IOSR Journal of Economics and Finance (IOSR-JEF)
e-ISSN: 2321-5933, p-ISSN: 2321-5925.Volume 10, Issue 3 Ser. V (May. – June 2019), PP 51-60
www.iosrjournals.org

"Status of Indian Banking Sector & Inclusive Finance"

Zakia Rizvi, Research Scholar
Dr. Farhina Sardar Khan, Assistant Professor
Department of Commerce & Business Management, Integral University, Lucknow
Corresponding Author: Zakia Rizvi

Abstract: *The paper brings forth a better understanding about Financial Inclusions with reference to India. Despite the fact that Indian economy had been Independent since long still a great section is especially the lower and weaker section of the society is unable to make use of the financial opportunities available in the economy. The Government of India and The Reserved Bank of India are sparing no efforts to remove such financial disparities and educate such unbanked people about the opportunities that have been made available to them. The aim of financial inclusion is to lead to inclusive growth and development and to improvise and stabilize the banking system so that the economy can benefit as a whole. The initiatives towards inclusive finance flow have been such as, Nationalization of banks, building up of robust branch network of scheduled commercial banks, co-operatives and regional rural banks, introduction of mandated priority sector lending targets, lead bank scheme, formation of self-help groups, permitting BCs/BFs to be appointed by banks to provide door step delivery of banking services, zero balance BSBD accounts, etc are the measures that the economy is taking to tackle the unbanked population and to bring stability in banking sector. The paper is descriptive in nature and keeps a microscopic view over the current status of inclusive growth and role of banking sector schemes and strategies.*

Keywords: *Financial Inclusions, Inclusive Growth, Inclusive Strategies in India, Financial Literacy.*

Date of Submission: 22-06-2019 Date of acceptance: 10-07-2019

I. Introduction

Despite the fact that it has been more than 60 years since Independence still a great deal of population especially the lower income group people are facing financial instability and are unable to make optimum use of financial products and services being offered in the economy. Financial Inclusion is a process by which financial services are made accessible to all sections of the population. It is an attempt to focus and bring all those people who have very less or hardly any touch with the banks.

According to The Committee on Financial Inclusion, lead by **Dr. C. Rangarajan**, "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" according to **The Committee on Financial Sector Reforms, Chaired by Dr. Raghuram G. Rajan** "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". However, the Government of India and RBI are working towards promoting financial Inclusions as one of the most important objective. Medium-term Path on Financial Inclusion (CMPFI) was set up to devise a measurable and monitoring action plan for financial inclusion that encompasses both households and small businesses.

The Government of India along with RBI has always been formulating strategies of financial inclusions for the growth and development of the economy which focuses especially on segments of unbanked people to the main segment of banked people. The fundamental objective of all these initiatives is to reach the large sections of the financially excluded Indian population for the purpose of equitable growth and development of the economy.

II. Research Methodology

OBJECTIVES OF PAPER

1. To study the objectives of financial inclusion scheme of banks
2. To study the strategies used by banks for financial inclusion
3. To find out the current policies of banks for financial inclusion
4. To suggest the measures useful for oiling the working for financial inclusions.

SCOPE OF STUDY

1. The research has been done on financial inclusions and its effect on the growth and development of the economy and its banking system.
2. The research is inclined towards Finance, Banking sector of India and the Economy as a whole.
3. The research is not confined to any state but covers the whole country.
4. The research shows the present situation and makes predictions and suggests facts that need focus.
5. It falls to the subjects of Finance and Economics both. As it deals with financial matter of the economy and thereby focusing on its growth and development.

DATA COLLECTION

The study is primarily based on secondary data. Descriptive methodology has been used for the better understanding of the subject. Publications, interviews and surveys have been studied and analyzed in getting resources together for this paper. Data has been collected from government sites to make it more authentic. The research work has been inexpensive and is focused on the mindset of the people that falls under the subject of study.

LITERATURE REVIEW

No country can grow without it focusing on strengthening its roots that likes in its banking system as well thus making its more necessary for the purpose of growth and development. Different studies have considered different sets of the indicators of financial inclusion in accordance with their objectives.

Joseph Massey (2010) said that, role of financial inclusions in a developing country is vital in and this can be done when financial institutions promote such policies. The efforts of the government to promote financial inclusion along with deepening and strengthening banking sector can be further enhanced by the pro-activeness on the part of capital market players. Financial institutions have a very crucial and a wider role to play in fostering financial inclusion in which merger banks play an important role as well. National and international forum have recognized this and efforts are being made at domestic and global levels to encourage the financial institutions to take up larger responsibilities in including the financially excluded lot.

