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A STUDY ON ROLE PLAYED BY THE RESERVE BANK OF INDIA IN PROMOTION OF FINANCIAL INCLUSION AND ITS IMPACT ON GDP

Umang V Gandhi
Student
BBA-School Of Business & Management Studies
Christ (Deemed To Be University) ,Bengaluru, India.

Abstract: This study has been undertaken to know whether the RBI has taken steps to improve and promote financial inclusion in India and the impact of financial inclusion on the GDP. This study tells us the areas where people are financial excluded and hence gives the government the idea of promoting financial inclusion in that particular area. From the data we can see that the RBI has been successful in promoting financial inclusion but there are a few areas where the RBI still has to work.

***Index Terms* – Financial Inclusion, GDP, RBI, Commercial Bank, Financial Exclusion, Banking Sector, Regression.**

I. INTRODUCTION

The economic reform period has so far been witness to the key catalytic role that banks play in attaining growth in the Indian economy. In addition, the country's backward regions too lack fundamental financial infrastructure. Capital formation via credit and financial services is an essential pre-requisite for inclusive and sustainable growth. Therefore, by establishing equal opportunities, entry to good working banking system allow financially and informally omitted people to assimilate into the economy, in attempt to vigorously underwrite to grow and protect them from financial shocks.

The RBI has observed that only about 5% of the country's 600,000 households have a bank branch. Financial inclusion is important not only for the benefit it gives to the poor but also for the overall stability of the social and economic system of the country. The inclusion has a large impact on the Indian economy. There is a potential for transforming the lives of these excluded groups by giving banks access to structured savings schemes and credit expansion for emergency and entrepreneurial purposes, thereby enabling vulnerable people to establish properties, generate stable income, create resilience to macroeconomic and livelihood shocks and improve their financial and living standards. India has experienced unprecedented progress and development in the last decade. Although the growth story was impressive, there are other factors which cause concern. Chronic poverty and hunger affect about 50 per cent of the population of India. Just 31 per cent of the Indian population can access banking services. The remaining 69% are still deprived of bare minimum banking services that are entirely dependent on informal banking sources such as private money lenders. Because banking services are in the form of a public good, it is argued that the primary goal of public policy is to make banking services accessible to the population as a whole without discrimination. It is now well established that trade with the poor is more sustainable and profitable, since they are open to business potential. A simple, small, affordable requirement for goods will help bring low-income families into the formal finance sector. Considering their seasonal income from agricultural activities, movement from one location to another, and seasonal and sporadic job availability and earnings, the existing financial system needs to be modified to meet their needs. Mainstream financial institutions like banks play a significant role in this system, not as a social obligation, but as a pure business strategy.

India has grown across all sectors as a result of advances across all the places in the banking network. Despite spreading its wings to many areas of poverty, low income, low productivity etc. has also spread to many urban areas and particularly rural areas. Financial inclusion paved the way for those areas to be educated by opening a no frills account in understanding credit system, financial markets and lending facilities without any problems.

Financial inclusion should eliminate 60 per cent financial exclusion and 39 per cent respectively in urban and rural areas. Included are microfinance industries to efficiently meet these segments. Before in our country inclusion was only where everyone had to open accounts, though that was the initial step but later on the government came up with digitization of baking sector and came up with various schemes like the Pradhan Mantri Jan Dhan Yojana which talks about and also provides equal banking services to the citizens of India.

1.1.1 FINANCIAL INCLUSION

The significance of financial inclusion derives from the question of the economic isolation of nearly 3 bl citizens from the mainstream financial services worldwide. Therefore, from a public policy perspective the context-specific aspects of financial exclusion take on significance. The fundamental concepts of financial inclusion have emerged from the underlying public policy issues that many people, particularly those living on low incomes, are unable to access traditional financial products such as bank accounts and low-cost loans, which in effect imposes real costs on them-often the most vulnerable. And many concepts of financial inclusion / exclusion evolved over the years. The purpose of these services is to help them recover from poverty.

1.1.2 FINANCIAL INCLUSION AND ECONOMIC DEVELOPMENT

What has broken the economic development model is that equity isn't axiomatic with economic development. There are several initiatives of government and non-government that aim to reduce poverty and bring greater equity to the world. But few ultimately proved efficient and sustainable. Inclusion in finance will turn them into successful and self-sustainable ventures. The credit program is a key to the banking industry and they can be a tool for successfully promoting the inclusion as such schemes will persuade people to invest. That will make banking; get into a common man's daily routine. This will allow underbanked customers to join the financial mainstream, or make better use of it. It will also encourage people to take credit for starting new projects. And by doing this new entrepreneurs will come up with more start-ups, then there will be more opportunities in the market which will lead to optimization and hence would be favourable for the countries economy. This will also inevitably lower the rising rates of crime in society. Accordingly, in directing financial resources in any developing economy to the economic betterment of poor people, there is a need for policy support. The consensus is that finance is fostering economic growth but varying in degree of effect. Financial inclusion is meant to connect people with the significant benefits of banks. Guaranteeing that the banking system plays its proper part in fostering inclusive growth is the greatest challenges that developing nations face. We therefore advocate that economic development creates conditions for growth when it is now well known that it is more sustainable and competitive to trade with the disadvantaged, since they are open to business potential. Mainstream financial institutions like banks play an important role in this programme, not as a social obligation but as a pure business strategy

1.1.3 FINANCIAL EXCLUSION

It is where people do not use banking services due to some issues or lack of knowledge. Such programs are in demand but they weren't offered. The people who are downtrodden or people who live in rural areas who do not have proper infrastructure, electricity etc. are those who do not have access to banking services and such people are considered as financially excluded people. According to Census 2001, just 36 percent of the people in India use some form of banking services. The BCG report says that even financial exclusion has a huge impact on the economy and the growing markets. In recent years India's large financial inclusion policy comprises the following elements:

- Promote penetration into unbanked and disadvantaged areas and promote agents and intermediaries such as NGOs, MFIs, CSOs and Business correspondents (BCs).
- Using technology to promote financial inclusion
- Advise banks to open a ' no frills ' simple bank account
- Focus on financial literacy and credit counselling
- Synergies produced between formal and informal segments.

1.1.4 REGULATORY MEASURES

- Big push by banks for the business correspondent model
- Compulsory paperless transfers in post offices and banks.
- For minimal transactions coming up with no-frill accounts.
- Enabling micro-insurance services to be offered by facilitation of regulation.
- Simplified Know Your Customer (KYC) rules and the deregulation of interest rates for small value accounts
- Greater focus on developing payment systems that meet low-income families ' needs.
- Limited investments yet growing awareness of the value of financial literacy to ensure true financial inclusion and greater consumer protection focus. In fact, regulators have limited any regulatory and promotional step by overemphasizing aspects.
- Four years before the decision to liberalize it was taken the BC model had met with limited success.

Given the lack of an existing replicable business model today, its future success has yet to be determined. Given its links to government welfare payments, the use of the no frills account is limited

- Micro-insurance has yet to be rolled out outside the limited confines of micro-credit cover in a big way.
- The funds allocated to promote financial inclusion are managed within the traditional framework, and innovation is not sufficiently emphasised.
- The cooperative credit system has experienced many revival rounds, yet it remains to discover its true potential.

Economic inequality, economic alphabetizer, financial exclusion, financial abuse with the aid of financial inclusion must be completely reversed. The advanced and dynamic banking services have been facilitating entree to a huge array of monetary products and opportunities. Realizing the value of financial inclusion even developed countries such as the United Kingdom have been implementing the same actively since 1997 and setting up a task force in 2005, which is constantly tracking progress and urging the government to speed up the programme. Financial inclusion is an access to appropriate banking for each person to manage their money on a daily basis, plan ahead effectively and safely and deal with financial strain in the near term with the aid of long-term funds and work effectively with financial hardship such as long-term illness, unemployment or family breakdown by making money available Bank accounts may be all forms of deposit and credit accounts but usually only the saving accounts were considered a more practical measure. Persons with low income and less access to banks are likely to be excluded from the financial inclusion. Such individuals may mostly be the families of landless agricultural labourers, marginal farmers, oral lessees, migrant labourers and educationally and economically deprived groups such as tribal and women.

Although this is a challenging task, it can be accomplished by financial education, planning a detailed plan to cover all villages, providing financial products at reasonable prices and convenience etc. Bank nationalization, branch expansion, regional rural banks, no-frill accounts, NABARD development, self-help group etc. are some of RBI's moves toward the productive financial system and financial inclusion process.

