

A Study on Mobile Based NbfC Catering Towards Rural Indian Customers – Special Reference To Igatpuri District in Maharastra

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ABSTRACT

Economic progress depends on the fact that people in emerging countries tend to view access to money as a fundamental right, akin to access to water, health, etc. This research aims to determine the impact and usage of mobile applications for financial services needed by rural clients. While having access to finance may be necessary for many households to escape poverty, it is not always necessary to have a relationship with a financial institution thanks to technology, data science, and machine learning-based rule engine platforms that are tightly coupled with mobile applications. This study aims to demonstrate how mobile applications are assisting rural Indians in spite of infrastructure issues including energy, transportation, and infrastructure becoming a barrier to meeting their financial demands. Due to the absence of major public sector banks in rural India, NBFCs (Non-Banking Financial Corporations) are forced to meet clients' financial demands because the availability of electricity and power systems is problematic. Mobility offers an alternative solution to this issue. The stack of mobility enters the scene and serves as a crucial link between the NBFC and the customer.

Keywords: Machine Learning, Data science, Rule engine m Mobile platform, NBFC

1. LITERATURE REVIEW

The literature review provides insight into the current topic and its wide range by illuminating its many points of view. The review of easily accessible literature demonstrates the breadth, focus, depth, boundaries, and level of analysis already conducted on the research problem. In order to create the hypothetical framework, identify the research gaps, reflect possible research topics, define the research objectives, and more accurately put together the research techniques for the current study, the reviews are helpful. The evaluation of the existing research investigations shapes and directs the fundamental investigation. This chapter is organized chronologically and is divided into four major sections. Building risk appraisal models, creating financial sustainability forecasting models, analyzing the effects of mergers and acquisitions, looking at the financial ties between banking and non-banking entities, setting up and pricing strategies were among the studies that concentrated on the unique characteristics of Indian NBFCs. The conclusion offers last reflections on the literature review.

We look into the elements that contributed to the notable expansion of non-bank financial institutions that accept deposits in India over the previous ten years. The Reserve Bank of India views these NBFCs as having a significant impact on the system. We demonstrate that bank NBFC lending has a significant impact on NBFC liabilities, as demonstrated by the following facts: (i) bank NBFC lending accounts for a sizable portion of NBFC liabilities; (ii) bank NBFC lending varies depending on the allocation of banks to priority lending industries; (iii) bank NBFC lending declines as banks open more locations in rural areas compared to urban areas; however, (iv) is essentially nonexistent for State Bank of India. These interactions between banks and NBFCs primarily apply to and have an effect on NBFCs that finance assets or loans but not investment enterprises. Contrary to common opinion, the data generally imply that banks in India view lending to NBFCs as a replacement for direct lending in the non-urban sectors of the Indian economy. However, due of inconsistencies in bank deposit flows brought on by what appears to be varying levels of government support for specific banking groupings, this replacement is hindered [1].

The current study gives a detailed understanding of how robo-advisory can lessen behavioral biases from an expert's perspective. As members of the top management level, the quality control team, middleware, or the product development team, these professionals are employed by the information technology, finance technology, NBFCs, and BFSI (Banking

and Financial Services Industry) (Non-Banking Finance Companies) sectors in India. To further understand the phenomenon and automated guidance services, the researchers used an in-depth interviewing technique. Each interview was recorded on tape and then verbatim written down. After the literature research was finished, the transcript content was thoroughly examined utilizing several categories. Due to the fact that the field of robotic advice is still in its infancy, the conclusions are not meant to be generalized [2].

The global financial crisis of 2007–2008 demonstrated the need for a reconsideration of certain long-standing financial fundamentals. Given this context, the need for a new financial system in India is fairly obvious, and the panel discussion that follows raises some challenges specific to India that the various parties involved in this initiative must address. The current paradigm has been questioned across the globe, which has led to an acceptance that modern financial structures and models must emerge in order to take into consideration the variety of socioeconomic conditions that exist worldwide [3].

To meet the capital requirements of microfinance companies, a new, structured product known as securitization has emerged. Background data about the MFI sector and its funding sources are provided in this essay. The letter is followed by interviews with senior executives from two microfinance organizations on their securitization transactions. In our note, we argue that the microfinance sector has to be reinvigorated in order to fulfil the greater goal of financial inclusion. Collaboration between banks and MFIs is required to accomplish this. Banks must provide cash advances or innovative solutions like securitization to help MFIs make the transition to low-cost finance. Business banks must utilize MFIs to increase their capacity for small business origination and recovery [4].

