

## **A COMPARATIVE STUDY OF DIGITAL FINANCIAL INCLUSION IN DISTRICT HISAR AND JIND OF HARYANA (WITH SPECIAL REFERENCE TO PUNJAB NATIONAL BANK)**

**Ravinder Kumar**

Research Scholar, School of Commerce & Management, Om Sterling Global University,  
Hisar

**Dr. Amit Kumar**

Associate Professor, School of Commerce & Management, Om Sterling Global University,  
Hisar

### **Abstract**

Most of the developing nations are trying to cover the unbanked populations of the country in formal banking system. In developing nations there is more than half population is unbanked. India is also a developing nation. An efficient financial system is the first priority of the developing nations. Financial inclusion means to provide the financial services likes as saving, deposit, loans, insurance etc. on affordable cost. For this purpose Govt. of India along with RBI taking a numerous steps for financial inclusion .Banks play a very important role for cover unbanked population of the nations in formal banking system. Recent development in the technology in the world, it is a mandatory step for developing nations to move forward to Digitalization. Digital financial services is necessity of a developing nation in present era. Digital financial services have a great future to support financial inclusion in a cost effective manner both banks and financially excluded persons. Public sectors banks trying their best for included the unbanked populations is main stream of the financial structure of the nation.

**Keywords**-Financial Inclusion, Digitalization, Public Sector, Financially Excluded

### **1. Introduction**

In India's financial sector, banks play an essential role. Banks are an important and essential part of our daily lives. Banks adopt latest technology to improve customer service and cost cutting of the banks. For the banking business, digitization is an essential need rather than an option. The current hot word in India is becoming a cashless economy, without digitalization it is not possible for the nation. For a developing nation like as India a strong, efficient and cost effective banking system is the main key for economic development.

Even after a long time of independence a big section of the Indian population remains untouched by the formal banking system. The RBI and GOI from time to time, by running various schemes keep planning to include people in formal banking system of the country. An inclusive financial structure certify that all financial services are available for all people of the nations as per their requirement. These financial services can be utilized in an effective manner when people of the nation are financially literate. Financial literacy can be said as knowledge, awareness skill, behaviour etc. regarding owns financial matters.

Banking having a important role to expand the financial knowledge of the unbanked people of the nation. Banking structure change in Indian context in two phase when banks nationalizations done and RRB introduced. In past times in India there is no digitalization banking mostly all works of the banks routed through manually. But in present era all nations banking structure moving toward the digitalization. Delivery of banking services door to door only possible after improvement in digitalization. Digital financial inclusion can be said that all financial needs of the unbanked people accessible by them on affordable cost. Digital financial inclusion also be beneficial to banks and unbanked population.

## 2. Review of the Literature

**Mr. Ranjansathya Das S ,Dr.Aluregowda, Mr. Mahadevaswamy R M (2020)** They looked at the digital banking services provided by both public sector banks and private sector banks, and they examined how clients used them. I discovered that there aren't many differences between the banks. However, public sector banks provide consumers a variety of digital options that they find satisfactory, including internet banking, mobile banking, and online banking.

**Prof. Dr. Dinesh C. Aggarwal & Sakshi Chauhan (2017)** they examined and found that most of the people having accounts with Public Sector banks and no of problem faced by the people is more in PSB than private sector banks. Digital banking facilities provided by the Pvt. Bnaks is more technological advances than Public Sector banks ,but majority of the financial needs satisfying by the PSB.

**Peterson K. Ozil(2018)** In this discussion on digital financial inclusion and its implications for financial inclusion and stability done .After that found that Fintech has a positive effects in this manner .In advance technological changes low and variable income is more valuable to them than the higher cost services.

**Pooja Jain (2019)** has explained that adoption of digital products in both developing and developed nations has not reached on expected level of financial inclusion. Banks and service providers make a much effort for them and provided value added services also. For a successful implementation of the digital products they may be cost effective, greater access, easily available.

**Yan Shen,Wenxiu Hu and C.James Hueng (2020)** they examine that digital financial inclusion has a positive effect on economic growth. Development of Digital financial inclusion promotes its economic growth. Economic growth of the one nation negatively effects the economy of the neighbouring countries.

