CHAPTER-2
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Review of literature is the most important step to be taken by the researcher because without doing it one cannot determine: the area, objectives of the research, the right path for doing analysis and discussion. In essence, it must be understood that review of literature provides an insight to the concerned area comprehensively. Keeping its relevance into consideration for the present research work, this Chapter-2 has been devoted to it (i.e. review of literature). The review of various researches done by scholars in the gone years, research articles published in various journals and edited books is given in the following pages with the area, titles, and the names. The efforts have been made to consult the maximum literature on the issue and which was directly or indirectly concerned to the financial inclusion or exclusion.

**Kempson et al. (2000)** analyzed a range of physical and geographical barriers to financial inclusion and broad range of other factors that can contribute to financial exclusion for different products and individuals under certain circumstances. He found in his study the critical kinds of financial exclusion. The exclusions were of various types. Access-exclusion: restriction through the process of risk management (by financial services providers), conditions-exclusion: attached to financial products which make them inappropriate for the needs of some segments of population, price-exclusion: some people can only gain access to financial products at prices they cannot afford, marketing-exclusion: some people are effectively excluded by targeted marketing and sales, and self-exclusion: people decide not to opt for a financial product because of the fear of refusal to access by the service providers.

**Lee and his team members (2002)** studied on 'use of store-issued' credit cards and use thereof by the consumers who got these cards. These cards were meant for making the payments. In this study of unique nature, the researchers found 'store-issued' credit cards were a good substitute of payment medium. They (Lee and his associates) also studied the impact of demographic and many other factors influenced the use of 'store-issued' cards. It was a study of financial inclusion in a way. It was sponsored by the Federal Reserve Board and the Income Division of Internal-Revenue Services.
Brahmankar and Shukla (2003) worked at NCAER New Delhi. They made a study on consumer finance for white goods. The authors aimed to study the regional dynamics of consumer finance utility for purchases for white goods in the household sector during the nineties. They found that the consumer finance products helped in increasing the rural market since 1999-2000. They also found the decline in the financed white goods market in western and northern zones because of high cost of living supplemented by low growth in incomes during the same time, in these zones. The higher number of very rich household purchased white goods on cash. The consumer credit was in use for marketing high value goods. Over the decade, when the rural market shares of white good came up, the urban market was observed more dynamic. Overall, although the market of white goods expanded in absolute terms, the share of financed purchases continuously decreased over the decade, on the other hands, steadily decreasing share in the western and the northern zones indicated that white goods market sizes in these zones witnessed gains owing to a rapid growth in product availability and other market forces, the availability of C.F. remained stationary. This study provided the valuable input for the policy implications with regard to industrial and served sector reforms, in particulars those relating to consumer credit and commercialized micro-finance.

National Sample Survey Organization (2003) did a situation assessment survey and found that only 48.6 percent farmer-households were indebted and only 57.7 percent of them were indebted to institutional agencies. In other words, only 28.04 percent of farmer-households were indebted to institutional agencies. Further, it was found that the after nearly 37 years of nationalization and over 15 years of credit targeting for agriculture, in AP and Rajasthan the total debt of the farmer-households from all institutional sources put together was less than that from the moneylenders. Besides this, in Punjab, Assam and Bihar, the total debt of the farmer-households from institutional agencies was less than from non-institutional agencies.

In a study conducted by Leeladhar (2005) found that the financial inclusion was very important, because financial inclusion played an important role to improve the living standard of the poor people and also contributed in economic growth through generating financial resources for financial institutions. On the other hand, financial exclusion may lead to increase the incidence of crime in society, decrease the
investment, unemployment and informal credit in the country. The study suggested that banks would have to evolve specific strategies like bank linkages programme with Self-Help Groups and micro finance institutions to expand the outreach of their services in order to promote financial inclusion.

**Dev (2006)** described the issues and challenges of financial inclusion. The study revealed that financial inclusion was an important instrument to improve the condition of poor farmers, rural non-farm enterprises and other vulnerable groups. The consequences of financial exclusion were very harmful for an economy. Because of financial exclusion a large segment of poor population remained out of reach of the financial services and could not contribute to economic growth. The study focused on the objective ‘what are the issues and challenges to reduce the financial exclusion’. The study revealed that even after significant expansion in banking sector in last few decades, there are many supply side problems for commercial banks such as workforce shortage, an unfavorable attitude towards rural services, and infrastructure and technology problems in rural area. Although, many initiatives were taken at different levels but it could not to be able to include the poor farmers. By using the cross section data about the farmer in debt from various sources, study found that financial exclusion in terms of access to credit from formal institutions was high for small and marginal farmers and some social groups. The study stated that 73 percent to 83 percent of outstanding loan for small and marginal farmers was from informal sources such as moneylenders and traders and suggested that supply and demand problems have to be solved with appropriate policies. Banks should look at financial inclusion both as a business opportunity and as a social responsibility. Apart from formal banking institutions, the role of the self-help group movement and MFIs is important to improve financial inclusion of people.

**Mohan (2006)** tried to investigate the relationship between financial system and economic growth. He also examined the role of financial inclusion in increasing the financial depth. This study tried to relate the economic growth, financial deepening, and financial inclusion to each other. The study highlighted that as the breadth of financial system increases, it leads to increase in economic growth and financial inclusion. The study used the secondary data for the amount of credit and deposit accounts since 1981 to 2005 and number of credit and deposit accounts, and the population per office for same time period. Employing the data, study emphasized
that total number of saving accounts considered to be a better indicator of banking penetration other than deposit accounts, as percent of number of households was 137 in rural areas and 244 in the urban areas on the eve of reforms in 1991. By 2005, despite the reforms, the differential continues to be similar. Total deposits, as percent of GDP, increased from 32.2 percent in 1991 to 47.1 percent in 2005 in rural areas and from 37.3 percent to 61.2 percent in urban areas. Similarly, credit extended, as percent of GDP, increased from 17.3 percent to 22.3 percent in rural and from 24.8 percent to 45.0 percent in urban areas. The study also discussed the efforts made by Reserve Bank of India to increase the banking penetration in the country. The study revealed that with increasing liberalization and higher economic growth, the role of banking sector was poised to increase in the financing pattern of economic activities in the country. The study concluded that financial inclusion will strengthen the financial deepening and it will provide resources to the banks to expend credit in the country, which will help to accelerate the economic growth.

Ghosh (2007) tried to examine the role of micro finance in improving the financial inclusion. Further, he argued that since the opening up of the economy and reforms in the banking sector in India, rural finance was on the back foot. He used the time series data from 1991 to 2007 on selected variables like bank branches, financially excluded population, and impact of SHGs linkages programme with banks and data were gathered from various sources like Hand Book of Statistics on Indian Economy, RBI-Bulletins, and Economic Surveys. Although the progress has been made so far with the network of more than 65 thousands commercial banks, RRBs, and more than one lakh primary agricultural credit societies, and urban cooperative banks by the Indian Economy, but it is still not enough to provide the financial services to more than 70 percent people of the total population who live in the villages across India.

