# INDIA'S FINANCIAL INCLUSION: CHALLENGES AND OPPORTUNITIES

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## ABSTRACT

*For the growth of society and the national economy, finance has emerged as a crucial component of the economy. For this reason, both industrialised and underdeveloped nations need robust financial systems in order to achieve sustained growth. We can achieve inclusive and equitable national growth through financial inclusion. Financial inclusion refers to the timely and proper distribution of acceptable financial services to vulnerable groups, such as low-income groups and weaker sections, who do not have access to even the most basic banking services. India's economy is one of the biggest and fastest-growing in the world, but the most unsettling aspect of it is that, it has grown in distinct, inequitable spurts. It has been unbalanced in that growth performance has not been consistent, and growth and the distribution of growth advantages to various economic sectors have been distinct and disjointed. Thus, inclusive growth becomes necessary in the context of Indian economic development. Financial inclusion is necessary for resource development and mobilisation, which are both necessary for achieving the goals of inclusive growth. It is very important to the process of economic growth. This paper has been broken up into sections. The introduction, necessity of inclusive growth, and justifications for financial inclusion are covered in the first section. The general idea of financial exclusion in India is the focus of the next section. The next section of the paper makes an effort to comprehend significant developments in financial inclusion in India and their significance. The opportunities for achieving financial inclusion as the ultimate aim of inclusive growth in India are then presented. The study of the challenges to financial inclusion in India is the focus of the next section. Finally, a conclusion is provided.*

**Keywords**: *Financial Exclusion, Financial Inclusion, Opportunities, Challenges, Inclusive Growth.*

## INTRODUCTION

One of the largest and fastest-growing economies in the world is India, but the most unsettling aspect of that expansion is that it has been discrete as well as uneven. It has been unbalanced in the sense that its growth performance has not been consistent, and it has been discontinuous and disjointed in terms of growth and the distribution of growth advantages to different economic sectors. Even though the Indian economy had rapid development from 2003–2004 to 2007–2008, it was unable to reduce unemployment and poverty to manageable levels. Additionally, during this period of rapid population increase, the vast bulk of the population remained outside the reach of fundamental medical and educational institutions. Regional inequality has increased in recent decades as a result of strong growth rates and rising economic and social inequality. More than 25% of Indians still endure extreme poverty. As a result, the Union Government now has inclusive growth as a national policy goal. Thus, inclusive growth becomes necessary in the context of Indian economic development. In the Eleventh Five Year Plan, policymakers began to take notice of this relatively new concept in the context of Indian growth planning. In its simplest form, inclusive growth refers to economic growth that is broadly based, shared, and pro-poor. The two words' literal meanings apply to the rate and pattern of economic expansion. As per the Planning Commission of India "The term "inclusive" should be seen as a process of including the excluded as agents whose participation is essential in the very design of the development process and not simply as welfare targets of development programmes". In a broader and more straightforward sense, this means that as a strategy for economic development, inclusive growth should aim to create both economic possibilities and equal access to them for everyone, in addition to distributing growth gains equitably. With reference to the prevalence of inclusive growth in Indian States, an effort has been made in the current study to comprehend the phenomenon, its necessity, and financial inclusion as a means of achieving it.

## NECESSITY OF INCLUSIVE GROWTH

To achieve quick and controlled growth, India needs inclusive growth. Sustainable development and a fair distribution of wealth and prosperity depend on inclusive growth. In India, one of the main problems is achieving inclusive growth. The challenge lies in bringing the levels of growth to all societal groups and geographical areas. India will achieve what it deserves if it experiences rapid rural economic growth, sustainable urban growth, infrastructure development, educational and health reforms, provision for future energy needs, a healthy public-private partnership, a commitment to ensuring inclusivity, equal participation of all segments of society in growth, and, above all, good governance.

Following is a summary of the key areas where inclusive growth is required:

- Elimination of unemployment and poverty
- The eradication of income disparities
- Agricultural Development
- Geographical disparities are lessened
- For social sector development
- Protecting environment

As a result, the current research makes an effort to investigate how financial participation contributes to inclusive growth.

