

STATUS OF FINANCIAL INCLUSION IN NIZAMABAD DISTRICT- AN ANALYSIS

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Abstract

Strong and vigorous financial system is the pillar of economic growth, progress and success of economies. Lack of financial services accessibility to major portion of the other population is a big problem in India. Not only in India but also in many developing countries financial exclusion has become a major hurdle in economic growth and progress. Therefore, the significance of an inclusive financial system is widely accepted in many countries and it has become policy priority. Financial services access can really boost the financial condition and standards of life of the poor and the disadvantaged. So, RBI has been constantly encouraging the banking sector to develop the banking network both through setting up of new branches, installation of new ATMs, implementation of EBT and also through BC model by leveraging upon the information and communication technology (ICT), hence there is enormous growth in the bank branches in rural and urban India. This article focuses current status of financial inclusion in Nizamabad District of Telangana State.

Key Words: Financial Inclusion, Bank Branches, Population, BC/BF Model, Coverage

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Introduction

Financial Inclusion is the delivery of financial services at an affordable cost to vast sections of the disadvantaged and low income groups. The purpose of financial inclusion is to provide equitable opportunities to every individual to avail the facility of formal financial channels for better life, better living and better income. It is crucial to innovate and provide means to include the financially excluded by way of ensuring access to financial services, and timely and adequate credit. Financial inclusion can be described as the provision of affordable financial services, viz., access to payments and remittance facilities, savings, loans and insurance services by the formal financial system to those who are excluded.

The Indian banking industry has been able to penetrate to less than half of the population over the last few decades. The Reserve Bank of India (the regulator) has taken a number of steps to further expedite the process of financial inclusion. Its efforts in adapting to the changing needs of the economy and enabling greater access to financial services to the un-banked and less penetrated segments are praiseworthy. Broad based financial inclusion is a must as there is hardly any instance where transition from an agrarian system to a post industrial modern society has happened in any economy without the setting up of a robust financial system.

Objectives of the study

- To study the present status of financial inclusion Nizamabad District .
- To Compare the available Mandal wise bank branches per population and Households in Nizamabad district to assess the one of supply side factor of financial inclusion

Research Methodology

The data used for the study is secondary in nature and has been collected from District Lead Bank periodical reports, Nizamabad District Annual Credit Plans, SLBC Reports, RBI bulletin, annual reports of RBI and Ministry of Finance, GoI, Report on trend and progress of banking in India, various reputed journals, and newspapers.

Financial inclusion Status in Nizamabad District

I. Brick and Mortar Branches:

Brick-and-mortar branches are still the main source of business for banks and will continue to service a bulk of their customers. There are in total 22 Public sector Banks, 9 Private sector Banks, 1 Regional Rural Banks, 1 Co-operative Bank with 313 branches are operating in Nizamabad 313 bank branches. Table provides the details of bank wise branches in district.

Table: 1 Bank Wise Branches in Nizamabad

I	Public Sector Banks		II	Private sector Bank	
1	State Bank of Hyderabad	65	23	HDFC Banl Ltd.	15
2	State Bank of India	18	24	ING Vysya Bank	8
3	State Bank of Mysore	2	25	ICICI Bank Ltd.	3
4	Andhra Bank	32	26	Axis Bank	2
5	Syndicate Bank	25	27	Karur Vysya Bank	2
6	Indian Overseas Bank	7	28	City Union Bank	2
7	Vijaya Bank	6	29	Karnataka Bank Ltd	1
8	Corporation Bank	5	30	Dhanalaxmi Bank	1
9	Canara Bank	5	31	Kotak Mahindra Bank	1
10	Indian Bank	3	III	Regional Rural Banks	
11	Dena Bank	2	32	Deccan Grameena Bank	54
12	Punjab National Bank	2			
13	Union Bank of India	2	IV	Co-operative Banks	
14	Bank of Baroda	2	33	NDCCB Ltd.	40
15	Allahabad Bank	1	Total-313		
16	Bank of India	1	Source: Nizamabad District Annual credit Plan		
17	Bank of Maharashtra	1			
18	Central Bank of India	1			
19	Oriental Bank of Commerce	1			
20	UCO Bank	1			
21	IDBI	1			
22	United Bank of India	1			

Mandal Wise Bank Branches in Nizamabad

Nizamabad districts consist of 36 mandals and it is divided into 3 revenue divisions named Nizamabad, Bodhan and Kamareddy. Revenue division I Nizamabad Consist of 14 Mandal, Revenue division II Bodhan Consist of 10 Mandal, Revenue division III Kamareddy Consist of 10 Mandal. Table 2 gives the mandal wise bank branches.