Helen and Lensink (2007) focussed on the relationship between remittance inflows and financial inclusion in developing countries. The study showed single equation estimates on remittances and financial inclusion, and system estimates in which economic growth was explained by i.e. financial inclusion, and remittances inflows. These regressions clearly confirmed main hypothesis that remittances have a development impact through their effect on financial inclusion. Overall, this study indicated the importance of studying the effects of remittances in developing countries. The remittances, in terms of size, were one of the main capital inflows in
developing countries, but they also appeared to have a robust positive effect on economic growth.

Indian banking system deals with the rural financial requirement through several channels like cooperative societies, regional rural banks and commercial banks (Kamath, 2007). But in recent time financial inclusion is an emerging issue in banking system. The researcher (Kamath) made an attempt to examine the difference of financial inclusion from traditional banking system. The study concluded that financial inclusion helps the business activities in high employment generating sectors such as retail trade in foods, beverages and tobacco, wood and textile products, restaurants and hotel, retail trade in fuel, utilities, and durables. Moreover, he suggested that the Indian agriculture sector a wide shift from cereals to non-cereals crops and to the activities such as food processing, livestock and fishing. Because of these activities were more complex and risky for investment in new enterprise or adoption of new technology. Therefore, banking system should take into consideration the changing needs of commercialized agriculture pattern.

Rangappa et al. (2007) tried to explore the benefits of the Self-Help Groups linkage programme to improve the condition of excluded people and to achieve higher financial depth. First of all, the study put a light on the situation of the Indian banking system that is having a wide network of rural bank branches. But a large number of the poor and low income households still remained outside the reach of the formal banking system. The commercial banks focused from class-banking to mass-banking but their achievement was very poor to include the poor people in formal financial system. That is why, the gap between the borrowings by the rich person and poor household had increased in rural area 70 percent of borrowings of the richest households was institutional in nature while this share was 18 percent for the poor households. A gap of serious concern for those who are sitting on the helm of affairs.

To get the solution of this problem National Bank for Agriculture and Rural Development launched its pilot phase of the self-help groups and bank linkages programme in February 1992. An attempt was made through this study to analyze the impact of SHG-Bank linkage programme on the financial inclusion. To achieve the objective of the study, the primary data were collected from Dsvangere district of Karnataka state by applying multi stage stratified random sampling. The data were collected through well-structured schedule on different variables like, demographic
profile of the family, borrowing and saving details, involvement in SHGs. Further, the study divided the total sample into two parts one without SHGs and second with SHGs. Under this study, the chi-square test was used to test the significance of the association between the membership in SHGs and the degree of financial inclusion. After analyzing the data, it was found that the SHG-Bank linkages programme has increased the flow of institutional credit to landless and marginal farm household. The researcher concluded that the SHGs and bank linkage programme increased the degree of financial inclusion between marginal and small farm size category.

Swamy and Vijayalakshmi (2007) explored the role of financial inclusion in achieving inclusive growth in India and what were challenges to include the people in the fold of financial services. The authors tried to put a light on need and significance of financial inclusion for the developing countries like India, having a large financially excluded population. The study revealed that a well-developed financial system can play an important role in accelerating economic growth as well as reducing the income disparities and poverty. It also provides an opportunity to the poor to actively contribute in economic developments and protects themselves against economic shocks. The study also compared the financial depth of India with the developed countries and found that India has the second largest number of financially excluded households after China. They found that country has taken many initiatives like, encouraging penetration into unbanked area and encouraging agents and intermediaries such as Non-Government Organization (NGOs), MFIs, Central Statistical Organization (CSO), and business correspondents, opening of RRBs and co-operative societies, No-Frill Accounts, emphasis on financial literacy and credit counselling. After all these initiatives, country was not able to include the 135 million households in the mainstream of financial inclusion. Only 34 percent people were connected with the formal financial system and out of them 40 percent were not using the account once in a month. The authors concluded that financial inclusion has far reaching impact which can help many people come out of poverty condition and also plays an important role in economic growth by providing the financial service at affordable cost to the households.

Attanasio et al. (2008) examined the significance of borrowing constraints in the market for consumer loan. They used data from the consumer expenditure survey on auto loan constructs and estimated the elasticity of loan demand with respect to
interest rate and maturity. The researchers found that with the exception of high income households, consumers were very responsive to maturity and less responsive to interest rate. Both elasticities vary with household income, with the maturity elasticity decreasing and the interest rate elasticity increasing with income. The results were consistent with the presence of binding credit constraints in the auto loan market.

**Jayasheela and Hans (2008)** examined the role of microfinance in the empowerment of people and improving the financial inclusion in India. The study argued that financial inclusion could play an important role in economic growth by including the vast section of the society in the fold of formal financial system. So, study also examined the role of banks and microfinance interventions in improving the financial inclusion. For the purpose of analyses, the authors collected secondary data from National Sample Survey, RBI, and Statistical Handbook of Indian Economy about different variables like current account, saving account, credit account and their association with the SHGs, microfinance. They found that there was vast difference between different regions about having a bank account, but the good thing that came out from the study was the programmes like SHGs, microfinance not only increase involuntary savings, but also induces voluntary savings. The study argued that SHGs and microfinance have a positive impact in providing the financial services to the financially excluded people and improve the financial inclusion. The authors suggested that banks would have to evolve specific strategies to expand the outreach of their services in order to increase financial inclusion. They also suggested that linkages with microfinance, SHGs and local communities is a cost effective method to achieve the higher financial inclusion and improve the situation of poor people.

**Nagadevara (2008)** pointed out that government should take initiative to enhance financial inclusion. Because there was a general agreement that financial development was a major factor influencing economic growth. A developed financial system allow the poor households to save and manage their money, securely, decreases their vulnerability to economic shocks, and allows them to contribute more actively to their development. But the nature of formal banking sectors with its emphasis on ‘collateral based lending’ could not cater the needs of small borrower. So, the Government and RBI used many strategies to enhance the financial inclusion and reduce the operating cost. But these strategies need to identify the special and unique features that
influence different segment of the society. So, the study tried to identify the factors that could influence financial inclusion of different demographic segments of the population and also to identify if there were significant differences in such factors across different segments. 

