 42 accounts under PMJDY and provided them with the RuPay debit cards. Bank employees also informed their customers about the insurance schemes which is introduced by the Government of India, namely PMSBY and PMJJBY. Under PMSBY, 282 people and under PMJJBY 182 people enrolled for these particular insurance schemes. 5 people enrolled for the Atal Pension Yojana in the bank. IOB Mangaluru branch also gave loan to 98 people under the scheme of PMMY, which will fund the businesses with the stage of growth and funding needs of the business unit or entrepreneur. Bank gave the loan of Rs.49.78 lakh under this financial inclusion scheme and thereby helping the entrepreneurs and business units of the nearby regions.

Data Analysis and Interpretation :

In this study, 100 responses of bank customers are taken using questionnaire and arrived at the conclusion. The objective behind this study was to understand the preference and awareness of financial inclusion schemes among the customers of a nationalized Bank, Mangaluru branch. After obtaining the responses from the bank customers, data was analyzed through the software called SPSS. Following are the output of the survey conducted;

Table No. 1: Table showing gender composition of the respondents

		Frequency	Percent
Valid	Male	53	53.0
	Female	47	47.0
	Total	100	100.0

Interpretation: Among the survey conducted of 100 bank customers 53 percent are male respondents and 47 percent are female respondents.

Table No. 2: Age group of the respondents

		Frequency	Percent
Valid	Below 20 years	2	2.0
	20 - 30 years	15	15.0
	31 - 40 years	36	36.0
	41 - 50 years	26	26.0
	50 years above	21	21.0
	Total	100	100.0

Interpretation: Majority of the people involved in the survey belongs to the age group of 31 to 40 years that is they form more than 36 percent of the total number of respondents and 26 percent of respondents belongs to the age group of 41 to 50 years. Survey also included 21 percent of respondents above the age of 50 years and remaining 17 percent of the respondents were from the age group of below 30 years. So this survey included 83 percent of the respondents from the age group of above 30 years.

Table No. 3: Table showing type of account respondents have at IOB

		Frequency	Percent
Valid	Savings Bank A/c	90	90.0
	Savings Bank A/c & Fixed Deposit A/c	9	9.0
	Savings Bank A/c & Recurring Deposit A/c	1	1.0
	Total	100	100.0



Interpretation: Among the respondents of 100 people, 90 percent of the people only have savings bank account in Mangaluru branch of IOB. Remaining 8 percent of the people have savings bank account along with fixed deposit account and 1 percent has savings bank along with recurring deposit account.

Table No. 4: Table showing reason for opening above mentioned account

	Frequency	Percent
Valid To save money	79	79.0
To request for a loan	21	21.0
Total	100	100.0

Interpretation: From the above diagram it is clear that the main reason behind people opened account is to save money rather than to request for a loan. The respondents who had given their reason for saving money is 79 percent and the people who opened account in order to get loan facilities in the bank is 21 percent.

Table No. 5: Table showing awareness about the following financial inclusion schemes in the bank

	Yes	No
1. PradhanMantri Jan DhanYojana (PMJDY)	83	17
2. Atal Pension Yojana (APY)	33	67
3. Pradhan Mantri SurakshaBimaYojana (PMSBY)	66	34
4. Pradhan Mantri Jeevan Jyoti BimaYojana (PMJJBY)	59	41
5. Pradhan Mantri Mudra Yojana (PMMY)	29	71

Interpretation: Among all the schemes included in financial inclusion people have highest awareness of PMJDY which can be interpreted by analyzing the above table and chart. Following PMJDY people are also shown good awareness about the insurance schemes that is PMSBY and PMJJBY. But on an average about 69 percent of people involved in the survey does not have enough knowledge about APY and PMMY.

Table No. 6: Table showing financial inclusion schemes for which respondents enrolled for in the Mangaluru IOB branch

	Frequency	Percent
Valid PMJDY	35	35.0
PMSBY	19	19.0
PMJJBY	7	7.0
PMMY	14	14.0
APY, PMSBY& PMJJBY	5	5.0
PMSBY & PMJJBY	20	20.0
Total	100	100.0

Interpretation: From the above diagram it is clear that, people who have enrolled for the insurance scheme is more than the other financial inclusion schemes. Among the survey conducted, 44 people are enrolled for PMSBY and 32 people enrolled for another insurance called PMJJBY. It is evident from the above diagram is that 20 percent of the respondents are opted for both the insurance schemes, so as 5 percent of the respondents opted for APY as well along with these 2 insurance schemes. Among the survey, people who have opened account under PMJDY are 35 percent and respondents who have taken loan under PMMY are 14 percent.

