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E-NATIONAL CONFERENCE ON

“Promoting Financial and Inclusive Growth”

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CHIEF PATRON MESSAGE

It is a matter of pride and privilege for the institution to host a National E-Conference on **“Promoting Financial and Inclusive Growth”**. I am sure the deliberations of the conference will come with valuable suggestions to enhance the dynamic role of NABARD in society. I also want to acknowledge the work done by NABARD in India and around the country who are making a difference. They’re the unsung ones who, day by day, in villages and communities around the country, are building better lives for farmers, women’s and youth . I would like to take this opportunity to thank the Principal for his endless support to the college. I would further like to thank the teaching and non-teaching staff for their support and making the conference a grand success.

On this Occasion, I convey my best wishes to the E-Conference

Adv. Shri. Mahendra K. Ghelani

Chairman, MKLM Trust

E-NATIONAL CONFERENCE ON

"Promoting Financial and Inclusive Growth"

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The main aim of the conference is to create awareness and healthy discussions among professionals, academicians and research scholars on major issues related to women development.

This National E-Conference is a stepping stone in visualizing the dreams towards a better future of Inclusive Growth in India and in national and international perspective.

I appreciate the initiative taken by the Department of Banking and Finance as well as Dr. Jitendra Aherkar for conducting such a relevant conference, which will benefit to the industry as well as academicians.

I also extend my heartfelt gratitude to the advisory committee and all the participants for their enthusiastic efforts to make this conference successful.

Dr.Dilip S.Patil

Former, Professor and Director, DLLE

Chairman, Board of Studies in Rural Development

University of Mumbai

E-NATIONAL CONFERENCE ON

"Promoting Financial and Inclusive Growth"

Supported By NABARD

It is a proud and great honour for us to organize National Conference on **"NABARD: Promoting Capacity Building for Rural Youth".** The objective of this Conference is to bring Eminent Economists, Professors and Researchers from different Colleges Universities and Representative from different States in a single Platform. The Proceedings of the Conference would be useful for all the sections of the Society.

I am very glad that we have received, large number of quality papers from various institutions from all the corners of the Country which includes both theoretical and empirical work.

The financial assistance received from Research and Development Fund of National Bank for Agriculture and Rural Development (NABARD) towards publication of journal/printing of the proceedings of the Conference is greatly acknowledged.

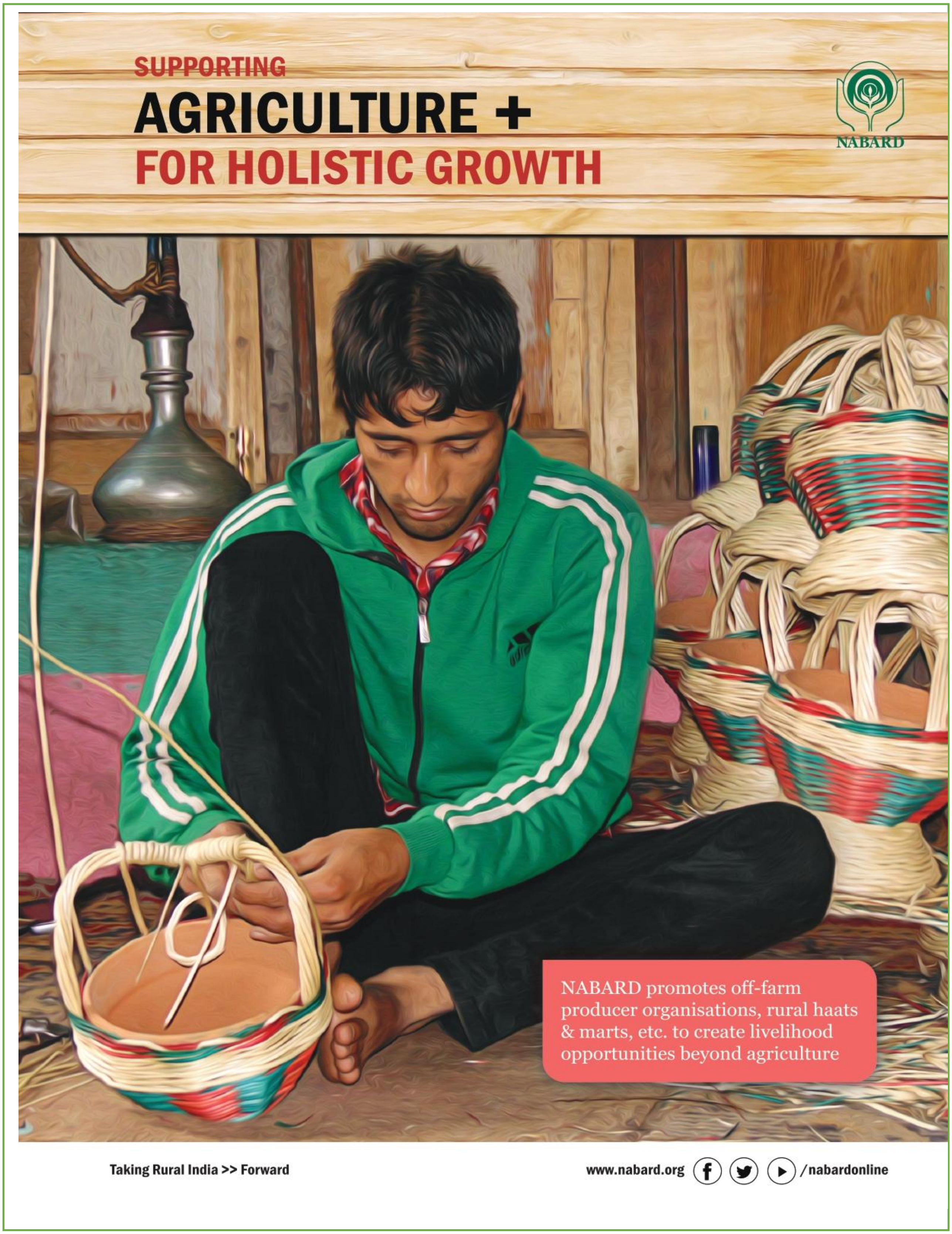
I am thankful to our Chairman – Adv.Shri.Mahendra K. Ghelani , for giving us strong support and encouragement whenever required.

I am thankful to Taran Publishing House for their ceaseless and meticulous efforts in publishing the proceedings of the Conference on time.

Finally, I take this opportunity to convey my thanks to all the Delegates and Professional Colleges, Teaching and Non-teaching staff of the college for their active participation in this Conference.

Dr. Jitendra K. Aherkar

Convener of the Conference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NABARD promotes off-farm producer organisations, rural haats & marts, etc. to create livelihood opportunities beyond agriculture
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A STUDY OF GOVERNMENT SPONSORED SCHEMES TAKEN BY NABARD TO EMPOWER OFF FARM SECTOR

MR. NIMESH G. PUNJANI

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Abstract:

NABARD – National Bank for Agriculture and Rural Development, is a Development Bank of the Nation for Fostering Rural Prosperity. Apart from providing financial support to rural community, the institution looks after the functioning and regulation of the bank. NABARD is a lifesaving institution for many rural families. This paper aims to understand the government sponsored schemes taken by NABARD.

Keywords: NABARD, Capital subsidy scheme, Deendayal Antyodaya Yojana, Weavers Package.

Introduction:

NABARD came into existence on 12 July 1982 by transferring the agricultural credit functions of RBI and refinance functions of the then Agricultural Refinance and Development Corporation (ARDC). It was dedicated to the service of the nation by the late Prime Minister Smt. Indira Gandhi on 05 November 1982. Set up with an initial capital of Rs.100 crore, its' paid up capital stood at Rs.14,080 crore as on 31 March 2020. Consequent to the revision in the composition of share capital between Government of India and RBI, NABARD today is fully owned by Government of India. Mission of NABARD is Promote sustainable and equitable agriculture and rural development through participative financial and non-financial interventions, innovations, technology and institutional development for securing prosperity. NABARD almost touches every aspect of rural economy by providing various financial functions like refinance to the various institutions to support their resources, to provide short term and long term loans, to provide special liquidity facility, to provide rural infrastructure development fund, NABARD has also released fund for Pradhan Mantri Awaas Yojana - Grameen (PMAY-G), Micro Irrigation Fund (MIF), NABARD Infrastructure Development Assistance (NIDA), Direct Refinance Assistance to DCCBs for Short-Term Multipurpose Credit (DRA), Credit Facility to Federations (CFF), Dairy Processing and Infrastructure Development Fund (DIDF), Fisheries and Aquaculture Infrastructure Development Fund (FIDF), NABARD has also launched some new products like Rural Infrastructure Assistance to State Governments (RIAS), Warehouse Infrastructure Fund, Food Processing Fund, Geo Tagging of Warehouses, NABARD in the year 2020-21 performed 302 statutory inspections and 9 voluntary inspections to check the financial position of banks/other institutions as on March 31, 2020. NABARD also performs various Development functions viz Watershed Development, Tribal development, Climate change Adaption Projects, Umbrella Programme on Natural Resource Management.

NABARD has been a proud channel partner of the Government in various schemes in farm sector and off farm sector. Subsidy as and when received from the concerned Ministry is passed onto the financing banks.

- New Agricultural Marketing Infrastructure (AMI) sub scheme of ISAM
- Agri Clinics and Agri Business Centers Scheme (ACABC)
- National Livestock Mission - Entrepreneurship Development & Employment Generation (NLM-EDEG)
- Dairy Entrepreneurship Development Scheme (DEDS)
- Commercial production units of organic inputs - National Project on Organic Farming (NPOF)
- GSS – Ensuring End Use of Subsidy Released
- Interest Subvention Scheme
- CREDIT LINKED CAPITAL SUBSIDY SCHEME

- DEENDAYAL ANTYODAYA YOJANA – NATIONAL RURAL LIVELIHOODS MISSION (DAY-NRLM)
- WEAVERS PACKAGE

Government sponsored schemes taken by NABARD to empower off farm sector:

CREDIT LINKED CAPITAL SUBSIDY SCHEME:

The Credit Linked Capital Subsidy Scheme (CLCSS) for Technology Up-gradation of Micro & Small Enterprises was launched by the Government of India in October 2000. The scheme aims at acilitating technology up-gradation of SSI units in the specified products/ sub-sectors by way of induction of well-established and improved technologies approved under the scheme for which capital subsidy is extended by GoI. NABARD is designated as one of the nodal agencies for channelizing subsidy under the scheme through Cooperative Banks and RRBs; and Commercial Banks.

DEENDAYAL ANTYODAYA YOJANA – NATIONAL RURAL LIVELIHOODS MISSION (DAY-NRLM):

The Ministry of Rural Development (MoRD), Government of India launched the National Rural Livelihood Mission (NRLM) by restructuring Swarnajayanti Gram Swarojgar Yojana (SGSY) with effect from 01.04.2013 (RBI Circular No. RBI/2012-13/559 dated 27 June 2013).

NRLM was renamed as DAY-NRLM (Deendayal Antyodaya Yojana - National Rural Livelihoods Mission) w.e.f. March 29, 2016 and is the flagship program of Govt. of India for promoting poverty reduction through building strong institutions of the poor, particularly women, and enabling these institutions to access a range of financial services and livelihoods services.

NABARD is implementing the Interest Subvention Scheme for Women SHGs under DAY-NRLM for RRBs and Cooperative Banks in Category-I (250) districts.

Downloadable Links:

Master Circular – Deendayal Antyodaya Yojana - National Rural Livelihoods Mission (DAY-NRLM)

RBI Master Circular dated 18 September 2020

https://www.rbi.org.in/scripts/BS_ViewMasterCirculars.aspx?Id=11967&Mode=0

NABARD Master Circular dated 11 May 2021

https://www.nabard.org/auth/writereaddata/tender/0906214331NRLM%20-IS%20master%20circular%20dt.%2011.05.2021.pdf

Administering Schemes for Sugar Farmers:

1) **Financial Assistance to Sugar Mills for Augmentation of Ethanol Production Capacity.**

The Government of India introduced this scheme in 2018-19, with a view to increase production of ethanol and its supply under 'Ethanol Blended Petrol (EBP)'.The scheme helps in improving the liquidity position of the sugar mills, especially in the surplus seasons, thereby enabling them to clear cane price arrears of the farmers and results in saving foreign exchange. NABARD is the nodal agency for managing the Sugar Ethanol Interest Subvention Scheme of Department of Food and Public Distribution (DFPD), Government of India. Interest subvention at 6% per annum or 50% of rate of interest charged by banks on the loans, whichever is lower, shall be borne by the Central Government for five years. An amount of ₹ 66.05 crore was released to lending banks as interest subvention under the scheme during the year 2020-21.

