A STUDY OF ISSUES OF FINANCIAL INCLUSION IN UNBANKED AREA OF JALGAON DISTRICT WITH SPECIAL REFERENCE TO IDBI BANK LTD

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ABSTRACT
With focus on inclusive growth, the Indian government has been encouraging opening of bank accounts for the nation's huge unbanked population by providing government benefits through such accounts. ICT solutions have made such initiatives possible at relatively low cost.

While the growth, that India has seen during the past decade has been impressive, there are some concerns about the dimensions related to financial services. Lot of work needs to be done before the concerns of absolute poverty can be addressed. The low income households in India have very little awareness of banking, credit and insurance related services through which they can enhance and protect their financial resources during times when they are unexpectedly struck by illness, natural disasters or death of the primary breadwinner.

http://www.iaeme.com/ijm/issues.asp?JType=IJM&VType=7&IType=4

INTRODUCTION
Inclusive funding or financial inclusion is the delivery of monetary services at reasonable prices to units of underprivileged and low income parts of society, in distinction to monetary exclusion wherever those services don't seem to be presented or reasonable. Associate degree calculable a pair of billion working-age adults...
globally haven't any access to the kinds of formal monetary services delivered by regulated monetary establishments. As an example in geographical area solely pure gold of adults have a checking account although Africa's formal monetary sector has big in past few years. It is argued that as banking services square measure within the nature of public good; the setting up of banking and payment services to the whole population while not discrimination is that the main objective of monetary inclusion public policy.

THE EXTENT OF FINANCIAL EXCLUSION IN INDIA

The Indian Government has always given a priority to the inclusive growth. In last there has been a development in some policy and regulation institutes e.g. Indian Government, RBI, IRDA, PFRDA (for micro- pensions), offering several of policies and regulations are having inclusive growth as their mission. The banking sector has taken a lead role in promoting financial inclusion. In rural areas there has been a huge increase in the number of bank branches. The network of branches has increased to 89000 which were near around 8000 in 1969 as it has been continuously spreading across the country. However, the initiatives for strengthening financial inclusion have no considerable influence on the lives of the people which is excluded. The unbanked population is almost half of the Indian population. The deposit account holders are around 55 % of the Indian population and around 9 % have credit accounts with banks. In accordance with observation of Reserve Bank of India (RBI), India is the home to largest number of unbanked families (more than 145 million). There is only one bank branch per 14,000 people. Though India is having near around 6 lakhs villages, Scheduled commercial banks (SCBs) and Regional Rural Banks (RRBs) are numbered only 33,495.

The Reserve Bank of India is acknowledging the need of marching up and branch openings in rural zones so as to expand banking penetration and financial inclusion. The advice as part of risk management to adopt ICT solutions has been given to the banks including biometric identification of the customer. It has been advised to the domestic Scheduled Commercial Banks (SCBs) for allocating at least 25% of the total number of branches needs to be opened during a year to unbanked rural centres (Tier 5 & Tier 6 centres). When it comes to insurance, we have financial exclusion on an even larger scale. The facilities like life insurance is taken by lower than 20 % of the population.

REVIEW OF LITERATURE

Paper entitled Pradhan Mantri Jan DhanYojana (PMJDY): A New Drive Towards Financial Inclusion In India published by Rajanikanta Khuntia (M Com, Mphil, Ugc Net), in Zenith International Journal Of Business Economics & Management Research, Issn 2249- 8826 Zijbemr, Vol.4 (11), November (2014), Pp. 10-20.Policymakers and government have been giving a slogan of financial inclusion for a long time. By realizing the fact that the economic growth and progress of a country like India depends on the financial inclusion, many policymakers and financial institutions are attempting to get large segments of the rural population within the banking systems. Inclusive growth becomes impossible without financial inclusion. Financial inclusion is also must for the economic development of the country. As a big portion of total population remains separate from the growth process, the economic progress is not possible in the absence of Financial Inclusion. The economic growth of India is at one digit but the economic situation of folks in rural
zones becoming more and more worst because of the financial exclusion of the one of the major reason of poverty. In India negligible population can enjoy services like savings and internet banking but basic financial services like savings, credit and insurance facilities are not even accessible to near around 40% of population. Also near around ten crores of families have been kept away from connecting to the banking networks even after 68 years of independence. Bringing every household within the grasp of the banking organizations there has been an ongoing process started a decade ago. However, the present Indian government has packaged it in a mission mode and made it an achievable target. In order to reduce the degree of “financial Untouchability” the new government has come up with a big bang action plan which is popularly known as “Pradhan Mantri Jan-DhanYojana”. It’s a mega financial inclusion plan with the objective of covering all households in India with banking facilities along with inbuilt insurance coverage. The purpose is to speed up progression, combat poverty successfully and empowering the last person in the last row in Indian economy. Amid this context, the current paper endeavors’ to learn the latest drifts in financial inclusions in country with special mention to PMJDY, analysis of its different key areas, the barriers in the process and recommends approaches to safeguard supreme financial inclusion for the deprived and unbanked segments.

