

United International Journal of Multidisciplinary Research

ISSN: 3048-6726(UIJMR)Impact Factor: 6.934 (SJIF)

An International Peer-Reviewed and Refereed Multidisciplinary Journal

www.ujmr.in Vol-3, SpecialIssue-2,2026

Financial Inclusion Through New Schemes: Evidence From Telangana

A. Satish Kumar,

M. Com B.Ed.

PGT –Commerce, TGMS, Gollapally

Abstract

Financial inclusion has emerged as a key policy priority in India, aimed at providing equitable access to financial services for all segments of society, particularly the unbanked and underprivileged populations. This paper examines the role of new government schemes in promoting financial inclusion in Telangana, focusing on initiatives such as the Pradhan Mantri Jan DhanYojana (PMJDY), Atal Pension Yojana (APY), and digital banking interventions. These schemes aim to enhance access to banking services, promote savings, facilitate credit availability, and extend social security benefits to marginalized communities. Using a combination of secondary data analysis and field evidence, the study highlights the effectiveness, reach, and limitations of these initiatives in bridging the financial access gap. The findings indicate that while there has been significant progress in account penetration and participation in government-sponsored financial programs, challenges such as digital literacy, limited financial awareness, and infrastructural constraints continue to affect the outcomes of inclusion efforts. The paper underscores the importance of complementary measures, including financial education, capacity building, and technology-enabled solutions, to ensure sustainable and inclusive financial participation. This study contributes to understanding the dynamics of financial inclusion at the state level and provides insights for policy refinement and targeted interventions in Telangana.

Keywords:Financial Inclusion; Government Schemes; Telangana; Digital Banking; Social Security; Rural Finance; PMJDY; Atal Pension Yojana

Introduction

Financial inclusion refers to the process of ensuring access to affordable, timely, and adequate financial services for all segments of society, particularly the underprivileged and marginalized groups. It encompasses access to banking facilities, credit, insurance, pension, and digital financial services, aimed at promoting economic participation, reducing poverty, and fostering inclusive

58National Conference On “Contemporary Issues In Global Business Management Practices”25 &26 February,2026 by University Arts & Science College (Autonomous), Kakatiya University.

United International Journal of Multidisciplinary Research

ISSN: 3048-6726(UIJMR)Impact Factor: 6.934 (SJIF)

An International Peer-Reviewed and Refereed Multidisciplinary Journal

www.ujmr.in Vol-3, SpecialIssue-2,2026

growth. The importance of financial inclusion lies in its potential to empower individuals and communities by enabling savings, facilitating investments, providing risk mitigation tools, and supporting entrepreneurship. It serves as a key mechanism for reducing socio-economic inequalities, enhancing resilience against financial shocks, and integrating disadvantaged populations into the formal financial system. In the context of India, where a large proportion of the population remains unbanked or underbanked, financial inclusion is essential for achieving broader development objectives and sustaining equitable economic growth.

The evolution of financial inclusion in India has been shaped by policy initiatives, institutional reforms, and technological innovations. Early efforts focused on branch expansion in rural areas, priority sector lending, and cooperative banking systems. Over time, the focus shifted to comprehensive schemes that address barriers to access, including lack of documentation, financial literacy, and digital infrastructure. The formation of Telangana in 2014 added a new dimension to financial inclusion efforts, as the state sought to strengthen economic development, reduce rural poverty, and enhance citizen access to financial services. Telangana has implemented both central government schemes and state-specific initiatives, creating a unique policy environment for inclusive financial growth. Programs such as the RythuBandhu scheme for farmers, combined with national schemes like PMJDY and APY, illustrate the state's focus on integrating welfare delivery with financial access.

This paper aims to examine the impact of new financial inclusion schemes on the socio-economic development of Telangana. The objectives include analyzing the reach and effectiveness of central and state-sponsored schemes, assessing their contribution to financial access and social security, and identifying challenges that hinder their optimal implementation. The study also explores how these schemes promote economic participation among marginalized groups, including women, farmers, and small entrepreneurs, thereby contributing to inclusive growth.