As in the language of **Michael Chibba (2009)** Financial Inclusion is an inclusive development and Poverty eliminating strategy that manifests itself as part of the emerging FI-PR-MDG nexus. However, given the current global crises, the need to scale-up Financial Inclusion along with promotion of bank merger to bring stability is now perhaps more important as a complementary and incremental approach to work towards meeting the MDGs than at any other time in recent history

These financial inclusions can be made best use of when they reach a wide customer/people especially the underprivileged. As stated by **Saroj Uphadhyay (2010),** the financial inclusion is most needed for the development of human resource and economy to grow and develop. Inclusion should be focused on understanding the poor, their lives, their needs, their productivity and their vulnerability. As all people including the poor person has to participate in economic growth, he should have the power to access a wide range of financial services such as savings, payments, remittances and insurance. The success of inclusion depends upon the availability and flow of credit and the availability of deposites.

Talking about the micro finance **Anuradha, P.S. and Ganesan, G. (2010)** stated that microfinance is one of the practical development strategies and approaches that had been helping foster for sustainable development and used as a means to foster Inclusive Growth in the Indian economy. Sustainable and equitable growth, social inclusion, empowerment and security are the ultimate outcomes of Inclusive Growth.

Rasure, K.A. (2011) inscribes that in the last three decades, Micro Finance has mushroomed from Grammeen's tiny non-profit experiment in Bangladesh to a global industry. Many enthusiasts believe that MF is an important tool in the efforts to end world poverty. Whether they are right is still open to question.

Raghuwanshi, D.B. (2010) reports that with regard to various components of microfinance related services, demand for savings service is higher than demand for credit services. Quoting World Bank reports, he states that the Indian microfinance activity currently reaches only 4 per cent of the poor which shows that despite the rapid growth in the past few years, the supply of credit is below the demand and still continues to be so.

Not just this tackling the potential customers is the most important **Suniti Nagpurkar (2010)** conducted an empirical study in the city of Mumbai, among the urban poor, both migrants and non-migrants, to understand the banking exposure and banking outcomes among these sections of population showed the disinterest of the banking sector staff to acknowledge their potential customers and the lack of communications indicated that the staff has not been actively participating in promoting banking activities. This stated that the attitude of the stakeholders and staff members matters a lot as this helps in attracting the unharnessed credit in the economy through handling this unprivileged lot.

Chandan Kumar and Srijith Misra (2011)stated that financial inclusion are a vital part of economic growth and is twofold that is, that both the economy and financial sector both depend upon each other for developmental purpose and non can achieve what it wants without considering the other . Banking system/institutions has a vital role in facilitating the development of financial system.

Kaul, R.C. (2011) states that the growth trend of Indian economy has been quite good over the past years from all standards and marks the beginning of higher growth. The said progress does not seem to have resulted in commensurate growth in manufacturing employment leading to doubts about the inclusive nature of this growth.

Though, no efforts are being left to help the Indian Economy become a developed economy which makes strategies related to financial inclusions even more important from the economic view point and thus deserves even more focus. More and more strategies focused towards financial inclusions can help a lot in the growth and development of the economy as can be seen in case of other countries.

OBJECTIVE OF FINANCIAL INCLUSIONS TOWARDS ECONOMY AND BANKING SECTOR

1. **Economic objectives** –Financial inclusions aims to provide benefits not just to the high income but especially to the low income groups. Equal financial growth opportunities, to all the sections leads to reduction of disparities.
2. **Mobilization of savings-** The weaker sections by financial literacy can avail financial opportunities thereby drawing the unharnessed credit.
3. **Larger market**- Financial inclusion provides a hold of larger market as the unbanked people are especially being focused on.
4. **Social objectives**-Poverty eradication is considered as an important objective of th**e** financial inclusion scheme as they not just create awareness about the available financial opportunities at affordable cost but help in reducing disparities by providing loans and advances to such weaker section.
5. **Sustainable livelihood**- as the weaker section is educated but financial inclusions they can take loans to start business or for other purposes and can hence take a step forward in meeting their need and beyond. They with the help of such inclusion can as well improvise their standard of living.
6. **Political objectives**-There is certain other political objectives which can be achieved with the wider inclusion of lower strata in the society and an effective direction can be given to the government programme.

