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# FINANCIAL INCLUSION: ASSESSMENT, ROLE AND CAUSES

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**Abstract:** - Financial Inclusion is process of providing access to financial services to the poor, low income, weaker and vulnerable group of society at a reasonable cost wherever required by them. Financial inclusion is an enabler for 7 of the 17 Sustainable Development Goals. India faces a big challenge of giving access to banking services and insurance coverage to masses, reach to financial institutional has so far remained a challenge to a vast portion of rural population.RBI has taken considerable actions to include more sections of society for financial inclusion in India. The ICT developments can be leveraged to increase the banking outlets in remote and ruralareas without having to open brick and mortar bank branches. Technology needs to facilitate the branch to go where the customer is present, rather than the other way. Along with the physical infrastructure, the environment of understanding the requirement and delivering the solution accordingly is the need of the hour.This paper has re-established the fact that both social and economic factors are pivotal in financial inclusion exercise.

**Keywords:** *Financial Inclusion, PMJDY, Jan Dhan, ICT, RBI.*

**Introduction:** Financial Inclusion is progress of providing access to financial services to the poor, low income, weaker and vulnerable group of the society at a reasonable cost wherever required by them.

Normally the vulnerable and weaker group of the society are overlooked by the financial institutions in desire to make profits and also the complications for lending the financial services to these sections. There are daunting challenges in financial inclusion such as bridging the gap between these groups of society, making them financial literate and combining credit delivery mechanisms in order to improvise the financial economic growth.

Financial Inclusion increases the fulcrum of financial system by imbibing a belief of savings among large section of rural population. It also plays a big role in the way of economic

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development. With low income sections coming in the ambit of formal banking sector it will help in the protection of finances and other resources at the time of emergency. It will also help to reduce mistreatment of poor sections by money lenders by providing easy access to formal credit.

World Bank published "Blue Book on Building Inclusive Financial Sectors for Development (2005)" which mentions that the vast majority of "bankable" people in the world do not yet have access to financial services. It addresses the limitations that exclude masses from full involvement in the financial sector. Thus, Financial Inclusion is a worldwide concern for the inclusion of all the sections of society.

**Objective of the Study**

1. To assess the current status of financial inclusion in India
2. To study the efforts being made to increase the financial inclusion by RBI
3. To study the factors affecting access to financial services and challenges
4. To study the role of financial inclusion in society.

**Methodology of the Study:** To assess the status of Financial Inclusion secondary research was conducted and data was collected from secondary sources such as published articles, research papers, journals and websites of World Bank, RBI, and PMJDYetc. and report of various committees.

**Financial Inclusion: An Overview:** First stage toward financial inclusion is access to a bank account as it allows people to deposit money and send & receive payments. A transaction account also allows connecting to other financial services. The focus of the World Bank Group's Universal Financial Access (UFA) 2020 initiative is ensuring that people worldwide can have access to a transaction account.

As per the report of the World Bank, in survey of 148 economics:

- Adult population worldwide that do not have a basic account are estimated to be 2 billion.
- 59% of adults not having an account citied a key reason of lack of enough money. Other reasons are distance from a financial institution, not having necessary papers, mistrust in financial service providers and religion.
- Micro, Small and Medium-sized Enterprises (MSMEs) including formal and informal enterprise are more than 200 million not having an account due to absence of collateral, credit history and informal business.
- Women, rural poor, and other remote populations is another segment having lesser access to financial services. In developing countries gender gap is estimated at 9 percentages i.e. 59% of men having an account against 50% of women reported.
- One of the most demanding financial inclusion challenges in the world present is the population which is forcibly displaced; almost 80% in adults in the conflict affected regions don't have access to any financial system.

**Financial Inclusion in India:** In India the term 'financial inclusion' was used by Y. Venugopal Reddy, the then Governor of Reserve Bank of India for the first time in April 2005 in the Annual Policy Statement.

