

**SRINIVAS UNIVERSITY****Mangalore-575001, Karnataka (India)****Srinivas Centre for Studies on Rural Banking**

[An Atomic Research Centre initiated by Ms Harinakshi , Research Scholar and Lecturer in Srinivas University, under the Guidance of Dr. Narayan Kayarkatte, Research professor and former Banker.]

**MS. HARINAKSHI**

The banking sector has been the cornerstone of any world economy. India's banking sector is gradually growing. With the vision to turn India into a digitally empowered culture and knowledge economy, the Government of India introduced Digital India program. In all industries of the economy, the notion of digitalisation has played a significant role and banking is no exception to it. The method of transforming data into a digital format is known as digitization. All bank financial services provided under the concept of digital banking through electronic channels. Support for the efficient functioning of the banking system is very important for success in today's hi-tech world.

Digitization has become a crucial factor for the Indian banking sector, which plays a significant role in further financial inclusion and is primarily worried with offering clients with better services. While Indian banking is moving towards digitization, there are numerous problems and difficulties that need to be resolved, particularly in rural banking. India, according to 2011 Census, is home to a staging population of 1.2 billion individual 70 percent of this population live in rural areas. Rural India is precisely made up of 83 million individuals. This segment of society has always been separated from the main stream of banking services, despite

commanding such enormous numbers. The primary task facing the Indian banking system is to bring these individuals into the banking stream by offering all the services. Even though digital platform is initiated by banks for smooth conduct of activities rural people are not utilising the services.

With a majority of Indian population still living in rural or semi-urban areas, rural banking has become an integral part of Indian financial markets. The Government of India and Reserve Bank of India have worked continuously to achieve complete financial inclusion, i.e. timely and sufficient access to financial services and credit at an affordable cost. Pradhan Mantri Jan Dhan Yojana is one of the great initiatives of Government of India that has undoubtedly led to bringing banking to every household. This scheme with time will greatly reduce the gap between rural and urban areas in terms of financial inclusion, but it is not possible to ignore the fact that about 70% of India's population is still rural and the penetration of banking facilities is as small as only 24% i.e. only this percentage of people in these areas, have formal bank accounts. Under the Regional Rural Bank Act, 1976, various Regional Rural Banks were formed to provide a continuous source of credit for agriculture and other activities. These banks were founded in order to reach every corner of the country and meet the financial needs of rural society, including small and marginal farmers, farm workers, self-help groups, artisans, etc. The loan to weaker sections was rendered trouble-free and given at cheap or concessional rates.

OBJECTIVES

- ❖ To identify penetration of banking in rural areas
- ❖ To understand the level of usage of digital banking in rural India
- ❖ To know the level of banking inclusiveness in rural India
- ❖ To understand the perception and attitudinal changes among rural folk towards digital banking

METHODOLOGY

We envisage to realise the above objectives through case studies, sample surveys and personal observation methods under descriptive and exploratory methods. In addition, authentic data available from banking and other financial/ statistical reports published by RBI bulletins, IBA (Indian Banking Association), NABARD, Department of Banking, Government of India and

authentic sources will be used for arriving at conceptual framework and identifying the research gaps. Expert opinions from bankers , rural cooperatives and academicians would also be solicited.

RESEARCH PLAN

- ❖ A case study on Rural banking system and rural customers
- ❖ An empirical survey of selected villages
- ❖ Discussion with banking officials working in rural area
- ❖ Extensive study of earlier research, articles, working papers, books related to rural banking in India
- ❖ Impact of Digitisation on Rural Banking in Dakshina Kannada District

Through this we would like to arrive at various research gaps.

EXPECTED OUTCOME

- ❖ We will be able to identify the lacuna existing in inclusion of customers in rural area and focus towards bringing them towards banking fold.
- ❖ We may arrive at the various stumbling blocks in usage of digital banking and thereby we can suggest the concerned authority to enable user friendly technology.
- ❖ We may also come to know about the requirement of training to the employees and customer in digital banking.
- ❖ The study may lead us to identify the misconceptions and bias of the rural folk and suggest proper remedial actions.

FUNDING

Research may need substantial financial support for conducting surveys and meeting various stakeholders. We plan to approach funding agencies like UGC, NGO, Banks and University

COLLABORATOR

At present we do not have any. We look for a suitable collaborator in future.

WORKING PAPERS

- Impact of Digitisation on Rural Banking in Dakshina Kannada district – an empirical study
- A case study on impact of rural banks on weaker section of the society in rural India

PUBLICATION

- International Conference on Green Banking: Perceptions and Challenges 2017
Organised by University College, Mangaluru
Paper Title: Mobile Apps and its Application: An empirical study with reference to select rural areas of Mangaluru Taluk.
- National Conference on Exploring Innovative Management Practices To Achieve ‘Make In India’ 2015 organised by Manel Srinivas Nayak Memorial Besant Institute Of P.G Studies Besant Vidya Kendra, Bondel, Mangaluru
Paper Title: Use of Technology in Services Marketing- A study with reference to Banking Institutions.
- National Conference on DIGITAL INDIA Prospering India 2017
Organised by Center for advanced studies in Commerce and Management Canara College and MUCTA, Mangaluru.
Paper Title: Attitude and Perception of Rural People towards Digital Infrastructure: A Study with reference to Select Rural Areas of Mangaluru Taluk.
- ‘Impact of Technology on Manpower Planning, a Study of VRS in PSU Banks’ – Dr. Narayan K and Dr.A.H.Sequeira, NITK, presented at National Conference on “*Technology and Change Management*” at JNTU, Hyderabad.