



MEASUREMENT OF FINANCIAL INCLUSION

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Abstract: *The Indian banking industry has seen consistent double-digit growth during the last 10 years. But there are several unmet customer needs—including financial inclusion, product innovation, low-cost innovative delivery models, leveraging technology and communication, improving efficiency, building long-term relationships with customers, etc—which the banking industry has to resolve. These challenges make way for opportunities, some of which are easy to capture.*

Women are at a particular disadvantage in accessing financial services. In developing economies they are 20% less likely than men to have a bank account and 17% less likely to have borrowed formally. They have less access to safe savings vehicles and are more likely to use informal, and therefore probably riskier and more expensive, mechanisms. If women had better access to the financial system - even so much as a basic deposit account at a bank - it would be a major step in the direction of greater wealth and greater economic empowerment. And when women earn money and have more control over household spending, they spend it in ways that benefit children by investing in education and health. This article measures the extent of financial inclusion among rural women in Tirunelveli District.

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INTRODUCTION

Financial inclusion is delivery of banking services at an affordable cost to the vast sections of disadvantaged and low income groups. It is an integral policy feature for not just the governments of the developing world but also the developed ones. Unrestrained access to public goods and services is the sine qua non of an open and efficient society. As banking services are in the nature of public goods, it is essential that availability of banking and payment services to the entire population without discrimination is the prime objective of the public policy.

The costs of financial exclusion are varied and consist of increased travel requirements, higher incidence of crime, and general decline in investment, difficulties in gaining access to credit or getting credit from informal sources at exorbitant rates, increased unemployment, etc. It therefore seems plausible to state that financial exclusion is the stepping stone to social exclusion.

The dismal record of the Indian economy in attracting the 'neglected few' to the banking folds can be attributed to the following reasons: remote, hilly and sparsely populated areas with poor infrastructure, lack of awareness, low incomes/assets, social exclusion, illiteracy, distance from branch, branch timings, cumbersome documentation and procedures, unsuitable products, language, staff attitudes etc. These factors are instrumental in the high transaction costs and the accompanying procedural hassles. The sorry situation is worsened further by the easy access to 'informal' sources of credit - say, the moneylenders who lend at exorbitant rates.

Bank nationalization in India marked a paradigm shift in the focus of banking as it was intended to shift the focus from class banking to mass banking. The rationale for creating Regional Rural Banks was also to take the banking services to poor people. The new branch authorization policy of Reserve Bank encourages banks to open branches in these under banked states and the under banked areas in other states.

Thankfully the policy makers are slowly but surely stepping up the efforts for a major push towards financial inclusion. The RBI has been at the forefront of this landmark movement with a slew of welcome measures. In November 2005, banks were advised to make available a basic banking "no-frills" account with low or nil minimum balances to expand the outreach of such accounts to vast sections of the population. Also, in order to ensure that persons



belonging to low income groups, both in urban and rural areas do not encounter difficulties in opening bank accounts, the know your customer (KYC) procedures for opening accounts has been simplified for those persons with balances not exceeding Rs 5000 and credits in the accounts not exceeding Rs.100000 in a year. Banks were permitted to utilise the services of non-governmental organisations (NGOs/SHGs), micro-finance institutions and other civil society organisations as intermediaries in providing financial and banking services through the use of business facilitator and business correspondent (BC) models. The BC model allows banks to do "cash in - cash out" transactions at the location of the BC and allows branchless banking.

This article is an attempt to measure the extent of financial inclusion among rural women in Tirunelveli District. Out of 425 village panchayats in the study area, 110 village panchayats are selected for the study. In the second stage, from each of the identified village panchayats , 5 women were selected at random. Judgement sampling method is used in selecting the appropriate respondents for the study. Thus, a sample of 550 respondents is chosen for the survey from 110 village panchayats in Tirunelveli district.

MEASUREMENT OF FINANCIAL INCLUSION

Financial inclusion represents the inclusion of the individuals in anyone of the financial services of banks, post office, insurance or self help group loans. Financial inclusion has different elements. In measuring financial inclusion different elements of financial inclusion have to be measured. Different elements of financial inclusion are categorized into four major heads namely banks, post office, insurance and self help groups.

