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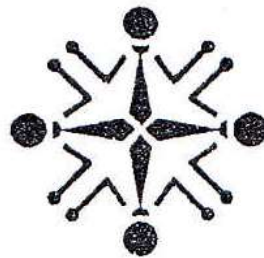
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**"REDEFINING HR PRACTICES FOR
SUSTAINABLE DEVELOPMENT"**

16th & 17th Feb. 2018

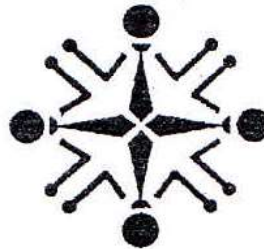
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In Collaboration with
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REVIEW OF RESEARCH

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ECONOMIC & SOCIAL IMPACT OF FINANCIAL INCLUSION WITH SPECIAL REFERENCE TO IDBI BANK BRANCH OGALEWADI (KARAD)

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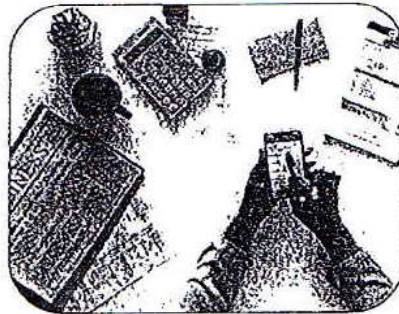
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FINANCIAL INCLUSION:-

'Financial Inclusion' is the procedure of providing contact to 'financial products' and 'services' desired by valuable groups as 'laker sections' and 'lower revenue groups' next to an sable price in a 'fair' and 'transparent' mode for all financial ite level

It can be achieved by setting up of regular/small/ultra small hes or appointment of Business Correspondent at the unbanked



Financial Inclusion comprises of 'Two Aspects':-

Financial Literacy which addresses the 'Demand Side'.

Banking Services with appropriate products through various distribution channels which addresses the 'Supply Side'.

OBJECTIVES OF STUDY:-

Study the development of 'IDBI Bank' in 'Financial Inclusion Plan'.

Analyze the existing status of 'financial inclusion' in 'Indian economy'.

Observe Economic and social objectives.

Generate 'awareness of Mobilization of savings'.

Promote 'Financial Literacy' and 'Credit counseling' in continuous process in nature

SCOPE OF STUDY FINANCIAL INCLUSION:-

Scope of study is limited to Ogalewadi (Karad) Branch only.

Project title is "A Study of Financial Inclusion with reference of IDBI Bank, Ogalewadi Branch."

Understanding scope of services provided for Financial Inclusion in IDBI Bank, Ogalewadi Branch at local level.

IMPORTANCE OF STUDY FINANCIAL INCLUSION:-

The IDBI Bank has been focusing on financial inclusion of rural and semi-rural areas for three most important pressing points;

Study in detail all Financial Inclusion services provided by IDBI Bank at Ogalewadi Branch Level

Study different factors considered while preferring Financial Inclusion Services

"Innovative HR Practices for Sustainable Development"

3. To draw out with conclusion and suggestion based on analysis and interpretation of observation and visits to Financial Inclusion Branch.

LIMITATIONS:-

1. The study focus on the Financial Inclusion Service of IDBI Bank.
2. The researcher has not considered more product details about IDBI Bank as it mainly focus on Financial Inclusion service providing services.
3. Structured questionnaires could not be used for this analysis as it wide concept and ongoing process.

RESEARCH METHODOLOGY:-

1. Research methodology is partly 'descriptive', 'exploratory' and 'Analytical' in nature.

2. For Study Data collected:-

1. Primary Data:-

1. In consultation with my mentor/supervisors.
2. My Own experience, Observation, Survey and visits, interaction with employees to Financial Inclusion Branch, Personal talk with consumer regarding they taking different financial service from IDBI Bank at Ogalewadi branch level.

2. Secondary Data:-

1. The sources of these data are: - IDBI Bank Websites, IDBI Banks Books and Magazines, Government publication, Circulars, News papers, Research Journals and articles, RBI report, E-journals etc.

Small Examples of Financial Inclusion Activity:

1. Initiating social change through self help groups:

Summary:-

In IDBI Bank, Ogalewadi Branch level there is considerable discussion in development literature on the efficiency of self help groups in realizing the goals of gender justice. On the one hand, nation states and multilateral agencies float SHG'S formulation as quick fix solution to meeting the livelihood needs of vulnerable communities; on the other hand, the SHG movement is criticized as an imperfect solution to the prevailing socio-economic inequalities in society.