This essay examines the relative importance of microfinance organizations at the macro and micro levels. On the majority of fronts, there is a significant influence. The total allocation of credit and savings in the economy is improved by MFI participation. Their participation enhances economic welfare by reducing income inequality and poverty. Additionally, their active presence serves to discipline traditional commercial banks by increasing competition and encouraging higher efficiency [5].

Islamic Microfinance Institutions were established to provide Qard Hasan in promoting trade and the development of entrepreneurship among microloan borrowers. In this paper, we critically examine the practice currently used by IMFIs in the areas of 1) social ideals from an Islamic perspective that can contribute favorably to Islamic microfinance, 2) the use of Bank using a mobile device capacity to increase availability of financial services, and 3) the introduction of mobile banking as an aiding mechanism for recording financial transactions. The project's goal is to make significant findings that will establish a strong basis for the successful model of IMFIs [6].

In 100 interviews with senior bank clients, we used quotations from the literature on banking financial products. We found that the narrative, the scene, the narrative, and the story—the genre's four essential elements—all failed to captivate the intended audience. We contribute to practice by developing a model that authors of the genre can use to address this problem. We also support the use of metaphors and synonyms and believe that draughts should be reviewed by readers as part of a quality control process. Following that, the genre will live up to the expectations of its audience and wise financial decisions will be made for everyone's financial future to be better for all of us [7].

This study focused on the process for developing rules for the structural banking reform of the European Union, where it was proposed to limit universal banks' ability to engage in both trading and deposit-taking activities. But eventually, no regulation was put into effect. Using the conceptual idea of a law's endogenization, which emphasizes the role of the controlled in creating the viewpoints of the regulators, we explore this instance of global non-regulation. We apply institutional maintenance efforts to identify the strategies used by the regulated and their sympathizers in order to elucidate the endogenization process. We observe that maintenance work includes exaggerating the benefits of the idea of global banking and criticizing reform proposals.[8]

2. DATA ANALYSIS

The characteristics of the studied population, analysis and interpretation of the data collected. it would be better to introduce the respondents, because having an understanding about the respondents may help to estimate the accuracy of the information provided by them. In addition, it may give an idea about how many respondents able to answer the questions forwarded with the acceptable degree of reliability and it helps for all other decisions related to role of NBFCs catering towards mobile based services in rural Indian customers. The present research study broadly covers main aspects of mobile based services offered by NBFCs and users' perception towards the same in Igatpuri District.

Table No. 1 Own or using a smart phone.

Own and Use	No. of Respondents	Percentage
Yes	534	89
No	66	11
Total	600	100

Table no. 1 indicates the status of the respondents who have smart phone and use it. The 534, (89%) respondents have admitted that they have smart phone in Igatpuri district and remaining 66,(11%) have denied to the same.

Table No 2 Deal with NBFCs and mobile based services

Deal with mobile based services	No. of Respondents	Percentage
Yes	345	57.5
No	255	42.5
Total	600	100

Table. No. 2 narrates about the status of the respondents who deal NBFCs, and mobile based services offered by NBFCs. The 345, (57.5%) respondents have admitted that they deal with NBFCs and use the mobile based service in Igatpuri district and remaining 255, (42.5%) have said no to it.

Table No 3 NBFCs belong to the different beneficiaries in Igatpuri District

S. No	Name of NBFC	Number of Beneficiaries	Percentage
1	Muthoot Microfin Ltd.	102	17
2	Mahindra & Mahindra Financial Services	81	13.5
3	Bajaj Finance Ltd	69	11.5
4	BoB Financial Solution	72	12
5	Anand Rathi Global Finance Ltd.	54	9
6	Axis Finance Ltd.	66	11
7	Edelweiss Finance and Investment Limited	60	10
8	HDFC investment Limited	96	16
Total		600	100