## INDICATIONS OF FINANCIAL INCLUSION

For financial inclusion, there are many different factors. The act of physical access alone serves as a deterrent in isolated, steep, sparsely populated locations with limited infrastructure. From the demand side, barriers include illiteracy, social exclusion, poor incomes and assets, and lack of awareness. On the supply side, exclusions are frequently made due to staff attitudes, language barriers, product suitability, branch timings, and distance from the branch. In addition to the inconveniences of the procedure, all of them lead to greater transaction costs. However, even though they are more expensive, informal loan sources are preferred because of how easily accessible they are. For migrants and people who live in slums, the demand of independent verifiable evidence of identity and address can be a significant obstacle to opening a bank account. Therefore, it is important to remove the aforementioned obstacles, and helping those at the base of the pyramid has taken precedence. Therefore, the financial sector has the most significant part to play in realising this potential, and as a result, financial inclusion has a role to play.

## CONCEPT

Since the 1950s, the Government of India has aimed to achieve the concept of financial inclusion, which entails providing access to financial services to individuals who otherwise lack it. With the nationalisation of 14 commercial banks by Prime Minister Indira Gandhi in 1969, the nationalisation of banks, which took place between the middle of the

1950s and the late 1960s, opened up financial services to hitherto unreachable regions of the nation. Indira Gandhi referred to the "branching" of banks into rural areas as a strategy to "accelerate development" and to combat poverty and unemployment. It expanded lending for agriculture and other rural communities that weren't well-served. Following nationalisation, the Lead Bank Scheme was implemented as a means of coordinating banks and credit institutions by districts to more thoroughly ensure that the credit needs of rural areas were satisfied. In order to explicitly target rural areas, the Indian government started Regional Rural Banks (RRBs) in 1975. RRBs were created to only serve the needs of the rural economy, and their number has grown dramatically over time. The term "financial inclusion" has become popular in India by the early 2000s. The Khan Commission, established by the Reserve Bank of India (RBI), looked into the situation of financial inclusion in India in 2004 and provided a number of suggestions. In response, in both his annual and midterm policy announcements, RBI Governor Y. Venugopal Reddy voiced concern over the exclusion of millions from the formal financial system and urged banks to better align their current practises with the goal of financial inclusion. Together with the Indian government, the RBI has persisted in its efforts to create new banking products, draught new rules, and promote financial inclusion. The GOI and RBI have made strides since making financial inclusion a top goal. The first village in India where all families have access to financial services was Mangalam, Puducherry. States or union territories like Puducherry, Himachal Pradesh, and Kerala declared that all of their districts would have 100% financial inclusion. The goal of the Indian Reserve Bank for 2020 is to add roughly 600 million new clients and provide them with a range of services by utilising IT. The lack of bank branches in rural areas, low-income savings, and illiteracy continue to be barriers to financial inclusion in many states, in addition to an inadequate legal and institutional framework.

## MAJOR MILESTONES IN FINANCIAL INCLUSION IN INDIA

- 1969 Nationalization of Banks
- 1971 Establishment of priority Sector Lending Banks
- 1975 Establishment of Regional Rural Banks
- 1982 Establishment of NABARD
- 1992 Launching of the Self-Help Groups bank Linkage Programme
- 1998 NABARD sets a goal for linkage one million SHGs by 2008
- 2000 Establishment of SIDBI foundation for Micro Credit
- 2005 One million SHF linkage target achieved three years ahead of date
- 2006 Committee on Financial Inclusion
- 2007 Proposed Bill on Micro Finance Regulation introduced in parliament
- 2008 Committee submitted its final report on Financial Inclusion to Union Finance Minister in January

RBI and GOI has taken a lot of initiatives and policy measures for Financial Inclusion. These initiatives and policy measures are: -

- No-frill accounts
- Overdraft facility in savings account
- Financial Literacy programs
- Simplification of Know Your Customer
- Know Your Customer (KYC)
- Simplification of Savings Bank
- Account Opening Form
- Business Correspondents (BCs) and
- Business Facilitators (BFs) Model
- SHG Bank-Linkage Programme
- Opening of branches in unbanked rural locations
- Use and promotion of ICT in Banking
- Branch Expansion/Coverage of villages

Apart from this government of India has started following schemes as an initiative for Financial Inclusion

- **i.** Swabhiman
- **ii.** Pradhan Mantri Jan Dhan Yojana
- **iii.** Jeevan Jyoti Bima Yojana
- **iv.** Atal pension yojana

## VARIOUS APPROACHES TO ACHIEVE FINANCIAL INCLUSION

In India, various measures taken by banks, GOI and RBI for financial inclusion plan.


