

# A Study on the Impact of Financial Inclusion Practices on Rural Masses in Varanasi District

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## Abstract

**Objective:** This paper studies the impact of financial inclusion practices on rural masses in Varanasi district. **Methods/ Statistical Analysis:** A total sample size consists of 400 respondents in the district and 50 respondents from the eight blocks in Varanasi district. The data collected through questionnaire and convenience sampling method has been followed to collect the data. The data thus collected has been analyzed with the help of various statistical tools such as exploratory factor analysis ANOVA/Welch test, t-test, correlation and regression analysis. **Findings:** The study found that there is a significant variation among all the groups except the age groups of the respondents have a significant influence of financial inclusion practices on rural masses under study. With the application of regression analysis the results concluded that financial knowledge has been increased were found to be more significant predictors in the study area. Therefore, it is suggested that the stakeholders should take proper initiative and provide adequate facilities at an affordable rate to the vulnerable section of society. It will increase the availability and accessibility usage in the area, creates employment opportunities, invest in education and to manage unforeseen risks and economic crisis. **Application/ Improvement:** This study used multiple linear regression analysis with the support of working of financial inclusion practices to identify the impact of financial inclusion on rural masses.

**Keywords:** Financial Inclusion, Financial Inclusion Scheme, Financial literacy, Infrastructural facilities, NGO/SHGs.

## I. INTRODUCTION

Despite significant changes in the areas of financial sustainability, profitability and competitiveness, there is concern that banks have not been able to include a large section of the population, particularly the disadvantaged sectors of society, in the fold of basic necessities of banking services. The stakeholders have sought to attract large segments of the rural population into the mainstream of the banking system by realizing that financial inclusion is the essence part of inclusive growth in a country like India. Without financial inclusion we cannot think of economic development because a large part of the segments remains outside the growth process. Financial inclusion is one of the fundamental tools that offers banking services at an economic cost to most of the disadvantaged and to groups with low and irregular incomes (H. Kaur, and K. N. Singh, 2015) [1]. According to the census (2011), of a total of 24.67 crore households in the country, 14.48 crore households (58.7%) have had access to banking facilities. Rural households of 16.78 million people, 9.14 million people (54.46%) used banking services. Of the 7.89 crore urban households, 5.34 million inhabitants (67.68%) used

banking services (Keshavamurthy, H.R., 2014) [2]. Due to the lack of awareness and financial education among the rural population of the country, economic growth is hampered since most of the population has denied access to formal credit. This is a serious problem for the economic development of the country. To overcome these obstacles, the banking sector has emerged with some technological innovations such as ATMs, credit and debit cards, Internet banking, etc., (Prof. J.P. Yadav, Abhishek Sharma and Meghna Meena, 2016) [3]. Increased familiarization has positively helps among the account holders to access and avail products easily, which is the main target to bring into the financial inclusion itself and it would help the poor people to accumulate social, human, financial and physical resources. Therefore, it is assumed that financial inclusion brings positive changes in people's economic and social conditions. The present study is an attempt to understand the impact of financial inclusion practices among rural masses in Varanasi district. The study highlighted the impact of working of financial inclusion practices on their awareness level, their socio-economic condition, standard of living and general condition of sample respondents after opening the account. Therefore, it is suggested that both the

state and the union government should take measures to provide job opportunities, increase their literacy level, generate income for their survival, adequate facilities, such as medical care, sanitation, etc. and increases their standard of living of all underprivileged sections within the various blocks in the Varanasi district.