Table No. 7: Table showing how the respondents get to know about the financial inclusion schemes which they are enrolled for

	Frequency	Percent
Valid Advt. by the Government	39	39.0
Bank employees	27	27.0
Friends	13	13.0
Family members	21	21.0
Total	100	100.0

Interpretation: As per the responses received from the survey conducted about 39 percent people have the opinion that they have got knowledge about various schemes involved in financial inclusion is through the advertisement initiatives done by the government and about 27 percent of the people from bank employees. Remaining 34 percent of the respondents came to know about these schemes from their family members and friends.



Table No. 8: Table showing awareness of the respondents who has opened PMJDY account in the bank

1.Are you aware about the overdraft facility of Rs. 5000?			
Yes	Percent	No	Percent
28	80	7	20
2.Are you aware about accident insurance of Rs. 1,00,000?			
Yes	Percent	No	Percent
14	40	21	60
3.Have you taken RuPay Debit card?			
Yes	Percent	No	Percent
35	100	0	0

Interpretation: Among all the people involved in the survey conducted among customers of Mangaluru IOB branch 80 percent of the people are aware of the overdraft facility of Rs.5,000 provided under this scheme of PMJDY. But about 60 percent of the people are unaware about accident insurance cover of Rs.1,00,000. All the customers involved in the survey have taken the RuPay Debit card.

Table No. 9: Table showing how often PMJDY account holders do transaction with their PMJDY account

		Frequency	Percent
Valid	Monthly	3	8.6
	Quarterly	8	22.9
	Semi-Annually	16	45.7
	Yearly	8	22.9
	Total	35	100.0

Interpretation: As per the survey results most of the people involved in the survey that is about 45 percent of respondents use their PMJDY account semi-annually and very less number of people use it on a monthly basis. About 23 percent of people use their PMJDY account quarterly and yearly. So from this we can note that people are not doing regular transaction in their PMJDY accounts.

Table No. 10: Table showing reason of respondents who have opened PMSBY and PMJJBY in bank

		Frequency	Percent
Valid	There was no insurance cover before	30	58.8
	Very low amount of premium	19	37.3
	Easy payment of premium amount through auto debit system from S.B A/c	2	3.9
	Total	51	100.0

Interpretation: As per the study conducted the main reason for people to opt for PMSBY and PMJJBY scheme is to get an insurance cover which they didn't had earlier. About 37 percent of the respondents have the opinion that the main reason for opting for these schemes is that, premium amount for these schemes is very less; this made them to take these insurance schemes. Only 4 percent of the respondents feel that easy payment of premium amount through auto debit system from their savings bank account influenced them to take these schemes.

Table No. 11: Table showing respondents opinion about amount covered under PMSBY and PMJJBY is too less or not

		Frequency	Percent
Valid	Yes	5	9.8
	No	46	90.2
	Total	51	100.0

Interpretation: Among the people involved in the survey felt that amount covered under PMSBY and PMJJBY schemes is not too less. According to them, as the premium amount of these insurance schemes are very low the amount covered is also comparatively worth. Only 9.8 percent of the respondents felt that amount covered under these 2 insurance schemes is less. They wanted insurance cover of Rs.3,00,000 to Rs.4,00,000 for these schemes.

Table No. 12: Table showing reason of respondents for not opting PMSBY and PMJJBY insurance schemes



	Frequency	Percent
Valid Already covered under some other life insurance scheme	21	42.9
Not aware about these schemes	28	57.1
Total	49	100.0

Interpretation: According to the respondents who were not opted for financial inclusion insurance schemes, the main reason for not opting for these schemes is that they are not aware about these schemes. 57 percent of respondents mentioned as they were not aware of PMSBY and PMJJBY insurance schemes. Remaining 47 percent of the people were already covered under some other life insurance schemes, so this made them to not to opt for these schemes.

Table No. 13: Table showing reason of respondents for opting for APY

	Frequency	Percent
Valid To get monthly income after the age of 60	5	5.0

Interpretation: Among the responses of 5 people who were enrolled for APY, all had same reason behind opting for this scheme. All respondents had the reason that, they want to get monthly income after the age of 60 that is the reason why these people enrolled for this scheme.

Table No. 14: Table showing Pension amount enrolled by the respondents under APY

	Frequency	Percent
Valid Rs.1,000	1	20.0
Rs.2,000	1	20.0
Rs.5,000	3	60.0
Total	5	100.0

Interpretation: Among the 5 people who were enrolled for the APY, 3 respondents are opted for the monthly pension amount of Rs.5,000. 2 respondents are opted for the monthly pension amount of Rs.1,000 and Rs.2,000 respectively.