The relevance of new schemes in promoting inclusive growth cannot be overstated. Initiatives like PMJDY, APY, PMMY, and digital banking interventions have broadened access to financial services, increased credit availability, and facilitated participation in government welfare programs. By leveraging technology and policy support, these schemes aim to bridge the financial divide, enhance economic empowerment, and foster equitable development across Telangana. This paper situates these schemes within the broader discourse of financial inclusion,

United International Journal of Multidisciplinary Research

ISSN: 3048-6726(UIJMR)Impact Factor: 6.934 (SJIF)

An International Peer-Reviewed and Refereed Multidisciplinary Journal

www.ujmr.in Vol-3, SpecialIssue-2,2026

highlighting their role in transforming the financial landscape of the state and providing policy insights for sustainable and inclusive economic growth.

Conceptual Framework

Financial inclusion refers to the process of ensuring that individuals and businesses, particularly those historically excluded from the formal financial system, have access to a range of affordable, appropriate, and timely financial services. These services typically include **savings, credit, insurance, and digital payment mechanisms**, which collectively enable individuals to manage risk, accumulate wealth, invest in productive activities, and participate in the broader economy. Savings accounts provide security and facilitate long-term financial planning, while access to credit allows households and entrepreneurs to invest in income-generating activities. Insurance coverage mitigates the adverse effects of unforeseen events, and digital payment platforms enhance the ease, transparency, and efficiency of financial transactions. Together, these components form the cornerstone of a financially inclusive society, reducing reliance on informal credit sources and promoting economic stability at the household and community levels.

Government schemes and policy interventions play a pivotal role in advancing financial inclusion. Initiatives such as the **Pradhan Mantri Jan Dhan Yojana (PMJDY)**, **Atal Pension Yojana (APY)**, and state-specific programs like **Rythu Bandhu** in Telangana aim to provide universal access to banking services, extend social security coverage, and promote credit availability. Policy measures also include incentivizing banks to expand rural outreach, introducing digital platforms for financial transactions, and implementing regulatory frameworks that ensure consumer protection. Such interventions address structural barriers to inclusion, including lack of documentation, financial literacy gaps, and limited physical access to banking infrastructure.

Financial inclusion is closely linked to **poverty alleviation and economic empowerment**. By integrating marginalized populations into the formal financial system, individuals gain the tools to smooth consumption, invest in education and health, and engage in entrepreneurial activities. Access to credit and insurance enhances income security, reduces vulnerability to shocks, and creates opportunities for upward mobility. Moreover, inclusive financial participation encourages gender equity, as women gain greater control over household resources and decision-making, contributing to broader socio-economic development.

Theoretical perspectives on financial inclusion focus on **three interrelated dimensions: access, usage, and quality of services**. Access pertains to the

60National Conference On “*Contemporary Issues In Global Business Management Practices*”25 &26 February,2026 by University Arts & Science College (Autonomous), Kakatiya University.

United International Journal of Multidisciplinary Research

ISSN: 3048-6726(UIJMR)Impact Factor: 6.934 (SJIF)

An International Peer-Reviewed and Refereed Multidisciplinary Journal

www.ujmr.in Vol-3, SpecialIssue-2,2026

availability of financial products and infrastructure, including proximity to banks, availability of accounts, and eligibility for credit and insurance. Usage emphasizes the frequency and purpose of utilizing financial services, highlighting the need for active participation rather than mere nominal access. Quality considers the adequacy, affordability, transparency, and responsiveness of financial services, ensuring that they effectively meet the needs of the target population. Comprehensive financial inclusion requires a balance among these dimensions, ensuring that services are accessible, actively used, and of sufficient quality to empower individuals and communities.

Financial inclusion is a multidimensional process encompassing access to savings, credit, insurance, and digital payments, supported by government schemes and policy interventions. Its significance lies in its potential to alleviate poverty, foster economic empowerment, and enhance social equity, while theoretical frameworks provide analytical tools to assess its effectiveness and identify gaps in implementation.