RESEARCH METHODOLOGY OF THE STUDY

Objectives of the Study
1. To study the Financial Inclusion concept.
2. To identify the key issues about Financial Inclusion concept among unbanked area of Jalgaon District.

Hypotheses of the Study
H₀- There is positive perception about issues of Financial Inclusion concept among unbanked area of Jalgaon District.
H₁- There is not positive perception about issues of Financial Inclusion concept among unbanked area of Jalgaon District.

SCOPE OF THE STUDY
The unbanked village residents will be the main respondent in this study. Perception of those people will reflect the exact scenario of issues about Financial Inclusion concept at the ground level.

Data Collection
Primary Data The study is carried on analysis of Primary Data. The detailed questionnaire is prepared to collect relevant information from the primary source for the guidance of the researchers. With the help of the questionnaire,
Secondary Data- Researcher use various published data and reports

RESEARCH AREA
Researchers selected unbanked villages of Jalgaon District. There are 142 unbanked villages in Jalgaon District and around 189 residents have been responded from around 19 villages. Researcher collects data through Primary and Secondary sources.
A Study of Issues of Financial Inclusion In Unbanked Area of Jalgaon District with Special Reference To IDBI Bank Ltd

Limitations of the study
Sample size could be increase which may lead towards more clear idea while studying the topic and the more widely geographical area could be selected such as Maharashtra State.

Data Analysis
Researcher prepared the questionnaire for unbanked village residents and distribute it among the unbanked village residents in Jalgaon District. After receiving the questionnaire, researcher Analyse the questionnaire.

Table 1 Information of questionnaire

<table>
<thead>
<tr>
<th>Sr No</th>
<th>Total Respondents</th>
<th>Questionnaire distributed</th>
<th>Questionnaire received</th>
<th>Questionnaire rejected</th>
<th>Sample size for study</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>200</td>
<td>200</td>
<td>195</td>
<td>6</td>
<td>189</td>
</tr>
</tbody>
</table>

There are 195 questionnaire received from respondents, after analysis, researcher rejected incomplete, Partially filled, improper questionnaires.

Table 2 Information regarding issues about Financial Inclusion concept among respondents

<table>
<thead>
<tr>
<th>S N</th>
<th>Issues about Financial Inclusion in unbanked area of Jalgaon District</th>
<th>Proportion of respondents who stated the aspects as either very important or important</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>The unawareness about banking process</td>
<td>0.84</td>
<td>81</td>
<td>78</td>
<td>7</td>
<td>11</td>
<td>12</td>
</tr>
<tr>
<td>2</td>
<td>Insufficient existing formal credit delivery mechanism</td>
<td>0.83</td>
<td>79</td>
<td>77</td>
<td>10</td>
<td>7</td>
<td>16</td>
</tr>
<tr>
<td>3</td>
<td>Lack of improvement in credit absorption capacity especially amongst marginal and sub marginal farmers and poor non-cultivator households</td>
<td>0.77</td>
<td>71</td>
<td>75</td>
<td>33</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>4</td>
<td>Customers are not familiar with use of ICT in banking (especially rural customer)</td>
<td>0.63</td>
<td>68</td>
<td>51</td>
<td>15</td>
<td>33</td>
<td>22</td>
</tr>
<tr>
<td>5</td>
<td>Field issues such unavailability of place for bank, staff unavailability, network problems etc</td>
<td>0.62</td>
<td>62</td>
<td>55</td>
<td>25</td>
<td>29</td>
<td>18</td>
</tr>
<tr>
<td>6</td>
<td>Others</td>
<td>0.34</td>
<td>25</td>
<td>39</td>
<td>15</td>
<td>29</td>
<td>81</td>
</tr>
</tbody>
</table>

