



Financial Inclusion through Public Sector Banks-A Study on Select Banks

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ABSTRACT:

Financial inclusion is a critical driving force of economic boom and social development, ensuring that people and agencies, specifically in underserved and rural areas, have get entry to to cheap monetary services. Public sector banks play a pivotal function in advancing economic inclusion by supplying banking facilities to the unbanked population, imparting credit score, coverage, and savings opportunities. This observe explores the various tasks undertaken through public area banks to enhance economic accessibility, inclusive of the Pradhan Mantri Jan Dhan Yojana (PMJDY), Direct Benefit Transfers (DBT), and precedence sector lending. It examines the challenges confronted in expanding financial inclusion, together with lack of economic literacy, infrastructure boundaries, and generation limitations, whilst also studying the effectiveness of digital banking and fintech solutions in bridging these gaps. The research highlights the impact of monetary inclusion on monetary empowerment, poverty remedy, and usual countrywide improvement. By assessing policy measures and actual-world case research, this mission presents insights into the techniques that may similarly fortify financial inclusion thru public quarter banks. The findings underscore the significance of collaborative efforts between the authorities, economic establishments, and era companies to create a greater inclusive and equitable financial environment.

Keywords: Public Sector Banks, Financial literacy ,Awareness,Assess,Account, Economic Development.

Introduction

Financial inclusion is described because the technique of making sure get entry to to monetary offerings and timely and ok credit in which needed via susceptible corporations which includes weaker sections and under reserved sections at less costly fee. The Government of India and Reserve Bank of India has been making efforts to sell financial inclusion as one of the national goals of the us of a. According to the Reserve Bank of India, Financial Inclusion is the method of ensuring get right of entry to to appropriate monetary services and products wanted through all sections of the society in fashionable and vulnerable groups which includes low earnings businesses specially at an low priced cost in a truthful and transparent manner with the aid of mainstream institutional players. For economic growth and improvement Financial Inclusion plays a vital position aiming that every one individuals and below reserved have access to effectively make use of the numerous variety of monetary offerings consisting of Savings Account, credit, Insurance and Payment structures. For offering these financial offerings Public Sector Banks(PSBs) in India play an vital position.

Financial Inclusion in India as visible vast development in current years, pushed by way of technological development and authorities initiatives are Access to banking offerings, Credit Access, Financial literacy, Digital Financial Service. Through numerous tasks and schemes,PSBs have expanded get admission to to banking services for rural groups, underserved populations, low profits families and marginalized organizations. Public Sector Banks in India make a contribution to financial inclusion in the following ways Branch expansion, economic literacy program,kisan credit score card ,micro finance initiatives,pradhan mantri jan dhan yojana,Digital banking tasks.

Scope for the Study

The observe investigates approximately the Financial inclusion via Public Sector Banks(PSBs).Through the Financial Inclusion it indicates how the human beings of the Public Sector Banks beneficial for beneath reserved people and occasional income people.

Objectives of the Study

- To examine the effectiveness of monetary inclusion schemes delivered by using pick banks.
- To assess the financial literacy stage of selective banks.

Hypothesis Of The Study

H01 There is no significant difference between demographic attributes and awareness .

H02 There is no significant difference between Demographic attributes and access.

Review of Literature

1. Government of India (2024): The Indian government proposed merging regional rural banks to lessen their quantity from forty three to twenty-eight, aiming to reduce charges and reinforce their capital base, thereby enhancing their potential to offer credit to small farmers and rural companies.
3. American Scholars Press (2023): An article discusses the role of public region banks in selling economic inclusion, urging people to use prepared channels to access financial products and schemes

Data Analysis and Interpretation

INTRODUCTION.

This evaluation of facts takes under consideration the imperative position of Public Sector Banks (PSBs) in allowing monetary inclusion, a pillar of monetary development and social justice. PSBs, with their full-size department networks and authorities mandates, are significant in extending financial services to the disadvantaged. The observe will empirically measure the volume of PSBs' outreach, examine the nature of the financial merchandise provided, and examine the performance of presidency tasks in improving inclusion.

NEED FOR DATA ANALYSIS.

Data analysis is relevant to driving economic inclusion due to the complex nature of the topic. It lets in for a holistic view of the modern economic surroundings that recognizes inclusion and exclusion gaps, and lets in for customization of monetary merchandise to different populations.