Analysis:-

SHG largely from the left criticism of the ongoing process of economic liberalization and globalization, these studies have argued that the SHG programmes do not address the real problems of vulnerable communities. Apart from their failure to meet the livelihood needs of the people, the excessive focus of the SHG programmes on banking and credit prevents it from realizing its potential of social and political transformation. The most scathing criticism of the movement is that it actually reinforces the status and keeps rural communities enmeshed in debt.

Suggestions and recommendation:-

1. Provided access to credit to their members.
2. Helped to promote savings and yielded moderate economic benefits
3. Reduced the dependence on moneylenders
4. Resulted in empowerment benefits to women.
5. On the other hand field reports also suggest that,
6. Financial skills of group members have to be developed.

CONCLUSION:-

As per Union Budget announcement made Honorable Finance Minister for the year 2008-09 where it was stated as under,

Banks will be encouraged to embrace the concept of Total Financial Inclusion. Government will request all scheduled commercial banks to follow the example set by some public sector banks including IDBI Bank and meet the entire credit requirements of SHG members, namely, income generation activities, social needs like housing, education, marriage, etc. Debt Swapping.

Empowering women through profitable microfinance:

Summary:-

A Bandhan is a microfinance organization, represents a social business. Bandhan provide micro-loans to women for undertaking income generation activities. It aims at empowering its borrowers and their family members to break the cycle of poverty. Further, Bandhan projects that it operates as an independent, sustainable and profitable organization. It aspires to become a full fledged bank, consequently bringing borrowers to the financial mainstream. Therefore, this case study explores whether and how, focused eradication and ambitious profits are simultaneously possible and if there are many tradeoffs involved.

Analysis:-

Bandhan basically focus on, the impact of Bandhan on lives of its borrowers is substantial as well as sustainable. To achieve these, the research involved an in depth field study of Bandana's operations and its impact. Both qualitative and quantitative data was collected through primary as well as secondary sources. Key participation in this case study were over 100 women who had taken several micro loans from Bandhan, along with Bandhan employees at various hierarchical levels. The study was conducted in over six districts and 10 field office locations of Bandhan in West Bengal, India, the first state where Bandhan started operations. With help of economic times, some micro financial article and with help of website I can go through this case study which is more essential to overcome and understand what exactly Bandhan stand

Questions and Recommendations:-

- Bandhan has to focus on proper regulation on women SHG.
- Concentrate on wide range of SHG as compare to few one.
- Reducing poverty.
- Provide employment opportunities.
- Adopt high competition strategies.
- Grab the huge potential market as compare to other competitors.

Conclusion:-

Bandhan is one kind of Micro Financial Institution which provides a quite interesting and insightful for newly born SHGs. The empirical results depict that Bandhan is not only profitable and fast growing also quite successful in improving the quality of life borrowers. However, it is observed that Bandana's objectives are the underlying reasons behind both its effectiveness as well as its challenges. The study captures several real life cases of the women participants and depicts the impact of microfinance on economic, capacity and relational well being.

3. IDBI Federal and IDBI Bank reaches out Surli through TermsuranceGrameenSuraksha

Summary:-

IDBI Federal, a pioneer in product innovations in the life insurance sector in India, in association with IDBI Bank today introduced their rural plan-IDBI Federal TermsuranceGrameenSuraksha in Surli village in district of Satara, Maharashtra. This is the first-of-its-kind insurance plan for rural customers of IDBI Bank. Present at the event were SivaramMaganty – VP SME & Corporate Banking, IDBI Federal Life Insurance, VishwanathDivya – Senior Manager Business Development (Rural and Social), IDBI Federal Life Insurance, KanishkaSarkar – Financial Inclusion team, IDBI Bank. The launch was inaugurated by the Guest of Honor, ShriLakshmanGurav – Sarpanch of Surli followed by a financial inclusion team, IDBI Bank, UdeyBhosle – Ogalewadi Branch Manager, IDBI Bank. The launch was inaugurated by the Guest of Honor, ShriLakshmanGurav – Sarpanch of Surli followed by a financial literacy workshop for the villagers.

Analysis:-

Surli village falls under the Karadtaluka and has close to 500 households with a population of about 2,000 which is serviced by the Ogalewadi branch of IDBI Bank located 15 kms away. On the initiative, R.K. Bansal, Executive Director, IDBI Bank said "Last year, we initiated our drive to extend our service to the unbanked regions. Our Ogalewadi Branch is one of the oldest in the regions, making Surli an important village for us to research out to. With IDBI Federal's rural plan, we can offer the villagers a comprehensive set of financial solutions customized for them." IDBI Bank plans to reach out to the unbanked population in rural India with basic banking facilities. IDBI Federal will partner this initiative through TermsuranceGrameen set, a low- cost, simple term plan that will help provide financial security to the customers of IDBI Bank at Surli and other villages located within 25-30 kms of the Ogalewadi branch. This initiative will be accompanied by Financial Literacy program conducted by IDBI Bank, where villagers will be taught the importance of banking and financial planning.