I. Financial Inclusion through Banks

The different elements of financial inclusion in banks are:

- (i) Savings Bank Account
- (ii) Current Account
- (iii) Recurring Deposit Account
- (iv) Fixed Deposit Account
- (v) No Frills Account
- (vi) Housing loan
- (vii) Agriculture loan
- (viii) Agriculture Jewel loan



- (ix) Education loan
- (x) Vehicle loan
- (xi) Other Jewel loans
- (xii) Kisan Credit Card
- (xiii) General Credit Card
- (xiv) Demand Draft
- (xv) Money Transfer/Remittances

II. Financial Inclusion through Post Office

The different elements of financial inclusion in Post Office are:

- (i) National Savings Certificates
- (ii) Kisan Vikas Patra
- (iii) Indira Vikas Patra
- (iv) Electronic Money Transfer/Remittance
- (v) Postal Insurance
- (vi) Postal Savings Account
- (vii) Postal Recurring Deposits Account
- (viii) Postal Term Deposits Account

III. Financial Inclusion through Insurance

The elements of financial inclusion in Insurance are:

- (i) LIC
- (ii) Bajaj Allianz
- (iii) Max New York Life Insurance
- (iv) SBI Life Insurance

IV. Financial Inclusion through Self Help Groups

The element of financial inclusion in self help group is

- (i) Self Help Group Loan

FINANCIAL INCLUSION IN TIRUNELVELI DISTRICT

Financial inclusion is considered as a vital vehicle for the development of rural women. Banking, Postal and insurance services are essential for the growth and development of rural women. The table 1 depicts the status of the financial inclusion in Tirunelveli district.

Table 1



Financial Inclusion in Tirunelveli District

Sl. No	Status of Financial Inclusion	No. of Respondents	Percentage
1	Financially included	438	79.6
2	Financially excluded	112	20.4
	Total	550	100

Source: Primary data

Table 1 reveals that out of 550 respondents in the study area, 438 respondents (79.6 per cent) are financially included and 112 respondents (20.4 per cent) are financially excluded. The reason is that the rural women in Tirunelveli district have more awareness about banks, postal and insurance services. Their earnings also facilitated them for financial inclusion.

FINANCIAL INCLUSION-ELEMENT WISE ANALYSIS

The elements of financial inclusion are categorized into four major heads namely banks, post office, insurance and self help groups. The element wise analysis of financial inclusion is presented below.

Financial Inclusion through Banks

Banks play a major role in bringing the poor people and rural women into the banks. Banks offer various financial services such as deposit accounts (Savings, Current, Recurring Deposit, and Fixed Deposit Accounts), Credits (Housing loan, Agriculture loan, Agriculture Jewel loan, Education loan, Vehicle loan, Other Jewel loans), Kisan Credit Cards, General Credit Cards, Demand Draft, Money Transfer/Remittances. These are the financial services offered by the banks to bring the rural women and poor people into the hold of the banks.

Financial Inclusion through Deposit Accounts

There are four ways in which the banks mobilize deposits from the public. They are savings account, current account, recurring deposits and fixed deposits. The details of number of rural women having deposit accounts in Tirunelveli district is presented in the table 2.

Table 2

Number of Rural women having Deposit Account

Sl. No	Deposit Account	No. of Respondents	Percentage
1	Account holder	254	46.2
2	Non Account holder	296	53.8
	Total	550	100

Source: Primary data



Table 2 shows that out of 550 respondents, 254 respondents (46.2 per cent) have deposit accounts and the remaining 296 respondents (53.8 per cent) do not have deposit accounts in the banks. It shows that 46 percent respondents are financially included through deposit account in Tirunelveli district.

Financial Inclusion through Savings Account

Providing a way for poor people to save is an important aim of basic banking. Savings accounts are meant to promote the habit of savings among the people. The main advantage of savings account is its high liquidity and safety. The rate of interest on savings bank account is decided and periodically reviewed by the Reserve Bank of India. The number of rural women having savings account in the study area is presented in the table 3.

