Despite improved banking access. India should focus on. awareness & credit delivery for better financial inclusion. Analyse (200 words).

Post 2014, thanks to the PM Jandhan yojna. the number of basic savings account have increased. The total deposit collection stands at 2.08 lakh crore. however the recently released Financial Inclusion Index by the RBI paints a different picture on the financial inclusion story of India. It gives a score of 53.9/100.

Problems identified

(1) Online fraud & consumer vulnerability.

With the rise in use of online banking services, the risk of online fraud & cybercrime also increases, despite the effort of the RBI & the banks themselves people still fall prey to scamsters thereby decreasing consumer confidence.

(2) Small loans & Overdrafting facility

Despite RBI guidelines, the individual banks are reluctant to offer cheque books & overdrafting facility to basic savings deposit account holders. The lack of credit history is sited as a reason.

(3) Private banks reluctance

The burnt of the financial inclusion burdens are bourne by Public sector banks & Cooperative Societies with minimal private sector participation.

Possible Solution

1. Fraud & Vulnerability can be solved by consumer awareness. The banks & RBI use SMS as a medium of awareness. All media must be roped into this awarness drive. The Banking correspondents must be trained. to provide awareness to illiterate and non-tech savvy people. Private companies can also be roped into this as a part of their CSR.

2. Overdraft reluctance is a valid concern as India's NPA stands at 6 lakh crore. Individuals should be encouraged to create a positive Credit history. This can be done by enforcing mandotory savings such as R.D's & F.D's to create confidence in repayability

3. Private participation - The issue must it be priced as it will not solve the existing problems. It will only distribute the burdens. When the core issues like loan NPA's are solved the private players will automatically cater the bottom of the financial pyramid.

In conclussion, the govt shouldn't concentrate on only opening basic saving accounts. It should equally concentrate on creating awareness and credit inclusivity by enacting proper legislations & best practises. It shouldn't enforce political agenda on the financial health of the country.