Government of India has made major efforts in the last 50-60 years to include these large sections as a part of organized financial services not only limited to banking but other financial services such as insurance, loans and equity also. A network of Co-operative banks, Rural banks, Business Correspondents, Business Facilitators for door to door banking, no frill accounts, Pradhan Mantri Jan Dhan Accounts has been initiated to reach to the masses for financial inclusion.

**Table 1: Financial Inclusion in India w.r.t. other countries- Indicators of Financial Inclusion (2011):**

| S. No. | Country | No. of Bank Branches | No. of ATMs | Bank Deposits | Bank Credit |
|---|---|---|---|---|---|
| | | per 0.1 million | | as % to GDP | |
| 1 | India | 10.64 | 8.9 | 68.43 | 51.75 |
| 2 | China | 23.81 | 49.56 | 433.96 | 287.89 |
| 3 | Brazil | 46.15 | 119.63 | 53.26 | 40.28 |
| 4 | Indonesia | 8.52 | 16.47 | 43.36 | 34.25 |
| 5 | Korea | 18.8 | - | 80.82 | 90.65 |
| 6 | Mauritius | 21.29 | 42.78 | 170.7 | 77.82 |
| 7 | Mexico | 14.86 | 45.77 | 22.65 | 18.81 |
| 8 | Philippines | 8.07 | 17.7 | 41.93 | 21.39 |
| 9 | South Africa | 10.71 | 60.01 | 45.86 | 74.45 |
| 10 | Sri Lanka | 16.73 | 14.29 | 45.72 | 42.64 |
| 11 | Thailand | 11.29 | 77.95 | 78.79 | 95.37 |
| 12 | Malaysia | 10.49 | 56.43 | 130.82 | 104.23 |

***Source: Financial Access Survey, World Bank***

The table above shows that financial inclusion measured in terms of bank branch density, ATM density, bank credit to GDP and bank deposits to GDP of India is quite low as compared to most of the developing countries in the world. As per 2011 census, 58.7% of households are availing banking services as compared to 35.5% in 2001 which shows that people using banking services has increased considerably because banking services has an increased in the rural areas.

India faces the biggest challenge of providing banking services and insurance coverage to masses, having access to financial institutional has so far remained a challenge to a vast portion of rural population. Before Ayushman Bharat Scheme population having any kind of insurance was only 20% which has now increased to 40% and only 7.4% has any kind of pension scheme as of now. There is a tremendous requisite for providing social security at low cost a huge section of population and economic empowerment of the vulnerable sections.

**Initiatives in India**

**Table 2: Key milestones towards Financial Inclusion:**

| S. No. | Milestone | Year |
|---|---|---|
| 1 | Nationalization of Banks | 1969 |
| 2 | Establishment of Priority Sector Leading Banks | 1971 |
| 3 | Establishment of Regional Rural Banks | 1975 |
| 4 | Establishment of NABARD | 1982 |
| 5 | Launching of SHG Bank Linkage Programmme | 1992 |
| 6 | Establishment of SIDBI foundation for Micro Credit | 2000 |
| 7 | Khan Commission on Financial Inclusion | 2004 |
| 8 | Committee on Financial Inclusion headed by Dr. C. Rangarajan | 2006 |
| 9 | Rangarajan Committee Submitted its Final Report on Financial Inclusion to Union Finance Minister | 2008 |
| 10 | Unique Identification Number (AADHAR) and Direct Benefit Transfer (DBT) Scheme | 2013 |
| 11 | National Mission on Financial Inclusion Pradhan Mantri Jan Dhan Yojana (PMJDY) launched | 2014 |

| | | |
|---|---|---|
| 12 | Approval of RBI to setup Payments Banks, MUDRA Bank | 2015 |
| 13 | BharatQR code, Unified Payments Interface (UPI), **Bharat Interface for Money**(BHIM) app, and National Unified USSD Platform (NUUP) based on Unstructured Supplementary Service Data (USSD) codes launched | 2016 |

**Action by RBI to support financial inclusion:**
RBI in India has taken considerable actions to include more sections of society for financial inclusion. Some of these actions are as follows:

**KYC Norms Simplified:** In order to enable that lower income group do not face problem in opening the bank account due to procedural difficulties the KYC (Know Your Customer) norms have been made simple. Aadhar Card as a proof of both identity and address has been allowed to use by the banks.