## II. LITERATURE REVIEW

**Sajeev & Thangavel (2012)** <sup>[4]</sup> made an attempt to analyzed the significant impact of the SHG-bank linkage program in promoting financial inclusion in rural areas. Data collected from the structured questionnaire related to the socio-economic status which consist of 3500 SHG members from 9 districts of Kerala in 51 parameters by using the technique of Cluster analysis. The study reveals that most SHG members (33.9%) have savings at the post office / insurance, while the remaining 18.15% of members have a savings account. Therefore, SHGs play an crucial role for landless members, whereas the inclusion rate is high among the respondents belong with SHGs. **Divya (2013)** <sup>[5]</sup> studied the influence of financial inclusion on daily wage earners and to identifies whether banking services are reaching among the low income groups or not. The primary data were collected from 210 daily wage earners of Tenali town in Guntur district of Andhra Pradesh. Random sampling process was used to collect the data and analysis was done such as mean and frequency distribution for the study. The results depicts that respondents belonging from male, married and literate groups seems more satisfaction in accessibility of financial inclusion services than the other group such as female, unmarried and illiterate respondents respectively. The author further highlighted that daily wagers having more income are more persuaded towards financial inclusion. **Padma & Gopiseti (2013)** <sup>[6]</sup> analyzed the relationship between financial inclusion and rural development. Primary data were collected through personal interview administered on beneficiaries of Nizamabad district of Andhra Pradesh. The study revealed that there is positive relationship between financial inclusion and rural development. Further, it is revealed that financial inclusion leads to inclusive development of rural areas and bring their quality of life at par with the people of urban areas. **Uma (2013)** <sup>[7]</sup> studied the impact of financial inclusion on the economic status of Saral savings account holders and to measures the change in beneficiaries' general conditions before and after financial inclusion. The primary data was collected from a structured questionnaire administered to 100 Hunsur Taluk respondents in the Mysore district with the help of paired sample t-test analysis. The analysis was performed using the t-test of matched samples. The study found that there is an effect of positive change in the economic conditions of financially included people. Furthermore, it may be concluded that there were positive and significant changes in the general conditions of respondents having a Saral savings account after being

benefitted by the financial inclusion scheme. **Kapoor & Singh (2014)** <sup>[8]</sup> focused on the contributions of the proper functioning of the financial system in the economic and social development of the nation. Secondary data were used for the study. The study concluded that the mechanism of financial system allows disadvantages groups of people to actively participate in the development process and to protect themselves against economic crises. **Banerjee & Francis (2014)** <sup>[9]</sup> studied he influence of financial inclusion on the social development. The secondary data were collected from different journal, websites, reports, census etc. The results found that there is a positive association between financial inclusion and human development index. It may be concluded that financial inclusion leads to poverty eradication. **Nwankwo & Nwankwo (2014)** <sup>[10]</sup> made an attempt to investigate the sustainability of financial inclusion among the rural dwellers in Nigeria. The primary data were collected by using well- structured questionnaire and administered on rural dwellers and bank officials. Mean and correlation technique were applied to analyse the data. The study highlighted that there is direct association between sustainability of financial inclusion and rural dwellers under survey. Therefore, it may be concluded that sustainability of financial inclusion among the rural dwellers were remains within the mainstream for economic development of a nation. **Monalisa (2015)** <sup>[11]</sup> examined the financial inclusion extent in the rural areas of Hisaran district. The methodology used in the survey to select a respondent as a sample is convenience and casual sampling includes sample size 367 respondents covers under the study area. The study revealed that 65.67% of sample beneficiaries in rural areas of Hisar district have been come into the mainstream financial inclusion. The author also pointed the different problem faced by the selected sample respondents with the recent trends of present banking system and also suggested to them and suggestions given by them to tackle the challenges and issues. **M. Bhuvana and S. Vasantha (2016)** <sup>[12]</sup> analyzed the financial inclusion extent with the three various indicators such as branch penetration of banking Industries, deposit penetration and credit penetration into rural areas of all the districts of Tamil Nadu state. The secondary data were gathered from various resources, such as websites of the Reserve Bank of India (RBI), State Level Banker's Committee (SLBC) Tamil Nadu, articles and Journals. Multidimensional approach was used to calculate the financial inclusion index. The study found that the Ariyalur district reached 64.79 financial inclusion index i e., the maximum percentage of financial inclusion in rural segments by 2015. The study also indicated that Perambalur district has a higher level (> 55) index of financial inclusion. The districts of Sivaganga, Nagapattinam and Pudukottai have found an extent of financial inclusion above average (between 40.0 and 55). Therefore, it may be concluded that Tiruvarur, Karur, Krishnagiri, Ramanathapuram, Dharmapuri, Thanjavur,