AWARENESS NEED OF FINANCIAL INCLUSIONS

1. **Educating the population about the financial opportunities available:** Majority of the populations in India is still not aware of the financial opportunities that are available to them at reasonable cost. Thus, it is the most important to educate the population especially the unbanked population about the financial resources and services that are made available to them by the Government of India and RBI. Micro finance, savings etc by making these more prominent factor will help the economy grow more rapidly and will accelerate the developmental process.

2. **Inculcating the habit to save money** – The lower income category has been living under the constant financial burdens or less financial stability mainly because of the absence of savings. The absence of savings makes them a vulnerable. Thus making savings even more important for them. Presence of banking services and products aims to provide a critical tool to inculcate the habit to save. Capital formation in the country is also expected to be boosted once financial inclusion measures materialize, as people move away from traditional modes of parking their savings in land, buildings, bullion, etc and more on other means especially to savings in financial institutions that increases the chances of investment and reinvestment.

3. **Providing formal credit avenues** – The unbanked population has been vulnerably dependent of informal channels of credit like family, friends and moneylenders which at time lead to their exploitation. Availability of adequate and transparent credit from formal banking channels shall allow the entrepreneurial spirit of the masses to increase outputs and prosperity in the countryside and reduce chances of them becoming targets of insidious banking system. A classic example of what easy and affordable availability of credit can do for the poor is the micro-finance sector.

4. **Plug gaps and leaks in public subsidies and welfare programmes** – A considerable sum of money that is meant for the poorest of poor does not actually reach them. While this money meanders through large system of government bureaucracy much of it is widely believed to leak and is unable to reach the intended parties. Government is therefore, pushing for direct cash transfers to beneficiaries through their bank accounts rather than subsidizing products and making cash payments. This laudable effort is expected to reduce government's subsidy bill (as it shall save that part of the subsidy that is leaked) and provide relief only to the real beneficiaries. All these efforts require an efficient and affordable banking system that can reach out to all. Therefore, there has been a push for financial inclusion.

Figure1: Depicts the focus areas of financial inclusions, Source: Prepared by researcher

FINANCIAL INCLUSION STRATEGIES

As defined by IBRD, "National Financial Inclusion Strategies (NFIS) are a roadmaps of actions, agreed and defined at the national or sub national level, which stakeholders follow to achieve financial inclusion objectives. Successful strategies coordinate efforts with the main stakeholders, define responsibilities among them, and state a clear planning of resources by, for example, prioritizing targets. A strategy can promote a more effective and efficient process to achieve significant improvements in financial inclusion. Engagement with the private sector, including through structured consultation, can help ensure the success of the strategy and the relevance of the goals set".

The effective design and execution of a National Financial Inclusion Strategy or Action Plan rests on six main building blocks as stated by IBRD:

1. **Data and Diagnostics:** The content and priorities of the NFIS are informed by data and diagnostics, covering both demand and supply side. The World Bank Group (WBG) can support countries to generate data and produce diagnostics to inform policy development and sequencing.
2. **Targets and Objectives:** On the basis of available financial inclusion data, concrete, measurable, and verifiable targets can be set, against which regulators can monitor progress. The WBG can assist countries in identifying available and relevant indicators on which to base the target-setting exercise.
3. **Leadership and Coordination:** Internal coordination efforts are needed both during the formulation and implementation of the NFIS. These efforts can be crystallized through the establishment of a governance structure, with a clear mandate and dedicated resources. The WBG can support countries in conducting consultations, and identifying the appropriate coordination mechanism to establish.
4. **Strategy Formulation:** Drafting of the NFIS can be done on a consultative basis, to secure buy-in across government and the private sector. The WBG can provide technical drafting inputs, drawing on global and country expert, and its depth of knowledge across a range of financial sector priority areas.
5. **Strategy Implementation:** The actions and reforms set out in the strategy benefit from clear prioritization and sequencing, with clarity also on the roles and responsibilities for each implementing institution. The WBG is well placed to provide technical assistance to countries to sequence and implement priority actions, ranging from policy and regulatory reforms to more direct interventions.

6. **Monitoring and Evaluation:** M&E is essential to ensure that the implementation of the strategy is on track and to adjust policies and other measures in real time. The WBG can support countries in designing an adequate
7. M&E framework and provide capacity building to relevant authorities in charge of its application.

