



BANKING CUSTOMERS UTILISATION ON BASIC SAVING BANK DEPOSIT ACCOUNT – A FINANCIAL INCLUSION INITIATIVE (WITH SPECIAL REFERENCE TO COIMBATORE CITY)

D.RAMESH KUMAR

DEPARTMENT OF COMMERCE WITH (CA) SRI RAMAKRISHNA COLLEGE OF ARTS AND SCIENCE COIMBATORE

ABSTRACT Even 60 years of independence a large section of Indian population still remain unbanked only 40 per cent of the population across the country have bank accounts and this ratio is much lower in the north-eastern part of the country. To include this excluded people in to the banking services the financial inclusion concept is introduced by RBI in the end of 2005. Financial inclusion is the delivery of financial services at an affordable cost to vast sections of the disadvantaged and low income groups. To include this weaker section of the society to the banking services they introduce the no frill account. This account feature is the people can open their account with nil balance. In 2012 the banks change their nomenclature as Basic Saving Bank Deposit Account. As per RBI report 398.1 million BSBD account has opened throughout India. This paper is to analyse how this account has utilised by the account holder in the Coimbatore city.

KEYWORDS : .POPULATION, BANK ,INCOME, NOFRILL, BSBDACCOUNT

1. INTRODUCTION

The RBI has introduced financial inclusion in 2005 for providing banking services at affordable cost to weaker section of the society through various schemes such as BSBD A/c, KCC, GCC, Pension scheme. From this scheme weaker section of society accessed banking services through BSBD A/c. This account can opened with nil balance, with simplified know your customer norms. Services available in this account will include deposit and withdrawal of cash, Free ATM cum debit card, receipt /credit of money through electronic payment channel, deposit and collection of cheque This account is provided for saving purpose, government benefit & banking services. At present 398.1 million account holders and 439.5 million amount of money is deposited in this account upto march 2015.

2. REVIEW OF LITERATURE

- Ms.Jisha joseph and Dr.jitto Varghese(2014), In thier article "Role of financial inclusion in the development of Indian economy". The basic objective of the study is to analyses the effect of financial inclusion in the growth of Indian economy and initiative taken by banking growth. The Government of India and RBI are taken effort to promote financial inclusion. The research methodology is descriptive and secondary data collected from reputed journal, website. The conclusion of study initiation taken from RBI is Branch expansion in Rural areas, BC/BF models to promote banking services, combination of branch and BC structure to deliver financial inclusion. The number of branches opened on 2013 is 70421, growth rate of number of scheduled commercial bank functioning is 27.6%, Number of scheduled commercial bank on 31.3.13 is 1,02,343.
- Praveen Kumar, In his article "Financial inclusion in India – current position and challenges", inclusive growth is primary focus of Indian government. It is innovative concept to promote banking habit of rural people because the large population is in rural areas. This paper will examine the financial inclusion current position and what are the challenges faced by the banks to implement this and solution to overcome this challenge. He conclude the bank has taken various measure in current situation to implement the financial inclusion programme such as opening branches, one person one account, BC models, Ultra branches, swabhiman campaign, DBT. To achieve this bank has facing some challenges socio-economic factors, geographical factors, High operational cost, limited technology, inadequate banking product.

3. STATEMENT OF THE PROBLEM

The RBI has introduced BSBD A/c to weaker section of the society for providing government benefit, banking services, social benefit, and to encourage a saving habits. The problem of the study reveals how this society people are utilising a banking services such as cheque collection, demand draft, fund transfer, ATM Card. How frequently they are operating this account. For what purpose this account is utilised by the Weaker section of the people in the society.

4. OBJECTIVE OF THE STUDY

- To know features and services of the BSBD A/c.
- To analysis the Utilisation of this BSBD A/c.
- To know significant difference between gender and purpose of opening an account.

5. RESEARCH METHODOLOGY

5.1. Area of study

The study was conducted in Coimbatore city and in around areas

5.2. Data collection

The data is primary collected through structured questionnaire from the respondents who opened an BSBD A/c. The data collected from 100 respondents

5.3. Sampling techniques

The sampling techniques used is convenience sampling.

5.4. Tools For Analysis

- Simple percentage
- T-test

6. FEATURES AND SERVICES OF THE BSBD ACCOUNT

FEATURES	SERVICES
1.This account shall not have the requirement of any minimum balance.	1. The services available in the account will include deposit and withdrawal of cash at
2.The 'Basic Savings Bank Deposit Account' would be subject to RBI instructions on Know Your Customer (KYC) / Anti-Money Laundering (AML) for opening of bank accounts issued from time to time. If such account is opened on the basis of simplified KYC norms, the account would additionally be treated as a 'Small Account' and would be subject to conditions stipulated for such account	2. While there will be no limit on the number of deposits that can be made in a month, account holders will be allowed a maximum of four withdrawals in a month, including ATM withdrawals.
3. SBDA-Small Accounts (BSBDA) when opened on the basis of Simplified KYC, the accounts is treated as "BSBDA-SMALL account") would be subject to the following conditions:	3. Facility of ATM card or ATM-cum-Debit Card;
i. Total credits in such accounts should not exceed one lakh rupees in a year	4. Transaction through smart card
ii. Maximum balance in the	5. Business correspondent
	6. Ultra branch

account should not exceed fifty thousand rupees at any time
 iii. Foreign remittances can not be credited to Small Accounts without completing normal KYC formalities
 4. Holders of 'Basic Savings Bank Deposit Account' will not be eligible for opening any other savings bank deposit account in that bank. If a customer has any other existing savings bank deposit account in that bank, he/she will be required to close it within 30 days from the date of opening a 'Basic Savings Bank Deposit Account'.

