Evaluation of Financial Inclusion Strategies of Banks in Telangana State

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Abstract
A financial service is a process that ensures access to essential financial products and services for all groups, including the poor and vulnerable sections of society. Financial inclusion and financial literacy provide the strategies needed to help households build financial capacity to improve access and create demand to increase demand for financial services. This article describes and analyzes the activities of the sponsoring bank in the financial inclusion sector for Telangana state. The article explores the literature to understand the key players, factors influencing financial inclusion in Telangana. The article aims to identify the main drivers, this paper attempts to find out the important factors in assessing the financial inclusion strategy of banks in Telangana state.

Keywords: *Financial Inclusion, Financial Literacy, Financial Inclusion Strategy, Financial Inclusion Strategy Evaluation, Vulnerable section.*

Introduction

Telangana is the twelfth- most populated state and a home to more than 40.1 million people, spread across in 33 Districts. There are more than 14200 villages and 607 mandals in the State. Telangana has a great deal of growth in terms of funding numbers and quality. Informed about the available developments in the banking sector however, the concern of people is that services which can be made available usually are not reachable to all of our states citizens. The poor, less affluent urban, semi-urban, and rural areas remain the hardest hit areas due to the supply side barriers, and may not be benefited from a deposit base will not be generated unless the society can think beyond its traditional neighborhoods of trust. It is for this reason that the drivers to follow the merits of the financial inclusion.

The Sustainable Development Goals (SDGs) acceptance in the twenty-thirty programs in economic integration for better economic services is a key role in achieving goals of economic integration. Accordingly financial inclusion is getting equal opportunities to secure expelled people in the society. (Classens and Feijan 2006). Accordingly Raj (2011) stated that financial services are not effectively reached due to more population to provide the banking and insurance services in rural areas. Financial inclusion is an essential indicator for ensuring economic growth and prosperity. As such, it is becoming a priority for economic policymakers, regulators, and development agencies across the world.

Review of literature

Shaista Sami (2017) in his article examines the impact of money addition on India's savings growth. A secondary file is an already existing old file that is resolved by a manifold inversion model as the primary mathematical end. The research results create certain and significant impact of the number of bank branches and the ratio of credit deposits to gross domestic

product (GDP) of the country; it constitutes the same advancement of ATMs on India's GDP.
Parmajit sujlana (2018) supported the investigation of additional economic ranks in India because of its young age. According to the study, it can be ratified that the currency addition is in the liberal stage in India in the banking weapons aggression agreements. But some of the efforts to cover all tumors are still in the rebuilding phase and the needs can expect the disadvantages and ends that come with the Indian government's collaborative activities beyond the nation's taxpayers with their government.
Borsa Istanbul (2019) conducted a study which is reliable for examining the type of currency rise in Asia and its impact on fiscal capacity and sustainability. To this end, the study collated a sample of 31 Asian countries during the period from 2004 to 2016. Composite signs for the three tax brackets were constructed using standardized variables designed established by principal component reasoning (PCA). We find that styles vary from country to country and there is no clear pattern in many cases. Judgments are required for various standardization methods. In addition, the impact of budget increases on economic efficiency and sustainability has been addressed using the feasible generalizations of least squares (FGLS).
Peterson K. Ozili (2020) identifies a comprehensive review of current data on tax additions in different regions of the world. It acknowledges the opinions that arise in the information on commercial supplements in addition to some discussion of procedural issues related to monetary supplements. In particular, I consider several issues related to optimal currency addition, extreme economic complementarily, whereby currency addition can diffuse risks integral to the financial subdivision. Accuracy, and additional support and tax prohibitions - periodically accompanying changes in the commercial phase. The primary assessments of this article show that currency addition affects and is affected by the degree of currency change, the level of demand, the creation of the money area, the savings of the United States of America. States learn the foundations of trade and manage conflicts between nations.
Hasanul Banna (2021) investigated the larger standard of monetary complementarily (FFI) within fintech or the escalation of bold banking actions by addressing the case of 534 banks from 24 OIC countries. The results show that the biggest limitation of FFI is controlling banks with bold behavior. The medium becomes more powerful in the postmodern innovation era 4.0 (IR4.0). He explains how competition among fintech financiers could reveal banks towards future growth. Varun Pawar (2022) in his study highlights the impact of currency additions whether they are present or absent in an economy and the importance of trade additions in financial and friendly events.