**Rangarajan (2008)** reported on barriers for financial inclusion. He explicated that in India, both supply-side and demand side barriers have been recognized as responsible for low level of financial inclusion. Supply side constrains like poor banking infrastructure, low resource base of credit providing institutions, security based lending procedures, lengthy and cumbersome formalities, low level of financial literacy, etc., were still dominant in the sector. Scores of demand side factors such as inadequate human capital, skewed distribution of land including lack of proper land reforms, presence of large section of landless laborers, poor state of physical infrastructure (road, bridges, irrigation structures, market yards, cold storages), underdeveloped social capital (Gram Panchayat, local administration, commodity cooperatives, etc.), low productivity leading to low level of profitability, poor linkages, poor risk mitigation mechanism, etc., in the country had adverse effects on the expansion of coverage institutional credit.

**Sangwan (2008)** in his study emphasized that in last 15 years India has witnessed unprecedented growth in financial services, because of liberalization and globalization of financial services due to adoption of Information Technology and unlocking of the regulatory framework. The study also stressed that alongside this positive development there were evidences that the formal financial sector still excludes a large section of population. The study highlighted that as on March, 2006, the saving accounts per 100 adult populations were 63 and credit accounts were only 16 in all India. The cross section data of 42 Regions/States/UTs for the year 2006 was used. To empirically ascertain the determinants of financial inclusion, the state wise percentage of adults in terms of saving and credit accounts (dependent variable) were regressed with independent variables like the branch density, level of income, literacy and adults covered under SHGs. The estimated regression equations revealed that the branch density has positive and significant coefficient with the percentage of adults having saving as well as credit accounts. The coefficient of per capita income was also positive and significant in explaining percentage of adult having saving accounts, though; this coefficient was not significant with the level of credit account. Perhaps,
more eligibility of targeted sections under various credit sponsored schemes by Central and State Governments from poorer states may have indirectly influenced financial inclusion of in terms of credit accounts. Literacy percentage has surprisingly negative relationship with both percentage of saving as well as credit accounts of adults. The variable of percentage of adult covered in SHGs has also positive association with the level of financial inclusion especially in credit accounts. The study suggested that SHGs can play significant role in achieving the financial inclusion especially for women and low-income families.

Sarma (2008) prepared and proposed the first ever Index of Financial Inclusion (IFI) to find out the reach of banking services in 100 countries of the world. While recognizing the importance of financial inclusion, it was observed that there was no comprehensive measure to be use as a measure for the extent of financial inclusion across economies. IFI as a multi-dimensional index captures information on various dimensions of financial inclusion in one single digit lying between zero and one. The proposed index is said to be easy to compute and is comparable across countries. In the index of financial inclusion three basic dimensions of an inclusive system were considered: banking penetration (BP), availability of the banking services (BS) and usage of the banking system (B.U). On the basis of a composite index on these three dimensions, India has been ranked poorly, even below African countries such as Kenya and Morocco. India was placed at the 50th place, much above Russia but below China, in the index. The index, which gave the extent of availability and usage of banking services in the countries, was based on indicators like number of bank accounts per thousand adults, number of ATMs and bank branches per million people and amount of bank credit and deposit.

Sarma and Pais (2008) presented the cross country empirical analysis of the relationship between financial inclusion and development by using the index of financial inclusion. In the study an attempt was made to identify the factors that were significantly associated with financial inclusion. The level of human development and financial inclusion in a country moved closely with each other, although a few exceptions exist among socio-economic factors. As expected, income was positively associated with the level of financial inclusion. Going beyond income, inequality, literacy and urbanization were other important factors. Further, physical infrastructure for connectivity and information were also significantly associated with financial
inclusion among the banking sector variables. NPA (Non-Performing Assets) and CAR (Capital Adequacy Ratio) were negatively associated with financial inclusion. Government ownership of banks was not significantly associated with financial inclusion while foreign ownership was found to be negatively associated. Interest rate did not seem to be significantly associated with financial inclusion.

Shetty (2008) examined the promise of microfinance in the inclusion of poor, who have been left outside the gamut of formal financial markets for a long period of time. The study also examined the impact of microfinance-plus services on the household economy of the members. The author used primary data on household participants of microfinance programme and measured the impact of microfinance-plus services on the welfare of member households of microfinance in the state of Karnataka. The data were collected on household demographics, assets, income, expenditure, details of SHG membership, savings, access to credit, insurance, training, and awareness, access to health care facility, social networks, self-employment, or micro-enterprise development, and other services which were all accessed by the members. Effects of variables taken under the study (in pre and post microfinance intervention) were examined by using tabular and chow test analysis. The study found that a majority of the sample households in the pre-microfinance programme were vulnerable to both access the financial and non-financial services. In the post-microfinance intervention, a large number of the member households were found able to access the microfinance-plus services and it had enhanced the income, employment, assets, household expenditure, housing condition, and empowerment of the poor. Policy recommendation included delivery of microfinance-plus services to the marginalized and vulnerable poor at a minimum cost which have wider impact on the socio-economic well-being of the poor. The study suggested that, to generate higher incomes, savings and more investment, injection of capital in the form of microfinance is needed.

Swain and Singh (2008) emphasized that financial inclusion is very essential, because an inclusive financial system helps in reducing the poverty and provide a chance to the poor people to contribute in the growth of the economy. Financial system in India played a significant role in uplifting the poor people. The study also argued that economy was in a phase of rapidly rising incomes, rural and urban, arising from an expansion of extant economic activities as well as the creation of new
activities. Corporate profitability has exhibited sustainable trends and consumer incomes were increasing rapidly, riding on the growth momentum. The study stressed that our financial depth is much lower than that of other Asian countries, though it has picked up in the recent past. While there were evidence of an increase in financial deepening, particularly during the present decade, the increase in the breadth and coverage of formal finance has been less than adequate. The study concluded that deepening the financial system and widening its reach was crucial for both accelerating growth and for equitable distribution, given the present stage of development of our country.

Bhandari (2009) studied the impact of banking services on poverty reduction. Under this study, the researcher viewed that financial inclusion is the availability of banking and financial services like savings, loans, insurance, credit, and payments etc. at affordable costs to the poorest section of population, which are generally provided through banks. The most important part of financial services in a region is typically measured by number of people who have access to bank accounts. The study investigated the banks outreach among various section of population in the form of savings and deposit accounts during different reform periods. The study used secondary data at different stages to compare the situation of financial inclusion of below poverty line population. The total study period (1980 to 2007) was divided into three sub periods – pre reform (1980 to 1990), reform period (1991 to 1999) and post reform period (2000 to 2007). The results showed that reform period was the worst in terms of the growth in bank accounts. Rural area fared better in terms of deposit accounts during pre-reform period, while during post reform period highest growth in bank was accounts observed in metropolitan areas. As far as credit growth of commercial banks are concerned rural credit was severely neglected during the reform period, and revived in the post reform period, but failed to hold the growth achieved in the pre-reform period. During post reform period, highest growth in bank accounts was observed in metropolitan areas due to the growth in service and manufacturing sector, bypassing the agricultural sector just after the economic reform. In rural areas, high growth in bank accounts was accompanied by reduction in below poverty line population in Kerala, Gujarat, Rajasthan and Haryana. However, in urban areas high growth in bank accounts was accompanied by higher reduction in below poverty line population in Jammu & Kashmir, Andhra Pradesh, Orissa, Madhya Pradesh and
Rajasthan. The study suggested that poverty reduction strategy, developing inclusive financial systems should be given priorities, which are financially and socially sustainable.