Cuddalore, Nammakal, Tuticorin and Villupuram districts found financial inclusion with an average below in the rural areas followed by rest of the districts has a low level of financial inclusion in the study area. **Dr. Jatinder Kaur (2017)** <sup>[13]</sup> made an attempt to access the factors influencing the financial inclusion in the Punjab state using a financial inclusion index (FII) at the district level. The study found that among the four variables, with the exception of the proportion of a working population and the rest of the three indicators showed a significant positive relationship with the financial inclusion status. However, urbanization is the most important factor which shows the inter-district variations in financial inclusion in Punjab, as it accounted for 53% of total variations, whereas remaining the three variables together accounted for 79.2% of differences in financial inclusion. **Prof. Bhagirath Singh and Dr. Mukesh K. Sharma (2018)** <sup>[14]</sup> examined the banking awareness and relationships with bank households in the Pratapgarh District and measures the impact of socio-economic status on financial inclusion in the area. The data were gathered primarily through direct observation of the schedule. The study forms a strong theoretical base with using secondary data in support to substantiate primary data. For the data analysis various descriptive as well as inferential statistical tools are used such as percentage, mean and Regression model. The study found that most number of sample respondents having a bank account, the main reason behind for opening a bank account is to receive the government payments from various government schemes such as MNREGA, DBT subsidies and PMJDY etc. The author also highlighted that the respondents residing in the tribal areas of (Pratapgarh district) have been found economically and socially backward. Therefore, it may be concluded that there is still a gap to achieve inclusive growth. **Mr. Sanjay M. Sakariya & Dr. Neelima Ruparel (2018)** <sup>[15]</sup> discussed the factors affecting the implementation of financial inclusion strategies. He used the descriptive research method for their analysis. The result shows that there are inadequate banking and regulatory framework and also there are many irregularities on the supply side of the banking services.

### III. RESEARCH METHODOLOGY

#### OBJECTIVES OF THE STUDY:

This study has been aimed with following objectives in mind:

1. To study the impact of financial inclusion practices on rural masses in Varanasi district.
2. To study problems and hurdles in accessing the financial services from different sources.
3. To analyze the awareness level of financial inclusion practices in the district.

#### HYPOTHESES FOR THE STUDY:

**Ho1:** There are no significant differences in the impact of financial inclusion practices on rural masses among the demographic variables of respondents in Varanasi districts.

**Ho2:** There is no significant relationship in the perceptions of respondents on working of financial inclusion practices in Varanasi district.

**Ho3:** There is no significant relationship between awareness level of respondents and impact of financial inclusion practices on rural masses in Varanasi district.

**Ho4:** There is no significant relationship between problems and hurdles in accessing the services and impact of financial inclusion practices on rural masses in Varanasi district.

**Ho5:** There is no significant relationship between implementations of financial inclusion program by various agencies and impact of financial inclusion practices on rural masses in Varanasi district.

#### METHODOLOGY

The present study is based on both primary and secondary data. The secondary data for the research has been gathered through secondary sources i.e. published articles, white papers, journals, newspapers, reports, books, websites RBI Report, Report of NABARD, E-Journals etc. The primary data was collected through well-designed questionnaire from a sample size consists of 400 respondents within the eight blocks namely Araziline, Baragaon, Chiraigaon, Cholahpur, Harauhva, Kashi Vidyapith, Pindra and Sevapuri of Varanasi district and convenience sampling was used to collect the data. There are 50 respondents from each block. The respondents for the study mostly consists of rural areas where banking and financial services for the people is inaccessible.

#### STATISTICAL TOOLS

The data thus collected has been classified; tabulated and analyzed with the help of various statistical tools such as exploratory factor analysis, ANOVA/Welch test, independent sample t-test, correlation and regression analysis. The statistical tools have been used as per the need of the study. The exploratory factor analysis has been used for identifying the factor for the study. The ANOVA has been used to analyze the compare more than two groups have been identified through the study.

