

**“A COMPARATIVE STUDY OF PERFORMANCE IN
THE AREA OF FINANCIAL INCLUSION OF NATIONALISED
BANKS, CO-OPERATIVE BANKS AND PRIVATE SECTOR
BANKS IN THANE DISTRICT”**

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Abstract : Indian Banking sector has undergone remarkable changes since the nationalization of major 14 private sector banks in 1969 and further 6 more banks were nationalized in the year 1980. Similarly, services rendered by banks witnessed major changes after liberalization, which started formally since 1991 onwards. Since then, tremendous growth and expansion vertically and horizontally took place. With the potential to become the fifth largest banking industry in the world by 2020 and third largest by 2025 as per KPMG-CII report. The Indian Banking industry is currently showing the financial strength with Rs. 81 trillion (US \$ 1.31 trillion) and banks are now adopting and utilizing modern technologies like internet services and mobile phone services etc, to carry out numerous transactions and try to communicate with huge number of customers across the country and globe. In addition to that these banks have to play an important role in the government's policy of Financial Inclusion such as: a) Extending formal banking system among the less privileged in urban & rural India, b) Weaning them away from unorganized money-markets and moneylenders, and c) Equipping them with the confidence to make informed financial decisions.

Report of the Committee on Financial Inclusion in India (Chairperson C. Rangarajan, 2008) defines Financial Inclusion as “the process of ensuring access to financial services and timely and adequate credit where needed by vulnerable groups such as weaker sections and low income groups at an affordable cost”. A recent RBI report quotes a World Bank study undertaken in April 2012, which stated that only 9 per cent of Indian population had taken new loans from a bank, credit union or microfinance institution in the past year with only 35 per cent having formal accounts versus an average of 41 per cent in developing economies.

Hence this paper tries to study the performance in the area of Financial Inclusion of Nationalised Banks, Co-Operative Banks and Private Sector Banks in Thane District.

Key words: Indian Banking, Financial Inclusion, No-Frill Account, Awareness, Utilisation, Economy, Growth, RBI

INTRODUCTION:

Indian Banking sector has undergone remarkable changes since the nationalization of major 14 private sector banks in 1969 and further 6 more banks were nationalized in the year 1980. Similarly, services rendered by banks witnessed major changes after liberalization, which started formally since 1991 onwards. Since then, tremendous growth and expansion vertically and horizontally took place. With the potential to become the fifth largest banking industry in the world by 2020 and third largest by 2025 as per

KPMG-CII report. The Indian Banking industry is currently showing the financial strength with Rs.81 trillion (US \$ 1.31 trillion) and banks are now adopting and utilizing modern technologies like internet services and mobile phone services etc, to carry out numerous transactions and try to communicate with huge number of customers across the country and globe. In addition to that these banks have to play an important role in the government's policy of Financial Inclusion such as : a) Extending formal banking system among the less privileged in urban & rural India, b) Weaning them away from unorganized money-markets and moneylenders, and c) Equipping them with the confidence to make informed financial decisions.

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LITERATURE REVIEW:

In recent times financial inclusion has appeared as a major global agendum. At aggregate level, the common measures of financial inclusion are the number of bank account per adult,

Geographic branch penetration, demographic branch penetration, geographic ATM penetration, demographic ATM penetration, demographic deposit penetration, demographic credit penetration, deposit income ratio, credit income ratio and cash deposit ratio (Beck, et al. 2006, Peachy, et al., 2006 Conrad, et al., 2008 cited in Chattopadhyay (2011)). However, these studies did not develop any composite index of financial inclusion. Sarma, (2007) first computed the financial inclusion indices of 45 countries for the year 2004. She has constructed the index considering the indicators - the number of bank accounts per hundred populations, the number of bank branches per thousand populations and the ratio of savings and credit to GDP of the country. Considering the almost similar indicators Chattopadhyay (2011) has developed the financial inclusion index for the major states in India and for all the districts in West Bengal. Karmakar, ET al. (2011) has constructed the financial inclusion for rural areas of the major twenty states in India. They have considered number of rural outlets, number of accounts per outlet, per outlet deposit amount, per outlet credit amount and per account deposit amount as indicator of financial inclusion. Joseph Massey (2010) said that, role of financial institutions in a developing country is vital in promoting financial inclusion. The efforts of the government to promote financial inclusion and deepening can be further enhanced by the pro-activeness on the part of capital market players including financial institutions. Financial institutions have a very crucial and a wider role to play in fostering financial inclusion. National and international forum have recognized this and efforts are seen on domestic and global levels to encourage the financial institutions to take up larger responsibilities in including the financially excluded lot.

