

AN EXAMINATION OF FINANCIAL ATTITUDES, BEHAVIORS AND INFLUENCES TOWARDS BANKING SERVICES: A PATHWAY TO FINANCIAL INCLUSION (A CASE STUDY AT SYNDICATE BANK)

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Abstract: Financial Inclusion plays a major role in the progress of every nation and for a country like India where Banks are the significant players in the field of socio-economic development, this industry should concentrate the most on financial inclusion to eradicate financial elimination. To Study the financial literacy among rural masses and actions captured by the banking organisations towards financial inclusion, a minor research has been conducted at “Syndicate Bank Regional Office Udupi”. This paper also highlights various initiatives on Financial Inclusion taken in order to provide financial literacy programmes among public on technology driven banking and to increase the awareness. Research is conducted by Questionnaire method by personally interacting with every individual of rural, semi-municipal and municipal areas. In the research it has been found that financial literacy among rural masses is low and it should be improved by the banks and government by educating the people through various financial literacy programmes.

Key Words: Financial Exclusion, Financial Inclusion, Literacy, Rural Banking.

INTRODUCTION:

Banks today for several reasons have become cornerstones of our economy and are the backbone of modern industry and hence the growth and development of nation is depending upon the soundness of the banking system. The general public sector banks (PSBs), which are the base of the keeping money area in India represent more than 78 percent of the aggregate banking industry resources. Shockingly, they are troubled with unnecessary Non Performing Assets (NPAs), labor issues and absence of present day innovation. Then again, the private areas banks are gaining enormous ground in the market. They are pioneers in web keeping money, portable account management (branchless banking), telephone saving money, ATMs, so on and so forth. To the extent remote banks are concerned they are prone to succeed in the Indian banking industry, but only with financial inclusion initiatives.

To highlight the current banking scenario in our country, the Indian Banking Sector is one of the quickest developing areas of the economy. With subsequent rise in extra cash in the hands of their citizen and expanding exchanges through ATMs, Internet and Mobile Banking, the Indian Banking Industry is good to go to confront coming years with new arrangements and key changes. According to the Reserve Bank of India (RBI), the money related and monetary conditions in the nation are far better than other nations on the planet (KC, 2009). It has been quite evident during the sub prime crisis, none other than Indian banks stood strong and have withstood when worldwide turned upside down. As of November 11, 2015, 192.1 million accounts had been opened under Pradan Manthri Jan Dan Yojana (PMJDY) and 165.1 million RuPay debit cards were issued. These new accounts have brought in deposits worth Rs 26,819 cr (US\$ 4 billion) (www.rbi.org.in).

AIM :

The research has been conducted with the following objectives:

- To study the level of financial literacy among the rural masses of the area under study

- To check the readiness of technology driven banking by the customers/residents.
- To understand banks performance towards financial inclusion programmes and to emphasize the measures taken by the administration of India for promoting financial inclusion.

LOCATION : (the organisation under study)

This minor research was conducted at Syndicate Bank, Udupi. The Syndicate Bank Ltd., was established with strong commitment to social welfare and primarily with the objective to broaden financial support to the neighboring weavers who were crippled by a emergency in the handloom industry through mobilizing savings from the society. The Bank was established by Mr Upendra Ananth Pai, a businessman, Mr. Vaman Kudva , an engineer and Dr. T.M.A Pai, a physician in the year 1925 in Udupi, Karnataka as Canara Industrial and Banking Syndicate Limited. Currently the Headquarter of Syndicate Bank is situated at Manipal, Karnataka,India. (Syndicate bank, 2016) The progress of Syndicate Bank has been synonymous with the phase of progressive banking in India. Spanning over 90 years of pioneering expertise, the bank has created for itself a solid customer base comprising customers of two or three generation. The Bank has been working as an impetus of advancement the nation over with specific reference to the regular man at the individual level and in rural/semi-urban focuses at the zone level.

JUSTIFICATION FOR THE STUDY:

India, being an agricultural country, has its majority of the population residing in the rural areas. This portion of the population is said to be deprived from basic banking functions. Even though there has been sufficient access to technology in the said areas, banking needs of the people are far from being met. This study encompasses the possibilities and factors causing this distance between the availability and usage of technology to enable people utilise banking services.