Financial inclusion contemplates low cost banking services for the country's financially excluded population and regions. It has also proven to be a profitable business proposal for banks. This can be done by using low-cost technologies and receiving technological, financial and policy support from the Indian, RBI, and NABARD governments. A lot of steps for positive financial inclusion have been taken by RBI, and the outcome is seen in the financial sector and the financial services ' scope capability.

1.2 BANKING INDUSTRY PROFILE

Indian banking is the nation's lifeline, and its people. The sector has transposed millions of people's hopes and aspirations into reality. Today Indian banks can compete with the world's global banks in trust..

Mutually supportive banks coexist with commercial banks in the Indian banking system and play an important role in the distribution of need-based financing, in particular for agricultural and agricultural activities such as livestock, cattle, milk, hatchery, personal finance, etc. along with some small businesses and events powered by self-employment. Co-operative banks are generally governed by the State governments ' respective cooperative acts.

RBI was the sole body or the apex body to regulate the banking sector in India. Prudential guidelines have been put in place to encourage and improve the productivity of banks, in line with international. We are sadly loaded by disproportionate NPAs, huge labour, and absence of modern technology. The Private Sector Banks on the other hand are making tremendous progress. We are the Internet banking, mobile banking, telephone banking, ATMs leaders. With regard to Foreign banks in the Indian banking industry are likely to succeed. ANZ Grindlays Trust, ABN-AMRO Bank, T66YT6American Express Bank Ltd, Citibank are some of Indian Banking Industry's foreign banks. Indian Banking Industry is going through a provisional phase as regards the current scenario. The initial wave of economic improvements led in 1969 to the nationalization of fourteen banks, leading to a transition from period banking to form banking. This in turn resulted in a substantial increase in banks ' geographical coverage. In 1980, the next round of restructuring saw six new commercial banks nationalized. There are currently 8 new private sector banks in operation. Some of the foreign banks working in the Indian banking industry are ANZ Grindlays Bank, ABN-AMRO Bank, American Express Bank Ltd, Citibank.

1.2.1 GOVERNMENT POLICY

Government came up with some reforms in the banking sector due to which banks started working under certain regulations to strengthen the banking sector. They increased the CRR, then they made a proper structure for the interest rates etc. Few of the norms which had to be regulated strictly for the private banks were low level of investment, capital limiting etc. This done mainly with the help of the Financial System Committee's recommendations.

The subsequent changes in the financial sector called for stability in interest rates for banks, raising reserve requirements and a range of structural steps. Credit market reforms included the introduction of new credit instruments, improvements in the credit delivery system, and convergence of different players ' functional functions, such as banks, financial institutions, and non-bank financial firms (NBFCs).

1.2.2 BANKING INDUSTRY VISION

• Banking system is the economy's lifeline. India’s vision prepared by the PC, the government, is a vital file that is probable to direct policymakers in the ages to come.

• The vision of India is to raise India's ranking in terms of GDP among 207 countries listed in the World Development Report.. This is an optimistic target likened to the regular GDP growth of 4 to 6% in the current past.

• The vision of India sees a 1.3 billion-strong nation that is better educated, safer and more prosperous. Urban India would now account for 40 percent of the population as opposed to 28 percent. Agriculture's share of GDP will fall to 6 per cent (down from 28 per cent). In our economy the service sector would assume greater prominence.

• The Small and Medium Enterprises (SME) sector will emerge as a significant contributor to the country's job creation. Nevertheless, this section has in many ways remained vulnerable.. The SME market is projected to develop as a thriving sector, significantly contributing to GDP growth and exports.

• India has stayed well below 1 per cent in international trade. Because India was never an export-led economy , it remains somewhat isolated from worldwide economic tremors. This profile will change as the nation prepares for GDP growth of 8-9 per cent. The Commission's report on development visualizes a more globalised economy. The international trade will account for 35% of GDP

• India's 2020 dream is of a nation busy with vigour, free enterprise and invention. In other words, India is expecting to see a highly competitive, efficient, and market-driven economy. India requires a financial system, which is intrinsically solid, functionally diverse and shows productivity and versatility, in order to realize the above objective. Hence, we should put in effort to develop a more stable, sustainable and inclusive economic system with finest practices that will help and contribute positively to economic development.

• Government policy papers list infrastructure investment as a key area that needs to be addressed. Infrastructure project funding is a specialized operation and would continue to be important in the future.

• The image has shifted in the recent past, and considerable progress has been made in private infrastructure financing. The government's role would become increasingly that of a facilitator, and infrastructure development would actually become an exercise in public private partnership.

1.3 SOME OF THE MEASURES TAKEN BY THE RBI AND GOVERNMENT

1.3.1 BRANCH EXPANSION

The nationalization of commercial banks in India was a ground-breaking step towards the country's large rural population being able to access the banking services. This was a major effort towards financial inclusion, which contributed to the expansion of branches of banks in unbanked rural and semi-urban regions. However, despite the increased reach of banks in rural and semi-urban areas and the implementation of targeted credit, during the post-nationalization period, farmers and rural craftsmen still did not receive adequate credit from banks. In addition, the accessibility of the formal banking system to avenues for savings was limited. In recent years the penetration of banking services in India has been steadily increasing. For the downtrodden areas, however, the rate of increase in the penetration of banking services has been much less than that in city areas.

1.3.2 BUSINESS CORRESPONDENT (BC) MODEL

It has been widely recognized that physical banking facilities are not feasible in every dwelling. Accordingly, the financial inclusion policy focuses primarily on the use of ICT to increase admission to banking facilities by the BC, who holds a device that is connected to the bank's networks. In 2006, RBI released guidelines for banks involvement with the provision of banking and financial services . Under this model, banks were allowed to use the services of various entities as well.

1.3.3 FINANCIAL LITERACY

Financial literacy is instrumental in increasing financial inclusion, which in turn helps to further enhance financial literacy, while empowering one another in a positive way. NABARD works with the Indian Women's Microfinance School and has established alliance-level collaborators, monitoring systems and impact assessment frameworks, to formulate a National Alliance on Financial Literacy (NABARD, 2011).

1.3.4 NO FRILL ACCOUNTS

An account which has no fixed balance and such accounts are introduced by the government so that rural people open accounts and start using banking services. Banks earned INR 199 crore worth 4.2 million ODs till the end of March 2011 (RBI, 2011). No Frill accounts make access to savings bank accounts cheap for the vulnerable. These also help banks retain higher Current Account and Savings Accounts (CASA) helping them to raise margins.

1.3.5 TECHNOLOGICAL INNOVATIONS

Financial inclusion could be a lucrative business proposal, if banks adopt appropriate low-cost technology. Such expertise should lower the costs of providing services in the country's rural, and recessive areas. In this sense, banking service providers need to enter into cooperative agreements for the sharing of resources.

1.4 ESSENTIALS OF FINANCIAL INCLUSION

- Access to payment systems
- Delivery of Banking & Financial Services
- Timings & other conveniences
- Cost
- Product Range
- Education - Health, Insurance, equity, etc.
- Penetration to deepest geographies
- Segmented approach
- Functional Financial Inclusio.

1.5 FINANCIAL INCLUSION AND INCLUSIVE GROWTH IN INDIA

The Indian economy has grown 8.8% in the last four years. Recent years have seen a substantial increase in the country's income reflecting high economic growth and a decline in population growth. Despite the impressive numbers, growth has not been adequately inclusive, particularly after the mid-1990s Agricultural sector, which provides jobs to around 60% of the population, has lost its growth momentum from that point on, although this trend has been reversed since 2005-06. The levels below the Indian population's poverty line has fallen from 36 per cent in 1993-94 to 26 per cent in 1999-2000. While India's recent past has seen ongoing economic growth, its development has been skewed with the nation trailing along essential social and environmental parameters for development. The Eleventh Plan approach paper indicated that the total number of poor people in 2004-05 is estimated at about 300 million. Accordingly, the 11th Five Year Plan embraced "faster and more inclusive growth" as its main development model. With only 34 per cent of the population taking part in formal banking, India has the second highest number after China, despite 135 million households financially excluded. However, India's real rate of financial inclusion is also very small, and about 40 per cent of bank account holders do not even use their accounts once a month. It is widely assumed that poor resource needs financial assistance at reasonable costs and at steady speed as well.
Nevertheless, the policies are the reason for the institution there goals but they have ignored the deprived people. It is in this context that the aim of financial inclusion in the Indian context should be inclusive growth.

