



Management

PERCEPTION ON PRADHAN MANTRI JANDHAN YOJANA - A STUDY WITH REFERENCE TO THALLAREVU MANDAL

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Abstract

Financial inclusion aims at delivering the financial services at an affordable cost to sections of disadvantaged and low-income segments of society. Financial inclusion is an innovative concept which promotes the banking habits among the financially excluded people and enables to reduce poverty and the launch of Pradhan Mantri Jan Dhan Yojana (PMJDY) by Government of India is in that direction. This scheme is not confined to opening of bank account but has other advantages blended with it such as Zero Balance bank account with RuPay debit card, Accidental Insurance cover of Rs 1 lakh, Life Insurance cover of Rs 30,000, etc. This paper is an attempt to identify the perception of the people of Thallarevu Mandal about the newly launched scheme Pradhan Mantri Jan Dhan Yojana.

Keywords: Financial Inclusion; Pradhan Mantri Jan Dhan Yojana; Debit Cards; Insurance; Financial Services; Banking Services.

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1. Introduction

Even after 48 years of nationalisation of banks in 1969, a large section of the population and mostly the rural areas still remain unbanked. Due to this most of the poor and lower income groups are unable to access the financial products and services. The main objective of financial inclusion is to promote sustainable development, generate employment and alleviate poverty in rural areas by supplying various financial services to the financially excluded people.

Government of India (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.*

According to the Planning Commission (2009), Financial Inclusion refers to *universal access to a wide range of financial services at a reasonable cost. These include not only banking products but also other financial services such as insurance and equity products.*

Strong financial institutions are the pillars of the economic growth and progress. Lack of access and appropriate financial services is a global problem. The significance of an inclusive financial system has become a policy priority in many countries. Access to the financial services and products will boost the financial condition and improve the standard of living of the financially excluded citizens of the country.

Indian banking sector has realized the importance of financial inclusion and in accordance to this several initiatives is started over the last two and half decades. As a part of banking reforms new foreign and private banks were started in the countries which lead to induction of new technologies and competition into the banking sector. This all lead to the improvement of the banking facilities which finally benefitted the customers.

Financial inclusion plays a big role in eradicating the poverty in the country. The process for achieving sustainable development and inclusive growth is primarily known as financial inclusion. To provide financial literacy and financial inclusion, the financial stability and development council under the ministry of finance, Government of India is committed and all the financial institutes like RBI, Scheduled commercial banks, financial sector regulators are directed to achieve this objective.

The countries where large portion of population is excluded from formal financial institutes have higher rate of poverty and income inequality. Linking the poor to service of formal financial institute help the poor to tackle poverty as well as it increases the rate of growth and development of the country. The banking sector plays a key role in achieving the inclusive growth and financial inclusion. Financial inclusion secures the family with insurance, providing credit and over draft to the needed. These measures will provide a path where there is an eradication of poverty.

However there are many barriers and difficulties in achieving complete financial inclusion. There are many challenges like coverage of remote area which are completely out of reach of banks and involve higher costs to banks. Using small infrastructures to open new branches in the uncovered remote areas, development of new products as per the requirement of the poor people and developing a system where the financial institutions, NGOs, financial regulatory agencies etc. collaborate and coordinate to bring the financial inclusion.

In general, where people have linkages with the financial institutions through holding bank account, insurance policy etc. is called financial inclusion. It helps the people to have affordable access to financial services. It increases the GDP growth and circulation of currency. The country has taken several steps towards financial inclusion. The main objective of these steps is to provide banking services at an affordable cost to the weaker section of the society. To attain financial literacy the government and financial regulatory bodies are encouraging the financial institutions.

2. Pradhan Mantri Jan Dhan Yojana

The main objective of PMJDY is to provide access to the people to various financial services such as overdraft facility, credit facility, both life and accidental insurance, pension etc. It is taken up as a challenge to provide financial inclusion to all the citizens of the country. The scheme aims at the goal of having at least one bank account to the citizens of the country.

The scheme is run by Ministry of finance. On the very first day there have been more than 1.5 crore accounts being opened under this scheme. As of 31.01.2017 more than 27.64 crore bank accounts were opened and an amount of Rs 60257 crores was deposited in these accounts.

Some of the key elements of PMJDY

- Banking facility for everyone.
- Financial inclusion
- Rupay debit card with overdraft facility
- Mobile banking for the poor
- Credit guarantee fund
- Micro insurance

Action Plan for Implementing PMJDY

There are two phases of this scheme in which the objective of financial inclusion of the poor People are to be achieved.

Phase-I of PMJDY

The first phase of this scheme starts from August 15, 2014 to August 14, 2015 which envisages the following:

- All households across the country have access to banking facilities with at least one Basic Bank Accounts with a bank branch or a fixed point Business Correspondent (BC).
- All households have RuPay Debit Card with Rs. 1 lakh inbuilt accident insurance covers.
- If bank account is operated satisfactorily for 6 months, Rs.5000 overdraft facility will be granted to only Aadhaar enabled accounts.
- Direct Benefit Transfer facility of various government schemes will be provided through bank accounts to the beneficiaries.
- The existing Kisan Credit Card is proposed to be issued as RuPay Kisan Card to the farmers.
- Financial literacy programme under the scheme will be implemented up to village level.

Phase-II of PMJDY

The period of Phase II is August 15, 2015 to August 14, 2018 which focuses on the following:

- Micro insurance will be provided to the people.
- Swavlamban - an unorganised sector pension scheme is to be proposed through the Business Correspondents.
- Households in hilly, tribal and difficult areas will be covered in this phase.
- This phase would also cover the remaining adults and students in households.