SCOPE, METHODOLOGY & LIMITATIONS:

The study aimed at determining the level of financial literacy among rural masses in the area chosen for study. Both primary and secondary data has been collected for the purpose.

While the secondary data has been collected through Bank manuals, annual reports, research articles and brochures, primary data forms a crucial part of this paper which has been collected through informal discussions with bank staff and managers and through a structured questionnaire. The secondary data has helped the researcher in getting to know the various events, measures and activities organised by the Bank in achieving financial inclusion in the area while primary data has led to facts and figures which revealed the gap existed between access and utility of the technology driven banking services by the residents of the region. Data collected has been duly presented using frequencies and graphs and percentages have been used to draw inferences.

However, the study has limitations in terms of time constraints and the validity of the responses cannot be guaranteed to be true always as it is subject to human perceptions and attitudes which is subject to change often. Thus, the results may not be able to be generalized. There were also frequent delays in getting responses from bank staff owing to their busy schedule.

REVIEW OF LITERATURES (RoL):

The literatures reviews have been tabulated as follows:

Author/s	Title	Journal Details	Outcome of the study	Gaps/ Remarks
J. Mujhesh, Dr. Raman GP (2012)	A study on the banking habits of people in rural area of India (Mujhesh J, 2012)	Ph.D thesis submitted to Shri JITUUniversity, Rajasthan	Study was to find out the awareness level and problems in banking in rural areas	No such studies have been conducted in rural areas in Udupi and DK Districts.

Das Prasun Kumar (2010 June)	Financial inclusion in Central India (Kumar, June 2010)		The paper highlighted the provisions of unreachable financial system to the low income people through prescribed financial system to associate them with financial growth	
Dr Mansoor Ahmad Beg (2011)	Financial Inclusion-Gateway for Poverty and Unemployment		This paper has identified lot of formidable problems of financial inclusion that has hindered the growth of the country	
Sendhilvela M and Karthikeyan	A Progressive move towards Universal Banking (Sendhilvela M)		For a successful financial inclusion of all sections of the population, in both rural and city areas, the activities and responsibilities of the bankers are highlighted in this study. Ex. PMJDY.	
NSSO National Sample Survey Organisations' 70 th circular	(GoI, 70th circular)		52% of farmers are indebted, 60% have access to formal credit and the rest depend on informal sources, only 44% come out employment guarantee scheme,59% don't receive any assistance from govt or private hands for funding	Almost proves that even when the country leaders are bringing about required plans and policies, there is a gap between this availability/ access and utility/actual use.
Bihari Suresh Chandra	Growth through financial inclusion in India (Bihari, 2011 Vol 4 Issue 1)	Journal of International Business ethics, Vol 4, No. 1, 2011	This paper has tried to measure index of financial inclusion in one single digit and showed that India has a low penetration of financial inclusion.	This study proved the researcher further to carry out questions related to financial inclusion in the area of study.
Arya Purushottam Kumar (Feb 2015)	Financial inclusion and their role in inclusive growth (Arya, Vol 5, Issue 2 2015)	International Journal of Management, IT and Engineering Vol 5, Issue 2, 2015	This study identified and recognized the role or the significance of financial inclusion in the inclusive growth of the country.	

Nadar T Ramraj	An empirical study of financial inclusion and its strategic approach in the slums of Mumbai (Nadar, 2015 Vol 5 Issue 2)	International Journal of Management, IT and Engineering Vol 5, Issue 2, 2015	Expressed the use of technology and access to financial services to the urban poor dwelling in the slum areas.	Our study also attempts to understand the awareness of banking services and role of IT in banking
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RESULTS & ANALYSIS:

“Financial Inclusion may be defined as the process of access to the financial services and timely and adequate credit where needed by vulnerable groups such as weaker sections and low income groups at an affordable cost.”

Financial literacy is a vital part of the financial inclusion. Financial literacy is information needed for managing individual finance. It does not necessarily mean training in finance. As an alternative it explains an understanding of how to use credit responsibly, manage money and savings. Financial literacy is not just about granting the financial knowledge and information. It is also about changing the behavior in the financial pattern and activities of individuals.

The research conducted has focused on the above context, and the research questions are framed to obtain revelations required for further inquiries.