ARTICLE REVIEW:

It is very much essential to know what the researchers have already been done on the topic which we are going to study. Review of literature gives us a guideline to conduct the research and sometimes it is used as a secondary source for the study also. I have taken some of the studies done by researchers which are published in different journals to get the idea about the research.

S.C. Bihari (2011) explored that financial inclusion is delivery of financial services at an affordable cost of the vast sections of the disadvantaged and the low-income groups. The numerous services include savings, insurance & payments & transferring facilities. India has a vast majority of financially excluded families, with only 50% of the population engaged in formal banking. The study deals with the various reasons behind this are and suggests way to ameliorate the same.

S.C. Bihari (2011) revealed that financial inclusion is the ease of access, availability and use of the formal financial system by all members of the economy. The articles have found how important inclusion is for the growth of the country. But there is no such tool which we can use to determine the inclusion in our country. This research is an attempt to fill this void, and thus contribute originally. Using a multidimensional approach we suggest a Financial Inclusion Index (IFI).

Bi Zohra (2011) explored that India's microfinance is seen as a development tool that could alleviate poverty and boost nations growth via financial inclusion. Of India's six lac villages, only around 50000 have access to finance. India is one country with the highest number of excluded households from the financial system. With the microfinance institutions crisis and the challenges that microfinance institutions face, the article's purpose is to research microfinance efficiency and effectiveness. A sample of microfinance institutions in India was selected for the study based on their ratings provided by microfinance exchange of information (MIX).

Radhika Dixit (2013) India revealed to be one of the world's largest and fastest growing economies, but what was most troubling about its growth was that its growth was not only inconsistent but also discreet. Hence, because of such inconsistencies Indian Banking neds to improve & grow. It plays an extremely crucial role in the economic growth cycle. This research is conducted in order to know growth in region wise inclusion. The research was conducted using secondary source data. Natural hierarchical grouping cluster analysis is carried out taking into account parameters like GDP.

Diniz Eduardo (2012) determined that Financial inclusion can be defined as access to formal financial services at an affordable cost for all members of an economy, that favours low-income groups in the main. Some successful experiences reported in developing countries with financial inclusion are linked to the use of branchless banking based on information and communication technology (ICT). Through such models people in the rural area have the chance to access the banking services. It concludes by saying that while access to financial services is a fundamental way for the low-income community to promote local growth, other comprehensive structures, such as financial education, should accompany such access so as to be successful.

Shafi Mohammad (2012) revealed that Financial inclusion poses policy challenges on a scale and with an unique urgency for developing countries that house about 90 per cent of the world's poorest population. In the last decade or so, the Indian economy achieved a phenomenal economic growth. But it was not inclusive of that rise. Various banking services like 24/7 ATM services, RTGS, mobile banking has led to the growth of the banking sector only in towns and cities and this is one of the reason there is an exclusive growth in the country and the government should also focus more on the rural areas.

Vighneswara Swamy (2011) says that the accessibility of poor people to finance is a requirement for poverty reduction and sustainable economic growth. As we know that the main reason for the government to promote financial inclusion is to eradicate the number of people who are financially excluded i.e., to educate such people about the baking and reduce the number of people who are financially excluded. Though it is a very tough job to promote inclusion because there are many challenges but still the government was successful in promoting and achieving inclusion in our country.

Priya Darshee (2010) revealed The analysis of empirical evidence from three Indian states indicates the strategies for financial inclusion may be ineffective if planned without taking account of the government's social protection program. Such programmes will create more demands for services among the downtrodden people and hence it will make the government realise to open or provide more banking services in the downtrodden areas and this would lead to an overall growth in the countries financial inclusion. Moreover, the concept of diversifying banking products to reach to the HNIs in cities will not be enough because of its competition.

Kodan Anand Singh (2011) analysed that the Financial inclusion as a process of ensuring access to financial services and a timely and adequate credit that vulnerable groups, such as weaker sections and low-income groups, need at an affordable cost. This research shows us the growth of inclusion region wise and them it compares such growth with GDP with the help of statistical tools and in the end it gives us the interpretation of such analysis and its implications and recommendations.

Nagadevara Vishnu prasad (2009) revealed that theoretically, financial development creates enabling conditions for growth through either a supply-led or a demand-pull process. So according to the author inclusion is where each and every citizen of the country whether downtrodden people or people living in urban areas get equal access to banking services. But this was mainly bought up by the government to help the people who are excluded i.e. people who do not have access to banking services like people staying in villages. So the government has come up with various ways where each and every one have equal access of the banking services such PMJDY, digitization, various savings scheme etc. Such considerations can be used to develop appropriate approaches to enhance financial inclusion.

Satya R. Chakravarty(2013) This initiative can be applied readily and is useful for setting policy priorities to encourage financial inclusion. First, to assess financial inclusion, we illustrate the importance of applying side-data on banking services. Then we see how effectively the government has taken steps to improve inclusion by seeing and analysing the growth of inclusion in every part of the country. And also this article talks about social banking which has a huge impact over the growth of inclusion.

Mandira Sharma (2011) Whether development leads to an all-inclusive financial system is an important question raised in the literature. This article is based on the pros of participating in the inclusion of the country and cons of not participating in the inclusion. If we all participate and promote inclusion in our country it will directly hae an impact over the economy as a whole. This shows that a country's rates of human development and financial inclusion are growing closely together.

Aditi Kapoor (2014) Financial inclusion is an equalizer that enables all people to contribute to economic growth and to benefit it. So India was a bit ahead in the race as it had nationalised its banks earlier and that’s when it thought of financial inclusion and its operations compared to other developing countries. The track record is a combination of successes and failures. This research tells us about various aspect of financial inclusion in India and how is India going to progress after the inclusion.

Chakravarty (2010) In India, sustainable development has been a priority over the past decade. Without financial inclusion, sustainable growth is unlikely. Financial inclusion is also necessary for the country's economic development. So a large chunk of people in our country are moving slow and are not involved in the growth prospect of the country and hence financial inclusion is the key for such people to participate in the countries growth prospect and improve the country’s economy.

Thankom Arun(2015) Financial inclusion is firmly on the agenda of most governments as a key policy priority as a key enabler for development. The selection uses macro data to illustrate the variety of financial inclusion activities and the need for a gradual financial inclusion approach. Few conferences may help us in understating inclusion and policies to promote inclusion and its practices.

Badar Alam Iqbal (2017) Financial inclusion is emerging as a new model of economic development which plays an important role in driving away the poverty of the country. This also includes promotion of banking services to the downtrodden people so that they are aware about such services. Financial inclusion is an important priority for the country. It allows the gap between rich and poor people to be reduced. The financial institutions are the key foundations of economic progress, economic growth and development in the present situation.

Devendra G. (2014) This paper discusses the various initiatives of the government and the challenges of the demand side with respect to financial inclusion, in which India is now working towards full financial inclusion by 2020. The author is of the opinion that the demand side, i.e. the consumer, should be improved and allowed to open a bank account and use it for saving and investing purposes. When we concentrate on the demand side we are certainly going to achieve full financial inclusion. The author also argues that reserving rates of income and education will help boost financial literacy and financial capacity.

3.1 TITLE

Study on the role of RBI in the Promotion of Financial Inclusion and its impact on GDP.

3.2 STATEMENT OF THE PROBLEM

Banking is the growing industry in India all the time. Banks are the backbone of Indian financial system. The main motive of RBI is to have a balanced development. But to achieve this service of the bank should reach all parts of the country. Growth and scope of banking industry is now in rural and semi urban areas.

Money related incorporation conceives ease managing an account administrations to the monetarily rejected populace and areas of the nation. In the meantime it has turned out to be a financially savvy business suggestion for banks. This is conceivable by tackling minimal effort innovation, and arrangement of specialized, money related and strategy bolster from Government of India, RBI and NABARD. Gainful models for budgetary consideration should be received by banks as No Frill accounts, BCs, BFs, SHG-Bank Linkage Program, Joint Liability Group financing, Financial Literacy, CBS and ICT-empowered KCC/GCC, multipurpose shrewd cards, portable managing an account, and versatile saving money vans in the supply side. Request side variables like IT advancements, improvement of provincial foundation and advancement activities in the homestead area as a cooperative energy between e-Choupal of ITC and Farmers Club Program could prompt to broad and manageable.