#### SCOPE OF THE STUDY

The study covers the area of financial inclusion program offered by different agencies, implementations program, economic and social development among the marginal groups and impact of financial inclusion program on rural masses in Varanasi district. The research work covers areas such as socio-economic conditions, income generation, non-holding of savings accounts, hurdles faced by rural

masses to access banking services, type of product and services offered by commercial bank and the gap between the facilitators and beneficiaries. Besides, the study also focused on the awareness, accessibility and delivery of financial product and services to the rural masses under the study.

#### IV. ANALYSIS AND FINDINGS

Here, one-way ANOVA and Independent sample T- Test has been used in order to find out whether any significant difference exists among the groups or not. For the analysis

of impact of financial inclusion programme on rural masses, exploratory factor analysis method has been used. It was found that the KMO calculated value is .871 represented to be a good score. In order to access the impact of financial inclusion program on rural masses the three dominant factors are examined i.e. Financial Knowledge has been increased, Social status has been increased and Services Offered by Implementing Agencies has been improved. Therefore, to analyze the data and further to identify according to various demographic groups vary in their responses or not.

**Table: 1 ANOVA test for Impact of financial inclusion programme on rural masses on the basis of demographic variables**

Sr. No	Demographic Variables	Value of t-test and F-test				Results
		Anova/Welch	d.f.	p-value	Post Hoc Test	
<b>Factor (1) – Financial Knowledge has been increased</b>						
1	Occupation	83.285	155.295	.000	Required	Rejected
2	Age group	2.869	399	.036	Required	Rejected
3	Gender	5.969	398	.000	–	Rejected
4	Category	73.093	194.072	.000	Required	Rejected
5	No. of family members	7.124	69.108	.000	Required	Rejected
6	Annual Income	118.705	399	.000	Required	Rejected
7	Educational Qualification	54.246	399	.000	Required	Rejected
8	Marital Status	5.850	399	.001	Required	Rejected
<b>Factor (2) – Social status has been increased</b>						
1	Occupation	30.012	157.972	.000	Required	Rejected
2	Age group	7.322	78.929	.000	Required	Rejected
3	Gender	5.574	158.760	.000	–	Rejected
4	Category	25.918	399	.000	Required	Rejected
5	No. of family members	1.158	69.986	.337	Not Required	<b>Accepted</b>
6	Annual Income	47.659	141.612	.000	Required	Rejected
7	Educational Qualification	27.529	153.009	.000	Required	Rejected
8	Marital Status	2.237	17.650	.120	Not Required	<b>Accepted</b>
<b>Factor (3) – Services Offered by Implementing Agencies has been improved</b>						
1	Occupation	16.476	161.139	.000	Required	Rejected
2	Age group	2.111	84.016	.105	Not Required	<b>Accepted</b>
3	Gender	1.637	167.699	.103	–	<b>Accepted</b>
4	Category	9.973	399	.000	Required	Rejected
5	No. of family members	8.039	399	.000	Required	Rejected
6	Annual Income	15.435	399	.000	Required	Rejected
7	Educational Qualification	12.032	147.376	.000	Required	Rejected
8	Marital Status	1.495	17.913	.250	Not Required	<b>Accepted</b>

Source: Compiled from primary data

#### FINDINGS:

It is inferred from the analysis that financial knowledge among the rural masses has very highly significant and significant association with demographic variables. Whereas, in case of social status of the rural masses has very highly significant and insignificant association with the demographic variables. Finally, in case of services offered by implementing agencies has very highly, highly significant and insignificant with the demographic variables. It is revealed that financial knowledge among the rural masses factor followed by other two factors play an important role for positive impact of financial inclusion programme was found statistically significant differences among the different groups within the various blocks in the Varanasi district.