**Dr.Susanta Mondal(2020)** examined that digital transactions became necessary in upcoming years .Digital financial inclusion also available for all the unbanked people equally .Banks and financial resources literate the unbanked people for financial services.

**Peterson K. Ozili (2022)** analysed the digital financial inclusion agenda to provide extensive insights that digital financial inclusion is all about. For implementation of successful digital financial inclusion all policy makers should be careful for choosing policy for a nation. after that strategy continuously evaluated.

## 3. Objectives of the Study

1. To study the digital facilities of the Punjab National Bank
2. Comparative analysis of Digital financial inclusion of two district (Hisar and Jind) in Haryana.

3. To find out that which digital facilities preference given by the people in both district.

#### **4. Research Methodology**

The present study is based on both primary and secondary data. In this study researcher conducted a poll for primary data collection direct from the customer of the Punjab national Bank in District Hisar and Jind through questionnaire. Total 100 customers of PNB bank 50 from District Hisar and 50 from Jind.

The secondary data collected from research papers, PNB bank websites, journals/Magazines/online websites and LDM office etc. and analysed to fulfil the objective of the research paper.

#### **5. Digital facilities of the Punjab National Bank**

1-Debit/Rupay Card

2-Internat Banking

3-Mobile Banking

A. PNB ONE App

B. SMS Banking

4-Aadhaar based products

A. Electronic Know Your Customer (E KYC)

B. Aadhaar Enabled Payment Services (AEPS)

C. Aadhaar Payment Bridge System (APBS)

##### ***5.1-Debit/Rupay Card***

A Debit Rupay card is a plastic card that issued to a bank's account holder to make online payments, cash withdrawal on ATM throughout the country, used on POS etc. It is a domestic debit card that was introduced by NPCI (National Payment Corporation of India). It helps for making cashless payments for purchases.

##### ***5.2-Internat Banking***

A user can utilise online banking to make financial transactions over the Internet. Internet banking can be said as web banking and online banking also. Customers may access practically all of the services typically provided by a local branch of banking online, including deposits, transfers, and all other online bill payment.

##### ***5.3-Mobile Banking***

M-banking, often known as mobile banking, is the practise of using a mobile device to obtain banking and financial services provided by banks. Customers may use it for balance enquiry, transfer of funds, online bill payments etc. without approaching bank branch.

###### ***5.3.1. PNB One App***

The unified mobile banking app PNB ONE.PNB ONE is a sophisticated mobile banking application that provides all financial services on a common platform and is augmented with a variety of features. It offers users to carry out important banking activities through the application on a 24/7 basis from anywhere, at any time, without bothering to visit the branch. With MPIN & biometric authentication, it is a safe application. The transaction password is applied to authorize each transaction.

###### ***5.3.2. SMS Banking***

A type of mobile banking is "SMS banking." Some banks and other financial institutions employ this feature to deliver messages (also known as alerts or notifications) to their clients' mobile phones via Messaging services, or they provide a service that enables users to conduct some banking transactions via SMS.

#### **5.4 -Aadhaar Based Facilities**

##### **5.4.1 Electronically Know Your Customer (e-KYC)**

The RBI approved e-KYC as a legitimate method for KYC verification in 2013. UIDAI has introduced its e-KYC services in an effort to lower the chance of identity fraud, credential counterfeit, and digital KYC authentication. The e-KYC procedure, which is a legitimate method for KYC, sends an individual's basic information, such as name, age, gender, and a photograph, digitally to Authorized Users like banks with the customer's express agreement and following biometric authentication from the UIDAI data base. The aforementioned paperless procedure has made creating an account for clients who have an Aadhaar number considerably simpler.

##### **5.4.2 AEPS (Aadhaar Enabled Payment Services)**

With the use of the Business Correspondent of any bank and Aadhaar authentication, AEPS is a banking solution that enables digital compatible financial inclusion activities at Kiosk Banking. Presently, four Aadhaar-enabled basic banking services balance check, cash deposit, payment and Aadhaar to Aadhaar Transfer of funds. Customer biometric identification is necessary for AEPS activities.

