



Impact of Financial Inclusion on the Socio-Economic Condition of Bihar – A Study of Patna Centre

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Abstract : *There has been a sea change in the economic condition of India in the recent decades. This research is a blend of the study of the change in economic condition of BPL people vis-à-vis impact of Financial Inclusion – an effective economic programme of the Union Government. The study report also reveals the level of satisfaction at all levels i.e. the beneficiaries, Banks, and State Govt. It emphasizes the need of bringing a positive change in the thought process of beneficiaries, Bank and Government Officials so that desired level of success rate can be achieved.*

Key words: *Financial Inclusion, Reserve Bank of India, Commercial Banks and Beneficiaries.*

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Introduction :

Financial inclusion or inclusive financing is the delivery of financial services at affordable cost to sections of disadvantaged and low income segments of society

Origin of Financial Inclusion :

On 29 December 2003, former UN Secretary-General Kofi Annan said: "The stark reality is that most poor people in the world still lack access to sustainable financial services, whether it is savings, credit or insurance. The great challenge before us is to address the constraints that exclude people from full participation in the financial sector. Together, we can and must build inclusive financial sectors that help people improve their lives" (rbi.org and RBI circular).

Financial Inclusion in India :

The Reserve Bank of India (RBI) set up the Khan Commission in 2004 to look into financial inclusion. In January 2006, the Reserve Bank permitted commercial banks to make use of the services of non-governmental organizations (NGOs/SHGs), micro-finance institutions, and other civil society organizations as intermediaries for providing financial and banking services. After