
FINANCIAL INCLUSION OF MINORITIES THROUGH NATIONALIZE AND COMMERCIAL BANKS IN MARATHWADA REGION (WITH SPECIAL REFERENCE TO AURANGABAD DISTRICT)**Dr. Muqteder Fareed Farooqui**

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ABSTRACT

Financial inclusion plays a crucial role in fostering socio-economic development, particularly for marginalized communities. This study examines the role of nationalized and commercial banks in promoting financial inclusion for minority groups in the Marathwada region of Maharashtra with special reference to Aurangabad District. The region, which has a diverse demographic with significant populations of minorities, faces challenges related to limited access to banking services, inadequate financial literacy, and the prevalence of informal financial practices. The findings reveal that while there have been improvements in financial inclusion, significant gaps remain in terms of reaching remote and economically disadvantaged minority groups. Factors such as lack of awareness, geographic isolation, and institutional biases continue to hinder progress. The study recommends targeted interventions, such as mobile banking services, financial literacy programs, and greater collaboration between banks and local governments, to enhance the inclusion of minorities in the formal financial sector.

Keywords: Poverty alleviation, financial exclusion, financial illiteracy, Financial Inclusion,

INTRODUCTION

Financial inclusion refers to efforts to make financial products and services accessible and affordable to all individuals and businesses, regardless of their personal net worth or company size. Financial inclusion strives to remove the barriers that exclude people from participating in the financial sector and using these services to improve their lives. It is also called inclusive finance. As the World Bank notes on its website, financial inclusion "facilitates day-to-day living, and helps families and businesses plan for everything from long-term goals to unexpected emergencies." What's more, it adds, "As accountholders, people are more likely to use other financial services, such as savings, credit, and insurance, start and expand businesses, invest in education or health, manage risk, and weather financial shocks, all of which can improve the overall quality of their lives.

REVIEW OF LITERATURE : G. Sudhir, m. A. Bari, amir ullah khan & abdul shaban (2021) , financial inclusion of muslims (eds.), muslims in telangana: a discourse on equity, development, and security. Springer singapore. Pp. 289-310 (2021), this chapter examines financial inclusion in telangana by socio-religious categories with a special focus on muslims. It analyses different indicators of financial inclusion like penetration of formal financial institutions and services, other agents and sectors providing financial services, financial assistance to minorities by the banking sector and telangana state minority finance corporation. It is found that branch distribution is highly skewed and micro-finance is not sufficiently accessed by the muslims. Muslims have low shg membership. Overall, muslims of telangana have great difficulty in accessing formal credit sources. Emaka e.e. gabriel o.a., gideon f.f. (2019), the impact of electronic banking on financial inclusion, american journal of industrial and business management , vol. 9. No. 6, june 2019 the concept of financial inclusion has continued to gain global acceptance since it was identified as one of the key drivers of inclusive economic growth and development. Financial inclusion is one of the objectives of the central bank of nigeria's cashless policy introduced in nigeria in the year 2011. In the light of this, the research seeks to examine the impact of electronic banking on financial inclusion in nigeria. The study used the total number of automated teller machines and point-of-sale devices in nigeria as proxies for electronic banking and the proportion of banked adult population to total bankable adult population in nigeria as proxy for financial inclusion.

OBJECTIVE OF STUDY :- 1. To Study Financial Inclusion Of Minorities' In Banking Sector. 2. To study the level of awareness of minorities community in banking

Hypothesis / Research Question :

H0: There is no awareness in minority community as regards banking services which help in financial inclusion.

H1: There is awareness in minority community as regards banking services which helps in financial inclusion.

METHODOLOGY :-

- a. Primary Data Collection : Primary Data Was Collected From The Bankers Of Selected Public Sector Banks, Private Sector Banks And Regional Rural Banks In The State Of Maharashtra. For Collecting Primary Data A Structured Questionnaire Is Used As It Was The Most Suitable Tool To Meet The Objectives Of The Study.
- b. Secondary Data Collection Secondary Data Was Collected From Various Rbi Reports, World Bank Reports, Global Findex Database, Industry Publications And Research Reports Of Previously Conducted Studies In This Direction In Order To Understand The Existing Scenario Of Financial Inclusion.
- c. Geographical Scope The Geographical Scope Of The Study Is Limited To The Banks Of Marathwada Region
- d. Period of Study : The Study Was Between The Period From 2011 To 2020
- e. Tools & Techniques of Analysis data collected was analyzed with the help of ratio, averages, percentages, charts, various test required

SAMPLING

- Hence out of 110 number of banks 12 number of banks are randomly selected for study.
- 12 number of banks selected for study from each bank 05 number of employees from different stratus was selected for study amongst to 60 employees.
- Hence total 12 banks was selected randomly by convenience sampling method.
- Hence researcher decided to adopt optimum sample size by assuming that minority beneficiary are more than one lakh.
- There was no definite population size of minority beneficiaries was available.
- Assuming maximum beneficiary population of 100000 and by applying Taro Yamane formulae for optimum sample size.

$$N = \frac{N}{1 + N (E)^2}$$

Therefore for 100000 sample size accordingly

$$N = \frac{100000}{1 + 100000 (0.05)^2} \quad N= 398$$

Scope of Study: The Present Study Will Focus On Studying The Banks Financial Inclusion Towards Minorities Of Marathwada Region. This Study Will Focus On Bankers Perception Towards Financial Inclusion Of Minorities, What Are The Expectation Of Customers From The Banks. The Study Will Also Unveil The Issues And Challenges Faced By Minorities’ As Bank Customers.

Limitation of Study : The Study Will Be Limited To Marathwada Region As There Will Be Time Constrain For The Study.

RESULT AND DISCUSSION :

HYPOTHESIS TESTING:

H₀₁:	There is no awareness in minority community as regards banking services which help in financial inclusion.
H_{A1}:	There is awareness in minority community as regards banking services which help in financial inclusion.

One-Sample Statistics				
	N	Mean	Std. Deviation	Std. Error Mean
1. I am aware of the basic services offered by banks (e.g., savings, loans, deposits).	400	3.60	.918	.046

2. I understand the different types of bank accounts available (e.g., savings, current, fixed deposit).	400	3.70	.873	.044
3. I know how to access and use digital banking services (e.g., mobile apps, internet banking).	400	3.65	.883	.044
4. I am aware of the process to open a bank account.	400	3.83	.892	.045
5. I know how to apply for a loan from the bank.	400	3.58	.864	.043
6. I am aware of government financial schemes for minorities (e.g., pradhan mantri jan dhan yojana).	400	3.60	.918	.046
7. I understand the benefits of these government schemes.	400	3.65	.883	.044

Interpretation:

H1 is one sided, we shall determine the rejection region applying one tailed **z test** (in the right tail) at 5 percent level of significance.

Accepted region: $z < +1.96$

The observed value of z for all the statements is less than **1.96 i.e. $0.00 < 1.96$**

Thus, the hypothesis-1 is accepted and we can conclude that “there is awareness in minority community as regards banking services which help in financial inclusion.”

CONCLUSION

That the overall level of awareness of banking services among the minority community is moderate to high. While a significant proportion of respondents consistently agree or strongly agree that they understand various aspects of banking—from basic services to more specific areas like government schemes and digital banking—the notable share of neutral responses across several statements indicates some gaps in awareness. These gaps suggest that although existing initiatives are effective to a degree, there is still scope for enhancing targeted education and outreach efforts. Addressing these areas could further improve the community’s overall understanding and engagement with banking services, thereby supporting the broader objective of financial inclusion.

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