3.3 SCOPE OF THE STUDY

The study is conducted to understand the measures taken by Reserve Bank of India and the Role of RBI in the financial inclusion. Coverage of banking services in India and the steps taken through the commercial banks in order to promote the financial inclusion. All commercial banks in India i.e. Public sector Banks, Private Sector Banks, Regional Rural Banks and Foreign Banks will come under the study.

3.4 OBJECTIVE OF THE STUDY

The following is the objectives of the study:

- Analyse the role of commercial banks in the Indian financial system.
- Study the RBI measures on financial inclusion.
- Its impact on GDP.

3.5 RESEARCH METHODOLOGY

It is based on Descriptive research method. The study is based on the secondary data so descriptive research method is suitable for this study.

Secondary data is used for the research. This study is not based on the primary data so need not to use any sampling techniques. Secondary data from RBI websites and articles from published sources are using for the study. And we are using regression for the secondary data.

Sources of Data: Interpretation and analysis of data which is collected from various secondary sources.

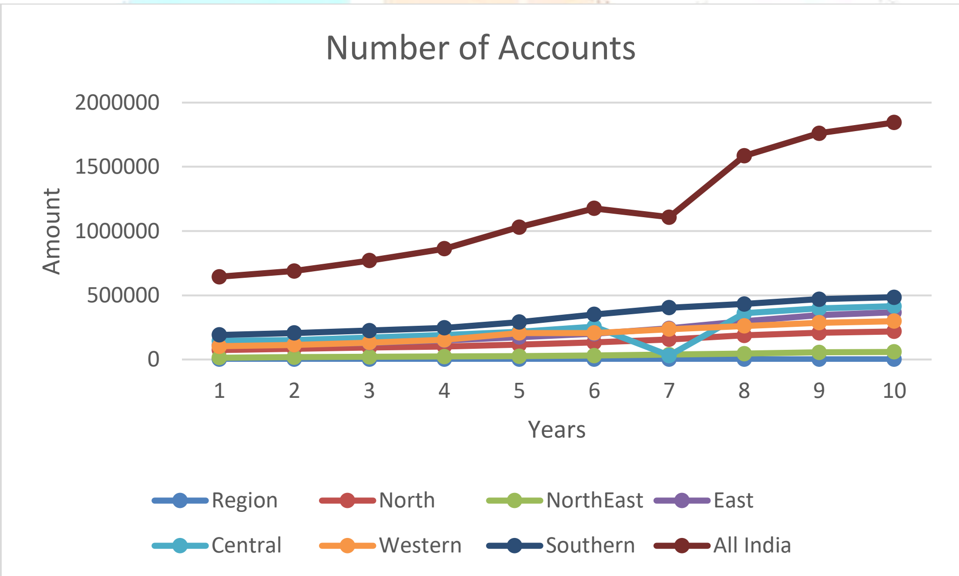
DATA ANALYSIS & INTERETATION

This is a process where we fist collect and collate the data and make the data consistent so that it is easier to analyse and interpret. It is a process to derive some result out of the data after its analysis. We can analyse data in various ways depending upon the data we collect and the field in which our paper is based on.

Number of Bank Accounts region wise

(in ,000)

Region	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**
North	74541.02	83797.97	92512.04	102165.43	115584.18	132648.61	156563.17	187392.53	207262.05	218818.62
North-East	15132.34	18126.66	20509.13	23100.5	26018.81	30444.71	38432.32	46211.84	55392.49	58849.7
East	113641.21	115161.95	129144.63	148998.85	173520.9	200364.66	242920.6	297377.45	344867.87	367405.15
Central	145661.01	150994.37	171024.98	189969.55	217037.3	255337.05	30709.83	360193.63	397263.95	415288.39
Western	103571.78	114659.71	131932.36	152327.02	206479.53	206452.53	236006.73	261243.14	286492.17	299111.53
Southern	191541.39	206305.29	224987.99	246284.99	291779.64	351417.73	403646.08	432825.01	469456	484652.22
All India	644088.75	689045.95	770111.13	862846.34	1030420.36	1176665.29	1108278.73	1585243.6	1760734.53	1844125.61



Hypothesis

H0: Number of bank accounts region wise has no impact on GDP.

H1: Number of bank accounts region wise has an impact on GDP.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.912[a]	.832	.811	3913.21330

a. Predictors: (Constant), Total accounts

ANOVAa

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	604787627.618	1	604787627.618	39.494	.000[b]
	Residual	122505906.374	8	15313238.297		
	Total	727293533.992	9			

a. Dependent Variable: GDP

b. Predictors: (Constant), Total accounts

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4515.944	3606.454		1.252	.246
	Total accounts	.019	.003	.912	6.284	.000

a. Dependent Variable: GDP

Analysis:

Having an account with a commercial bank is the first step RBI will take toward an effective strategy for financial inclusion. The table above shows the number of people who have current or savings account with any commercial banks in India. India is a country with a population of 1.3 billion, but the number of people with bank accounts is only 46 per cent of the population. In the northern Indian states it accounts for 49% of the population, while in the notheastern states it is only 23%. Eastern and central regions also fall below 30 per cent. West and South retain respectively 43 per cent and 42 per cent.

Interpretation

The table speaks clearly on India's banking and financial penetration. As we can see, the number of bank accounts opened in 2010 was less than 50 percent of the country's population (1.3 trillion), but as the number of bank accounts rose over 100 percent in due course. The country population's notheastern, eastern, and central regions are mostly farmers and village people with less or no literacy. That is where concentration of the Indian economic system is needed.

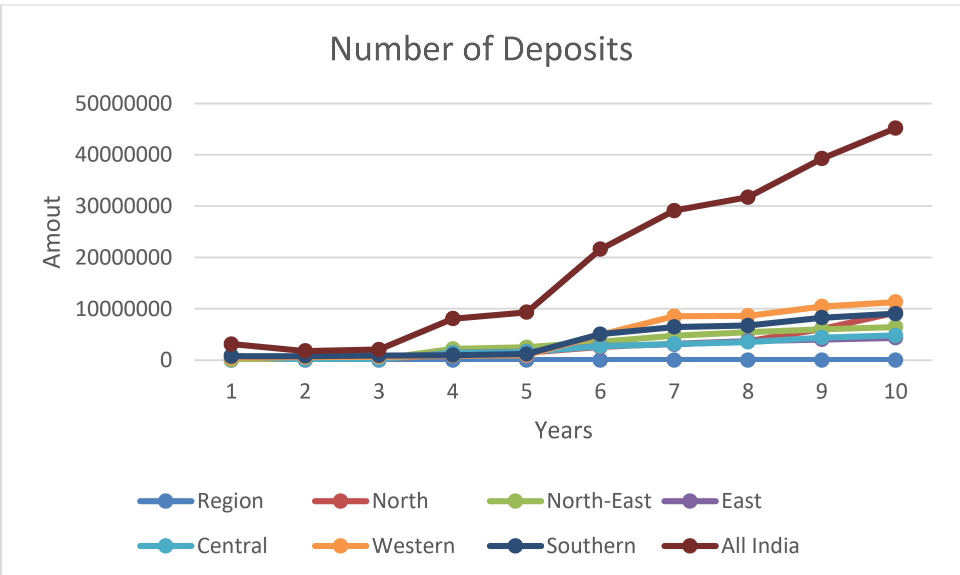
From the ANOVA table we can see that the significant value is less that 0.05(5%) and hence we accept H1 and we can interpret and say that number of accounts region wise has a significant impact on GDP.

From the Coefficient table the significant value is less than 0.05(5%) and hence we accept H1 and we can interpret and say that number of accounts region wise has a significant impact on GDP.

Number of Deposits region wise

(in ,000)

Region	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
North	805270	901760	1015550	1254165	1440812	2549650	3176562	3675837	6083763	9215966
North-East	121120	151600	177200	2183280	2496320	3562051	4741443	5449110	6005101	6449110
East	837470	99875	111030	1425201	1653436	2778561	3064045	3722389	4013822	4341543
Central	851620	99132	112114	1405230	1594060	2671520	3149072	3525084	4408289	4812506
Western	485800	556250	649680	835688	950526	4959666	8540748	8644995	10447018	11310971
Southern	740520	794710	897180	966045	1182887	5061789	6438855	6720454	8265410	9036469
All India	3117057	1791743	2048759	8069609	9318041	21583237	29110725	31737869	39223403	45166565



Hypothesis

H0: Number of deposits region wise has no impact on GDP.

