# Perspectives Look at the Role of the Indian Regulators and the Private Sector in Expanding Financial Access to the Poor

**Dr. Pankaj Baag**
Assistant Professor
Department. of Finance, Accounting and Control
Indian Institute of Management
Kozhikode, Kerala, India

## Abstract

We critically look at role of the Indian regulators and the private sector within the principles and policies of financial inclusion in expanding the financial access for the poor in the past and the present and suggest corrective steps for the future. We find that the biggest barrier is psychological and the business aspect. There is need of a strong and dynamic ongoing research based business model and sense for sustainability and inclusivity with respect to an innovative digital market and financial system development. This will support our interventions with appropriate scale and size in the area of regular financial services including the new payment system with new differential players. But, this will be successful only when financial inclusion becomes an integral part of the strategic financial sector development and growth.

## Keywords

Regulators, Private Sector, Financial Inclusion, Innovation, Principle and Policies

## 1. Introduction

The financial services access is widely considered essential for the economic well-being of poor households. An inclusive financial system makes available more resources for investment, creates employment opportunities, ensures economic and financial stability through reducing vulnerability and contributes to poverty reduction (Mujeri, 2015). Access to financial services implies the absence of obstacles with respect to price and non-price barriers to the use of required financial services and the legality of this infrastructure provides recourse to lenders and protection to depositors. Any exclusion becomes involuntary where price and/or non-price barriers prevent the access to these services.

Today in most of the individual country settings, two-thirds of regulatory and supervisory bodies are now saddled with the responsibility of enhancing financial inclusion (G20 FIEG, 2010). This paper ties the activities of Indian regulator's and private sector towards expanding financial services access for the poor in terms of measure, impact, policies, barriers and promotion along with actions taken in the past and the present and suggest the corrective actions to be taken in the future in the context of a broad framework around the policies and principles of financial inclusion.

The approach ensures mutual objective of reducing the amount of time and money that the poor people spend to conduct financial transactions; increasing capacity of the poor people to weather financial shocks and avail income-generating opportunities; and above all generating macro-level efficiency by digitally connecting the poor people, financial institutions, government service providers, businesses including private sector.

Access to financial services has three parts with respect to who gets offered what products at what price. These are: the suppliers, the users and the product. This is with respect to a difference between access to the ability to use and actual use of financial services; voluntary or involuntary exclusion of financial access where insufficient income and/or high risk, discrimination, contractual and/or information framework, product and price barriers bar access to financial services. Failure to make this distinction can complicate efforts to define and measure access.

Per World Bank's Global Financial Barometer report (Cihak, 2012), 78 percent of the people surveyed indicated that financial inclusion had improved substantially in their countries in the last six years. India has made quite a progress in this aspect. We till November, 2016, opened over 500 million Basic Savings Bank Deposit Accounts (BSBDAs), and the process started with no-frill Accounts in 2005 and the resurgent Jan Dhan Yojana which started in Aug. 2014 itself has contributed over 174 million accounts till May 2016.

In India, our early initiatives actually goes back to some actions in the early 1960's and 70's with the first major effort towards financial inclusion dated way back to 1969; when the GOI nationalized 16 banks, with a view to provide access to banking services to its vast rural populace. Some of our other early initiatives were the Lead Bank Scheme

(LBS) in 1969 for the rural; the Co-operative Bank movement after the Banking Laws (Co-Operative Societies) Act, 1965; the setting up of Regional Rural Banks with the RRB Act, 1976; the self-help group (SHG)-bank linkage programme (SBLP) in 1992 by National Bank for Agricultural and Rural Development (NABARD); Swarnajayanti Gram Swarozgar Yojana (SGSY) in 1999 through banks by formation of Self Help Groups.

Other approaches like micro finance institutions (MFIs) also emerged subsequently in the country. These were all geared towards enlisting the participation of excluded sections of the populations into the formal rung of financial services. In short, bank nationalization in India marked a paradigm shift in the focus of banking from class banking to mass banking. The development until 1990s was characterized by a hugely expanded bank branch, cooperative bank network, and new organizational forms like RRBs. It had a greater focus on credit rather than other financial services like savings and insurance, by lending targets directed at a range of 'priority sectors' such as agriculture, weaker sections of the population with interest rate ceilings.