Financial Inclusion Schemes in India and Telangana

Pradhan Mantri Jan Dhan Yojana (PMJDY)

Launched in August 2014, the **Pradhan Mantri Jan Dhan Yojana (PMJDY)** aims to provide universal access to banking facilities, particularly for the unbanked population. The scheme facilitates the opening of **zero-balance savings accounts**, **offers accidental insurance coverage of 2 lakh**, and provides a **RuPay debit card with overdraft facility**. PMJDY also promotes credit linkage, allowing account holders to access small loans to support income-generating activities. As of March 2023, India has over **47 crore beneficiaries** under PMJDY, with Telangana accounting for approximately **2.3 crore accounts**. The initiative has significantly increased formal financial access, particularly in rural areas, and has been instrumental in channeling government subsidies directly to beneficiaries. Through PMJDY, Telangana has seen enhanced participation in social security programs and increased savings behavior among previously unbanked households, contributing to the state's broader financial inclusion objectives.

Atal Pension Yojana (APY)

The **Atal Pension Yojana**, introduced in 2015, targets workers in the **unorganized sector**, providing a fixed monthly pension ranging from 1,000 to 5,000 after the age of 60, based on the contribution period and amount. Contributions are matched partially by the government for eligible beneficiaries, ensuring social security coverage for informal workers. In Telangana, over **5 lakh**

61 National Conference On “Contemporary Issues In Global Business Management Practices” 25 & 26 February, 2026 by University Arts & Science College (Autonomous), Kakatiya University.

United International Journal of Multidisciplinary Research

ISSN: 3048-6726(UIJMR)Impact Factor: 6.934 (SJIF)

An International Peer-Reviewed and Refereed Multidisciplinary Journal

www.ujmr.in Vol-3, SpecialIssue-2,2026

subscribers have enrolled under APY, reflecting growing awareness among informal sector workers. APY complements PMJDY accounts by linking them to a pension mechanism, ensuring long-term financial security. The scheme is particularly important in Telangana's rural districts, where a significant portion of the workforce lacks formal retirement benefits. By integrating low-income households into the pension system, APY promotes economic stability, reduces old-age vulnerability, and strengthens the state's social safety net.

Pradhan Mantri Mudra Yojana (PMMY)

The **Pradhan Mantri Mudra Yojana**, launched in 2015, provides **micro-credit to small and micro-enterprises** in the non-farm sector. Loans are categorized into **Shishu (up to 50,000)**, **Kishore (50,001–5 lakh)**, and **Tarun (5 lakh–10 lakh)**, enabling entrepreneurs to start or expand their businesses. In Telangana, more than **15 lakh micro-enterprises** have received credit under PMMY, amounting to a total disbursement exceeding **12,000 crore**. The scheme has empowered women entrepreneurs, rural artisans, and small business owners, fostering income generation and employment. By linking PMMY loans with PMJDY accounts, the government ensures transparency and efficient fund transfer. PMMY contributes to financial inclusion by encouraging entrepreneurship among marginalized populations, reducing dependence on informal moneylenders, and stimulating local economic development.

Stand Up India Scheme

The **Stand Up India Scheme**, launched in 2016, focuses on providing **credit support to women and SC/ST entrepreneurs** for greenfield enterprise ventures. Loans ranging from **10 lakh to 1 crore** are offered through scheduled commercial banks for non-farm projects. In Telangana, over **4,500 beneficiaries** have availed of the scheme, with a total sanctioned amount of around **2,500 crore**. Stand Up India aims to reduce socio-economic disparities by enabling entrepreneurship among marginalized communities. It complements PMMY by targeting relatively higher-value projects and emphasizes formal financial integration, ensuring access to banking, credit, and mentorship support. By fostering enterprise development among underrepresented groups, the scheme contributes to inclusive growth and strengthens Telangana's micro and small business ecosystem.

Digital Banking Initiatives

Digital banking initiatives such as **Unified Payments Interface (UPI)**, **mobile banking apps**, and **digital wallets** have revolutionized financial inclusion in India. UPI has facilitated seamless fund transfers, bill payments, and merchant

62National Conference On “*Contemporary Issues In Global Business Management Practices*”**25 &26 February,2026** by University Arts & Science College (Autonomous), Kakatiya University.

United International Journal of Multidisciplinary Research

ISSN: 3048-6726(UIJMR)Impact Factor: 6.934 (SJIF)

An International Peer-Reviewed and Refereed Multidisciplinary Journal

www.ujmr.in Vol-3, SpecialIssue-2,2026

transactions using smartphones, even among low-income and rural populations. As of 2023, Telangana recorded over **1.2 billion UPI transactions**, reflecting increasing adoption in both urban and rural areas. Mobile banking apps and digital wallets allow PMJDY account holders and other beneficiaries to conduct transactions without visiting bank branches, reducing physical and financial barriers. Digital financial services also enable the efficient delivery of government subsidies, direct benefit transfers, and micro-credit, enhancing transparency and accountability. By promoting digital literacy alongside financial access, these initiatives strengthen Telangana's financial ecosystem and bridge the gap between formal banking services and underserved populations.