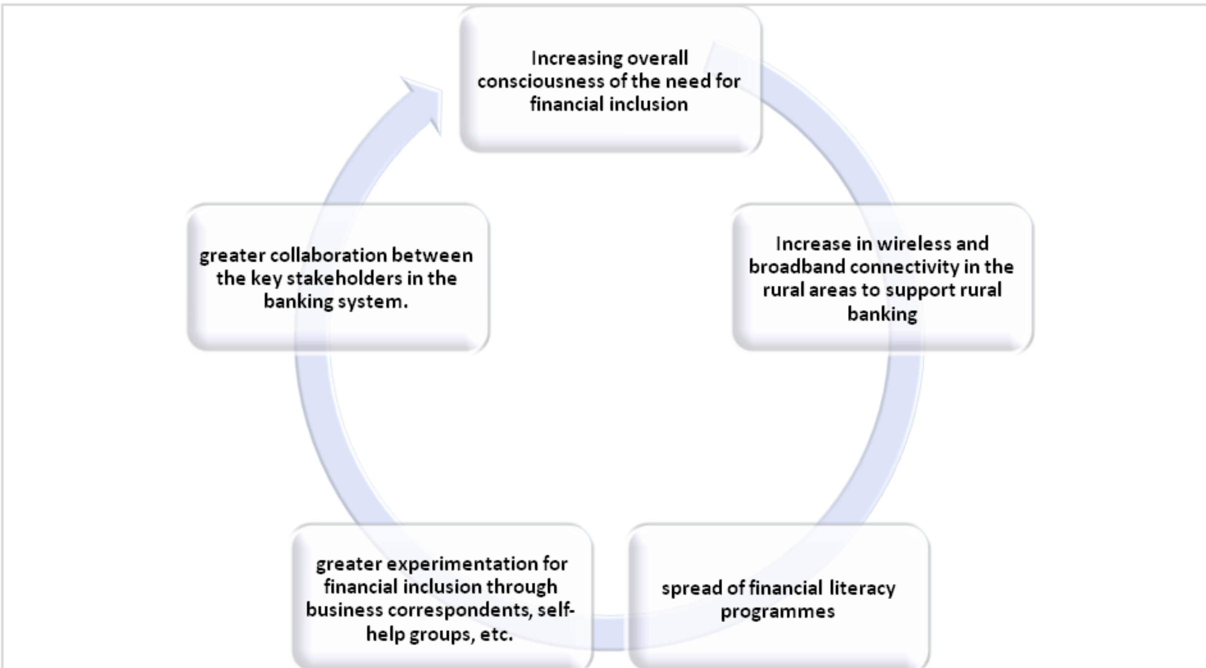
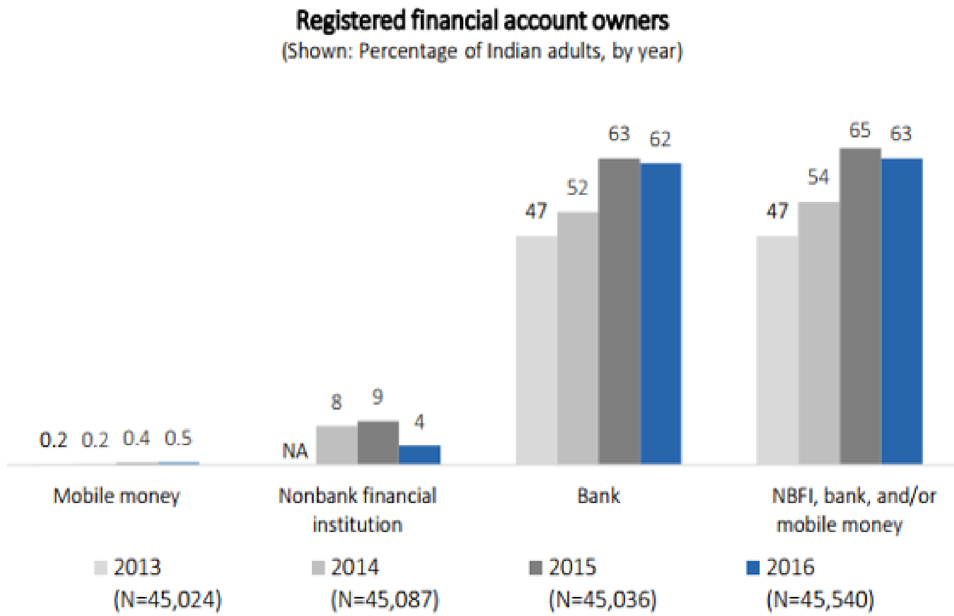