3. Scheme Details

Pradhan Mantri Jan-Dhan Yojana (PMJDY) is National Mission for Financial Inclusion to ensure access to financial services, namely, Banking/ Savings & Deposit Accounts, Remittance, Credit, Insurance, Pension in an affordable manner. Account can be opened in any bank branch or Business Correspondent (Bank Mitra) outlet. PMJDY accounts are being opened with Zero balance. However, if the account-holder wishes to get cheque book, he/she will have to fulfil minimum balance criteria.

Documents required opening an account under Pradhan Mantri Jan-Dhan Yojana

- If Aadhaar Card/Aadhaar Number is available then no other documents is required. If address has changed, then a self-certification of current address is sufficient.
- If Aadhaar Card is not available, then any one of the following Officially Valid Documents (OVD) is required: Voter ID Card, Driving License, PAN Card, and Passport & NREGA Card. If these documents also contain your address, it can serve both as Proof of Identity and Address.
- If a person does not have any of the “officially valid documents” mentioned above, but it is categorized as ‘low risk’ by the banks, then he/she can open a bank account by submitting any one of the following documents:
- Identity Card with applicant’s photograph issued by Central/State Government Departments, Statutory/Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial Banks and Public Financial Institutions;
- Letter issued by a gazette officer, with a duly attested photograph of the person.

4. Objectives of the Study

- To study the awareness levels of people about the PMJDY scheme
- To study the perceptions of the people about PMJDY scheme.

Present study is based on primary data which is collected through a questionnaire to study the awareness levels and perceptions of the people about PMJDY. The questionnaire consists of 16 questions and 20 statements related to Likert scale.

For the collection of data, 125 respondents from Thallarevu Mandal were taken using the non-random sampling. The sample consists of labourers, farmers, employed people, unemployed people, service people and students.

The data collected is analyses using the Percentage method and Factor analysis.

Factor analysis is a statistical method used to describe variability among observed, correlated variables in terms of a potentially lower number of unobserved variables called factors. Factor analysis aims to find independent latent variables. Each factor captures a certain amount of the overall variance in the observed variables and the factors are always listed in order of how much variation they explain.

5. Limitations of the Study

The study is conducted in Thallarevu Mandal and the obtained results may not be applicable in other areas. The Mandal is vast in area and it is not possible to cover each and every unit in the sample in the available time. The sample size is very small and may not be a true picture of the whole universe.

6. Review of Literature

Kuldeep Singh and Anand Singh Kodan (2011)¹ had utilized the financial inclusion index and analyzed the relationship between financial inclusion and development of the economy. In the study regression analysis is used and identified the factors associated with the financial inclusion. The study covered 15 states and were analyzed thoroughly and identified that there is positive correlation of financial inclusion and socio-economic development. Similarly it is observed that there is no significant relationship of gender, education and employment to financial inclusion.

Prabhu P V (2011)² had explained that the progress in the financial sector has not reflected in the same manner among the poor. People who are deprived of access to the basic banking services are also the ones who are deprived of the benefits of economic growth. In order to overcome this there should be an inclusive growth for the betterment of the society. The paper studies the progress of Financial Inclusion through Credit co-operatives. To eradicate poverty there should be focus on the development of agricultural sector and rural economy in addition to the growth of other sectors of the economy. This will help to improve the GDP growth. The rural economy can be improved with the help of Co-operatives which is instrumental in dispensing the agricultural and rural credit to the rural population. Financial inclusion can be achieved through the effective involvement of co-operative and banking sectors in the disbursement of the credit among the rural people.

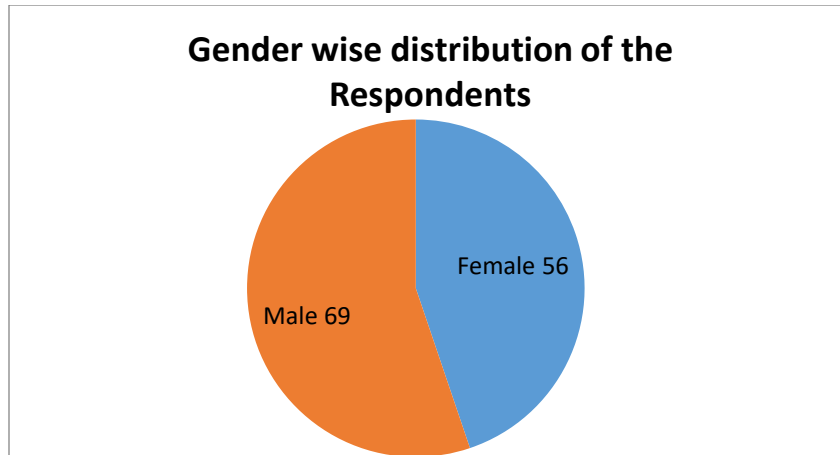
Leeladhar V, (2005) Banks would have to evolve specific strategies to expand the outreach of their services in order to promote financial inclusion. One of the ways in which this can be achieved in a cost-effective manner is through forging linkages with micro finance institutions and local communities. Banks should give wide publicity of no frills account. Banks need to redesign their business strategies to incorporate specific plans to promote financial inclusion of low income group treating it both a business opportunity as well as a corporate social responsibility.

7. Data Analysis and Interpretation

The data collected from the respondents through the questionnaire is analysed by percentage method and factor analysis. The data is presented in the form of tables and pictures.