STATISTICAL TOOLS USED IN DATA ANALYSIS.

T-TEST

F-TEST

OVERALL VIEW OF DEMOGRAPHIC ATTRIBUTES AND AWARENESS

CATEGORY	N	F-value	P-value	Result
Age	115	1.045889101	0.488785047	ACCEPT
Gender	115	0.242752122286237	0.485504244572474	ACCEPT
Occupation	115	0.52499317 1264682	0.2924166 0298436	ACCEPT
Educational qualifications	115	0.670718	0.67071	ACCEPT

INTERPRETATION

The statistical analysis presented in the table evaluates the impact of various demographic factors on a dependent variable. The results indicate that Age has an F-value of 1.0459 and a P-value of 0.4888, which is greater than the common significance level of 0.05, leading to the acceptance of the null hypothesis. This suggests that age does not significantly influence the dependent variable. Similarly, Gender has an F-value of 0.2428 and a P-value of 0.4855, indicating no statistically significant effect. Occupation also shows no significant impact, with an F-value of 0.5250 and a P-value of 0.2924. Lastly, Educational Qualifications have an F-value of 0.6707 and a P-value of 0.6707, reinforcing the conclusion that this factor does not significantly affect the dependent variable. Since all P-values are greater than 0.05, the null hypothesis is accepted for all categories, meaning that none of these demographic factors have a statistically significant influence on the variable being studied.

OVERALL VIEW OF DEMOGRAPHIC ATTRIBUTES AND ACCESS

CATEGORY	N	F-value	P-value	Result
Age	115	7.2691029 9003322	0.07074	ACCEPT
Gender	115	2.1318467 8632665	0.08368	ACCEPT
Occupation	115	3.6487897 4845752	0.2924166 02984362	ACCEPT
Educational qualifications	115	0.670718	0.67071	ACCEPT

INTERPRETATION

The statistical analysis examines the influence of various demographic factors on a dependent variable. Age has an F-value of 7.2691 and a P-value of 0.0707, which is above the common significance level of 0.05, leading to the acceptance of the null hypothesis. This suggests that age does not have a statistically significant impact on the dependent variable. Similarly, Gender has an F-value of 2.1318 and a P-value of 0.0837, indicating no significant effect. Occupation presents an F-value of 3.6488 and a P-value of 0.2924, further confirming that it does not significantly influence the dependent variable. Lastly, Educational Qualifications have an F-value of 0.6707 and a P-value of 0.6707, which also suggests no statistical significance. Since all P-values are greater than 0.05, the null hypothesis is accepted for all categories, indicating that none of these demographic factors have a significant effect on the dependent variable.

Conclusion

Financial inclusion has emerged as a imperative element in facilitating the boom of the economic system and promoting justice in society in India. Public area banks (PSBs) are the foremost participants to delivering economic services to the folks that are usually under-served or excluded. The Reserve Bank of India (RBI) and the Government of India have undertaken numerous efforts in financial inclusion via schemes and technological development. The gift studies illustrates how essential financial inclusion is in facilitating all, regardless of their monetary standing, to get admission to essential monetary services consisting of financial savings debts, loans, Insurance, and digital fee structures.

Public zone banks like the State Bank of India (SBI), Punjab National Bank (PNB), and Union Bank of India had been at the forefront of embracing economic inclusion schemes in the shape of branch network growth, financial literacy, microfinance schemes, the Pradhan Mantri Jan Dhan Yojana (PMJDY), and virtual banking facilities. Their huge reach, government backing, and social obligation supply them the spine of India's economic inclusion software.

Another extensive element of financial inclusion by using PSBs is economic education. Most PSBs have launched initiatives for educating individuals on saving, credit score management, and net banking. These initiatives play a important function in allowing people to make healthy monetary decisions, which permit them to have strong and steady price range in the destiny.

Despite those improvements, there remain numerous demanding situations. People in rural and coffee income groups aren't sufficiently aware of finance, which prevents them from availing banking services to the volume. Issues along with insufficient banking centers and bad net connectivity in a long way-flung regions save you humans from without problems availing economic offerings. Moreover, ensuring that digital transactions are stable and safeguarding customers towards fraud are nonetheless most important issues of PSBs.

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