

A STUDY OF FINANCIALLY INCLUSIVE PEOPLE'S AWARENESS AND PARTICIPATION WITH REFERENCE TO SELECTED BANKS IN PATAN TAHSIL

Dr. B. V. PATIL

Associate Professor, BVPS Bayabai Sripatrao Kadam Balasaheb,
Tal – Patan, Dist-Satara, Dist - Sangli,

Mr. A. L. MOHITE

Assistant Professor, Desai College, Patan Kanya Mahavidyalay, Kadegaon.
Tal – Patan, Dist-Satara, Dist - Sangli,

Abstract:

In the era of financial inclusion of weaker section of peoples, Indian government launched the Pradhan Mantri Jan Dhan Yojana in August 2014. This scheme make sure the access of financial products and services such as savings & deposits, credit facility, insurance and pension schemes with affordable manner to the vulnerable peoples of society. According to the annual report of the Reserve Bank of India in up to March 2019 there are 574.2 million Basic Saving Bank Deposit Accounts opened under Pradhan Mantri Jan Dhan Yojana since the scheme launched. Under this scheme government provides the zero balance account for increase the savings habits of peoples. For minimization of the financial dependency of rural peoples on the money lenders, starts the overdraft facility of Rs. 10,000 with minimum procedure. Government provides the RuPay debit card facility to all the account holders who opened an account under this scheme. Each account holders get inbuilt accidental benefit of Rs. 2,00,000 and life insurance coverage of Rs. 30,000 without charging any amount. Scheme provides the Pension facility with charging minimum charges to secure the future of the unorganized sector peoples of the society.

Key Words: Financial Inclusion, Awareness, Participation, Beneficiary.

1. Introduction:

India is a developing country. There are so many drastic changes done in these days into various sectors such as electronics and tele-communications, health services, transportation, marketing, production quality, prompt services and many more. We can observe the discrimination in the economic growth of the peoples of society. Agriculture sector gives a basic income path to the rural populations for their basic needs. Government support to the peoples especially in rural section to overcome from the poverty. Indian government initiate the Financial Inclusion platform with introducing the financial inclusion scheme named Pradhan Mantri Jan Dhan Yojana in the year 2014. The purpose of the financial inclusion is to deliver the basic banking financial products and services at an affordable cost to the huge section of low income peoples. Financial inclusion provides the easy access of the financial services which bring them into the path of financial sector. Bank basically implemented the financial inclusion services as like the earlier government sponsored program. This new idea enable to the government to deliver the social benefits and the

various subsidies directly to the beneficiary account which automatically reduce or avoid the malpractices and leakages of the social welfare schemes. By providing the basic financial products and services in the affordable manner to the vulnerable peoples of the society, it will automatically reduce the financial gap between the rich and poor peoples of the society. Financial inclusion play like an economic instrument which change the growth structure and view of the government as well as the peoples of the society. A well planned inclusive financial system not only helps to the growth of the country but also create the better savings and investment opportunities to the poor peoples which automatically reduce the poverty from deprived section of the society.

Reserve Bank of India basically introduce the financial inclusion in the year 2005 by taking supportive actions from Business Correspondent model. According to the report of finclusion.org there are 81% of Indian population are financially included into the path of financial services in year 2018 which is 3% more than the year 2017. According to report of Financial Inclusion Insights in 2018 24% adults had registered account holders were not used their accounts in 90 days prior to the survey. In year 2017 World Bank Findex report found that 50% of account holders had not made any kind of transaction related to deposit and withdrawal in previous year.

2. Financial Inclusion.

Financial inclusion is an inclusive path where dependent and small income cluster of peoples have access to important and reasonable financial products and services that meet their needs that are convey in reasonable way. Financial inclusion gives an opportunity to use the banks

financial products and services in equal manner. Those that promote financial inclusion argue that financial services viewed as significant positive externalities when more people and firms get participate. First aim of financial inclusion is to get the available and access of banking financial services to the unbanked peoples. The financial services meets the specific needs of users without judgment is a key objective of financial inclusion. Financial inclusion is to provide equal opportunities to vast sections of population to access main flow of financial services for better income, government facilities, better life and living. Financial inclusion provides path for inclusive growth of inclusive peoples. It not only includes banking products but also other financial services such as loan, equity and insurance products.

2.1 Definition

According to Dr. C. Rangarajan financial inclusion means the method of giving the bank financial products and services to the small income groups with timely and in affordable manner. It is also give a sufficient amount of credit facility for minimize or avoid the dependability on the money lenders.

3. Statement of the problem:

In this present scenario, the financial market of the each country is very positive to invest the money into the various investment factors. Peoples of the India having the huge culture of savings habits and it is the government responsibility to create the exclusive savings and investment path for each and every person of the country. Financial Inclusion of the peoples is very important for country to create the savings habits and increase the level of financial soundness of

country. Under the financial inclusion system Pradhan Mantri Jan Dhan Yojana open the door of financial transaction for the financially excluded peoples of the society. Pradhan Mantri Jan Dhan Yojana perform various necessary functions such as availability of zero balance account, overdraft facility, life and general insurance scheme and pension scheme for economic development of the country. Products and services of Pradhan Mantri Jan Dhan Yojana creates the exclusive path of financial factors for peoples from the last 6 years. Government specially focused on the financial literacy and awareness program for the peoples. Hence the researcher has been made an attempt to analyze the correlation between the awareness and participation of Jan Dhan Yojana account holders into financial products and services provided under Jan Dhan Yojana and bank.