**Bhattacharjee (2009)** focused on the study of information and varying rates of interest for informal credit in West Bengal. The study addressed two important issues relating to credit market in developing countries i.e., household’s accessibility to credit and factors that lead to interest rate formation in formal credit market. It was observed that the urban poor section faced problems accessing credit facilities. They were receiving fewer loans from both formal and informal credit markets. Further, he analyzed the interest rate formation in credit markets and found that the developed districts of West Bengal (WB) were characterized by the presence of less formal lending (by total number of loan outstanding), accompanied by a higher probability of exorbitant interest rates in markets of professional money lenders. Thus, there existed excess demand for credit in the developed districts of WB. It was also observed that the professional and non-professional money lenders (as a result of having less information about borrowers) faced higher risks of default charge and they charge higher rate of interest.

**Chakraborthy (2009)** addressed a speech and stated the banking as key driver of inclusive growth. The study presented a picture of financial depth of Indian economy and pointed out that 45.9 million farmer households out of total 89.3 million households did not have access to credit either from formal or informal sources and one bank branch was catering to the banking needs of 16,000 households. There are Only 17 credit accounts and 54 saving accounts per 100 people with all institution and only 13 percent were availing loans from the banks. After that, the study moved towards inclusive growth and argued that, it creates economic opportunities and has a power of reducing the poverty, inequality, and unemployment. Further, the study found the role of financial inclusion in achieving the inclusive growth. The analysis was divided into three phases. During the first phase (1960 to 1990), the focus was on channelizing of the credit to the neglected sectors of the economy. Special emphasis was laid on weaker sections of the society. Second phase (1990 to 2005), focused mainly on strengthening the financial institutions as a part of financial sector reforms. Financial inclusion in this phase was encouraged mainly by introducing the Self-Help Groups and bank linkage programmes, Kisan Credit Cards for providing credit to the
farmers. In third phase, the financial inclusion was explicitly made as a policy objective and tried to provide the banking facilities through 'No-Frill' accounts to the maximum households. In the end, the study concluded that financial inclusion along with the Government development programmes will lead to an overall financial and economic development in our economy and as in case for most developing countries, extending the banking services to everyone in the country will be the key driver towards an inclusive growth.

Chavan and Birajdar (2009) tried to investigate the role of SHGs to improve the financial depth. The researchers used both types of data secondary as well as primary data on SHGs in order to evaluate the role played by these institutions towards financial inclusion of the groups/regions excluded from the formal financial system. In this connection, the geographical spread of micro finance institutions, access and affordability of micro finance for women borrowers and movement of women borrowers out of SHGs were also analyzed. The study found limited scale and spread of micro finance in India. The continued dependence of women members belonging to mature SHGs on informal sources, as revealed by the primary data, further, corroborated the point regarding the limited spread of micro finance. The relatively high rates of interest on SHG loans, which are comparable with the rates of informal sector, underline the issue of affordability of micro finance of poor borrowers. Further an issue related to interest rates is that of dropouts of members. The most commonly noted cause for dropouts among SHG members was the irregular repayments of loans. The members complain of an inability to repay their loans onetime and subsequently drop out. Hence, the observations of this note reflected considerable scope for micro finance to evolve as an effective means of financial inclusion that was accessible and affordable for the excluded groups/regions and that could help loosen the grip of informal sources of finance and ensure permanent inclusion of the excluded sections in the ambit of formal finance.

Mohan (2009) studied the contribution of financial inclusion to achieve the greater economic growth and threw a light on present situation of financial inclusion in India. In this paper, the author introduced the financial inclusion as an important component of India's overall economic growth. With enhancing the relationship between financial inclusion and economic growth, he argued that if an economy wants to achieve higher growth then it must emphasis on providing the financial services in
large quantum to existing and emerging enterprises as well as increasing the social welfare. The study was based on the secondary data for different time period about the selected variables like, outstanding debt of rural households since 1951 to 2002, number of credit and saving accounts with scheduled commercial banks 1971 to 2007, population per office 1991 to 2008. These data were obtained from various sources like Basic Statistical Returns (BSR), National Sample Survey Organization (NSSO), RBI, All India Debt and Investment Survey (AIDIS) and Primary Agricultural Credit Societies (PACS) to present the current situation of financial depth. The study also stressed that although India has a lower rank in financial depth, the study shows that India’s rural economy has shifted towards more commercialized agriculture and non-agriculture. So, it was very important to include the people in the folds of financial services. The author concluded that financial inclusion will help in further development of India’s financial system and promotion of economic growth. The study also suggested that economy should take more initiative to improve the situation of financial services across the country.

Ravichandran and Khalid (2009) tried to explore the relationship between the financial inclusion and economic growth. The study emphasized that although our country (India) was growing around 9 percent, yet the growth was not inclusive and the economic condition of the people in rural areas was worsening. Moreover, the study argued that one of the typical reasons for the poverty was being financial exclusion. The excluded section largely comprised of marginal farmers, land-less laborers, self-employed and unorganized realm. The study found that lack of awareness, low-income social exclusion, illiteracy, and distance from branch, branch timings, language, and staff attitudes were the common reasons for their exclusion. The study suggested that some models, SHGs and bank linkage model, MFI and bank linkage model and NBFC model, and post office model to overcome the problem of financial exclusion. It also emphasized on the objective to find out the various initiatives taken by the banks, RBI and Government to find out others feasible models for financial inclusion. To meet the objectives of the study primary data was used. The data were collected through the structured questionnaire from managers and customers. The study found that financial inclusion can help to achieve the inclusive growth and also in reducing the poverty, but it must be supported by various influences like; technology, financial education, counseling and society. So once this
scheme was properly implemented and executed in every village with support from the government and society. Then it can really uplift the living standard of the poor people which really make our country proud. Adequate credit at reasonable cost is important for economic development. Only formal agencies of credit are able to fulfill both conditions i.e., to meet the demand of credit for household up to adequate level and at low cost. So, a well settled and evenly distributed banking sector was must for the purpose of financial inclusion. In this context, the Narasimham Committee laid the foundation for the reform of the Indian banking sector. Constituted in 1991, the Committee submitted two reports, in 1992 and 1998, which laid significant thrust on enhancing the efficiency and viability of the banking sector. Financial products play an important part in today's society. Financial exclusion is an important problem in developing country particularly in India which still needs to be addressed.