**Financial Literacy:** RBI has issued advisories to expedite Financial Literacy and subsequently Financial Access through monthly initiatives like Educational Camps by Scheduled Commercial Banks and Financial Literacy Centers.

**Mandatory Branches in Rural Area**: Every Scheduled Commercial Bank has been directed by RBI to allocate one-fourth of their branches in villages having no branches of commercial banks.

**General Purpose Credit Card Facility**: Commercial Banks are exploring the option to issue General purpose Credit Card in villages and towns. This facility of rotating credit up to Rs. 25,000 would entail de-regulated interest regime.

**Non-banking Rural Intermediaries:** RBI has allowed the banks to include NGOs (Non-Governmental Organization), SHGs (Self-Help Group) and MFIs (Micro Finance Institution) to extend financial inclusion.

**General Permission for New Branch Authorization:** TierII - VI centers having population under 50,000, SCBs (Scheduled Commercial Bank) are allowed to operate branches with reporting mechanism. To further curb the divide of branch availability, RBI allowed SCBs to freely open branches in North-Eastern states.

**Regional Language as Medium of Communication**: To make banking easier for majority of the population RBI has directed the SCBs to use regional language as medium of communication.

**Paper on Banking Structure in India**: In 2013, RBI circulated a paper on Banking Structure in India for comments from general public. Major theme of this paper was related to small banks licensing and financial inclusion i.e. Differentiated Banking Licenses.

**No Frills Savings Accounts**: Banks have been recommended to offer no minimum balance accounts with facilities such as deposits, withdrawals, ATM, Credits etc.

**Monitoring of Financial Inclusion Plans**: RBI monitors progress with respect to self-set and declared FIP (Financial Inclusion Plan) of each bank. These plans generally include targets related to openings of branches in remote areas, issuance of Kisan and General Credit Cards etc.

**Criterion for New Bank License**: While scrutinizing the applications for banking licenses, RBI puts greater weight age on FIP (Financial Inclusion Plan).

**Kisan Credit Card Policy**: Along with providing term loans for agricultural needs and reducing transaction costs, issuance of KCCs also indicates spreading of financial inclusion by way of expansion of Banking Branches and Saving Accounts. RBI monitors the usage of cards based on the geographical and economical profiles of the farmers.

**State of Financial Inclusion**
Since the launch of financial inclusion the progress clearly shows that banks are moving ahead and opening banking channels, opening of BSBD accounts, BCs positioning, grant of credit

through KCCs and GCCs. Detailed figured are mentioned in the following report.

**Table 3: Financial Inclusion Plan: A Progress Report**

| **Particulars** | **End-March 2010** | **End-March 2017** | **End-March 2018**** |
|---|---|---|---|
| 1 | 2 | 3 | 4 |
| Banking Outlets Villages- Branches | 33,378 | 50,860 | 50,805 |
| Banking Outlets in Villages>2000-BCs | 8,390 | 1,05,402 | 1,00,802 |
| Banking Outlets in Villages<2000-BCs | 25,784 | 4,38,070 | 4,14,515 |
| Total Outlets in Villages | 34,174 | 5,43,472 | 5,15,317 |
| Banking Outlets in Villages- other Modes | 142 | 3,761 | 3,425 |
| **Banking Outlets in Villages-Total** | **67,694** | **5,98,093** | **5,69,547** |
| Urban Locations covered through BCs | 447 | 102,865 | 142,959 |
| BSBDA-Through branches (No. in million) | 60 | 254 | 247 |
| BSBDA-Through branches (Amt. in billion) | 44 | 691 | 731 |
| BSBDA-Through BCs (No. in million) | 13 | 280 | 289 |
| BSBDA- Through BCs (Amt. in billion) | 11 | 285 | 391 |
| **BSBDA-Total (No. in million)** | **73** | **533** | **536** |
| **BSBDA (Amt. in billion)** | **55** | **977** | **1,121** |
| OD facility availed in BSBDAs (No. in million) | 0.2 | 9 | 6 |
| OD facility availed in BSBDAs (Amt. in billion) | 0.1 | 17 | 4 |
| KCCs-Total (No. in million) | 24 | 46 | 46 |
| KCCs-Total (Amt. in billion) | 1,240 | 5,805 | 6,096 |
| GCC-Total (No. in million) | 1 | 13 | 12 |
| GCC-Total (Amt. in billion) | 35 | 2,117 | 1,498 |
| ICT A/Cs-BC-Total Transactions (No. in million) | 27 | 1,159 | 1,489 |
| ICT A/Cs-BC-Total Transactions (Amt. in billion) | 7 | 2,652 | 4,292 |