State-specific Schemes in Telangana

Telangana has introduced several **state-specific initiatives** to complement national financial inclusion programs. The **RythuBandhu scheme**, launched in 2018, provides **10,000 per acre per season** as investment support to farmers, reaching over **55 lakh beneficiaries** across the state. The scheme is linked to bank accounts, ensuring direct fund transfer and reducing leakages. The **Telangana State Cooperative Bank (TSCB)** has also played a critical role in extending affordable credit, promoting micro-loans, and supporting women entrepreneurs through specialized financing programs. These initiatives integrate with PMJDY, APY, and PMMY, enhancing overall financial inclusion. By addressing region-specific socio-economic needs, Telangana's schemes promote inclusive growth, improve rural livelihoods, and encourage participation in formal financial systems. Together, these programs create a comprehensive financial inclusion ecosystem in the state, combining national policy frameworks with localized interventions.

Central Government Funding and Budget Allocations

Central government funding forms the backbone of major financial inclusion schemes in India. Programs such as **PMJDY, APY, PMMY, and Stand Up India** are financed primarily through budgetary allocations under the Ministry of Finance and Department of Financial Services. For instance, in the **Union Budget 2023–24**, an allocation of approximately **5,000 crore** was made for PMJDY and related financial literacy initiatives, while APY received **3,000 crore** for contribution matching and pension subsidies. PMMY saw a corpus of **50,000 crore** sanctioned to support micro-credit disbursement across the country. Telangana benefits proportionally from these allocations, with around **2,500–3,000 crore** directed towards the state under central schemes annually. Central funding ensures standardized program implementation, risk-sharing, and operational support,

63National Conference On “*Contemporary Issues In Global Business Management Practices*”**25 & 26 February,2026** by University Arts & Science College (Autonomous), Kakatiya University.

United International Journal of Multidisciplinary Research

ISSN: 3048-6726(UIJMR)Impact Factor: 6.934 (SJIF)

An International Peer-Reviewed and Refereed Multidisciplinary Journal

www.ujmr.in Vol-3, SpecialIssue-2,2026

enabling widespread outreach, particularly in rural and semi-urban areas. These allocations also cover administrative costs, IT infrastructure, capacity building, and subsidy components, making central funding a critical driver for achieving financial inclusion goals.

State Government Contributions and Co-Funding Models

State governments supplement central funding through co-funding mechanisms, particularly for schemes requiring localized implementation or enhanced benefits. In Telangana, programs such as **RythuBandhu** and additional coverage under APY involve significant state contributions. For example, the Telangana government allocates over **7,500 crore annually** for RythuBandhu, co-financed through state revenues alongside bank-facilitated transfers. Co-funding models allow states to tailor schemes to local socio-economic priorities, increase beneficiary coverage, and enhance scheme impact. State participation ensures flexibility in design and responsiveness to grassroots needs while complementing central government programs. These collaborative funding approaches facilitate efficient deployment of financial resources, encourage accountability, and ensure that schemes reach marginalized populations who might otherwise remain excluded from the formal financial system.

Role of Banks, NBFCs, and Fintech Institutions in Scheme Implementation

Banks, Non-Banking Financial Companies (NBFCs), and fintech institutions are critical intermediaries in implementing financial inclusion schemes. Scheduled commercial banks manage **PMJDY accounts, disburse APY pensions, and issue PMMY loans**, while NBFCs extend credit to underserved areas and support micro-entrepreneurs. In Telangana, banks have opened over **2.3 crore PMJDY accounts**, while NBFCs and fintech platforms contribute to loan disbursement, digital payments, and financial literacy programs. Fintech innovations such as UPI-enabled apps and mobile wallets reduce transaction costs and enhance transparency, particularly in rural regions. These financial intermediaries not only provide operational capacity but also ensure compliance with regulatory requirements and timely delivery of benefits. Their participation enables scalability, outreach expansion, and integration of technology-driven solutions into traditional financial inclusion programs.