Table 1: Gender wise distribution of the respondents

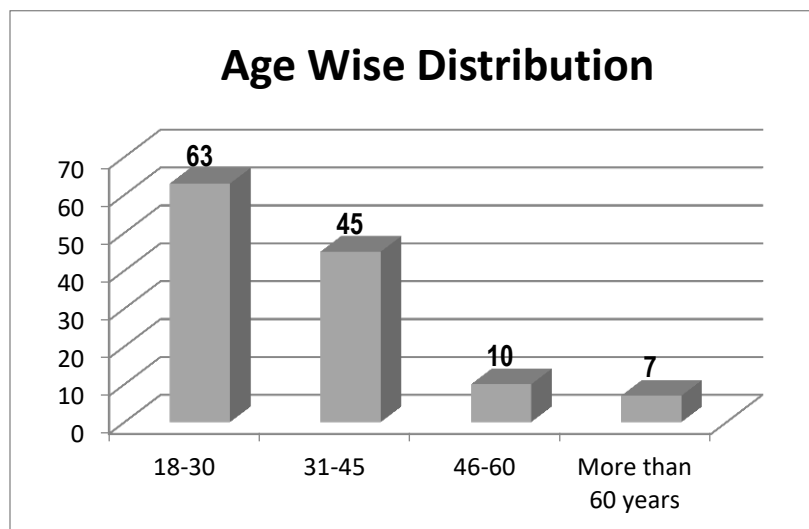
Gender	No of Respondents	% of Respondents
Female	56	44.8
Male	69	55.2
Grand Total	125	100



From the table 1 it is evident that out of the total 125 respondents, 56 (44.8%) of the respondents are female and the remaining 69 (55.2%) are male.

Table 2: Age wise distribution of the respondents

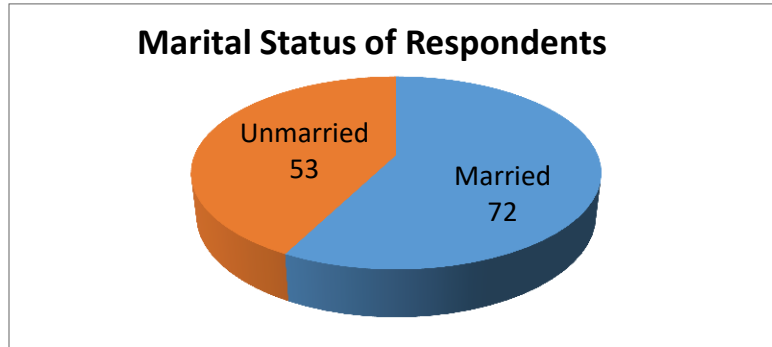
Age	No of Respondent	% of Respondents
18-30	63	50.4
31-45	45	36
46-60	10	8
More than 60 years	7	5.6
Grand Total	125	100



From Table 2 it is evident that most of the respondents 63 (50.4%) are in the age group of 18-30 followed by 45 (36%) in the 31-45 age group and 10 respondents are in the age group of 46-60 and 7 respondents are of more than 60 years of age.

Table 3: Marital status of the respondents

Marital Status	No of Respondents	% of Respondents
Married	72	57.6
Unmarried	53	42.4
Grand Total	125	100



From the table 3, it is evident that 72 (57.6%) respondents out of 125 are married and the remaining 53 (42.4%) are unmarried. Married respondents are more than those of unmarried.

Table 4: Educational Qualifications of the respondents

Educational Qualification of the Respondent	No of Respondents	% of Respondents
Below SSC	37	29.6
Graduation	38	30.4
No Formal Education	12	9.6
Post Graduation	11	8.8
SSC / ITI / Diploma	27	21.6
Grand Total	125	100

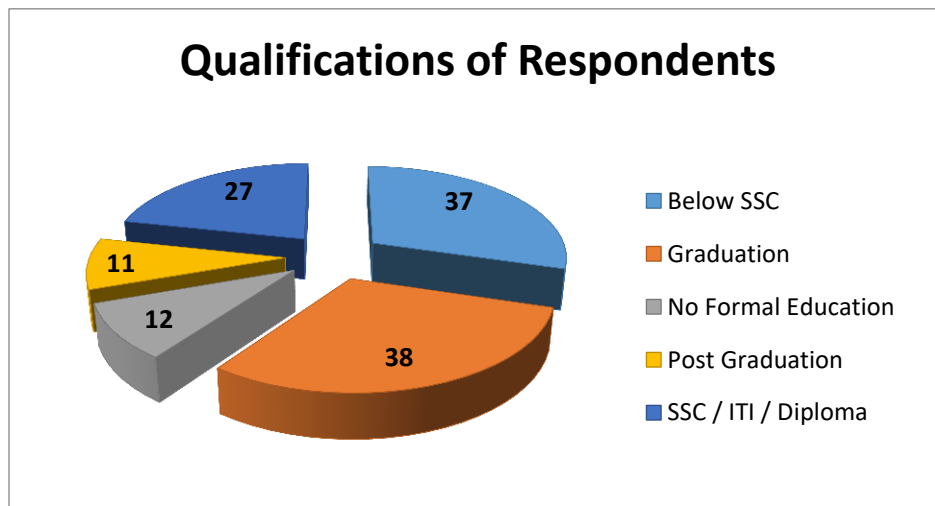


Table 4 shows that 38 (30.4%) of the respondents are Graduated followed by 37 (29.6%) have below SSC qualification. 27 (21.6%) have completed their SSC/Diploma course. Post graduation is completed by 11 respondents and 12 have no formal education.