Table 3

Number of Rural women having Savings Account

Sl. No	Savings Account	No. of Respondents	Percentage
1	Account holder	204	37.1
2	Non Account holder	346	62.9
	Total	550	100

Source: Primary data

It is clear from table 3 that 204 respondents (37.1 per cent) have savings account and 62.9 per cent of the respondents do not have savings account in the study area. It shows that 37 percent respondents are financially included through savings account in Tirunelveli district.

Financial Inclusion through Current Account

Current account is primarily meant for businessmen, firms, companies, public enterprises and the like that have numerous daily banking transactions. Current accounts are cheque operated accounts for the purpose of business. In a current account, a customer can deposit and withdraw any amount of money at any number of times. Generally, a higher minimum balance is required to be maintained in current account. The number of rural women having current account in the study area is presented in table 4

Table 4

Number of Rural women having Current Account

Sl. No	Current Account	No. of Respondents	Percentage
1	Account holder	09	1.6
2	Non Account holder	541	98.4
	Total	550	100

Source: Primary data



Table 4 shows that only 9 respondents (1.6 per cent) in the study area have current account. Most of the rural women in the study area have no current account. It shows that since current account is intended for businessmen, rural women keep them away from opening current account.

Financial Inclusion through Recurring Deposits Account

In a recurring deposit account, a specific amount is invested in bank on the monthly basis for a fixed rate of return. There is flexibility in the period of deposit with maturity which ranges from 6 months to 120 months. The minimum monthly deposit varies from bank to bank. Loan and overdraft facilities are also available in recurring deposit accounts. The number of rural women having recurring deposit account in the study area is presented in table 5.

Table 5

Number of Rural women having Recurring Deposit Account

Sl. No	Recurring Deposit Account	No. of Respondents	Percentage
1	Account holder	22	4
2	Non Account holder	528	96
	Total	550	100

Source: Primary data

Table 5 shows that only 22 respondents (4 per cent) have recurring deposit account in the study area. Majority of the rural women have no recurring deposit account. It shows that low percentage of the rural women is financially included through recurring deposit account.

Financial Inclusion through Fixed Deposit Account

A fixed deposit is also known as a term deposit. It is an account which is useful to deposit for a fixed time period. The number of rural women having fixed deposit account in the study area is presented in table 6.

Table 6

Number of Rural women having Fixed Deposit Account

Sl. No	Fixed Deposit Account	No. of Respondents	Percentage
1	Account holder	15	2.7
2	Non Account holder	535	97.3
	Total	550	100

Source: Primary data



Table 6 shows that only 15 respondents (2.7 per cent) have fixed deposit account in the study area. Majority of the rural women have no fixed deposit account. It shows that low percentage of the rural women is financially included through fixed deposit account.

Financial Inclusion through No frills Account

No frills account helps to nurture the savings habit among the rural women. No frills account encourages un/under banked customers to enter into or make better use of the financial mainstream. It is easy to open the account and there is no restriction on the minimum balance. The number of rural women having no frills account in the study area is presented in table 7.

Table 7

Number of Rural women having No frills Account

Sl. No	No frills Account	No. of Respondents	Percentage
1	Account holder	213	38.7
2	Non Account holder	337	61.3
	Total	550	100

Source: Primary data

Table 7 indicates that 213 respondents (38.7 per cent) have no frills account and 337 respondents (61.3 per cent) do not have no frills account in the study area. It proves that 39 percent respondents are financially included through no frills account at a higher level in the study area.

Financial Inclusion through Loan Account

Loan is a tool for the economic development of rural women. Access to credit has become essential for rural women due to unexpected financial situations. Loans play a significant role in facilitating the rural women towards inclusion in financial services and banking transactions. There are different types of loans offered by the banks. They are housing loan, agriculture loan, agriculture jewel loan, education loan, vehicle loan and other jewel loans. The number of rural women having loan account in the study area is presented in table 8.