The data are analyzed based on the questionnaire prepared, the data analysis and interpretation are shown for important questions below: (only few charts have been displayed)

TABLES FOR ANALYSIS			INTERPRETATIONS																					
1.Occupation: <table border="1"> <thead> <tr> <th>Particulars</th> <th>Respondents</th> <th>(%)</th> </tr> </thead> <tbody> <tr> <td>Salaried</td> <td>11</td> <td>22</td> </tr> <tr> <td>Self employed</td> <td>16</td> <td>32</td> </tr> <tr> <td>Student</td> <td>9</td> <td>18</td> </tr> <tr> <td>Others</td> <td>14</td> <td>28</td> </tr> <tr> <td>Total</td> <td>50</td> <td>100</td> </tr> </tbody> </table>			Particulars	Respondents	(%)	Salaried	11	22	Self employed	16	32	Student	9	18	Others	14	28	Total	50	100	Majority of respondents are self employed, 22% of respondents are salaried employees and 18% form students and in Others, Occupations includes Beedi workers, masons, and house wives which constitutes 28%. Can be inferred that considerate number of rural class are either self employed and into primary occupations (low yielding).			
Particulars	Respondents	(%)																						
Salaried	11	22																						
Self employed	16	32																						
Student	9	18																						
Others	14	28																						
Total	50	100																						
2.Monthly Income (in Rs.). <table border="1"> <thead> <tr> <th>Particulars</th> <th>Resp.</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>< 5000</td> <td>13</td> <td>26</td> </tr> <tr> <td>5001-15000</td> <td>15</td> <td>30</td> </tr> <tr> <td>15001-35000</td> <td>16</td> <td>32</td> </tr> <tr> <td>35001-60000</td> <td>4</td> <td>8</td> </tr> <tr> <td>>60000</td> <td>2</td> <td>4</td> </tr> <tr> <td>Total</td> <td>50</td> <td>100</td> </tr> </tbody> </table>			Particulars	Resp.	%	< 5000	13	26	5001-15000	15	30	15001-35000	16	32	35001-60000	4	8	>60000	2	4	Total	50	100	Less proportion of high income populace is evident from the table.ie. more than 50% are under Rs.15000 income range.
Particulars	Resp.	%																						
< 5000	13	26																						
5001-15000	15	30																						
15001-35000	16	32																						
35001-60000	4	8																						
>60000	2	4																						
Total	50	100																						
3.Does your household have a bank account? <table border="1"> <thead> <tr> <th>Particulars</th> <th>No.</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Yes</td> <td>50</td> <td>100</td> </tr> <tr> <td>No</td> <td>0</td> <td>0</td> </tr> <tr> <td>Total</td> <td>50</td> <td>100</td> </tr> </tbody> </table>			Particulars	No.	%	Yes	50	100	No	0	0	Total	50	100	All the respondents have a bank account because majority of them utilize the banking services for receiving remittances, scholarships or other from government schemes. This shows the benefit of universal access to banks and also infers that the availability of banking services is evident.									
Particulars	No.	%																						
Yes	50	100																						
No	0	0																						
Total	50	100																						

4. What kind of financial accounts do you have?

Particulars	Nos.	%
Savings A/c	46	92
Current A/c	1	2
Recurring A/c	0	0
Fixed Deposit	3	6
Others	0	0
Total	50	100

From this table, it can be inferred that SB account is the popular and the most preferred account.

5. Reasons for opening bank account:

Particulars	No.	%
To receive payments from NREGP (National Rural Employment Guarantee Program)	0	0
From schemes other than NREGP (National Rural Employment Guarantee Program)	1	2
For receiving remittances	7	14
For saving money	37	74
To request loan	2	6
Other reasons	3	6
Total	50	100

Majority of the respondents utilize bank accounts for the purpose of savings as it can be seen here that 74% of the respondents have opened accounts for saving their earnings.

6. How often do you save in your account?

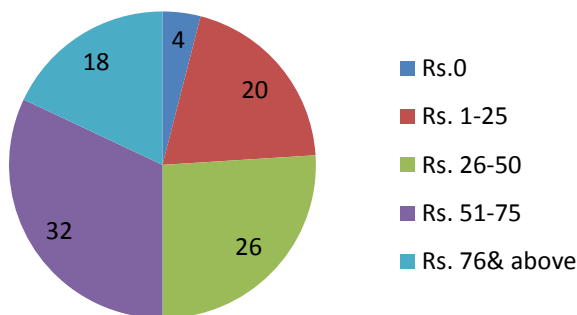
Particulars	No.	%
Don't save	6	12
Atleast once a month	17	34
< once a month	2	4
Whenever	23	46
Never added money after opening acc	2	4
Total	50	100

This table indicates the frequency with which bank accounts are used. Clearly expresses the irregular pattern in savings. Altogether 60% or more respondents either do not save or less often save money into their accounts.

