

**Emerging Trends in Fintech**

**FinTech: Drivers of Digital World**

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**TITLE OF THE PAPER:**

**USE OF FINTECH FOR PREPARATION OF BOOKS OF  
ACCOUNTS BY THE SMART VILLAGE OF  
MILLIONAIRES\_HIWARE BAZAR.**

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## **ABSTRACT:**

This paper is a case study of one of the ideal village of Maharashtra named Hiware Bazar also termed as village of Millionaires. Hiware Bazar has transformed itself from drought prone area to an ideal village., The factors that make a village an ideal village are sustainability, connectivity, community involvement and technology. Hiware Bazar is having good connectivity, it has managed to sustain and the whole village is involved. The latest development after demonetization and pandemic is the use of Technology for financial matters. The research sample here is the shop owners, land lords, dairy farmers and all types of commercial organizations in Hiware Bazar. The study aims to find out the relationship between age and use of online transactions and The study aims to understand whether the people of Hiware bazar are preparing books of accounts digitally and maintaining them in Softcopies or not. Also if there is a significant relationship between age and perception towards online payment methods in Hiware Bazar. For the purpose of research 113 samples were taken who were involved in different commercial activities, farming and dairy farming. It is expected that villagers of Hiware bazar may be maintaining the books of accounts digitally as it is the richest village of India boasting the highest Per Capita Income in the country.

Keywords: Hiware bazar,Books of accounts, Softcopies

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## **A)INTRODUCTION:**

Earlier the villages who were having proper sanitation, drinking water facility and were self sufficient were treated as smart village. But with changing times the definition of smart village has changed. Now a smart village is the village who is self-sufficient, internally connected by roads, water conservation, above poverty line, able to provide education digitally, having internet services and making use of technology in each and every aspect of the development of the village and use of digital modes for financial transactions. In short a village which is sustainable, connected, technologically sound and having all basic necessities of life is a smart village. One of such smart village is Hiware Bazar in Ahmednagar district of Maharashtra State.

## **HISTORY OF HIWARE BAZAR :**

It is a village in the drought prone area of Ahmednagar district where farming is the main occupation. Due to very less rains in the year 1979 and with no water conservation system the villagers were dying of hunger, many migrated into the nearby cities and fell prey to Alcohol. The only occupation left was making and having alcohol. The men in the village became alcoholic and use to harass and beat their wives and children. This condition went on for over a decade. Popatrao pawar a commerce post graduate who use to study in Ahmednagar wanted to develop his village. He was always worried of developing his village and with the help of few women who approached him to be the sarpanch of the village, he converted a village into a smart village. When Hiware bazar was struggling with frequent droughts, low agricultural yield and alcohol problem Popatrao became the Sarpnach in the year 1989. Popatrao pawar followed the footsteps of Anna hazare, as he was his role model. Anna Hazare has transformed his village Ralegaon siddhi into a smart village. But with the determination, dedication and leadership qualities of Mr. Popatrao pawar now Hiware Bazar has turned as an example for the whole of Ahmednagar and Maharashtra.

## LOCATION OF THE VILLAGE:



Image: <https://ceecec.net/wp-content/uploads/2008/10/cse-hiware-map1.jpg>

## B) LITERATURE REVIEW:

### Smart village:

(Londhe, 2015) has discussed about the rural development in developing countries and how they can be uplifted to earn their livelihood. It also discusses about the technology and how it will be useful in the future. The authors recommend that ICT/ IT and GIS pillars to support the whole process of village development and will help in reducing the migration of villagers to urban areas, if villages itself are made smart.

Rutuja et.al(2016) This is a project report of Javalgaon village, where the author intends to convert it into smart village. In this report author tells us that smart village is a modern term given to Swaraj or Suraj conceptualised by Mahatma Gandhi. Here in this report the requirement of smart village such as Solid waste management, Bio gas, Education, Sanitation, Electricity, Transportation and Wifi connectivity are the main concerns. After providing the basic services mentioned above Javalgaon is able to contribute to the economy of the nation and became self reliant.

Anna & Mitali(2018) Its an editorial paper which discusses about the challenges, opportunities and the adds value to the smart villages research. It also tells about how the research on smart cities can facilitate research on villages to make them smart villages. This paper also points out that challenges faced by the villagers are not fad, they are real problems and use of ICT will enable to solve the problems to larger extent.