##### **5.4.3 APBS (Aadhaar Payment Bridge System (APBS))**

The Aadhaar Payments Bridge System makes it possible to send payments from the government and its organisations to beneficiaries' accounts that are Aadhaar seeded at banks and post offices. Creating a file with the Aadhaar number and the payment amount and submitting it to their approved bank is all that is required of any government department or organisation that delivers EBT and DBT/DBTL payments to individuals. The file is subsequently processed by the approved bank via a compatible Aadhaar Payments gateway, and the beneficiaries' accounts are credited with the amount. The beneficiary's bank will inform the beneficiaries by any digital channel established between the bank and the client when amount is received.

**Table:1 Debit/Rupay Card as on 31.03.2022**

District	Eligible Operative Accounts			Debit/Ruapy Cards Coverage					
	No of Accounts	Men	Women	No of Account Covered	%of Coverage	Men's Accounts	Women's Accounts	Men % Coverage	Women% Coverage
<b>Hisar</b>	615917	357696	258221	272237	44.20	173524	98713	48.51	38.22

<b>Jind</b>	62583 3	3422 85	28354 8	23350 9	37.31	14041 7	93092	41.02	32.83
-------------	------------	------------	------------	------------	-------	------------	-------	-------	-------

## 6 ANALYSES

From the above table we analysis that district Jind have more operative accounts in comparison with district Hisar. In which % of operative account holder in district Hisar is more in case of Men (58%)and less in case of female is 42%, whenever district Jind have 54% men operative accounts and 46% women operative accounts. And district Hisar also have a high % in both men and women that account holder Debit/RUPay Card holder.

**Table:2 Internet Banking as on 31.03.2022**

<b>Distri ct</b>	<b>Eligible Operative Accounts</b>			<b>Internet Banking Covered Accounts</b>					
	Total	Men	Wom en	No of Accou nt Cover ed	%of Covera ge	Men's Accou nts	Women 's Accoun ts	Men % Covera ge	Women % Covera ge
<b>Hisar</b>	6159 17	3576 96	25822 1	21018 9	34.12	139916	70273	39.11	27.21
<b>Jind</b>	6258 33	3422 85	28354 8	14290 2	22.83	93995	48907	27.46	17.24

### 6.1 ANALYSIS

From the above table we interpretation that operative accounts holder % cover under Internet Banking Services is much better in District Hisar than Jind. A huge gap also found in coverage of Men & Women to availed this service.

**Table:3 Mobile Banking, UPI and USSD as on 31.03.2022**

<b>Distri ct</b>	<b>Eligible Operative Accounts</b>			<b>Mobile Banking, UPI and USSD Covered Accounts</b>					
	Total	Men	Wom en	No of Accou nt Cover ed	%of Coverage	Men's Accou nts	Wome n's Accou nts	Men % Covera ge	Wome n% Covera ge

<b>Hisar</b>	6159 17	3576 96	2582 21	19384 0	31.47177 298	13539 4	58446	37.85	22.63
<b>Jind</b>	6258 33	3422 85	2835 48	14522 3	23.20475 271	99981	45242	29.20	15.95

### 6.3 ANALYSIS

Covering % for Mobile Banking, UPI and USSD in district Hisar is better than Jind, Hisar have 31.47% coverage of Mobile Banking, UPI and USSD in respect of Jind have only 23.20%. Gap of men coverage under this is less good than women.

**Table:4 AEPS as on 31.03.2022**

<b>Distri ct</b>	<b>Eligible      Operative Accounts</b>			<b>AEPS Covered Accounts</b>					
	Total	Men	Wom en	No of Accou nt Cover ed	%of Covera ge	Men's Accou nts	Women 's Accoun ts	Men % Covera ge	Women % Covera ge
<b>Hisar</b>	6159 17	3576 96	25822 1	38699 1	62.83	217162	169829	60.71	65.76
<b>Jind</b>	6258 33	3422 85	28354 8	39606 0	63.28	206794	189266	60.41	66.74

### 6.5 ANALYSIS

After analysis the above table we come to know that there is a small gap between to district in AEPS services. One important point also noted that women have a remarkable % in this service other than the men. District Jind is better in AEPS service with comparison to Hisar.