H1: Number of deposits region wise has an impact on GDP.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.936[a]	.876	.860	3362.89727

a. Predictors: (Constant), Number of deposits

ANOVAa

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	636820909.763	1	636820909.763	56.311	.000[b]
	Residual	90472624.229	8	11309078.029		
	Total	727293533.992	9			

a. Dependent Variable: GDP
b. Predictors: (Constant), Number of deposits

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	15985.178	1686.182		9.480	.000
	Number of deposits	.001	.000	.936	7.504	.000

a. Dependent Variable: GDP

Analysis:
The table above shows data of the amount of deposits made in each region of the country over the past 10 years. As we can see, the number of deposits in India has been steadily increasing since 2010, and on average it has been rising by nearly 30 percent. But the government still has to focus more on the central and eastern regions, as we can see that the amount of deposits in these particular regions is less than in other regions.

Interpretation:
The number of deposits tells us how successfully people used banking services. From this data we may say that the government has been successful at introducing financial inclusion schemes. But the government should concentrate on a few regions such as north-east, east and centre where rural areas are more similar to other areas.

From the ANOVA table we can see that the significant value is less that 0.05(5%) and hence we accept H1 and we can interpret and say that number of deposits region wise has a significant impact on GDP.

From the coefficient table the significant value is less than 0.05(5%) and hence we accept H1 and we can interpret and say that number of deposits region wise has a significant impact on GDP.

Progress under Pradhan Mantri Jan-Dhan Yojana

Bank Name/Type	**Number of beneficiaries at rural/ semi-urban centre bank branches (crore)**	**Number of total beneficiaries (crore)**	**Deposits in accounts (in ₹ crore)**	**Number of RuPay debit cards issued to beneficiaries (crore)**
Public Sector Banks	15.24	28.13	76,947.08	22.97
Regional Rural Banks	5.03	5.99	16,590.74	3.86
Private Sector Banks	0.63	1.15	25,69.52	1.08
Total	**20.9**	**35.27**	**96,107.35**	**27.91**

Analysis:

From the table we can see that the government had put up a total of 96,107.35 Cr after this program. Deposits were made, and 20.9 Cr in total. Beneficiaries had been from rural and semi-urban areas. So the main objective was to provide services to financially excluded people and RBI is successful in promoting financial inclusion in India by developing such schemes.

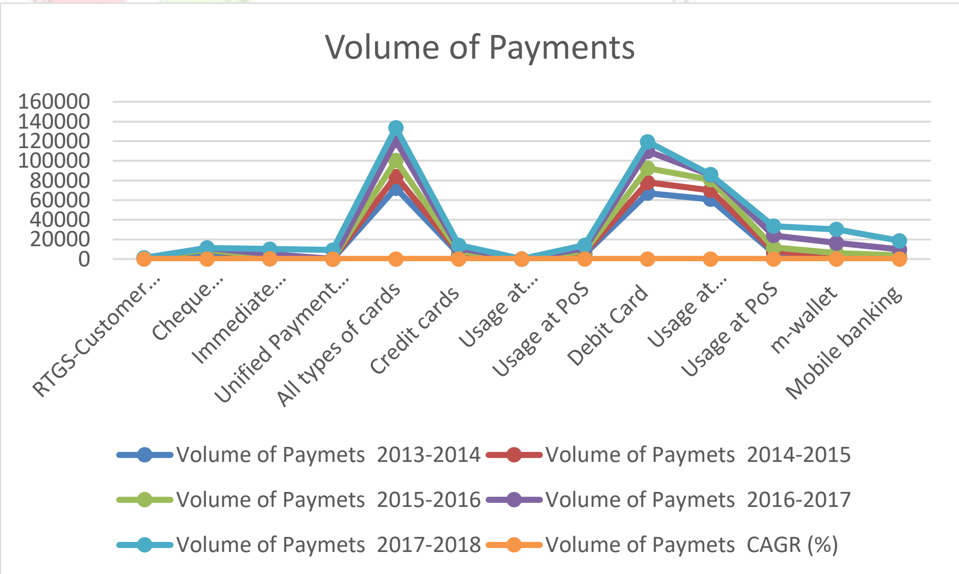
Interpretation:

So this scheme was put in place to provide the people with proper and equivalent banking services, and by doing so, RBI is making the banking services available across the country to promote financial inclusion.

Volume of Payments

(in lakhs)

Particulars of financial inclusion service	**2010-2011**	**2011-2012**	**2012-2013**	**2013-2014**	**2014-2015**	**2015-2016**	**2016-2017**	**2017-2018**	**CAGR (%)**
RTGS-Customer Transactions	532	600	677	764	884	940	1037	1207	11.4
Cheque Truncation System (CTS)	3556	4213	4991	5914	9649	9584	11119	11381	15.6
Immediate Payment Service (IMPS)	19	39	77	154	784	2208	5067	10098	49.8
Unified Payment Interface (UPI)	0	0	0	0	0	0	0	9152	0
All types of cards	40980	49493	59774	72191	84240	100387	120559	133586	17.2
Credit cards	1779	2530	3599	5120	6194	7917	10935	14130	29.7
Usage at ATMs	12	16	22	30	43	60	64	78	26.3
Usage at PoS	1769	2516	3579	5091	6151	7875	10871	14052	29.7
Debit Card	39611	47213	56273	67,071	78,046	92,470	1,09,624	119457	16.1
Usage at ATMs	45425	50083	55218	60,880	69,965	80,734	85,631	86,023	9.3
Usage at PoS	520	1188	2712	6,191	8,081	11,736	23,993	33434	56.2
m-wallet	3	22	155	1,075	2,550	6,040	16,300	30,260	85.6
Mobile banking	338	476	671	947	1,719	3,895	9,769	18723	29.1
Total	**134544**	**158389**	**187749**	**225428**	**268306**	**323846**	**404969**	**481581**	-



Hypothesis:

H0: Volume of payments has no impact on GDP.

H1: Volume of payments has an impact on GDP.

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	6497.833	3081.405		2.109	.080
	Volume of Payments	.061	.010	.924	5.901	.001

a. Dependent Variable: GDP

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.924[a]	.853	.828	3376.46350

a. Predictors: (Constant), Volume of Payments

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	396922989.394	1	396922989.394	34.816	.001[b]
	Residual	68403034.792	6	11400505.799		
	Total	465326024.186	7			

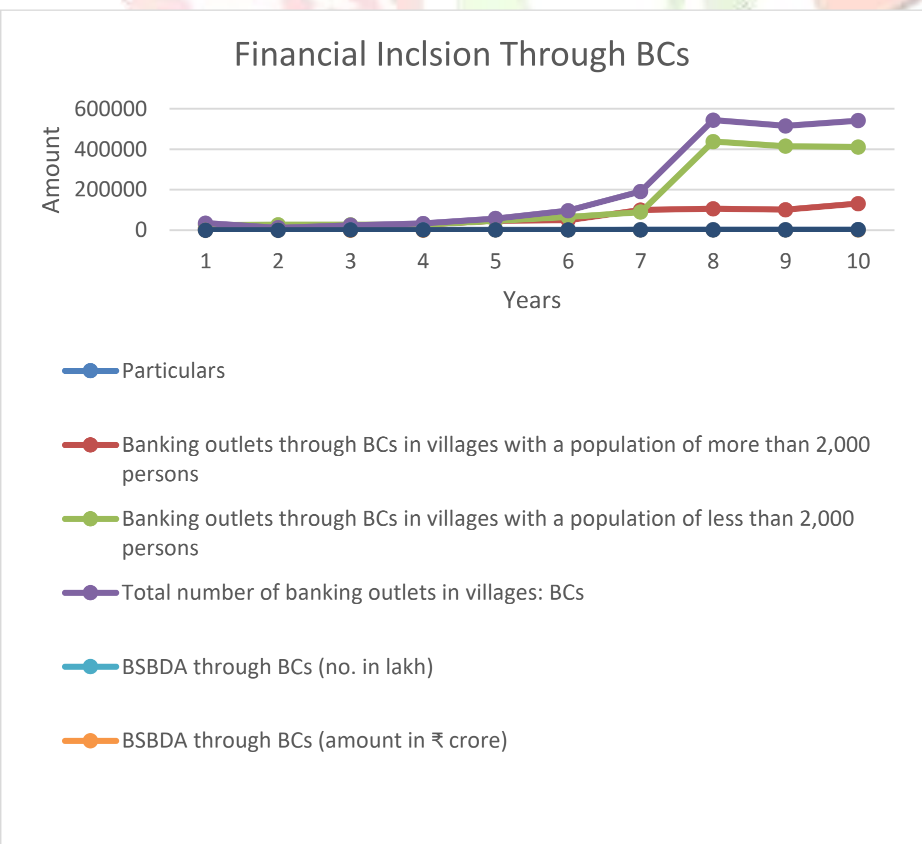
a. Dependent Variable: GDP
b. Predictors: (Constant), Volume of Payments

Analysis:
So these are the forms in which money is transferred to make payments and methods such as RTGS, CTS, IMPS, UPI etc. were not widely used about 6 years ago but now from the table we can see that RBI has made norms that people start using such services and that they are successful in getting these methods. We can see from the table that the use of these services is growing year after year which clearly indicates that RBI and commercial banks are working to spread banking services across the world.