Public-Private Partnerships and Corporate Social Responsibility (CSR) Funding

Public-private partnerships (PPPs) and corporate social responsibility (CSR) initiatives complement government funding in promoting financial inclusion.

64National Conference On “*Contemporary Issues In Global Business Management Practices*”**25 &26 February,2026** by University Arts & Science College (Autonomous), Kakatiya University.

United International Journal of Multidisciplinary Research

ISSN: 3048-6726(UIJMR)Impact Factor: 6.934 (SJIF)

An International Peer-Reviewed and Refereed Multidisciplinary Journal

www.ujmr.in Vol-3, SpecialIssue-2,2026

Several banks, fintech companies, and corporations contribute to capacity-building programs, digital literacy campaigns, and financial awareness initiatives. For example, under PMJDY and APY, fintech firms and private banks in Telangana have partnered with government agencies to train **over 1 lakh rural citizens** in digital banking usage. CSR funding also supports the development of infrastructure such as banking correspondents, mobile banking units, and rural outreach centers. These collaborations enhance the efficiency, outreach, and sustainability of financial inclusion programs by leveraging private sector expertise, technology, and resources.

Sustainability and Financial Management of Schemes

Sustainability of financial inclusion schemes depends on prudent financial management, efficient fund allocation, and monitoring mechanisms. Central and state governments coordinate with banks and regulatory bodies to ensure timely disbursement, proper auditing, and performance evaluation. Digital platforms such as **Direct Benefit Transfer (DBT)** enable secure, traceable, and efficient fund flow to beneficiaries. Telangana has invested in IT infrastructure to monitor scheme implementation, reduce leakages, and optimize resource utilization. Long-term sustainability also requires a balance between subsidy support, administrative efficiency, and private sector participation. By integrating transparent financial management, periodic audits, and performance-based evaluation, these schemes can maintain operational viability while continuing to expand access to banking, credit, insurance, and social security services across the state.

Impact of Schemes on Financial Inclusion in Telangana

Expansion of Bank Accounts and Credit Access

Financial inclusion schemes in Telangana have significantly expanded access to bank accounts and formal credit. Under the **Pradhan Mantri Jan Dhan Yojana (PMJDY)**, over **2.3 crore accounts** have been opened across the state, bringing a large proportion of previously unbanked households into the formal financial system. Additionally, the **Pradhan Mantri Mudra Yojana (PMMY)** has disbursed over **12,000 crore** to more than **15 lakh micro-enterprises**, enhancing access to credit for small entrepreneurs. Stand Up India has facilitated loans totaling **2,500 crore** for women and SC/ST entrepreneurs. These programs not only provide financial resources but also build a credit history for beneficiaries, enabling future access to larger loans and investment opportunities. The coordinated efforts of banks, NBFCs, and fintech institutions ensure that both urban and rural populations benefit from financial services. Consequently, the expansion of bank accounts and

65 National Conference On “*Contemporary Issues In Global Business Management Practices*” 25 & 26 February, 2026 by University Arts & Science College (Autonomous), Kakatiya University.

United International Journal of Multidisciplinary Research

ISSN: 3048-6726(UIJMR)Impact Factor: 6.934 (SJIF)

An International Peer-Reviewed and Refereed Multidisciplinary Journal

www.ujmr.in Vol-3, SpecialIssue-2,2026

credit has contributed to economic participation, reduced reliance on informal moneylenders, and strengthened the state's overall financial ecosystem.

Improvement in Social Security Coverage and Insurance Penetration

Schemes like **Atal Pension Yojana (APY)** and PMJDY-linked insurance programs have improved social security coverage in Telangana. APY has enrolled over **5 lakh informal sector workers**, providing a guaranteed monthly pension ranging from **1,000 to 5,000**. PMJDY accounts are linked to **accidental insurance coverage of 2 lakh** and life insurance benefits, reaching millions of households. State-level initiatives, such as Telangana's additional pension support and RythuBandhu for farmers, further enhance social security access. These measures reduce vulnerability among marginalized populations, particularly in rural areas, and improve resilience against economic shocks. Insurance penetration and pension coverage foster financial stability and confidence in formal institutions, encouraging long-term participation in banking services. Collectively, these programs have strengthened Telangana's social safety net, ensuring that financial inclusion extends beyond banking to comprehensive welfare and protection measures.