Table 5: Occupation of the respondents

Occupation of the Respondent	No of Respondents	% of Respondents
Agriculture Labour	30	24
Farmer	39	31.2
Professional	13	10.4
Self Employed	14	11.2
Student	29	23.2
Grand Total	125	100

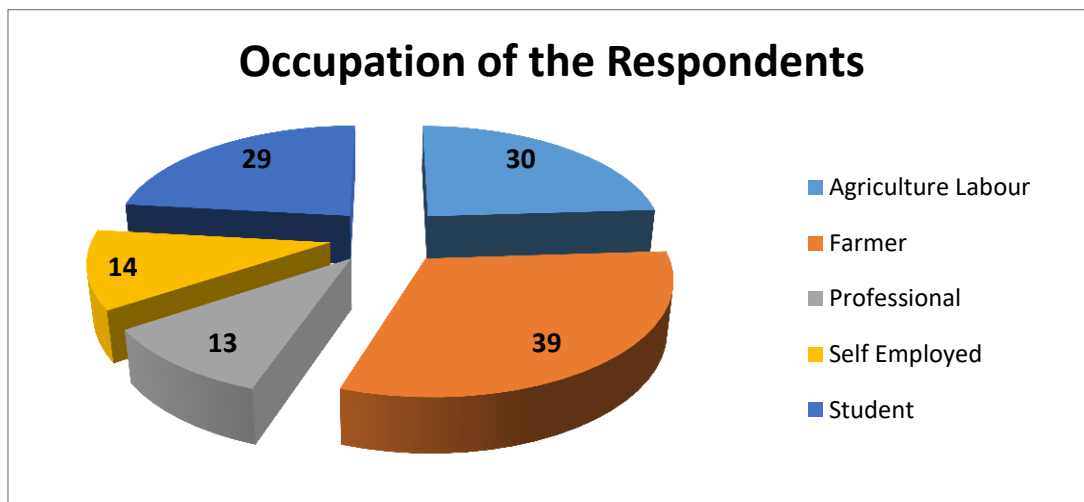


Table 5 shows the occupation of the respondents. Most of the respondents belong to the agriculture sector. 39 (31.2%) are farmers and 30 (24%) are agricultural labour. Followed by students with 23.2% and 14 (11.2%) respondents are self employed followed by 13 (10.4%) professionals

Table 6: Income range of the respondents

Income Range	No of Respondents	% of Respondents
Upto 100000	92	73.6
Between 100001 to 200000	33	26.4
Grand Total	125	100

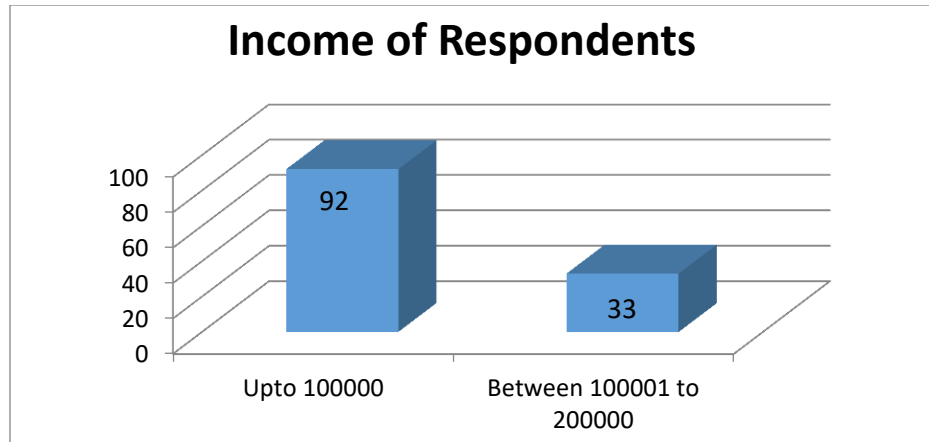


Table 6 shows that most of the respondents are having income below 100000. 92 (73.6%) of the respondents are in this range followed by 33 (26.4%) are having their income between 100001 and 200000.

Table 7: Awareness of the PMJDY among the respondents

Aware of PMJDY	No of Respondents	% of Respondents
No	3	2.4
Yes	122	97.6
Grand Total	125	100

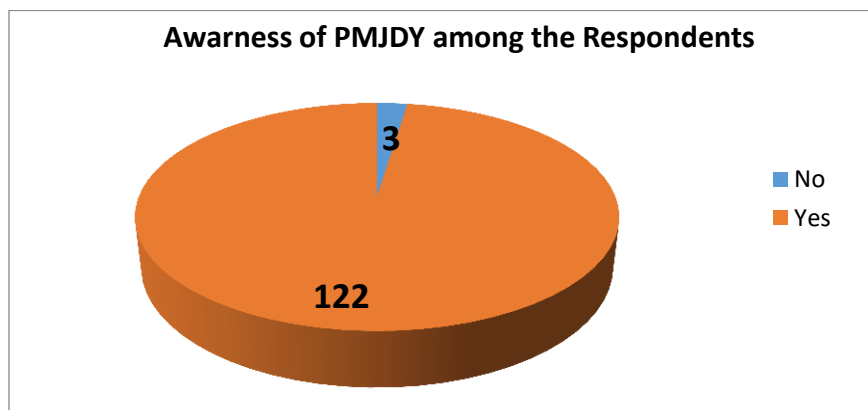


Table 7 shows that only 3 (2.4%) respondents are not aware of PMJDY scheme. 122 (97.6%) respondents are aware of the scheme.

