



ROLE OF INFRASTRUCTURE IN FINANCIAL INCLUSION IN REMOTE VILLAGES OF MEDAK DISTRICT IN ANDHRA PRADESH

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ABSTRACT

The correlation between financial inclusion and economic growth has long been widely recognized: low financial inclusion impedes economic growth. Access to easy and affordable credit by the disadvantaged social groups is acknowledged as a key criterion for poverty alleviation and reducing social inequity. However despite broad consensus on the importance of access to finance as a powerful poverty alleviation tool and substantial financial sector reforms in India, it is estimated nearly half the rural households continue to be excluded from the formal financial sector.

Hardly one-fourth of the rural households are assisted by banks. Hence the major task before banks is to bring most of those excluded, i.e. 75% of the rural households, under banking fold. So there is a need for the formal financial system to look at increasing financial literacy and financial counseling to focus on financial inclusion and distress amongst farmers. Indian banks and financial market players should actively look at promoting such programs as a part of their corporate social responsibility.

The present paper tries to analyze extent of financial inclusion in India, and evaluate financial inclusion scenario. It further tries to identify reasons of financial exclusion by considering demand side challenges rather than supply side challenges. To understand the people perception of financial inclusion in general context, a survey is conducted in Mallaipalli, Lacchapeta and Chervapuram villages of Dubbak Mandal in Medak Dist, in Andhra Pradesh.

KEYWORDS: Demand Perspective, Supply perspective, Obligation to Opportunity.