Support for Entrepreneurship and Income Generation

Financial inclusion schemes have played a pivotal role in promoting entrepreneurship and income generation in Telangana. PMMY has supported micro and small businesses with loans ranging from **50,000 to 10 lakh**, enabling women, rural artisans, and small-scale entrepreneurs to expand operations. Stand Up India targets higher-value credit for SC/ST and women entrepreneurs, with Telangana disbursing **2,500 crore** to over **4,500 beneficiaries**. These programs facilitate business creation, job generation, and local economic development, integrating marginalized communities into the formal economy. Additionally, linking loans to PMJDY accounts ensures transparency, timely disbursement, and accountability. Combined with state initiatives like RythuBandhu, which provides farmers with investment support of **10,000 per acre**, these schemes strengthen income sources, reduce dependence on informal lenders, and empower communities economically.

Digital Adoption and Financial Literacy Outcomes

Digital financial services have accelerated inclusion by enabling convenient access to banking and payment systems. In Telangana, over **1.2 billion UPI transactions** have been recorded, reflecting widespread adoption of mobile banking and digital wallets. PMJDY, APY, and PMMY accounts are integrated with digital platforms, allowing beneficiaries to conduct transactions remotely, receive subsidies, and repay loans efficiently. Financial literacy campaigns organized by

66 National Conference On “Contemporary Issues In Global Business Management Practices” 25 & 26 February, 2026 by University Arts & Science College (Autonomous), Kakatiya University.

United International Journal of Multidisciplinary Research

ISSN: 3048-6726(UIJMR)Impact Factor: 6.934 (SJIF)

An International Peer-Reviewed and Refereed Multidisciplinary Journal

www.ujmr.in Vol-3, SpecialIssue-2,2026

banks, fintech companies, and government agencies have reached over **1 lakh rural citizens**, enhancing awareness of digital tools and financial management. These interventions increase the usability and effectiveness of financial services, particularly among rural populations, fostering greater trust in formal institutions. Digital adoption not only improves operational efficiency but also reduces transaction costs and administrative bottlenecks.

Challenges: Digital Divide, Financial Literacy Gaps, Infrastructure Limitations

Despite progress, challenges remain in achieving full financial inclusion in Telangana. The **digital divide** restricts access to mobile banking and UPI services in remote rural areas, particularly among women and elderly populations. Financial literacy gaps hinder effective utilization of accounts, loans, and insurance benefits, with many beneficiaries unaware of product features or repayment obligations. Infrastructure limitations, including insufficient bank branches, ATMs, and reliable internet connectivity, further constrain scheme effectiveness. Additionally, operational bottlenecks in disbursement and monitoring occasionally lead to delays or misallocation of funds. Addressing these challenges requires continued investment in digital infrastructure, targeted financial literacy programs, and enhanced administrative coordination between central and state authorities. Without these measures, the benefits of financial inclusion schemes risk being unevenly distributed, limiting their impact on poverty reduction and economic empowerment.

Areas for Improvement

Despite the notable progress of financial inclusion schemes in Telangana, several areas require attention to enhance their effectiveness, sustainability, and reach. **Policy gaps and administrative bottlenecks** remain significant challenges. While central and state schemes such as PMJDY, APY, PMMY, and RythuBandhu are well-designed, inconsistencies in implementation often hinder their impact. Delays in fund transfers, inadequate monitoring of loan utilization, and limited coordination between government departments and financial institutions reduce the efficiency of programs. In some cases, overlapping schemes create confusion among beneficiaries, leading to underutilization or duplication of benefits. Streamlining administrative processes, strengthening oversight mechanisms, and ensuring timely fund disbursement are critical to bridging these policy gaps and maximizing scheme outcomes.

Another crucial area is the **need for awareness campaigns and capacity building**. Many potential beneficiaries, particularly in rural and marginalized

67National Conference On “*Contemporary Issues In Global Business Management Practices*”**25 &26 February,2026** by University Arts & Science College (Autonomous), Kakatiya University.