NEED OF THE STUDY:

The main purpose of this study is to find the impact of financial inclusion on urban poor's and study whether the financial services are reaching to the low income groups of urban area. This study helps the financial institutions in and around Thane District and they will get information that how many low income segment people are utilizing financial inclusion services.

OBJECTIVES OF THE STUDY:

- 1.To study awareness of bank customers about the role of sample banks towards financial inclusion.
- 2.To study the utilisation of banking services offered by sample banks under Financial Inclusion by the customers of Thane District.
- 3.To examine the programme under taken by sample banks for Financial Inclusion.
- 4.To study the progress of State Cooperative Banks in financial inclusion plan.

HYPOTHESIS:

“Performance in the area of Financial Inclusion by Nationalised Banks is better than other banks.”

RESEARCH METHODOLOGY:

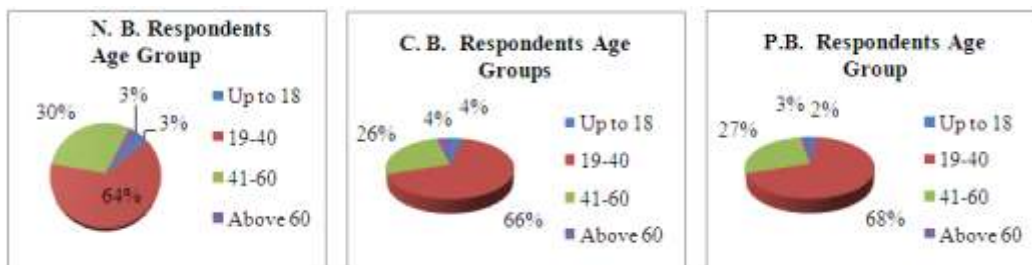
The present study is based on both primary data and secondary data. The information relating to the customer of the banks viz. Nationalised, Cooperative and Private Banks of Thane District is collected for the study through survey with the help of questionnaire. Data collection through questionnaire is one of most widely accepted method of collecting data as it requires respondent to fill the data and not the researcher or interviewer. The total sample size of the study is 1500 consisting 500 from Nationalised Banks, 500 from Cooperative Banks and 500 from Private Banks. These respondents have been selected on random sampling basis. The data were processed and analyzed with the help of statistical package for social science (SPSS version 12). To give scientific outlook to the study and to reach specific conclusions, the researcher has used statistical tool Chi-square. For simple comparisons and presentation various tables, percentages, charts, graphs etc. are used.

In order to study the performance in the area of financial inclusion of nationalised banks, co-operative banks and private sector banks in Thane District, following attributes have been taken into consideration

Table 1 - Demographic- Age of Respondents:

Age group (years)	Number of Respondents		
	Nationalised Banks	Co-Operative Banks	Private Banks
Up to 18	14	19	11
19-40	320	331	339
41-60	148	131	137
Above 60	18	19	13
Total	500	500	500

Figure No: 1, 2 & 3 Respondents Age Group



FINANCIAL INCLUSION:

Financial Inclusion has the ability to generate positive externalities: it leads to increase in savings, investment and thereby, spurs the processes of economic growth. It also provides a platform for inculcating the habit of saving money, especially amongst the lower income category that has been living under the constant shadow of financial duress, mainly because of absence of savings, which makes them a vulnerable lot. Presence of banking services and products aims to provide a critical tool to inculcate the savings habit. It also creates avenues of formal credit to the unbanked population who are otherwise dependent on informal channels of credit like family, friends and moneylenders. Availability of timely, adequate and transparent credit from formal banking channels will allow the entrepreneurial spirit of the masses to increase outputs and prosperity in the countryside. It will open the doors of formal remittance facilities to the low income and unbanked populace who, presently, are forced to use all kinds of informal and costly ways of sending money from one place to another. As we all know, Financial Inclusion has now been viewed as a remedy to plug gaps and leaks in distribution of government benefits and subsidies through direct benefit transfers to beneficiaries’ bank accounts rather than through subsidizing products and making cash payments. Thus, on the whole, Financial Inclusion has the potential to bring in the unbanked masses into the formal banking system, channelize their savings, stoke their entrepreneurial ambitions by making available credit and thus give a fillip to the economy.

1. Financial Inclusion and Awareness of Banks Customers:

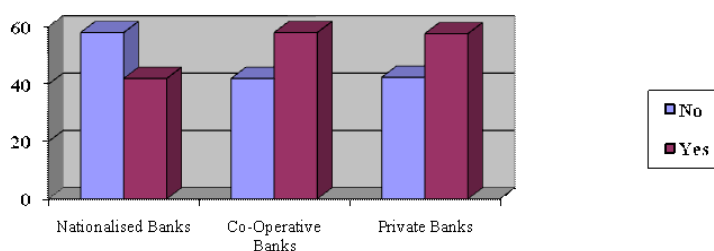
As per the guidelines of RBI, a bank has to deliver banking services at an affordable cost to vast sections of the disadvantaged and low income group people of India as part of their responsibility towards FI. Therefore banks have started several schemes for these sections of society but it is necessary that these people are aware about the schemes offered by the banks under FI. Awareness of bank customers about Financial Inclusion is as follows:

**Table No. 2
Financial Inclusion and Awareness of Bank Customers:**

Particulars		Type of Bank			Total
		Nationalised Banks	Co-Operative Banks	Private Banks	
No	Count	290	210	212	712
	%	58.0%	42.0%	42.4%	47.5%
Yes	Count	210	290	288	788
	%	42.0%	58.0%	57.6%	52.5%
Total	Count	500	500	500	1500
	%	100%	100%	100%	100%

(Source: Field Survey)

**Figure No. 4
Financial Inclusion and Awareness of Bank Customers:**



(Source: Field Survey)

The table no 2 and figure no 4 reveals that out of total sample 1500 respondents is 52.5% (788) respondents stated that they are aware about FI while, 47.5% (712) respondents are unaware of FI.

In case of Nationalised Banks, out of 500 customers 42% (210) customers stated that they are aware about FI, on the other hand 58% (290) customers are unaware about it.

In Co-Operative Banks, out of 500 customers, 58% (290) customers responded that they are aware about FI, whereas 42% (210) customers are unaware about it.

Whereas Private Sector Banks are concerned 57.6% (288) out of 500 customers stated that they are aware about FI, while 42.4% (212) customers are unaware about FI.

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	33.387 ^a	2	.000
N of Valid Cases	1500		

Interpretation: As probability value $p = 0.000$ is less than significant value $= 0.05$ there is significant association in awareness of financial inclusion amongst the customers between three sector of banks.

The above analysis reveals that Co-Operative Banks are in the lead in creating awareness of FI amongst their customers, followed by Private Sector Banks and Nationalised Banks. The Private and Co-Operative Sector Banks are doing well in spreading awareness amongst their customers in compared to Nationalised banks. Hence the hypothesis that “Performance of Nationalised Banks in the area of FI is better than other sector banks” is rejected.