Table 8

Number of Rural women having Loan Account

Sl. No	Loan Account	No. of Respondents	Percentage
1	Account holder	63	11.5
2	Non Account holder	487	88.5
	Total	550	100

Source: Primary data



Table 8 shows that 63 respondents (11.5 per cent) have loan account and 487 respondents (88.5 per cent) do not have loan account in the study area. It shows that only 11.5 percent respondents are financially included through loan account and this is at a low level.

Financial Inclusion through Housing Loan

The Reserve Bank of India permits Non Resident of India and persons of India origin to buy residential and commercial property in India through a home loan. Housing loan is a secured loan offered against the security of a house. The housing loan borrower enjoys Tax benefits on both interest paid and the principal repaid. The number of rural women having housing loan in the study area is presented in table 9.

Table 9

Number of Rural women availed Housing Loan

Sl. No	Housing Loan	No. of Respondents	Percentage
1	Availed housing loan	3	0.5
2	Not availed housing loan	547	99.5
	Total	550	100

Source: Primary data

Table 9 shows that only 3 respondents (0.5 per cent) have availed housing loan in the study area. It shows that the respondents are financially included through housing loan at a very low level in the study area.

Financial Inclusion through Agriculture Loan

Agricultural loans are provided for the purpose of cultivation of food grain crops as well as for horticulture, aquaculture, animal husbandry, floriculture and for sericulture businesses. Special agricultural loans are also provided for purchase of agricultural machinery such as tractors, harvesters and trucks. Construction of biogas plants, irrigation systems and the purchase of agricultural land are also financed through special types of agricultural loans. The number of rural women availed agricultural loan in the study area is presented in table 10.

Table 10

Number of Rural women availed Agriculture Loan

Sl. No	Agriculture Loan	No. of Respondents	Percentage
1	Availed agriculture loan	5	0.9
2	Not availed agriculture loan	545	99.1
	Total	550	100

Source: Primary data



It is clear from table 10 that 5 respondents (0.9 per cent) have availed agriculture loan and the remaining 545 respondents (99.1 per cent) have availed agriculture loan in the study area. It shows that the respondents are financially included through agricultural loan at a low level in the study area.

Financial Inclusion through Agriculture Jewel Loan

Bank provides agricultural jewel loans to agriculturists for their agricultural credit needs on easy terms and at low cost. Agriculture jewel loans are hassle free loans to agriculturists against security of gold ornaments. In addition to value of gold ornaments pledged the requirement for crop cultivation, investment in agriculture and allied activities are taken into account while deciding the quantum of loan. The number of rural women availed agricultural jewel loan in the study area is presented in table 11.

Table 11

Number of Rural women availed Agriculture Jewel Loan

Sl. No	Agriculture Jewel Loan	No. of Respondents	Percentage
1	Availed agriculture jewel loan	13	2.4
2	Not availed agriculture jewel loan	537	97.6
	Total	550	100

Source: Primary data

It is clear from table 11 that 13 respondents (2.4 per cent) have availed agriculture jewel loan and the remaining 537 respondents (97.6 per cent) have not availed agriculture jewel loan in the study area. It shows that the respondents are financially included through agricultural jewel loan at a low level in the study area.

Financial Inclusion through Education Loan

Banks have been providing financial support to deserving meritorious students for pursuing higher education in India or abroad. The number of rural women availed education loan in the study area is presented in table 12.

Table 12

Number of Rural women availed Education Loan

Sl. No	Education Loan	No. of Respondents	Percentage
1	Availed education loan	0	0
2	Not availed education loan	550	100
	Total	550	100

Source: Primary data



No respondent has availed education loan in Tirunelveli district. It shows that no respondent is financially included through education loan in the study area.

Financial Inclusion through Vehicle Loan

Vehicle loans are offered by the banks to purchase the vehicles. Banks are providing vehicle loans to salaried people, businessmen and those who are in profession. The number of rural women availed vehicle loan in the study area is presented in table 13.

Table 13

Number of Rural women availed Vehicle Loan

Sl. No	Vehicle Loan	No. of Respondents	Percentage
1	Availed vehicle loan	0	0
2	Not availed vehicle loan	550	100
	Total	550	100

Source: Primary data

Table 13 shows that no respondent has availed vehicle loan in the study area and it shows that no respondent is financially included through vehicle loan in Tirunelveli district.