61percentage respondent are using services moderately, 35 percentage of respondent are using services low.

Fund transfer: 3 percentage of respondent are using services high, 21 percentage of respondents are using services moderately, 76 percentage of respondent are using services low.

Business correspondent: 83 percentage of respondent are using services high,9 percentage respondent are using services moderately, 8 percentage of respondent are using services low.

Ultra branch: 32 percentage of respondent are using services high, 55percentage of respondent are using services moderately, 13 percentage of respondent are using services low.

Smart card: 15 percentage of respondent are using services high, 42 percentage of respondent are using services moderately, 43 percentage of respondent are using services low.

ATM card: 10 percentage of respondent are using services high, 17 percentage of respondent are using services moderately, 73 percentage of respondent are using services low.

1. ANALYSIS

7.1 SIMPLE PERCENTAGE

7.1.1. GENDER OF THE RESPONDENT

GENDER	NO.OF RESPONDENT	PERCENTAGE
MALE	44	44%
FEMALE	56	56%
TOTAL	100	100

44 percentage of respondent are Male and 56 percentage of respondent are Female

7.1.2. RESPONDENT ON THE BASIS OF OPENEING AN ACCOUNT

PURPOSE	NO.OF.RESPO NDENT	PERCENTAGE
FOR SAVING	06	6%
TO ENJOY GOVERNMENT BENEFIT	52	52%
TO USE BANKING SERVICES	42	42%
TOTAL	100	100

6 Percentage of respondent are opened account for Savings, 52 Percentage of respondent are opened account for government benefit, 42 Percentage of respondent are opened account for Banking Services.

7.1.3. RESPONDENT ON THE BASIS FREQUENCY OF USAGE

FREQUENCY	NO.OF.RESPONDENT	PERCENTAGE
WEEKLY ONCE	53	53%
WEEKLY TWICE	09	9%
MONTHLY ONCE	04	4%
MONTHLY TWICE	34	34%
TOTAL	100	100

53 Percentage of respondent using account weekly once, 9 Percentage of respondent using account weekly twice, 4 Percentage of respondent using account monthly once, 34 Percentage of respondent using account monthly twice.

7.1.4. RESPONDENT ON THE BASIS OF UTILISATION OF SERVICES

SERVICES	HIGH	MODERATE	LOW
CHEQUE COLLECTION	7(7%)	54(54%)	39(39%)
DEMAND DRAFT	4(4%)	61(61%)	35(35%)
FUND TRANFER	3(3%)	21(21%)	76(76%)
BUSINESS CORRESPONDENT	83(83%)	9(9%)	8(4%)
ULTRA BRANCH	32(32%)	55(55%)	13(13%)
SMART CARD	15(15%)	42(42)%	43(43%)
ATM CARD	10(10%)	17(17%)	73(73%)

Cheque Collection: 7 percentage of respondent are using services high, 54 percentage of respondent are using services moderately, 39 percentage of respondent are using services low.

Demand draft: 4 percentage of respondent are using services high,

7.2. T-TEST

H0: There is no significant difference between gender and frequency of using account

$V = N1+N2 - 2$ $44+56-2=98$ $V = 98$	5% degree of significant level T value $t_{0.05}=1.645$	Calculated value = 0.2278
---	---	---------------------------

The calculated value is less than table value the hypothesis is accepted. There is no difference between gender and frequency of using account

8. FINDING

- 56 percentage of respondent are Female
- 52 Percentage of respondent are opened account for government benefit,
- 53 Percentage of respondent using account weekly once
- 54 percentage of respondent are using cheque collection services moderately
- 61percentage of respondent are using demand draft services moderately
- 76 percentage of respondents are using fund transfer services moderately
- 83 percentage of respondent are using business correspondent services high
- 55percentage of respondent are using ultra branch services moderately
- 43percentage of respondent are using smard card low
- 73 percentage of respondent are using ATM services low
- There is no significant difference between gender and frequency of using account

9. CONCLUSION

The RBI has introduced the basic saving bank account to give the banking services to weaker section of the society. In this study it reveal that the account holder is high frequently they are using the account that is once in a week they are using the account. Most of the account holder are opened their account for the enjoying government benefit .Most of the customer using business correspondent to transact their account .Other services are moderately used by the account holder.

REFERENCE

- K. Hema divya, "a study on impact of financial inclusion, (with referenceto daily wage earners)", journal of business management & social sciences research (jbm&ssr) issn no: 2319-5614 volume 2, no.6, june 2013.
- Ms. Jisha joseph and dr. Titto varghese, "role of financial inclusion in the development of indian economy" journal of economics and sustainable development issn 2222-1700 (paper) issn 2222-2855 (online)vol.5, no.11, 2014
- Dr (mrs) shobana vasudevan*; prof aparna ghaisas, "evolution of social banking in india: accomplishments and challenges" asia pacific journal of marketing & management reviewvol.2 (2), january (2013)
- rekha rathore, manika garg, role of financial inclusion through self help group: a study of selected shgs in yamuna nagar (district haryana) india" vol. 2 | no. 2 | february 2013 www.garph.co.uk ijarmss.
- Challa radhakumari1 & m.r. Geetha bala, "financial inclusion for bridging the rural –urban divide forbalanced economic growth: demand perspective –a case study", international journal of accounting and financial management research (ijafmr)issn 2249-6882vol. 3, issue 1, mar 2013, 141-156