2. Banking services availed by customers under FI scheme:

As made mandatory by RBI, banks have started several schemes under FI; but it is necessary that the sections of disadvantaged and low income group customers avail such schemes. Utilization of banking services under the scheme of Financial Inclusion is as follows:

Table No. 3
Banking services availed by customers under FI scheme:

Particulars		Type of Bank			Total
		Nationalised Banks	Co-Operative Banks	Private Banks	
Not availed	Count	178	240	233	651
	%	84.8%	82.8%	80.9%	82.6%
Availed the benefit	Count	32	50	55	137
	%	15.2%	17.2%	19.1%	17.4%
Total	Count	210	290	288	788
	%	100%	100%	100%	100%

(Source: Field Survey)

The table no 3 reveals that from the sample of 788, 17.4% (137) respondents have utilized banking services which are part of FI scheme, while 82.6% (651) respondents have not used such services.

In case of Nationalised Banks, out of 210 customers 15.2% (32) customers stated that they have availed banking services which are part of FI scheme, on the other hand 84.8% (178) customers have not used the said services.

Whereas in Co-Operative Banks, out of 290 customers 17.2% (50) customers have availed such banking services, 82.8% (240) customers have not.

However, out of 288 customers of Private Sector Banks, 19.1% (55) have availed banking services which are part of FI scheme, while 80.9% (233) customers have not used these services.

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	1.266 ^a	2	.531
N of Valid Cases	788		

Interpretation: As probability value $p = 0.531$ is more than significant value $= 0.05$ there is no significant association in availing banking services which are a part of financial inclusion scheme by the customers of the three type of banks.

From the above analysis it expressed that Private Sector Bank customers have availed more FI

services than the other sector banks customers. Hence the hypothesis that “Performance of Nationalised Banks in the area of FI is better than other banks” is rejected.

3. Requirement of Minimum Balance for Operating an Account:

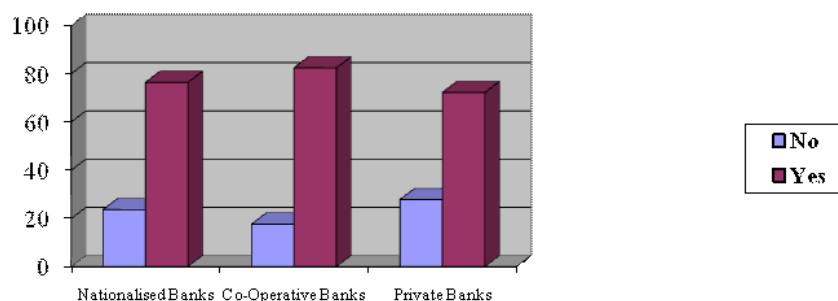
‘No minimum balance required for operating an account’ is one of the facilities given to the bank customers under the scheme of Financial Inclusion. To find out whether the customers are aware about this and whether the banks are performing their role towards financial inclusion, the researcher included questions to this effect in the scheduled structure.

Table No. 4
Requirement of Minimum Balance for Operating an Account:

Particulars		Type of Bank			Total
		Nationalised Banks	Co-Operative Banks	Private Banks	
No	Count	118	88	139	345
	%	23.6%	17.6%	27.8%	23.0%
Yes	Count	382	412	361	1155
	%	76.4%	82.4%	72.2%	77.0%
Total	Count	500	500	500	1500
	%	100%	100%	100%	100%

(Source: Field Survey)

Figure No. 5
Requirement of Minimum Balance for Operating an Account:



(Source: Field Survey)

Table no 4 and figure no 5 indicates that amongst 1500 samples only (345) 23% respondents stated that there is no requirement of minimum balance for operating an account.

In-comparison of the three sector banks, only 23.6% customers of Nationalised Banks, 17.6% of Co-Operative Banks, and 27.8% customers of Private Sector Banks stated that there is no requirement of minimum balance for operating an account.

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	14.839 ^a	2	.001
N of Valid Cases	1500		

Interpretation: As probability value $p = 0.001$ is less than significant value $= 0.05$ there is significant association in the number of customers stating that there is no requirement of minimum balance for operating an account among the three sectors banks.