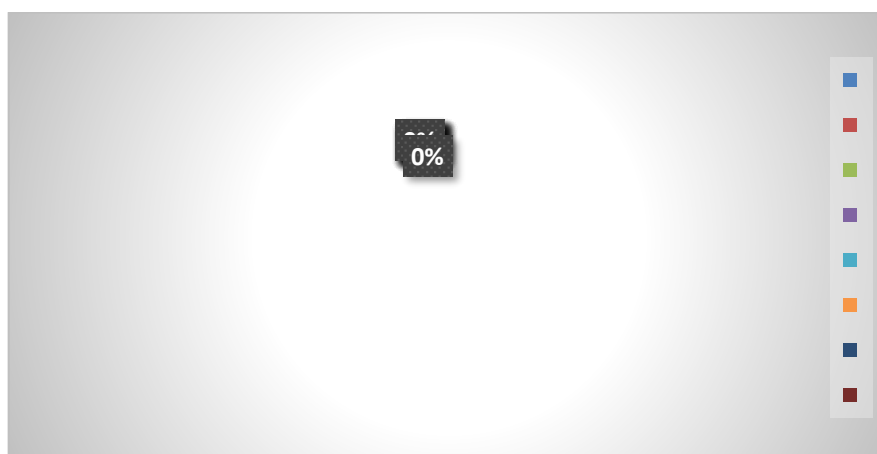
**Figure no 1 no of NBFCs and beneficiaries.**

Table no. 3 and figure no 1 defines the details about the non-banking financial companies and beneficiaries associated with the mobile based services offered by NBFCs in Igatpuri district including three wards. The majority of beneficiaries is with the Muthoot microfin Ltd. With 102, (17%) respondents out of 600. HDFC investment limited got 96, (16%) after that Mahindra and Mahindra financial services got 81, (13.5) and found third position as per the responses from the beneficiaries. BoB financial solution got 72, (12%) with forth position, Bajaj finance Ltd got 69, (11.5%) with fifth position, Axis finance Ltd. got 66, (11%) sixth position, Edelweiss finance and investment Limited 60, (10%) seventh position, and eight position booked by Anand rathi global finance ltd. with 54, (9%) respondent out of 600 respondents.

Table No 4 Awareness about mobile based services and practices offered by NBFCs.

Awareness and Familiar	No. of Respondents	Percentage
Yes	345	57.5
No	255	42.5
Total	600	100

Table no. 4 indicates the awareness about mobile base services and practices offered by NBFCs in Igatpuri district. The 345, (57.5%) beneficiaries have admitted that they are much aware about the practices and services and remaining 255, (42.5%) beneficiaries were not aware about the same.

Table No. 5 NBFCs offer different mobile based services.

Perform Different Services	No. of Respondents	Percentage
Yes	336	56
No	264	44
Total	600	100

Table no 5 describes about the views of respondents in the study to concern with various mobile based services offered by NBFCs in Igatpuri district. When study talks about the services it consists of financial practices and activities offered by NBFCs. The 336, (56%) respondents admitted that NBFCs perform these activities and remaining were not.

Table No 6 The areas and fields are covered by NBFCs towards mobile based services and practices.

S. No	Fields and Areas	Number of Respondents	Percentage
1	Transfer of Money	540	90
2	Remittance of Saving	480	80
3	Loans and Advances	498	83
4	Financial Education	462	77
5	Insurance	516	86
6	Bills and Tax Payment Services	507	84.5
7	Receiving Pension Schemes	234	39
8	Government Grants	249	41.5
9	Technology Enabled Transaction	441	73.5
10	Advisory and Financial Counselling Services	459	76.5
	Total	600	100

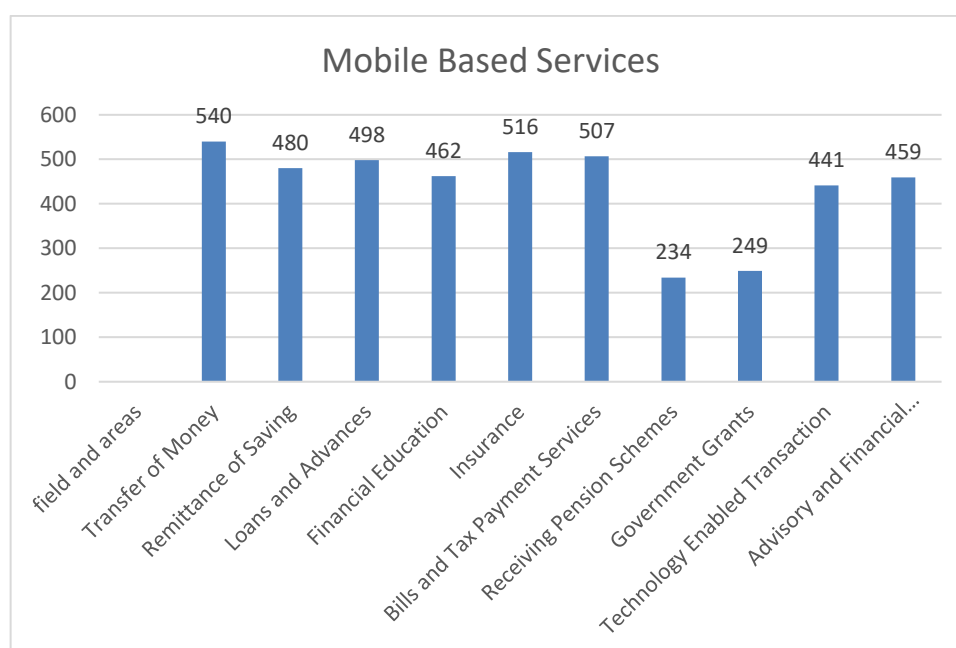
**Figure no 2 Fields and Areas towards mobile based services.**