Table 8: Awareness of the PMJDY among the respondents

Aware of PMYDY through	No of Respondents	% of Respondents
Bank Officials	50	40
Friends & Relatives	26	20.8

Newspapers / Advertisements	22	17.6
Not Aware	3	2.4
Village Panchayat	24	19.2
Grand Total	125	100

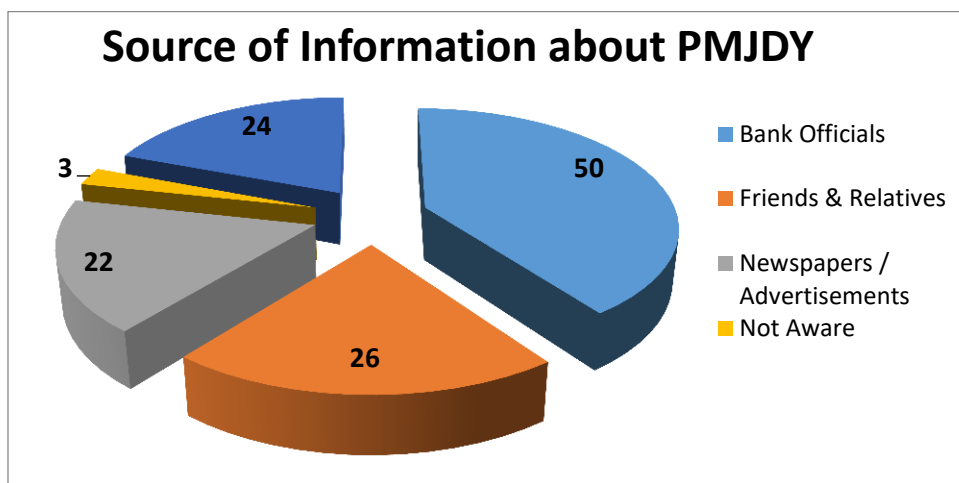


Table 8 provides information through whom the newly launched scheme is known through. 50 (40%) of the respondents are aware of the scheme through bank officials followed by 26 (20.8%) through Friends & Relatives which is closely followed by 22 (17.6%) through Newspapers / Advertisements. 24 (19.2%) are aware of the scheme through Village Panchayat and 3 respondents are not aware of this scheme.

Table 9: Possession of an account under PMJDY

Have a PMJDY Account	No of Respondents	% of Respondents
No	43	34.4
Yes	82	65.6
Grand Total	125	100

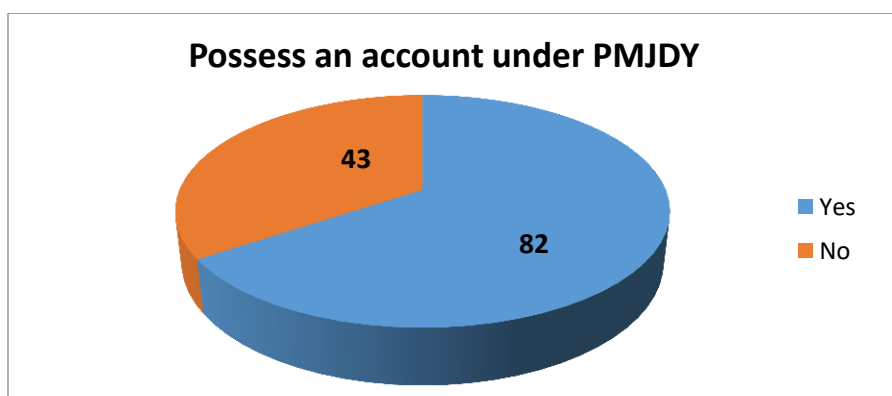


Table 9 shows that 82 (65.6%) of the respondents are having an account under PMJDY. 43 (34.4%) of the respondents are not having an account under the PMJDY scheme. One more important point that needs to be noted here is that the respondents are having a normal bank savings account and some of them are not having an account under the PMJDY scheme.

Table 10: Reason for opening an account under PMJDY

Reason for opening of an account	No of Respondents	% of Respondents
Savings Facility	72	57.6
Insurance Facility	4	3.2
Overdraft Facility	6	4.8
No account under PMJDY	43	34.4
Grand Total	125	100