Suggestions and Recommendations:-

1. More focus to large unbanked and under-insured population.
2. Initiatives taken for to drive financial literacy to required growth and development in rural regions which are yet untapped.
3. Challenges lies in distributing and delivering systems cost –effectively and efficiently.
4. Villagers will be taught the importance of banking and financial planning in wide manner.

Conclusion:-

With gone through above case study we conclude that, Life Insurance in rural sector plays a promising role. IDBI Bank is committed to the initiative of reaching out to these locations and IDBI Federal is happy to partner them through our unique plans created for rural India.

4. Financial Inclusion in India:

Summary:-

More than 150 million poor people have access to collateral-free loans. However, there are still large sections of the world population that are excluded from the financial service maker..In India half of the poor are financially excluded from the country's main stream of the banking sector. Still in India 22 percent of the people are living below the poverty line. Their monthly income is less than \$1 per day and they are living in most UN – live able conditions. In India, growth with equity has been the central objective right from the inception of the planning process. The eleventh Five year plan re-emphasized the need for more inclusive growth in order to ensure that the per capita income growth is broad-based. More and more Indian companies are trying to enter in the list of fortune 500 and one of our Indian entrepreneur's appears in the list of the top five richest person of the world. The paper discuss about tacking this disparity between people

ways of financial inclusion through micro finance models and it also analyses how that leads to the economic development of a country.

sis:-

Many people across the globe are excluded from mainstream banking. These range from people with low income to people with low information and accessibility to people with no social security or insurance cover. The main reasons behind exclusion are:

Lack of information:-

Lack of information about the role and function of banks, banking services and products, interest rates etc. stop people from including themselves in mainstream banking.

Insufficient documentation:-

Many people are unable to show their self identification on documents during the opening of a bank account or during taking a loan.

Lack of awareness:-

Many people are unaware of the banking terms and conditions laid down from time to time.

High transaction charges:-

Various commercial banks across the globe heavy transaction charges on credit or debit transactions, on over usage of banking services, on cheque book issues etc.

Lack of access:-

Accessibility is a problem from all those people who live in geopolitically regions. Moreover, as most commercial banks are located in vicinity of cities, people in rural areas have a geographical barrier in visiting banks.

Illiteracy:-

Because of illiteracy, a substantial number of people are unable to take recourse to banking services.

LESSONS AND RECOMMENDATIONS:-

Since independence, the government had been dependent on its machinery first and then, after liberalization, on banks to reach the poor. But government machinery suffered all the demerit of bureaucracy, and corruption and hence, failed miserably.

Banks also could not succeed in reaching the poor society because of many reasons. First, most of the public Banks were in government hands till the late nineties their employees were looking for a 'salary', rather than achieving the 'national target'.

Second, banks have to follow certain rules which sometimes create bottlenecks in their targets of reaching the poor.

For Example:-No Bank, will give a cheque book or ATM facility to poor man unless he has a minimum 1000 in his account ; which means if a poor man opens a bank account , he stills remains in the 'stone'.

Financial Literacy is very low in India. Forget about Below Poverty Line (BPL) people, even the educated urban population is financially illiterate. Many college going students still cannot write cheque and even the middle class or part of white collar working class people need consultants to fill simple income tax returns.

Due to financial illiteracy, most of the people do not maintain proper records or books of accounts. This leads to removing of these people from the financial services of the banks.

To sum up, banks need to redesign their business strategies to incorporate specific plans to promote financial inclusion of low income groups treating it both a business opportunity as well as a corporate social responsibility.

Conclusion:-

Access to financial services such as savings, insurance and remittances are extremely important for poverty alleviation and development. In order to achieve the goal of total financial inclusion, policymakers, banks, MFIs, NGOs and regulators have to work together. In addition to cooperating with other stakeholders, policymakers who believe that microfinance can help them to speed up financial education programme that allow their citizens to realize the economic potential of microfinance. Basic financial literacy programs can help achieve better results in poverty improvement.