## PRODUCT BASED APPROACH

Reserve bank of India has been proactive, liberal and supportive while making policies so as to enable financial institutions to come up with innovative products for enabling a common man to get the benefit of the financial inclusion plan.

**No- Frills Account (NFAs): -** This concept was introduced by RBI in November 2005 to provide access to basic baking services by financially excluded peoples. Under this approach banks open accounts with zero balance or very minimum balance requirement for the under-privileged. In 2012, the banks under RBI guidelines came-up with a better version of the no-frill accounts where they would open Basic Savings Bank Deposit Accounts (BSBDAs) for all individuals with the facility of debit card, cheque book, internet banking, overdraft limits at minimal charges. However, the number of transactions could be restricted so as to prevent misuse of such accounts.

**Kisan Credit cards (KCCs): -** Under this scheme banks issue smart cards to the farmers for providing timely and adequate credit support from single window banking system for their farming needs. During 2012-13 (up to December 2012), public and private sector banks issued 1.2 million smart cards as KCCs.

**General Purpose Credit Cards (GCC):-** In 2005 Reserve bank of India, issue guidelines to banks that to provide General Purpose Credit Card (GCC) which facilitate credit up to Rs.25000/- without any collateral requirement for rural and semi urban people based on assessment of household cash flows. Now as per the revised guidelines in Dec."2013 under this approach bank also fulfil non-farm entrepreneurial credit requirement of individuals.

**Saving account with Overdraft facility: -** Banks have been advised to provide overdraft (OD) facility in saving account and also Small Overdrafts in No-frills accounts. The setting up of the limit for the same would be done by banks considering the transaction in the account. This would help the customer to get easy access to the credit at lower rates.

## BANK LED APPROACH

**Self Help Group -** Bank Led Initiative (SLBP): - The SLBP or Self-Help Group – Bank Linkage Program has been the major institutional based innovation in India for enabling access and covering the gap of reaching financially excluded population of the country in the last two decades. In this model, the banks involve themselves with a group of local people with the idea of enabling them to pool up their savings. The same is deposited with the bank against which the bank also provides a certain amount of credit facility. The group takes a decision to whether to lend to any member of the group.

**Business Facilitators (BFs)/Business Correspondents (BCs): -** The BC/BF model is a model which based on information and communication technology (ICT). In this model the intermediaries or BC/BFs are technologically empowered by the banks to provide the last mile delivery of financial products and services. Initially created by the banks themselves and later with improvisations and RBI policy support, the model on the back of innovative technologies is bridging the connectivity gap between the service seekers. Some of them being

- Profitability of the BFs/BCs
- Banks and their BFs/BCs are exposed to huge risk of cash management
- The training and hand-holding of the BFs/BCs to enhance the trust level of the end customers
- Adoption of technology

## REGULATORY APPROACH

- **Simplified KYC Norms**: - Under current KYC norms, a customer has to provide number of documents for opening an account as per RBI guidelines. However, the people living in rural areas face problem in fulfilling these norms. To enable banks to tap in this huge opportunity of rural banking in unbanked areas and to meet the objective of financial inclusion, RBI has relaxed a number of norms for accounts opened by people who plan to keep balances not exceeding Rs.50, 000 and whose total credit in all the accounts taken together is not expected to exceed Rs.100, 000 in a year. Small accounts can now be opened on the basis of an introduction from another account holder who has satisfied all the KYC norms.
- **Simplified bank saving account opening:** - The account opening form has been simplified to ease the opening of account by the poorer sections, street hawkers and other migratory labours of the society.
- **Bank branch authorization:** - RBI has permitted banks to open branches without taking authorization, thus deviating from its normal norms, in tier 3 to 6 city, towns, or villages. This would enable the government, regulator and the banks to speed up the drive for financial inclusion and this make available the financial services to the unbanked population of the country.

