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Assessing the Success of Financial Innovation for Social Impact: Conceptual Study

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ABSTRACT

Financial innovation, a dynamic concept that assisted in shaping of global economy, holds paramount importance in today's capitalistically oriented world. This report investigates and understands the significance, scope, challenges, and future prospects of financial innovation, drawing insights from established articles and reports. The report revolves around various scope of the financial innovations, policies, products encompassing various sectors. However, challenges & barriers abounded in this concept constraints and creates hurdles to widespread adoption and implementation. Key milestones are been evaluated after recognition of breakthrough efforts put by government and its policies that actually embraced in paving the way to create more inclusive and resilient financial ecosystem.In conclusion, the report provides a holistic overview of financial innovations in India by synthesizing insights from scholarly articles, reports. It also evaluates fosters of collaboration between governments, private sectors and emerging technologies that are being initiated to aid poverty reduction and reach the product-services in the hands of common public.

Introduction

Financial innovation for social impact involves the development and implementation of new financial products, services, or technologies that aim to address social or environmental challenges while also generating financial returns. These innovations leverage the power of finance to create positive change and make a meaningful impact on society. By blending profit motives with social objectives, financial innovation has the potential to drive sustainable development, promote inclusivity, and address pressing global issues such as poverty, inequality, and other economical uncertainty.

Objectives

- To analyse & evaluate the effectiveness of financial innovative products for social impact.
- To identify key financial innovations that have a significant impact on the citizen's lives.
- To assess the accessibility and inclusivity of financial innovations in reaching individuals.
- To identify the challenges and barriers faced in implementing financial innovations.
- To provide recommendations for further improvement and expansion.

Statement of Problem

The problem at hand revolves around understanding the social impact of financial innovation in India. As the country experiences technological advancements and the rapid adoption of innovative financial services, it is crucial to comprehensively evaluate the implications of these developments on society. Specifically, the report aims to analyze the extent to which financial innovation is contributing to positive or negative social outcomes in India. Additionally, it aims to identify the key factors that influence the social impact of financial innovation and provide insights into potential measures for mitigating any adverse effects. By addressing these concerns, the report intends to shed light on the intricate relationship between financial innovation and its consequences on various social dimensions in India, ultimately assisting policymakers and stakeholders in formulating strategies that promote inclusive and sustainable development.

Literature Review

- Dr. M.N. Prakash's literature review explores how the user interface of UPI affects consumer satisfaction, highlighting its popularity in India and providing insights for enhancing user experiences and adoption.

- Dr. Parul Deshwal's literature review presents comprehensive statistical data on mobile banking, shedding light on its prevalence and usage patterns. The review delves into various aspects such as adoption rates, transaction volumes, and user demographics, providing a thorough understanding of the mobile banking landscape.
- The literature review of the Mudra Yojana showcases the findings of the NSSO survey, which provides comprehensive data on the scheme. The review discusses the various aspects of the scheme, such as its impact, loan disbursement, and beneficiary demographics.
- Padmaja Pancharatnam's literature review on the Pradhan Mantri Fasal Bima Yojana (PMFBY) examines its efficacy in providing crop insurance to farmers, analyzing the scheme's impact, claim settlement process, and its coverage of different agricultural regions in India.

Significance

Financial innovations for social impact hold significant importance in India as they have the potential to address many pressing social and economic challenges facing the country. By leveraging innovative financial products, services, and technologies, India can make substantial progress towards achieving inclusive growth, poverty reduction, and sustainable development. These financial innovations enable increased access to capital for underserved populations, support the growth of social enterprises, and facilitate investments in sectors such as healthcare, education, clean energy, and agriculture. Moreover, by promoting financial inclusion and empowering marginalized communities, financial innovations for social impact in India can contribute to building a more equitable society and fostering long-term economic resilience and prosperity.

Additionally, by encouraging the adoption of sustainable practices and technologies, financial innovations can contribute to India's economy and unlock new sources of capital and capitalistic oriented products and services.

Scope

The scope of financial innovations for social impact in India is vast and multifaceted. These innovations have the potential to address a wide range of social and economic challenges while catalysing positive change across various sectors. Some key scopes include:

- **Financial Inclusion**: Expanding access to financial services for underserved populations, including rural communities, women, and low-income individuals, through innovative fintech solutions like mobile banking, digital payments, and microfinance.