Downloadable Links:

Circular No. 263/DoR - 67/2018 dated 12 October 2018

https://www.nabard.org/auth/writereaddata/tender/1005192607Cir_263_E.pdf

Circular No. 276/DoR-76/2019 dated 03 October 2019 https://www.nabard.org/auth/writereaddata/tender/0410193824Cir_276_E.pdf

Circular No. 145/DoR-42/2020 dated 01 June 2020

https://www.nabard.org/auth/writereaddata/tender/0406200351Cir_145_E.pdf

2) **Sugar Soft Loan Scheme 2018-19**

The Government of India introduced the scheme of soft loans to sugar mills to facilitate payment of cane dues of farmers for the sugar season 2018-19. NABARD is the nodal agency for implementing the interest subvention under the scheme. Under the scheme, interest subvention is available for a maximum period of one year at 7% simple interest or at the actual rate charged by banks (whichever is lower) on loans sanctioned by them to sugar mills for clearing the cane due arrears of farmers. An amount of ₹174.44 crore was released to lending banks as interest subvention under the scheme during the year 2020-21.

Downloadable Links:

Circular Nos. 46/DoR-13/2019 dated 06 March 2019

https://www.nabard.org/auth/writereaddata/tender/1303195055Cir_46_E.pdf

Circular Nos. 47/DoR-13/2019 dated 06 March 2019

https://www.nabard.org/auth/writereaddata/tender/1303195429Cir_47_E.pdf

Circular Nos. 48/DoR-13/2019 dated 06 March 2019

https://www.nabard.org/auth/writereaddata/tender/1303195526Cir_48_E.pdf

Circular Nos. 53/DoR-14/2019 dated 07 March 2019

https://www.nabard.org/auth/writereaddata/tender/1303195636Cir_53_E.pdf

Circular No. 227/DoR-62/2019 dated 25 July 2019

https://www.nabard.org/auth/writereaddata/tender/3007195029Cir_227_E.pdf

WEAVERS PACKAGE

National Handloom Development Programme (NHDP) to be implemented during the XII Plan has been formulated as a centrally-sponsored plan scheme approved by the Planning commission merging, with or without modifications

- Revival, Reform and Restructuring (RRR) package
- Institutional Credit component of Integrated Handlooms Development Scheme (IHDS) as Concessional Credit, and
- Comprehensive Handlooms Development Scheme (CHDS).

CHDS, a component of NHDP, has been formulated by merging following three plan schemes

- Integrated Handlooms Development Scheme
- Marketing & Export Promotion Scheme
- Diversified Handlooms Development Scheme implemented during 11th Plan

Out of the above schemes, the following two schemes are being implemented by NABARD.

- Revival, Reform and Restructuring (RRR) package
- Comprehensive Handlooms Development Scheme (CHDS)

I) Revival, Reform and Restructuring Package for Handloom Sector

The RRR package was aimed at covering all viable and potentially viable apex and primary weaver cooperative societies (PWCs). The quantum of assistance for weaver societies and individual weaver was based on audits and recommendation of state implementation, monitoring and review committee.

The objectives of the financial package were:

1) Waiver of loans to individual weavers

2) Loan waiver and recapitalization of handloom weavers' cooperative societies

3) Strengthening of weaver cooperative societies

4) Training for the functionaries

5) Credit guarantee for fresh loans (administered by SIDBI)

6) Three percent interest subsidy for fresh loans to be changed to Six percent subsidy for fresh loans

7) Loss assessment exercise

As per the guidelines of RRR package, all viable and potentially viable Apex and Primary weaver societies (as per the package norms) were to be covered under the package. The quantum of assistance to be made available to each weaver society is linked to special audit on the basis of the audited Financial Statements (Balance sheet & P/L Account).

II) Under Concessional Credit component NABARD administers following two sub-components

- Interest subsidy: To provide subsidized loan to handloom sector at the interest rate of 6% for a period of three years, the quantum of interest subsidy to be borne by the Government of India is for three years and limited to the difference between the actual rate of interest as applicable and charged by the Banks and 6% to be borne by the borrower. However, the GoI interest subvention is capped at 7%.
- Margin money assistance to a maximum of Rs. 10,000 per weaver is provided, which enables the handloom weavers, their Self-Help Groups (SHGs) and Joint Liability Groups (JLGs) to leverage this amount for borrowing loans from the banks. However, weavers' cooperative societies, weavers' producer companies, etc. are not be eligible for the margin money assistance. In case, the requirement of margin money for the loan required by the weaver is more, then the beneficiary or State Government or Implementing Agency or in any combination thereof will be required to contribute additional amount of margin money.

Conclusion:

In early days NABARD was known to provide financial assistance to farm sector supporting the rural economic of India but now a days NABARD plays a very vital role by providing various financial and infrastructure assistance to the Off farm sector under various schemes like credit linked capital subsidy scheme, Deendayal Antyodaya Yojana and Weavers Package. These various schemes helps in the overall development of the Off farm sector which helps the development of the country. NABARD helps in the development of the farm sector and Off farm sector which contributes to the overall GDP growth of the country and also creates the employment.

References:

1) https://www.nabard.org/

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3) Anil Lamba, "Uses Of Cluster Computing Techniques To Perform Big Data Analytics For Smart Grid Automation System", International Journal for Technological Research in Engineering, Volume 1 Issue 7, pp.5804-5808, 2014.

4) https://www.toppr.com/guides/commercial-knowledge/organizations-facilitating-business/national-bankfor-agriculture-and-rural-development-nabard/

5) https://www.rbi.org.in/

A YEAR-OVER-YEAR (YoY) ANALYSIS ON PRIME MINISTER JAN DHAN YOJONA (PMJDY) AND SMALL SAVINGS GROWTH IN INDIA

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Abstract

Savings is one of the most important elements of any developed economy. Without saving the economy of a country cannot grow. Apart from the economic impact, not having adequate savings greatly hampers the life of an individual especially for the low income earners. The Indian government had taken various measures to promote financial inclusion targeting the low income earners. The Prime Minister Jan DhanYojona (PMJDY) is one of such policies which was launched to promulgate the financial inclusion especially among the financially weaker section of the society. The prevailing situation prompted to make a study on the PMJDY and the functional aspect of the PMJDY as a tool for financial inclusion. The study is based on secondary data collected from the official web site. The study revealed that although the number of accounts opened has increased to a great extend yet the amount deposited is too less. The study also revealed that India has to go a long way in developing the habit of savings among the people especially the low income earners and daily wage earners

Keywords: PMJDY, Small Savings, Financial Inclusion.

INTRODUCTION:

Savings is one of the most important elements of any developed economy. Without saving the economy of a country cannot grow. Apart from the economic impact, not having adequate savings greatly hampers the life of an individual. It is observed that most of the well to do income earners more or less saves to meet their contingencies. But when it comes to the low income earners (the poor family group), it is observed that the saving is very negligible and most cases it is zero. This is basically due to the reason of not understanding the mechanism of income and saving relation and also their income level. The mindset of this class of people without financial knowledge differs from that of a person having a good knowledge on the financial matters.

In spite of the government strong initiatives regarding the financial inclusion with various measures and policies it is a question why people are still not able to save to meet their future contingencies. The Prime Minister Jan DhanYojona (PMJDY) is one of such policies which was launched to promulgate the financial inclusion especially among the financially weaker section of the society. Most of the accounts opened under the PMJDY remain inoperative. The main reason behind it is that in most cases people with low income try to save after their consumption quota is completed. This can be changed only if the proper mechanism and financial knowledge they can imbibe into their mind. One of the best ways that can be attempted to make them learned that savings should come before spending for present consumption.

The PMJDY was implemented mainly with the aim to include the low income earners into the financial system. Moreover, it is very much important that people save for future and even a small contribution on daily basis can do the job for it. This PMJDY accounts were opened in order to facilitate small savings to the low income group people from different walks of life such as daily wage earners, street vendors, unorganized workers, etc. It has been observed that very low level of deposits are being made to these accounts over last more than 4 years. This prevailing situation prompted to make a study on the PMJDY to observe the real happenings in and outside the accounts opened under this scheme. One of the objectives of the PMJDY was to bring the rural area population under the network of formal financial system but it has been observed that as per data (March, 2020) the PMJDY has not yet covered 75% of the rural population. It indicates that a large segment of the rural population still outside the network of formal financial system.

Therefore, an attempt has been made to study the functional aspect of the PMJDY as a tool for financial inclusion. Further, the study will help to understand the importance of the small savings especially for the low income earners.

IMPORTANCE OF THE STUDY:

Savings being a vital for any individual, it is very much important that an individual of any income category saves out of his/her earnings in order to meet certain contingencies. Again in order to include each and every people into the financial system various schemes have been implanted by the government and PMJDY was one of the vital among all those as it helps an individual of any income groups to open a bank account at any banks be it private or public. Although most of the banks have opened the accounts under PMJDY scheme it is very much important to study the operational aspects of the account and find out the status of the accounts opened so far. This ignited the researchers to study the operational aspects of the bank accounts opened under the PMJDY scheme. The study has further helped to observe the amount of deposit mobilised and how far banks are able to penetrate to capture the rural areas.

REVIEW OF LITERATURE:

Joshi (2016) revealed in his study that inspite of various schemes taken, the government is partially successful in achieving the goal of financial awareness. The study also revealed low exposure of the financial institutions in the rural areas as one of the reason for not able to reach to the rural peoples. Further the study revealed that low financial knowledge is also one of the reason for not able to implement the schemes. **Kaur & Singh (2015)** revealed in their study that PMJDY will help the government to achieve the goal of exploring and providing the low income groups to be included into the financial system. The study also revealed that it will help to promote and mobilize the small savings especially by the low income earners. **Kshetrimayum (2014)** on his study revealed that the importance of awareness in order to develop the habit of savings among the peoples especially in rural areas. His study revealed the vital role that has to be played by the agents in order to increase the small savings and change the concept of savings by mobilizing the savings. **Kumar (2008)** on his study revealed that small savings plays an important role especially to the low income earners. Further he revealed that a small increase in the domestic savings will greatly help the country's economy. **Nimbrayan (2018)** revealed in their study that to have an inclusive growth financial inclusion is one of the important tool as it will help to mobilize the small savings of the low income earners. Further schemes like PMJDY will help in achieving the sustainable economic growth as it will help in include each and every one into the financial system. **Senapati (2018)** on his study revealed that schemes like PMJDY will help to explore the low income earners and help them to avail the benefit of the financial system. The study also revealed that among all the schemes launched PMJDY is one of the finest schemes due to its depth and magnitude across the country.

OBJECTIVE OF THE STUDY:

The main objective is to study the operational aspects of bank account opened under the PMJDY. In order to arrive at the main objective some sub objectives have been considered for the study.

1. To study the present status of bank account opened under PMJDY.
2. To study the size of deposit mobilization through these accounts.
3. To study the penetration of the banking services in the rural India.
4. To make a Year-over-Year (YoY) comparison on the PMJDY statistics.

Research Questions:

Q1. Is there any significant difference between the status of PMJDY Beneficiary YoY Basis?

Q2. Is there any significant difference between the status on PMJDY amount deposited YoY Basis?

Q3. Is there any significant bank wise difference between status on PMJDY Beneficiary YoY Basis?

Q4. Is there any significant bank wise difference between status on PMJDY amount deposited YoY Basis?

Q5. Is there any significant state wise difference between status on PMJDY Beneficiary YoY Basis?

Q6. Is there any significant state wise difference between status on PMJDY amount deposited YoY Basis?

RESEARCH METHODOLOGY:

The study is based on secondary data collected from the official website of the Government of India mainly launched for reporting about the PMJDY. The study covers whole of India and also covers 18 public sector banks and 14 private sector banks operating in the country extending the services under PMJDY. The study covers those people who are otherwise excluded by the formal financial system for no fault on their part. Further, the collected data are depicted in tabular form and some graphs are also been used for clarity of presentation. Latest published data upto March, 2021 have been used in this study. For the study year over year point analysis have been done considering the March 2020 and March 2021 as the time reference point. The month of March is selected because it is the last month of a financial year.

The scope of this paper is limited to the public sector banks and private sector banks and the researchers refrained from interpreting the data on RRBs as no specific information is available with regard to the RRBs. The reporting authority has given the name of the sponsored banks only instead of showing the data in the name of respective RRBs.