From above analysis, the researcher concludes that Nationalised and Private Sector Banks are doing well in the field of FI in comparison with Co-Operative Banks. Hence the hypothesis that “Performance of Nationalised Banks in the area of FI is better than other banks” is rejected.

4. Intentions behind opening an account in a bank:

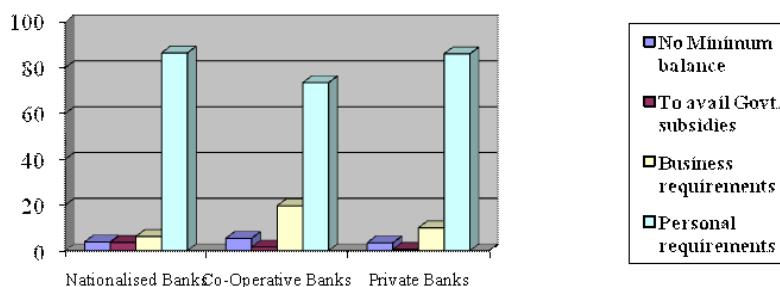
Bank customers open bank account for reasons such as personal requirement, business requirement, to avail Govt. subsidy and to enjoy facility of no minimum balance. If customer’s intention behind opening an account is to avail Govt. subsidy and to enjoy facility of no minimum balance, it suggests that they are enjoying benefits of Financial Inclusion. Details of customers who enjoy benefits of FI are as follows:

Table No. 5
Intentions behind opening an account in a bank:

Particulars		Type of Bank			Total
		Nationalised Banks	Co-Operative Banks	Private Banks	
No minimum balance	Count	19	27	17	63
	%	3.8%	5.4%	3.4%	4.2%
To avail Govt. subsidies	Count	18	8	3	29
	%	3.6%	1.6%	0.6%	1.9%
Business requirements	Count	31	98	50	179
	%	6.2%	19.6%	10.0%	11.9%
Personal requirements	Count	432	367	430	1229
	%	86.4%	73.4%	86.0%	81.9%
Total	Count	500	500	500	1500
	%	100%	100%	100%	100%

(Source: Field Survey)

Figure No. 6
Intention behind opening an account in a bank:



(Source: Field Survey)

The table no 5 and figure no 6 reveals that from the sample of 1500, 4.2% respondents have opened account with intention of enjoying ‘no minimum balance’ facility, 1.9% respondents opened account to receive Govt. subsidies, 11.9% respondents stated that they opened account as business requirement, and 81.9% respondents maintained that personal requirement is reason for opening an account in bank.

In case of Nationalised Banks, out of 500 customers 3.8% have opened account with intention of enjoying ‘no minimum balance’ facility, 3.6% respondents opened account to receive Govt. subsidies, 6.2% respondents stated that they opened account as business requirement, and 86.4% respondents maintained that personal requirement is reason for opening an account in bank.

Amongst Co-Operative Banks customers 5.4% respondents have opened account to enjoy ‘no minimum balance’ facility, 1.6% respondents to receive Govt. subsidies, 19.6% respondents opened account as business requirement, and 73.4% respondents for personal requirement.

Whereas in Private Sector Banks, out of 500 customers, 3.4% respondents have opened account with intention of availing ‘no minimum balance’ facility, 0.6% respondents to receive Govt. subsidies, 10% respondents stated that they opened account as business requirement, and 86% respondents claimed personal requirement as a reason behind opening an account in bank.

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	61.373 ^a	6	.000
N of Valid Cases	1500		

Interpretation: As probability value $p = 0.000$ is less than significant value $\alpha = 0.05$ there is significant association in reasons for opening bank account by customers amongst three sectors banks.

On the basis of above analysis it reveals that the order of preference the reasons behind opening bank account by customers amongst three sector banks are personal requirements, business requirements, to enjoy facility of ‘no minimum balance’ and to avail Govt. subsidies. Similarly, the intension of bank customers opening the bank account was to enjoy facility of ‘no minimum balance’ and to avail Govt. subsidies is almost same in Nationalised and Co-Operative Banks, as far as Private Sector Banks are concerned, preference of the bank customers were not different. Hence the hypothesis “Performance of Nationalised Banks in the area of FI is better than other banks” is rejected; other banks have equal performance in the area of FI.