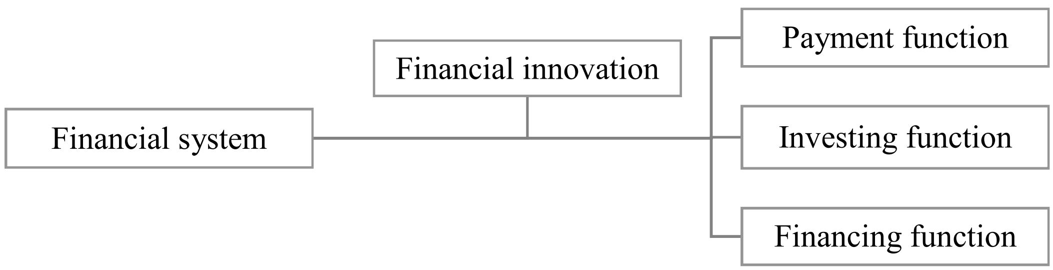
- **Impact Investing**: Encouraging investments that generate measurable social and environmental impact alongside financial returns, thereby supporting social enterprises, sustainable businesses, and initiatives focused on areas such as healthcare, education, and clean energy.
- **Microfinance and Microcredit**: Providing small loans and financial services to entrepreneurs and small businesses in rural and urban areas, empowering individuals to start or expand their ventures and improve their livelihoods.
- **Green Finance**: Promoting investments in renewable energy, sustainable agriculture, and environment-friendly initiatives to mitigate climate change, enhance resource efficiency, and support India's transition to a greener economy.
- **Social Bonds and Impact Funds**: Facilitating the issuance of social impact bonds, green bonds, and other financial instruments to raise capital for social projects, infrastructure development, and community initiatives that deliver positive social outcomes.
- **Technology and Innovation**: Leveraging advancements in technology, such as blockchain, artificial intelligence, and big data, to create innovative financial solutions that enhance transparency, efficiency, and accessibility in the delivery of social services and support social impact initiatives.
- **Policy and Regulation**: Developing supportive regulatory frameworks and policies that encourage and facilitate financial innovations for social impact, fostering an enabling environment for sustainable growth and social transformation.

Through these diverse scopes, financial innovations for social impact in India have the potential to drive sustainable development, reduce inequality, and create lasting positive change in the country's social and economic landscape.

Structure

The structure of financial innovation is shown in the above chart. Financial system serves as a crucial mediator for all the offerings and products within the financial landscape.

By pushing the boundaries of traditional practices and introducing novel ideas, technologies, and approaches, financial innovation catalyses the evolution of financial services, products, and institutions. It acts as a bridge connecting diverse stakeholders, from investors and entrepreneurs to consumers and



policymakers, by facilitating greater accessibility, efficiency, and inclusivity. Whether through the development of new investment vehicles, the integration of cutting-edge technologies in payment, investing, financing function or the design of socially responsible financial products, innovation plays a central role in shaping the future trajectory of the financial system. It not only drives competitiveness and growth in the industry but also paves the way for transformative changes that have the potential to enhance financial stability and increase transparency.

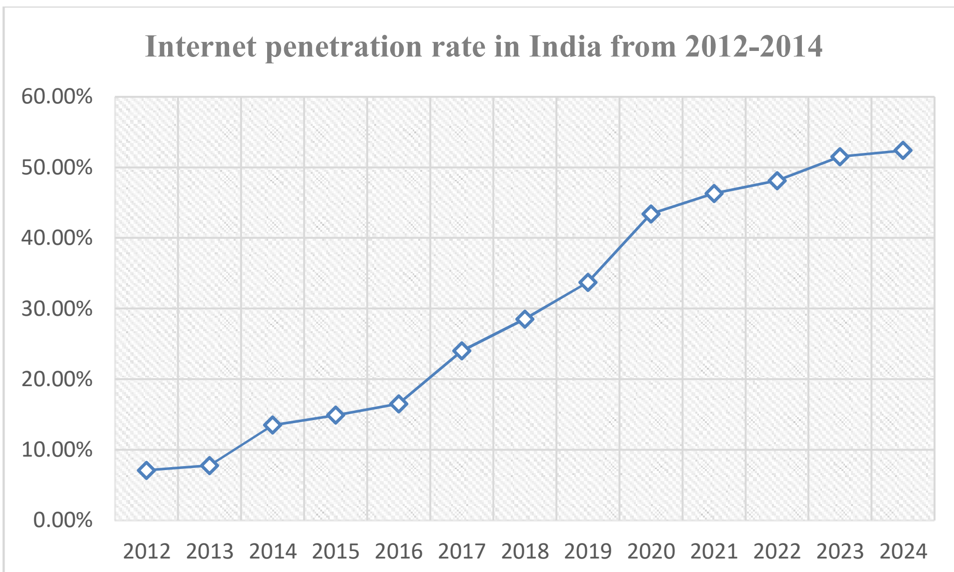
Challenges & Barriers in Financial Innovation

The landscape of financial innovation in India is marked by a tons of challenges and barriers that often impede the widespread adoption and implementation of new and transformative ideas. From infrastructural limitations like inadequate digital infrastructure and lack of internet connectivity, hindering access to innovative financial services, to gaps in knowledge and awareness about evolving financial technologies, there exist significant hurdles to catalysing innovation across the financial sector. Additionally, funding constraints and limited capital availability pose substantial challenges for entrepreneurs and innovators looking to develop and scale innovative financial solutions. Overcoming these barriers demands a concerted effort to address issues related to digital inclusion, knowledge dissemination, investment support, and infrastructural development to unlock the full potential of financial innovation in India and ensure its benefits reach all segments of society.