Importance of the Study

1. This research helps people access financial services, lifts the most vulnerable groups in society out of poverty, and ensures equality in society.
2. Financial inclusion not only helps individuals and families, but also develops the entire community to promote technological progress.
3. Financial inclusion is specifically aimed at facilitating and empowering people with the ability and knowledge to manage their crypto currency and they can also save their income. Give them the knowledge and skills to make the right decisions.
4. Microfinance transactions can improve their current and potential financial and social well-being and health through microfinance programs. These types of programs include

educational and employment opportunities, which can help young people better access education and start trading, and turn them into valuable and productive members.

5. Financial inclusion is vital to empowering the majority and the weak, it takes away the essentials. It promotes investment in the community, job creation and job supply. This will help improve living conditions, income and prospects.

Need of the Study

Financial inclusion has a positive impact, especially for the poor. It also strengthens the economy and the availability of savings. In this way, it contributes to the progress of the country in the direction of development. Conclusion for more than a century, we have created very complex functions that the brain quickly perceives, that is, the ability to think and make decisions. Many poor people can be bitter and taken advantage of by rich, unscrupulous lenders. Financial inclusion can be an effective remedy.

Financial Inclusion assists people living outside the financial system with the aim of maintaining their minimum financial needs for future purposes. Family members and farmers often manage the meager savings they have to meet their daily financial needs.

Research Objectives & Methodology

Research Objectives

- Conduct research to understand the theoretical underpinnings of financial inclusion.
- To understand the financial inclusion needs of banks.
- To evaluate factors that significantly affects the successful implementation of a financial inclusion strategy.
- Consideration of relevant variables warranting a comprehensive financial strategy assessment of banks in Telangana should be carried out to identify inter-institutional gaps.

Research Methodology

The descriptive research method is used to carry out the present study. According to secondary data research, the relevant quantitative data has been collected from different sources that include the Federal Government published reports, journals and the electronic sources that is RBI publications, and evaluated for meeting the objectives of the research.

Financial Inclusion Concept and Definition

Financial inclusion is defined as access to financial services and the process of ensuring affordable, timely and sufficient credit for vulnerable low income populations. Financial inclusion became a political focus in India when the central bank emphasized its importance in his 2005/06 annual policy statement (RBI 2005). The nationalization of 14 major commercial banks in 1969 and 6 major commercial banks in 1980 brought financial services closer to the public. But there is still a long way to go. India has the second largest unbanked population in the world, next to China, with 20% of the population still financially excluded, according to the latest data available from the Global database. Finder (hereinafter referred to as database) was built by Demirgüç-Kunt et al (2018). The database indicates that almost half of the bank accounts in India have been inactive in the past 12 months, making the country the country with the highest number of inactive bank accounts globally. The database also highlights the importance of digital technology as crucial to achieving the World Bank's goal of global financial access. Accessible research broadly defines business addition as in-organization tax planning that simplifies most weak and disadvantaged companies to take advantage of minimal investment obligations to get Credits, conditions, guarantees and fees at a reasonable cost ensuring an unbiased and growing incident. As such, adding currency is a process that helps access the culture of a division that has been denied the possibility of minimal investment to improve one of the right commercial models. In other words, it is an environment where most of society has a correct business methods approach that can address the underlying business culture and helpers of all residents. But the implementation of economic complementarily depends on the content of the breach of trade obligations on the demand side and on the supply side.

Role of Bank in financial Inclusion

The first three high-end comprehensive financial plans of banks from 2010 to 2013 have stopped. Although there has been significant progress in investment aid penetration and the bank reporting gap is very difficult. The number of businesses through ICT stores in British Columbia is very low. In this direction, in order to persistently support the process of ensuring investment rights for demobilized people, the banks considered drafting a new financial comprehensive plan for 3 elderly people from 2013 to 2016. Banks claim that the ruling class adjusted FIPs to be skewed and seeped down to the level of the arm. Separation of plans is underway to confirm the cooperation of all shareholders in financial inclusion (FI) activities to ensure consistency in the composition of information gathering under the FI plan. The recent introduction of Direct Benefit Transfer, built on the Aadhar - based platform, will help facilitate the payment of social benefits via direct credit to the recipient's bank account. The government plans in the future to map all social security payments through the banking network, using the Aadhar - based platform as the recipient's unique identifier. To ensure dissemination of the Government's Direct Benefit Transfer (DBT) initiative. Banks advised:

1. Open accounts for all those eligible in camp mode with support from local authorities.
2. Create new and existing accounts with unique Aadhar ID number.
3. Establish an effective mechanism to monitor, review and discuss progress on DBT implementation.

Financial Inclusion Initiatives

RBI has recommended that all banks take action to reopen closed/staggered branches for security reasons in other locations. The RBI also holds exclusive meetings of banks as part of its financial inclusion initiative.