ANALYSIS AND INTERPRETATION:

The current position of bank account opened under PMJDY can be seen from Table-1

Table No-1: Table showing the status of the PMJDY across Banks

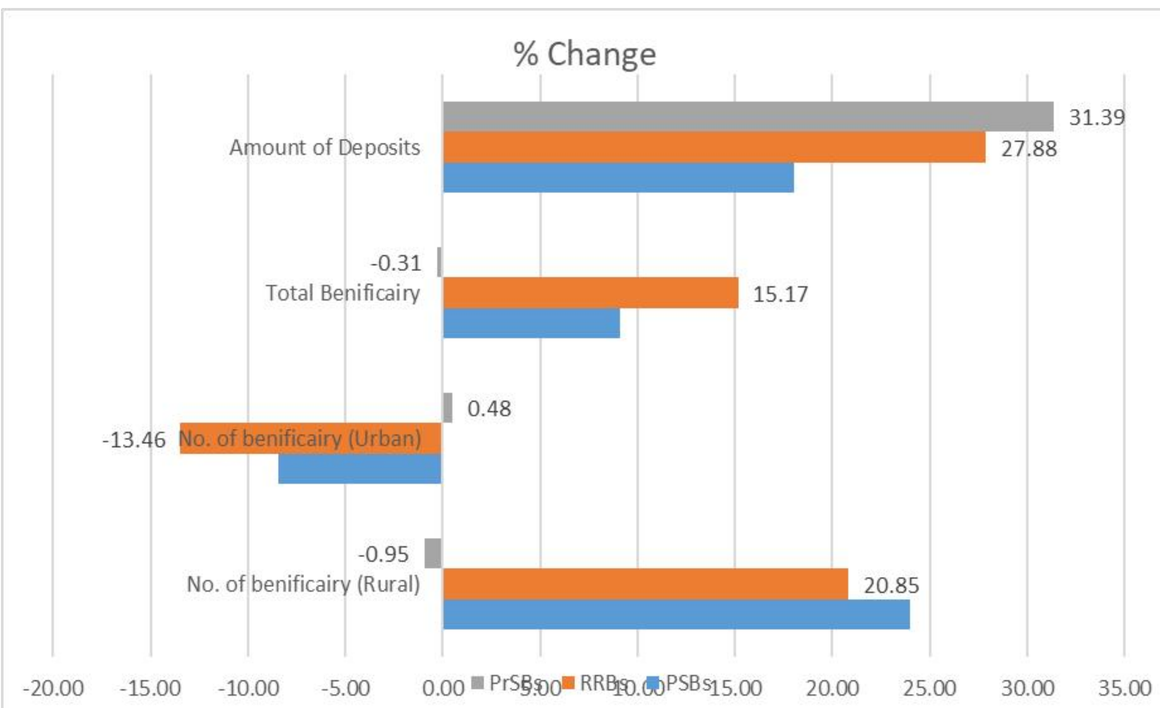
Type of Bank	No. of Beneficiaries rural/semi urban centre bank branches			No of Beneficiaries urban metro centre bank branches			Number of Total Beneficiaries			Amount of Deposits (Rs in lakhs)
	24-03-2020	24-03-2021	% Change	24-03-2020	24-03-2021	% Change	24-03-2020	24-03-2021	% Change	24-03-2020
PSBs	16,46,46,671	20,41,88,888	24.02	14,05,41,209	12,86,83,778	-8.44	30,51,87,880	33,28,72,666	9.07	93,91,997.16
RRBs	5,46,76,889	6,60,75,977	20.85	1,08,50,037	93,89,899	-13.46	6,55,26,926	7,54,65,876	15.17	21,33,180.02
PrSBs	69,80,142	6913999	-0.95	55,85,013	56,12,005	0.48	1,25,65,155	1,25,26,004	-0.31	318263.51

Grand Total	226303702	27,71,78,864	22.48	15,69,76,259	14,36,85,682	-8.47	38,32,79,961			42,08,64,546	9.81	11843440.69

(As onMarch, 2021)

Type of Bank	No. of Beneficiaries rural/semi urban centre bank branches			No of Beneficiaries urban metro centre bank branches			Number of Total Beneficiaries			Amount of Deposits (Rs in lakhs)		
	24-03-2020	24-03-2021	**% Change**	24-03-2020	24-03-2021	**% Change**	24-03-2020	24-03-2021	**% Change**	24-03-2020	24-03-2021	**% Change**
PSBs	16,46,46,671	20,41,88,888	**24.02**	14,05,41,209	12,86,83,778	**-8.44**	30,51,87,880	33,28,72,666	**9.07**	93,91,997.16	1,10,85,657.33	**18.03**
RRBs	5,46,76,889	6,60,75,977	**20.85**	1,08,50,037	93,89,899	**-13.46**	6,55,26,926	7,54,65,876	**15.17**	21,33,180.02	27,27,986.08	**27.88**
PrSBs	69,80,142	6913999	**-0.95**	55,85,013	56,12,005	**0.48**	1,25,65,155	1,25,26,004	**-0.31**	318263.51	4,18,170.91	**31.39**
Grand Total	226303702	27,71,78,864	**22.48**	15,69,76,259	14,36,85,682	**-8.47**	38,32,79,961	42,08,64,546	**9.81**	11843440.69	1,42,31,814.32	**20.16**

Figure 1



Observations: Public Sector Banks (PSBs) are playing a vital role in financial inclusion through the PMJDY scheme. The penetration of financial services in the rural area is also mostly focused by the PSBs. Still a large segment of the rural population (75%) are not yet covered by the PMJDY (rural population as per 2018).Table 1 reflects the year on year analysis of the status on PMJDY. Data revealed a positive and significant change with an increase of 24.02% and 20.85% in respect to PSBs and RRBs respectively (Table 1) in the number of beneficiaries of Rural and semi urban bank branches while a negative change have been observed in relation with the Private Sector Banks (PrSBs) with -0.95% decrease in the number of beneficiaries. In respect to the number of beneficiaries of the urban areas a decreasing trend has been observed in relation to PSBs and RRBs with -8.44% and -13.46% change (Table 1) while a notable 0.48% change have been observed in case of PrSBs in urban areas in relation to the beneficiaries of urban areas. Regarding the total number of beneficiaries a positive and significant change have been observed in respect to PSBs (9.07%) and RRBs (15.17%) while the total beneficiaries in relation to PrSBs revealed a negative -0.31% change.With regards to the total amount of deposits made under the PMDJY accounts, positive change have been observed in all the three categories with 18.03% positive change in case of PSBs, 27.88% change in case of RRBs and 31.39 % change in case of PrSBs. The analysis revealed that although the number of beneficiaries had declined in case of PrSBs but a increase in the amount deposited was observed in PrSBs (Fig. 1). Further, it is observed that PrSBs are playing an inactive role in promoting the PMJDY scheme both in rural and urban areas. (Table 1). Moreover, one strong observation is that the amount deposited to these accounts is very low,although the number of account opened is satisfactory. This indicates that although the accounts are being opened but they do not have surplus income to deposit in their bank account as a result most of such accounts remained with zero balance or with a very negligible amount as balance. It is also observed that the total deposit is very minimal as against the number of beneficiaries. On an average Rs. 3144/- have been deposited per account on yearly basis.

Table No-2: Growth status of beneficiaries under PMDJY

Year	2015	2016	2017	2018	2019	2020	2021
Number of Total Beneficiaries	108464393	3067621	290432036	319484970	360619453	382212394	420864546
Amount of Deposits in Accounts (Rs in lakhs)	854471.38	35575.99	6443136	7895208.7	10049594.6	1,17,01,549.9	14231814.32

Source: https://pmjdy.gov.in/account

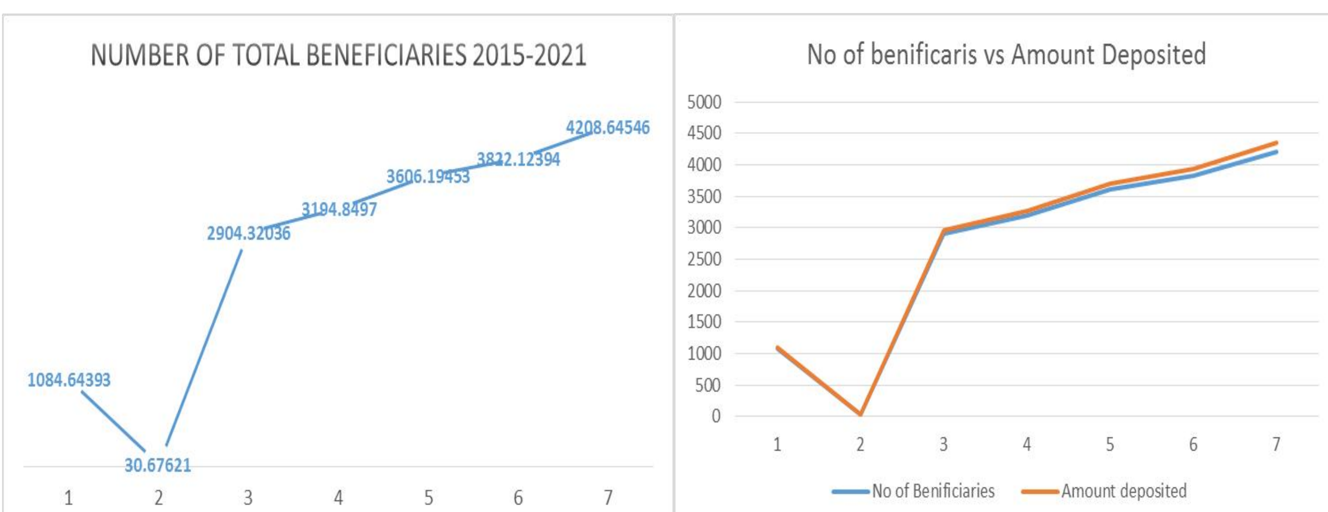


Fig. 2 (a) & 2 (b)

Observation: The researchers tried to make an analysis regarding the growth of the number of beneficiaries and amount deposited in the PMJDY accounts since inception. It is observed that the number of beneficiaries have increased over the period of time i.e. 2015-2021 but the amount deposited per year is very minimum all throughout the years. The data revealed that although accounts have been opened on continuous basis savings habit is yet to be developed. We can observe a decline in 2016 in the number of beneficiaries but it took a huge turn in 2017 and the curve remained upwards. Fig. 2(a), while in making a comparison between the no. of beneficiaries and amount deposited a drop in the amount deposited in the PMDJY accounts have been observed. Fig. 2(b)

Table No-3: Status of Public Sector Banks

Bank Name / Type	**Number of Total Beneficiaries March'2020**	**Number of Total Beneficiaries March' 2021**	**% change YoY**	**Deposits in Accounts(In lac) March'2020**	**Deposits in Accounts(In lac) March'2021**	**% change YoY**
Bank of Baroda	41046321	49323203	**20.16**	1385613.3	1799963.69	**29.90**
Bank of India	23312156	25304868	**8.55**	758551.56	941402.25	**24.11**
Bank of Maharashtra	6171412	6801599	**10.21**	194965.44	248386.25	**27.40**
Canara Bank	7630239	13832719	**81.29**	284144.69	600284.98	**111.26**
Central Bank of India	14417378	14293701	**-0.86**	374460.82	404375.41	**7.99**
Indian Bank	4013283	17923685	**346.61**	74840.3	667476.86	**791.87**
Indian Overseas Bank	5081569	5276147	**3.83**	135976.02	171295.28	**25.97**
Punjab & Sind Bank	1325271	1341319	**1.21**	64716.14	53959.26	**-16.62**
Punjab National Bank	19990049	39446411	**97.33**	577991.39	1588244.44	**174.79**
State Bank of India	120408551	128440691	**6.67**	2904990.8	3620445.89	**24.63**
UCO Bank	8575896	10016468	**16.80**	283398.19	358471.32	**26.49**
Union Bank of India	11228166	20871855	**85.89**	300356.63	631351.71	**110.20**

Source: https://pmjdy.gov.in/BankwiseLatest

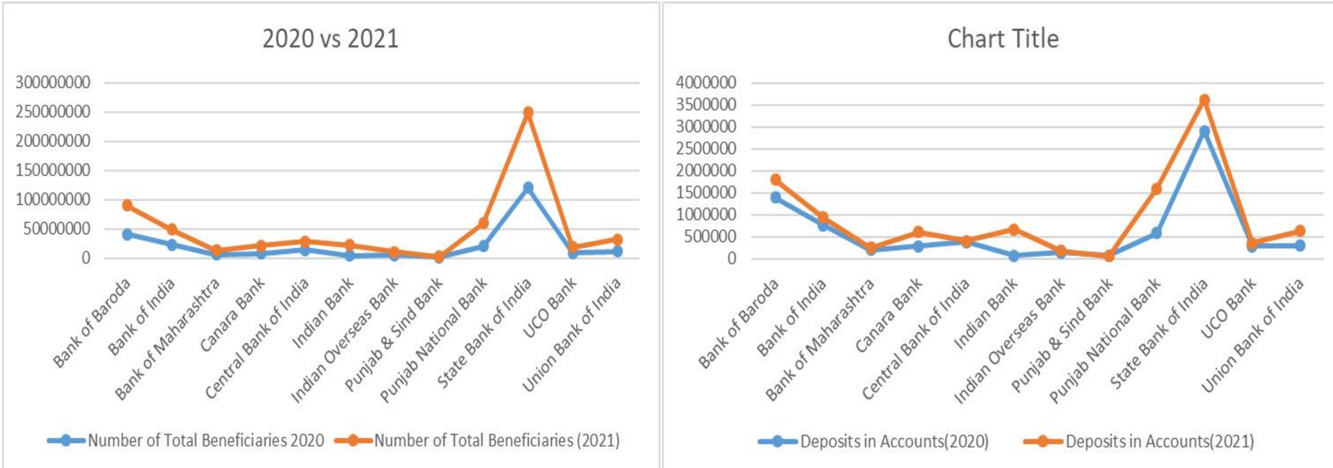


Fig. 3 (a) & (b)

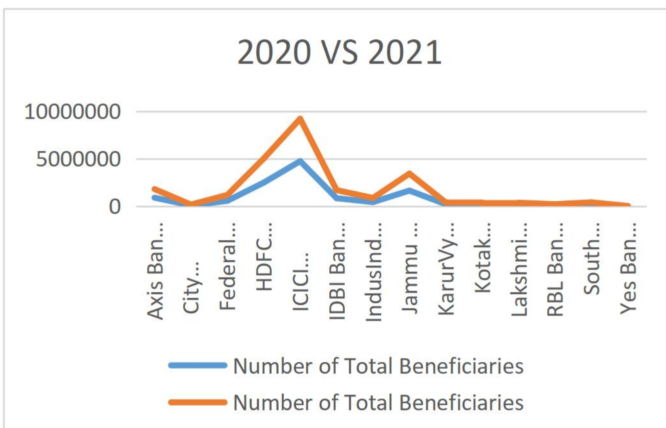
Observations: A bird's eye view on PSBs separately shows a growth of the number of beneficiaries and amount deposited on YoY basis. It is observed that among the 18 public sector banks operating and providing the PMJDY scheme State Bbank of India holds the majority share. SBI could opened above 29 lakhs accounts under the PMJDY. While Punjab and Sind bank plays an inactive role among all the banks; they could opened 1325271 number of accounts with a deposit of Rs. 64716.14 lakhs as on25th March 2020. A significant observation in relation to the number of beneficiaries and amount deposited in the PSBs has been noticed. A significance change (346.61%) have been observed in number of new beneficiaries and (791.87%) change have been observed in the amount deposited. (Table 3). Also a significant change have been observed in the amount deposited to Union Bank of India with 110.20% increase in the deposit amount and 174.79 % increase in the amount deposited to PNB and 111.26% increase in Canara bank.