The following figures provide a comprehensive overview of the statistical data pertaining to innovation in various scopes within the financial sector. Through these figures, a clear picture emerges showcasing the impact and reach of financial innovation across different dimensions such as internet connectivity, financing challenges, shift from traditional banking method, digital infrastructure.

Internet Connectivity

The internet plays a pivotal role in modernizing digital infrastructure across various sectors, including finance, by serving as a fundamental enabler of connectivity, communication, and innovation. In India, this phenomenon holds true as well, where the widespread adoption of the internet has revolutionized the way financial services are accessed, delivered, and utilized.



The data plot sheet depicting the internet penetration in India from 2012 to 2024 reveals a gradual but consistent increase in internet usage across the years. The figures illustrate a notable progression from 7.09% in 2012 to 52.4% in 2024, indicating a significant rise in internet connectivity and adoption rates. However, notable setbacks are observed in the years prior to 2014 when penetration rates were below 10%, citing challenges attributed to inadequate digital infrastructure within the nation. These lower percentages in the early years signify a period of relative backwardness in terms of internet connectivity, possibly due to infrastructure limitations, technological constraints, and accessibility barriers hindering widespread internet adoption.

Lack of Financing Houses

The lack of robust financing structures acts as a significant constraint the pace and scale of financial innovations in India. Access to capital is a crucial factor in driving innovation within the financial sector, as it provides the necessary resources for entrepreneurs, startups, and institutions to develop and implement novel. However, there are notable examples of financing houses that have been instrumental in supporting the financial innovations in the country. Entities such as the Small Industries Development Bank of India (SIDBI), National Bank for Agriculture and Rural Development (NABARD), and various venture capital firms and impact investors play a pivotal role in providing funding, expertise, and resources to fuel the growth of innovative financial initiatives in India.

Financing infrastructure index			
Year	No of centres	Demand %	Satisfied index %
2012	7836	83.11	11.42
2013	11456	71.96	10.23
2014	18562	72.49	23.12
2015	20101	81.14	22.14
2016	34562	92.12	38.26
2017	39003	87.62	40.01
2018	45102	74.1	39.28
2019	52015	94.12	51.23
2020	63784	71.24	36.15
2021	104712	63.12	33.06
2022	172456	74.56	48.32
2023	198879	87.62	47.98
2024	200000+	89.12+	49.31+

The chart shows the number of financial infrastructure centres in India against demand and the satisfaction index percentage from 2012 to 2024 provides a comprehensive view of the evolving landscape of financial infrastructure in the country. Over the years, the data reflects the dynamic interplay between the supply of financial infrastructure centres and the corresponding demand, as well as the level of satisfaction among citizens. Additionally, monitoring the satisfaction index percentage offers valuable feedback on the effectiveness and efficiency of financial infrastructure centres in delivering services & meeting the expectations. The data illustrates a trajectory of fluctuating demand

and satisfaction levels concerning financial infrastructure centres in India from 2012 to the present, featuring notable trends and patterns. Over the years, while demand varied, the infrastructure consistently struggled to satisfy the needs of the population adequately. Particularly striking is the substantial imbalance evident in earlier years, with minimal satisfaction rates despite high demand, exemplified by 2012's 83.11% demand with only 11.47% satisfaction. The years following 2014 witnessed incremental improvements, notably peaking in 2019 amidst the global pandemic, where demand reached 94.12% with 51.23% satisfaction. However, the subsequent years saw a decline in satisfaction levels, possibly due to pandemic implications and infrastructure challenges. As of the incomplete 2024 data, despite an 89.12% demand, satisfaction lingered at 49.31%, indicating the persistent struggle of financial infrastructure to adequately cater to the escalating demands, falling short of meeting even half of the population's needs effectively. Addressing this shortfall remains imperative for fostering a more inclusive and responsive financial ecosystem in India.