7. Suppose you earn Rs.100 how much would you spend from it?

Particulars	Nos.	%
0	2	4
1-25	10	20
26-50	13	26
51-75	16	32
76& above	9	18
Total	50	100

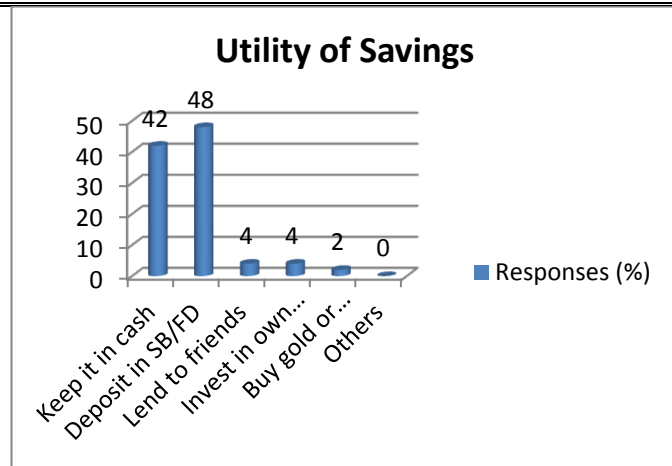
Spending proportions (%)



Inference: The table infers that more than 50% of the respondents do not save much from their incomes. Reveals the poor saving habits of the people. Perhaps this could be a result of the nature of their occupation and also poor income (From Table 1 & 2).

8. What would you do with the money saved?

Particulars	Nos.	%
Keep it in cash	21	42
Deposit in Savings account/ Fixed deposit	24	48
Lend to friends	2	4
Invest in own business	2	4
Buy gold or jewelries	1	2
Others- invest in....	0	0
Total	50	100



Inference: There is considerable number of people keeping savings in cash, which is left idle, doesn't give scope for capital mobility. This trend must change.

9.a I maintain records of income earned by my family.

Particulars	Nos.	%
Always	10	20
Most often	5	10
Sometimes	8	16
Rarely	2	4
Never	25	50
Total	50	100

Incomes and expenses:

The table displays the financial behavior of the people. There are major respondents who never keep track of their receipts of money also greater percentage of people who do not record expenses as well.

This explains the poor planning and knowledge prevailing amongst rural class in managing their meager income and expenses.

9.b.I maintain records of expenses of my family.

Particulars	Nos.	%
Always	6	12
Most often	7	14
Sometimes	8	16
Rarely	4	8
Never	25	50
Total	50	100

10. I read or listen to increase my financial knowledge.

Particulars	Nos.	%
Always	13	26
Most often	6	12
Sometimes	5	10
Rarely	3	6
Never	23	46
Total	50	100

This table conveys that more than 50% of the respondents (i.e. 6+46) do not attempt to know about financial planning or wealth management to enhance their knowledge on finance. This category of people is a threat to achieving financial inclusion as their ignorance or unwillingness could create gaps.

11. How often have your expenses exceeded your income?

Particulars	Nos.	%
Always	6	12
Most often	4	8
Sometimes	24	48

This table also expresses the behavior towards planning. Majority of the respondents have expressed that their expenses have rarely exceeded their incomes. This table shows a contrasting fact with that of Table 9. In spite of not planning or recording of incomes and expenses, people express to have managed their financials without facing any crunch.