Table 4:Number of beneficiaries and Amount of deposit in Private Sector Banks

Name of Banks	Number of Total Beneficiaries March'2020	Number of Total Beneficiaries March'2021	% Change YoY	Amount of Deposit in Accounts (Rs. In lac)March'2020	Amount of Deposit in Accounts (Rs. In lac)March'2021	% Change YoY
Axis Bank Ltd	895720	903845	0.91	23793.4	33164.40	39.38
City Union Bank Ltd	85722	85928	0.24	1467.67	1706.37	16.26
Federal Bank Ltd	569081	619348	8.83	23968.7	30595.32	27.65
HDFC Bank Ltd	2484399	2537130	2.12	113464	139997.37	23.38
ICICI Bank Ltd	4739023	4460504	-5.88	30479.9	49502.10	62.41
IDBI Bank Ltd.	842886	847703	0.57	27383.2	32215.23	17.65
IndusInd Bank Ltd	431227	436790	1.29	3130.34	5495.81	75.57

Jammu & Kashmir Bank Ltd	1645262	1783758	8.42	82798.6	109197.14	31.88
KarurVysya Bank	205765	181955	-11.57	1810.14	2581.79	42.63
Kotak Mahindra Bank Ltd	166912	159416	-4.49	2226.21	2794.27	25.52
Lakshmi Vilas Bank Ltd	180421	184005	1.99	2047.61	2595.01	26.73
RBL Bank Ltd	107964	104844	-2.89	309.51	1372.98	343.60
South Indian Bank Ltd	198924	208929	5.03	5232.46	6748.80	28.98
Yes Bank Ltd	11849	11849	0.00	151.58	204.31	34.79

Source: https://pmjdy.gov.in/BankwiseLatest



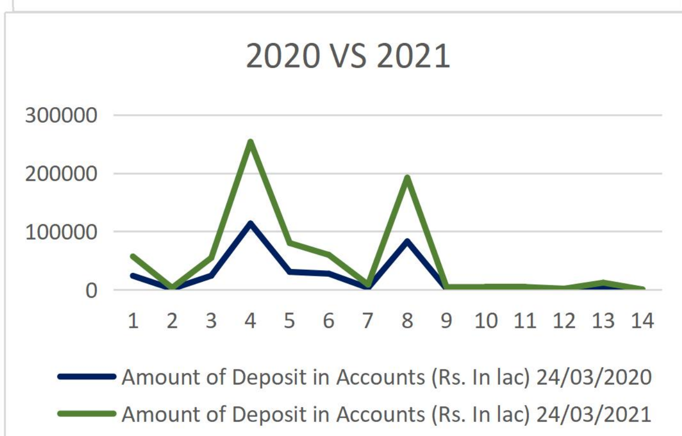


Fig. 4(a) & 4 (b)

From table 4 it is observed that among the 14 private sector banks, ICICI bank is playing an active role in financial inclusion with more than 4 lakhs accounts while Yes Bank remains the least active among the private banks with only 11849 accounts. YoY data revealed no significant change in the number of new beneficiaries, although a reasonable increase in the number is observed. While ICICI banks reported -5.88% drop in the number of beneficiaries. While with regards to the amount of deposits a significant change is observed in all the PrSBs with more than 15% change among the banks offering PMJDY scheme.

Table No-5: Status of beneficiaries (State-wise)

State Name	Total Number of Beneficiaries March' 2020	Total Number of Beneficiaries March'2021	% Change (YoY)
Andaman & Nicobar Islands	49,163	47,473	-3.44
Andhra Pradesh	10,451,672	11,694,541	11.89
Arunachal Pradesh	337,615	361,503	7.08
Assam	1,63,55,698	18,768,288	14.75
Bihar	43,904,058	48,576,212	10.64
Chandigarh	253,921	265,641	4.62
Chhattisgarh	14,763,879	15,365,118	4.07
Dadra & Nagar Haveli	129,103	146,089	13.16
Daman & Diu	56,360	60,377	7.13
Delhi	4,588,090	4,850,218	5.71
Goa	167,801	170,624	1.68
Gujarat	15,320,613	16,114,538	5.18
Haryana	7,494,426	7,924,576	5.74
Himachal Pradesh	1,307,063	1,514,474	15.87
Jammu & Kashmir	2,145,134	2,472,748	15.27
Jharkhand	13,397,215	15,516,071	15.82
Karnataka	14,875,839	15,277,149	2.70
Kerala	4,309,023	4,744,830	10.11
Ladakh	18,912	20,658	9.23
Lakshadweep	5,575	6,013	7.86
Madhya Pradesh	32,622,790	35,489,913	8.79
Maharashtra	27,023,062	30,075,152	11.29
Manipur	965,174	1,027,186	6.42
Meghalaya	477,611	597,328	25.07
Mizoram	310,632	321,011	3.34

Nagaland	308,243	331,702	7.61
Odisha	15,736,067	17,484,241	11.11
Puducherry	159,422	165,059	3.54
Punjab	6,950,101	7,358,253	5.87
Rajasthan	26,901,317	29,421,549	9.37
Sikkim	93,472	87,190	-6.72
Tamil Nadu	10,713,021	11,201,556	4.56
Telangana	9,652,843	10,406,814	7.81
Tripura	888,567	913,596	2.82
Uttar Pradesh	61,330,824	71,599,120	16.74
Uttarakhand	2,569,380	2,738,186	6.57
West Bengal	36,646,275	40,699,369	11.06

Source: https://pmjdy.gov.in/account

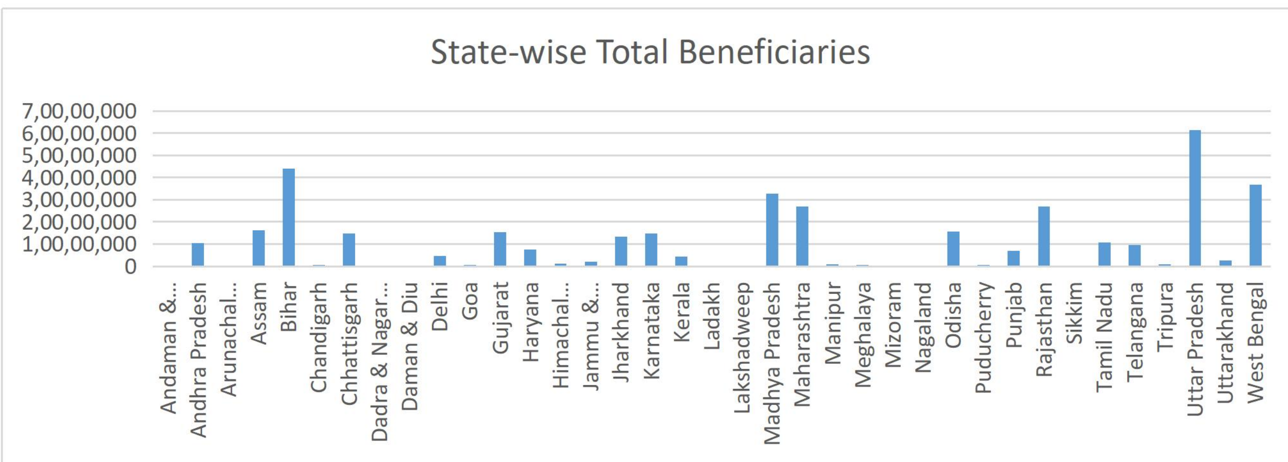


Figure: 5

State wise status on YoY basis revealed that except Sikkim (-6.72) and Andaman & Nicobar Island (-3.44%), all other states have shown a significant rise in the number of total beneficiaries. Uttar Pradesh is on the top of the list with more than 6 crore beneficiaries under PMJDY while Lakshadweep has the least with only 5,575 beneficiaries. Himachal Pradesh (15.87%) tops the list in highest percentage change followed by Jharkhand (18.82%)

Addressing the research questions:

Addressing the research question 1 and 2 , the study revealed that there is no significant change in the number of beneficiaries in the rural areas as compared to 2021. But with regards to the amount deposited the study revealed that there was a significant change in the amount deposited in the PMJDY accounts.

Addressing the research question 3 and 4 the study revealed a significant change in the number of beneficiaries and amount deposited with regards to the PSBs been observed; while no such significant change have been observed with regards to the PrSBs.

Addressing the research question 5 and 6 it is observed that there is a slight growth in the number of beneficiaries across the states except Sikkim and Andaman and Nicobar island. But no such significant change have been observed year on year basis.

SAVINGS MODEL ESPECIALLY FOR THE PEOPLE WITH LOWER INCOME LEVEL:

Based on the study it has been observed that the although the number of beneficiaries have been increasing yet the amount deposited seemed to be very low as compared to the number of beneficiaries. On an average a sum of Rs. 3144/- has been deposited per account over the years since its inception. The average was Rs. 787/- per account as on 01/07/2015. Based on the results a savings model been developed targeting specially the low income groups.

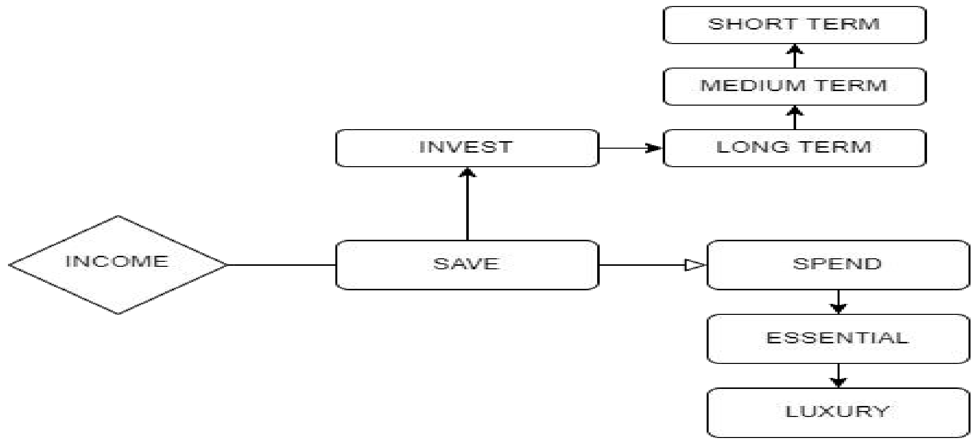


Fig. 6

The model depicts that after income is earned if a certain amount can be saved and then the residual part of income should be spent on consumption. The amount so saved can be utilized to invest in different avenues based on the goal (Fig.6). This kind of behavior will help the people to develop a saving habit and create a corpus for future. The other part need to spend accordingly on daily basis to meet the necessity and so on.

Based on the model a simple illustration is being developed for the daily wage earners.

Daily Income (Rs)	Daily Savings (Rs)	Working Days in a month	Monthly Savings (Rs)	Yearly Savings (Rs)	5 Years Savings (Rs)
200	20	25	500 (20x25)	6000 (500x12)	30000(6000x5)
300	30	25	750 (30x25)	9000 (750x12)	45000 (9000x5)

If we take Rs. 200 as daily income and 10% of it is saved by every daily wage earner on daily basis total accumulation in a year will be Rs. 6000. Again, if we take Rs. 300 as a daily income and 10% of it is saved by them on daily basis then it would accumulate 9000 in a year (excluding all other expenses). In case of contingencies such as the COVID-19 lockdown the accumulated fund available with the people can be used.