**Source: RBI Annual report 2017-18 (** Provisional)**

Following are the key progress points of the report:

**Number of Branches Opened (including RRBs):** Number of branches in semi-urban areas increased more rapidly as compared with rural areas. In rural areas number of branches increased from 33,378 to more than 50, 00 during March 2010 to March 2018.

**Villages Covered:** In villages with population more than 2000 as well as less than 2000 the number of banking outlets increased consistently since March 2010

**Total Bank Outlets (including RRBs):** Total number of banking outlets in villages increased to 5, 98,093 in March 2017 (around 9 times during the period of 7 years). Banking outlets through BCs increased to5, 43,472(increased around 16 times) during the same 7 year period.

**BSBD Accounts Opened:** BSBD accounts opened numbers increased from 73 million in March 2010 to 536 million in March 2018.

**Kisan Credit Cards (KCC) Issued:** Till March 2018 the total number of KCCs issued to farmers is at 46 million with a total outstanding credit of Rs.6096 billion.

**General Credit Cards (GCC) Issued:** Till March 2018, General Credit Card facility up to Rs. 25,000/- banks had provided credit aggregating to Rs.1,498 billion in 12 million GCC accounts at the rural and semi-urban branches.

Banking outlets opened through BCs in villages increased by 12,243 during 2016-17, number of accounts opened through BCs increased by 49 million.

**ICT Based Accounts - through BCs:** ICT based banking services through BCs having CBS connectivity provides banking services including deposit and withdrawal in the financially excluded regions increased from 27 million in March 2010 to 1,489 million in March 2018, the transactions amount increased from Rs. 7 billion to Rs.4,292billion.

**Analysis of progress of PM Jan Dhan Yojna**

**Table 4: No of Accounts opened under PMJDY during Phase-I as on 31.01.2015**

| Bank | Rural | Urban | No of Accounts | No. of Rupay Debit Card | Balance in Accounts (In Lacs) |
|---|---|---|---|---|---|
| Public Sector Bank | 53300249 | 45147276 | 98447525 | 91232024 | 817463.04 |
| Rural Regional Bank | 18489448 | 3297833 | 21787281 | 14967614 | 159948.08 |
| Private Banks | 3226397 | 2012086 | 5238483 | 4593161 | 72551.50 |
| **Grand Total** | **75016094** | **50457195** | **125473289** | **110792799** | **1049962.62** |

Source: https://www.pmjdy.gov.in/files/progress/phase1.pdf

**Table 5: No of Accounts opened under PMJDY as on 20.03.2019**

| Bank Name / Type | Number of Beneficiaries at rural/semi-urban centre bank branches | Number of Beneficiaries at urban metro centre bank branches | No of Rural-Urban Female Beneficiaries | Number of Total Beneficiaries | Deposits in Accounts(In Crore) | Number of Rupay Debit Cards issued to beneficiaries |
|---|---|---|---|---|---|---|
| Public Sector Banks | 15.20 | 12.87 | 14.78 | 28.07 | 76407.35 | 22.94 |
| Regional Rural Banks | 5.00 | 0.96 | 3.30 | 5.96 | 16470.44 | 3.84 |
| Private Sector Banks | 0.64 | 0.50 | 0.61 | 1.14 | 2504.36 | 1.05 |
| **Grand Total** | **20.84** | **14.33** | **18.69** | **35.16** | **95382.14** | **27.83** |