5. Role of Electronic Banking in Financial Inclusion:

Summary:-

Financial Inclusion focuses on the poor who do not enjoy the formal financial institutional support. The branchless banking is an innovative concept where account can be opened and operated without going to bank branch. The profile of Business Facilitators and Business Correspondent has been created so that they can work as the agent of banks who are to directly dealing with poor. In the era of information technology, a person is called poor not because he has no money but for the fact that he does not have adequate information about what is happening in his surroundings. Electronic banking has made a major breakthrough in the sphere of banking and finance. After the successful implementation of core banking solutions and net banking, it has been experienced that banks are recruiting engineers in bulk as the executive of the banks have to be tech-savvy in order to do justice to their assigned responsibilities. After 67 years of independence, a telecommunications sector is the one which has successfully penetrated to Indian households. Therefore Mobile banking has added a new dimension in electronic banking. The objectives of the proposed research paper is to explain the scope and challenges of electronic banking, to analyze the mechanism through which online banking can facilitate the financial inclusion in India and to identify the strategies how the Electronic banking system can be used more customized and user friendly way to ensure maximum justice to all stakeholders of the nation. The methodology of the proposed work consist survey of existing literatures from different scholarly research articles available in several reputed national and international journals and analysis of secondary data collected from the RBI database and the different published reports. The proposed intellectual output will give a direction how maximum benefits can be provided to the maximum number of financially excluded persons so that fruits of growth can be distributed in an equitable way.

Analysis:-

Electronic Banking explain the scope and directions for Financial Inclusion.

The mechanisms, tools and technique through which online banking can facilitate the financial inclusion in India.

The strategies how the Electronic Banking system can be used more customized and user friendly way to ensure maximum justice to all stakeholders of the nation.

Largely focus on application of plastic money to improve financial inclusion at grass root level.

Financial examination is the most important link of financial supervision.

SUGGESTIONS AND RECOMMENDATIONS:-

Technology has in fact given new dimensions to banks service delivery mechanism and the banks are enthusiastically absorbing the latest technological innovations for devising new products and services. There is marked shift in the technology which has transformed the concept of branch banking to anytime anywhere banking.

Also apply Processing storage, statistical and analytical functions of computer information system and installing software to assist supervisory requirement for E-Banking.

Also gone through the financial examination which helps to increase daily financial transactions.

CONCLUSION:-

All financial institutions are required to keep the long term vision in order to build the nation with economic growth and sustainable development. The real dream of financial inclusion will be comes true when the entire population of the nation will be able to become beneficiary from the different financial reforms made by several regulatory bodies of the country. With help of Electronic Banking the major changes happened in financial levels which are definitely good sign to increase and expansion of Financial inclusion.

CHALLENGE (EXPERIENTIAL):-

A mainstream of the rural inhabitants is still not incorporated within the inclusive expansion which will be a big challenge of financial inclusion for the Indian economy.

There is need of alertness in addition to financial illiteracy between the countryside residents.

The dispersion of financial services in rural areas is still extremely low down.

The factors liable on behalf of the situation of lack of 'Demand' and 'Supply' for financial Inclusion services.

The reasons intended for 'low demand' for financial services are low income level, lack of financial literacy, and other bank accounts in the family etc.

On the other hand, the 'supply side' factors liable for low performance includes less number of bank branch in the surrounding area, lack of appropriate products convention the requirements of the poor people, complex procedure and language barriers.

RECOMMENDATION AND SUGGESTIONS:-

To solve the problem of rural population inclusive growth challenge financial inclusion is an extremely functional device designed for financial growth of every day salary earners which can create a habit of saving in the mind of customer.

With conducting awareness programmes in various developed as well as underdeveloped areas which will help to increase the utilization of financial inclusion services at grass root level.

The government have to provide financial services to rural area for developing their living habits have to focus on , opening customers service centres, credit counselling centres, Kisan Credit Card, Aadhaar scheme these major impact on rural population needs to be analyzed and reframed in order to understand the present scenario in the rural areas.

Financial inclusion have to overcome form the factor responsible for 'Demand' and 'Supply Conditions' is that ; The banks have to give easy availability of financial services which allows maximum investment in business opportunities, education, save for retirement benefit and provide insurance cover against risks.

IDBI Banks must ascertain separate counters inside the branch for providing efficient financial inclusion services and try to solve their problem of 'low demand' at rural as well as urban level.

Financial Inclusion has remained a channel vision which can help to enhance suitable service appraisal considering Supply factor and try to overcome from demerits and barriers which are taken place at branch level.

CONCLUSION:-

- Financial inclusion is not a onetime process; it is a fragmentary process.
- It is a giant mission which require proper guidance as well as panel hard work as of all stakeholders, Government and finally financial institutions
- It covers passionate interest, devotion and dedication of every Bank holders.
- It requires a key modification within the mind set of all the parties concerned is communal and monetary module.
- Accessibility, affordability, appropriateness and reimbursement conclude how deep financial inclusion penetrate the societal foundation of the rural section as strong as banking sector development in all regions of the country.

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