FINDINGS OF THE STUDY:

The major findings based on analysis are presented in the following lines:

1. The PSBs are playing a vital role in implementing the PMJDY and SBI is at the top with regard to beneficiaries. The PrSBs also implementing the scheme but yet to explore the customers as the beneficiaries are low as compared to the public sector banks. Among the private banks, ICICI bank holds the top position in implanting the scheme.

2. On an average Rs. 3144/- has been deposited per account under PMJDY over the years since its inception i.e. 1st July, 2015.The average deposit per account per annum was found to be Rs. 787/- from 01/07/2015 to 25/03/2020.
3. There is an upward trend in the number of beneficiaries yet the amount deposited has not been increased over the years. This showed an inactive role played by the account holders. The study revealed that there is a long way to achieve the goal of financial inclusion unless the accounts are operated for making small savings.
4. The study also revealed that the total number of beneficiaries across banks both private and public sector banks are more than Rs. 38 crores but compared to the number of beneficiaries the amount deposited is meager one.
5. Further, it is observed that penetration of the PMJDY is more in rural areas which is a good indication that the main target of the scheme i.e. to penetrate into the rural areas.
6. Among the Indian states in implementing the PMJDY it is found that Uttar Pradesh topped the list with coverage of above 6 crores beneficiaries followed by Bihar and West Bengal. Moreover, Lakshadweep is the state with least number of beneficiaries.
7. Assam stands at 7th position based on number of beneficiaries (exceeding 1 crore) covered under this scheme. Thus, it is can be said that PMJDY has been working in the right direction for inclusion of those people who are otherwise not covered by other financial inclusion schemes.

SUGGESTIONS:

The following suggestions have been put forwarded:

1. The PSBs have to come forward in an aggressive way to provide services under the PMJDY. They have to work hard for the low income group people for their inclusion in the financial system. Only SBI is doing well but other Public sector banks are lying behind.
2. The PrSBs are not so active in implementing the PMJDY scheme, so it is suggested that PrSBs may come forward with proper strategies and help the government to achieve the goal of financial inclusion and inclusive growth.
3. The amount deposited is much lower as compared to the beneficiaries and therefore it is suggested that the proper measures like door step banking services should be taken to make people use the accounts.
4. Mobile banking or door step banking initiative can be made in a coordinated way by all the banks with mutual understanding. A comprehensive planning can be made among the local bank branches to cover a particular area on weekdays sharing basis or sharing geographical area.
5. Extensive financial awareness camps should be organized for the people especially to the low income earning groups on regular basis. Without generating awareness it is difficult to motivate them to transact with banks and other financial institutions.
6. It is suggested that the customer service points should be made available by each bank in the rural areas and also agents should be employed so that normal banking services can be provided at the door step.
7. Banks also need to give extensive services in rural areas such as ATM facilities and also make sure that each and every person to make learn the use of ATMs in order to refrain them from repeated visits to banks to withdraw money.
8. It is suggested that the government should instruct each bank to adopt villages to help in operating the account and to made available common banking and other financial services there in rural areas. Expenditure incurred for this purpose may be considered as amount spent for CSR activities by that bank.
9. The data of RRBs are not shown separately. As a result the RRBs are not coming to the limelight about their role in implementing the PMJDY. The report from the ministry reflects the name of sponsor banks only to show RRB data. Therefore, it is suggested that the authorities should disclose RRB data in their own name if the RRBs are maintaining their own identity in the market.

CONCLUSION:

There is an increase in the number of beneficiaries specially through the PSBs. However, in a country like India, where most of the people are not financially literate it is difficult to implement schemes like PMJDY. This is due to the fact that the mindset of the people is still to be changed so that they may start the habit of savings out of their small earning.

PMJDY being one of the most valuable scheme for financial inclusion have depth and proximity it is very important that these account are being operated by the beneficiaries. This is possible only with the active roles played by the banks. Both the PSBs and PrSBs need to work in line with the government to achieve the goal of financial inclusion and inclusive growth. The role played by the banks is found to be inactive especially the PrSBs. Therefore, it is a high time that the banks need to work for it. PMJDY is creating a system to make a climate for small savings among the people who are primarily deprived of the very common financial services. Finally, it can be insisted that the PMJDY is a great relief for the low income groups at the time of contingencies. Financial inclusion can be achieved only when the people participate in the financial system; merely opening up of a bank accounts will not help in achieving the goal of inclusive growth but those accounts needs to be operated as well.

Scope for future research:

The study is confined the data of 2020 and 2021 considering the COVID outbreak. As the scheme focuses on the low income group hence further studies can be undertaken attaching primary data to get into a clear conclusion about the benefits of the scheme.

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A STUDY ON NABARD IN REALITY TOWARDS RURAL DEVELOPMENT

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Abstract

Rural Development in India is one of the Key Elements in Indian Economy Context since majority of the population in India (more than 68%) leading their lives from rural segment of nation depending upon agriculture and its allied activities. Lifestyle of Rural Population when compared to Urban Population is low due to limitation factors such as resources, facilities, services etc,. Rural Development is an era which prevails with high level of significance in Indian Economy for which certain assistance is required. National Bank for Agriculture and Rural Development (NABARD) is established as supreme body with the intention of providing credit and other facilities for promotion of rural development. The present study covered important aspects such as objectives, functions, various actives initiated to promote agricultural and rural development schemes in India. Data is collected from secondary sources like NABARD Annual Reports, magazines and newspapers. The present study reveals that significant assistance is provided by NABARD towards Rural Development in the form of promoting Rural Infrastructure Development Fund (RIDF).

Key Words: Rural Development, NABARD, RIDF.

Introduction:

Rural development is the process of improving the quality of life and economic well-being of people living in rural areas, often relatively isolated and sparsely populated areas. Education, entrepreneurship, physical infrastructure, and social infrastructure all play an important role in developing rural regions. Rural development is a process of social and economic improvement of rural areas. It is the development of rural areas to uplift the quality of life of the people in these areas. India is one of the most populated countries in the world and is widely known for its rural and urban divide. The rural population is the majority in size in India, and is estimated to be more than half of the country's population. Role of Government has increased with intervening by providing development programs to aid the rural population. Development Activities are not more effective until and unless a certain standard mechanism involves in execution and reviewing. In that context, the existence of NABARD

Need for the study:

In the Indian geography, more than 70% of its population resides in rural segment depends upon agricultural and its allied activities. Since services and infrastructure are limiting factors in rural segment which leads to tough life for many people who depends upon. Since less number of services like law enforcement, schools, fire departments, and libraries may be far or unavailable. At the time of the independence around 83% of the population were residing in rural segment. Rural development is the one of the essential elements in any national economy and possesses deserved significance. Its process involves the transformation of traditional to intensifying way of life among the rural segmentation of nation. The main purpose of implementing the rural development programmes are to raise the economic and social changes of the population residing in the rural colonies of India. In order to maintain suitable supervision and monitoring on facilitating rural credit and promoting rural development programmes, government established the supreme authoritarian body- NABARD with standardised hierarchy and work flow. It is a single integrated body which constitutes with the wings that looks after the credit requirements of agriculture and its allied activities. Therefore, an attempt is made to study the role of NABARD in the rural development.

Objectives of Study:

1. To study the schemes/ programmes undertaken by NABARD.
2. To Analyse and Evaluate the schemes/programmes that contributed to rural development.
3. To study the progress of functions of NABARD
4. To study the provision of loans sanctioned to various sectors by NABARD.

Functions of NABARD

1. Providing refinance facility to Rural Institutions working on providing financial services for investment credit and production and marketing credit purpose farm and off-farm activities in rural development
2. To provide necessary credit facilities to various agricultural and rural development activities.
3. It establishes standard measures towards implementation of backend support the financial inclusion initiatives of Regional Rural banks and Cooperative Banks.
4. Diagnosing the challenges involved in the promotion of livelihood opportunities and providing the carrier for rural youth.

Data Collection: Data collected from secondary sources including NABARD Annual reports, Magazines and Newspapers.

Period of Study: The present study is carried out using the data related to FY 2018-19 to FY 2020-21.

Table-1: Agricultural production: A. Cereals (In million tonnes)

Year	Rice	Wheat	Other	Total
2018-2019	116.5	103.6	43.1	263.2
2019-2020	118.9	107.9	47.8	274.6
2020-2021	121.5	108.8	49.7	280

Source-NABARD Annual Reports 2020-2021.

Table-2: Agricultural production: B. Food grains (In million tonnes)

Year	Cereals	Pulses	Total
2018-2019	263.2	22.1	285.3
2019-2020	274.6	23	297.6
2020-2021	280	25.6	305.6

Source-NABARD Annual Reports 2020-2021.

Table-3: Agricultural production: C. Commercial Crops

Year	Oilseeds (In lakh tons)	Cotton (Lakh bales of 170Kg each)	Jute & Mesta (Lakh bales of 180Kg each)	Sugarcane (In lakh tons)
2018-2019	315.2	280.4	98.2	4054.2
2019-2020	332.2	360.7	98.8	3705
2020-2021	365.7	364.9	96.2	3928

Source -NABARD Annual Reports 2020-2021.

Table-4: Exports of Agricultural and Allied Products during 2018-2021 (Rs in Crore)		
Year	**Amount**	**% of change over previous year**
2018-2019	2,71,000	-
2019-2020	2,65,207	-2.14%
2020-2021	3,02,101	13.91%

Source-NABARD Annual Reports 2020-2021.

Table-5: Short-term Refinance Assistance to Rural Financial Institutions during 2018-2021 (Rs in Crore)		
Year	**Amount**	**% of change over previous year**
2018-2019	90,088	-
2019-2020	1,00,382	11.43%
2020-2021	1,30,964	30.46%

Source-NABARD Annual Reports 2020-2021.

Table-6: Purpose-wise Disbursement under LT Refinance (Amount in ₹ crore)						
Sector/Purpose/Activity	**2018-2019**		**2019-2020**		**2020-2021**	
	Amount	**Share (%)**	**Amount**	**Share (%)**	**Amount**	**Share (%)**
Agri clinics and Agri business	134	0.15	129	0.16	256.3	0.3
Animal Husbandry-Others			2,537	3.245075467	3,439.2	3.7
Contract Farming	240	0.27	101	0.129189051	14.9	0
Dairy Development	7,204	7.98	3,423	4.378357636	2,489.9	2.7
Farm Mechanisation	5,908	6.55	2,869	3.669736506	6,886.2	7.4
Fisheries	125	0.14	99	0.126630852	111.2	0.1
Forestry	17	0.02	6	0.007674597	1.9	0
Land Development	6,438	7.13	2,712	3.468917882	1,373.7	1.5
Minor Irrigation	1,036	1.15	853	1.091071885	679.8	0.7
Bio-Gas (NCES-Non-Conventional Energy Source)	263	0.29	2,256	2.885648503	35.8	0
Storage/Market Yard	139	0.15	90	0.115118956	443.8	0.5

Plantation and Horticulture	1,877	2.08	1,046	1.337938092	1,381.7	1.5
Plantation and Horticulture-Others			47	0.060117677	34.6	0
PF/ SGP	2,983	3.31	959	1.226656434	975.9	1.1
Non-Farm Sector (OFD-Off-Farm Development/MSME-Micro, Small, and Medium Enterprises)	47,843	53.01	18,609	23.80276285	45,929.6	49.5
Rural Housing #	1,809	2	6,163	7.883090304	2,285.7	2.5
Self Help Group	12,963	14.36	25,256	32.30493732	24,031.7	25.9
Others	1,275	1.41	11,025	14.10207214	2,414.5	2.6
TOTAL DISBURSEMENT	**90,120**	**99.85**	**78,180**	**100**	**92,786.2**	**100**

Table-7: Sanctions and disbursements under various infrastructure funds of NABARD (Rs in crore)

Fund	2018-2019		2019-2020		2020-2021	
	Sanctions	Disbursements	Sanctions	Disbursements	Sanctions	Disbursements
RIDF-Rural Infrastructure Development Fund	30,497	27,623	30,401	26,266	34,830	29,193
LTIF-Long Term Irrigation Fund	19,683	13,802	6,095	10,470	2,461.8	7,761.2
MIF-Micro-Irrigation Fund	0	0	2,842	0	1,128.6	1,827.5
PMAY–G-Pradhan Mantri Awaas Yojana–Gramin	14,646	10,679	20,000	10,811	20,000	19,999.8
SBM–G-Swachh Bharat Mission–Gramin	15,000	8,698	0	3,600	0	0
WIF-Warehouse Infrastructure Fund	1,459	1,091	1,056	844	200	909
FPF-Food Processing Fund	62	57	149	43	116.5	53.2

DIDF-Dairy Processing and Infrastructure Development Fund	2,158	440	565	670	943.6	120.7
FIDF-Fisheries and Aquaculture Infrastructure Development Fund	0	0	348	0	0	193.8
NIDA-NABARD Infrastructure Development Assistance	7,363	2,500	4,382	3,727	22,767.8	7,506.1
RIPF-Rural Infrastructure Promotion Fund	0	5	0	1	25	20
Total	**90,868**	**64,895**	**65,838**	**56,432**	**82,473.3**	**67,584.3**

Source-NABARD Annual Reports 2020-2021.