4. Review of literature:

Vaishali Khandelwal (2017) studied on **A Study on Awareness and Benefits of Pradhan Mantri Jan Dhan Yojana**. In her study she focused on the awareness of the Jan Dhan Yojana into the respondents. She made an attempted to find the important service quality dimension which affects to the customer satisfaction. She concluded that most of the respondents were aware about the basics of Jan Dhan Yojana and also they know the inbuilt facility of life insurance and accidental insurance benefits provided to the account holders. She evaluates the dependency of respondent's age with their awareness about Jan Dhan Yojana. She found that awareness about yojana is dependent on the age factor.

Dr. T. Unnamalai (2016) entitled study on **A Study on Awareness on Pradhan Mantri Jan Dhan Yojana Scheme (With Special Reference to**

Tiruchirapalli District). He assess the relationship between awareness of the scheme with respondent's education, occupation, age and sex. He analyzed that there is no relationship between respondent's education, occupation, age and sex with the basic awareness of the scheme. He concluded that products and services of the scheme attracts to the peoples to enroll. This scheme made a record of account opening and also increase the deposits into the accounts. He suggested that there is no clarity about the insurance benefits and also no clarity in the overdraft facility and the cost of overdraft.

D Ramesh Kumar (2018) made an attempt to study on **A study on Pradhan Mantri Jan Dhan Yojana awareness and its satisfaction – A Financial inclusion initiative (With special reference to Coimbatore district)**. Researcher choose the whole district as a population and select the samples by using stratified sampling method. He assess the respondent's awareness about the features of products and services of Pradhan Mantri Jan Dhan Yojana. He also analyze the level of satisfaction of respondents about extra features of scheme products and services of scheme. He measure the overall satisfaction level on the basis of scheme services. He concluded that majority of the respondents are satisfied in extra features of scheme. He found that majority of respondents aware about the inbuilt facility of the scheme.

V. Renuka (2017) studied on **A Study of Financial Inclusion through Pradhan Mantri Jan Dhan Yojana in State Bank of India Kulitalai, Karur district**. She studied the respondents' awareness and opinion about Pradhan Mantri Jan Dhan Yojana in research area and also she analyze the financial inclusion determining factors. In this research study she

understand the present alternative channels of State Bank of India which promotes to the respondents towards Jan Dhan Yojana. She concluded that respondents' education and occupation have an impact on level of satisfaction and respondents feel very suitable at the time of open and operate the account transactions and their socio-economic factors such as gender, education and monthly income which don't effect on level of satisfaction about Business Correspondent. The reliability of the financial inclusion program through Jan Dhan Yojana depends on the exclusive role of Business Correspondent which empower to the low income group by economically and socially

5. Objectives of the study:

1. To understand the respondents awareness towards the financial product and services of Pradha Mantri Jan Dhan Yojana and bank.

2. To check the respondents participation into financial products and services of Pradhan Mantri Jan Dhan Yojana and bank.
3. To assess the relationship between respondents awareness and their participation into financial products and services of Pradhan Mantri Jan Dhan Yojana and bank.

6. Research Methodology

This research study is an analytical and also the descriptive in nature. It is related to the analysis of the awareness and participation of the respondents about products and services given under the Pradhan Mantri Jan Dhan Yojana. Study measures the relation of the respondents' awareness and participation into financial products and services of Jan Dhan Yojana and bank.

Table 1. Present Status of PMJDY as on 04.11.2020

Bank	No. of accounts (in crore)	RuPay Cards (in crore)	Balance in A/C (Rs. In crore)
Public Sector Banks	32.63	25.73	102312.85
Regional Rural Banks	7.31	3.34	25227.53
Private Banks	1.27	1.15	4099.57
Total	41.20	30.22	131639.95

Source: <https://pmjdy.gov.in/account>

Table 2. Bank wise Number of account holders of PMJDY as on 11.05.2021

Particular	Number of account holders (in thousands)	Sample Respondents
State Bank of India	19892	50
Bank of Maharashtra	24215	50
Total	44107	100

Source: Respective Branch Manager of bank.

6.1 Sampling Method and Sampling Size

There are 44,107 peoples from the study area were opened their account under Pradhan Mantri Jan Dhan Yojana, out of that 19,892 accounts holders are belongs to State Bank of India and 24,215 account holders were opened their accounts in Bank of Maharashtra. Total 100 account holders were

selected for the research purpose using non – probabilistic convenience sampling method. Out of 100 respondents, 50 respondents taken from State Bank of India and other 50 account holders were selected from Bank of Maharashtra.

6.2 Method of data collection

To fulfil the objectives of the research, researcher used both the primary and secondary source of data in research.

For primary data collection a structured questionnaire were developed and filled by the respective bank respondents.