Figure 2: Mr. Sinha set a five-point agenda for financial inclusion, Sources: prepared by researcher

INDIA AND FINANCIAL INCLUSION

e findings of the fourth annual tracking survey of intermedia's financial inclusion stated that 45,540 individuals in India showed being made part of financial inclusion, stating further that the percentage of adults holding account with a formal or known financial institution was 63 percent in 2016, which as quite similar to that in 2015. This lack of growth has been quite a surprise as the previous growth of 2013 to 2015 has been 18 percent. This may cause a distrust but by locking on the bigger picture we understand that though slow the strategy is quite affective.



Source: intermedia's Financial Inclusion Insight, finclusion.org

The figure above shows that there has been slight but steady growth in the number of people using bank accounts. Government along with RBI has always been taking measures to promote this policy of financial inclusion and has been working together towards, giving their best to make it a success and to benefit the economy from it. The following table shows FI at a glance nad the efforts taken by the government and RBI for the same-

Table 1. Progress of financial inclusion at a glance

Parameter of financial inclusion	**March 2010**	**March 2016**	**March 2017**
Number of Bank branches in villages	33,378	51,830	50,860
Number of Business Correspondents (BCs)	34,174	531,229	543,472
Number of other forms of banking touch points	142	3,248	3,761
Total number of banking touch points	67,694	586,307	598,093
Number of BSBDA* (in millions)	73	469	533
Deposits in BSBDA (Amount in Rs. billions)	55	636	977

Source: Annual Report of RBI, 2016-17.

In the last 7-8 years, banks have expanded their regions and made their presence felt to as far as possible. Differentiated banks, payments banks and small finance banks are set to help take this task further to a new level. As the banks began focusing on its three-year FI policies, the concern to provide better accessibility to make use of financial resources and services came to focus. More focus was laid on making banking opportunities being made accessible to vulnerable and less privileged groups. Institutions integrated in making fairness and transparency as part of their offerings, with basic products that were made understandable to masses by means of financial literacy. As a result, FI became a critical factor for inclusive growth and development.

The shift in financial inclusion

Great positive changes were seen as the '*Pradhan Mantri Jan Dhan Yojana*(PMJDY)' was launched in August 2014. PMJDY has been designed to ensure and accelerated the access to a number of financial services like basic savings bank accounts, affordable, need-based credit, remittances facilities, and insurance and pension for excluded sections. Such thing made available at affordable cost can only be possible with effective use of technology being made that forth the factor of improvising more and more the technology being made use in the country. Hence, the banking system operating on core banking mode, and ability of NPCI to scale-up issue of debit cards has enabled effective implementation of PMJDY. As a result, the number of new savings accounts opened has been quite a lot. Thus making use of the unharnessed credit in the economy.

Table 2. Progress of PMJDY up to 9 May 2018

Group of banks	Number of new savings bank accounts opened (in millions)	Deposits accumulated (in Rs. millions)	No of debit cards issued (in millions)
Public sector banks	255.3	652182.50	192.00
Regional rural banks	50.7	137170.30	36.80
Private sector banks	09.9	22681.30	08.20
Total	**316.6**	**812035.90**	**238.00**

PMJDY website

Added to these the FI schemes, financial literacy and digital literacy campaigns of banks were closely monitored by RBI and other government institutions. FI got renewed with the launch of PMJDY because apex forums of RBI and Ministry of Finance monitored its focus onto this scheme as making it a large scale mission and to make the whole economy a part of it. It is said to provide quite a lot of benefit to the customers in the time come.

INDIAN BANKING SECTOR AND INCLUSIVE FINANCING STRATEGIES

In India, RBI has initiated several measures as strategies to achieve greater financial inclusion, such as facilitating no-frills accounts and GCCs for small deposits and credit. Some of these steps are:

1. **Opening of no-frills accounts:** Basic banking no-frills account is account with nil or low balance requirement and charges making it accessible to a wide section of population made available by the government. Banks have been advised to provide a slight overdrafts in such accounts.
2. **Relaxation on know-your-customer (KYC) norms:** KYC requirements for opening bank accounts have been relaxed for small accounts in August, 2005, thereby simplifying its procedures by introduction by an account holder who has been subjected to the full KYC drill that would suffice for opening such accounts. The banks were also permitted to take any evidence permitted by law as to used as the identity and address of the customer to their satisfaction like adhaar card etc.
3. **Engaging business correspondents (BCs):** In January 2006, RBI permitted banks to engage business facilitators (BFs) and BCs as intermediaries for providing financial and banking services. The BC model allows banks to provide doorstep delivery of services, especially cash in-cash out transactions. With effect from September 2010, for-profit companies have also been allowed to be engaged as BCs. India map of Financial Inclusion by MIX provides more insights on this.
4. **Use of technology:** Banks have been advised to make effective use of information and communications technology (ICT), to provide doorstep banking services with the help of BC model where the accounts can be operated by even illiterate customers by using biometrics, ensuring confidence and trust in banking system.
5. **Adoption of EBT:** Banks have been advised to implement EBT by leveraging ICT-based banking through BCs to transfer social benefits electronically to the bank account of the beneficiary and deliver benefits to the doorstep of the beneficiary, reducing dependence on cash and reducing transaction costs.
6. **GCC:** With a view to helping the poor with access to easy credit, banks have been asked for the introduction of a general purpose credit card facility up to `25,000 at their rural and semi-urban branches. The objective of the scheme is to provide hassle-free credit to banks' customers based on the assessment of cash flow without insistence on security, purpose or end use of the credit.
7. **Simplified Branch Authorization:** To address the issue of uneven spread of bank branches, in December 2009, domestic scheduled commercial banks were permitted to open branches in area with a population of less than 50,000 under general permission, subject to reporting. In the north-eastern states and Sikkim, domestic scheduled commercial banks can now open branches in rural, semi-urban and urban centres without the need to take permission from RBI in each case, but subject to reporting.
8. **Opening of Branches in Unbanked Rural Centres**: To further step up the opening of branches in rural areas so as to improve bank penetration and financial inclusion, the need for the opening of more bricks and mortar branches, besides the use of BCs, was felt. Accordingly, banks have been mandated in the April monetary policy statement to allocate at least 25% of the total number of branches to be opened during a year to unbanked rural centres.

FINANCIAL INCLUSION INDEX

On June 25, 2013, CRISIL, India's leading credit rating and research company launched an index to measure the status of financial inclusion in India. The index released report was released under Finance Minister of India, P.Chidambaran at New Delhi.. CRISIL Inclusix is a relative index from a scale of 0 to 100, and focused on 3 basic banking services— branch penetration, deposit penetration, and credit penetration—into one metric. The report, covering data till April 2016, highlights many unknown facts of inclusion in India. Some key conclusions from the study are:

1. The all-India CRISIL Inclusix score is 58.0 on April 2016, showing improvement from 35.4 in 2009.
2. Deposit and credit availability is the key to financial inclusion and it was seemingly found that number of deposit accounts (1646 million), is almost eight times more than those of credit accounts (196 million).
3. The top three states that were found to be are Kerala, Karnataka and Andhra Pradesh.