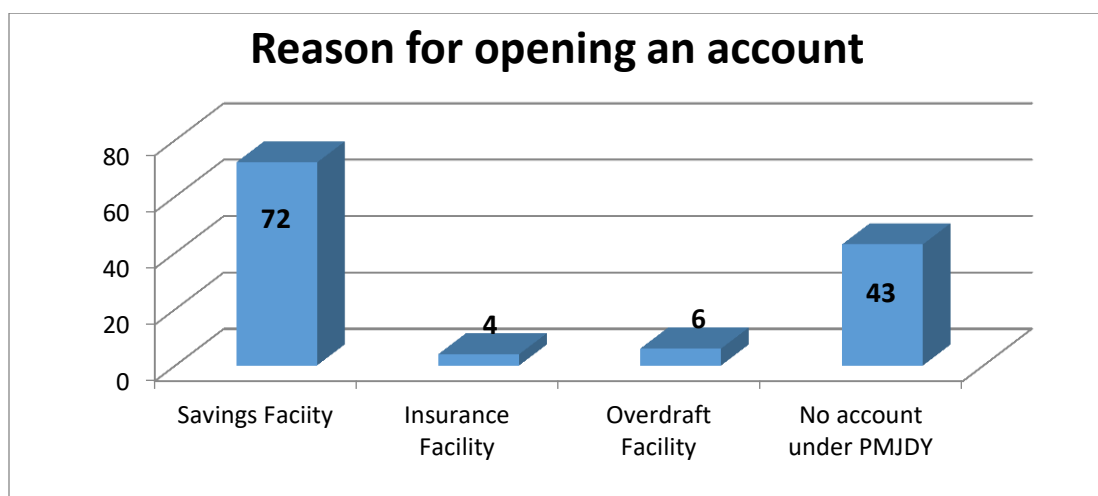


Table 10 shows the reasons for opening an account under PMJDY scheme. 72 (57.6%) of the respondents have opened the account for saving purpose. 6 (4.8%) of the respondents have opened the account for availing the overdraft facility followed by 4 (3.2%) for utilising the insurance facility. There are 43 (34.4%) of the respondents are not having an account under this scheme.

Table 11: Proof used for opening an account under PMJDY

Proof used for opening an account	No of Respondents	% of Respondents
Aadhar Card	43	34.4
Ration Card	31	24.8
Driving Licence	3	2.4
Voter Card	5	4
No account under PMJDY	43	34.4
Grand Total	125	100

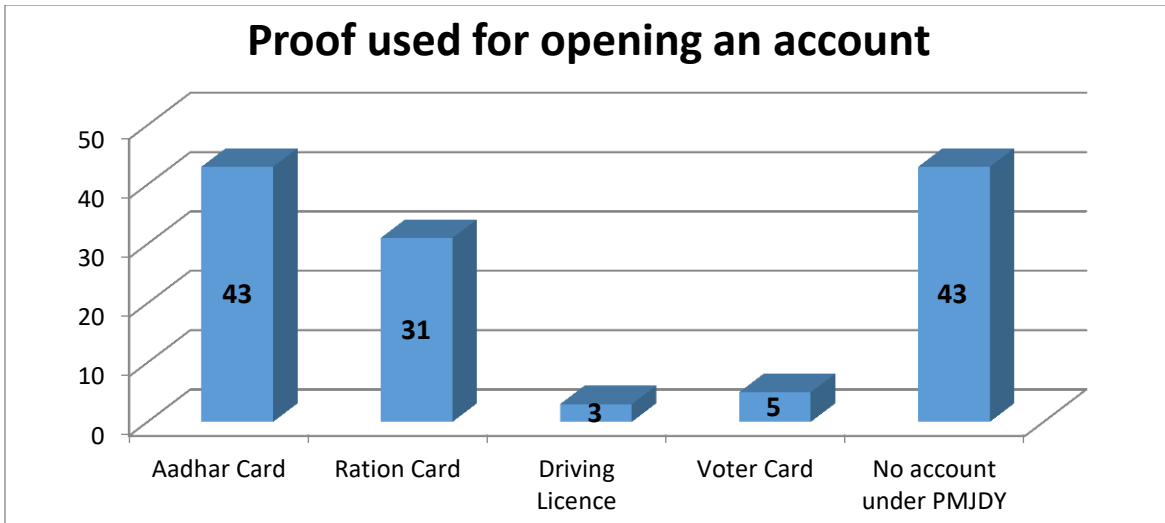


Table 11 shows that proof that are produced at the bank for opening an account under the PMJDY scheme. 43 (34.4%) of the respondents have produced Aadhar card for opening the account followed by 31 (24.8%) have produced Ration card for opening the account. Voter card is used by 5 (4%) followed by 3 (2.4%) of the respondents had given Driving Licence as proof for opening the account under the PMJDY scheme.

Table 12: Are timely benefits provided to the customers by the banks

Benefits Provided	No of Respondents	% of Respondents
Yes	51	40.8
No	31	24.8
No account under PMJDY	43	34.4
Grand Total	125	100

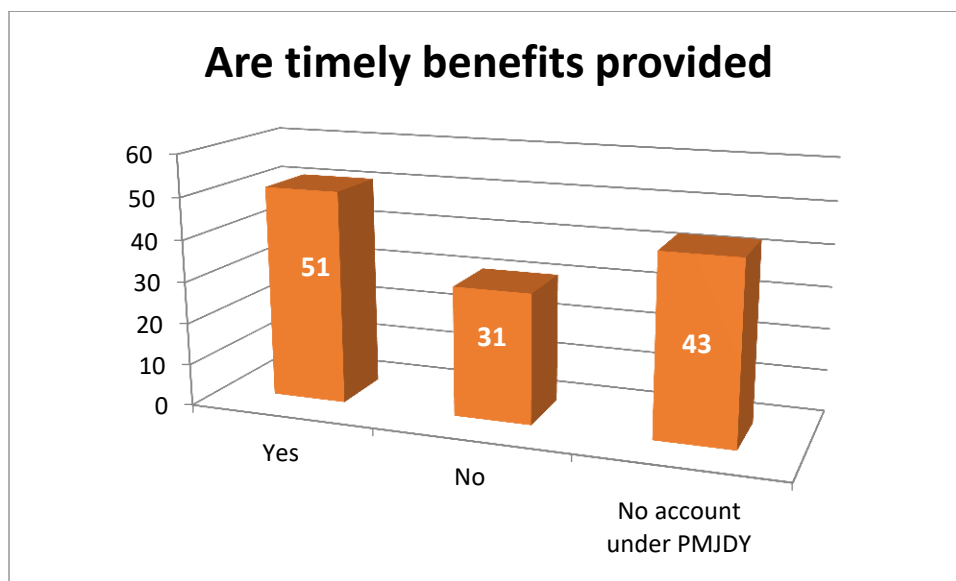


Table 12 shows that 51 (40.8%) of the respondents feel that timely benefits are provided by the banks to the customers. 31 (24.8%) of the respondents feel that timely benefits are not provided to the customers.