Secondary source of data such as research papers, official website of department of finance ministry and Pradhan Mantri Jn Dhan Yojana were used for the related theoretical and numerical data.

7. Analysis of Primary Data

Table 3. Awareness and Participation in financial product and services of Pradhan Mantri Jan Dhan Yojana & Bank

Product & Services	Aware			Unaware		
	Total Aware	Participated	Not Participated	Total Unaware	Participated	Not Participated
Term Deposit	53	-	53	47	-	47
Recurring Deposit	84	5	79	16	-	16
Life insurance	43	3	40	57	6	51
Accidental Insurance (Amount)	52	4	48	48	5	43
Accidental Insurance (Scheme)	47	5	42	53	5	48
Pension Scheme	31	-	31	69	2	67
Overdraft Facility	93	2	91	7	-	7
ATM	90	90	-	10	10	-

Source: Primary Data.

With the help of the received primary data of the respondents, Table No. 3 showed that 53% respondents were aware of the term of the term deposit scheme but no one respondents were participated into the term deposit scheme. Out of 100 respondents 84 respondents are aware about the minimum days of recurring deposit scheme in respective bank and among all the aware respondents, only 5 respondent took the benefits of the recurring deposit scheme. 43% peoples are aware and 57% peoples are unaware about the life insurance scheme given under the Pradhan Mantri Jan Dhan Yojana. 52%

respondents are aware about the inbuilt accidental insurance benefits amount and among them only 4 peoples are participated into the bank other accidental insurance facility. Among the all 100 respondents 31 respondents are aware about the name of unorganized sector pension scheme and from all of that no aware respondents are participated into pension scheme. There are 69% respondents are unaware but amongst them 2 respondents are participated into the pension scheme. 93% respondents are aware about the amount of overdraft and amongst them 2 peoples are took the overdraft facility. 90% respondents aware of the digit number of ATM pin and all are participated / using the customer service point, ATM and bank branch for financial transactions.

Table 4. General response table of respondents Awareness and Participation into financial products and services of Pradhan Mantri Jan Dhan Yojana & Bank

		Participation Score								Total
		1	2	3	4	5	6	7	8	
AwarenessScore	1	-	-	-	-	-	-	-	-	0
	2	1	-	-	-	-	-	-	-	1
	3	4	1	-	-	-	-	-	-	5
	4	13	2	2	-	-	-	-	-	17
	5	27	3	2	1	1	-	-	-	34
	6	25	5	0	4	0	-	-	-	34
	7	5	2	0	-	-	-	-	-	7
	8	2	0	0	-	-	-	-	-	2
Total		77	13	4	5	1	-	-	-	100

Source: Primary Data

Here awareness and participation is attributes measured in ordinal scale. Hence researcher use the Spearman Rank Coefficient of Correlation to study the relation between respondent's awareness level and their participation level into the financial products and services of the Pradhan Mantri Jan Dhan Yojana and bank. Formula used for finding Spearman rank coefficient of correlation (R) is given here;

$$R = 1 - \frac{\sum(d_i^2 + 1)}{n(n^2 - 1)}$$

We calculate the value of Spearman rank coefficient of correlation (R) using MS – Excel and it is **R= -0.12042**. Here we observed that rank correlation coefficient is close to zero and negative, it means there are poor correlation. This

means correlation between respondent's awareness and their participation into the financial products and services of Pradhan Mantri Jan Dhan Yojana and bank is negligible.

8. Conclusion:

More than 15000 peoples are opened their accounts under Pradhan Mantri Jan Dhan Yojana in rural and also semi-urban area of the Patan tahsil. Awareness of the Pradhan Mantri Jan Dhan Yojana respondents for the products and services provided under the scheme and also the banks are good as compare to their participation. Government and respective bank and their Business Correspondents are make able to create the awareness program properly.

9. Reference

1. Vaishali Khandelwal (2017) A Study on Awareness and Benefits of Pradhan Mantri Jan Dhan Yojana, Imperial Journal of Interdisciplinary Research, ISSN – 2454-1362, Vol- 3, Issue – 3, pp. 707-710.
2. Dr. T. Unnamalai (2016) A Study on Awareness on Pradha Mantri Jan Dhan Yojana Scheme (With Special Reference to Tiruchirapalli District) IJEMR, ISSN–2249-2585, Vol – 6, Issue – 02, pp – 1-9
3. D Ramesh Kumar (2018) A study on Pradhan Mantri Jan Dhan Yojana awareness and its satisfaction – A Financial inclusion initiative (With special reference to Coimbatore district). International Journal of Research and Analytical Reviews. E ISSN – 2348-1269, Vol-5, Issue-3, pp. 104-106.
4. V. Renuka (2017) A Study of Financial Inclusion through Pradhan Mantri Jan Dhan Yojana in State Bank of India Kulitalai, Karur district. Bharathidasan University, Tiruchirappalli.
5. <https://pmjdy.gov.in/>
6. <https://financialservices.gov.in/>
7. <https://www.bankofmaharashtra.in/>
8. <https://sbi.co.in/>
9. <https://www.rbi.org.in/>

