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Financial inclusion with reference to the students of V.P.I.M.S.R.

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Abstract:

Financial Inclusion is delivery of banking services at an affordable cost to the vast sections of disadvantaged and low-income groups. The main focus of financial inclusion in India is to promote sustainable development and generating employment in rural areas for the rural population. There are many factors affecting access to financial services by weaker section of society in India. Several steps have been taken by the Reserve Bank of India and the Government to bring the financially excluded people to the fold of the formal banking services.

Keywords: *Financial Inclusion, Inclusive Growth, Bank, Finance*

1.1 Introduction:

Financial inclusion refers to efforts to make financial products and services accessible and affordable to all individuals and businesses, regardless of their personal net worth or company size. Financial inclusion strives to remove the barriers that exclude people from participating in the financial sector and using these services to improve their lives. It is also called inclusive finance. In today's most of the things are driven by technology and with that note Financial Technology (fin-tech) is in great demand due to it' paper less services and user friendly technology. In digital world financial inclusion has played a major role in providing financial services from comfort of their home and being able to accessible to this services it is the right of a common man, Individuals attitude towards carrying out financial transactions independently is known as financial literacy connoting to financial inclusion thereby. Also Financial Inclusion ignites behavioral changes in consumers and banks and, achieves monetary, financial stability, and policy areas involved in central banking.

Definition:

Financial inclusion may be defined 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 (The Committee on Financial Inclusion, Chairman: Dr. C. Rangarajan).

Financial Inclusion refers to universal access to a wide range of financial services at a reasonable cost. These include not only banking products but also other financial services such as insurance and equity products (The Committee on Financial Sector Reforms, Chairman: Dr. Raghuram G. Rajan).

1.2 Objectives:

1) To Study the concept of financial inclusion.

2) To analyze the financial literacy level among students of V.P.I.M.S.R.

1.3 Review of literature:

1) When Dr. K. C. Chakrabarty, (September 2011) Deputy Governor, Reserve Bank of India at the BIS-BNM. Workshop on Financial Inclusion Indicators Keynote address on Financial Inclusion, Mumbai.

Financial inclusion is the process of ensuring access to appropriate financial products and services needed by all sections of society including vulnerable groups such as weaker sections and low-income groups at an affordable cost in a fair and transparent manner by mainstream institutional players. This issue started gaining importance recently in the news media. IIMB-WP N0. 474 5 However, as is the case with several issues in India, financial inclusion has remained a pipe dream with a majority of Indians continuing to lack access to banking services.

2) According to, "Report on Financial Sector Reforms" Published on 2009 by Planning Commission under the Chairmanship of Dr. Raghuram G. Rajan.

It was found that the Financial inclusion refers to universal access to a wide range of financial services at a reasonable cost. These include not only banking products but also other financial services such as insurance and equity products. The household access to financial services includes access to contingency planning, credit and wealth creation. Access to contingency planning would help for future savings such as retirement savings, buffer savings and insurable contingencies and access to credit includes emergency loans, housing loans and consumption loans. On the other hand, access to wealth creation includes savings and investment based on household's level of financial literacy and risk perception.

3) A Committee had taken a place on Financial Inclusion by Government of India as on year 2008 (by Chairman: Dr. C. Rangarajan).

The committee was mainly focused on Financial inclusion as the main topic and they found 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. The meaning of financial inclusion is delivery of financial services to the low-income groups especially the excluded sections of the population with the provision of equal opportunities. The main target is the access of financial services for better standard of living and income.

4) According to a GLOBAL FINANCIAL DEVELOPMENT REPORT 2014 published by (World Bank 2014),

Financial Inclusion is defined as the emergence of financial inclusion promotes social inclusion through convenient access, availability, and usage of rules-based formal financial services by the "newly banked". These are generally underprivileged population segments, vulnerable groups such as rural dwellers, women, and low-income families who benefit enormously from basic financial services like savings, borrowings, payment, and insurance.

1.4 Research methodology:

Worked on the financial literacy of the students of 'V.P.I.M.S.R. Sangli' and data collected for the research, is mainly based on primary data and secondary data.