***Source: https://www.pmjdy.gov.in (All figures in Crore)***

With the help of the above tables, it is observed that the total number of accounts opened under PMJDY by Commercial Banks, Private Sector banks and Regional Rural Banks in Rural area has increased from 7.50 Crore to 20.84 Crore from Jan-2015 to March 2019while in Urban area it has increased from 5.04 Crore to 14.33 Crore.

**Factors that affect access to financial services**

**Gender issues:** It is because of huge divide in title of assets between male and female population, generally women do not enjoy good creditworthiness and this impedes access to financial services.

**Age factor:** In absence of any specific guidelines to provide preferential services to relatively older and younger potential customers, banks generally target the close to median economically active population.

**Legal identity:** Possession of proof of legal identity is a prerequisite to provide financial services, but in the case of economic and political refugees and migrant workers more often than not lack of documents to establish legal identity becomes the cause of financial exclusion.

**Limited literacy:** Limited spread of financial literacy and business finance knowledge reduces themed and for financial services.

**Place of living:** Unavailability of financial service center in relatively close proximity, lack of transportation facilities and density of population affect connect to financial services.

**Psychological and cultural barriers:** People, especially older, low income group, ethnic minority sometimes have this perception that they are excluded from financial services and this actually leads to self-exclusion.

**Benefit Transfers:** Financial exclusion is greater in those countries where the Benefit Transfers are not linked to the banking system.

**Bank charges:** Transaction and Holding costs may act as a deterrent to the financial inclusion, especially to older and low-income group people.

**Terms and conditions:** No frills accounts have better chances of acceptability than the accounts with multiple requirements such as minimum balance etc.

**Level of income:** The poorer members of the community are excluded from access to financial services even in case of services for them are tailored. The low-income group community finds it difficult to use financial services due to poor creditworthiness, limited literacy, difficulty in reaching to financial centers, psychological barriers etc.

**Attractiveness of the product:** Lack of products and services, which can cater to the exact need of the potential customers and inadequate marketing of the same also led to the financial exclusion.

**Role of Financial Inclusion:** Objectives related to Financial Inclusion are:

**Market size increase for the financial services:** To increase the opportunity for the new entrants in the financial segment and for growth of banking there is a need that bigger and larger section of society is added to this market which will be added in the financial system. Indian Rural FMCG market size in 2016 is 29.4 US$ billion and estimated to be 100 US$ billion (Source: India Brand Equity Foundation report). This shows the potential of rural market for financial institutions.

**Economic Objectives:** The Financial Inclusion can help the underdeveloped and developing countries to develop their economies. Adding various sections of the society will lead to drop of inequalities related to income and savings which is important for the equitable growth. There is a need to recognize the huge potential for investment in agriculture and allied activities in the entire supply chain. The return on investments could be significant as the market imperfections in various aspects of the rural economy.

**Direct Benefit Transfer (DBT):** Instead of physical cash payments direct cash transfers to against subsidies is possible, this also ensures that the money is reaching to the intended recipients rather than siphoned out to intended sections. The DBT scheme started on January 1, 2013, has been a big game changer w.r.t. financial inclusion. In the first phase DBT was initiated in 43 districts and later on 78 more districts 27 schemes pertaining to scholarships, women, child and labour welfare were added. DBT reach was further extended and seven new scholarship schemes and the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) were brought under DBT in 2014 in 300 identified districts with high Aadhaar (biometric-based unique identification number) enrolment. Jan-Dhan, Aadhaar, and Mobile (JAM) have been the major enablers of DBT. Till FY 2018-19 total direct benefit transfer amounted to more than INR 5,09,973 crore and total number of transactions stood at more than 119 crore.