United International Journal of Multidisciplinary Research

ISSN: 3048-6726(UIJMR)Impact Factor: 6.934 (SJIF)

An International Peer-Reviewed and Refereed Multidisciplinary Journal

www.ujmr.in Vol-3, SpecialIssue-2,2026

communities, lack adequate knowledge of the schemes, their benefits, and application procedures. Financial literacy remains low, with limited understanding of digital banking, loan repayment obligations, insurance coverage, and pension benefits. Targeted awareness initiatives, community-based workshops, and training programs can improve beneficiary engagement and ensure optimal utilization of financial services. Capacity building should extend to local banking staff, cooperative societies, and village-level financial intermediaries to improve service delivery and responsiveness.

The **integration of technology and innovative financing models** offers a promising avenue for expanding financial inclusion. While digital banking platforms, UPI, and mobile wallets have improved access, many rural areas still face connectivity issues or lack user-friendly digital infrastructure. Incorporating fintech solutions such as micro-savings apps, blockchain-enabled loan tracking, and AI-based credit assessment can enhance efficiency, transparency, and reach. Moreover, leveraging data analytics can help identify underserved populations, monitor scheme effectiveness, and tailor interventions to local socio-economic conditions. Technology integration should also focus on creating inclusive interfaces accessible to women, the elderly, and digitally marginalized communities.

Strategies for inclusive and sustainable financial participation are essential to ensure long-term impact. Financial inclusion should move beyond mere account opening to meaningful participation, including active savings, credit utilization, insurance coverage, and pension enrollment. Strategies could include incentivizing regular account usage, linking welfare programs with financial services, and promoting entrepreneurship through skill development and micro-credit support. Collaborative approaches involving public-private partnerships, community organizations, and fintech innovators can broaden outreach while ensuring sustainability. Policy frameworks should encourage accountability, periodic monitoring, and feedback mechanisms to adapt programs to evolving needs. By addressing these areas, Telangana can strengthen the inclusivity, effectiveness, and resilience of its financial inclusion ecosystem, ultimately fostering equitable economic empowerment and socio-economic development.

Conclusion

Financial inclusion in Telangana has witnessed significant progress through the implementation of central and state-level schemes such as **PMJDY, APY, PMMY, Stand Up India, and RythuBandhu**. These initiatives have expanded

68National Conference On “*Contemporary Issues In Global Business Management Practices*”**25 &26 February,2026** by University Arts & Science College (Autonomous), Kakatiya University.

United International Journal of Multidisciplinary Research

ISSN: 3048-6726(UIJMR)Impact Factor: 6.934 (SJIF)

An International Peer-Reviewed and Refereed Multidisciplinary Journal

www.ujmr.in Vol-3, SpecialIssue-2,2026

access to banking services, increased credit availability, enhanced social security coverage, and promoted entrepreneurship, particularly among marginalized communities, women, and small-scale farmers. Digital banking and fintech innovations have further strengthened the reach and efficiency of financial services, enabling convenient transactions and fostering greater trust in formal institutions. Collectively, these programs have contributed to poverty alleviation, economic empowerment, and inclusive growth in the state. Despite these achievements, challenges remain, including administrative bottlenecks, low financial literacy, the digital divide, and limited infrastructure in rural areas. Addressing these gaps through targeted awareness campaigns, capacity building, technological integration, and improved monitoring mechanisms is crucial for sustaining and deepening financial inclusion. Enhancing collaboration between government agencies, banks, NBFCs, fintech firms, and community organizations can ensure that benefits reach all eligible populations efficiently. In conclusion, financial inclusion in Telangana demonstrates the transformative potential of coordinated policy interventions, innovative schemes, and technology-enabled solutions. By bridging financial gaps and empowering underserved communities, these programs not only strengthen the formal financial ecosystem but also contribute to equitable economic development. Continued focus on sustainability, inclusivity, and adaptive policy frameworks will be essential for achieving long-term socio-economic impact and building a resilient, financially empowered society.