A A Aziiza and T D Susanto(2019) This paper discusses about the concept of smart village. It states that the concept of smart village only gives priority to public services. They took the example of Banyuwangi Regency, a town in Indonesia also called as smart Kampung. The authors have manage to develop a smart village model by categorizing six dimensions namely 1) Governance, (2) Technology, (3) Resources, (4) Village Service, (5) Living, and (6) Tourism. The authors are of the opinion that the categories listed above depends upon the need of each region.

Chulsu and Jaesang(2019) In this paper the authors have discussed about converting villages into smart villages by adopting the model of smart city. The authors have discussed about the villages in different countries such as Europe, France, Germany, Japan and India. This is a review paper and secondary data has been collected from various journals. The paper discusses about the smart village platform and how it could be efficiently manage by use of ICT. It also states that villages can be converted into smart villages with limited budget, in short period of time and reduce the digital gap across the country with the help of ICT and solve problems related to environment, energy, transportation and safety.

Jain Ekansh and Navneet Munot(2021) are of the opinion that concept of Smart villages is important to reduce migration from villages to urban areas. The aim of their study is to maintain the originality of the village and redevelop it with modern technology so that the village becomes self-sustainable and self-dependant. The authors are also of the opinion that village can be converted into smart village if regional parameters are taken into consideration..

## **FINANCIAL TECHNOLOGY.**

Tareq, R. A., & Elder, L. (2009) this paper tells about the use of mobile phones in developing countries and how mobile is currently considered as an important factor for the development of the village. It also tells us how many countries have avoided and ignored fixed line infrastructure and are totally relying on Mobile phones. This paper is based on primary data collection from IDRC supported areas. The key finding of the paper is how poor people are easily accessing mobile phones for their day to day business and personal activities. And the use of Mobile phones is going to increase excessively in the future as larger population of IDRC supported village is poor and ICT can solve problems of many.

Chetanbhai Joshi & Rajpurohit( 2016)has examined that Government is continuously taking efforts to include rural customers in organised financial sector. With the help of PMJDY many bank accounts have been opened in rural India but they are not using the different mode of online payments. Still large part of the rural population is not using banks for online transactions so an awareness is needed in the rural India for various Govt. schemes as well as usage of Bank accounts.

Thomas P.(2019) In this research paper the author emphasis on two features of financial technology i.e returns to scale and the use of big data and machine learning. The author is of the opinion that Big data will reduce the impact of negative prejudice in the credit market and also it will decrease the cost of intermediation due to which inequalities of income will reduce across all income groups. The author also emphasis that Big date and machine learning will have positive effect and it will help to improve the existing regulations.

Vivek(2019) discusses about the various fintech innovations and its need in the banking sector. It discusses the terms such as Artificial Intelligence, Augmented Reality, Blockchain. The data is collected from the secondary sources and it's a review paper. The paper discusses about the benefits of using Fintech in day to day working of the Banks and also discusses about how the cost will be reduced if fintech is used over manual accounting. It also discusses about the benefits enjoyed by the investors such as geographical mobility, time saving, any time banking service etc.

Ayadi& Shaban, (2020)Emphasised on the role of digital financial inclusion as a basic need to tackle the emergency situations such as COVID-19 and recommends quick actions to reach the unbanked through

digital financial services in order to help the poor people through the challenging situation till its recovery. Restriction of movement and closure of bank branches in many countries increased the role of digital payments. In many countries most of the transactions by small and medium entrepreneurs is done in cash, the pandemic has brought a situation where cash transactions were not possible and digital wallets have to be introduced. It has also become important to do awareness programmes on digital financial literacy and see that poor people are able to use the digital wallets with ease. This will not only help them to do their payments but also will be useful to receive aids announced by the Government.

## **FINANCIAL LITERACY AND FINANCIAL INCLUSION**

Cnaan et al., (2012) In this paper financial inclusion is considered equally important as removing poverty, minimising social exclusion and enhancing economic growth. The author in this paper has carried out his research work in four villages of Southern part of India. The author is of the opinion that just opening the Bank account does not mean financial inclusion, what kind of financial services are available and how many services are used by the villagers will decide about the financial inclusion.