♦ SAMPLE SIZE:

The population of the V.P.I.M.S.R. students is 800

Randomly the respondents were selected on the basis of 10% of the total population

Hence, the sample size is 80 students.

♦ TOOLS USED:

For the study of financial inclusion, mainly the data was collected through structured questionnaire, books and articles published on various websites.

♦ DATA COLLECTION:

For studying the Financial Inclusion in V.P.I.M.S.R. sangli, the data was collected through-

1) Primary Data-

2) Secondary Data-

- Primary data

  The first-hand information for the study has been collected known as primary data. For this purpose, the structured questionnaire was prepared and data collected.

- Tool

  -Questionnaire:

  To collect the relevant data, questionnaire had been prepared so as to collect as many data possible for the study.

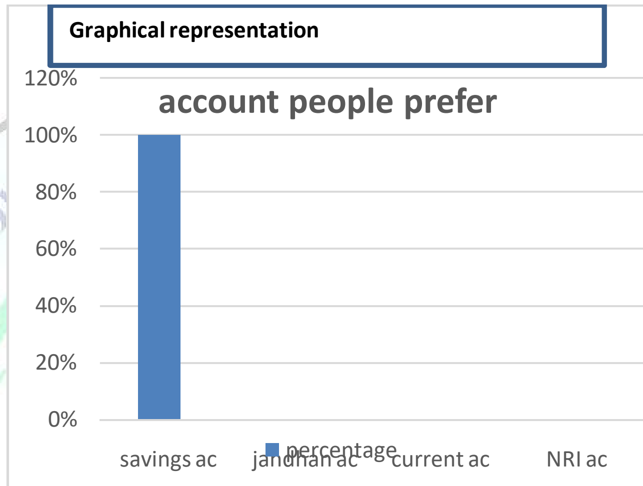
- Secondary data

  Data was collected from various websites, articles and past published research reports.

Data Analysis:

Table 1.1 Type of account people prefer

Type of account	No. of responses	Percentage %
Savings ac	80	100
Jandhan ac	0	0
Current ac	0	0
NRI ac	0	0
Total	**80**	**100**



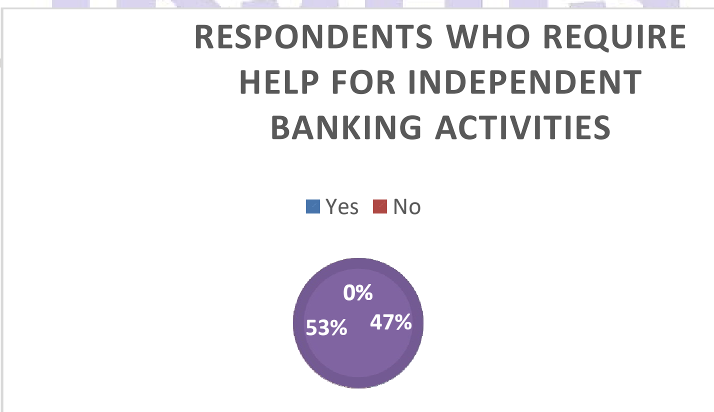
Interpretation:

The above table and graph shows that higher percentage in Savings type of bank account with an 100% pole, which indicates people prefer savings ac more than any type of account. Hence, we can say that savings ac is the most preferred type of account.

Table 1.2 Respondents who require help for independent banking activities

Particulars	No. Of responses	Percentage %
Yes	38	47.4
No	42	52.6
Total	**80**	**100**

Graphical representation:



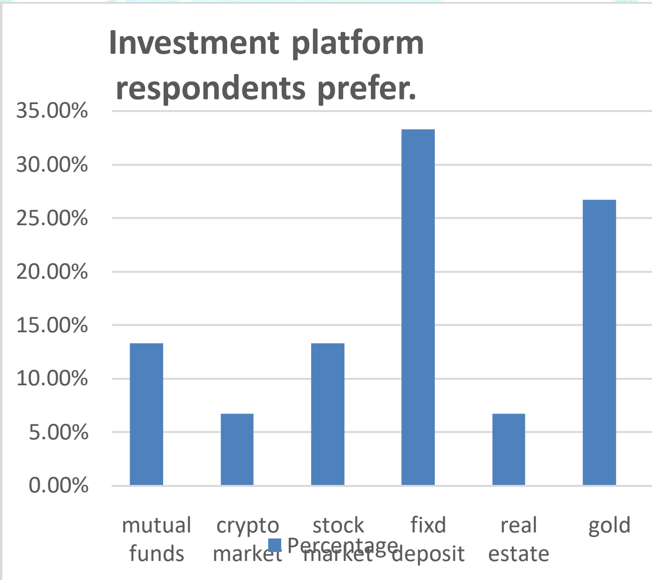
Interpretation:

The above table and graph, shows that most of the respondent can do independent banking activities, with a percentage of (52.6%).Hence, respondents are self-sufficient for all the independent activities.

Table 1.3 Investment platform respondents prefer.

Investment channels	No. Of responses	Percentage %
Mutual funds	11	13.3
Crypto Market	5	6.7
Stock market	11	13.3
Fixed Deposit	27	33.3
Real estate	5	6.7
Gold	21	26.7
Total	**80**	**100**

Graphical representation:



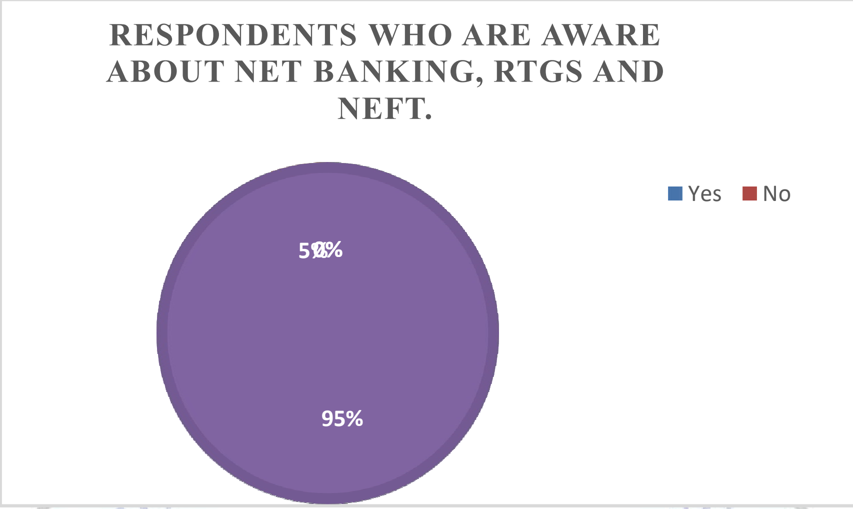
Interpretation:

The above table and graph shows that there's a good response for Fixed deposit with a percentage of (33.3%) and then we have gold which is (26.7%). while being the less percentage of (6.7%) of both in gold and crypto market.

Table 1.4 Respondents who are aware about NET banking, RTGS and NEFT.

Particulars	No. Of responses	Percentage %
Yes	75	94.7
No	5	5.3
Total	**80**	**100**

Graphical representation:



Interpretation:

The above table and graph shows Respondents are mostly aware about NET banking, RTGS and NEFT, with a percentage of (94.7%) and around (5.3%) of them are unaware about this terms.

Conclusion:

Financial inclusion strengthens the availability of economic resources and builds the concept of savings among the poor. Financial inclusion is a major step towards inclusive growth. It helps in the overall economic development of the underprivileged population. In India, effective financial inclusion is needed for the uplift of the poor and disadvantaged people by providing them with the modified financial products and services.

In a diverse country like India, financial inclusion is a critical part of the development process. Since independence, the combined efforts of successive governments, regulatory institutions, and the civil society have helped in increasing the financial-inclusion net in the country. The state of financial inclusion has improved considerably over time. However, the financial inclusion hasn't reached the poorest of the poor and there exist many bottlenecks and challenges which need immediate attention. Thus, there exists both a great need and the potential to tap into the unbanked population and bring them into the financial net.Financial inclusion can boost the growth of a country and its people with creating the right awareness among people.

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