**To assess the impact of working of financial inclusion practices on financial knowledge, socio-economic status and services offered by implementing agencies has been improved among rural masses in Varanasi district.**

**Table: 2 Relationship of Financial Inclusion Practices on Financial Knowledge, Socio-Economic Status and Services offered by implementing agencies in Varanasi district**

Relationships of Financial Inclusion Practices Variables with 1,2 and 3 (N=400)	Financial Knowledge (1)		Socio-Economic Status (2)		Services Offered by Implementing Agencies (3)	
	r	P	r	P	r	P
Financial inclusion are very much helpful in providing the services	.743**	.000	.526**	.000	.416**	.000
Intermediaries are very much helpful to providing the services	.289**	.000	.223**	.000	.168**	.001
Opening of no-frills accounts leading to increase in opening accounts	.249**	.000	.210**	.000	.082	.103
Behavioral attitude of the banking staff is not found good	-.655**	.000	-.415**	.000	-.379**	.000
Hurdles in accessing financial product and services	-.106*	.035	-.026	.606	-.061	.224
Supply of inadequate information	.443**	.000	.229**	.000	.267**	.000
Lengthy procedures are followed in banks	.590**	.000	.363**	.000	.335**	.000
Role of various agencies in implementations of Financial Inclusion Program	-.665**	.000	-.315**	.000	-.579**	.000
Rules and regulation are very strictly followed by different stakeholders	.259**	.000	.225**	.000	.178**	.001

\*\*Correlation is significant at 0.01 level; \*Correlation is significant at 0.05 level

Source: Primary Data \*Significant at (5 and 0. 1 per cent level).

**FINDINGS:**

From the above table illustrates the relationship of financial inclusion practices variables with financial knowledge, socio-economic status and services offered by implementing agencies among the rural masses has been improved. It is clear that some financial inclusion practices variables are significantly correlated with financial knowledge, socio- economic status and services offered by implementing agencies and therefore this relationship is moderate in nature. Rest of the financial inclusion practices variables doesn't show significant relationship with financial knowledge, socio- economic status and services offered by implementing agencies.

**Impact of financial inclusion practices on financial knowledge, socio-economic status and services offered by implementing agencies has been improved among rural masses in Varanasi district.**

**Table: 3 Impact of Financial Inclusion Practices on Dependent Variable**

<b>9 Financial Inclusion Practices Independent Variables</b>	<b>Dependent Variables</b>
	Financial Knowledge
	Socio- Economic Status
	Services Offered by Implementing Agencies

**Table: 4 Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of Estimate	Durbin Watson	F Value (Annova)	Sig. Value
1	.825	.681	.673	.43280	1.606	93.362	.000
2	.577	.333	.318	.82249	1.708	21.657	.000
3	.478	.229	.211	.55862	1.495	12.853	.000

Source: Primary Data

**FINDINGS:**

The result depicts from regression analysis based on nine independent variables (i.e. X1, X2, X3, X4, X5, X6, X7, X8 and X9) reveals positive relationship and The R value =.825, .577 and .478 measures the degree of relationship between the actual values and the predicted values of the “Financial Knowledge, Socio- Economic Status and Services Offered by Implementing Agencies”. The predicted values are obtained as the linear combination on dimensions of working of financial inclusion practices in Varanasi district. The coefficient value of 0.826 depicts that the relationship exists between the “Financial Knowledge, Socio- Economic Status and Services Offered by Implementing Agencies” and other independent variables are

quite moderate and positive impact and others are low degree of relationship between the variables. The value of coefficient of determination R square = .681, .333 and .229 inferred that 5% of the variation in the dependent variable is explained or accounted by the estimated given sample regression equation that uses given the ten factors of independent variables. The ANOVA table shows that significance value of the F- statistics is less than 0.05, which means that the model is statistically significant.