Kong et al. (2018) has identified STAR Strategy approach and 8 high level principles that G20 must follow for digital financial inclusion. This approach will differ for different countries but it will also tell how effective and impactful the policies framed by the Govt. will perform within the digital space so that the aim of financial inclusion, sustainability, and development for all is achieved

Shen et al., (2018) identified that financial literacy and digital financial product usage is directly related to financial inclusion. The study was carried out in China and cross sectional research design was used. The authors concluded that improving the financial literacy among the residents and popularising the Internet usage will promote the use of digital financial products and be the part of financial inclusion.

Panos & Wilson (2020) have discussed that financial literacy plays a major role in financial planning and with FinTech people have to be careful about the online financial frauds. It has become important that digital financial education along with appropriate policy interventions by the Govt. should be given to everyone for financial inclusion.

Fitriya Fauzi,et.al(2021)The study was conducted to map the potential sectors based on the financial and digital literacy of women entrepreneurs in the city of Palembang, Indonesia. The authors are of the opinion that women entrepreneurs are digitally literate specially in the food and beverage industry. Still there is a need to provide coaching and training about the digital literacy to small and medium enterprises in Palembang in other industrial sectors.

### **C)OBJECTIVES:**

1. To find out relationship between age and perception towards online payment methods by people of Hiware Bazar..
2. To find out relationship between age and financial literacy in Hiware Bazaar.
3. To find out whether business transactions are recorded in hardcopies manually or they are prepared in softcopies digitally.

### **D)HYPOTHESIS:**

1. There is significant relationship between age and perception towards online payment methods.
2. There is significant relationship between age and financial literacy.
3. Business transactions are not recorded digitally and are not maintained in softcopies.

### **RESEARCH METHODOLOGY:**

#### **Research design and methods:**

This research is a quantitative research as we study the number of villagers involved in farming or having their own businesses. This research is exclusively carried out in Hiware bazaar

#### **Universe and sample size:**

The total population of the village is 1500 as of 31<sup>st</sup> December,2021 comprising of 260 families. Out of which head of the family of 113 families were interviewed..

In addition to the above the Ex-Sarpanch of the village Mr. Popatrao Pawar and Women Sarpanch Ms. Vimal was interviewed to understand the profile of Hiware Bazar..

**Sources of data collection:**

Primary data by Interview and questionnaire method

Secondary data from Books, Articles,Records with Gram panchayat and Internet.

**Method of data collection:**

Random Sampling .

**DATA ANALYSIS:**

Table:1

Gender	
Male	Female
Count	Count
104	9

Table:2

Occupation			
Farmer	Own Business	Milkman/Dairy	Others
Count	Count	Count	Count
92	0	7	14

Table:3

		Caste/Category					
		ST	SC	OBC	General	Others	SC
		Count	Count	Count	Count	Count	Count
Occupation	Farmer	1	0	4	85	1	1
	Own	0	0	0	0	0	0
	Business	0	0	0	0	0	0
	Milkman/Dairy	1	0	1	5	0	0
	Others	0	2	0	11	1	0

Table:4

Educational Background:					
Below SSC	SSC	HSC	Graduate	Post Graduate	Illiterate
Count	Count	Count	Count	Count	Count
23	11	37	25	6	11

Table:5

Preparation of Books of Accounts		
Not preparing books of accounts	Manually	Digitally
Count	Count	Count
25	79	9

Table: 6		
One-Sample Kolmogorov-Smirnov Test		
	Perception of Online Methods	Financial Literacy
N	113	113

Normal Parameters <sup>a,b</sup>	Mean	34.79	22.09
	Std. Deviation	6.930	4.611
Most Extreme Differences	Absolute	.261	.227
	Positive	.226	.110
	Negative	-.261	-.227
Kolmogorov-Smirnov Z		2.772	2.412
Asymp. Sig. (2-tailed)		.000	.000
a. Test distribution is Normal.			
b. Calculated from data.			

Table No.6 shows the result of One-Sample Kolmogorov-Smirnov Test. The test is performed to check the normality of the data. As the P value is less than 0.05, we conclude that the data is normally distributed and hence non parametric test will be used.

1. There is significant relationship between age and perception towards online payment methods.

As the data is not normally distributed, research has used non-parametric Kruskal-Wallis test to find out the relationship between age and perception towards online payment methods.