Lack of Digital Infrastructure

Before 2016, India grappled with a significant deficit in digital infrastructure that posed a formidable barrier to the widespread adoption and integration of digital technologies across various sectors. The lack of adequate digital infrastructure encompassed factors such as limited internet connectivity, insufficient startup aiders, inadequate technological resources, and fragmented digital ecosystems. These deficiencies hindered the seamless flow of information, restricted access to online services, and impeded the digitization of critical processes.

Rural areas, in particular, faced pronounced challenges due to poor network coverage and limited access to technological tools, exacerbating the digital divide between urban and rural populations. Moreover, infrastructural bottlenecks, outdated systems, and insufficient regulatory frameworks hampered the development of a robust digital ecosystem necessary to support the burgeoning demands for digital services and innovation. The deficit in digital infrastructure before 2016 underscored the imperative for strategic investments, policy reforms, and concerted efforts to bolster India's digital backbone and pave the way for a more inclusive, connected, and technologically advanced future.

Products of Financial Innovation

India's financial ecosystem has seen constant innovation and adaptation with changing economic dynamics. Products from financial innovation in India reflect a blend of traditional financial instruments, together with advances in technology and market-driven solutions for the varied needs of its developing population. From the innovated digital payment systems to innovative investment vehicles, these have played a vital role in creating financial instruments, nurturing economic growth, and empowering individuals and businesses across the country.

Financial innovation has brought many products and services stitched to the unique needs of its economy and population. Some notable examples include:

Unified Payments Interface [UPI]

Unified Payments Interface (UPI) is a system that powers multiple bank accounts into a single mobile application (of any participating bank), merging several banking features, seamless fund routing & merchant payments into one hood. It also caters to the "Peer to Peer" collect request which can be scheduled and paid as per requirement and convenience.

NPCI conducted a pilot launch with 21 member banks. The pilot launch was on 11th April 2016 by Dr. Raghuram G Rajan, Governor, RBI at Mumbai. Banks have started to upload their UPI enabled Apps on Google Play store from 25th August, 2016 onwards.

For instance, the UPI platform made transactions easier and cheaper for all, as it allowed users to pay their bills, shop online, split bills with friends, or even make purchases at local stores with a quick scan of a QR code. Besides, being a platform that allows for interoperability across different banks and payment platforms, users can still access their funds and transact using UPI, irrespective of their banking provider. Again, UPI turns out to be a cost-effective and efficient solution that can be leveraged by merchants for accepting payments. On the other hand, accepting UPI payments allows merchants to streamline their operations, reduce their costs on handling cash, and foster a payment experience that transforms the way business takes place in their establishment. Ultimately, UPI democratized financial transactions in India, which allowed both consumers and merchants to enjoy a seamless & secure payment system.

Mobile Banknig and Digital Wallets

In the dynamically changing scenario of Indian finance, mobile banking and digital wallets have changed the paradigm for convenience, accessibility, and financial inclusion. With involvement of smartphones and good telecommunication infrastructure, mobile banking was born, allowing users to access banking services and conduct transactions at any time and any place from just a few taps on their mobile phones.

At the same time, digital wallets offer a versatile platform to customers who store funds, make payments, transfer funds, and avail of many financial services. These two have revolutionized the way in which people deal with their finances, through which they perform transactions, and also engage with the economy, and they are steering India toward a cashless future and empowering millions with new financial freedom. This introduction contextualizes the transformative effects of mobile banking and digital wallets on the Indian financial landscape, emphasizing how they are pushing financial inclusion, improving accessibility, and changing the landscape of traditional banking paradigms adopted through wallets on Paytm, PhonePe & GooglePay.

Microfinance

Microfinance in India plays a crucial role in providing financial services to the underprivileged and marginalized sections of society. With a large population living in poverty and limited access to formal banking services, the Indian government has recognized the importance of microfinance in empowering the poor and promoting inclusive economic growth.

The government has also introduced various policy initiatives with the aim of promoting microfinance in India. One significant initiative is the Pradhan Mantri Jan Dhan Yojana (PMJDY), a financial inclusion program launched in 2014. PMJDY aimed to provide access to banking services to all households, especially those in rural and remote areas. The program encouraged the opening of bank accounts, issuance of Aadhaar cards, and access to various financial services like microloans and insurance schemes, thus promoting microfinance at the grassroots level.

Another initiative by the government is the Micro Units Development and Refinance Agency (MUDRA), established in 2015. MUDRA provides refinancing assistance to microfinance institutions and supports the development of micro-enterprises by offering credit facilities tailored to their specific needs. This initiative has been instrumental in enhancing the availability and accessibility of finance to small-scale entrepreneurs and self-help groups.

Ease of Digital Investment

Digital investment in India has witnessed significant growth in recent years, driven by technological advancements, increased internet penetration, and a shift towards digital transactions. The emergence of various platforms and apps has made investing in financial instruments more accessible and convenient for individuals across the country.