Major Recommendations of previous Committees on Financial Inclusion

No	Name of Committee/ Year of Report/Chairman	Key Recommendations	Implementation
1	Internal Group on Rural Credit and Micro Finance, 2005 (Shri H.R. Khan)	• Recommended Business Facilitator and Business Correspondent Model.	RBI issued guidelines in 2006 permitting banks to utilise the services of Business Correspondents and Business Facilitators as agents for extending banking services outside the brick & mortar branch premises.
2	Committee on Financial Inclusion, 2008 (Dr. C. Rangarajan)	• Targeted branch expansion in identified districts • To appoint MF-NBFCs, ex-service/retired bank staff as their BCs/BFs. Use of PACS and other co-operatives as BCs and to adopt group approach for financing excluded groups • Creation of Financial Inclusion Funds • Setting up of a National Rural Financial Inclusion Plan.	RBI issued instructions to SLBC Convener Banks in all states to identify unbanked villages and to draw a roadmap for allocating these villages among banks so as to ensure the presence of at least one banking outlet in each village of the country in a time-bound manner. Banks reported having covered all unbanked villages. RBI has since allowed for-profit companies, Non-Deposit taking NBFCs, MFIs, PACS etc. to be appointed as BCs Financial Inclusion Fund created. The RBI in January 2010 advised domestic scheduled commercial banks including RRBs to draw up three-year Board-approved Financial Inclusion Plans (FIPs) and include self-set targets on various relevant parameters.
3	RBI Sub-Committee of its Central Board of Directors to study issues and concerns in the Micro Finance Institutions Sector, 2011 (Shri Y.H. Malegam)	• Creation of separate category of NBFC-MFI's providing short-term and unsecured loans to low-income borrowers. • Regulation at NBFC-MFIs	In December 2011, the RBI introduced a new category of NBFCs, viz., NBFC-MFI and issued detailed guidelines for regulation of these entities. RBI has since implemented the recommendations also allowed bank credit to NBFC-MFIs for on-lending to individuals and also to members of SHGS/JLGs for categorisation as priority sector advance under their respective categories.
4	Committee on Comprehensive Financial Services for Small Businesses and Low Income Households, 2013 (Dr.Nachiket Mor)	• Universal Electronic Bank Account (UEBA) to all Indian Residents • Ubiquitous Access to Payment Services and Deposit Products at Reasonable Charges • Sufficient access to affordable formal credit. • Universal access to a range of deposit and investment products at reasonable charges • Universal access to a range of insurance and risk management products at reasonable charges. • Allowing NBFCs to work as BCs and removing distance criteria of 30 km. • To create vertically	Based on instructions issued by the RBI for opening of BSBDAs and PMJDY, account density has increased sharply. A roadmap at the instance of the RBI has been prepared by SLBC Convener Banks for opening of banking outlets in all the unbanked villages of the country. As per data reported by banks under their FIPs, nearly 0.55 million banking outlets have been opened across the country by September 2015. Under the FIPs banks have already been advised to offer a comprehensive suite of products and services, which includes basic savings bank deposit accounts, small overdrafts and entrepreneurial credit in the form of Kisan Credit Cards and General Credit Cards. Fully implemented. RBI has issued licences to 11 entities to operate as Payment Banks. In addition, the RBI issued licences to 10 entities to operate as Small Finance Banks to further

		differentiated banking institutions.	financial inclusion through high-technology, low cost operations.
5	Internal Working Group to revisit the Existing Priority Sector Lending Guidelines, 2015 (Smt. Lily Vadera)	• Medium Enterprises and Renewable Energy to form part of the priority sector. • A sub-target of 8 per cent for lending to small and marginal farmers Enterprises.. • A sub-target of 7.5 per cent for lending to Micro	RBI issued a circular in April 2015 incorporating the major recommendations of the Committee.

Source: RBI website

III. Findings And Suggestions

1. The Government of India and RBI are sparing no efforts to help make financial services available to all to be made use of.
2. They are also focusing on improving the technology and infrastructure of the banking system for the same for eg making use of CGC. There is no doubt in saying that banking sector of any economy functions like a heart and pumps blood (credit/money) in the body/economy.
3. Still more focus needs to be paid on promoting financial literacy. Special focus needs to be given to rural areas and easy and approachable mediums to avail such services should be given to them.
4. More and more use of digital banking should be made to get easy credit or to cope with any financial situation. Proper infrastructure for such digital banking should be provided and efforts should be made to get ride to the hesitation and worries unbanked people have towards banking system.
5. In case of merged banks this process of inclusions will be quite helpful as with the increased in asset and credit base the banks will now be in a position to implement such actions with ease.
6. Attitude and willingness of the bank staff to help in contributing for the process is most important as most of the time their behavior and disclosure of details causes people to trust or distrust banking system thereby creating a demand for banking services and opportunities.

IV. Conclusion

For achieving long term sustainability of economic growth it is important to bring in the benefits of growth to all sections of the population is critical. This is possible and one way is by inclusive growth and financial inclusions. Inclusion is an attempt to bring the unbanked or less privileged people into banking sector and financial services are made accessible to all such population. The strategy to reduce the dependence on money lenders is to develop Micro Finance Institutions (MFIs) and SHGs and reviving the rural co-operative credit strategies The end conclusion is that an economy cannot grow or develop until and unless all its population prospers and there is stability in all aspects of the economy especially concerning the banking sector and its well functioning. Thus it's important create financial. Financial inclusions prove to be of immense help to the lesser privileged or weaker sections. Not just this these inclusions help in removing disparities amongst various sections of the society, in eliminating poverty and developing the nation as a whole.