## TECHNOLOGY BASED APPROACH

- **Mobile Banking: -** One of the most remarkable developments in terms of innovation in order to harness the full power of technology, the banks have tied up with mobile operators to provide financial services like bill and utility payment, fund transfer, ticket booking, shopping etc.
- **ATM based banking:** - In some states, the state government has taken initiatives for providing kiosk-based model for access to financial services. Also, banks have used the technology to enable their ATMs to virtually act like a 24x7 branches.
- **Branchless Banking:** - Some of the leading banks have come up with this concept where there would be an online system with chat facility assisting the person to make use of various electronic machines for depositing and withdrawing cash and cheques. However, this initiative is in a very initial stage and has a limitation in terms of initial Cost for banks and literacy / knowledge for the rural population and hence this concept is currently limited to urban and semi-urban areas.
- **Aadhaar Enabled payment services: -** In this system, any Indian citizen having an Aadhaar number updates his account with the same. All accounts having Aadhaar number updated are to be reported to RBI, which in turn reports it to various government departments. While making payments to people for working under initiatives like MGNREGA or various subsidy schemes, the departments use this information for directly crediting the money to the beneficiary's account.

## KNOWLEDGE BASED APPROACHES

- Financial education, financial inclusion and financial stability are three elements of an integral strategy to empower people to make effective use of the financial services network. While financial inclusion works from supply side, financial education feeds the demand side by promoting awareness among the people regarding the needs and benefits of financial services offered by banks and other institutions. These two strategies together promote greater financial stability.

- Financial Stability Development Council (FSDC) has explicit mandate to focus on financial inclusion and financial literacy simultaneously.
- RBI had issued guidelines on the financial literacy Centres (FLC) on in June 2012 for setting up FLCs. It was advised that the rural branches of scheduled commercial banks should increase efforts through conduct of outdoor Financial Literacy Camps at least once a month. Accordingly, 718 FLCs had been set up as at end of March 2013. A total of 2.2 million people had been educated through awareness camps, seminars and lectures during April 2012 to March 2013.

## GOVERNMENTS INITIATIVES

Some such initiatives have been listed below.

- **Induction of SHG-2: -** The original SHG as initialized by NABARD had certain limitations. This led to NABARD preparing a strategy to revitalize the SHG movement leading with the induction of SHG-2 model.
- **Women SHGs Development Fund:** - The Union Budget 2011-2012 proposed a "Women's SHG‟s Development Fund" with a corpus of Rs. 500 crores. The GOI created this fund to empower women and promote their SHGs. The responsibility of managing the fund is of NABARD. It managed the same through two of its major microfinance funds, namely Financial Inclusion Fund (FIF) and the Financial Inclusion Technology Fund (FITF).
- **Swarnjayanti Gram Swarozgar Yojana (SGSY): -** It is a centrally sponsored scheme that follows the mechanism of forming SHGs of rural poor households, providing capacity building training and linking groups to banks. SGSY is primarily designed to promote self-employment-oriented income generating activities for the Below Poverty Level (BPL) households in rural areas.
- **National Rural Livelihood Mission (NRLM): -** Established in June 2010 by the Ministry of Rural Development, GOI. It is based on the success of Indira Kranti Patham (IKP), a poverty alleviation program being implemented in Andhra Pradesh.
- **The Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS): -** This scheme aims to enhance the livelihood of the rural people by guaranteeing at least one hundred days of wage employment in a financial year to a rural household whose adult members volunteer to do unskilled manual work. As the payments are made through the bank/post office accounts, in 2010-11, nearly 10 crore bank/post office accounts have been opened.
- **Aadhaar- Unique Identification Authority of India (UIDAI): -** The GoI has embarked an initiative to provide an individual identification number to every citizen of India and in 2009; it established the UIDAI to issue these cards on behalf of the GoI. This number provided by UIDAI will serve as a proof of identity and address, anywhere in India. The Aadhaar number will also enable people to have access to services such as banking, mobile phone connections and other government and nongovernment services in due course.
- **Performance and Achievements towards reaching out to the unbanked area under Financial Inclusion Plans (All SCBs including RRBs):** In January 2010, all public and private sector banks adopted board – approved financial inclusion plans (FIPs) for next three years which started April 2010 to march 2013. RBI advised to all SCBs, to incorporates FIPs

with their business strategy to financially nurturing to all excluded population in India. RBI and SCBs have adopted a structured approach to achieve financial inclusion through FIPs containing self-set targets with measurable and monitor able outcomes