Table No. 15: Table showing under which scheme of PradhanMantri Mudra Yojana (PMMY) respondents has taken loan

	Frequency	Percent
Valid Shishu	12	85.7
Kishor	2	14.3
Total	14	100.0

Interpretation: From the survey conducted, 14 respondents had taken loan under PMMY. Among 14 respondents, 12 had taken PMMY loan under Shishu scheme, under which person can get loan up to Rs.50,000 and 2 respondents had taken loan under Kishor scheme, under which loan amount ranges from Rs.50,000 to Rs.5,00,000. We can see here bank has given major portion of PMMY loan under Shishu scheme that is 85.7 percent of the respondents took loan under this scheme.

Major Findings :

This study was about understanding the preference and awareness of financial inclusion schemes among the customers of Mangaluru branch of Indian Overseas Bank. The major findings of the study are as follows;

1. Among the five schemes of financial inclusion, bank customers are more aware about the PMJDY compared to other four schemes. Two insurance schemes namely PMSBY and PMJJBY are next two schemes which the customers are more about. APY and PMMY are the less known financial inclusion schemes among the respondents.
2. PMSBY and PMJJBY are the most enrolled financial inclusion schemes among the respondents. It was found that most of the people who have enrolled for PMJJBY, enrolled for PMSBY as well because it's cheap premium amount.
3. APY is the second less known scheme among the survey respondents. It is also a less enrolled scheme and only 5 people have enrolled for this scheme in the bank. The main reason behind these people opting for this scheme is to get monthly income after the age of 60.



4. Advertisement given by the Government on various financial inclusion schemes influenced majority of the respondents to open or enroll for the particular schemes. So it is evident from the survey that advertisement given by the Government has been effective in making people aware about these schemes. Even the employees of the bank also played their role in creating awareness about these financial inclusion schemes.
5. Most of the respondents who had opened account under PMJDY are aware about the overdraft facility of Rs.5,000 and majority of people are unaware about the accident insurance of Rs.1,00,000. The bank has given RuPay debit card to all the account holders of PMJDY.
6. Most of the account holders of PMJDY account are operating their account semi-annually and yearly. The account holders who operate their account regularly or monthly are very less.
7. Majority of the respondents who have enrolled for the insurance scheme of PMSBY and PMJBY didn't had any insurance cover before. The very purpose behind the launch of these two schemes is that 80 percent of the people in the country didn't had any insurance cover. As the premium amount for these schemes is very less, this influenced the people to opt for these schemes. Few people also mentioned as a very low amount of premium is also the reason for opting these schemes.
8. About 90 percent of the respondents had the opinion that amount covered under PMSBY and PMJBY are not too less because the premium amount also for these schemes are very less. Only about 10 percent of the people expressed as insurance cover should range from Rs.3,00,000 to Rs.4,00,000. The majority of people who were not covered under these schemes were not aware about these schemes.
9. Among the survey conducted it was found that, major portion of the loan given under the scheme of PMMY are given under Shishu scheme.

Overall bank has given 83 loans under Shishu and 15 loans under Tarun scheme. Bank has not given any loan under Kishor scheme of PMMY.

10. As the PMMY loan is given for the small business units, the most common businesses for which loan has been taken is tailoring shop, hotel business, fish storage, dry coconut business, cloth shop etc. Providing these businesses will boost the manufacturing activities and thereby adding the people into financial inclusion.

Suggestions :

1. The bank should create awareness among its customers about APY, for which only 5 people enrolled so far in bank. Also communicate to the customers about the insurance schemes, which are being considered as the cheapest life insurance scheme available in the country.
2. Bank should try to educate PMJDY account holders and should encourage them to regularly operate their account. By informing the benefit of carrying out regular transactions, that is overdraft facility of Rs.5,000, bank can encourage account holders keep their account active and get more money into the bank.
3. Bank should inform its customers about loan facilities under PMMY. It will encourage small business units to grow and thereby increasing the manufacturing activities around the region.

Conclusion :

Inclusive financing is very necessary for the developing nation like India, where most of the people still do not have any bank accounts, insurance policy and lack credit facilities to carry out the business operations. In order to avoid all these problems and bring these unbanked or the people who still do not have any access to banking operations financial inclusion plays an important role. The recent few financial inclusion schemes such as PMJDY, PMSBY, PMJBY, APY and PMMY have given boost to financial inclusion in the country.

In the study conducted it was found that people who didn't had the insurance policy took insurance



cover in the bank is a positive result for the campaign of financial inclusion. So as many of the people took loan under PMMY in order to carry out their business activities seems to be the useful way to promote the small business units. Even though few financial inclusion schemes got positive response from the people other few schemes yet to reach to the public, one among is that APY, under which only 5 people enrolled their name for this scheme. The PMJDY accounts also are not being operated regularly by the account holders. Bank should try enroll more people for APY and must encourage PMJDY account holders do keep their account active. If these things get settled, then the bank's contribution towards reaching out to the goal financial inclusion will have positive results.

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