**Savings Mobilization:** Saving at non-banking sector can be fruitfully utilized for the growth of economy and capital materialization if these sections can be added with the banking services.

**Social Objectives:** Financial Inclusion scheme main objectives Poverty Eradication as it will reduce the gap between the vulnerable sections of society and the income sources if these sections get loans and advances after being added in the formal financial segment.

**Sustainable Livelihood:** Weaker sections can start up their own occupational work or they can take care their education needs once they get some money in form of loans in order to sustain the livelihood. Thus, financial inclusion is a great help to low income households. There is also growth in newer areas such as floriculture, horticulture, genetic engineering and organic farming. Supply chain activities like transportation, processing, sorting, grading, storage and packaging. Services and manufacturing activities are also growing faster in rural areas.

**Insurance:** There are immense requirements in the area of insurance as larger risks are involved with the farmers using new untried technology to increase input intensities.

For expanding business in the medium-term, notwithstanding some initial costs there is a requirement to perceive financial inclusion opportunity. Items for mass consumption is immense as population of the rural markets is moving laterally to the higher income brackets.

**Problems and Challenges:** Though there is lot of efforts being made from various agencies to add the weaker or poor sections in the main financial stream, still there are lot problems and challenges in this area:

**Moneylender's influence:** Money lenders still remain in this financial business and account for approximately 30% of total banking business. Moneylender despite continuous efforts by financial institutions still continued to capture the financial market especially in rural areas.

**Illiteracy:** Limitations arising out of illiteracy wherein people are afraid keeping their money in the banks or post office or even lack of understanding of documentation required to open bank accounts. Similarly, messages received on mobile phones from banks in English need someone for them for assistance to understand and interpret the message which breaches the privacy of an individual's bank account. This makes the illiterates mostly females and elderly susceptible to malpractices. Therefore, a financial inclusion plan sensitive to area, demographic and gender related aspects, needs to be created carefully.

**Operational accounts:** After the opening of no frills or PMJD Accounts in far flung areas making the accounts operational and having financial transactions in these accounts is a major challenge. As on 11.01.2017 status of Zero balance accounts in Public Sector Banks is 25.07%, Rural Regional Banks is 20.66% and Private Banks is 33.68%.

**Business Correspondent (BC) as a profession:** The lack of growth and stability are main reasons for the low value in the BC profession. Low salaries and incentives adds to the reason that BC profession is not considered good. Majority of them believe that being a BC could not be a permanent profession as most of them have an alternative source of earnings or other members in the family earning a livelihood.

**Preference for a physical brick and mortar branch:** Majority of rural population is not confident in banking through BC and prefers a physical brick and mortar bank branch.

**Mobile and Internet penetration:** As per a report by the Internet and Mobile Association of India (IAMAI) out of 500 million internet users across India only 33% users are from rural areas. Female internet users are approximately 30% of total Internet users.

Recommendations: The Government of India and RBI are making rigorous efforts but achievement has been slow, due to lack of a strong network and financial mechanisms not appropriate to rural residents. Further, lack of financial literacy and awareness among rural masses are primarily reason for low penetration of financial services. There are some key areas where the increase in focus may lead to increase the Financial Inclusion:

**Information and Communication Technology (ICT):** The ICT developments can be leveraged to increase the banking outlets in remote areas without the need to open brick and mortar bank branches. Technology needs to make the branch to go where the customer is present. The NPCI data shows that the Unified Payment Interface (UPI) transactions made a giant leapfrog from just 1,03,060 transactions in October, 2016 to 91,67,277 transactions in May 2017, recording a stupendous 89 times growth. Unstructured Supplementary Service Data (USSD) based mobile banking offers the facility of mobile banking using Basic banking facilities including money transfer. Bill payments and balance enquiries etc.

**Post Office Networks and Fair Price Shops network:** As per India Post Annual Report 2017-18 In India, there are 1,54,965 post offices as on March 31, 2017, with 1,39, 067nearly ninety percent in rural areas. Core Banking Solution (CBS) has been rolled out in 51,361 post offices.