Financial Inclusion through Other Jewel Loan

Loans against jewels are made only to the parties who are well known to the bank or introduced by trustworthy and reliable persons. The party pledging the jewel should be the true owner of the jewels. The number of rural women availed jewel loan in the study area is presented in table 14.

Table 14

Number of Rural women availed Other Jewel Loan

Sl. No	Other jewel Loan	No. of Respondents	Percentage
1	Availed jewel loan	42	7.6
2	Not availed jewel loan	508	92.4
	Total	550	100

Source: Primary data

Table 14 shows that 42 respondents (7.6 per cent) have availed jewel loan for other purposes and 508 respondents (92.4 per cent) have not availed jewel loan in the study area. It shows that the respondents financially included through other jewel loan are at a low level in Tirunelveli district.

Financial Inclusion through Kisan Credit Card

Kisan credit cards are issued by commercial banks to farmers to meet their cultivation needs and for nonfarm requirements. A Kisan credit card helps the farmers to purchase



agricultural inputs during the cropping season on credit from vendors. The following table shows the number of rural women availed Kisan Credit Card in Tirunelveli district.

Table 15

Number of Rural women availed Kisan Credit Card

Sl. No	Kisan Credit Card	No. of Respondents	Percentage
1	Availed Kisan Credit Card	43	7.8
2	Not availed Kisan Credit Card	507	42.2
	Total	550	100

Source: Primary data

Table 15 clearly shows that 43 respondents (7.8 per cent) have availed Kisan Credit Card in the study area. It proves that the respondents financially included through kisan credit card are at a low level in the study area.

Financial Inclusion through General Credit Card

General credit cards are issued to address the credit needs of persons with small means having some income-generating activity. Banks have flexibility in fixing the limit based on the assessment of income and cash flow of the entire household. The borrowers are eligible to get credit facilities as per their requirement without any insistence on security and the purpose and the end use of the credit. The following table 16 shows the number of rural women availed General Credit Card in Tirunelveli district.

Table 16

Number of Rural women availed General Credit Card

Sl. No	General Credit Card	No. of Respondents	Percentage
1	Availed General Credit Card	0	0
2	Not availed General Credit Card	550	100
	Total	550	100

Source: Primary data

Table 16 clearly shows that no respondent has availed general credit card in the study area. It shows that no respondent is financially included through general credit card in Tirunelveli district.

Financial Inclusion through Demand Draft

Demand draft is a written order for making payments. Demand draft can be of two types: Sight drafts and Time drafts. Sight drafts allow money transfer only when proper documents are produced on sight. While time drafts allow money transfer after the specified time. The



rural women in the study area have availed demand draft and the details are presented in table 17.

Table 17
Number of Rural women availed Demand Draft

Sl. No	Demand Draft	No. of Respondents	Percentage
1	Availed Demand draft	79	14.4
2	Not availed Demand draft	471	85.6
	Total	550	100

Source: Primary data

Table 17 clearly shows that 79 respondents (14.4 per cent) have availed demand draft in the study area. It shows that the respondents are financially included through demand draft at a low level in the study area.

Financial Inclusion through Money Transfer Services

Banks offer money transfer services at lower fees and flexibility. The recipients can receive their money by home delivery, bank account or at one of their partner locations. Commercial banks and postal systems have dominated the formal provision of quick and safe transfers of funds within and between countries for low and middle income clients. The number of rural women who have availed money transfer services in the study area is presented in table 18.

Table 18
Number of Rural women availed Money Transfer Services

Sl. No	Money Transfer Services	No. of Respondents	Percentage
1	Availed money transfer services	28	5.1
2	Not availed money transfer services	522	94.9
	Total	550	100

Source: Primary data

Table 18 shows that 28 respondents (5.1 per cent) have availed money transfer services in the study area. It shows that the respondents financially included through money transfer services are at a low level in the study area.