Expanding financial services access can be justified in several ways. A well-functioning financial system, financial institutions and markets provide opportunities of best investments by channeling funds to their most productive uses, hence, growth, better income distribution, and poverty reduction (Galor and Zeira, 1993). Our motivation on expanding access to financial services is because financial exclusion is likely to act as a brake on development, and theoretical models have shown that financial market frictions can be the critical mechanism for generating poverty traps and slower growth.

This becomes important in the context where it has been evidenced by the World Bank that fraction of households with an account varies by region and increases with income. On the other hand, the private sector should see the huge untapped market potential for financial services that is currently not being met by the market. Together, there could be opportunities for innovative solutions and partnerships to exploit this new market segment. Still improving access to financial services to such market will require action on both the supply and demand sides, by both the public and private sectors. But leadership from the public sector will provide incentives for the private sector to become more involved.

In this matter, some of the aspects that arise with expanding access to financial services are: access limit; indicators to measure financial access; barriers to broader access; importance of access to finance as a constraint to growth or poverty reduction; evaluate the impact of access on growth, equity, and poverty reduction; and the role of regulators in building inclusive financial systems. Clearly, if we want to expand access to financial services for the poor, we need to have knowledge of the three factors: Measure, Impact and Policy.

## 2. Measure, Impact and Policy

The information on the extent to which the poor have been excluded in terms of user/demand side information is now available through "Global findex" (Kunt and Klapper, 2012) on 148 economies around the world jointly developed by the World Bank, the Bill and Melinda Gates Foundation and Gallup, Inc. These measure how adults in these economies manage their daily finances and plan for the future. These include over 40 indicators and variables related to savings, account, payments, credit and risk. These indicators indicate that there are multiple barriers which have affected the access to financial services. These are: geographical and economic factors, financial sector inefficiencies and inadequacies, institutional deficiencies, regulatory and policy issues, law and order, infrastructure, technology and the socio-cultural factors. All these can be again captured under supply and demand side constraints as well as under ecosystem within which the supply and demand act. Honohan and King (2012) evidence that income and education is key demand/user side determinants of access to financial services. RBI has already taken a step in this direction by engaging Business Facilitators (BF). Clearly, expanding access to financial services will transform into financial inclusion only with financial education, and engaging BFs is a big step in this issue.

Next, as mentioned earlier, is the second factor: impact to understand access to finance as a constraint to growth or poverty reduction. Beck et al. (2007a) evidence that financial access promotes firm growth, similarly financing constraints hurt firm growth in terms of impact of various self-reported obstacles on growth of firm sales among which financial obstacle effected the most. They also evidence that small firms face discrimination from large bank in terms of lending, interest rate, paperwork, as well as higher financial obstacle. But when access to financial services through different formal channels is finally made, the impact is higher firms start-ups, dynamism, innovation, and equilibrium size respectively.

The third factor is policy. Adopting policies to expand access to financial services need understanding the role of regulator in building inclusive financial systems. Not all regulatory actions are equally effective. As such, better principles for effective government policy on broadening access, drawing on the available evidence is needed. India has actually made progress in this aspect. Similarly, boosting a sustainable financial inclusion is not easy; it has its own problems. In India, over half the basic accounts opened have since become dormant or inactive. Moreover, with credits, situations can turn bad when credit start growing rapidly without any concern for stability resulting in a crisis. Lesson learnt is that financial inclusion needs proper implementation in terms of policies and principles or it can lead to negative effects including defaults.

Government leadership and commitment at the highest level is an essential condition for increasing sustained financial inclusion. This is possible only when financial inclusion is treated as an essential part of strategic financial sector growth and development. However, for successful implementation of a policy to support designing a new innovative model of financial inclusion appropriate reliable data and knowledge are needed to monitor and measure the impact of the policy over time. Policies should bind with the new technologies to allow financial service providers and consumers to take advantage of technological innovations. Policies should ensure that innovative product designs foster the widespread use of financial services in such a way that it address market failures, meet consumer needs, and overcome behavioural problems.

Markets will not provide for all, but building institutions matters with respect to policy on protection of property rights, and contract enforcement. We should encourage innovation in terms of e-finance, and m-finance with legal clarity and financial education. Policies to promote competition, technology and stability should be inculcated. This improves the speed with which new access are adopted. Again with respect to market, it has to be understood that financial inclusion is not finance for all at all costs. Efforts to subsidize the services to individuals and firms who have no material demand or business need can be counterproductive leading to over indebtedness and financial instability.

Therefore, the regulators should first focus on the policies on removing the cause of market failures that increase the cost of such services or the cause that make these services unavailable due to regulatory barriers, legal hurdles, or an assortment of market and cultural phenomena.