1. All banks are invited to take the necessary measures to amplify banking services in potential centres as well as in existing operating regions.
2. All banks are encouraged to implement certain action plans under the plan by designating appropriate BCAs and USBs.
3. All banks are authorized to open bank accounts for migrant workers, street vendors, street vendors and street vendors in urban areas. All banks are advised to install 100 Pos machines for free in the district.

4. All rural branches should review financial education campaigns and submit reports to RBI/LDM.
5. All banks should open suitable branches in impoverished tribal areas where banking facilities are required.

Strategic Initiatives towards Financial Inclusion in India

The Government of India has launched many programs dedicated to financial inclusion. These programs aim to provide social security to the less fortunate sections of society. After much research by a number of financial experts and policy makers, the government has launched programs that take into account financial inclusion. These diets have been introduced over the years. Let's have a look at the list of financial inclusion programs in India:

- Pradhan Mantri Jan Dhan Yojana (PMJDY)
- Atal Pension Yojana (APY)
- Pradhan Mantri Vaya Vandana Yojana (PMVVY)
- Stand Up India Scheme
- Pradhan Mantri Mudra Yojana (PMMY)
- Pradhan Mantri Suraksha Bima Yojana (PMSBY)
- Sukanya Samriddhi Yojana
- Jeevan Suraksha Bandhan Yojana
- Credit Enhancement Guarantee Scheme (CEGS) for Scheduled Classes Program (SC)
- Venture capital for classes scheduled within the framework of social sector initiatives
- Varishtha Pension Bima Yojana (VPBY)

Table :1 SLBC TELANGANA

BANK WISE - POSITION OF SHG LINKAGE & JLGs - AS ON March, 2022

Sr. No	Name of the Bank	SHG - progress during the quarter			
		Savings Linked (Savings accounts opened to SHGs during the quarter)		Credit Linked (Bank loans extended to SHGs during the quarter)	
		No.	Amt.	No.	Amt.
1	BANK OF BARODA	0	0	860	5823.44
2	BANK OF INDIA	9	0.27	69	321.39
3	BANK OF MAHRASHTRA	0	0	11	23.69
4	CANARA BANK	121	58.14	312	1241.02
5	CENTRAL BANK OF INDIA	35	98.08	133	649.81
6	INDIAN BANK	98	4.13	1442	9171.52

7	INDIAN OVERSEAS BANK	133	674.94	133	674.94
8	PUNJAB NATIONAL BANK	12	10.1	154	1126.86
9	PUNJAB AND SIND BANK	0	0	0	0
10	UNION BANK OF INDIA	57	138.34	682	3993.17
11	UCO BANK	1	0.09	36	238.9
12	STATE BANK OF INDIA	62373	24444.35	0	0
	TOTAL PUBLIC SECTOR BANK	**62839**	**25428.44**	**3832**	**23264.74**
13	HDFC BANK	0	0	17963	10288.46
	TOTAL PRIVATE SECTOR BANK	**0**	**0**	**17963**	**10288.46**
	TOTAL COMMERCIAL BANKS	**62839**	**25428.44**	**21795**	**33553.2**
14	A.P.GRAMEENA VIKAS BANK	131	14.65	28995	126501.28
15	TELANGANA GRAMEENA BANK	0	0	7074	46167
	TOTAL RRB SECTOR BANK	**131**	**14.65**	**36069**	**172668.28**
16	AP MAHESH CO-OPERATIVE URBAN BANK LTD	0	0	0	0
17	TSCAB	7	21.47	439	2309.74
	TOTAL Co-OPERATIVE SECTOR BANK	**7**	**21.47**	**439**	**2309.74**
	Grand Total	**62977**	**25464.56**	**58303**	**208531.22**

SOURCE: - https://www.telanganaslbc.com/Financial-Inclusion.aspx

Suggestions

Government has to provide more rural branches. Individuals should also have a voice regarding financial products. However, RBI needs to be careful that products are effective for the consumer base and if an effective product is developed, it should be publicized. Furthermore, it should monitor the usage of financial aspects, rather than fight the latest industry fads. Micro finance organizations/ community Non-Banking Financial Institutions (NBFI) need to be given permits to perform limited financial activities. Opening of bank accounts without minimum balance requirement should be implemented at all branches and locations.

Conclusion

This study establishes key areas of intervention for the smooth and successful implementation of financial inclusion strategies in Telangana State. In summary, the following strategies can be considered for inclusion in finance: customer-centric strategies, digital strategies, customer sharing initiatives, customer empowerment, development skills development, basic leveraged banking setup, PPP, predictive analytics and other techniques, venture strategy, savings and loan company strategy, and more. Based on a recent study of financial inclusion, this can be seen as a complex and overwhelming task. However, it is achievable, if we pursue it strategically.

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