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FINANCIAL INCLUSION COMMITTEE :- AN OVERVIEW

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ABSTRACT:

The concept of financial inclusion can be traced back to the year 1904 when co-operative movement took place in India. Financial inclusion is not just a socio-political imperative but also an economic one. Lead Bank Scheme, Regional rural bank, even though NABARD Bank in 1982. In fact, this institute was established for the purpose of financial inclusion in India. However, it was spread from the recommendation of C. Rangrajan committee, Nachiket Mor

committee and Mohanti committee. Inclusive financial sector is a financial sector which is provision of broad range of financial services, such as deposit, loans, payment services, money transfer, insurance, online banking services to the poor and low income households or people of the economy.

KEYWORDS: co-operative movement, Mohanti committee.

INTRODUCTION:

The concept of financial inclusion can be traced back to the year 1904 when co-operative movement took place in India. It gained momentum in 1969 when 14 major commercial bank schemes were introduced shortly, thereafter branches were opened in large numbers across the country and even in the areas which hitherto being neglected. Even after all these measures a sizable portion of the population of the country could not be brought under the fold of banking system. In fact, there is a severe gap in

financial access which needs special attention. Studies have proved that lack of inclusion or rather exclusion from the banking system result in a loss of 1% to the GDP. Thus, financial inclusion is not just a socio-political imperative but also an economic one. Realizing the gravity of the problems, Reserve Bank of India in its mid-term Review of monetary policy (2005-06) urged to the banks to make financial inclusion as one of their prime objectives. Lead Bank Scheme, Regional rural bank, even though NABARD Bank in 1982. In fact, this institute was established for the purpose of financial inclusion in India. However, it was spread from the recommendation of C. Rangrajan committee, Nachiket Mor committee and Mohanti committee.

OBJECTIVES OF THE RESEARCH PAPER:-

- 1) To study various committee of financial inclusion.
- 2) To study recommendation of various committee.

METHODOLOGY:

The present study has used only secondary data and the data was collected from e-material, different books, report, and other related news paper articles.

FINANCIAL INCLUSION COMMITTEE:-

1) Rangrajan committee:

The committee was set on financial inclusion for provide financial services to social and backward class poor people under chairmanship of C. Rangrajan in 2008. The committee has been recommendation following:-

- i) 50% financial excluded people should be supply financial services with the help of commercial and RRB Bank in 2012 year.
- ii) The process of technology, it is responding of NABARD which is necessary for financial inclusion.
- iii) It increased funds for micro finance through SHGs and result of that it become to empowerment of finance.
- iv) The committee has recommended that, it should use primary Agriculture society to need of micro and small enterprises.

2) Nachiket Mor committee:

The committee was set on financial inclusion for committee on compressive financial services for small Business and low income Households in 2013 under chairmanship of Dy. Governor Shri Nachiket mor and the committee has been recommended as following:-

- i) Every youth would become bank account holder before 1stJanuary 2016 and the account name is universal Electronic Bank Account (UEBA).
- ii) The Bank account would be opened at the time of issuing Addhar card.
- iii) The close down interest subvention scheme and start with Direct Benefit Transfer to the farmer.
- iv) There should be cancelled Statutory Liquidity ratio and cash Reserve Ratio should be reduced.
- v) 80% loan criterion is gives leading sector economy.
- vi) It should be develop payment banks, however the facilities will be provide smoothly such as credit, insurance, risk management, etc.
- vii) Every district life insurance – GDP ratio should be 30:100.
- viii) Before 1st Jan 2016, every low income households and small enterpriser should have supply finance for business.

3) Deepak Mohanti Committee:

For the purpose of Government to person (G2P) these committee was established for this purpose on medium term path on financial inclusion in 2015. The recommendation of this committee is for next 5 year, i.e. 2015 to 2020 and Recommendations are following:-

- i) All bank account should be link to Aadhaar card (94%bank account).
- ii) For the purpose of Government to person benefit there should be provide online banking services (Mobile Banking) with cheap rate.
- iii) There is need link land assets to Aadhaar card.
- iv) The close down interest subvention scheme with introducing universal crop insurance scheme for farmer.
- v) There should be developing Gold Kisan Credit card with highly use technology and elasticity for loan.
- vi) Micro finance and payment Bank should be develop.
- vii) There should be developing physical information of Bank on mobile and computers.
- viii) There should be developing more comprehensive technology for small investor and businessman.
- ix) On the basic of corporate social Responsibility industrialist should be help of funds to SHG.
- x) The financial literacy should be more creative for supply of financial literacy.
- xi) At the purpose of economic reform or financial performs, there should be direct benefit transfer of energy and irrigation subsidies.

3.5 CONCLUSION/SUMMARY:

Inclusive financial sector is a financial sector which is provision of broad range of financial services, such as deposit, loans, payment services, money transfer, insurance, online banking services to the poor and low income households or people of the economy. However, as income levels and consequently, saving in rural areas increase, it is essential to help earners manage their funds and facilitate incoming and outgoing payments it is allowing people to create simple, no-frills current and

directly crediting social benefits to accounts owners will bolster an inclusive approach to finance and banking in rural area.

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