In dealing with these failures, regulators and the government can create associated legal and regulatory framework that will deal with protecting creditor rights, regulating business conduct, and overseeing recourse mechanisms to protect consumers; supporting the information environment by setting standards for disclosure and transparency and promoting credit information by sharing systems and collateral registries; and educating and protecting consumers. The Committee on Comprehensive Financial Services for Small Businesses and Low-Income Households, RBI, in its 2014 report for the first time laid down four design principles to guide the institutional frameworks, and regulation for effective policy framing for sustainable financial inclusion in India which are as follows: Stability, Transparency, Neutrality, and Responsibility.

Good prudential regulations on protection against abusive lending, increased transparency and formalization are important keys. Ellis et al. (2010) suggests reducing costs and increasing financial services by supporting innovations such as m-banking, e-banking, including the use of new distribution channels such as local stores; investing in financial literacy or marketing programme to improve understanding of financial services and their availability particularly for poor; establishing digital asset registries to make it easier for people to qualify for loans; and supporting regulatory reform and capacity building to create the right environment and incentives for financial providers to expand access, balancing it with stability. By reducing barriers to financial services, such policies could help to stimulate household investment and thus contribute to growth and poverty reduction.

Summarily, policies framed should be such that it should reduce the expendable resources in both time and money that poor use to finance their current activities, and, increase poor's capacity to manage economic shocks and capture income-generating opportunities. It should generate economy-wide efficiencies by digitally connecting poor to their peers, financial service providers, government services, and other counterparties. In this matter, direct government action in the past had mixed results, in fact, the scope were more limited than often believed.

Experience with government banks with respect to direct lending had not been positive. Clearly, policies for expanding access to financial services have three goals: Availability of suitable products at affordable prices; Stability; and Wise use of government support. Summarily, access policies have three issues: first, expanding financial access, including best practices for stimulating informed demand as well as for adequate competition among suppliers; second, regulation of financial service providers, and third, avoiding distortions when public resources are used to provide financial services.

It is in this spirit that adequate principles should be framed for financial-sector policymakers to act as guidelines. The CGD Task Force on Access to Financial Services (2009) has proposed ten principles with respect to the above mentioned policy issues. In India, Nachiket Mor Committee (2014) has also proposed six principles with policy issues. Still the important concept is not the principle but the policy. The natural goal for any policy framework is to improve financial inclusion by maximizing on a sustainable basis, the availability of financial services to a wide range of users at affordable prices in a stable and sound financial system. The policy should ensure the direct government involvement in a constructive and cost-effective way. Based on these goals, these inclusive principles guide policy framework to improve financial inclusion. These principles are complementary, and should be considered together. These principles are not exhaustive and will evolve continuously over the time.

In short, the new message is very clear, access to finance is limited, barriers lead to exclusion for the non-poor as well as the poor, finance is not only pro-growth, but also pro-poor. Government policy agenda is lengthy but few quick fixes including building institutions, prioritizing reforms, underpinning infrastructures to exploit technological advances, promoting competition, and ensuring that regulation provides the correct incentives. The Indian government, the various apex regulators and the Indian banks like in any other nation is in a transition stage continuously looking for a set of conditions, a set of principles that can spur innovation for financial inclusion while safeguarding financial stability, transparency, neutrality and responsibility. The RBI adopted the bank-led model as its main plank for achieving the goals under financial inclusion

In recent years, much anticipation has been placed on the transformative power of financial access. Microfinance innovativeness in credit market brings efficiency and equity, and outcomes are not necessarily Pareto efficient (Besley, 1994, Stiglitz and Weiss, 1981). This reinforces the assumption that marginal return to capital is large when capital is scarce leading to the claim that the poor have sizeable returns to reap from financial access. Yet, big banks had difficulty providing such access profitably. The reason being: lack of collateral, size of transaction and cost to attract interest from the banks (Johnston and Morduch, 2008).