Ramji (2009) worked on financial inclusion and tried to find out the extent of the outreach of the financial services in Gulbarga district. At the outset of the study, author highlighted that a well-developed financial system can be an effective poverty alleviation tool. It also brought the low-income groups into the mainstream of financial system and allowed them to contribute more actively in the economic development. The study threw light on the extent of financial depth in India. The study showed that there were 68 thousand rural and urban bank branches, more than 14 thousand branches of rural Co-Operative Banks, and 1,54,000 thousand Post Office branches which were working in India. Each Rural Bank served on an average population of 16 thousand. If the Rural Co-Operative Banks were included then this ratio fell to 12,800 people per branch. The study also examined the situation of financial inclusion in Gulbarga district in northern Karnataka, where financial inclusion drivers were implemented and declared as 100 percent financially included district. Empirical section of the study is based on the cross section data which was collected through survey method. The data were analyzed through quantitative techniques. The study found that the numbers of bank accounts were doubled after the introduction of the financial inclusion drivers. However, 36 percent of the sample respondents remained outside the fold of any kind of formal and semi-formal financial system. The study also found that bank accounts were mainly opened to receive the government assistance, being provided mainly under the National Rural Employment Guarantee Program (NREGP). The study concluded that the government programmes
(like NREGA and others) have the potential to include large number of people in the mainstream of financial system, but more access to accounts do not often lead to usage of financial services.

**Arora and Meenu (2010)** in their study focused on major issues of micro finance to encourage the financial inclusion and observed that micro finance was a commendable effort to remove the financial exclusion in the society. They suggested that micro finance services would surely lead to achieve the motive of poverty reduction. However, government efforts cannot solve the problem of financial inclusion without co-operation of the banking sector particularly, in the developing nations like India, where most of poor people do not have excess any kind of banking services.

**Bhatia and Chatterjee (2010)** tried to find out the situation of financial inclusion in slums of Mumbai. After that, study discussed about the financial depth in Indian economy and policies started by the Government and RBI. It focused on the main objectives to identify the extent of financial exclusion and to study the awareness level of financially included people. For the purpose of study, primary data were collected through schedule method by using proportionate random sampling. Two schedules were prepared, one for the slum dwellers and another for the branch managers. The empirical section of the study revealed that only one third of the respondents had saving bank account. Significantly, none of the respondents had an account with any private bank. Among those who did not have a bank account, only 8 percent tried to open bank account, but remained un-successful. Out of the respondents, who did not have a bank account, only one fifth were saving privately and it was less than 2 percent of total sample, while 10 percent of the respondents had taken loan from other sources. The study also found that 96 percent of the respondents possessed valid proof of identity and banks have done only lip services to open No-frill accounts. The number of such accounts found an insignificant (0.77 percent of total deposit accounts). They concluded that financial inclusion has become the buzzword in present day and there was needed to take many initiatives to convert this in reality.

**Chakravarty and Pal (2010)** made an axiomatic approach to measure the financial inclusion. The purpose of this study was to identify the situation of financial inclusion in different countries and focused on inter-state situation on financial inclusion in
India. In order to get an aggregate picture of banking activities on different dimension, an index of financial inclusion was designed. This was because an individual dimension could provide only partial information on banking activities. The study focused on following six attributes of financial inclusion; demographic penetration, geographic penetration, and number of deposit accounts, number of credit accounts, deposits- income ratio and credit- income ratio. The researcher used data on these attributes for 24 states corresponding to the year 1991, 2001, and 2007 from various sources like BSR, RBI, CSO, and Data on Per-Capita Net Domestic Product (PCNSDP). The study found that all six variables as mentioned above were positively correlated and all the correlation coefficients were significant at 5 percent level of significance. When financial inclusion index was compared with human development index, he found that in some cases even country had a good position in financial inclusion index but not in Human Development Index (HDI) and vice-versa. Comparing the computed financial index for 1991 and 2001, it was obtained that the levels of financial inclusion in India had declined from the year 1991 to 2001. These results were also found in case of rest of the states. However, in India as well as in each of states the levels of financial inclusion had increased during 2001 to 2007. The study also mentioned that Delhi and Goa had consistently maintained their first and second ranks respectively in all the three years.

Kumar and Singla (2010) made an attempt on various facts of loans among small and marginal farmers in Punjab. The researcher found that the amount of loan per farmer was much higher for small farmers as compared to marginal farmers. Further, they observed that the real burden of loan was higher on marginal farmers. It was also observed that the non-institutional agencies were the main sources of loans, by providing 71.04 percent of the total loans. The study also showed that the institutional sources charged rate of interest ranging between 1 to 10 percent annual. In case of non-institutional sources, rate of interest varies between 21 to 30 percent. The study also indicated that the farmers were facing more difficulty in availing the credit facilities from loan provider institutions.

Pati and Lyngdoh (2010) examined the contribution and significance of micro finance in financial inclusion of women and inclusive growth. He focused mainly on microfinance oriented financial inclusion though 150 women micro finance clients (experimental) and 75 non-microfinance women (control group) from the seven
districts of the Meghalaya state and he found that the micro finance based financial inclusion ensured that the under privileged and downtrodden were taken special care. The study found a significant relationship between financial inclusion and microfinance.

Rama (2010) explored that the financial inclusion was best practices for the inclusive growth. The study revealed that banking services and insurance hold the key for the inclusive growth of the nation and ensure that every person must be able to have his/her basic needs like, access of food, clothing, education, health, care, and shelter met. Financial inclusion helps to achieve the above goal of inclusive growth; because it ensures that a range of appropriate financial services are available to every individual. As the study proceeded, it also explained the financial depth in India. The study highlighted that 72 per cent of the total population lived in rural area and only 59 percent of the adult population had a bank account, which also included those who had multiple accounts. The study also pointed out that only 2.4 million out of 58 million units with investment of less than Rs. 25000 got credit from commercial banks. The study also revealed that culture, education, gender, income and assets, proof of identity, and remoteness of residence were the main barriers in the access of formal banking services. The study highlighted the different polices adopted by the Indian government and RBI to improve the financial depth in the economy. The study also discussed the various initiative policies started by government and RBI such as banking correspond model, No-frill accounts, know your customer, biometric ATMs in rural areas and removing usage fee on ATMs for use of others. It was also emphasized that technology may help the banks by reducing the operating cost and increasing the business through system like easy to use tools. The study also found that limited access of affordable financial services was acting as a constraint to the growth impetus to the rural sector and Indian economy. The author suggested that the government should consider tying up with private banks to deliver financial solutions to un-banked, using its extensive postal network.

Joseph (2011) found that the micro-credit and micro-savings have great potential to alleviate poverty in India. He explained that the success of small packaged products and one Rupee Sachets in FMCG sector had shown how selling in small amount and utilizing the principle of economics of scale could lead to better profit margins. Through regulatory reforms in the field of financial inclusion small and large financial
institutions were free to expand their range of products and delivery channels in partnership with other stakeholders, to reach the poorest of the poor and still make a profit. Thus, the use of technology, innovation, and marketing strategies, financial inclusion will prove that ‘small is beautiful.’