Rarely	11	22	
Never	5	10	
Total	50	100	
12. a. Has your household ever borrowed or taken a loan?			
Particulars	Nos	%	This table shows that people have been borrowing money for various purposes such as housing, vehicle purchase, education etc.
Yes	33	66	
No	17	34	
Total	50	100	
12.b. If yes, what kind of loan you have taken?			
Particulars	No.	%	This table perhaps infers that people could have used 'borrowing' as a means to manage financial crunch/shortage as expressed in Table 11.
Housing Loan	11	22	
Vehicle	8	16	
Business	0	0	
Education	2	4	
Personal	12	24	
Total	50	100	
13. Whom did you learn about managing the money from the following? (most likely choice)			
Particulars	Nos.	%	It is surprising to see that unlike urban area, media plays a less significant role in influencing rural people. Rural population is family-oriented and hence is highly influenced by friends, relatives and family members like parents and spouse in money management decisions.
Parent	24	48	
Book	3	6	
Spouse	10	20	
Media	2	4	
Friends	5	10	
Relatives	6	12	
Total	50	100	
14. Do you know about no-frills account scheme?			
Particulars	Nos.	%	This question deals with awareness about basic financial information. It indicates the level of awareness of respondents towards various schemes, utilities etc.
Fully aware	14	28	
Partially aware	18	36	
Fully unaware	18	36	
Total	50	100	
15. Use of Kiosk for cash deposit /withdrawal:			
Particulars	Nos.	%	Majority of the respondents are unaware of using kiosk for withdrawals. This indicates the level of people's readiness for technology driven banking.
Fully aware	18	36	
Partially aware	10	20	
Fully unaware	22	44	
Total	50	100	
16. Do you know to use ATMs?			
Particulars	Nos.	%	ATMs are the most popular feature of a banking service; it is quite evident from this table that respondents are aware of using ATMs.
Fully aware	28	56	
Partially aware	5	10	
Fully unaware	17	34	
Total	50	100	

17. Regarding transfer of fund from one account to another account through Mobile/Internet Banking?

Particulars	Nos.	%
Fully aware	18	36
Partially aware	10	20
Fully unaware	22	44
Total	50	100

As far as Fund transfer facility is concerned, majority of them are not confident of being aware of using it through mobile or internet banking.

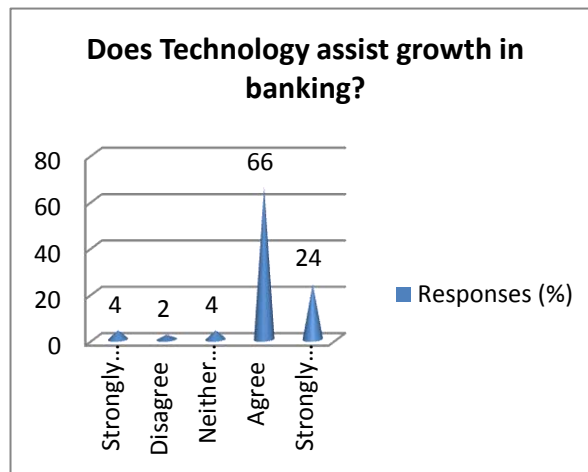
18. Banks play a major role in the economic development of nation.

Particulars	Nos.	%
Strongly Disagree	2	4
Disagree	1	2
Neither agree nor disagree	5	10
Agree	24	48
Strongly agree	18	36
Total	50	100

A large of respondents believe that banks contribute to the economic development of the nation.

19. Technology assists the growth of banking industry.

Particulars	Nos.	%
Strongly Disagree	2	4
Disagree	1	2
Neither agree nor disagree	2	4
Agree	33	66
Strongly agree	12	24
Total	50	100



Inference: As much as 90% of the respondents agree that technology helps in the growth of banking.

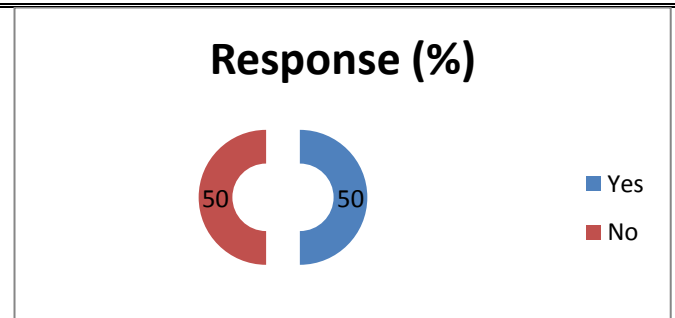
20. Bank contributes to achieve the financial Inclusion.