Table No 5 and figure no 2 specifically narrates about the fields and areas covered by NBFCs towards mobile based services and practices in Igatpuri district. Respondents have booked their views separately. The details of each and every area and field covered in this study is as follow: transfer of money got first position with 540 responses out of 600 at highest among all having 90%, remittance of saving got fifth position with 480, 80% responses, Loans and advances got 498, 83% responses with forth position, Financial education got, 463, 77% responses with sixth position among all, Insurance got 516, 86% responses with second position, Bills and tax payment services got 507, 84% responses with third position, Receiving pension schemes got 234, 41.5% responses with tenth position, Government grants got 249, 41.5% with ninth position, Technology enabled transaction got 441, 73.5% respondents with eight position and Advisory and financial counselling services got 459, 76.5% responses with seventh position among all above fields and areas towards mobile based services.

Table No 6 NBFCs perform different mobile based services and practices because of.

S. No	Forces Behind Services and Practices	Number of Respondents	Percentage
1	Govt. Policies	147	24.5
2	Image Building	102	17
3	Increase Business	198	33
4	Uplift the Society	75	12.5
5	Automated Services	66	11
6	Any other Reason	12	02
Total		600	100

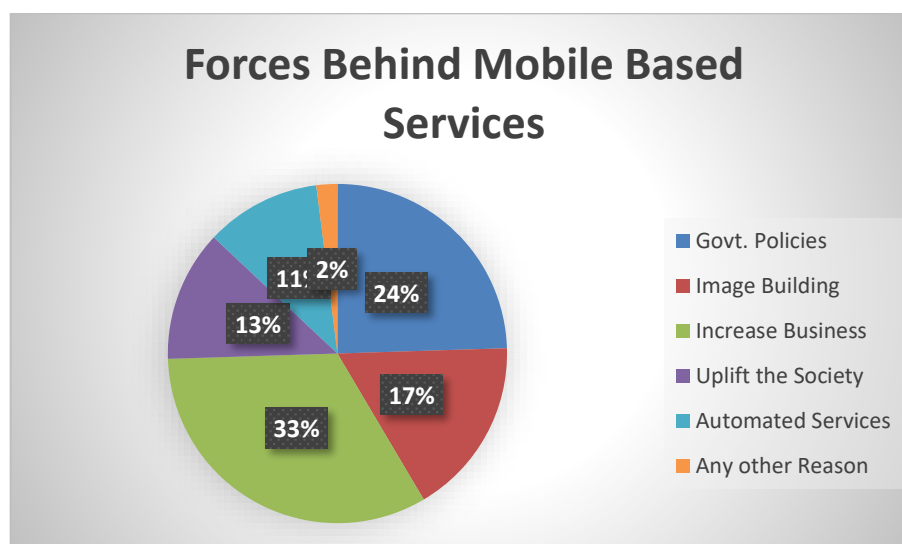
**Figure No.3 Forces Behind Mobile Based Services**

Table No. 6 and figure No. 3. Depicts about the forces behind performing the various mobile based practice for the customers by NBFCs. Respondents have been shared their diverse views while focusing the above-mentioned variable and constructs. The preference of respondents is as follow: Govt. Policies got 147, 24.5% responses out of 600, Image Building 102, 17%, Increase business 198, 33%, Uplift the Society 75, 12%, Automated services 66, 11%, and Other Reasons got 12 responses, 2% respectively.

Table No 7 NBFCs help to minimize the physical visit of customer to the financial institutions.

Physical Visit	No. of Respondents	Percentage
Yes	390	65
No	210	35
Total	600	100

Table no 7 Study presents the status of physical visit to the branches and offices of NBFCs among different groups of respondents. When it was enquired about the role of NBFCs and their services and programs which caused to the less visit ,390 respondents admitted yes, and rest 210 respondents said No.