Issues about Financial Inclusion in unbanked area of Jalgaon District 0.67 | 64 | 63 | 18 | 19 | 26
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Graph 1: Graphical Information regarding issues about Financial Inclusion concept among respondents

![Graph 1](image)

Testing of Hypothesis

<table>
<thead>
<tr>
<th>SN</th>
<th>Issues about Financial Inclusion in unbanked area of Jalgaon District</th>
<th>Proportion of respondents who stated the aspects as either very important or important</th>
<th>SD</th>
<th>$H_0$</th>
<th>$H_1$</th>
<th>Z value</th>
<th>Z_table</th>
<th>p value</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>The unawareness about banking process</td>
<td>0.84</td>
<td>0.03</td>
<td>$P = 0.5$</td>
<td>$P \neq 0.5$</td>
<td>12.84</td>
<td>1.64</td>
<td>0.0000</td>
<td>Reject $H_0$ ($P &gt; 0.5$)</td>
</tr>
<tr>
<td>2</td>
<td>Insufficient existing formal credit delivery mechanism</td>
<td>0.83</td>
<td>0.03</td>
<td>$P = 0.5$</td>
<td>$P \neq 0.5$</td>
<td>11.78</td>
<td>1.64</td>
<td>0.0000</td>
<td>Reject $H_0$ ($P &gt; 0.5$)</td>
</tr>
<tr>
<td>3</td>
<td>Lack of improvement in credit absorption capacity especially amongst marginal and sub marginal farmers and poor non-cultivator households</td>
<td>0.77</td>
<td>0.03</td>
<td>$P = 0.5$</td>
<td>$P \neq 0.5$</td>
<td>8.94</td>
<td>1.64</td>
<td>0.0000</td>
<td>Reject $H_0$ ($P &gt; 0.5$)</td>
</tr>
</tbody>
</table>
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<table>
<thead>
<tr>
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<th>Issues about Financial Inclusion in unbanked area of Jalgaon District</th>
<th>Proportion of respondents who stated the aspects as either very important or important</th>
<th>SD</th>
<th>( H_0 )</th>
<th>( H_1 )</th>
<th>( Z ) value</th>
<th>( Z_{\text{table}} )</th>
<th>( p ) value</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>Customers are not familiar with use of ICT in banking (especially rural customer)</td>
<td>0.63</td>
<td>0.04</td>
<td>( P = 0.5 )</td>
<td>( P \neq 0.5 )</td>
<td>3.69</td>
<td>1.64</td>
<td>0.0001</td>
<td>Reject ( H_0 ) (( P &gt; 0.5 ))</td>
</tr>
<tr>
<td>5</td>
<td>Field issues such unavailability of place for bank, staff unavailability, network problems etc</td>
<td>0.62</td>
<td>0.04</td>
<td>( P = 0.5 )</td>
<td>( P \neq 0.5 )</td>
<td>3.37</td>
<td>1.64</td>
<td>0.0004</td>
<td>Reject ( H_0 ) (( P &gt; 0.5 ))</td>
</tr>
<tr>
<td>6</td>
<td>Others</td>
<td>0.34</td>
<td>0.03</td>
<td>( P = 0.5 )</td>
<td>( P \neq 0.5 )</td>
<td>-4.69</td>
<td>1.64</td>
<td>0.0000</td>
<td>Reject ( H_0 ) (( P &lt; 0.5 ))</td>
</tr>
</tbody>
</table>

**FINDINGS**

1. The unawareness is most influencing factor while considering Financial Inclusion in the unbanked area of Jalgaon District which is quite obvious as there is no any educational strong support system in the village as compared to other one.

2. The main interesting fact is that, the respondent are expecting hassle free and transparent credit delivery/distribution system as credit availability plays vital role in the life of village residents which is mainly farmer by profession.

**CONCLUSION**

The unbanked village residents had raised the various angles while talking about issues of Financial Inclusion in the unbanked area of Jalgaon District. They expects the mentioned issues to be kept in mind while Financial Inclusion in unbanked area of Jalgaon District
REFERENCES