Particulars	Nos.	%
Strongly Disagree	2	4
Disagree	1	2
Neither agree nor disagree	5	10
Agree	24	48
Strongly agree	18	36
Total	50	100

More than 70% agree to this statement. Thus banks' contribution to financial inclusion has been well taken by the respondents

21. Would you like to attend a financial literacy programme if organized to educate you about savings or investments?

Particulars	Nos.	%
Yes	25	50
No	25	50
Total	50	100



Inference: There are equal numbers of people who are interested as well as not interested in attending educative programs on financial literacy. Lot needs to be done to ensure the rural population seeks interest in being aware and come out of their ignorance on financial planning.

22. Do you agree that banks play a major role in the development of the nation?

	SD	D	NAND	A	SA	TOT
M	2	0	2	14	10	28
F	0	1	3	10	8	22
TOT	2	1	5	24	18	50

Row percentage (gender wise views)

	SD	D	NAND	A	SA	TOT
M	2 (7)	0 (0)	2 (7)	14 (50)	10 (36)	28 (100)
F	0 (0)	1 (5)	3 (14)	10 (46)	8 (35)	22 (100)

This table displays the gender wise opinion on the question quoted in Table 18.

It can be observed that 50% of the male respondents and 46% of female respondents agree while 36% of the male and 35% of female respondents strongly agree that banks are important for country’s developments. The views are very closely similarly between the genders.

(P.S.: in the bivariate table, M stands for Male; F stands for Female; SD- Strongly Disagree; D- Disagree; NAND- Neither Agree Nor Disagree; A- Agree; SA- Strongly Agree)

23. Do you think technology assists in growth of banking industry?

	SD	D	NAND	A	SA	TOT
M	2	0	2	18	6	28
F	0	2	0	14	6	22
TOT	2	2	2	32	13	50

Row percentage (gender wise views)

	SD	D	NAND	A	SA	TOT
M	2 (7)	0 (0)	2 (7)	18 (64)	6 (21)	28 (100)
F	0 (0)	2 (9)	0 (0)	14 (64)	6 (27)	22 (100)

This table displays the gender wise opinion on the question quoted in Table 19.

It can be observed that equal percentage i.e. 64% of the male as well as female respondents agree while 21% of the male and 27% of female respondents strongly agree that technology backs banks’ growth. The views are very closely similarly between the genders.

(P.S.: in the bivariate table, M stands for Male; F stands for Female; SD- Strongly Disagree; D- Disagree; NAND- Neither Agree Nor Disagree; A- Agree; SA- Strongly Agree)

FINDINGS:

The study was conducted on “An examination of financial attitudes, behavior and influences towards banking services – A pathway to Financial Inclusion” by distributing questionnaire to the general public including students, employees, and unemployed and analyzing the same.

Following are the findings from the survey conducted

- Most of the respondents are engaged in primary occupation, which could be a cause for their low earnings thereby resulting in poor savings habit. This has led to poor penetration of financial inclusion. (From Table 1,2)
- It was an interesting revelation that most of the respondents from rural areas were quite aware about the banking services and were having bank accounts, perhaps this was the outcome of PMJDY. (From Table 18, 22, 23)
- From the study maximum numbers of respondents were found to have savings bank accounts but not the other financial products which shows that they have partial knowledge about banking but are not in a position to differentiate between various financial products offered by the banks. (From Table 3, 4)

- Most of the respondents are unaware about the no-frills account and very few of respondents aware about zero balance accounts because of PMJDY (Pradhan Mantri Jan Dhan Yojana) and less than half of respondents were aware about self-kiosk cash deposit machine, while the rest of them were unaware about new trends, net banking, mobile banking etc. (From Table 14, 15, 16, 17)
- It was also found that there is irregular pattern of savings among the respondents. Those who save do not invest in income-earning avenues, hence restricts capital mobility. This shows poor planning due to lack of proper guidance or ignorance. This can be a biggest challenge to banking institutions and the government to bring about awareness in this category. (From Table 6, 7, 8, 21)
- It was also evident that there is access to banking facility (due to technology advancement) but lesser utility of banking services. People are aware about banks and their existence and importance but are seemingly unwilling to contribute in economic development from their side. This attitude is highly unacceptable and must be changed. (From Table 9, 10, 19)

Few more observations from secondary data collection: Internal Group appointed by the Reserve Bank of India RBI to examine the issue of financial inclusion and micro finance, headed by Dr. H.R. Khan, recommended the use of Business Correspondents and Business facilitators based on the Brazilian experience. Taking cues from the Brazil's model of saving money journalists, the RBI planned to expand its banking outreach by BC Model. Systems like Business Facilitator or Correspondents where Non govt, co-operatives, group based associations etc became the link between users and providers of banking system. Absence of learning and awareness was also one of the obstacles; money-related training would include (i) expanding learning of monetary matters, (ii) creating comprehension of financial items and (iii) building abilities in money related administration.