Table No 8 RBI and other regulatory bodies force these NBFCs to conduct mobile based services.

Force from Regulators	No. of Respondents	Percentage
Yes	309	51.5
No	291	48.5
Total	600	100

Table no 8 indicates towards the force from regulators about mobile based services and practices to offer by NBFCs in Igatpuri district. The 309 respondents have admitted that regulators force NBFCs to offer mobile based services to the customers and remaining respondents were differ from the view.

Table No 9 NBFCs offer different mobile based services for mutual benefits.

Mutual Benefits	No. of Respondents	Percentage
Yes	378	63
No	222	37
Total	600	100

Table no 9 presents the status of the respondents, views towards the mutual benefits with the help of various mobile based services offered by NBFCs. In this regard 378, (63%) of the respondents have admitted and rest of the 222, (37%), have responded no to it.

Table No 10 The NBFCs perform mobile based practices to make better image in the society.

Making Image	No. of Respondents	Percentage
Yes	405	67.5
No	195	32.5
Total	600	100

Table no 10 describes about one of the significant variable to concern with making better image of NBFCs while offering various programs for the mobile based services. There were two options, and it was asked to the respondents, in response of that 405, (67.5%) respondents said yes whereas 195, (32.5%) respondents said no to as their answer.

Table no 11 NBFCs offer mobile based services to increase awareness and attentiveness.

Awareness and Attentiveness	No. of Respondents	Percentage
Yes	318	53
No	282	47
Total	600	100

Table no 11 indicates towards the services and practices offered by NBFCs for awareness and attentiveness through mobile based services in Igatputi district. The 318, (53%) respondents have admitted that NBFCs offer practices and services for awareness and attentiveness among the customers and remaining 282, (47%) were viewed as no to it.

Table No 12 NBFCs perform mobile based activities to spread and increase the financial education among the society.

Financial Education	No. of Respondents	Percentage
Yes	339	56.5
No	258	43.5
Total	600	100

Table no 12 presents the status of the respondents and their views about financial education to customers with the help of mobile based services offered by NBFCs. In this regard 339, (56.5%) of the respondents have admitted yes and rest of the 258, (43.5%), have negative views about the same.

Table No13 NBFCs offer mobile based services to provide better financial services.

Better Financial Services	No. of Respondents	Percentage
Yes	357	59.5
No	243	40.5
Total	600	100

Table no 13 describe the status of respondents and their views about better financial services and practices offered by NBFCs for customers in Igatpuri district. The 357, (59.5%) respondents have admitted that they are convinced with the practices and services and remaining beneficiaries 243, (40.5%) were not.

Table No 14 NBFCs conduct financial literacy programs for the customers.

Financial Literacy	No. of Respondents	Percentage
Yes	438	73
No	162	27
Total	600	100

Table no 14 indicates towards the financial literacy as services and practices offered by NBFCs for the customers in Igatpuri district. The 438 respondents have admitted that they get these practices and services whereas remaining 162, (27%) respondents did not think so.

Table No 15 Mobile based services save time and money of the customers.

Save Time and Money	No. of Respondents	Percentage
Yes	312	52
No	288	48
Total	600	100

Table no 15 presents the status of the respondents and their views towards the time and money saving through mobile based services offered by NBFCs. In this regard 322, (52%) of the respondents have admitted yes and rest of the 288, (48%), have responded no to it.

Table No 16 NBFCs have come with number of merits.

Merits	No. of Respondents	Percentage
Yes	357	59.5
No	243	40.5
Total	600	100

Table no 16 describe the status of respondents and their views about merits of mobile based services as services and practices offered by NBFCs for customers in Igatpuri district. The 357, (59.5%) customers have admitted that they are convinced with the practices and services and remaining respondents 243, (40.5%) were not.