One of the major advantages of digital investment in India is the ease and convenience it offers. Traditional investment avenues required physical presence and extensive paperwork, which often deterred potential investors. However, with digital investment platforms, individuals can easily open investment accounts, complete KYC procedures, and initiate transactions from the comfort of their homes or offices. As digital infrastructure continues to improve and more people embrace digital transactions, the growth and popularity of digital investment through brokers like Upstox, Grow, Fyres, Zerodha, etc

Rural Insurance Products

The Rural and low income Segment Insurance Scheme in India aims to provide insurance coverage to the rural and low-income population, who often lack access to formal insurance products. These schemes are implemented by the government and insurance companies, and they offer affordable and customized insurance products to cater to the specific needs of this segment. The schemes cover a wide range of risks such as life, health, crop, livestock, and property. These insurance schemes play a crucial role in safeguarding the financial stability of rural and low-income households, protecting them from unexpected events and helping them recover from losses.

For example, in the case of a crop insurance scheme, farmers can opt for insurance coverage to protect their crops against risks such as natural calamities, pests, diseases, and adverse weather conditions.

Analysis of Statistics with Evidence

India has witnessed a significant rise in the adoption of financial innovative products in recent years. This has not only transformed the financial landscape but has also had a profound impact on the lives of individuals and families. To gauge the effectiveness and satisfaction levels of these products, extensive research and studies have been conducted, providing us with valuable statistical data and its interpretation. These statistics offer a glimpse into how users in India perceive and benefit from financial innovative products, shedding light on their overall satisfaction and the positive impact these products have on their financial well-being. Through a thorough analysis of this data, we can gain a deeper understanding of the role and significance of financial innovative products in India's evolving financial ecosystem.

Study on UPI

This study focuses on the adoption and satisfaction levels of UPI (Unified Payments Interface) in India. UPI has revolutionized digital payments by providing a seamless and convenient platform for users. Through statistical analysis, this study aims to assess the satisfaction levels of UPI users and its impact on their financial journey.

Questions	Particulars	No.Of.Respondants	Percentage
Prefer to use digital payment system	Yes	112	93.33
	No	8	6.67
	Total	120	100
UPI payment is fully secured	Yes	99	82.5
	No	21	17.5
	Total	120	100
UPI apps are user friendly	Yes	110	91.67
	No	10	8.33
	Total	120	100
Satisfied with payment system of UPI	Yes	110	91.67
	NO	10	8.33
	Total	120	100
Recommend to others	Yes	111	92.5
	NO	9	7.5
	Total	120	100

The chart represents the satisfaction levels of users in various aspects related to UPI (Unified Payments Interface) in India. The data presented is based on report from a established theoretical and statistical study.

The first question asks whether users prefer to use a digital payment system, and it is observed that 112 out of the total respondents agreed, while only 8 disagreed. This indicates that a large majority of users find digital payment systems preferable.

The second question focuses on the security of UPI payments. Out of the respondents, 99 individuals said that UPI payments are fully secure, while 21 respondents expressed their concerns regarding the security. Although a majority of the respondents trust the security of UPI payments, there is still a significant number who have reservations.

The third question assesses the user-friendliness of UPI apps. A total of 110 respondents found UPI apps to be user-friendly, while 10 respondents disagreed. This suggests that most users find UPI apps easy to navigate and interact with.

The fourth question investigates overall satisfaction with the UPI payment system. The data shows that 110 respondents expressed their satisfaction, while 10 respondents were dissatisfied. This implies a high level of satisfaction among users regarding the UPI payment system.

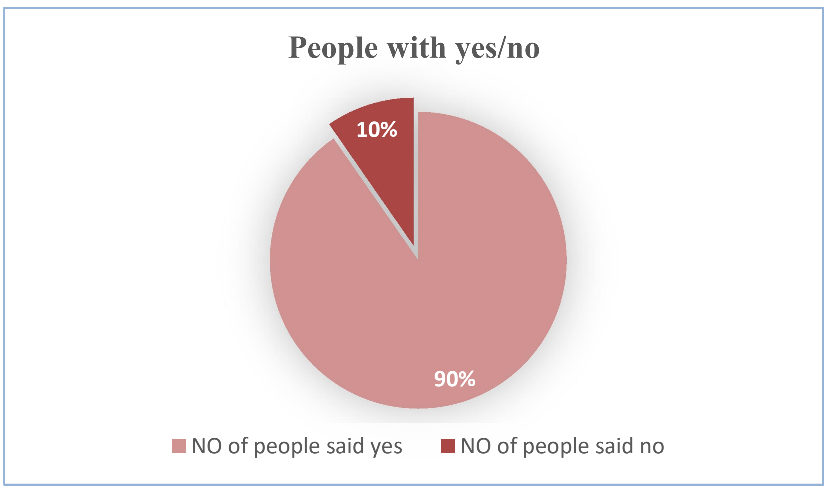


Fig: 7.1.1

Conclusion: Overall, the majority of users expressed their satisfaction with various aspects of UPI, including preferences for digital payment systems, security, user-friendliness, overall satisfaction, and recommending UPI to others. However, there are still a subset of respondents who may have concerns regarding the security of UPI payments.

