

## A Study on Microfinance Promoting Financial Inclusion with reference to Bangalore Rural



**Ish Narayan Pal**  
ishuifohssm@gmail.com  
Ph. No: 0 95359 78424

<b>Student's Name</b>	Ish Narayan Pal	<b>BAF (FT-2014)</b>
<b>Academic Supervisors</b>	Renee Namratha	
<b>Industrial Supervisor(s)</b>		

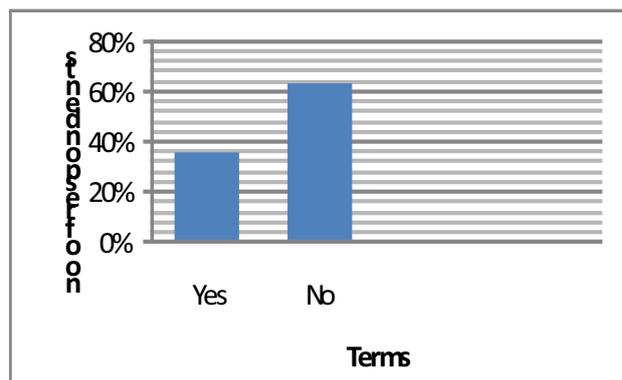
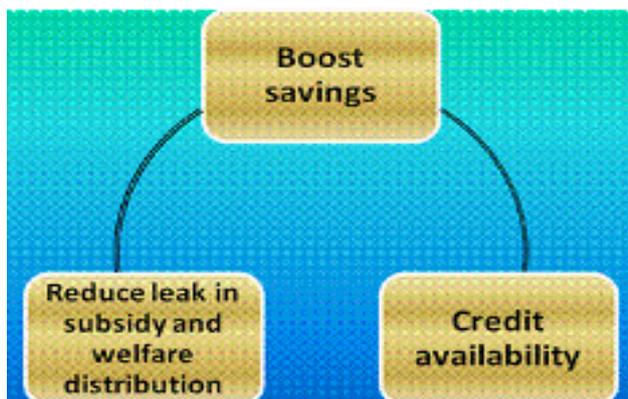
**Keywords:** Financial inclusion, Microfinance, Non-Governmental Organization, Self Help Groups

**Abstract:**

Financial inclusion or inclusive financing is the delivery of financial services at affordable costs to sections of disadvantaged and low-income segments of society, in contrast to financial exclusion where those services are not available or affordable. Less than half the population in India has access to any formal financial instrument. Therefore, financial inclusion assumes greater importance with each passing day. Previous work and initiatives in promoting financial inclusion have mostly focused on the process, that is, how to make banking costs lower. However, such efforts have rarely generated much.

The institutions relied upon have their own problems. On the other hand, microfinance institutions (MFIs), given their widespread reach, can play a crucial role. However, MFIs are often in direct competition with formal banking. Therefore, what is the incentive for MFIs in the current scheme of things to make it easier for its client's to access formal banking.

Structured questionnaire was used to collect data and analysed using Correlation and Hypothesis set to validate availing micro finance scheme boosts standard of living of middle class. Where regression and correlation resulted showing whether MFI provide you with Training workshops. Correlation analysis has been carried in order to check the increase in income of customers. Finally, suggestions are given for an improved financial inclusion for the rural population.



**Income and standard of living has been improved after joining MFIs**

**Conclusion:** This paper concludes that instead of focusing on financial inclusion as a process, it is better to focus on instruments and institutions that will promote financial inclusion. In particular, it is shown that a movement towards a cashless economy will attain financial inclusion where the MFIs can be incentivized to develop and maintain the critical network of individuals who will transact cashless.