5. Customers’ experience at the time of opening a bank account:

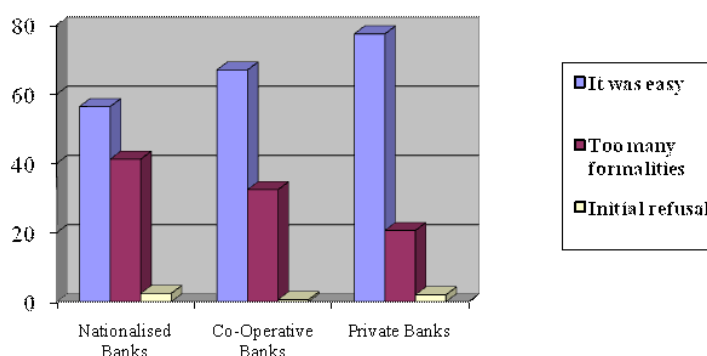
Customers have several reasons for opening account with a bank. Whatever customers’ reason for opening an account, the treatment meted out by the bank must be counted under the efforts towards financial inclusion. If customers say opening bank account was easy, it is interpreted that the bank is doing well in FI. Position of banks in the field of FI is as follows:

Table No. 6
Customers’ experience at the time of opening a bank account:

		Type of Bank			Total
		Nationalised Banks	Co-Operative Banks	Private Banks	
It was easy	Count	282	335	387	1004
	%	56.4%	67.0%	77.4%	66.9%
Too many formalities	Count	206	162	103	471
	%	41.2%	32.4%	20.6%	31.4%
Initial refusal	Count	12	3	10	25
	%	2.4%	0.6%	2.0%	1.7%
Total	Count	500	500	500	1500
	%	100%	100%	100%	100%

(Source: Field Survey)

Figure No. 7
Customers’ experience at the time of opening a bank account:



(Source: Field Survey)

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	55.858 ^a	4	.000
N of Valid Cases	1500		

Interpretation: As probability value $p = 0.000$ is less than significant value $= 0.05$ there is significant association in customers’ experience at the time of opening an account amongst three sectors banks.

The table no 6 and figure no 7 suggests that the customers who have said opening bank account was easy experience is highest in Private Sector Banks which is 77.4% as compared to 67% of Co-Operative Banks and 56.4% of Nationalised Banks. Private Sector Banks are doing well in the field of FI in compare to other sector banks. Hence the hypothesis “Performance of Nationalised Banks in the area of FI is better than other sector banks” is rejected.

6. No Frill Account and Customer Awareness thereof:

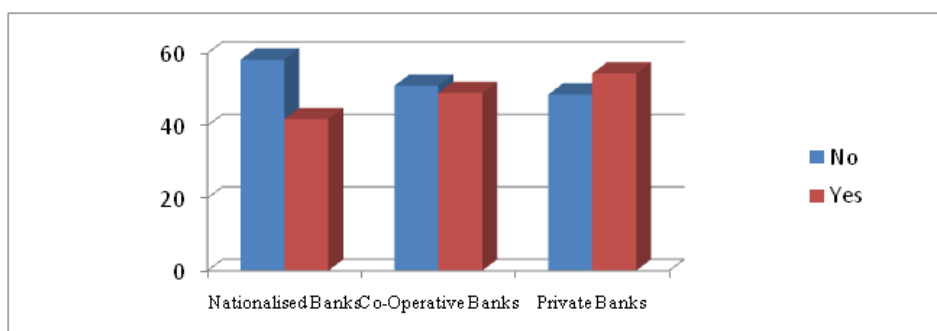
No Frill account is a facility provided by banks at an affordable cost to vast sections of disadvantaged and low income groups, under which banks open savings account with nominal amount and bank chargers are waived, with intention to bring the said people under banking system. Though banks are putting efforts for FI, large section of society is unaware of the said facility. Hence the researcher attempted to understand the awareness about no frill account amongst bank customers in the study area, which is in the following manner:

Table No. 7
No Frill Account and Customer Awareness thereof:

Particulars		Type of Bank			Total
		Nationalised Banks	Co-Operative Banks	Private Banks	
No	Count	291	255	243	789
	%	58.2%	51.0%	48.6%	52.6%
Yes	Count	209	245	257	711
	%	41.8%	49.0%	51.4%	47.4%
Total	Count	500	500	500	1500
	%	100%	100%	100%	100%

(Source: Field Survey)

Figure No. 8
No Frill Account and Customer Awareness thereof:



(Source: Field Survey)

The table no 7 and figure no 8 reveals that, amongst 1500 samples, (789) 52.6% respondents are unaware about no frill account, whereas remaining respondents (711) 47.4% are aware about it.

When the three sector banks are compared it is seen that only 41.8% customers of Nationalised Banks, 49% of Co-Operative banks, and 51.4% customers of Private Sector Banks are aware about no frill account, whereas remaining respondents are unaware about it. Private Sector Bank customers are comparatively more aware about the no frill account than the other two sector banks customer.

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	10.011 ^a	2	.007
N of Valid Cases	1500		

Interpretation: As probability value $p = 0.007$ is less than significant value $= 0.05$ there is significant association in the number of customers who are aware about no frill account among the three sectors banks. Above analysis reveals that Private Sector Banks are comparatively doing well in the field of FI in comparison with Nationalised and Co-Operative Banks. Hence the hypothesis “Performance of Nationalised Banks in the area of FI is better than other banks” is rejected.

7. No Frill Account and Usage thereof:

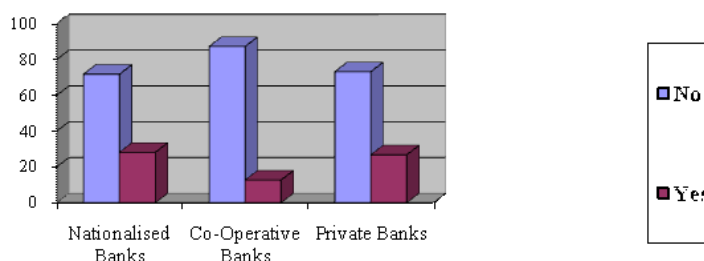
Though banks are putting efforts to bring the disadvantaged and low income group people under banking system for FI by spreading awareness amongst the customers regarding no frill account, large section of society is unaware and those who are aware are not availing the said services. Hence the researcher attempted to understand the utilization of no frill account by customers as shown in the following table and chart:

Table No. 8
No Frill Account and Usage thereof:

Particulars		Type of Bank			Total
		Nationalised Banks	Co-Operative Banks	Private Banks	
No	Count	150	214	188	552
	%	71.8%	87.3%	73.2%	77.6%
Yes	Count	59	31	69	159
	%	28.2%	12.7%	26.8%	22.4%
Total	Count	209	245	257	711
	%	100%	100%	100%	100%

(Source: Field Survey)

Figure No. 9
No Frill Account and Usage thereof:



(Source: Field Survey)

The table no 8 and figure no 9 suggest that while 711 respondents out of 1500 samples are aware about no frill account, only (159) 22.4% respondents are availing the said facility, whereas remaining respondents (552) 77.6% are not availing it.

On comparing the three sector banks it is understood that only 28.2% customers of Nationalised Banks, 12.7% of Co-Operative Banks and 26.8% customers of Private Sector Banks are availing no frill account, whereas the remaining are not. Nationalised and Private Sector Bank customers who avail the no frill account are comparatively more in number than the Co-Operative Banks customers. Though Nationalised Banks have the highest number of customers availing no frill account, Private Sector Banks are not lagging far behind in this regard.

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	20.426 ^a	2	.000
N of Valid Cases	711		

Interpretation: As probability value $p = 0.000$ is less than significant value $= 0.05$ there is significant association in the number of customers who are availing no frill account among the three sectors banks.