## 3. The Indian Scenario: the Past; the Present and the Future

We in our attempts to address access to financial services started with building infrastructure including an apex institution and dedicated regulator, over 50,000 rural bank branches including RRBs, over 1,50,000 post offices with basic banking services and cooperatives (Srinivasan and Sriram, 2003). We started the microfinance movement in 1992 and met success in our own way (NABARD, 2004), but the cumulative disbursement were about one tenth of our demand (Mahajan and Nagasri, 2000). Our government in eagerness nationalized banks; gave huge subsidies, treated self-help groups as panacea and pushed banks and departments to form these groups with aggressive targets without a better policy, and infrastructure. This became the cause of our initial failure to achieve real progress. The areas of corrective actions which in a broader sense still exist can be basically divided into four parts. First is the increased complexity in the regulation of banks where the provider side needs to overcome psychological barriers. Banks continue to pursue the corporate and the retail banking along with priority sector lending. Second is the development of basic financial market infrastructure to overcome physical barriers to access. We can overcome this systematically with digitalization. Third is enabling the regulatory framework to overcome regulatory barriers to access. Even if we overcome the above two barriers, there are actions that need to be taken on the regulatory side like RBI, IRDA, SEBI to include explicit goal of universal access to financial services, engaging Business Facilitators (BF), and Business Correspondents (BC) with better wages, and other deregulation with respect to interest rates, maturities, financial innovations. Fourth is inculcating the private sector including impact investment and social finance.

The Reserve Bank of India (RBI) Committee on Comprehensive Financial Services for Small Businesses and Low-Income Households with three motives: to frame a clear and detailed vision for financial inclusion and financial deepening; designing principles for achievement of financial inclusion and financial deepening; and development of comprehensive framework to monitor the progress of financial inclusion; brought two bare facts: 90% of small businesses have no links with formal financial institutions; and about 60% of the rural and urban population does not even have a functional bank account which highlights the importance of expanding access to financial services. It suggested six vision statements. These are: Universal Electronic Bank Account for each Indian resident, above the age of eighteen years; Ubiquitous Access to Payment Services and Deposit Products at Reasonable Charges; Sufficient Access to Affordable Formal Credit; Universal Access to a Range of Deposit and Investment Products at Reasonable Charges; Universal Access to a Range of Insurance and Risk Management Products at Reasonable Charges; and Right to Suitability of financial services.

In continuation, four design principles were laid down by the committee, namely Stability, Transparency, Neutrality, and Responsibility, to guide the institutional frameworks and regulation. The committee argues in favour of multiple models and partnerships to emerge various financial entities focusing on specialists instead of general institutions. After the initial failure in the past, this is a clear right step in the right direction to achieve real progress in the present for the future. We have since initiated the Jan Dhan Yojana accounts as a start, we have started the payment banks and the small finance banks with participation from the private sectors and the post office. Payments Banks ensure rapid out-reach of payments and deposit services; Wholesale Consumer Banks, and Wholesale Investment Banks more commonly now known as small finance banks to deepen the penetration of credit services without any retail deposit activity. This committee’s alternative private/public banking framework targets the unbanked more effectively. The insurance products have since been initiated with reasonable charges but it is still being offered by the public sector/government. Some other activities include giving license to a MFI in April 2014 to start banking (Bandhan Bank) which is already having over 2,100 branches spread over 22 states and majority of the branches are in the north-eastern states. It has also started a women only bank (Bharatiya Mahila Bank) in November. 2013 now being merged with SBI to expand access to the women who have nearly 50% less formal accounts compared to men. Similarly, Microfinance institutions were brought under the ambit of the RBI with the Micro Financial Sector Development and Regulation Bill, 2011.

In keeping with this vision, RBI and the government has since taken few more innovative steps. One of them is the use of Indian Post Office with massive information technology modernization and being given a payment bank license to access financial services to the poorest. All account holders being provided with an ATM card in partnership with RuPay, and about 3000 such ATMs has since been installed by end of 2015. Later on these ATMs will be merged with banks for universal use. RuPay is an Indian domestic card scheme conceived and launched by the National Payments Corporation of India (NPCI). It was created to fulfill the Reserve Bank of India's desire to have a domestic, open loop, and multilateral system of payments in India for better penetration. Over 200 million cards have since been issued. Another innovative step to penetrate the non-banked area has been the introduction of white label ATMs through the private sector in India. RBI has issued authorization to four entities. The objective of permitting non-banks to operate white label ATMs was to enhance the spread of ATMs in semi-urban and rural areas, where bank-owned ATM penetration has not been growing. With enhanced effectiveness and profitability, the private sector institutions have been steadily expanding their role in providing financial services to the poor along with embedding credit within a bundle of other goods and services (e.g. seeds, inputs, and weather information, insurance) to secure sustainable social finance and impact investments. At the same time, regulators should develop an enabling environment for creating a competitive financial system with appropriate incentives and governance system so that financial services can be ensured with a high degree of efficiency. In practice, the non-interest cost of borrowing is seen to be higher for the public sector banks relative to the private sector ones. Further, a public sector role should be to work closely with the private sector encouraging and incentivizing financial institutions to serve the poor and lower-income populations.