Table: 2 Mandal Wise Bank Branches in Nizamabad

Revenue Division- Nizamabad			Revenue Division- Bodhan			Revenue Division- Kama Reddy		
S.No	Name of the Mandal	No.of Bank Branches	S.No	Name of the Mandal	No.of Bank Branches	S.No	Name of the Mandal	No.of Bank Branches
1	Armoor	26	1	Banswada	8	1	Bhiknoor	8
2	Balkonda	10	2	Bichkunda	5	2	Domakonda	5
3	Bheemgal	7	3	Birkoor	6	3	Gandhari	6
4	Dharpalle	6	4	Bodhan	17	4	Kamareddy	20
5	Dichpalle	9	5	Jukkal	1	5	Lingampet	3
6	Jakranpalle	12	6	Kotgiri	4	6	Machareddy	6
7	Kammarpalle	4	7	Madnoor	5	7	Nagareddipet	4
8	Makloor	6	8	Nizamsagar	3	8	Sadasivanagar	4
9	Mortad	7	9	Pitlam	4	9	Tadwai	4
10	Nandipet	12	10	Ranjal	3	10	Yellareddy	4
11	Navipet	7	11	Varni	7			
12	Nizamabad	66	12	Yedpalle	4			
13	Sirkonda	3						
14	Velpur	7						
	Total	182		Total	67		Total	64

Grand Total –313

Source: Nizamabad District Annual credit Plan

Mandal wise Bank Branches according Population and Households

In Nizamabad Revenue division Jakranpalli Mandal consist highest bank branches and Sirikonda Mandal consist lowest bank branches per population and households. In Bodhan Revenue division Bansuwada Mandal consist highest bank branches and Jukkal Mandal consist lowest bank branches per population and households. In Kama Reddy Revenue division Kama Reddy Mandal consist highest bank branches and Lingampet Mandal consist lowest bank branches per population and households. Overall in Nizamabad district Jakranpalli Mandal stood in 1st place with highest bank branches per population and households and Lingampet Mandal

stood in last i.e. 36th place with lowest bank branches per population and households. Table 3 provides the details of Mandal wise bank branches per population and households

Table 3. List of Mandal wise Bank Branches according Population and House Holds

S.No	Name of the Mandal	No.Of House Holds	Total Population	No. of Public Sector Banks &RRB	No.of Private Sector Banks	Co-Operative Bank NDC CB	Total	1 bank Branch per Population of	Rank	1 bank Branch per House hold of	Rank
R.D- I Nizamabad											
1	Armoor	29962	12198	19	4	2	25	4879	2	1198	2
2	Balkonda	20027	81003	7	1	2	10	8100	7	2003	7
3	Bheemgal	14965	62666	5	1	1	7	8952	9	2138	8
4	Dharpalle	11220	47954	4	0	1	5	9591	11	2244	12
5	Dichpalle	17460	76896	6	1	1	8	9612	12	2183	10
6	Jakranpalle	11182	45505	5	4	1	10	4551	1	1118	1
7	Kammarpalle	10736	42765	4	0	1	5	8553	8	2147	9
8	Makloor	14500	58588	5	0	1	6	9765	13	2417	13
9	Mortad	14273	56153	7	0	2	9	6239	4	1586	5
10	Nandipet	18407	70598	10	2	1	13	5431	3	1416	4
11	Navipet	13305	55125	5	0	1	6	9188	10	2218	11
12	Nizamabad	89657	41250	50	11	3	64	6445	5	1401	3
13	Sirkonda	11943	51078	3	0	1	4	12770	14	2986	14
14	Velpur	10538	42486	5	0	1	6	7081	6	1756	6
R.D II - Bodhan											
15	Banswada	15291	68732	7	1	1	9	7637	1	1699	1
16	Bichkunda	13958	64044	5	0	1	6	10674	7	2326	5
17	Birkoor	12108	50391	3	0	2	5	10078	9	2422	7
18	Bodhan	32319	14374	11	2	1	14	10268	8	2309	4
19	Jukkal	11273	53980	2	0	0	2	26990	12	5637	12
20	Kotgiri	13714	56917	4	0	1	5	11383	8	2743	9
21	Madnoor	12511	59002	4	0	1	5	11800	9	2502	8
22	Nizamsagar	8324	36913	2	0	1	3	12304	10	2775	10
23	Pitlam	10484	47581	4	0	1	5	9516	3	2097	2
24	Ranjal	9076	38880	3	0	0	3	12960	11	3025	11
25	Varni	17712	72230	7	0	1	8	9029	2	2214	3
26	Yedpalle	9403	40028	3	1	0	4	10007	4	2351	6
R.D- III Kamareddy											
27	Bhiknoor	14732	59656	5	0	1	6	9943	6	2455	6