8. Perception of People towards PMJDY

20 statements were tabulated to analyse the perception towards PMJDY. Factor analysis is used to reduce large number of variables into a few set of variables. It is used to analyse the relationship between variables. To determine the suitability of data Kaise-Meyer-Olkin (KMO), Measure of Sampling Adequacy and Bartlett's Test of Simplicity are conducted on the data. The KMO index ranges from 0 to 1. The Bartlett's Test of Sphericity should be significant ($p < .05$) for factor analysis to be suitable.

Kaiser Meyer Olkin measure of sampling adequacy	0.789
Bartlett's Test of Sphericity	2343.023
DF	775
P value	0.005

The KMO test coefficient is .789 and the coefficient value is more than 0.5 signifies that the factors are appropriate and adequate. The approximate Chi-Square value is 2343.023 with 775 degree of freedom. These tests show that the data is appropriate.

Table 13: Total Variance Explained

Component	Initial Eigen Values			Extraction Sums of Squared Rotations			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative	Total	% of Variance	Cumulative	Total	% of Variance	Cumulative
1	11.50	57.51	57.51	11.50	57.51	57.51	5.42	27.11	27.11
2	2.21	11.08	68.59	2.21	11.08	68.59	4.54	22.69	49.80
3	1.70	8.53	77.13	1.70	8.53	77.13	4.22	21.12	70.92
4	1.02	5.10	82.23	1.02	5.10	82.23	2.14	10.70	81.62
5	0.82	4.14	86.37	0.82	4.14	86.37	0.95	4.75	86.37
6	0.55	2.78	89.15						
7	0.49	2.46	91.62						
8	0.43	2.15	93.78						
9	0.30	1.54	95.32						
10	0.28	1.43	96.76						

11	0.20	1.00	97.76						
12	0.14	0.70	98.47						
13	0.09	0.48	98.95						
14	0.08	0.41	99.37						
15	0.05	0.25	99.62						
16	0.04	0.20	99.82						
17	0.02	0.10	99.92						
18	0.00	0.04	99.97						
19	0.00	0.02	99.99						
20	0.00	0.01	100.00						

Table 14: Rotated Component Matrix

	F1	F2	F3	F4	F5
PMJDY is helpful for the people	0.758	-0.058	-0.237	0.078	-0.090
PMJDY helps in reducing the dependence on informal sources	0.843	0.165	0.024	0.016	-0.156
PMJDY is useful in improving the standard of living	0.792	-0.051	0.150	-0.221	0.067
PMJDY is useful in linking the savings to the banks	0.826	-0.233	-0.191	0.124	-0.134
PMJDY helps in solving the financial needs of the people	0.854	-0.076	0.135	-0.249	-0.072
PMJDY is useful in improving the economic & Social development of the country	0.825	-0.308	0.038	0.120	-0.062
PMJDY is helpful in providing awareness about financial services & products	0.801	-0.258	0.023	-0.212	-0.055
PMJDY is an effective policy measure to solve the problem of financial exclusion	0.904	0.010	0.022	0.057	0.030
Banking staff are helpful in providing information about the scheme	0.779	-0.315	-0.070	0.078	0.150

Banking officials are not inclined to prejudice in opening the accounts	0.600	-0.667	-0.120	-0.162	0.032
Banking infrastructure is adequate to reach out the people	0.638	-0.568	-0.083	0.257	0.010
People are aware of the issue of Rupay cards	0.833	0.016	0.412	0.044	0.052
People are aware of Rs One Lakh Accidental insurance provided under the scheme	0.764	0.035	0.391	0.271	0.117
People are aware of Rs 30000 /- Life insurance provided under the scheme	0.737	0.155	0.441	-0.068	-0.024
People are aware of Rs 5000 /- Overdraft facility provided under the scheme	0.578	0.554	0.479	0.031	-0.079
PMJDY is an eye wash	-0.732	-0.375	0.359	-0.090	-0.140
In the real sense, PMJDY can't help in poverty reduction	-0.789	-0.320	0.307	0.042	-0.178
Information regarding the scheme is not adequately available at banks	-0.785	-0.356	0.303	0.120	-0.030
Processing of accounts under PMJDY is cumbersome and time consuming	-0.753	-0.483	0.360	-0.062	0.052
There is need to improve the awareness of the scheme among the people	0.192	0.087	-0.186	0.136	-0.277