Money transfer using mobile is another innovative service that enables instant money transfer from one place to another place using mobile, through Indian post offices, through mobile service providers, or through mobile wallet service provider like MobiKwik. This service is a boon for those who regularly remit money to faraway places but do not have access to a formal bank account except access to a mobile phone, personal or with an agent. It has also encouraged banks and mobile phone companies to form alliances. We have in fact given payment bank licenses to quite a few of the mobile companies. These have led to a jump in payment services and deposit services. Now almost all the banks provide a mobile wallet and mobile banking. The regulator should encourage relevant organizations to explore ways to work with mobile network operators (MNOs) and other private-sector actors to identify not only how technology can help drive down costs to more effectively reach poor families, but also how different types of providers can collectively reach these households in an effective manner.

Another innovative method to expand access to financial services has been the introduction of banking correspondent. The role of a BC is to act as an interface between the bank and its customers in places where traditional banking is not feasible. Deposit and withdrawal of money is handled by the BC. Similarly, banks have engaged business facilitators (BF) to educate the poor in unbanked areas on financial services.

On 15$^{th}$ August 2014, Prime Minister Narendra Modi, unveiled the 'Pradhan Mantri Jan Dhan Yojana' scheme of the government on expanding access to financial services which will give access to bank accounts to the poor with each account holder getting a Ru-Pay debit card and a Rs 1 lakh insurance cover. India has made quite a progress in this aspect. It till November, 2016, opened over 500 million Basic Savings Bank Deposit Accounts (BSBDAs), and the process started with no-frill accounts in 2005 and a resurgent Jan Dhan Yojana itself has contributed over 174 million accounts till May 2016.The government's mission would have two phases. Most activities have been done in the first phase and insurance and pension would be covered in second phase by 2018.

The challenge will be establishing a viable system of NBFC-MFIs, postal service staff and public distribution shops becoming BCs with adequate incentives. About 50,000 villages are in forest or hilly areas which will be covered by telecom companies for mobile facility. How much of this will be sustainable in the long run will be a big question as the whole project is still based on government subsidy and commission?

Where do we go from here? Is there still a better alternative for sustainability? We can start with the economic barriers that prevent poor people from accessing financial services and then assess how these economics must change at affordable prices. One of the reasons is the use of direct cash which perpetuates the poor's marginalization from the formal financial system as these pay high costs to store, transport and process cash.

Therefore, the best alternative is to help shift the majority of this cash-based financial transactions into digital form through various digital interface. The digitization of cash creates opportunities for delivering value beyond cost savings in four ways It can be disaggregated into smaller units of right size for the cash flow needs of poor; It can be recorded and used to construct accessible financial histories to develop products that are better matched to unique financial needs and risk profiles; It allows money to bypass the home and helping users to overcome self-control challenges; and the digital financial infrastructure creates the opportunity to maximize adoption and effective usage.

But just increasing access to services is insufficient; the poor must also adopt and use these services. In the past, development interventions plagued by technologies that were made available to their intended users, were not adopted. To address this demand-side challenge, service providers along with the regulators should support research and product design experiments to better understand what work best to encourage poor people to adopt and actively use financial services over these platforms. Only the combined effect of these interventions will accelerate the rate at which poor people transition out of poverty while decelerate the rate at which they fall back into poverty. This change should be more dynamic with respect to market development along the path to an inclusive digital financial system tailor made to our interventions based around four initiatives Payment system with right scale and size; Regular financial services at right scale and size; Partnership with new differential players; and Research and Innovation.

Finally, RBI has tried to create an enabling environment that facilitates competition and fosters innovation. International experience reflects that digitizing social transfers is an effective way of bringing the excluded within the financial system. Banks have only recently acknowledged that the rural poor are indeed bankable, and are working towards creating strong business models that while creating financial inclusion amongst the excluded; also make strong business sense to the banks themselves. Still, banks find more comforts in commercial and retail business, and are rarely interested in this segment of the business at the bottom of the pyramid. As such, The Business aspect of financial inclusion is the biggest psychological barrier in India. RBI has constantly and progressively been removing these physical barriers but removing psychological barrier in the mind-set of the people working in these banks will remain a challenge. This is possible only when financial inclusion is treated as an essential part of strategic financial sector growth and development by the government and the regulators.