Financial Inclusion through Post Office

Post offices play a vital role in the rural areas in India. Post offices connect the rural areas with the rest of the country and also provide banking facilities in the absence of banks in the rural areas. Indian post is the largest and most credible outreach infrastructure in the country. Post offices capitalize on the infrastructure of the world's largest distribution



network to provide financial services. The post offices render financial services to cater to the varied needs of the public. These financial services include international money transfers, instant money order services. Post office schemes are National Savings Scheme, Kisan Vikas Patra, Recurring deposits and Term deposits. The role of the post offices are assuming larger and significant importance, because post offices act as banking channels, branchless banks and they help in the setting up of postal banks.

Financial Inclusion through National Savings Certificate

National Savings Certificates are offered by the post office. These can be pledged as security against a loan to banks, and government institutions. It has the facility of encashment of certificates through banks. Certificates are transferable from one post office to another post office. Certificates are transferable from one person to another person before maturity. The number of rural women invested in National Savings Certificate in the study area is presented in table 19.

Table 19

Number of Rural women invested in National Savings Certificate

Sl. No	National Savings Certificate	No. of Respondents	Percentage
1	Invested in national savings certificate	69	12.5
2	Not invested in national savings certificate	481	87.5
	Total	550	100

Source: Primary data

Table 19 shows that 54 respondents (4 per cent) have invested in National Savings Certificate and are financially included. District wise analysis reveals that in Tirunelveli district, 29 respondents (2.6 per cent) and in Kanniyakumari district, 25 respondents (10 per cent) have invested in National Savings Certificate and are financially included. It shows that the respondents financially included through National Savings Certificate are at a low level in the study area.

Financial Inclusion through Kisan Vikas Patra

Kisan vikas patra is the only fixed income instrument which guarantees to double the investment over a few years. The remarkable feature of kisan vikas patra is that there is no upper limit for investment in these certificates. A single individual can purchase any number of certificates. The number of rural women invested in kisan vikas patra in the study area is presented in table 20.



Table 20

Number of Rural women invested in Kisan Vikas Patra

Sl. No	Kisan Vikas Patra	No. of Respondents	Percentage
1	Invested in Kisan Vikas Patra	68	12.4
2	Not invested in Kisan Vikas Patra	482	87.6
	Total	550	100

Source: Primary data

Table 20 shows that 104 respondents (7.7 per cent) have invested in kisan vikas patra and are financially included through kisan vikas patra in the study area. District wise analysis reveals that in Tirunelveli district, 75 respondents (6.8 per cent) and in Kanniyakumari district 29 respondents (11.6 per cent) have invested in kisan vikas patra and are financially included through kisan vikas patra.

Financial Inclusion through Indira Vikas Patra

Indira Vikas Patras are bonds which are freely transferable and payment is to be made to person producing the Indira vikas patra. The number of rural women invested in indira vikas patra in the study area is presented in table 21.

Table 21

Number of Rural women invested in Indira Vikas Patra

Sl. No	Indira Vikas Patra	No. of Respondents	Percentage
1	Invested in Indira Vikas Patra	48	8.7
2	Not invested in Indira Vikas Patra	502	91.3
	Total	550	100

Source: Primary data

It is inferred from table 21 that 48 respondents (8.7 per cent) are financially included through Indira Vikas Patra in the study area. It shows that the respondents are financially included through Indira Vikas Patra are at a low level in the study area.

Financial Inclusion through Electronic Money Transfer

Electronic money transfer services are offered by the post offices. The money can be transferred from one place to another place with the help of electronic money transfer. The number of rural women who have availed electronic money transfer services in the study area is presented in table 22.



Table 22

Number of Rural women availed Electronic Money Transfer

Sl. No	Electronic Money Transfer	No. of Respondents	Percentage
1	Availed electronic money transfer	19	3.5
2	Not availed electronic money transfer	531	96.5
	Total	550	100

Source: Primary data

Table 22 reveals that only 19 respondents (3.5 per cent) have availed electronic money transfer services in the study area. Table clearly shows that the respondents are financially included through electronic money transfer services at a very low level in Tirunelveli district.