Table-8: Sanctions under Rural Infrastructure Development Fund by sector, FY2019 to FY2021 (Rs in crore)

Sector	2018-2019	2019-2020	2020-2021
Agriculture and related activities	3,320	3,080	3,055
Irrigation	9,811	9,828	12,671
Rural bridges	2,641	2,023	3,086
Rural roads	7,912	7,141	6,354
Social infrastructure	6,801	8,270	9,664
Total	**30,485**	**30,342**	**34,830**

Source-NABARD Annual Reports 2020-2021.

Table-9: Disbursement under Rural Infrastructure Development Fund by sector, FY2019 to FY2021 (Rs in crore)

Sector	2018-2019	2019-2020	2020-2021
Agriculture and related activities	2,695	2,404	2,568
Irrigation	9,697	9,402	9,959
Rural connectivity	9,211	8,532	8,764
Social infrastructure	6,020	5,928	7,902
Total	**27,623**	**26,266**	**29,193**

Source- NABARD Annual Reports 2020-2021.

- From the Table 1, we can notice that there is a growth in the production of cereals in 3 years ie., from 2018-19 to 2020-2021 of which we can expect the rise in agricultural income.
- From above Table 2, we can notice that there is growth in production of food grains in 3 years i.e., 2018-19 to 2020-2021.
- From Table 3, we can observe that highest amount of oil seeds produced is 365.7 lakh tons where as highest cotton produced is 364.9 lakh bales of 170 kg each, highest number of Jute and Mesta produced during 3 years is 98.8 lakh bales of 180 kg each, where as highest sugarcane produced is 4054.2 lakh tons.
- From Table 4, we can notice downfall of 2.14% in 2019-2020 over2018-19 due to low accessibility of market availability during COVID period and 13.91% growth in 2020-2021 over 2019-2020 where some measures have been taken by respective government authorities.
- From Table 5, we can observe that there is growth of 11.3% during 2019-2020 over 2018-19 and growth of 30.46% during 2020-21 over 2019-2020 results to better performance of Rural Financial Institutions in providing assistance to farmers and other stakeholders in Rural Development.
- From Table 6, we can notice that in the case of Purpose Wise Distribution during 2020-21, highest contribution provided to Non Fam Sector and during 2019-2020, highest contribution provided to Self Help Groups and during 2018-19 highest contribution provided to Non Farm Sector.
- From Table 7, we can observe that during 2018-19 highest Sanctions are made to RIDF where as least sanctions are made to Food Processing Fund. During 2019-2020 highest sanctions are made to 30401 and least sanctions are made to Food processing Fund. During 2020-21 highest sanctions are made to Rural Infrastructure Development Fund (RIDF) and least contribution made to Food Processing Fund.
- From Table 8 we can notice that during 2018-19 and 2019-2020, there is growth in contribution of Rural Infrastructure Development Fund towards Irrigation and Social Infrastructure Sectors and during 2019-2020 and 2020-2021 there is growth in Irrigation, Rural Bridges and Social Infrastructure Sector.
- From Table 9, during 2020-21 we can notice the growth of Disbursement under RIDF to all the sectors i.e., Agriculture and Related activities, Irrigation, Rural Connectivity and Social infrastructure.

Conclusion:

Agriculture sector has become dependent factor on finance in a nation economy. Money Lender's Role has become more significant towards farmers interest in the context of supply of finance. Necessity of finance to farmer has become the advantage corner to money lender to exploit farmer's ignorance, illiteracy. To save the interest of farmers from the grabbing nature of money lender, primary cooperative credit societies were started at village level in 1904. Later, higher financing agencies were established to provide credit. Commercial banks have no interest to accept the proposals of rural credit. No effective standard measures have been taken by Cooperative banks in providing credit at right time and in required size to agricultural sector. Regional rural banks were established to all the regional and functional gaps in the rural credit institutional system. Later NABARD was established with the status of Development Bank with framing a standard of providing and regulating credit and other facilities for the promotion and development of agriculture, small-scale industries, cottage and village industries, handicrafts and other rural crafts and other allied economic activities in rural areas. The bank came into existence on 12 July 1982. It serves as an apex financing agency for the institutions providing investment and production credit. It also provides refinancing facilities to State Co-operative Banks, Land Development Banks, Regional Rural Banks and other approved financial institutions for financing rural economic activities. The NABARD is managed by a Board of Directors. NABARD as a single integrated organization has taken number of activities for the agricultural and rural development. In respect of agricultural loan assistance to various institutions, Commercial banks ranked first followed by Co-operative banks and Regional Rural banks. We can notice that there is a growth in the production of cereals in 3 years i.e., from 2018-19 to 2020-2021 of which we can expect the rise in agricultural income. From above Table 2, we can notice that there is growth in production of food grains in 3 years i.e., 2018-19 to 2020-2021.This attempt also discloses the fact that highest amount of oil seeds produced is 365.7 lakh tons whereas highest cotton produced is 364.9 lakh bales of 170 kg each, highest number of Jute and Mesta produced during 3 years is 98.8 lakh bales of 180 kg each, whereas highest sugarcane produced is 4054.2 lakh tons. From Table 4, we can notice downfall of 2.14% in 2019-2020 over2018-19 due to low accessibility of market availability during COVID period and 13.91% growth in 2020-2021 over 2019-2020 where some measures have been taken by respective government authorities. The current study observes that there is growth of 11.3% during 2019-2020 over 2018-19 and growth of 30.46% during 2020-21 over 2019-2020 results to better performance of Rural Financial Institutions in providing assistance to farmers and other stakeholders in Rural Development. We can observe that during 2018-19 highest Sanctions are made to RIDF whereas least sanctions are made to Food Processing Fund. During 2019-2020 highest sanctions are made to 30401 and least sanctions are made to Food processing Fund. During 2020-21 highest sanctions are made to Rural Infrastructure Development Fund (RIDF) and least contribution made to Food Processing Fund. Study also reveals that during 2018-19 and 2019-2020, there is growth in contribution of Rural Infrastructure Development Fund towards Irrigation and Social Infrastructure Sectors and during 2019-2020 and 2020-2021 there is growth in Irrigation, Rural Bridges and Social Infrastructure Sector. The present work also reveals that during 2020-21 we can notice the growth of Disbursement under RIDF to all the sectors i.e., Agriculture and Related activities, Irrigation, Rural Connectivity and Social infrastructure. The current study diagnoses the significance of Rural Infrastructure Development Fund which is going to be one of the key elements of rural development. Much focus is required to food processing units in order to get better access to quality and quantity production.

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A STUDY ON NABARD STEPPING TOWARDS POVERTY ALLEVIATION

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ABSTRACT:

Rural Development in India is one of the Key Elements in Indian Economy Context since majority of the population in India (more than 68%) drawing their live hood from rural segment of nation depending upon agriculture and its allied activities. Lifestyle of Rural Population when compared to Urban Population is low due to limitation factors such as resources, facilities, services etc,. Rural Development is an era which prevails with high level of significance in Indian Economy for which certain assistance is required. National Bank for Agriculture and Rural Development (NABARD) is established as supreme body with the intention of providing credit and other facilities for promotion of rural development. The present study covered important aspects such as objectives, functions, various actives initiated to promote agricultural and rural development schemes in India and its role in Women Empowerment such as assistance in form of micro finance and scope of establishing Self Help Groups.

Key Words: Rural Development, NABARD, Micro Finance, Women Empowerment, Self Help Groups.

Introduction:

Rural development is continuous process carried out deliberately for the purpose of upliftment in the form of improving the quality of life and economic enrichment of people living in relatively remote and boon dock in nature. Rapid growth in network related to production, entrepreneurship globally and the level of urbanisation has changed the shape of rural areas. Highest scope of enrichment in rural areas focuses on farm sector like land development, dairy, poultry, beekeeping, sericulture, fisheries, animal husbandry, seed production, plantation & horticulture, dry land farming etc. In this context, the farmer requires much money to access the operational and maintenance cost for all the above mentioned activities for which he is used to depend upon much on money lenders. In this kind of tough situation, money lenders used to take advantage the state of incomprehension that leads to loss of farmer’s personal resources. To alleviatehim from the possession of money lender, primary credit cooperatives have started its operation in 1904 at village level. Primary credit cooperatives failed to focus on providing high finance to agriculture sector out of which higher financing agencies have created its structure to provide higher finance. Keeping the view of unsatisfactory opinion on agriculture sector credit, commercial banks were kept their role far from the rural credit. Cooperative banks were failed badly in providing credit to agriculture and its allied activities at right time and quantity to farmers. RRBs were established then to provide enough assistance and fill the gap between operational and regional gaps of rural credit institutional system. Then after NABARD formed as a supreme body keenly focusing on filling the gaps between the shortages of assistance required to people involves in agriculture as well as its allied activities and enhances the production value for the purpose of economic wellbeing of the people involved in production activity.

Need for the study:

In the Indian geography, more than 68% of its population resides in rural segment with having good workload in agricultural and its allied activities. Since services and infrastructure are limiting factors in rural segment which leads to tough life for many people who desire with their professional enrichment. Since less number of services like law enforcement, schools, fire departments, and libraries may be far or unavailable. Utilities like water, drainage, public transport, garbage collection may not be present. Public transport is sometimes absent or very limited. At the time of the independence around 83% of the population were residing in rural segment. Effective strategy has become significant in regards of planning for better roadmap for betterment of rural population in the form of improving the social and economic condition of the underprivileged sections of rural development.

Economic security with social justice became the proclaimed objective of the planning process under rural development.

Rural development is the essential element in the national interest and possesses deserved significance. Its process involves the transformation of traditional to intensifying way of life among the rural segmentation of nation. The main purpose of implementing the rural development programmes are to raise the economic and social changes of the population residing in the rural colonies of India. In order to maintain suitable supervision and monitoring on facilitating rural credit and promoting rural development programmes, government established the supreme authoritarian body- NABARD with standardised hierarchy and work flow. It is a single integrated body which constitutes with the wings that looks after the credit requirements of agriculture and its allied activities. Therefore an attempt is made to study the role of NABARD in the rural development.

Objectives:

1. To assess the performance of NABARD as refinance agency.
2. To evaluate the loan assistance to various institutions
3. To study the role of NABARD in the promotion of rural development.

Data Collection: The study is primarily based on the secondary data which is collected from websites, annual reports, magazines, records etc.

Period of study: The study covered a period of 5 years from 2015-2016 to 2019-2020.

Scope: The study focuses on illuminating the role of NABARD in promoting rural development. The study covered aspects such as objectives, functions, management and organisational hierarchy, sources of funds, activities achieved, loan assistance to various institutions, refinance assistance micro finance assistance etc. for the above said period.

NABARD : With the rise in the scope of institutional credit in the comprehensive rural development, a requirement was formed for single roof assistance for providing rural credit and financial assistance to various institutions, refinance assistance, micro finance assistance and to throw light in all the matters concerning the formulation and implementation of rural development functions.

The Government of India, Reserve bank of India (RBI), constituted a committee to review the arrangements for institutional credit for agriculture and rural development (CRAFICARD) on 30 March1979, under the chairmanship of Shri B.Sivaraman, former member of Planning Commission,
Government of India to review the arrangement for institutional credit for agriculture and rural development. The committee, in its interim report, submitted on 28 November 1979, felt the need for a new organisational device for providing undivided attention, forceful direction and pointed focus to the credit problems arising out of integrated rural development and recommended the formation of NABARD. The parliament, through Act 61 of 1981, approved the setting up of NABARD. NABARD came into existence on 12 July 1982 by transferring the agricultural credit functions of RBI and refinance functions of the then Agricultural Refinance and Development Corporation (ARDC). It is one of the premier agencies providing development corporation (ARDC). It is one of the premier agencies providing developmental credit in rural areas. It is India's specialised bank for Agriculture and Rural Development in India.

Functions of NABARD

1. Providing refinance facility to Rural Institutions working on providing financial services for investment credit and production and marketing credit purpose farm and off-farm activities in rural development
2. It provides backend support towards the financial inclusion initiatives of Regional Rural banks and Cooperative Banks.
3. Diagnosing the challenges involved in the promotion of livelihood opportunities and providing the carrier for rural youth.
4. Support to research and development, rural innovations, etc.