In most cases it was found that financially excluded do not have any opportunity to use formal financial system to save or borrow. They keep their savings in their house itself which is prone to risks. Transfer of cash takes place individually from person to person physically. (The findings from the researcher's current primary data have also proved the same).

PMJDY: Hon'ble Prime Minister of India, Shri Narendra Modi on 15 August, 2014 introduced "Pradhan Manthri Jan-Dan Yojana(PMJDY)" which is a national undertaking for Financial Inclusion. This National undertaking on monetary Inclusion aims of making all domestics in the nation with having a account for every household. It also has schemes relating to organasing Financial Training Programme in order to let the beneficiaries make best use of the financial services being made available to them. Successful implementation of PMJDY in India can make the nation a financially literate nation. Apart from the above, Jan Suraksha and Jeevan Jyothi Bhima and Atal Pension Yojana (APY) was launched as a significant social security service from the Government. (www.rbi.org.in)

RECOMMENDATIONS:

- Financial inclusion cannot be attained just by release of people friendly financial products. It fails due to supply side and demand side factors. There is need to address both the factors. Supply side constraints can be addressed by increasing outreach, adoption of innovative delivery mechanisms, reducing delivery cost, etc., and demand side constraints can be addressed by understanding the requirements of poor and designing products to suit the needs of excluded class. Take for instance, PMJDY or APY was no doubt a fantastic product but not all users or citizens have been made aware how, why and what the product is meant for. Plus there is a need to coach the potential users by ways of events/programs to assist them in developing systematic savings and investment habits.
- Savings habits must be improved by making products simple and easy to access and use. Educate people and broaden their thinking by demonstrating the significance of savings and investments. Thus, bankers in this context, play a vital role in inspiring the people as they become the liaison.
- Having found that customers are depend on others for utilizing banking services because of unawareness towards banking services, banks should provide necessary information regarding banking services

through publicity in various digital and non digital media. The family members being highly influential factors (i.e. with lesser influence by media), more focus must be on creating opinion leaders among them and lead to increase in the scope of capital mobility.

- Most of them are unaware about new banking technology so bank should make aware of new updates of banking technology to its customers from time to time like monthly, half yearly, and yearly by sending messages or through postals or through advertisement campaigns locally.
- Syndicate bank and Vijaya bank has tied up for promoting financial inclusion programmes to provide service to the low segment customers. So the benefit of this partnership must reach every customer of the banks and they should utilize those benefits.

SCOPE FOR FURTHER RESEARCH:

The researchers opine that this study is very much minor in nature basically conducted to know whether similar studies in the rest of the rural areas in the district can be conducted to arrive at a much wider or clearer picture on the status of financial literacy in the region. That would likely result in better findings which can be presented to the banking and government authorities to enable them to frame suitable policies.

CONCLUSION:

Financial Inclusion is a positive and effective situation for the financially excluded people, and undoubtedly, bankers are the source of support in achieving it. There is a strong need to spread financial awareness in the rural areas to make the best use of the economic plans to put to effective use. The study has found that in spite of prevalence of workable financial policies, it has not been well taken by the rural consumers owing to factors like lack of awareness, fear of unknown and uneasy systems. This has led to financial exclusion of most of the population. Illiteracy is another major reason for the financial exclusion and hence, financial literacy programmes should be conducted by the financial and government institutions for the thorough understanding of importance of financial involvement.

So the Government and Banks should play a prominent role in Financial Inclusion Initiatives and thereby avoiding obstacles in the achievement of financial inclusion in the economy.

Acknowledgement: The authors extend their gratitude to the project organisation Syndicate Bank Ltd., and the staff for providing timely information and necessary permissions to carry out the research and publish the same. The authors also acknowledge the work of their student Mohd. Sameer for his contributions in this paper.

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