Financial Inclusion through Postal Insurance

Postal insurance scheme are offered by the post offices in India. Postal insurance is highly useful to the rural people who reside in remote villages. Postal insurance scheme is very helpful to the people to save money on monthly, quarterly, half-yearly and yearly basis. The number of rural women who have availed postal insurance in the study area is presented in table 23.

Table 23

Number of Rural women invested in Postal Insurance

Sl. No	Postal Insurance	No. of Respondents	Percentage
1	Invested in postal insurance	110	20
2	Not invested in postal insurance	440	80
	Total	550	100

Source: Primary data

Table 23 clearly indicates that 110 respondents (20 per cent) are financially included through postal insurance in the study area. It shows that the respondents are financially included through postal insurance at a higher level in Tirunelveli district.

Financial Inclusion through Postal Savings Account

Postal savings account is similar to a savings account in a bank. Post office savings accounts are suited for those living in rural and semi-rural areas where the reach of banks is very limited. The account can be opened at any post office with a minimum balance of Rs.20. maximum of Rs. 1 lakh for single account holder and Rs. 2 lakhs for joint account holders. The number of rural women having postal savings account in the study area is presented in table 24.



Table 24

Number of Rural women having Postal Savings Account

Sl. No	Postal Savings Account	No. of Respondents	Percentage
1	Account holder	189	34.4
2	Non Account holder	361	65.6
	Total	550	100

Source: Primary data

Table 24 exhibits that 189 respondents (34.4 per cent) are financially included through postal savings account in the study area. It shows that the respondents are financially included through postal savings account at an average level in Tirunelveli district.

Financial Inclusion through Postal Recurring Deposit Account

Post office recurring deposit scheme provides the facility of saving small sums of money every month to meet future financial goals and earn relatively higher free returns. The holder of an account may prematurely close the account after 3 years of date of opening of the account. The number of rural women having postal recurring deposit account in the study area is presented in table 25.

Table 25

Number of Rural women having Postal Recurring Deposit Account

Sl. No	Postal Recurring Deposit Account	No. of Respondents	Percentage
1	Account holder	202	36.7
2	Non Account holder	348	63.3
	Total	550	100

Source: Primary data

Table 25 reveals that 39.8 per cent of the respondents are financially included through postal recurring deposit accounts in the study area. In Tirunelveli district, the respondents are financially included at an average level through postal recurring deposit accounts.

Financial Inclusion through Postal Term Deposit Account

Postal term deposit account is just like the bank fixed deposit account. These term deposits are meant to deposit a lump sum for a fixed period. Term deposit account can be opened at any post office with a minimum deposit of Rs.200. There is no maximum limit for the account. The number of rural women having postal term deposit account is presented in table 26.



Table 26

Number of Rural women having Postal Term Deposit Account

Sl. No	Postal Term Deposit Account	No. of Respondents	Percentage
1	Account holder	75	13.6
2	Non Account holder	475	86.4
	Total	550	100

Source: Primary data

It is clear from table 26 that 75 respondents (13.6 per cent) are financially included through postal term deposit account and 475 respondents (86.4 per cent) are not financially included through postal term deposit account in the study area. Table reveals that the respondents are financially included through postal term deposit account at a low level in the study area.

Financial Inclusion through Insurance

Insurance has emerged as a powerful tool for financial inclusion in India. Insurance plays a predominant role in the financial inclusion of rural women and poor people. Insurance is a traditional non-bank financial service. It is a fundamentally different type of financial service than savings and credit. The number of rural women having insurance in the study area is presented in table 27.

Table 27

Number of Rural women having Insurance

Sl. No	Insurance	No. of Respondents	Percentage
1	Insurance holder	205	37.3
2	Non insurance holder	345	62.7
	Total	550	100

Source: Primary data

Table 27 clearly indicates that 205 respondents (37.3 per cent) are financially included through insurance and 345 respondents (62.7 per cent) are not financially included through insurance in the study area. It shows that the respondents are financially included through insurance at a moderate level in Tirunelveli district.