Loan assistance to various institutions:

Institution wise assistance to agricultural sector: NABARD delegates the authority of providing the loan assistance to various institutions since it will be tough to perform the task of providing loan through single window. In this context, various institutions like Cooperative banks, Regional Rural Banks, Commercial banks are involved in loan providing task. It can be observed that the proportion is ranged between70.22% to 77.20%. we can notice that there is increasing trend in Loan Assistance from 2017-2018 to 2019-2020. In the case of Cooperative banks, we can notice that there is decreasing trend of percentage of Institution wise loan assistance to total assistance gradually from 2015-2016 to 2019-2020. In the case of Regional Rural Banks, proportion is ranged between 11.90% and 13.02%

Table1: Institution-wise Loan Assistance to Agriculture sector **during2015-16and2019-20 (Rs in Crores)**

Institution	**2015-16**	**2016-17**	**2017-18**	**2018-19**	**2019-20**
Commercial Banks	6,42,954 (70.22%)	7,99,781 (75.04%)	8,71,080 (74.92)	9,49,622 (75.68%)	10,53,919.78 (77.20%)
Cooperative Banks	1,53,295 (16.74%)	1,42,758 (13.39%)	1,50,321 (12.92%)	1,53,882 (12.26%)	1,48,804.73 (10.90%)
Regional Rural Banks	1,19,260 (13.02%)	1,23,216 (11.56%)	141216 (12.14%)	1,51258 (12.05%)	1,62456.55 (11.90%)
Total	9,15,509 (100.00)	10,6,5755 (100.00)	11,62,617 (100.00)	12,54,762 (100.00)	13,65,181 (100.00)

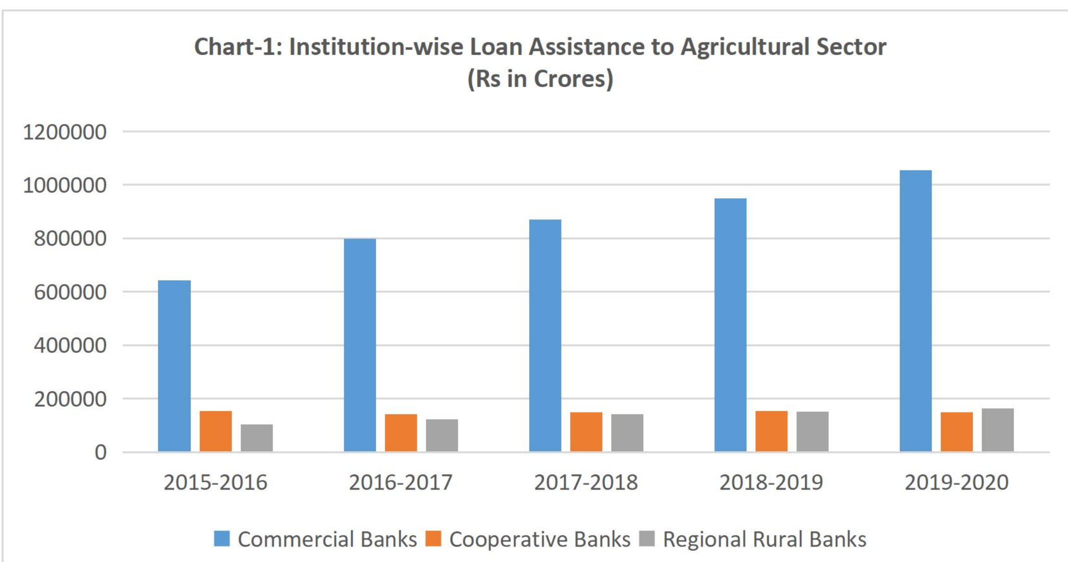


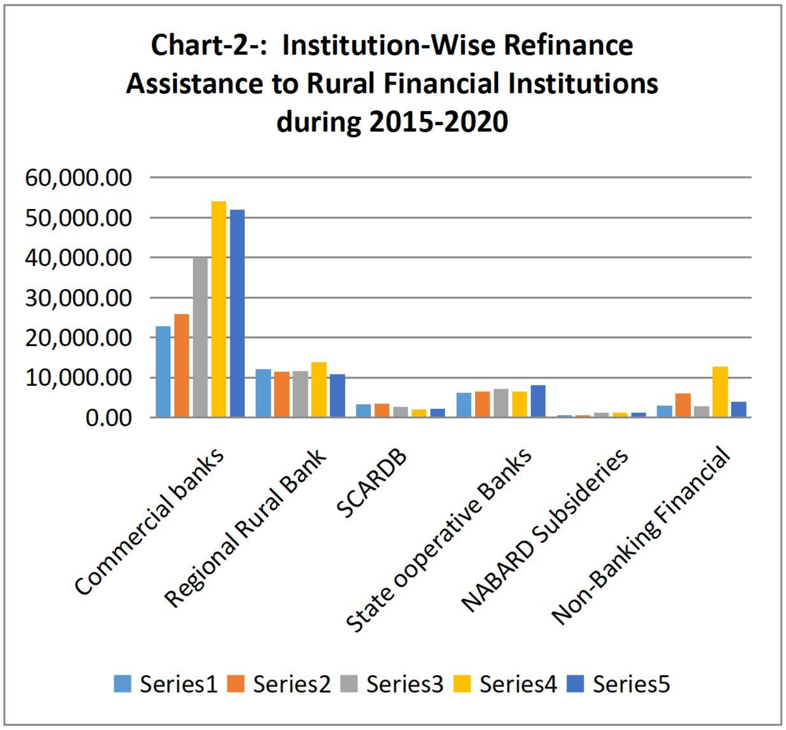
Table-2: Short term refinance assistance to rural Financial Institutions during 2015-2020

Year	Amount	% Change over previous year
2015-2016	71,723	-
2016-2017	76,526.61	6.70
2017-2018	92,789	21.25
2018-2019	90,088	-2.90
2019-2020	1,00,382	11.43

From the above table-2 we can notice that there is high change in percentage change in the year 2019-2020 compared to 2018-2019 and we can notice that there is negative percentage change in the year 2018-2019 which may eventually due to contribution of other institutions.

Table-3: Institution-Wise Refinance Assistance to Rural Financial Institutions during 2015-2016 and 2019-2020

Institution	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Commercial Banks	22,823.54 (47.48%)	25,834 (48.28%)	40,000 (61.31%)	54,082 (59.92%)	52,042 (66.52%)
Regional Rural Banks	12,139.68 (25.25%)	11,369.83 (21.25%)	11,537 (17.68%)	13,862 (15.35%)	10,849 (13.86%)
SCARDB	3,258.26 (6.78%)	3,398.34 (6.35%)	2,594 (3.9%)	1,936 (2.14%)	2,197 (2.80%)
State Cooperative Banks	6,231.12 (12.96%)	6,433.59 (12.02%)	7,086 (10.86%)	6,464 (7.16%)	8,069 (10.31%)
NABARD Subsidiaries	611.12 (1.27%)	531.75 (0.99%)	1,229 (1.88%)	1,146 (1.26%)	1,163 (1.48%)
Non-Banking Financial Companies	3,000 (6.24%)	5,938 (11.09%)	2,794 (4.2%)	12,764 (14.14%)	3,910 (4.99%)
Total	48,063.72	53,505.51	65,240	90,254	78,230



From the above table-3 we can notice that in all five years, highest contribution towards Institution-wise refinance assistance to rural financial institution during 2015-2016 and 2019-2020 happens to be for commercial banks and lowest contributions happens to be for NABARD subsidiaries. Also the downfall trend has continued for Regional Rural Banks during all five years.

Table-4: Micro Finance Assistance by NABARD during 2015-2016 and 2019-2020

Year	Amount	Number of SHGs (Lakhs)	% Change over Previous Year
2015-2016	27,582	16,26,238	-
2016-2017	38781	18,98,120	16.72
2017-2018	47,186	22,61,132	19.12
2018-2019	58,318	26,98,400	19.34
2019-2020	77,659.35	31,46,002	16.59

From the above table-4, we can notice that there is increasing trend in the value of amount for Micro Finance assisted by NABARD every year, Subsequently number of SHG operations also has been increased which is turn leads to creation of financial movement and financial awareness campaign by women in rural areas in various parts of India.

Conclusion:

In current scenario there is an ever increasing need to invest in agriculture due to drastic rise in global population and changing their preferences in the regular diet chart especially in the middle class segment with respect to emerging markets towards higher value agricultural products. Climate uncertainty is one of the factors which is creating the need for huge investment in agricultural sector for which external assistance is required in large number for majority of the famers in India. In this context, various institutions like Cooperative banks, Regional Rural Banks, Commercial banks are involved in loan providing task with the help of NABARD It can be observed that the proportion is ranged between 70.22% to 77.20%. we can notice that there is increasing trend in Loan Assistance from 2017-2018 to 2019-2020. In the case of Cooperative banks, we can notice that there is decreasing trend of percentage of Institution wise loan assistance to total assistance gradually from 2015-2016 to 2019-2020. In the case of Regional Rural Banks, proportion is ranged between 11.90% and 13.02%.Our study also discloses that there is high change in percentage change in the year 2019-2020 compared to 2018-2019 and we can notice that there is negative percentage change in the year 2018-2019 which may eventually due to contribution of other institutions. Study also reveals that in all five years, Institution-wise refinance assistance to rural financial institution during 2015-2016 and 2019-2020 happens to be highest for commercial banks and lowest contributions happens to be for NABARD subsidiaries. Also the downfall trend has continued for Regional Rural Banks during all five years. Highest contribution to commercial banks is not at all recommendable since they will be dealing with other functions as well. It could be better if certain actions are performed to increase the proportion to cooperative banks so that majority of the farmers can get benefitted around the nation in right time. This study has also revealed that there is a positive intentional flow has been arisen in nation on micro finance assistance provided by NABARD many people has shown interest in form of creating Self Help Group which is a positive nod for Financial revolution in India and Stepping towards Women Empowerment.

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"NABARD" THE NEED OF INDIAN
(Support of NABARD in Financial Inclusion)

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Abstract

Our country is known for its villages. Almost every village has its own identity. Our villages are reach in natural sources and culture. Our country belongs to many of its rural products. Even many of products are unique in nature. Our farmers are producing crops for the country. Our villagers are doing well to produce many different articles for the country. Even they are exporting the unique articles. But they are not well trained. They need different types of support from the Government like financial, skill, proper market for goods, quality improvement, how to face market competitions are different aspects that have to cover. Every country wants to improve the quality of work for the citizen of villages who provide them proper facility. Every village can be developed by providing them needed support. Every country has established a different wing that works on the development of its villagers. In India NABARD is playing an active role to support all the villagers by providing them financial support as well as proper market to support them.

Key Words :- Financial, Skill, Quality, Trained, Improvement

Introduction

In our country the success and failure of crops depends upon climate factors. Favourable climatic conditions give bumper crops and unfavourable conditions result in very low yields. The markets for agricultural products are generally unorganised and unregulated and the farmers are very often forced to sell their produce at low price. Further, majority of the cultivators are small farmers and they borrow money from different sources to meet household and cultivation expenses.

The farmers need credit and their credit needs can be looked at two angles i.e. based on 1. Time and 2. Purpose.

On the Basis of Time

a) Short-term loans are required for agricultural operations i.e. for less than 15 months.
b) Medium- term loans for purchase of livestock, deepening of wells etc. For a period from 15 months to 5 years.
c) Long-term loans required for making permanent improvement on land, purchase of tractors etc., and the period of loan extends beyond 05 years.

On the Basis of Purpose

a) Productive loans are required for purchase of seeds, fertilizers, pesticides, payment of wages, digging of wells, making permanent improvements on land etc.
b) Consumption needs :- The farmers require money for running the family, between marketing of agriculture produce and harvesting of next crop.
c) Unproductive purpose include money required for litigation performance of marriage, birth/death of family/members, festivals, etc.

Sources of finance can be divided in two categories i.e. non-institutional sources and institutional sources.

Working of NABARD

The Government set up the National Bank for Agriculture and Rural Development in 1982 to perform the following important function.

1. Work as an apex body to look after the financial needs of agriculture and rural development.
2. NABARD gives assistance to farmers through co-operative banks, commercial banks, Regional rural banks etc.
3. Provides long term and medium term credit (not exceeding 25 years) for investment in agriculture to state co-operative banks, RRB's and commercial banks.
4. Has responsibility of inspecting central and state co-operative banks and RRB's.

5. Maintains research development fund to be used to promote research, agriculture and rural development.

NABARD has taken the following measures to increase investment in agriculture and development of rural areas.

1. **Self Help Group (SHG)**

Villagers do not need money in lakhs, they need a small amount for this Self Help Group (SHG) came into existence. People from the same background and involved in similar economic activities are encouraged to make a natural cohesive group of 15-20 people. This group formation helps them to save money and if somebody is not , he is disciplined . When the group is formed and saving habit is developed, then the banks step in to support the group.

2. **Kisan Credit Card (KCC)**

Introduction of Kisan Credit Cards scheme through banks was another innovation conceived by NABARD in the recent past. Under this scheme, farmers are issued credit cards by banks for meeting the expenditure of the farming operations in the most flexible way.

3. **Agri –Export Zones**

NABARD has identified financing of farmers in 45 Agri-Export Zones for cultivation/production of identified crops/commodities as a priority item.

4. **NABCON**

With a view to meet the growing demand for technical and financial consultancy services for agriculture and rural development projects. A separate unit- NABARD Consultancy Services (NABCONS) has been constituted . It provides consultation services in agriculture and agro-based processing projects.