**Table: 5 Coefficients**

<b>Dependent Variable: Financial Knowledge among the rural masses has been increased</b>					
<b>Predictors</b>	<b>β</b>	<b>Beta</b>	<b>T-Value</b>	<b>Sig. V</b>	<b>Results</b>
Constant	1.387		3.962	.000	
Financial inclusion are very much helpful in providing the services	.434	.376	8.723	.000	<b>Rejected (V.H.S)</b>
Intermediaries are very much helpful to providing the services	-.014	-.011	-.345	.730	Accepted (N.S)
Opening of no-frills accounts leading to increase in opening accounts	.015	.016	.527	.598	Accepted (N.S)
Behavioral attitude of the banking staff is not found good	-.245	-.235	-5.972	.000	<b>Rejected (V.H.S)</b>
Hurdles in accessing financial product and services	- .100	-.114	-3.541	.000	<b>Rejected (V.H.S)</b>
Supply of inadequate information by various stakeholders	-.047	-.061	-1.962	.050	<b>Rejected (Sig.)</b>
Lengthy procedures are followed in banks	-.084	-.071	-2.427	.016	<b>Rejected (Sig.)</b>
Role of various agencies in implementations of Financial Inclusion Program	.173	.153	4.389	.000	<b>Rejected (V.H.S)</b>
Rules and regulation are very strictly followed by different stakeholders	.193	.160	4.392	.000	<b>Rejected (V.H.S)</b>

**Source: Primary Data \*Significant at (0. 1 and 5 per cent level).**

A significant regression equation was obtained ( $F(399) = 93.362, p < 0.05$ ) with an adjusted R square of .673. Respondents predicted financial knowledge among the rural masses has been increased is equal to  $1.387 + .434 X1 + (-.245 X4) + (-1.00 X5) + (-.084 X7) + .173 X8$  were observed significant predictors of impacting financial knowledge among the rural masses has been increased for each unit of satisfaction. Therefore, nine independent variables have been fitted in this model. Thus, it can be concluded that financial inclusion are very much helpful in providing the services, Behavioral attitude of the banking staff is not found good, Hurdles in accessing financial product and services, Lengthy procedures are followed in banks, Role of various agencies in implementations of Financial Inclusion Program and Rules and regulation are very strictly followed by different stakeholders were observed significant predictors of impacting financial knowledge among the rural masses has been increased.

**Table: 6 Coefficients**

<b>Dependent Variable: Socio- Economic Status among the rural masses has been increased</b>					
<b>Predictors</b>	<b>β</b>	<b>Beta</b>	<b>T-Value</b>	<b>Sig. V</b>	<b>Results</b>
Constant	1.021		1.535	.126	
Financial inclusion are very much helpful in providing the services	.495	.326	5.231	.000	<b>Rejected (V.H.S)</b>
Intermediaries are very much helpful to providing the services	.074	.048	.994	.321	Accepted (N.S)
Opening of no-frills accounts leading to increase in opening accounts	.064	.052	1.198	.232	Accepted (N.S)
Behavioral attitude of the banking staff is not found good	-.159	-.116	-2.039	.042	<b>Rejected (Sig.)</b>
Hurdles in accessing financial product and services	-.227	-.198	-4.235	.000	<b>Rejected (V.H.S)</b>
Supply of inadequate information by various stakeholders	.020	.019	.434	.665	Accepted (N.S)
Lengthy procedures are followed in banks	-.006	-.004	-.086	.931	Accepted (N.S)
Role of various agencies in implementations of Financial Inclusion Program	-.005	-.003	-.069	.945	Accepted(N.S.)
Rules and regulation are very strictly followed by different stakeholders	.072	.046	.868	.386	Accepted (N.S)

**Source: Primary Data \*Significant at (0.1 and 5 per cent level).**

A significant regression equation was obtained ( $F(399) = 21.657, p < 0.05$ ) with an adjusted R square of .318. Respondents predicted Socio- Economic Status among the rural masses has been increased is equal to  $1.021 + .495 X1 + (-.159 X4) + (-.227 X5)$  for each unit of satisfaction. Therefore, nine independent variables have been fitted in this model. Thus, it can be

concluded that Financial inclusion are very much helpful in providing the services, Behavioral attitude of the banking staff is not found good and Hurdles in accessing financial product and services were observed significant predictors of impacting socio- economic status among the rural masses has been increased.