Financial Inclusion through LIC

Life Insurance Corporation of India offers many insurance schemes exclusively for women. LIC offers life insurance protection under group insurance policies to various groups such as employer-employees, professional, co-operatives, and weaker sections of the society. The number of rural women invested in LIC in the study area is presented in table 28.



Table 28

Number of Rural women invested in LIC

Sl. No	LIC	No. of Respondents	Percentage
1	Invested in LIC	169	30.7
2	Not invested in LIC	381	69.3
	Total	550	100

Source: Primary data

Table 28 reveals that 169 respondents (30.7 per cent) are financially included through LIC and 381 respondents (69.3 per cent) are not financially included through LIC in the study area. Table indicates that in Tirunelveli district, the respondents are financially included through LIC at a moderate level.

Financial Inclusion through Bajaj Allianz

Bajaj Allianz offers insurance services to the rural people and urban people. The number of rural women invested in bajaj Allianz in the study area is presented in table 29.

Table 29

Number of Rural women invested in Bajaj Allianz

Sl. No	Bajaj Allianz	No. of Respondents	Percentage
1	Invested in Bajaj Allianz	15	2.7
2	Not invested in Bajaj Allianz	535	97.3
	Total	550	100

Source: Primary data

Table 29 indicates that only 15 respondents (2.7 per cent) are financially included through Bajaj Allianz and 535 respondents (97.3 per cent) are not financially included through Bajaj Allianz in the study area. Table shows that in Tirunelveli district, the respondents has financially included through Bajaj Allianz are at a very low level.

Financial Inclusion through SBI Life Insurance

SBI life insurance provides life insurance services to the people. The number of rural women invested in SBI life insurance in the study area is presented in table 30.

Table 30

Number of Rural women invested in SBI Life Insurance

Sl. No	SBI Life Insurance	No. of Respondents	Percentage
1	Invested in SBI Life Insurance	12	2.2
2	Not invested in SBI Life Insurance	538	97.8
	Total	550	100

Source: Primary data



Table 30 shows that only 12 respondents (2.2 per cent) are financially included through SBI life insurance and 538 respondents (97.8 per cent) are not financially included through SBI life insurance in the study area. Table shows that in Tirunelveli district the respondent financially included through SBI life insurance are at a very low level.

Financial Inclusion through New York Life Insurance

Max New York life offers a variety of flexible products covering both life and health insurance. The number of rural women invested in New York life insurance in the study area is presented in table 31.

Table 31

Number of Rural women invested in New York Life Insurance

Sl. No	New York Life Insurance	No. of Respondents	Percentage
1	Invested in New York Life Insurance	09	1.6
2	Not invested in New York Life Insurance	541	98.4
	Total	550	100

Source: Primary data

Table 31 shows that only 9 respondents (1.6 per cent) have invested in New York Life insurance and 541 respondents (98.4 per cent) have not invested in New York Life insurance in the study area. Table reveals that the respondents are financially included through New York Life insurance at a very low level in Tirunelveli district.

Financial Inclusion through Self Help Group Loan

Self help groups play a major role in poverty alleviation in rural India. Self help groups are groups of usually women who get together and pool their savings and give loans to members. Banks provide credit to self help groups at reasonable rates of interest. The number of rural women availed self help group loan in the study area is presented in table 32.

Table 32

Number of Rural women availed Self Help Group Loan

Sl. No	Self Help Group Loan	No. of Respondents	Percentage
1	Availed Self Group Loan	183	33.3
2	Not availed Self Group Loan	367	66.7
	Total	550	100

Source: Primary data

Table 32 clearly shows that 183 respondents (33.3 per cent) have availed self help group loans and 367 respondents (66.7 per cent) have not availed self help group loans in the



study area. It shows that the respondents are financially included through self help loans at a moderate level in Tirunelveli district.

CONCLUSION

In view of their vast branch network (45000 rural and semi urban branches) public sector banks and the regional rural banks have been able to scale up their efforts by merely leveraging on the existing capacity. Financial Inclusion is now being viewed by these banks as a huge business opportunity in an overall environment that facilitates enterprise and growth. It provides them a competitive advantage and defines a clear niche for their growth.

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