Mobile Bankning and Digital Wallets

The data interpretation presented here focuses on the satisfaction levels and preferences of users regarding mobile banking and digital wallet services. The collected data represents the responses of a sample of users who are actively engaged in these digital financial services.

The analysis aims to provide insights into various aspects related to mobile banking and digital wallet usage, including user preferences, satisfaction levels, and concerns regarding security and user-friendliness.

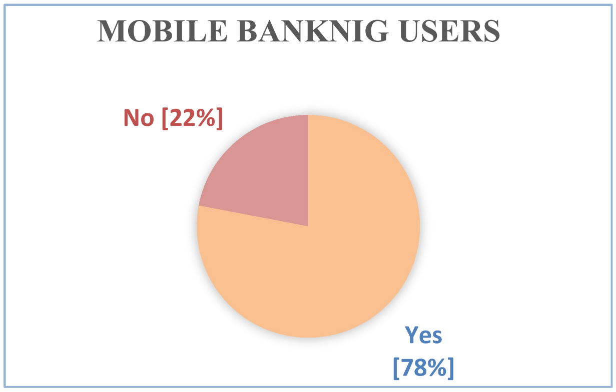


Fig: 7.2.1

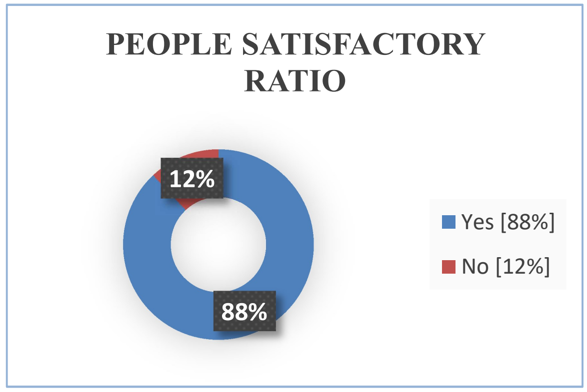


Fig: 7.2.2

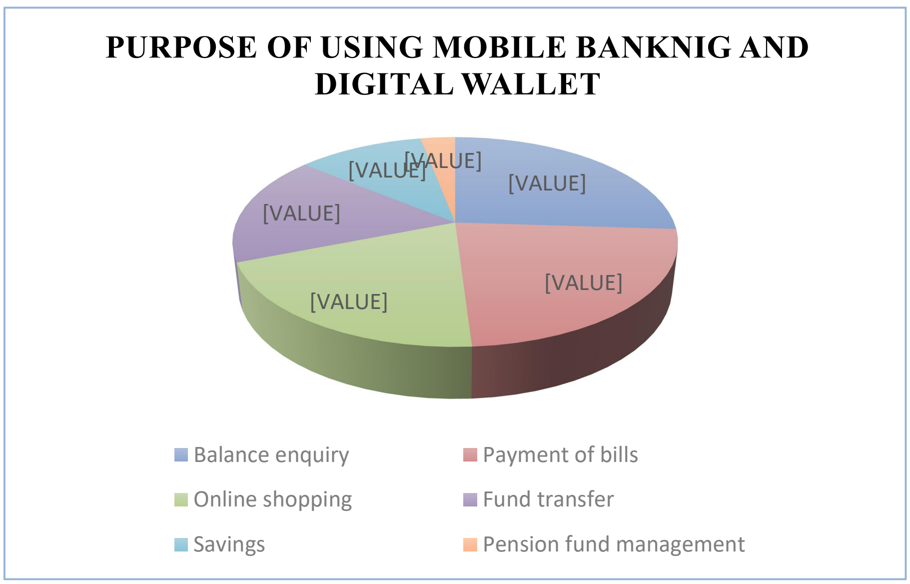


Fig: 7.2.3

Data interpretation of the 3 pie charts are interpreted below

Figure 7.2.1 shows the distribution of mobile banking users among 350 respondents. Among them, 78% of the respondents answered yes to using mobile banking, while the remaining 22% answered no. The presence of a relatively large proportion of non-users suggests a potential for growth in mobile banking adoption. This can be an opportunity for financial institutions and service providers to target and educate the non-users about the benefits and convenience of mobile banking, potentially increasing its usage in the future.