Interpretation:
This table clearly shows that RBI and commercial banks are making efforts to promote financial inclusion across the country and are successful. These payment methods are implemented for the people so that transactions are made without any additional costs and without any difficulty. We can therefore assume that RBI has implemented these payment modes in order to achieve financial inclusion.
From the ANOVA table we can see that the significant value is less that 0.05(5%) and hence we accept H1 and we can interpret and say that volume of payment has a significant impact on GDP.
From the coefficient table the significant value is less than 0.05(5%) and hence we accept H1 and we can interpret and say that volume of payments has a significant impact on GDP.

Progress of Financial Inclusion through Business Correspondents

Particulars	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Banking outlets through BCs in villages with a population of more than 2,000 persons	8390	15102	23362	27353	46126	49571	98958	105402	100802	130687
Banking outlets through BCs in villages with a population of less than 2,000 persons	25784	26180	26330	26905	45937	65234	89165	438070	414515	410442
Total number of banking outlets in villages: BCs	34174	11829	24332	33042	57329	95767	191125	543472	515317	541129
BSBDA through BCs (no. in lakh)	13	26.8	57.3	81.3	166.9	187	250	280	289	319
BSBDA through BCs (amount in ₹ crore)	11	18.7	31.71	54,04	91.87	156.2	164	285	391	532
ICT account management through BC: Number of transactions in lakh	27	51.4	115	126	296	521	896	1159	1489	2084



Hypothesis

H0: Number of banking outlets through BCs has no impact on GDP.

H1: Number of banking outlets through BCs has an impact on GDP.s

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.805[a]	.649	.605	5650.55727

a. Predictors: (Constant), Banking outlets through BCs

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	471863154.026	1	471863154.026	14.779	.004[b]
	Residual	255430379.966	8	31928797.496		
	Total	727293533.992	9			

a. Dependent Variable: GDP

b. Predictors: (Constant), Banking outlets through BCs

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	19427.782	2438.113		7.968	.000
	Banking outlets through BCs	.031	.008	.805	3.844	.004

a. Dependent Variable: GDP

Interpretation:

From the ANOVA table we can see that the significant value is less that 0.05(5%) and hence we accept H1 and we can interpret and say that Banking outlets through BCs has a significant impact on GDP.

From the coefficient table the significant value is less than 0.05(5%) and hence we accept H1 and we can interpret and say that Banking outlets through BCs has a significant impact on GDP.

Hypothesis

H0: Number of BSBDA through BCs has no impact on GDP.

H1: Number of BSBDA through BCs has an impact on GDP.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.983[a]	.967	.963	1733.99201

a. Predictors: (Constant), BSBDAs through BCs

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	703239707.606	1	703239707.606	233.889	.000[b]
	Residual	24053826.386	8	3006728.298		
	Total	727293533.992	9			

a. Dependent Variable: GDP

b. Predictors: (Constant), BSBDAs through BCs

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Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	13060.200	997.548		13.092	.000
	BSBDAs through BCs	76.300	4.989	.983	15.293	.000

a. Dependent Variable: GDP

Interpretation:
From the ANOVA table we can see that the significant value is less that 0.05(5%) and hence we accept H1 and we can interpret and say that BSBDA through BCs has a significant impact on GDP.

From the coefficient table the significant value is less than 0.05(5%) and hence we accept H1 and we can interpret and say that BSBDA through BCs has a significant impact on GDP.

Hypothesis
H0: Number of ICT through BCs has no impact on GDP.
H1: Number of ICT through BCs has an impact on GDP.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.881[a]	.776	.748	4508.71734

a. Predictors: (Constant), ICT Through BCs

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	564665277.561	1	564665277.561	27.777	.001[b]
	Residual	162628256.431	8	20328532.054		
	Total	727293533.992	9			

a. Dependent Variable: GDP
b. Predictors: (Constant), ICT Through BCs

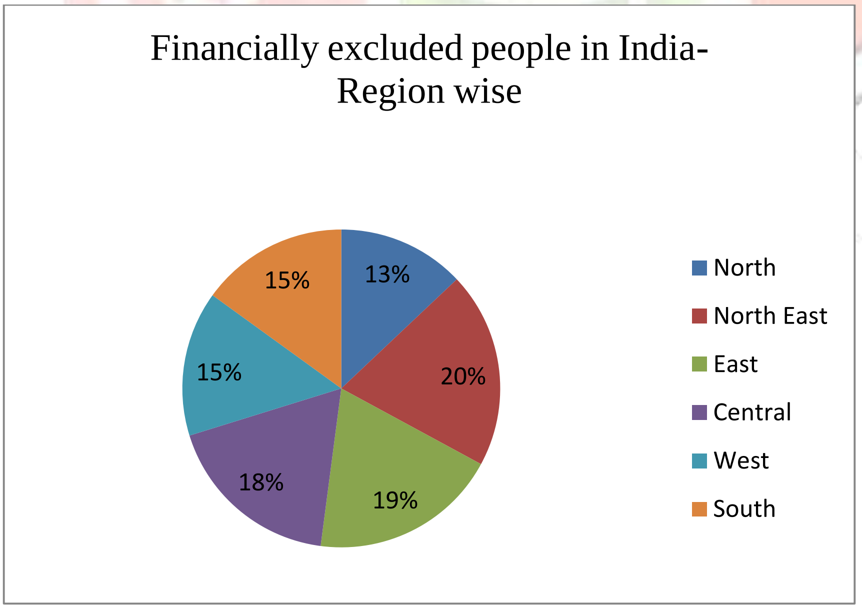
Interpretation:
From the ANOVA table we can see that the significant value is less that 0.05(5%) and hence we accept H1 and we can interpret and say that ICT through BCs has a significant impact on GDP.
From the coefficient table the significant value is less than 0.05(5%) and hence we accept H1 and we can interpret and say that ICT through BCs has a significant impact on GDP.

Analysis
The table given shows the number of Business Correspondents deployed over the 10 years. The Business Correspondents model is showing tremendous growth. It is 3417 in the year 2010, where, as in 2019, it has risen to 541129.
Number of ICT-based accounts opened to demonstrate the upward trend over the last 10 years. The number of ICT-based accounts in 2010 is 2.7 million; by 2019 it has risen to 208.4 million. Within the period of 10 years 205 million newly opened accounts.

Interpretation
The Business Correspondent (BC) model has been recommended by the RBI to provide an alternative structure to branch-based banking to achieve financial inclusion. The business correspondent model is evaluated to achieve success in both rural and urban areas with an increase in the number of BC's deployed. Rural and urban divisions also risen. The growth was more successful than other outlets through the BC model.
Services allowed by ICT also help the banks with fast transactions. The graph shows that the use of technology for banking transactions is on a tremendous increase. It also helps Banking and Economy to grow.