Ramasundaram and Aiswarya (2011) studied the relationship between consumption motive of borrowing and family life cycle stage. For the purpose of study, data were collected from 1500 people who borrowed credit through mailed questionnaire. But 1264 questionnaires received by authors and only 895 questionnaire were found usable mode. They found that maximum sampled respondents were male and most of the respondents belonged to the age group of less than 30 year. They also found the maximum respondent were graduate. The results showed the significant association between borrowing motives and life cycle stage.

Singh (2011) analyzed the difference of buying behavior of rural and urban households. Under the study, the researcher considered three durable goods of various product categories: Television (entertainment), Refrigerator (Home Appliance), and an Automobile (Two Wheeler, Motorcycle, Car/jeep). This study conducted in Punjab state with 411 households (204 from urban and 207 from rural) selected on the basis of convenience sampling. The results showed that no significant difference between rural and urban consumers in terms of their purchase timing, buying of same brand of other durable, number of items, duration of planning before buying. He found that the rural or urban has a relationship with income for the timing of buying a television, refrigerator and automobile on festive/special occasion, where income had no relation with habitat. The study revealed that no significant association between habitat and income in case of planning for few days, few weeks and years before buying an automobile.

Singh and Kodan (2011) analyzed the relationship between financial inclusion and development with the help of index of financial inclusion, which developed by Sharma in 2008. For the purpose of analysis, the researchers selected 15 Indian states out of 28 states and 6 Union Territories. The authors used HDI and per capita NSDP as a proxy of overall development and economic development and further, explored determined financial inclusion with the help of index of financial inclusion and regression model. They found that the financial inclusion and overall development index like as MDI, economic development indicators like per capita NSDP both were
significantly and positively related. They found positively and significantly association between socio-economic development and financial inclusion.

Singla (2011) tried to explore the ground level status of the first phase of financial inclusion in the Tricity, i.e., Chandigarh, Panchkula and Mohali. After the state level banking committee report which has claimed that 100 percent financial inclusion had been achieved in rural area of Punjab and Haryana. The study was primary in nature and for the purpose of the study the following definition was taken for financial inclusion. If any single man in family is having a bank account in any bank, then the whole household will be treated as financially included. The data were collected through a comprehensive questionnaire sampling technique. Sample consists of 64, 53 and 314 respondents each from Panchkula, Mohali and Chandigarh respectively. The selected sample was a mixture of people who were migrants living here for less than a year to residents living areas for more than 20 years and sample contained the age groups from 15 years to 56 years and above. The data analysis covered in three sections. Section one focused on the profile of respondents and financial inclusion. Section two focused on qualitative performance of financial services in terms of awareness about financial service use of these services and perception of users about the quality of the delivery of financial service. Finally in section three, study used the chi-square to test the hypotheses. It was found that 66.87 percent, 62.50 percent and 83.01 percent respondents were from Chandigarh, Panchkula and Mohali respectively had been financially included. The study also revealed that Chandigarh had done well in opening bank accounts but there was a necessity to achieve a status of fully financially included state. Furthermore, this study also observed that even the low income group people in Chandigarh Tri city were bankable lot, but most of the people in the income group of Rs. 1,000 to Rs. 50,000 and Rs. 50,000 to Rs. 1,00,000 unbanked in the areas of Chandigarh, Panchkula and Mohali. The study suggested that there was a need to promote the use of banking services as well as to increase access, of the financial services.

Samuel et al. (2011) examined the impact of micro-finance on rural women. The researchers found that most of the SHG members were middle aged, married, and belonging to nuclear families from backward castes. The result showed that the change in income was 45-59 percent and in employment was 112.48 percent, assets position of member after joining the SHG was 33.43 percent and consumption change
was 25.8 percent. They found that the investment and saving pattern of member households was high after joining the SHGs. The researcher found that the various problems of the members which were dispute among group members, improper saving and lack of training or skill up gradation etc. The researchers concluded that the microfinance through the SHGs women was socially and economically empowered.

Bag (2012) worked at School of Management National Institute of Technology, Rourkela. He made a study entitled, “Growth of Retail Credit and Its Composition in Indian Banking: A Macro Evolution.” The aim of this study was to examine the meaningful analysis of inter linkages among economic and financial variables such as that the growth in retail credit at the macro level. The study revealed during the last decade, Indian credit scenario has undergone significant changes, due to financial sector reforms and regulatory changes in the domestic and international sector. This study considered date of the retail credit loans. He used the data of personal loans which collected from RBI’s statistical table. The researchers measured the trends of a personal loans and retail credit consumption in India during the period 1996-2008. The study indicated that the upward trend in retail credit during the study period 1996-2008. The study showed that the personal loans increased over the study period with significant jump past 2006 by virtue of increase in home loans. However, consumer durable loans have seen decline in off take past 2005. The study also found that the growth of personal loans had not been significant looking at the levels of per capital incomes in India and increase in employment in the organized sector had definitely increased the demand for retail credit. The researcher concluded that with or without financial inclusion a large segment of population or households had remained unreserved with retail credit had remained unreserved with retail credit product and the gap between incomes to debt at retail level was increasing.

Bagli and Dutta (2012) tested the achievements of the Indian states regarding financial inclusion. They used the methodology of rotated principal component analysis for computed a comprehensive measure of financial inclusion for each state. The researchers considered ten indicators of financial inclusion for analysis. This study based on secondary data published by the RBI and Govt. of India. They found that the Goa state was the best out of the southern region states which performed better in terms of financial inclusion. However, the levels of financial inclusion of
states in India had a low mean and high disparity. This study revealed a high positive association between the human development and the financial inclusion of the states in India.

Baruah (2012) conducted an empirical study of micro-finance impact on poverty in Nalbari district of Assam. The researcher examined the nature of loans provided by the SHGS to its members. Under this study, the researcher used both types of data primary as well as secondary. The primary data were collected by conducting a field survey in Barigag-Banbhag development block of Nalbari district (Assam). On the other hands, the secondary data were gathered from NSS report, Statistical Handbook of Assam, Economic Survey of Assam, various papers and articles with the promotion of SHGs in the concerned area, and internet. The researcher found that the amount of loans provided under the SHGs programme to its member was very small to help them cross the poverty line. These loans utilized for consumption purposes followed by expenditure on current productive activities. It was also found that a large segment of the SHGs were closed down. He suggested that the most important thing for success of SHG-Bank linkage programme was that the members of SHGs must be made aware of the concept of self-help.