28	Domakonda	14089	56939	5	0	2	7	8134	3	2013	3
29	Gandhari	12449	58535	3	1	1	5	11707	7	2490	7
30	Kamareddy	29050	12644	13	6	1	20	6322	1	1453	1
31	Lingampet	10641	48122	2	0	1	3	16041	10	3547	10
32	Machareddy	13870	58443	5	0	1	6	9741	5	2312	5
33	Nagareddipet	8130	34601	4	0	1	5	6920	2	1626	2
34	Sadasivanagar	13708	56005	4	0	1	5	11201	8	2742	8
35	Tadwai	11793	48585	3	0	1	4	12146	9	2948	9
36	Yellareddy	10424	46253	4	0	1	5	9251	4	2085	4

II. BC/BF MODEL

With the objective of ensuring greater financial inclusion and increasing the outreach of the banking sector, RBI decided in public interest to enable banks to appoint and use the services of Business correspondent / Business Facilitator to penetrate the banking services. Table 3 provides the details BC appointed in Nizamabad district.

Table: 4 Bank wise list of no. of BCs appointed in Nizamabad district

S.No	Bank Name	No.of BCs appointed	S.No.	Bank Name	No.of BCs appointed
1	State Bank of Hyderabad	67	8	Indian Overseas Bank	18
2	State Bank of India	9	9	Indian Bank	3
3	Deccan Grameena Bank	32	10	Corporation Bank	1
4	Andhra Bank	41	11	Vijaya Bank	5
5	Syndicate Bank	14	12	UBI	5
6	HDFC Bank	11	13	Syndicate Bank	18
7	Ing Vysya Bank	12	Total 236		

Source: www.slbcap.nic.in/pages/banking/FINAL%20BCASBANKWISE.XLS

III. Bank Accounts Coverage

Table :5 Bank Accounts Coverage

In lacs

No.of Srevice Area Villages	Total No.of Rural House Holds	Total No.of Urban House Holds	Total No.of House Holds	Total No.of Rural House Holds Covered	Total No.of Urban House Holds Covered	Total No.of House Holds Covered	% of Coverage
916	3.97	0.87	4.84	3.97	0.87	4.84	100

Source: Report from District Lead Bank

Table 5 indicates that total no. of 4.84 lacs households in Nizamabad district are covered. So it can be concluded that every house hold in Nizamabad district is under banking fold.

Table: 6

Particulars	Coverage
Second Account for House Hold in Nizamabad	3.93 lacs House Holds

Source: Report from District Lead Bank

Table 6 shows that 3.93 lacs of households are covered with second account also.

Conclusion

It is concluded that financial inclusion shows positive and valuable changes because of change in strength and technological changes. Nizamabad is the first district which achieved 100% financial inclusion in Telangana and also in undivided Andhra Pradesh.

81 % of Households covered by second account also. It is a great achievement of banking sector in Nizamabad district. But mere having bank account should not be considered as financial inclusion, there should continual usage of account. In order to achieve real benefit of financial inclusion, now all regulatory bodies, Government and banks should focus on uninterrupted usage of accounts.

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