Financially excluded people in India- Region wise

Region	No of people who are not having access to financial services	Total Population	Percent
North	66338231	132676462	50
North East	2197412190	284950897	77
East	168433674	227613073	74
Central	199999446	285713495	70
West	96370896	169071747	57
South	146998320	253445381	58
All India	7308774370	1353471055	54

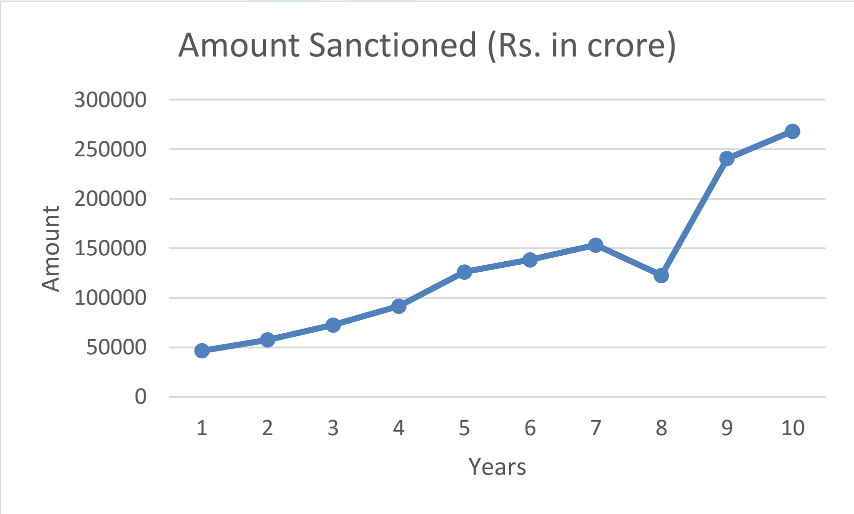


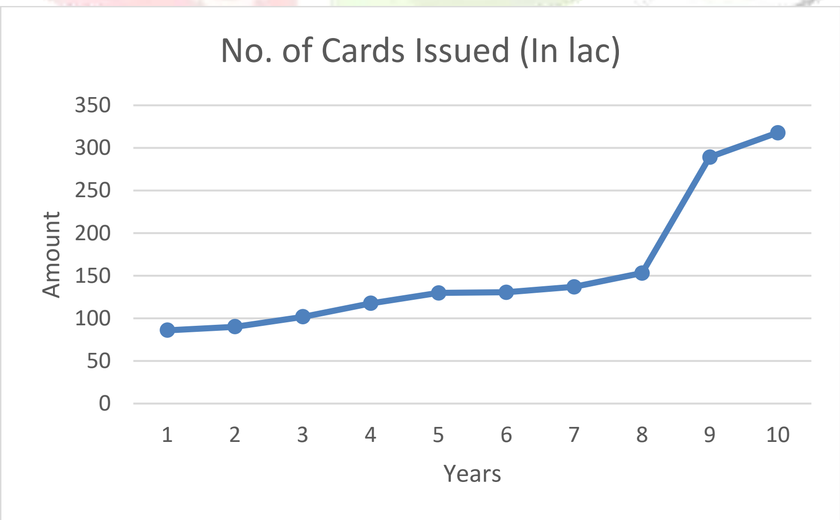
Analysis
The table above shows the percentage of financial exclusion in individual regions in India. The percentage of people throughout the world excluded from financial inclusion is 54%. In North India, on the other hand, 50% of the population is excluded 77% of the population excluded in the north-east; it is the highest in the whole country. Eastern and central followed with 74 per cent and 70 per cent respectively northeast. Relative to the northeast, middle, and east, the southern and western regions are stronger.
Interpretation
India has a long way to go through on the process of financial inclusion. It is a threat to the country's economic development that 54 percent of the population still do not use the banking services. The literacy rates and living standards of the people in the north, west and south are

very high compared to the other regions. This is one of the main reasons for exclusion from finance. It is very difficult for the village people to access the banking service without making them aware of the facilities they can use and how they can do it.

Kisan Credit Card Scheme

Year	No. of Cards Issued (In lac)	Amount Sanctioned (Rs. in crore)
2010	85.92	46669
2011	90.05	57678
2012	101.69	72625
2013	117.6	91680
2014	129.82	126280
2015	130.5	138469.5
2016	136.91	153294.98
2017	153.09	122651.25
2018	289.17	2,40,596
2019	317.7	2,68,220





Hypothesis
H0: Amount sanctioned through KCC has no impact on GDP.
H1: Amount sanctioned through KCC has an impact on GDP.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.886[a]	.785	.759	4416.03463

a. Predictors: (Constant), Amount Sanctioned Rs in crore

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	571282639.183	1	571282639.183	29.294	.001[b]
	Residual	156010894.809	8	19501361.851		
	Total	727293533.992	9			

a. Dependent Variable: GDP
b. Predictors: (Constant), Amount Sanctioned Rs in crore

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	11559.983	2979.370		3.880	.005
	Amount Sanctioned Rs in crore	.108	.020	.886	5.412	.001

a. Dependent Variable: GDP

Analysis:
So the table shows region-wise development of the NABARD launched system known as the Kisan Credit System. So we can see that apart from the north-eastern region, with 22,226 KCC agents, each part of the country has more people using this scheme and the highest use of this scheme is in the central region. But we can still see the success of such schemes across the country and at least there is a 10 per cent increase in the number of KCC operatives.
Interpretation:
Such a scheme was launched by NABARD to provide long-term loans for agricultural needs and from the table we can perceive that NABARD has been successful in implementing such scheme as we can see a rise in the use of such scheme but NABARD can work on a few regions to encourage more as we can see that there are only 1339 operatives in 2018 in the north-eastern region. So it's got to focus on those regions too. Overall, NABARD has succeeded in implementing its scheme and encourages financial inclusion.
From the ANOVA table we can see that the significant value is less that 0.05(5%) and hence we accept H1 and we can interpret and say that amount sanctioned through KCC has a significant impact on GDP.
From the coefficient table the significant value is less than 0.05(5%) and hence we accept H1 and we can interpret and say that amount sanctioned through KCC has a significant impact on GDP

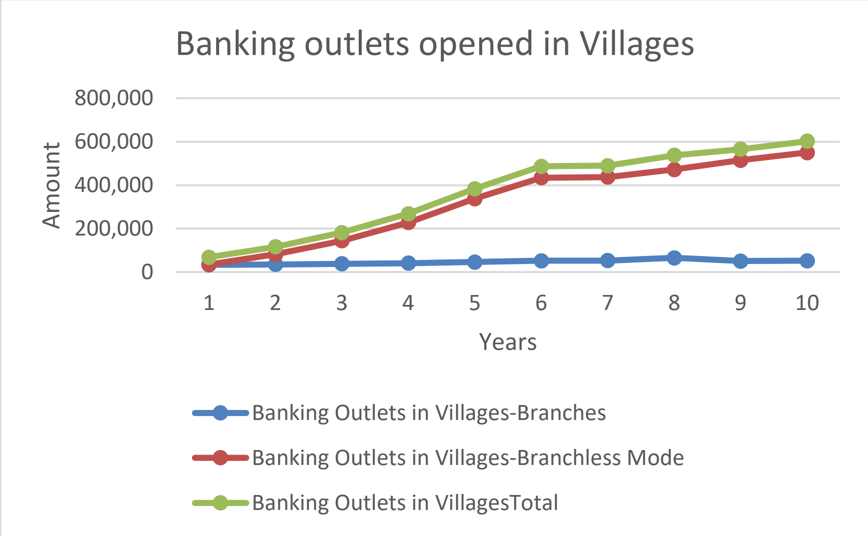
Number of banking outlets opened in villages

Particular	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Banking Outlets in Villages-Branches	33,378	34811	37471	40837	46,126	51,830	52,240	65,300	50,440	52,000
Banking Outlets in Villages-Branchless Mode	34,316	81397	144282	227617	3,37,678	4,34,477	4,37,609	4,72,011	5,15,000	5,50,000
Banking Outlets in Villages Total	67,694	1,16,208	1,81,753	2,68,454	3,83,804	4,86,307	4,89,849	5,37,311	5,65,440	6,02,000

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	9276.852	1338.692		6.930	.000
	Banking outlets opened in village	.045	.003	.980	13.834	.000

a. Dependent Variable: GDP



Hypothesis

H0: Number of banking outlets in village has no impact on GDP.
H1: Number of banking outlets in village has an impact on GDP.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.980[a]	.960	.955	1909.89960

a. Predictors: (Constant), Banking outlets opened in village

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	698111802.121	1	698111802.121	191.383	.000[b]
	Residual	29181731.871	8	3647716.484		
	Total	727293533.992	9			