Bhanot et al. (2012) made a study on financial inclusion in North-East India. The main objective of the study was to explore the factors which were crucial in determining of financial inclusion in geographically remote areas. The study also aimed to provide suggestive measures for banks to tap unexplored markets. Under this study, the primary data were used for the purpose of study. The primary data were collected through structured questionnaire from 411 households from the states of Assam and Meghalaya in North-East India. In this study, the researchers used logistic regression model to analyze the required information. They found the level of financial inclusion in North-East India was very low. The researchers also found the influential factors leading to inclusion which were income, financial information from various channels and awareness of SHGs, and education.

Ghosh (2012) examined the progress of SHG-Bank linkage programme at national and regional levels. He found that the regional spread of the programme was highly skewed with highest concentration in the southern region. Therefore, the annual net income, assets, and savings of SHG member households increased significantly from the past-SHG condition. The results showed that the average amount of loans and
regularity in repayment of loans were increased and dependence. At last, the researcher found that the social empowerment of women improved significantly.

Raghuwanshi (2012) made a conceptual study on the challenges and opportunities of retail banking in India. The objectives of the study were (i) to study the retail banking scenario in India, (ii) to study the various challenges and opportunities of retail banking in India, and (iii) to suggest the certain measure for the future growth of retail banking in India. The researcher used secondary data relating to retail banking to achieve the above mentioned objectives. He observed that the traditional scenario of Indian banks was fast changing. The retail banking created a big momentum in the Indian banking sector during the last few years. He viewed that the banks used retail banking segment as a growth mechanism. The researcher suggested that the banking sector required various innovative techniques to achieve the objective of growth which were product differentiation, development, innovation and business, re-engineering, micro planning, marketing, product pricing, customization, cross selling and technology. The product differentiation technique provided competition to the banks. The banks used customer relationship management technique to attract the customer. He also said that the future growth of retail banking sector based on the on the output of today’s strategies. Banks needed for evolving a systematic approach to retail banking such as size advantage, diverse customer base and future expectation.

Ramasamy (2012) studied the customer satisfaction toward consumer durable white goods in Chennai, Tamilnadu (India). He selected 1050 respondents through convenient sampling method to investigate the impact of various customer satisfaction factors regarding selected consumer durable white goods. For the purpose of the study, the data were collected through questionnaire method. Under this study, satisfaction of the consumer regarding consumer durable white goods was measured by employing Likert’s rating scale. The data were analyzed by using the regression model. He found that the satisfaction of audio brands overall quality, usage, experience, pre sales, after sales service, sales person’s behavior, repair reliability, customer service, and product compatibility had positive impact on customer satisfaction. The result revealed that in case of washing machine, the various factors such as brands, responsiveness, warranty, loyalty program, repair, reliability, customer service, product compatibility had positive impact on customer satisfaction. In case of air conditioner, result showed that the customer satisfaction influenced by brands worthiness, usage experience, responsiveness, pre-sales, after sales service,
loyalty programs, repair, customer service, product compatibility and competitive price. He suggested that white durable goods manufactures organization should be tried to keep exiting customer happy.

Savitri (2012) measured the perception of the dealers of durable goods as regards Samsung colour TV. Under this study, the author considered the various consumers durable them like as TV, washing Machine, refrigerator, sewing machines, electronic fans and furniture but it was focused on the perception of dealers regarding CTV. The main objective of this study was to examine the perception of dealers of consumer durable goods regarding marketing strategies of Samsung India Electronic Private Ltd for Colour Television. This study based on primary data which collected from the 50 dealers through questionable method in the Chennai City. He applied factor analysis to measure the variables that affect the perception of dealers regards marketing strategy of Samsung India Private Ltd for Samsung Colour Television. The results showed that Samsung India Electronics provided timely and adequate stocks, liberal credit terms, and gave awards to enhance and motivate the dealers.

Shah and Pandit (2012) studied the preference of consumer towards retail banking product. The study aimed to examine the impact of demographic features on the consumer preference towards retail banking products. They used primary as well as secondary data to achieve the objective of the study. The primary data were collected from 180 investors of Ahmadabad through structured questionnaire by using the convenience sampling technique. The researcher applied chi-square test for analyzing the required data and used graphs for data presentation. They found that most of the investors park their money in gold coin (97 percent) and credit cards (68 percent). The researchers also found that most of the investors prefer SBI, HDFC and ICICI banks in respect of credit card. The majority of the investors preferred Axis banks for taking the house loan. The study indicated that the investors’ preference of the various retail products i.e., credit card, demate account and gold coin not affected by demographic variables like age and gender.

Bagli and Dutta (2013) made a study on financial inclusion for women in Bankura District of W.B. They explained that the main objective of the financial inclusion was to carry the disadvantage section of people under the area of the formal financial institutions. The researchers measured the role of financial inclusion in the way of savings facilities and credit facilities. This study was based on primary data. The data
were collected from 841 SHG member women of the Bankura District. They found that the SHGs were helpful to increase the amount of formal saving and borrowing of disadvantage rural women. Therefore, they concluded that the SHGs were promoting successfully financial inclusion of the rural women.

**Thakor (2013)** wrote the paper entitled “A study of Purchaser Intuition about Consumer Durable Goods”. The author measured buying behavior of consumers for durable goods. For the purpose of the study, he used secondary dat. The author found that the consumer durable industry was growing by virtue of the growth of multinational companies. He concluded that GDP growth increased because the purchasing power of consumer of white goods was increased.

**Dasar et al. (2013)** made a study on “Consumer Behavior on Consumer Durables with reference to Bijapur District.” The main objective of this study was to identify and find out the problems of consumer behavior have an impact on the marketing of consumer durables in the fast growing Bijapur District of the Karnataka state. The study based on the primary data. These data were gathered from 200 respondents of the selected consumer durable goods in Bijapur District by using the convenience sampling method. For the purpose of the study, the required data were collected through questionnaires and schedule. They found that the consumer behavior strongly affected by economic, social, cultural and psychological factors.

**Kandasamy (2013)** made a study on consumers’ buying behavior towards selected durable products. The researcher focused mainly on demographic factors of the consumers. He found that demographic factors influenced the purchase decisions. Further, he found that consumer durable goods market was male dominated.

**Kumar (2013)** examined the status and determinants of financial inclusion in India. It employed/used 29 major states and union territories from 1995 to 2008. He applied panel fixed effects and dynamic panel generalized determinants of financial inclusion and Kendal’s index of rank concordance to test for convergence of states in achieving financial inclusion. The study found that the supply side of inclusive efforts through branch network expansion was having intended impact of improved banking activity as reflected in penetration indicators. However, demand side pressure exists in system as reflected as penetration indicators were unable to match the page of population growth. The study found that the branch network had unambiguous beneficial impact
on financial inclusion. The study also found the proportion of factories and employee was significant determinants of penetration indicators. This study helped to ascertain direction and strength of various casual factors in processes offer policy makers strategies, for improving financial inclusion.