<b>Table :7</b>			
<b>Ranks</b>			
	Age of the Respondent:	N	Mean Rank
Perception_of_OPM	Below 20	7	75.21
	21 to 30	15	69.47
	31 to 40	34	63.87
	41 to 50	17	62.03
	51 to 60	18	49.81

	60 and above	22	34.09
	Total	113	

Table No. 7 shows the result of rank wise mean of all the age groups. The age group below 20 shows the highest means rank is 75.21. 60 and above shows the lowest mean rank.

<b>Table : 8</b>	
<b>Test Statistics<sup>a,b</sup></b>	
	Perception_of_OPM
Chi-Square	20.283
Df	5
Asymp. Sig.	.001
a. Kruskal Wallis Test	
b. Grouping Variable: Age of the Respondent:	

Table no 8 shows the result of Kruskal-Wallis test. The P value is less than 0.05 which shows that there is significant relationship between age and perception towards online payment methods.

2. There is significant relationship between age and financial literacy.

<b>Table : 9</b>			
<b>Ranks</b>			
	Age of the Respondent:	N	Mean Rank
Financial_Literacy	Below 20	7	95.64
	21 to 30	15	71.13
	31 to 40	34	65.51
	41 to 50	17	55.29
	51 to 60	18	44.33
	60 and above	22	33.59

	Total	113	
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Table 9 shows the result of rank wise mean of all the age groups. The age group below 20 shows the highest means rank is 95.64. 60 and above shows the lowest mean rank.

<b>Test Statistics<sup>a,b</sup></b>	
	Financial_Literacy
Chi-Square	29.202
df	5
Asymp. Sig.	.000
a. Kruskal Wallis Test	
b. Grouping Variable: Age of the Respondent:	

Table 8 shows the result of Kruskal-Wallis test. The P value is less than 0.05 which shows that there is significant relationship between age and financial literacy.

Observations from the Field visit and findings as per the interview with member of gram panchayat:

As per the visit made by me to collect the primary data these are the facts as on 31<sup>st</sup> December,21 as given by the gram panchayat of Hiware Bazar.

1. There is only one branch of Bank of Maharashtra.
2. One English Medium school till SSC and 1 semi-english medium school. Both the schools have all the facilities of Smart Classroom and students are well versed with learning in Smart classrooms.
3. All the students in the school have bank account and they are inculcated the habit of saving by asking the students to deposit some money every month and school authorities keep a check on this.
4. There were no Hotels, no tea vendors as Villagers believe that if they have hotels or small tea shops people gather and chances of becoming alcoholic is more.

5. There were only 4 grocery shops who were selling all the goods required for day to day needs including vegetables, fruits, stationery, clothes, shoes etc.
6. Two salons one for men and another for women.
7. Two clothes shop selling clothes as well as footwears.
8. There was no Petrol pump in the village.
9. There is one primary Govt.hospital in village.
10. There are 260 families, out of which 81 are millionaires.
11. Women in the village run a Bachatghat named as Savitribhai Phule Bachatghat.
12. All the land records are kept by Talati(local gram panchayat) in softcopies. Villagers have the records only in hardcopies.
13. 95% of the families take bank loan either from Bank of Maharashtra or Vivid Krahakare Seva Sahakari Society of Hiware Bazar.
14. All villagers have taken the loans and they payback the loans on time and there are zero bad-debts.
15. All the families are involved in two occupations may be farmer and milkmen or farmer and some job in cities.
16. As younger population is in nearby cities, the senior citizens either work on fields or appoint the labourers to work in the field. Mostly labourers are appointed by all the farmers during harvesting and labourers are paid Rs.300 per day.
17. Gram Panchayat displays the income and expenditure of every month on the notice board.
18. Milk panchavati diary

Conclusion:The main aim behind selecting Hiware Bazar is that it's a model village.Other villages take training from Hiware Bazar to become the smart village.In terms of sustainability, self- sufficiency,water conservation, high per capita income, connectivity Hiware Bazar is far better than expected. The basic idea was to check whether the villagers are use to online payment methods and are they keeping the record of their businesses in soft copies. From the research it is clear that people of Hiware Bazar are moving towards use of financial technology(Refer Table 7). Except some senior citizens all are using the online payment methods for their day to day

transactions. People in Hiware Bazar feel that they do not have so many transactions to write down digitally and neither they have vast knowledge of accounting softwares.(refer table 5) The villagers feel that it is easy for them to maintain the books of accounts manually.

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