Figure 7.2.2 displays the satisfaction levels of the users. Among the respondents, 88% reported being satisfied with mobile banking, while 12% expressed dissatisfaction with the service. This shows that the majority of the users are generously satisfied with the use of digital wallet and mobile banking.

Figure 7.2.3 provides insights into the various purposes for which mobile banking and digital wallets are used. The highest proportion (26%) of respondents use mobile banking to enquire about their account balance. Following this, 23% of the respondents use it for bill payments, 20% for online shopping, 17% for fund transfers, 11% for savings purposes, and only 3% use it for pension fund management.

Conclusion : Based on the data provided, we can conclude that a significant majority (78%) of the respondents use mobile banking. Furthermore, the majority (88%) of mobile banking users reported being satisfied with the service. The most common purpose for using mobile banking is to enquire about account balances, followed by bill payments and online shopping. Overall, these findings suggest that mobile banking is widely used and appreciated by the respondents for its convenience and functionality.

7.3. **Microfinance**

Microfinance in India has played a significant role in empowering the underprivileged sections of society and promoting financial inclusion. This analysis aims to examine the data surrounding the performance and impact of microfinance institutions in the country, providing valuable insights for

Pradhan Mantri Mudra Yojna (PMMY)

Scheme	2015-16			2016-17			2017-18		
	No. of Accounts (lakh)	Amount sanctioned (₹ in crore)	Amount disbursed (₹ in crore)	No. of Accounts (lakh)	Amount sanctioned (₹ in crore)	Amount disbursed (₹ in crore)	No. of Accounts (lakh)	Amount sanctioned (₹ in crore)	Amount disbursed (₹ in crore)
SHISHU	324.01	62894.96	62027.69	364.98	85100.74	83891.88	426.69	106001.60	104228.05
KISHORE	20.69	43052.55	41073.28	26.64	53545.14	51063.12	46.53	86732.16	83197.05
TARUN	4.10	31501.76	29853.76	5.40	41882.66	40357.13	8.06	60943.34	59012.25
TOTAL	**348.80**	**137449.27**	**132954.73**	**397.02**	**180528.54**	**175312.13**	**481.28**	**253677.1**	**246437.35**

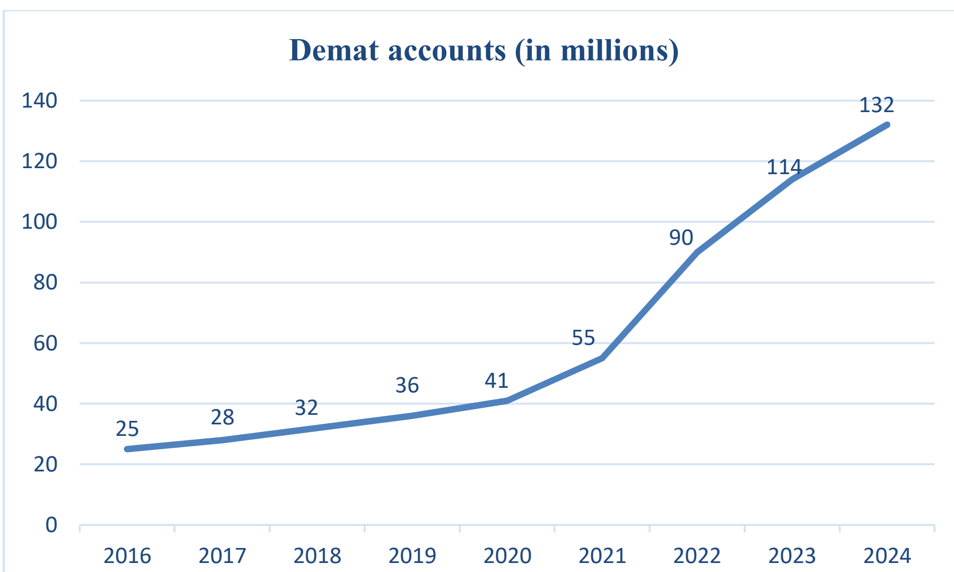
policy-makers and general public.

Under the Pradhan Mantri Mudra Yojana (PMMY) and official data, it is evident that a substantial amount has been allocated for financing low-income individuals in India from 2015 to 2018. Over this period, the government disbursed Rs. 13,29,449.27 crores in 2015-16, Rs. 1,75,312.13 crores in 2016-17, and Rs. 2,46,437.35 crores in 2017-18. However, data for subsequent years is currently unavailable. These figures illustrate the commitment of the government towards promoting entrepreneurship and financial inclusion among marginalized sections of society, facilitating their socio-economic empowerment.