**Table:5 Types of Digital Facility used**

Particular	No of Respondent in District Hisar		No of Respondent in District Jind	
	No. of Respondent	Percentage	No. of Respondent	Percentage
<b>Debit/RUPay Card</b>	18	36	17	34
<b>Internet Banking</b>	15	30	13	26
<b>Mobile Banking/PNB One App</b>	10	20	11	22
<b>AEPS</b>	7	14	9	18
<b>Total</b>	50	100	50	100

### 6.6 ANALYSIS

According to the above table 36% of district Hisar survey participants and 34% of Jind use Debit/RUPay Card services of the Punjab National Bank. Internet banking services is used 30% and 26% in District Hisar & Jind. AEPS service is mostly used in District Jind with comparison to Hisar as per survey. It is observed that maximum survey participants given preference to use of Debit/Rupay Card service of the bank in both district.

### Conclusion and Recommendations

In the coming times, the importance of digital financial transactions will increase even more. But the benefit of digital financial inclusion is still not accessible to all people equally in the country. So there is a big gap in Indian economy to afford digital financial services. Technological innovations are being done from time to time to fill the gap. Mostly public sector banks are working hard for digital financial inclusion. In this paper we concluded that Punjab National Bank is a play a important role for digital financial inclusion throughout its digital banking facilities provided on affordable cost to the public. In both district of Haryana Hisar and Jind we come to know from this paper that there is a gender gap in availing banking services. There is a gap in financial literacy also in Hisar and Jind, mostly banking services like that Internet banking used preferably in HISAR and AEPS services preferably used in JIND. Punjab National bank unified mobile application PNB One is popular in both districts. Punjab national Bank is lead bank in both district, so LDM of the bank organised financial literacy camp in urban and rural areas to aware the people about digital financial services. In both district Debit RUPay card is preferably used by the customers but Banks official to aware the customers of the bank about the banks digital facilities also and popularised their PNB ONE App in which mostly all digital transactions facility available in single platform from this cost cutting activity started and bank may be surely beneficial from this.

### References

Agrawal,D, and Chauhan,S.(2018). A Comparative Study of E-Banking in Public and Private Sectors Banks (with special reference to SBI and HDFC bank in haridwar )

“*Motherhood International Journal of Multidisciplinary Research & Development*” Volume I, Issue III, February 2017, pp. 01-18.

- Ozili.,P (2018). Impact of digital finance on financial inclusion and stability March 2018, Available at <http://www.elsevier.com/journal/borsa-istanbul-review/2214-8450,pp329-340>.
- Agarwal.,G. andJain., P (2019). Digital Financial Inclusion in India .” *Behavioral Finance and Decision-Making Models*”. Available at DOI:[10.4018/978-1-5225-7399-9.ch011](https://doi.org/10.4018/978-1-5225-7399-9.ch011)
- Mondal., S., (2020). Digital Financial Inclusion and inclusive development of India “*International Journal of Innovative Science and Research Technology*” ISSN: 2456-2165 Vol-5, Issue 3, March -2020.
- Sen.,Y.,*et al.*(2020). Digital Financial inclusion and Economic Growth :A Cross-country Study Available online at [www.sciencedirect.com](http://www.sciencedirect.com) Procedia computer science 187(2021) 218-223.
- Ganesh., K.T. and Jagadish., C.B., (2022) Financial inclusion –A Comparative Study of HDFC & ICICI Banks. “*International Journal of Creative Research Thoughts*” ISSN: 2320-2882, Vol.10, Issue 4, April 2022.
- Ozili., P (2022). Digital financial inclusion Available at SSRN: <https://ssrn.com/abstract=4086856>

<https://www.pnbindia.in> > digital-products

<https://www.npci.org.in>

<https://en.wikipedia.org.in>

[https://www.pnbindia.in/document/Financial-Inclusion/Aadhaar\\_Based\\_Products.pdf](https://www.pnbindia.in/document/Financial-Inclusion/Aadhaar_Based_Products.pdf)