From above analysis, it is concluded that not only Nationalised Banks but Private Sector Banks are also performing well in the field of FI. As far as Co-Operative Sector Banks performance is concerned, it was minimal. Hence the hypothesis “Performance of Nationalised Banks in the area of FI is better than other sector banks” is rejected.

8. Efforts of banks towards Financial Inclusion:

To bring the disadvantaged and low income group people under banking system, banks are putting efforts for FI by: a) helping Self Help Groups, b) Giving loan to SHG, c) Providing training to customers, d) Conducting financial awareness programmes etc. Hence the researcher tried to analyse the efforts of banks towards FI as represented in the table below:

Table No. 9
Efforts of banks towards Financial Inclusion:

Particulars	Type of Bank							
	Nationalised Banks		Co-Operative Banks		Private Banks		Total	
	Count	%	Count	%	Count	%	Count	%
Helping SHG	25	5.0%	47	9.4%	55	11.0%	127	8.5%
Giving loan to SHG	31	6.2%	51	10.2%	29	5.8%	111	7.4%
Providing training to customers	18	3.6%	12	2.4%	22	4.4%	52	3.5%
Conducting Financial awareness program	24	4.8%	20	4.0%	42	8.4%	86	5.7%
Other programs	5	1.0%	15	3.0%	3	0.6%	23	1.5%
Don't know	420	84.0%	394	78.8%	384	76.8%	1198	79.9%
Total	500	100%	500	100%	500	100%	1500	100%

(Source: Field Survey)

The table no 9 illustrates that the number of customers who stated that their bank helps SHG in entire sample of 1500 respondents is (127) 8.5%, which in case of Nationalised Banks stands at 5%, in Co-Operative Banks 9.4% and 11% in Private Sector Banks.

Customers who stated that their bank gives loan to SHG account for (111) 7.4%. In case of Nationalised Banks such proportion is 6.2%, in Co-Operative Banks 10.2% and 5.8% in Private Sector Banks.

Proportion of customers who stated that their bank provides training to customers is (52) 3.5% which is 3.6% in case of Nationalised Banks, 2.4% in Co-Operative Banks and 4.4% in Private Sector Banks.

The quantum of customers maintaining that their bank conducts financial awareness programs is (86) 5.7%. The same stands at 4.8% for Nationalised Banks, 4% for Co-Operative Banks and 8.4% for Private Sector Banks.

Customers stating that their bank conducts other programs account for (23) 1.5%. This proportion stands at 1%, 3% and 0.6% in Nationalised Banks, in Co-Operative Banks and in Private Sector Banks respectively.

Above analysis indicates that a very small number of customers of all sector banks have participated in the FI awareness and training programmes. Further it is also reveals that Private Sector Banks are active in implementing FI programme than its counter parts. Hence, the hypothesis “Performance of Nationalised Banks in the area of FI is better than other banks” is rejected.

CONCLUSION:

The data analysis revealed that, when it comes to Financial Inclusion, all three sector banks are putting almost similar efforts which are not quite sufficient to satisfy the needs of the society. Mere opening of no-frill bank accounts is not the purpose or the end of financial inclusion while, Formal financial institutions must gain the trust and goodwill of the poor through developing strong linkages with community - based financial ventures and cooperative. Financial Inclusion has not yielded the desired results and there is long road ahead but no doubt it is playing a significant role and is working on the positive side

SUGGESTIONS:

Though the banks across sectors are putting efforts towards Financial Inclusion as per the directives of the RBI, the findings show that these efforts are not sufficient since a large number of customers are yet not aware of services under the aegis of Financial Inclusions. Hence banks should put more affords towards it. Despite the efforts of all three sector banks towards Financial Inclusion, the number of customers who are aware of these services and/or utilising them is significantly small. Therefore, it is necessary that the banks increase the gamut of their awareness programmes to include more and more customers to widen the customer base under FI by establish separate counters in the bank for

financial inclusion services.

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