3. FINDINGS BASED ON DEMOGRAPHIC PROFILE OF THE RESPONDENTS

1. The first demographic factor found the details of customers and beneficiaries on the basis of gender classification which belongs to all three major wards of Igatpuri district. The details of male and female respondents are as follow accordingly to the wards and consolidated profile of the respondents: Ward no. 8 has 121, (60.5%) male and 79, (39.5%) female, ward no.11 has 128, (64%) male and 72, (36%) female, ward no. 17 has 124, (62%) male and 76, (38%) female out of 200 respondents respectively. In consolidate profile it got 373, (62.17%) male and 227, (37.83%) female out of total 600 respondents.
2. The next demographic factor found the details of customers and respondents on the basis of marital status of all three major wards of Igatpuri district. The details of married and unmarried respondents are as follow accordingly to the wards and consolidated profile of the respondents: Ward no. 8 has 111, (55.5%) married and 89, (44.5%) unmarried, ward no.11 has 118, (59%) married and 82, (41%) unmarried, ward no. 17 has 121, (60.5%) married and 79, (39.5%) unmarried out of 200 respondents respectively. In consolidate profile it got 350, (58.33%) married and 250, (41.67%) unmarried out of total 600 respondents.
3. The third demographic factor talks about the different age groups of the respondents and classification occupies five categories, in which 20 and below age group has 24, (12%) 21-30 has 38. (19%) respondents, 31-40 has 72, (36%) respondents, 41-50 has 44, (22%) respondents, and the last age group above 51 has 22, (11%) respondents of ward no.8, Ward no. 11 found 20 and below age group has 28, (14%), 21-30 has 41 (20.5%) respondents, 31-40 has 76, (38%) respondents, 41-50 has 39, (19.5%) respondents, and the last age group above 51 has 16, (8%) respondents. The details of next ward no is 20 and below, age group has 22, (11%), 21-30 has 36, (18%) respondents, 31-40 has 69, (34.5%) respondents, 41-50 has 46, (23%) respondents, and the last age group above 51 has 27, (13.5%) respondents out of 200 from each ward.
4. The subsequent demographic factor is number of members in the family in which study found respondents out of total 600 respondents of three wards of Igatpuri district of Maharashtra. Respondents have less than 02 members in family are 80 (13.33%), 03 to 04 members are 232 (38.67%), respondents who have 05-06 are 202 (33.67%) and more than 06 members in family are 86 (14.33%).
5. Study found under the next demographic factor that represents the level of education of the respondents of all three wards of Igatpuri district. It is categorized as high school, higher secondary, undergraduate, graduate, and postgraduate. The percentage is recorded as 266 (44.33%), 152 (25.33%), 122 (20.34%), 35 (5.83%) and 25 (4.17%) respondents.
6. The next demographic factor that indicates detail about the profession and occupation of the respondents are as follows: agriculturist, private job, professional and businessmen. agriculturists have been found 216 (36%), respondents who are employed in private jobs got 184 (30.67%), professional got the lowest percentage with 61 (10.17%), and businessmen recorded 139 (23.16%) out of total 600 respondent of all three wards of Igatpuri district.
7. Further, the last category of demographic profile of respondents has five variables which belongs to monthly income of the respondents and categorized as less than 10000, 314, (52.33%), 10001 to 20000, 147 (24.5%), 20001-30000,

81 (13.5%), 30001-40000, 36 (6%), and more than 40000 has 22 (3.67%) out of 600 respondents from all three wards of Igatpuri District.

4. CONCLUSION

The nature of the research study is to present the profile of selected non-banking financial companies and their mobile based financial services with special reference to Igatpuri, district in Maharashtra. The study has tried to know about the profile of selected organizations and their role in offering mobile based financial service to the society. Another dimension of the research study covered to the critically examine the customers' perception and awareness towards mobile based practices performed by the selected companies based on demographic factors- age, income group, educational qualification and job profile. The research study entitled as "A study on mobile based NBFC catering towards rural special reference to Igatpuri district in Maharashtra is an exploratory and descriptive research in nature. The study has attained survey method to collect the primary data while targeting a variety of respondents from the customers. Questionnaires were disseminated to the respondents' personally and sent through electronic mail. The information congregated has been cast-off to inducement inferences about the relationship between the variables involved. The research problem framed already facilitates the conduct of descriptive research.

Study considered a preliminary version of the questionnaire which was developed in English on the basis of insights from in-depth qualitative interviews with subject experts, stakeholders and academicians. A pilot survey was conducted covering 45 respondents. The objective was to know that the respondents understand the questions properly and to make sure that the recording of data was properly executed. Few adjustments and amendments were made based on feedback from the pilot study. The basic pro-forma of questionnaire consists of three sections, namely A, B and C; having multiple option questions, questions were closely related and associated to the perception and awareness level towards NBFCs and their mobile based services. The detailed list of constructs is presented in this chapter. All the items of section C of questionnaire were put on a five-point Likert scale where a value of 1 expresses strongly disagree and a value of 5 expresses strongly agree. Participants were asked to indicate their level of agreement with each statement.

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