- **No. of Branches, BCs and other modes of banking outlets in villages: -** Due to RBI‟s take intensively efforts in financial inclusion areas, the number of bank branches including RRBs increased of from 33,378 in March 2010 to 40,837 in March 2013. Banking outlets through BCs has been also increased from 34,174 in March 2010 to 2,21,341 in March 2013 and other modes of banking outlets in villages has increased rapidly from March 2010 to march 2013
- **Basic Savings Bank Deposit Account (BSBDA) opened through branches and BCs: -** The number of BSBD accounts opened has been increased from 60 million in March 2010 to 101million in March 2013 through bank branches and BSBD accounts which open by BCs has increased from 13 million in march 2010 to 81 million in march 2013.
- **Kisan Credit Cards (KCC) and General Credit Cards (GCC) Issued: -** Under FIPs RBI advised to banks to issue smart cards to farmers for availing timey and adequate credit facilities, up to March 2013 Banks has been issued 34 million KCCs and provided credit. Banks also provide GCCs to non-farm entrepreneurs to fulfil their credit needs as per revised guidelines in Dec.

## OPPORTUNITIES UNDER FINANCIAL INCLUSION

- The chance to build a sustainable financial system is made possible through financial inclusion. Both the government and the financial service providers have several opportunities. It encourages general economic growth and quickens real estate industry expansion.
- First of all, risk mitigation could be a key component of micro-insurance. The rural population's exposure to risk may be lessened if the authorities are successful in fostering trust in the product and easing liquidity restrictions. Credit availability in rural areas was boosted through self-help group movements and microfinance organisations. Increased agricultural productivity and other revenue-generating rural activities are the outcome. Increased income results in higher levels of investment, saving, and consumption. If this tendency continues, the poverty rates will inevitably drop even further. The rate of integration with the established banking system will increase as the level of poverty declines. Financial accessibility will draw more players to the global economy, expanding trade and job prospects.
- Remittance corridors for the migrant population have opened up a huge potential for migrants from rural areas to use simple and affordable remittance services. Migrants now do not have proper insurance and have trouble getting bank accounts. Additionally, it gives the unbanked/underserved communities a chance to improve their level of financial literacy and raise awareness of their rights. When taken as a whole, financial inclusion offers not only secure savings but also numerous auxiliary services like insurance protection, business loans, payment and settlement options, etc.
- Financial organisations have numerous opportunities as well. Credit penetration remains below the world average even though Indian banks credit has experienced significant growth since 2003. Banks and other financial institutions have more opportunity to increase their customer base and boost performance by supporting the inclusive growth process. The system can be made more efficient overall by lowering transaction costs, which can be facilitated

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by a vast resource base. Additionally, by making banking procedures simpler with the use of UID and more relaxed KYC standards, it will be possible to lower the expenses associated with both cash and non-cash transactions. By collaborating with NGOs and non-profit groups to carry out certain tasks, banks and other financial institutions can also obtain low-cost solutions. Integrating with them helps lower the risk of default because they have a deeper awareness of the neighbourhood communities.

- To turn the process of financial inclusion into the next major business opportunity, banks must create low-cost, customer-focused creative products. It presents a chance for private sector banks to diversify their clientele to rural areas. A purposeful increase in technology may be beneficial because it makes the banking process more efficient and precise. For instance, mobile money lowers transaction costs for households and enhances their capacity to share risk. In rural India as of March 2012, there were 323.27 million mobile customers. The RBI has established a committee under the leadership of B. Sambamurthy to investigate this potential, including the viability of deploying encrypted SMS-based payments transmission.
- A viable option for increasing financial inclusion has emerged using IT and IT-enabled services together. As a result, fewer physical branches will need to be established everywhere. It offers for the utilisation of various channels to cooperate as an integrated system, enabling the servicing banks to increase efficiency. Banks must effectively utilise information and communication technology (ICT) to offer financial services to customers' doorsteps. Consumer confidence will increase, and the process will be more convenient, if more banking correspondents with technology training are allowed to do doorstep banking in rural areas. An enhanced version of the BC the model will undoubtedly be helpful because the earlier model has a track record of success. The number of business correspondents hired by banks countrywide has surged 78 percent in just three years, relying on the dependability and effectiveness of qualified BCs.
- To solve the difficulties of outreach and credit delivery in remote areas, it is wise to partner with telecommunications firms to provide financial, health, and other development services. The banking industry can use financial inclusion to encourage the public to develop a banking habit by bridging social strata, geographic boundaries, gender norms, and income levels.

Thus, financial inclusion offers plenty of opportunities for growth and development in India.