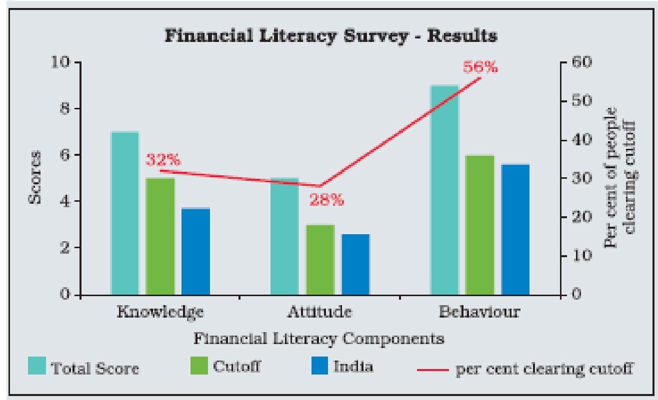
Similarly, a network of 5,27 LakhFair Price Shops (FPS) as on 31 March 2018will be a good option for the inclusive growth of the economy as per the number of existing shops across the country. As per State of Aadhaar Report 2017-18, approximately 39% of FPS has electronic point of sale (ePoS) device being used for different kinds of transactions in many of the FPS.

Utilizing existing network for banking such as post offices and fare price shops will help in bringing a big difference in the economy.

**ATMs:** The advent of ATMs providing customers access to money any time are 2.26 lakh are in metro, urban and semi-urban areas with only 40,000-odd ATMs available in rural areas as per RBI report as on 30 June 2018. Therefore, access to money in the remotest parts of the country posed a greater challenge. Public sector banks operate only about 20% of their ATMs in rural areas; the reach of private banks is with just 8% of their ATMs in these areas. One of the initiatives that the RBI took a couple of years back, was to grant licenses to non-bank entities to set up white-label ATMs (WLAs) in the country. This will help to expand access to ATMs in semi-urban and rural areas where banks were not able to put up ATMs.

**Business Correspondents:** If the right people are recruited to take up the BC role it would be effective. Offering additional financial products like insurance and mutual funds through BC would increase their scope. BC's performance should be based on some key performance indicators (KPIs) to decide the incentive structure.

**Training and Financial Literacy:** A pan-India Financial Literacy and Inclusion Survey based survey was conducted by RBI in 29 states and 5 union territories. The financial literacy was measured across three components viz. financial knowledge, attitude, and behavior. The results is presented in the chart below:




The results are not very encouraging and there is dire need for frequent interactive training camps organized in the gram panchayat offices, post offices or fair price shops on financial products as per the local population. In collaboration with CBSE, National Strategy on Financial Education (NCFE) has prepared financial education workbooks for classes VI to X, which in the process of getting CBSE's final approval which needs to be included in the curriculum soon to nurture the financial inclusion culture.

**Conclusion:** Financial Inclusion is in the top most agenda for regulators, policymakers and development agencies all across the globe. Financial inclusion is one of the enabler for 7 of the 17 Sustainable Development Goals. The World Bank Group considers financial inclusion as a key measure to diminish extreme poverty and boost prosperity, same has been put forward an ambitious global goal to reach Universal Financial Access (UFA) by 2020.

This paper has re-established the fact that both social and economic factors are pivotal in financial inclusion exercise. Similarly both supply and demand issues have to be taken care of to ensure rapid spread of financial services. It has also come out very clearly that the interaction of Social &Economic sphere and Supply & Demand sphere needs to be looked into very carefully to ensure that the desired outcome is produced. For example, availability of suitable financial product fulfills the requirement from supply side and favorable environment may generate enough demand for the same, however untrained, not motivated employees may deter the process of spread of the product as it could be otherwise. Similarly, an economically viable product/service which does not gel with the social fabric of the potential customers will have limited success.

Hence, the policy makers need to not only address the individual challenges but also their interaction with each other. Along with the physical infrastructure, the environment of understanding the requirement and delivering the solution accordingly is the need of the hour.

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