**Table: 7 Coefficients**

Dependent Variable: Services Offered by Implementing Agencies among the rural masses has been increased					
Predictors	β	Beta	T-Value	Sig. Value	Results
Constant	1.689		3.739	.000	
Financial inclusion are very much helpful in providing the services	.254	.265	3.957	.000	<b>Rejected (V.H.S)</b>
Intermediaries are very much helpful to providing the services	.003	.003	.050	.960	Accepted (N.S)
Opening of no-frills accounts leading to increase in opening accounts	-.036	-.046	-.979	.328	Accepted (N.S)
Behavioral attitude of the banking staff is not found good	-.081	-.094	-1.539	.125	Accepted (N.S)
Hurdles in accessing financial product and services	.078	.108	2.154	.032	<b>Rejected (Sig.)</b>
Supply of inadequate information by various stakeholders	-.069	-.107	-2.225	.027	<b>Rejected (Sig.)</b>
Lengthy procedures are followed in banks	-.007	-.008	-.168	.866	Accepted (N.S)
Role of various agencies in implementations of Financial Inclusion Program	.112	.119	2.194	.029	<b>Rejected (Sig.)</b>
Rules and regulation are very strictly followed by different stakeholders	.126	.126	2.224	.027	<b>Rejected (Sig.)</b>

Source: Primary Data \*Significant at (5 and 0.1 per cent level).

A significant regression equation was obtained ( $F(399) = 12.853, p < 0.05$ ) with an adjusted R square of .211. Respondents predicted services offered by implementing agencies among the rural masses has been increased is equal to  $1.689 + .254X1 + (-.078X5) + (-.069X6) + .126X9$  for each unit of satisfaction. Therefore, nine independent variables have been fitted in this model. Thus, it can be concluded that Financial inclusion are very much helpful in providing the services, Supply of inadequate information, Lengthy procedures are followed in banks, Role of various agencies in implementations Program and Rules and regulation are very strictly followed by different stakeholders were observed significant predictors of impacting services offered by implementing agencies among the rural masses has been increased.

### V. SUGGESTIONS

- ❖ In strengthening the financial inclusion of the deprived sections of rural population, the government and formal banking institutions should increase the mechanism network that provides financial services to the vulnerable sections and thereby increases socio-economic status and standard of living of the rural population in Varanasi district.
- ❖ The various agencies those who have conducted frequent financial inclusion programmes to provide credit facilities on benefits of formal loan and disadvantages of informal way of borrowing. Therefore, it is suggested that getting loans and other facilities from banks at low interest rate and the same removes dependency of rural people on money lenders for getting finance among the rural masses in case of any emergency.
- ❖ The Financial literacy about various products and services among rural people has been increased through the various programmes shows a positive impact on financial inclusion activities. Therefore, the Government should take adequate steps by organizing various financial literacy campaigns in unbanked rural areas in the district to enhance their financial literacy and awareness in Varanasi district.

- ❖ In order to cater to the basic necessity of the rural respondents, the unemployment problem has been reduced due to the progress of financial inclusion under survey. Therefore, the governments should initiate the employment opportunity to enhance their economic entitlement in Varanasi district.
- ❖ Proper sanitation facilities, better healthcare facilities, type of dwelling have changed and overall growth has been improved had a significant impact on rural masses. Therefore, it is suggested that state as well as the union government should take measures to provide employment opportunities, increases their literacy level, generate income for their survival and the infrastructure facilities etc. thereby increases the standard of living of all the vulnerable sections within the various blocks in Varanasi district.

### VI. CONCLUSION

The study concluded that the mean difference shows that the significant variations among all the groups except the age groups in which most the respondents belong from government job, male respondents, upper category, 5 to 6 and less than 4 family members, higher level of annual income, higher level of education (Degree level), and married respondents seems satisfied with the impact of financial inclusion practices on rural masses under study. With the application of regression analysis the results

revealed that financial knowledge has been increased were found to be more significant predictors in influencing the impact of working of financial inclusion practices on rural masses. It is identified from the study that the loan sanctioning procedure followed by the bank, are too complicated and therefore it is concluded that there should be an easy mechanism to get the loan in a minimum procedures to the rural people. The government should take appropriate steps to concentrate the social status of the rural masses, by offering various credit facilities to the rural people. Therefore, banks and their stakeholders should resolve their problems from time to time so that the accessibility and availability of banking services can be improved in respective blocks of Varanasi district as soon as possible.

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