Table 15: Summary of factors influencing respondents' perception towards PMJDY

Name of the factor	Item No	Variables	Factor Loading
Wholesomeness	1	PMJDY is helpful for the people.	0.750
	3	PMJDY is useful in improving the standard of living	0.537
	4	PMJDY is useful in linking the savings to the banks	0.896
	5	PMJDY helps in solving the financial needs of the people	0.910
	6	PMJDY is useful in improving the economic & Social development of the country	0.880
	8	PMJDY is an effective policy measure to solve the	0.818

		problem of financial exclusion	
	9	Banking staff are helpful in providing information about the scheme	0.526
	10	Banking officials are not inclined to prejudice in opening the accounts	0.596
	12	People are aware of the issue of Rupay cards	0.838
Awareness	13	People are aware of Rs 1 Lakh Accidental insurance provided under the scheme	0.547
	14	People are aware of Rs 30000/- Life insurance provided under the scheme	0.563
	7	PMJDY is helpful in providing awareness about financial services & products	0.909
	20	There is need to improve the awareness of the scheme among the people	0.089
Leverage	15	People are aware of Rs 5000/- Overdraft facility provided under the scheme	0.743
	2	PMJDY helps in reducing the dependence on informal sources	0.840
Eye wash	11	Banking infrastructure is adequate to reach out the people	0.477
	16	PMJDY is an eye wash	0.507
	17	In the real sense, PMJDY can't help in poverty reduction	0.886
Complicated	18	Information regarding the scheme is not adequately available at banks	0.839
	19	Processing of accounts under PMJDY is cumbersome and time consuming	0.528

Table 15 shows the various factor and their associated factors.

Wholesomeness: This is the most significant factor with 27.11% of the total variance explained. This factor consists of 9 statements that are associated with the wholesomeness aspect of PMJDY. The statements that are associated with this factor are PMJDY is helpful for the people (.750), PMJDY is useful in improving the standard of living (0.537), PMJDY is useful in linking the savings to the banks (0.896), PMJDY helps in solving the financial needs of the people (0.910), PMJDY is useful in improving the economic & Social development of the country (0.880), PMJDY is an effective policy measure to solve the problem of financial exclusion (0.818), Banking staff are helpful in providing information about the scheme (0.526), Banking officials are not inclined to prejudice in opening the accounts (0.596) and People are aware of the issue of Rupay cards (0.838).

Awareness: This is the second highest significant factor with 22.69% of the total variance explained. It has 4 statements associated with this factor. They are that the People are aware of Rs 1 Lakh Accidental insurance provided under the scheme (0.547), People are aware of Rs 30000/- Life insurance provided under the scheme (0.563), PMJDY is helpful in providing

awareness about financial services & products (0.909) and there is need to improve the awareness of the scheme among the people (0.089).

Leverage: This is the next highest significant factor with 21.12% of the total variance explained. It has 2 statements associated with this factor. The statements associated with this factor are People are aware of Rs 5000/- Overdraft facility provided under the scheme (0.743) and PMJDY helps in reducing the dependence on informal sources (0.840)

Eye wash: This is the factor which is associated with 3 statements and has a variance of 10.70%. The statements associated with this factor are Banking infrastructure is adequate to reach out the people (0.477), in the real sense, PMJDY can't help in poverty reduction (0.886) and PMJDY is an eye wash (0.507)

Complicated: This is the factor which is associated with 2 statements and has a variance of 4.75%. The statements associated with this factor are Information regarding the scheme is not adequately available at banks (0.839) and Processing of accounts under PMJDY is cumbersome and time consuming (0.528)

9. Findings

- PMJDY scheme is known to most of the people. 40% of the people knew it through Bank officials and is followed by Friends & Relatives with 21%.
- 66% of the people have opened the accounts under the scheme. While interacting with these people they were having savings account which were opened earlier. Most of the respondents have their accounts with State Bank of India.
- 58% of the respondents have opened the accounts under the scheme to avail savings facility.
- 55% of the respondents are related to the agriculture sector.
- 59% of the respondents have opened the accounts under this scheme by producing Aadhaar & Ration card at the banks.
- 41% of the accountholders under this scheme feel that timely benefits are provided to them by the banks where the accounts are opened.
- Factor analysis is used to understand the perception of the people towards PMJDY. The variables are under consideration were divided into five factors. Out of the factors Wholesomeness has 27.11% of the total variance. 9 statements are associated with it.
- It is followed by Awareness factor with 22.69% of the total variance with 4 statements namely Rs 1 Lakh Accidental insurance, Rs 30000/- Life insurance, awareness about financial services & products.
- It is followed by Leverage with 21.12% of variance. It has 2 variables namely the awareness about Rs 5000/- overdraft facility and the reduction on dependence on informal sources of finance.
- Eyewash is the next factor with 10.70% of the total variance. The statements are Banking infrastructure is adequate to reach out the people, PMJDY can't help in poverty reduction and PMJDY is an eye wash.
- The last factor is Complicated which is associated with 2 statements and has a variance of 4.75%. The statements associated with this factor are Information regarding the scheme is

not adequately available at banks and Processing of accounts under PMJDY is cumbersome and time consuming.

10. Suggestions

- A good number of accounts are opened under the scheme but the usage is limited. There is need to improve the transactions in these accounts which will be helpful for the people as well as the banks.
- The financial literacy levels are very less. There is need to conduct financial literacy programs in these areas. The usage of ATMs needs to be educated among the people. The usage of technology needs to be improved which helps in effective utilization of the banking services.
- The procedure to open accounts, operating the accounts, disbursement of loans needs to be simplified. This simplification will help to remove the fear of the people with the complex documents of the banking procedures.
- Bank staff needs to be trained on a regular basis which will help them in assisting the people more effectively.
- Local people must be recruited as Business correspondents as they better understand the local people. Opening of accounts, disbursement of loans, transactions in the account and recovery of the loans will be easy for them.
- Customised products and services needs to be introduced. These people have irregular incomes and the savings, loan repayments will also be irregular.

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