Taking into consideration each and every being of the society and thus moving forward. Though there are still a lot of issue that need to be taken care of concerning financial inclusions but we cannot ignore the progress that has been made as said a coin has two sides. Hopefully The Indian Government along with RBI will draft measures and strategies to overcome such issues. Not just they but even the M&A banks by making use of such financial opportunities will help uplifting the banking sector of the economy. Each and every element need to contribute to the growth of the economy which in turn leads to growth and development of banking sector

References

[1]. Essays, UK. (November 2018). The Need For Inclusive Growth In India Economics Essay. Retrieved from https://www.ukessays.com/essays/economics/the-need-for-inclusive-growth-in-india-economics-essay.php?vref=1
[2]. "Reserve Bank of India - Annual Policy Statement for the Year 2005-06", Reserved Bank of India
[3]. Khanvilkar, S. Amol,; Financial Inclusion in India, August 2015, https://www.nelito.com/blog/importance-of-financial-inclusion-in-india.html
[4]. IBRD, Overview: National Financial Inclusion Strategies, 11TH November, 2015, http://www.worldbank.org/en/topic/financialinclusion/brief/national-financial-inclusion-strategies.
[5]. Mix Market," India's Financial Inclusion Map", Mix Market, http://maps.mixmarket.org/india/
[6]. Sengupta, Debroop; " The Changing face of rural banking in India" , The Alternative.in , January 11,2014.
[7]. CRISIL INCLUSIX, http://crisil.com/pdf/corporate/CRISIL-Inclusix.pdf

[8]. P.Chidambaran launches CRISIL INCLUSIX, DNA India June 25,2013 http://www.dnaindia.com/money/1852970/report-p-chidambaram-launches-crisil-inclusix

[9]. CRISIL INCLUSIX, Feburary 2018, volume 4. https://www.crisil.com/content/dam/crisil/our-analysis/reports/Research/documents /2018/march/crisil-inclusix-financial-inclusion-surges-driven-by-Jan-Dhan-yojana.pdf

[10]. Financial Inclusions is the key to inclusive growth, Finance Minister https://indiamicrofinance.com/financial-inclusion-key-inclusive-growth-finance-minister.html

[11]. Salathia, Preeti; "Impact of Financial Inclusion On Economic Development", University of Jammu, Jammu,2014

[12]. Anuradha, P.S. & Ganesan, G. (2010). Sustainable Development and Fostering Inclusive Growth - through Microfinance in the Indian Economy, Indian Journal of Finance, vol.4, no.10, October, pp.3-7

[13]. Upadhyay, S. (2010). Inclusive Growth-Thus Far and Further, the Indian Banker, vol. 5, no.11, November Upadhyay, S. (2010). Inclusive Growth-Thus Far and Further, the Indian Banker, vol. 5, no.11, November

[14]. Nagpurkar, S. (2010). Financial Inclusion In the City of Mumbai - A Study of Urban Poor: Migrants and Non-Migrants, Indian Journal of Social Development, vol.10, no.2, December, pp 663-674

[15]. Rasure, K. A. (2011). MF-banking for the Poor, Indian Economic Panorama, vol 21, No-1, April.

[16]. Raghuwanshi, D.B. (2010), Microfinance: Present Scenario and Emerging challenges," Southern Economist, vol.49, no.1, May 1, pp.15-20.

[17]. Kaul, R. C. (2011). Financial Inclusion-A business Opportunity for Banks, Indian Economic Panorama, vol.21, No.1, April

[18]. Kumar, C. & Mishra, S. (2010). Banking Outreach and Household level Access: Analyzing Financial Inclusion in India, Unpublished M.Phil. Thesis, Indira Gandhi Institute of Development Research (IGIDR), Mumbai

[19]. Joseph Massey. (2010). Role of Financial Institutions in Financial Inclusion, FICCI's Banking & Finance Journal

[20]. Michael Chibba. 2009. Financial Inclusion, Poverty Reduction and the millennium Development Goals, European Journal of Development Research Vol. 21

[21]. Reserve Bank of India, "Report of the Committeeon Medium-Term Path on Financial inclusion" https://www.rbi.org.in/scripts/ PublicationReportDetails.aspx?ID=836

[22]. Rao, S.k; "Financial Inclusion in India: Progress and Prospect" ,NIBSCOM .https://www.ideasforindia.in/topics/money-finance/financial-inclusion-in-india-progress-and-prospects.html

Zakia Rizvi. "Status of Indian Banking Sector & Inclusive Finance." IOSR Journal of Economics and Finance (IOSR-JEF) , vol. 10, no. 3, 2019, pp. 51-60.