CONCLUSION The Pradhan Mantri Mudra Yojana has allocated significant funds to finance low-income individuals in India between 2015 and 2018. This demonstrates the government's dedication to fostering entrepreneurship and inclusivity. However, data for subsequent years is not currently available.

7.4. **EASE OF DIGITAL INVESTMENT**

The government's initiative to promote ease of digital investment has revolutionized the way individuals can participate in the financial market. Through user-friendly platforms and streamlined processes, any individual with KYC, PAN, Bank account can open Demat account the government has made investments accessible to a broader population, promoting financial inclusivity and empowering individuals to grow their wealth.



The graphical data shows the number of demat accounts in India from 2016 to 2024. In 2016, there were 25 million demat accounts, which increased to 28 million in 2017, 32 million in 2018, and 36 million in 2019. This indicates a gradual growth in the interest of the public towards the stock market and its products during these years.

However, the data also highlights a significant boost in investor participation from 2020 onwards. In 2020, there was a notable jump in the number of demat accounts to 41 million. This can be attributed to the government's efforts to drive people towards the stock market and make it more accessible for individuals.

The subsequent years, 2021 to 2024, witnessed a remarkable surge in demat accounts. The number increased to 55 million in 2021, 90 million in 2022, 114 million in 2023, and further escalated to 132 million in 2024. This indicates a growing interest and participation from the general public in the stock market.

Hence fore the investment participation of nation is witnessed growth, it includes the active participation of merchants, brokers, government to drive national interest towards stock market and other investment instruments.

CONCLUSION

Overall, the graphical data represents the increasing popularity and acceptance of the stock market as an investment avenue in India. It showcases the combined effect of government initiatives and greater public awareness and interest in the financial market.

7.5. RURAL INSURANCE PRODUCTS

This statistical analysis examines the performance and demand for rural insurance products in India. By analysing key metrics such as policy uptake, claims frequency, and customer satisfaction, the study aims to provide insights into the effectiveness and potential for growth in the rural insurance market.

Table 24: Motivations to enrol for the PMFBY in the next season

Haliyal	Sindhanur	Shirahatti	Naragund
Lower premium (29%), coverage of crop failure due to weather-based factors (19%), coverage of risk at multiple stages (11%)	Coverage of risk at multiple stages (17%), clarity of sum insured (16%); coverage of risk at standing crop stage (10%); more coverage of crops (8%)	Coverage of crop failure due to weather-based factors (27%); Coverage of risk at multiple stages (17%), Coverage of risk at sowing stage (16%),	Coverage of risk at multiple stages (24%); Coverage of crop failure due to weather-based factors (18%), Coverage of risk at sowing stage (13%); Coverage of risk at standing crop stage (9%), Coverage of risk due to local calamity (9%)

Source: Primary Survey Data

Note: The percentages were derived by dividing the total responses (including multiple responses) by farmers.

Table 24 below highlights the various reasons why a farmer should consider getting his crops insured. This is just one of the schemes offered under the rural and low-income segment insurance category. In addition to crop insurance, the Indian Government has introduced several opportunities within the rural insurance sector to cater to the specific needs of its rural population. Some of the notable rural insurance schemes provided by the Indian Government are:

1. Pradhan Mantri Fasal Bima Yojana (PMFBY) - Crop Insurance Scheme

2. National Livestock Mission (NLM) - Livestock Insurance Scheme

3. Weather-Based Crop Insurance Scheme (WBCIS)

4. Prime Minister's Suraksha Bima Yojana (PMSBY) - Personal Accident Insurance Scheme

5. Prime Minister's Jeevan Jyoti Bima Yojana (PMJJBY) - Life Insurance Scheme

6. Pradhan Mantri Gramin Suraksha Yojana (PMGSY) - Rural Personal Accident Insurance Scheme

7. Pradhan Mantri Vaya Vandana Yojana (PMVVY) - Pension Scheme for Senior Citizens in Rural Areas

CONCLUSION These initiatives aim to provide financial security and protection to rural communities by offering insurance coverage for various aspects of their lives, including crops, livestock, accidents, and life.

OVERVIEW OF THE CONCEPT & CONCLUSION

This report provides a brief overview of the growing reach and impact of financial innovation products and services in India. It highlights how these innovative solutions are reaching more and more people each year, offering insights into the concept and scope of such products. With a focus on providing financial security and protection to rural communities, the report explores various schemes offered by the Indian Government in the insurance sector, banking sector, investment sector. Overall, it showcases the increasing importance of financial innovation in improving the lives of people across the country and active involvement of government in making country economically strong and stand alone without larger foreign investment in the nation.

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