## CHALLENGES UNDER FINANCIAL INCLUSION

The main hurdles for policymakers to achieve a higher rate of financial inclusion include:

- The Need to Increase Financial Literacy Based on research on remittance services for migrants and surveys carried out by the World Bank Group in Morocco and Mozambique, it has been discovered that the study group was not aware of the proper products and services that would have best matched their individual needs. By raising these people's financial literacy levels, it will be easier for them to make wise financial decisions and choose the products that will best meet their needs. Additionally, they will learn how to use the different channels at their disposal for banking needs more effectively. In other words, it is possible to enhance the acceptance of new bank accounts through the use of more cost-efficient and successful strategies, which will ultimately increase savings.

- Absence of official identification documents the absence of official identification documents is one of the main barriers preventing those without bank accounts from using basic banking services. In the majority of nations, opening a bank account necessitates a valid ID. IDs are also required to transfer money and apply for social assistance. Therefore, government agencies must streamline and simplify the procedure for getting a formal ID card in order to increase access to banking services for the unbanked.
- Protection of Consumers Although there has been a profusion of financial services like mobile money and virtual currencies intended to increase financial inclusion, there is a lack of customer confidence in the security and dependability of these recently developed platforms. Authorities must issue concise rules and laws that will guarantee that consumers are sufficiently protected and have access to critical product information so they can make educated decisions in order to foster confidence in these new means of payment services.
- Poor rural communities and gender inequality According to the most recent data from Findex, roughly 1.1 billion of the 2 billion unbanked people worldwide are women. In developing nations, it is particularly difficult for rural poor people and women to access financial services. According to World Bank data, women have less of a chance than males to obtain loans from banks, although making up a bigger proportion of the self-employed in developing nations. According to IFC study, the financial institutions deny credit to more women than males because of a lack of collateral or a bad credit history. Even if these women were successful in obtaining formal loans from banks, they frequently have to pay higher interest rates than men. Stakeholders must devise strategies to remove the barriers that women and the rural poor must overcome in order to obtain financial services if financial inclusion is to be expanded among these two groups. These initiatives may involve giving this target population an ID so they can start a savings account and establish a credit history from a young age. To support the ability of women and the rural poor to make better informed financial decisions, additional investments could be made in financial awareness programmes.
- Encouragement of Transaction Account Use The majority of policymakers' actions have been designed to spur more unbanked people to open new bank accounts. Though it should be kept in mind, registering an account is only the first step—not the final goal. Of the 355 million individuals in developing nations who said they had a bank account, it has been highlighted that many still send money by cash or over the counter. A bank account must be helpful and serve as a portal to other financial services that can increase these people's overall financial welfare in order to be relevant in their lives.

## CONCLUSION

- Financial inclusion has accelerated the development of banking technology and made it clear that even the underprivileged can contribute to a pool of resources.
- Since 2005, the RBI has worked diligently to grow the number of Scheduled Commercial Bank branches nationwide. As a result, from 68,681 in March 2006 to 1, 02,343 in March 2013, the number of branches has multiplied.
- Between March 2006 and March 2013, the number of branches in rural areas rose from 30,572 to 37,953. Semi-urban areas saw a

faster growth in branch count when compared to rural areas.

- Poor individuals typically steer clear of banks due to the numerous forms, formalities, and other red tape. Higher savings in the banks will result from these straightforward structures and processes.
- As of March 31, 2013, just 10.1% of the nation's entire ATM network was located in rural areas. Therefore, banks should expand their ATM network in rural and unbanked areas to better service the needs of low-income people. But adequate consideration should be given to matters of safety and security when doing so.
- Opening a bank account can be very challenging for immigrants. Therefore, commercial banks should consider the demands of the migrant community when developing plans for financial inclusion.
- Banks should launch training initiatives to instruct frontline workers, managers, and BCs on the human side of banking in order to interact with impoverished communities.
- Post offices (POs), as opposed to bank branches, are located closer to the rural populace. India had 1, 54,866 post offices as of March 31, 2011, with 1, 39,040 of those (89.8%) located in rural areas.

Thus, more POs should be engaged to become BCs of banks due to well-known advantages. In the context of India, the idea of financial inclusion has grown significantly. No of their level of income or social standing, everyone should have access to a comprehensive selection of financial products and services that enable them to manage their finances effectively.

People must possess at the very least some fundamental financial literacy, financial skills, product knowledge, and comprehension in order to achieve financial inclusion. Indian financial inclusion began with the nationalisation of banks. For the purpose of bringing banking and financial services to rural residents, regional rural banks have been established.

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