Going forward, RBI has already initiated steps in this direction by giving license to small finance banks with respect to vertical differentiated banks. The regulatory should encourage close public-private cooperation which will be a key factor in removing such barriers as cost, distance, and regulatory complexities. We hope that these Banks in future will introduce new products and services crafted to the needs and income streams of poor borrowers which will enable self-sustaining financial inclusion. While India has so far stayed clear of making mandatory subscription to such financial products, the failures of the NPS Lite scheme in the recent past point to a need for more creative ways to get more people to enlist themselves as benefactors of these products. One can only gauge the extent to which they shall succeed after these plans pan out in communities they are designed to succeed in.

## References


- Beck, T., Kunt, A.D., and Peria, M.S.M. 2007a. Banking Services for Everyone? Barriers to Bank Access and Use around the World'. Policy Research Working Paper 4079, World Bank, Washington, DC
- Besley, T. 1994. How do market failures justify interventions in rural credit markets? World Bank Research Observer Vol. 9: 22-47.
- Chakrabarty, K.C. 2011. Financial inclusion and banks – issues and perspectives', FICCI-UNDP Seminar on "Financial Inclusion: Partnership between Banks, MFIs and Communities", New Delhi, 14 October 2011.
- Cihak, M. 2012. Finance: Good, Bad, or Something in Between? Tell Us What You Think', All About Finance (blog), blogs.world bank.org, World Bank, Washington, DC. http://blogs.worldbank.org/allaboutfinance/finance-good-bad-or-something-in-between-tell-us-what-you-think.

- Ellis, K., Lemma, A., and Rud, J.P. 2010. Investigating the impact of access to financial services on household investment. Overseas Development Institute, London, UK.
- Finance for All? Policies and Pitfalls in Expanding Access, 2008. The World Bank, Washington, DC.
- Financial Inclusion, Global Financial Development Report, 2014. The World Bank, Washington, DC.
- Galor, O. and Zeira, J. 1993. Income Distribution and Macroeconomics. Review of Economic Studies. Vol. 60: 35-52.
- Honohan, P. and King, M. 2012. Cause and effect of Financial Access: Cross-Country Evidence from the Finscope Surveys. IIIS Discussion Paper No. 399, Department of Economics and Institute for International Integration Studies, Trinity College, Dublin.
- Insurance Regulatory and Development Authority. http://www.-policy holder.gov.in/ Economically_Vulnerable.aspx.
- Innovative Financial Inclusion, G20 Financial Inclusion Experts Group—ATISG Report, 25 May, 2010.
- Johnston, D., and Morduch, J. 2008. The unbanked: evidence from Indonesia', World Bank Economic Review, Vol. 22, 3, 517-537.
- Kunt, A. D. and Klapper, L. 2012. Measuring Financial Inclusion. The Global Findex Database. Policy Research Working Paper 6025, The World Bank.
- Mahajan, V., and Nagasri, G. 2004. Building Sustainable Microfinance Institutions in India http://www.sadhan.net/Adls/Microfinance/PerspectiveMicrofinance/ BuildingSustainableMFIs.pdf.
- Mustafa K. Mujeri, M.K. 2015. Improving Access of the Poor to Financial Services.http://www.plancomm.gov.bd/wp-content/uploads/2015/02/1_Improving-Access-of-the-Poor-to-Financial-Services.pdf
- NABARD, 2004. Progress of SHG-Bank Linkage in India 2003-2004, National Bank for Agriculture and Rural Development, Mumbai.
- Nachiket Mor Committee, Committee on Comprehensive Financial Services for Small Businesses and Low Income Households Report, RBI, 2014.
- Rajan Committee, (2008), A Hundred Small Steps-Report of the Committee on Financial Sector Reforms, RBI.

- RBI, (2008), Report of the Committee on Financial Inclusion, Jan 2008, RBI.
- RBI, (2014), RBI Annual Report 2013-2014, RBI.
- Rethinking the Role of the State in Finance, Global Financial Development Report 2013, The World Bank, Washington, DC.
- Srinivasan, R., and Sriram, M. S. 2003. Microfinance: An Introduction. IIMB Management Review, June.
- Stiglitz, J. E. and Weiss, A. 1981. Credit Rationing in Markets with Imperfect Information', The American Economic Review, Vol. 71, 393-410.
- World Bank, 2013. Global Financial Development Report 2013, 'Rethinking the Role of the State in Finance', Washington, DC, World Bank.