Mehta (2013) highlighted the innovation aspects in consumer financing in India. He explained the segments of consumer finance such as auto finance, housing finance and durable goods financing. The researcher classified the durable goods into three categories like as white goods, brown goods, and consumer electronics. He viewed that the changing scenario at the three main drivers of growth in consumer finance such as housing finance, auto finance and durable goods finance. The researcher found that rural market, and cheaper and easily available finance provided the opportunities for the growth of durable goods in India. The consumer credit in India zoomed form Rs. 20,000 crore in 2000-01 to 55,000 crore in 2001-02. The result of the study showed that the consumer finance business upward trend and expected to remain in the future fuelled by the heavy changes in the consumption habits of the Indian middle class population. He also found that the most of the growth has come from the traditional drivers of financing like as consumer durable finance, auto finance and housing finance. At last, he suggested that banks and NBFCs needed to search for other avenues for the growth of consumer finance like as development in rural finance, appreciation of credit card schemes, financial education, and partnership with multi brand outlets etc.

Soni and Verghese (2013) conducted a study that entitled “Impact of sales promotion tools on consumer’s purchase decision towards white goods (refrigerator) at Durg and Bhilia Region’. The main objective of this study was that the measure of sales promotion tools and its impact on consumer purchase decision regarding refrigerator. This study was based on primary information which were collected from 109 sampled respondents through convenience sampling technique. They applied multiple regression tools for analyzing the data and testing the hypothesis. They found that the sale promotion tools like as offer, premium, and contest were most influencing to the consumer purchase decision for refrigerator.

Neethikumar and Aranganathan (2014) found the determinants of consumer behavior towards durable goods. The main purpose of the study was to examine the various socio-economic variables on the consumer behavior towards purchasing
durable goods. The study was conducted in Kanchipuram district with 100 sampled respondents through questionnaire. The author used SPSS package, descriptive analysis, and multiple regressions for analyzing the data. They found that Socio-economic, cultural factors have strong affect on consumer behavior towards procurement of durable goods. The study suggested that consumer specialization level (behavioral, cognitive and affective) was closely related to their future behaviour pattern like as recreation substitutability consumption pattern and utilization of home appliances was imperative and useful to the house-wives as well as working women, it reduced the tension pressure of the individual.

Kaur and Chadha (2014) examined the consumer behavior for durable goods in rural Punjab. The major objectives of the study were to study the factors affecting the purchase of consumer durables and how the consumers change the consumer durables in case of automobiles (car and motorcycles), home appliances (refrigerator, air conditioner, microwave, and washing machines) and electronics (television and computer). They used descriptive research design for achieving the objectives of the study which conducted in rural Punjab in September-October, 2011. The researchers have been drawn sample households through convenience sampling method. The required data collected by the researchers through structured questionnaire which used having closed ended and ranking based questions. They applied weighted average score method to assigning the ranks and hypothesis tested by using the chi-square test. They found that the 73 percent respondents were interested in the schemes of highly priced consumer durables. The researchers also found that the family size of household not influenced to the number of consumer durables such as refrigerators, washing machine, computers, television, and microwave. The study indicated that consumers were becoming more knowledgeable, exploratory and moving out form the villages to acquired information and chooses their products.

Nambiar (2014) made a study on “Role of organized Retail shops and NBFCS in promoting consumer durable credit”. This study was based on Pimpri - Chinchwad area. The researcher used primary and secondary data in this study. The researcher studied the role of organized retail mall shops and NBFCs in production of consumer durable goods. He sound that nearly 30 – 40 percent of total monthly purchase of durable goods from organized malls (selected malls) financed by Non – Banking financial corporation. He viewed that the decreasing the credit card purchase shows
the consumer durable loans popularity in the study area. He also found the increasing trends in growth of the prominent NBFCs in consumer durable loan segment over the years.

Poranki, et al. (2014) investigated the trends and satisfaction levels of customers of white goods in India. In order to achieve the objectives of the study, data were collected from 150 washing machine users in Madurai (India). The authors used convenience sampling technique for drawing the sample and Likert scale technique used to measure the satisfaction levels of consumer regarding washing machine. They found that the mostly consumer of Madurai were using semi-automatic washing machine of Videocon with features and low prices.

Rao (2014) wrote a paper on the role of retail banking in Indian economy. He viewed that retail banking is the most innovative financial services provided by the different commercial public sector banks, private sector and foreign banks. The growth of retail loan sector has contributed significantly in the progress and growth of the Indian economy. The researcher said that the higher growth of retail banking in developing countries/economies can be attributed to the fast growth of personal wealth, favorable demographic profile, and development in information technology, financial sector reforms, and small micro level supply side factors. This paper highlighted the prospects and future role of retail loan/credit segment in India. The author argued that the retail banking is the important factor for the economic development of a country and it provided a wide range of innovative financial service to the Indian Banking Industry. He also found that the retail lending have nearly 20 percent share of the all bank credit.

Selvi (2014) described the role of SCBs regarding lending to various sectors i.e. priority sector, sectoral development of gross bank credit and retail credit portfolio in India during the period 2000 to 2013. The researcher studied the trend of lending of SCBs to the priority sectors in India. The secondary data used by the researcher which collected from the RBI's reports. He applied the statistical techniques such as percentage, correlation, trend analysis and exponential growth rate for analyze and interpretation of data. The results showed that priority sector lending rose from 1557.79 billion in 2000 to 16411 billion in 2013, whereas, the share of same decreased from 35.4 percent to 28.8 percent during the above said period.
JUSTIFICATION OF THE STUDY

Normally, consumers have been living within their means. They plan their expenditure and create assets either out of savings or by borrowing. Today's consumer wants to live comfortably (due to multiplicity reasons of changes in education, social-environment, demonstration-effect, technological changes and a little bit commitment to self progress) by using his/her own sources or by borrowings as assistance from banks and financial institutions. At present, the consumers are more awakened, educated and status oriented. Further, they have become more risk takers. Their approach to borrowing has changed. Now the attitude of buying today and pay later has spread amongst the maximum consumers. The commercial loans are a part of financial inclusion. The review of literature indicates that no comprehensive study on the issue of financial inclusion through consumer finance relation had been taken up to benefit the concerned parties. That is why; this topic has been chosen for the financial inclusion through consumer finance. So the present study was taken up by researcher to do the research to achieve the following objectives.

OBJECTIVES OF THE STUDY

1. To study the contribution of consumer finance in the progress of white goods of the state.
2. To study the trends, composition of consumer finance taken by the different categories of consumers in rural as well as urban areas of the State.
3. To identify factors leading to efficient implementation of the consumer finance program.
4. To study the role of consumer finance in promoting financial inclusion.
5. To find out the scope, challenges and improvement aspects in the area of consumer finance with suggestions.