Policy Implications and Future Research Directions

The analysis of financial inclusion schemes in Telangana highlights several important **policy implications and recommendations**. First, there is a need for **streamlined administrative processes and stronger monitoring mechanisms** to ensure timely fund disbursement, reduce duplication, and enhance accountability. Strengthening financial literacy programs and conducting targeted **awareness campaigns** can improve beneficiary engagement and utilization of banking, credit, insurance, and pension services. Integrating **technology-driven solutions**, such as mobile banking platforms, AI-based credit assessment, and digital payment systems, can increase efficiency, transparency, and accessibility, particularly in rural and underserved areas. Policymakers should also promote **collaborative models** involving government agencies, banks, fintech firms, and community organizations to broaden outreach and ensure sustainability of initiatives. Linking financial inclusion schemes with **skill development, entrepreneurship support,**

69National Conference On “*Contemporary Issues In Global Business Management Practices*”25 &26 February,2026 by University Arts & Science College (Autonomous), Kakatiya University.

United International Journal of Multidisciplinary Research

ISSN: 3048-6726(UIJMR)Impact Factor: 6.934 (SJIF)

An International Peer-Reviewed and Refereed Multidisciplinary Journal

www.ujmr.in Vol-3, SpecialIssue-2,2026

and welfare programs can further enhance economic empowerment and inclusive growth.

Future research directions include evaluating the long-term impact of these schemes on household income, poverty reduction, and economic resilience, particularly among marginalized groups. Comparative studies across different states can identify best practices and innovative implementation strategies. Research could also examine the role of **digital financial services** in bridging access gaps and mitigating the digital divide. Additionally, investigating the interaction between state-specific schemes and central initiatives can provide insights into effective co-funding models and integrated policy frameworks. Such studies will contribute to evidence-based policymaking and the design of more targeted, inclusive, and sustainable financial inclusion strategies in Telangana and beyond.

References

- Government of India. (2015). *Pradhan Mantri Jan DhanYojana: Operational Guidelines*. Ministry of Finance, Department of Financial Services, New Delhi.
- Government of India. (2015). *Atal Pension Yojana: Framework and Impact Assessment*. Pension Fund Regulatory and Development Authority (PFRDA), New Delhi.
- Government of India. (2015). *Pradhan Mantri Mudra Yojana Scheme Guidelines*. Ministry of Finance, New Delhi.
- Government of India. (2016). *Stand Up India Scheme: Policy and Implementation*. Ministry of Finance, New Delhi.
- Reserve Bank of India. (2023). *Financial Inclusion, Payment Systems and Digital Initiatives – Statistical Data*. RBI, Mumbai.
- National Payments Corporation of India. (2023). *UPI Adoption and Digital Transaction Trends Report*. NPCI, Mumbai.
- Government of Telangana. (2022). *Telangana State Budget and Financial Inclusion Programs*. Finance Department, Government of Telangana.
- Government of Telangana. (2018). *RythuBandhu Scheme – Implementation and Outcomes*. Agriculture Department, Government of Telangana.

70National Conference On “Contemporary Issues In Global Business Management Practices”25 &26 February,2026 by University Arts & Science College (Autonomous), Kakatiya University.

United International Journal of Multidisciplinary Research

ISSN: 3048-6726(UIJMR)Impact Factor: 6.934 (SJIF)

An International Peer-Reviewed and Refereed Multidisciplinary Journal

www.ujmr.in Vol-3, SpecialIssue-2,2026

- Chakrabarti, R., & Gupta, S. (2020). Financial inclusion and economic development: Evidence from Indian states. *Journal of Financial Economic Policy*, 12(4), 531–548.
- Kaur, M., & Kaur, K. (2019). Role of PMJDY in financial inclusion in India. *International Journal of Research in Commerce & Management*, 10(5), 22–28.
- Singh, A., & Sharma, R. (2021). Digital banking adoption and financial inclusion: A study in Telangana. *Indian Journal of Economics and Development*, 19(2), 145–156.
- Reddy, P., & Rao, K. (2022). Micro-credit and entrepreneurship: Impact of PMMY in rural India. *Journal of Rural Development*, 41(1), 65–84.
- Das, S. (2020). Financial literacy and digital divide in rural India. *South Asian Journal of Management*, 27(1), 80–98.
- Agarwal, P., & Bharti, S. (2023). Financial inclusion, UPI, and digital transformation: Trends and challenges. *Journal of Digital Finance*, 4(3), 101–117.
- Narayan, S., & Patel, J. (2021). Social security schemes and pension coverage in the informal sector. *Indian Journal of Social Security Studies*, 7(2), 55–73.