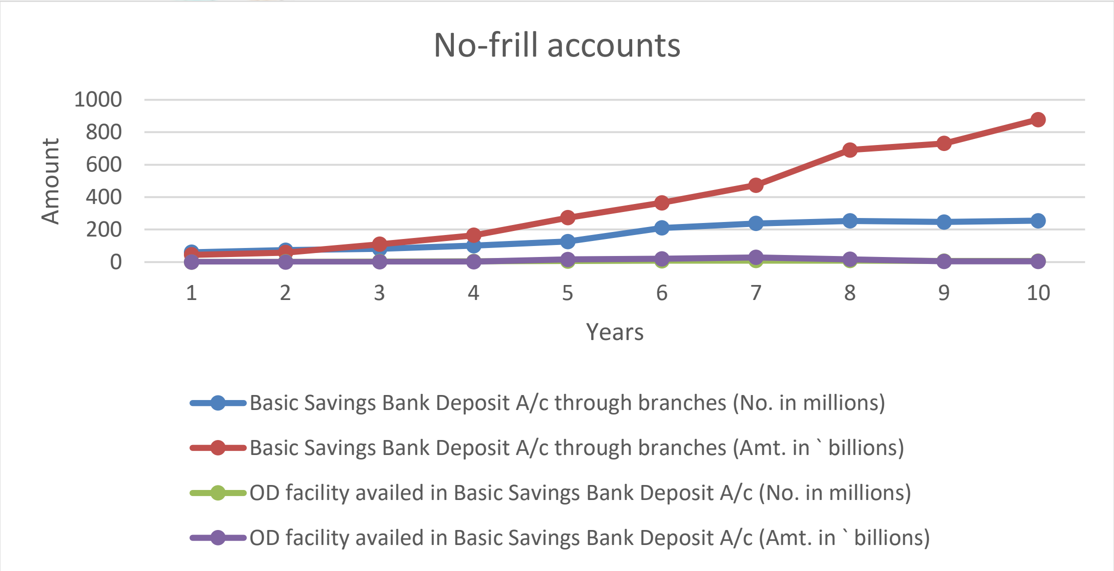
a. Dependent Variable: GDP
b. Predictors: (Constant), Banking outlets opened in village

Analysis:
The table shows the number of banking outlets opened in villages with branches and we can see that there is a rise of about 20% t of branches in rural areas within a period of 10 years. Over 10 years 6,02,000 branchless modes in the villages have been opened.

Interpretation:
It is the guidelines given by the RBI that in order to increase financial penetration, each commercial bank should open its branches mainly in villages. Citizens in the villages are still not literate, and the mode of financial transaction is not using the banks. Concentrating more on village people's financial literacy and financial inclusion will also support the country's development and the financial system.
From the ANOVA table we can see that the significant value is less that 0.05(5%) and hence we accept H1 and we can interpret and say that number of banking accounts opened in villages has a significant impact on GDP.
From the coefficient table the significant value is less than 0.05(5%) and hence we accept H1 and we can interpret and say that number of banking accounts opened in villages has a significant impact on

Number of No-frill accounts opened

Particular	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Basic Savings Bank Deposit A/c through branches (No. in millions)	60.19	73.13	81.2	100.8	126	210	238	254	247	255
Basic Savings Bank Deposit A/c through branches (Amt. in ` billions)	44.33	57.89	110	164.7	273	365	474	691	731	878
OD facility availed in Basic Savings Bank Deposit A/c (No. in millions)	0.18	0.61	2.71	3.95	5.9	7.6	9	9	6	6
OD facility availed in Basic Savings Bank Deposit A/c (Amt. in ` billions)	0.1	0.26	1.08	1.55	16	19.9	29	17	4	4



Hypothesis

H0: Number of BSBDA A/c through branches has no impact on GDP.

H1: Number of BSBDA A/c through branches has an impact on GDP.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.961[a]	.924	.914	2629.56150

a. Predictors: (Constant), BSBDA through Branches

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	671976784.532	1	671976784.532	97.182	.000[b]
	Residual	55316749.460	8	6914593.683		
	Total	727293533.992	9			

a. Dependent Variable: GDP

b. Predictors: (Constant), BSBDA through Branches

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	8701.386	1923.919		4.523	.002
	BSBDA through Branches	103.951	10.545	.961	9.858	.000

a. Dependent Variable: GDP

Interpretation:
From the ANOVA table we can see that the significant value is less that 0.05(5%) and hence we accept H1 and we can interpret and say that BSBDA A/c through branches has a significant impact on GDP.
From the coefficient table the significant value is less than 0.05(5%) and hence we accept H1 and we can interpret and say that BSBDA A/c through branches has a significant impact on GDP.

H0: Number of OD facility availed in BSBDA has no impact on GDP.
H1: Number of OD facility availed in BSBDA has an impact on GDP.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.852[a]	.726	.692	4991.55838

a. Predictors: (Constant), OD availed in BSBDA

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	13486.870	3106.728		4.341	.002
	OD availed in BSBDA	2417.608	525.192	.852	4.603	.002

a. Dependent Variable: GDP

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	527968293.163	1	527968293.163	21.190	.002[b]
	Residual	199325240.829	8	24915655.104		
	Total	727293533.992	9			

a. Dependent Variable: GDP
b. Predictors: (Constant), OD availed in BSBDA

Interpretation:
From the ANOVA table we can see that the significant value is less that 0.05(5%) and hence we accept H1 and we can interpret and say that OD availed in BSBDA has a significant impact on GDP.
From the coefficient table the significant value is less than 0.05(5%) and hence we accept H1 and we can interpret and say that BSBDA A/c through branches has a significant impact on GDP.

Analysis
No frill accounts are the zero balance or very minimum balance accounts opened. This is one of the RBI's first moves in fostering the cycle of financial inclusion. In 2010, 60.19 million people have no frill accounts and by 2019 it has risen to 255 million. Within the span of 10 years 195 million newly opened no frill accounts. The amount of cash flow is up tremendously.
Interpretation
Banks were guided to make banking facilities more consistent across the banking system by introducing and promoting 'no frill' accounts. There is an improvement in no frills account opening but acknowledged that there is still work to be done. The reason the no frills account doesn't increase much is because many people don't know about these systems and even if they do people don't know how to run those accounts.

5. SUMMARY OF FINDINGS

- Financial inclusion being the RBI and government's current goal, the number of banks in the country is growing in order to make use of the service to the people. The rural people or the peasants are the ones who have been financially excluded. The available data suggests that the more branches of all forms of banks are located in the rural area.

- India is 1.3 billion people nation but only 46 percent of the population has a bank account. In the northern Indian states it accounts for 49% of the population, while in the northeastern states it is only 23%. Eastern and central regions also fell below 30 per cent. West and South hold respectively 43 per cent and 42 per cent.
- According to the 2001 census, it is 30,1% in rural areas, whereas it is 49,5% in urban areas. It has grown 24.3 percent over a 10-year period in the 2011 census.
- People who take advantage of banking services are very small in rural areas relative to urban areas, but the country's financial system and banking sector are also rising positively.
- As of the 2011 census, the overall percentage of people using banking services was 58.7%, 23.2% higher than in 2001• Within 3 years 130687 branches were opened in villages above 2000 and 410442 branches were opened in villages below 2000.
- In 2010 60.19 million people have no frill accounts, rising to 255 million by 2019.
- The explanation why the no frills account doesn't increase much is because many people don't know about these systems and even if they do people don't know how to run certain accounts.
- Government deployed Corporate correspondents to fund rural inclusion. 34174 were deployed in the year 2010. It has risen to 541129 in 2019.
- Number of ICT-based accounts opened over the last 3 years indicating the upward trend. The number of ICT related accounts in 2016 is 89.6 million; by 2019 it has risen to 208.4 million.

6.1 RECOMMENDATIONS

- Collective action between banks, corporations and others is needed to promote significant exposure of financially excluded individuals to bank accounts.
- The financial inclusion or opening of bank accounts should be seen more as an obligation than as an opportunity for the banks to do business.
- New products need to be developed according to the needs of both the rural and urban population.
- The related business model should be more used by the banks and made available in the remotest parts of India.
- If clients are not conscious, all terms and conditions must be explained in detail. Further emphasis on customer service, training and security.
- ICT connectivity is quiet good and therefore this model should be used more.
- Financial inclusion of all commercial banks should be a social responsibility.

6.2 CONCLUSION

Experimental evidence indicates that after financially related integration, economic development takes hold. Strengthening business opportunities would increase overall national production, expressed in the growth of our national wage. Individuals will have stable investment funds in addition to accessing associated products and departments, such as security cover, entrepreneurial developments, instalment and settlement office, etc. The dream of inclusive development will not be finished until India makes the nation over a huge number of visionaries of small scale business. Any budding visionary business needs to confront these difficulties and discover arrangements. Individuals working in the social segment will work to resolve the financial and social deficit.

To summarise, the inclusion of the budget is the street India wants to go to become a global player. Free cash-related events will attract our country's world market players and lead to increased job openings and company openings. Comprehensive development will serve as a source of encouragement and will allow individuals to take an even more active role in the economic and social cycle.

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