5. **Agriculture Insurance**

Agriculture Insurance Company (AIC) of India Limited was established in 2002 with authorised and paid up capital . NABARD and general insurance company and four other Insurance Companies have contributed to equity.

Apart from these, the bank also performs the following tasks :

1. It helps in coordinating the activities of several rural credit institutions.
2. Extending support to the Reserve Bank of India, the government and other stake holders in the process of rural growth process.
3. Providing research and training functions for various participants such as banks and cooperatives working for rural development.
4. Assisting state government in achieving their targets for prviding aid to various institutions.
5. Carrying out the role of being a facilitators for banks and Regional Rural Banks.

Objectives of NABARD

1. The National Bank will serve as an apex body for the matters related to the policy and planning for extending credit for promoting agriculture, cottage industry, small-scale industries and rural crafts sectors.
2. The bank will also have the responsibility to provide refinancing to institutional credit, raging from short-term to long-term in diverse sector.
3. The bank will also be responsible for providing direct lending as directed by the central government.
4. Aid state government in meeting their target for extending assistance to various institutions engaged in rural-sector development.
5. Provide services to regulate co-operative banks and Regional Rural banks and maintain close link with Reserve Bank of India.

Development functions of NABARD

The NABARD carries out the following development functions;

1. Co-ordinating the institutions offering rural credit.
2. Work towards improving the capacity and efficiency of credit delivery system.
3. Work towards developing solution for problems faced by village and agricultural system.

4. Offering help to government, RBI and other such organisations for improving their rural improvement programs.
5. Represent the government as well as RBI for keeping a watch on agricultural sector.
6. Offer research and training to the human resources of various institutions such as RRB's, LDB's and SCBs. It also work towards enhancing research activities in different areas.
7. It also provide training facilities through its banker rural development institutions and national bank staff colleges at Lucknow, Bolpur and Mangalore and College of Agriculture Banking (CAB) at Pune.

The training is imparted to people working in the field of rural banking and development sector.

8. Disseminating information related to rural development and banking.
9. Aid state governments in subscribing to the shares of state cooperative banks.
10. Offering direct credit for agricultural and rural development upon getting approval from the central government.
11. Create a credit fund for the purpose of providing funds to the entrepreneurs engaged in rural and agricultural sector.

Financial Inclusion

Process of Financial Inclusion

Financial inclusion is to be undertaken in three steps :

1. Providing access to financial products and services.
2. Availability of financial products and services in a fair and equitable manner.
3. Credit counselling which includes providing sound services to arrest deterioration of income, restructuring of debt solution to overcome debt burden, and improve money-management skills.

Benefits of Financial Inclusion

The benefits of financial Inclusion are as follows

1. Financial inclusion is an avenue for bringing the savings of the poor into the formal financial intermediation system.
2. Large number of low-cost deposits helps banks to manage both liquidity risks and asset-liability mismatches.
3. Financial inclusion helps transfer payments such as social security, national Rural Employment Guarantee Programme (NREGA) wages into bank accounts of beneficiaries through the 'Electronic Benefit Transfer' (EBT) method.
4. It provides opportunities to the poor to build savings, make investments, and avail credit.
5. It helps the poor insure themselves against income shocks and equip them to meet emergencies such illness or loss of employment.

Various Initiative Undertaken for Financial Inclusion

Following steps are taken by banks to meet the goal of financial inclusion:

1. In April 2005 'Financial Inclusion' was explicitly made as a major policy objective and in November 2005, banks were advised to make available a basic banking 'no frills' account with low or nil minimum balances through simplified Know-Your-Customer (KYC) procedures as well as charges to expand the outreach of such accounts to vast section of the populations. The KYC procedure through the use of a Business Facilitator (BF) and Business Correspondent (BC) models.
2. In January 2006, the RBI permitted banks to utilise the services of NGOs/ SHGs, MFIs (Other than NBFCs) and other civil-society organisations, as intermediaries, for providing financial and banking services through the use of a Business Facilitator (BF) and Business Correspondent (BC) models.

Banks use BFs for :

i) Identification of borrowers and fitment of activities;
ii) Collection and preliminary processing of loan applications including verification of primary information/ data;

iii) Creating awareness about savings and other products and education and advice on managing money and debt counselling.

iv) Processing and submission of applications to banks;

v) Promotion and nurturing self-help groups/joint-liability groups;

vi) Post-sanction monitoring;

vii) Monitoring and handholding of self-help groups/ joint-liability/ groups/ credit groups/others ; and

viii) Follow-up for recovery

3. Based on the recommendations of the C. Rangrajan Committees Report on Financial Inclusion, the government has set-up two funds

i) **Financial Inclusion Fund (FIF)** : It supports developmental and promotional activities for enduring financial inclusion.

ii) Financial Inclusion Technology Fund (FITF) :- It enhances investment in **Information Communication Technology (ICT)** for promoting financial inclusion.

Case Study

This **UTKARSH FOUNDATION NGO** charity is working on Key Issues of Women's Development & Empowerment, Agriculture, Animal Husbandry, Dairying & Fisheries, Civic Issues, Dalit Upliftment, Differently Abled, Education & Literacy, Aged/Elderly, Environment & Forests, Food Processing, Health & Family Welfare, Labour & Employment, Micro Finance (SHGs),Urban Development & Poverty Alleviation, Vocational Training, Water Resources, New & Renewable Energy, Rural Development & Poverty Alleviation. It operates in many districts of Maharashtra like Nagpur, Amravati, Wardha, Bhandara, Gondiya, Gadchiroli, Chandrapur, Yavatmal

Major Activities and Achievements

1. Worked with NABARD in various promotional and developmental programmes since 2014

2. Worked with District Industries Centre, MSME etc. for imparting vocational and skill based trainings

3.Worked with Panchayat Raj Institutions in capacity building, skill development and skill upgradation.

4. The NGO has successfully handled Joint Liability Group Programme, Financial Literacy Programmes, Leadership Development Programmes and also conducted and participated in exhibitions sanctioned NABARD

The latest achievement of Utkarsh Foundation that they have organised a great event for the upliftment of all the agro based product and to support self help group of Maharastra. The event was organised at Gondia of Maharashtra on **Dt:-** 04th to 08th March 2022. Near about 100 installs was there at the exhibition it cover different items just like wood and craft work, dry fruits, daily needed food items, jute work bags, Sarees and dresses, Natural wooden work decorative items. All agro based products. Some natural medicines which are beneficial for every one were in the exhibition. Some other ready made food items which are prepared on ready to cook basis just like papad and other kitchen related products. This exhibition explore the quality of rural products and it helps the small help group to increase their market. It also help them to sell their product in different regions of the country. Utkarsh plays a very vital role on this aim. Utkarsh works on this with the help of NABARD.

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A COMPARATIVE STUDY ON FINANCIAL INCLUSION SCHEMES IN INDIAN PUBLIC AND PRIVATE BANKING SECTOR

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Abstract

Financial inclusion is an innovative term which includes techniques in promoting the banking habits among the low income people because, India is considered as largest low income group in the world. Thus, financial inclusion can be defined as the delivery of financial services at an affordable cost to various sections of low-income and disadvantaged segments of society. Pradhan Mantri Jan-Dhan Yojana (PMJDY) is National Mission for Financial Inclusion to ensure access to financial services, namely, a basic savings & deposit accounts, remittance, credit, insurance, pension in an affordable manner. Under the scheme, a basic savings bank deposit (BSBD) account can be opened in any bank branch or Business Correspondent (Bank Mitra) outlet, by persons not having any other account.but many people un banked in india.my study focused on public and private banks progress on PMJDY scheme.The research examines the role of Public banks and private banks in financial inclusion. data collected from secondary sources.

Key Words: Financial Inclusion, Public Sector banks, Private Sector banks,Pradhan Mantri Jandhan yojana.

Introduction

India has a 1.2 billion population with 29 states, seven union territories,600,000 villages, and 640 districts. The great majority of the population in rural regions is denied simple access to credit (Gounasegaran, Kuriakose, &Iyer, 2013).Regardless of the fact that 40% of households have bank accounts, approximately 38 percent of the 117,200 scheduled commercial bank branches are located in rural areas. Financial services accessibility at reasonable and suitable pricing has always been a global concern. As a result, not only is an inclusive financial system essential in India, but it has also become a policy priority in several other countries.

Financial Inclusion in India

The Reserve Bank of India initially introduced the notion of financial inclusion to the Indian subcontinent in 2005 when it released the Annual Policy Statement. Soon after, the idea began to spread throughout the country. It was primarily designed to reach every corner of the country without omitting any outlying areas. The notion was developed in response to the lack of a formal financial structure and banking system to meet the monetary needs of the poor. The Khan Committee report emphasized providing access to essential financial services by helping them to open a bank account that does not come with any frills or complicated elements. All banks were asked to minimize regulations regarding account creation processes for the economically weaker sections of the society. Several banks were asked to work together towards 100% financial inclusion by taking part in campaigns started by the RBI.

The 'Pradhan Mantri Jan Dhan Yojana' was also launched by the Indian government with the sole objective of motivating and encouraging poor people to create bank accounts. By 2015, this campaign aimed to have at least 75 million people open bank accounts.

Pradhan Mantri Jan Dhan Yojana(PMJDY)

Financial inclusion of citizens is a priority for the Indian government, as it is critical for poverty alleviation. Our country's growth is hampered by the exclusion of a large number of individuals from financial services. A plan to financially empower residents was desperately needed so that everyone could profit from growth and progress.

Pradhan Mantri Pradhan Mantri Pradhan Mantri Prad The Hon'ble Prime Minister Shri Narendra Modi introduced the Jan Dhan Yojana (PMJDY), the world's largest financial inclusion initiative, from the ramparts of the Red Fort on August 15, 2014, and inaugurated it across the country on August 28, 2014. The Prime Minister had called the occasion a festival to celebrate the poor's escape from a vicious cycle when he launched the Yojana.

The Prime Minister quoted an old Sanskrit phrase, SukhasyaMoolam Dharma, DharmasyaMoolamArtha, ArthasyaMoolamRajyam, which states that it is the state's responsibility to engage people in economic activities. The Prime Minister had stated, "This Government has Accepted This Responsibility." The Prime Minister also wrote an email to an estimated 7.25 lakh bank staff, urging them to assist attain the 7.5 crores bank account target and end financial insecurity.

Review of Literature.

1. Prerna Singh &Khushboo Solanki(2019) Financial inclusion has not achieved the desired results, but there is still a long way to go, but there is no doubt that it is having a positive impact. The Government of India and the Reserve Bank of India have been working together just to promote financial inclusion as one of the nation's main aims. Even though various measures have been taken and more credit has indeed been flowing to various sectors of the economy, the majority of the rural population remains outside of the world of financial inclusion. As just a consequence, financial inclusion is no longer a policy choice, but a policy necessity. Banking is a key driver of financial inclusion and inclusive growth.

2. Ravi Kumar (2019) Micro financing banks are designed to promote access to financial services. These banks are doing well, and they have a lot of potential in India because there are so many financially excluded people. Small finance banks play a vital role in financial inclusion in India by placing over three-quarters of their branches in rural and semi-urban areas and serving a diverse customer base, such as the poor and low-income people of those regions.

3. Sudarshan Maity&Tarak Nath Sahu(2020): The study reveals that, while not all public sector banks perform identically, overall average efficiency toward financial inclusion grows significantly throughout the post-phase. The level of effectiveness varies significantly between them, and even between the two times. Furthermore, there is a significant chance to improve technical efficiency while using the same amount of input, which will aid in the achievement of the financial inclusion goal.

4. Peterson K. Ozili(2020): The Author argument for the importance of theory in understanding financial inclusion, 106 Peterson K. Ozili offers the following advice to practitioners and policymakers. Financial innovations and digital finance should be used to achieve financial inclusion while minimizing tail risk for poor and vulnerable customers. Policies that support competition in the delivery of financial services should be developed. Governments should explore providing financial service providers with subsidies so that they can provide basic financial services to the unbanked at a low cost or for free. Governments should create a forum for citizens to express their opinions and concerns about whether financial services are safe.

Research Problem

Pradhan Mantri Jandhan Yojana scheme was launched in 2014 by the government of India. The government of India initiated everyone must have a bank account to get government monetary benefits through direct transfer. many people unbanked till 2021 across India. Indian banks need to play a major role in opening bank accounts under the PMJDY scheme. Especially many private banks focused on potential customers and they tolerated the low-income people, my study focused on the public and private banks performance on PMJDY Scheme.

Objectives

1. To analyze and compare the financial inclusion progress under the PMJDY scheme of Public and private banks in India.

Research methodology

This study is based on secondary data sources, secondary data was mainly collected from reports of RBI, Ministry of Finance, Government of India, Newspapers, Research Articles, Research Journals, E-Journals, Books, and

Magazines. Various websites were also used like RBI, Ministry of Finance, and Government of India (GOI). Data has been analyzed by applying the bar graphs, tables, and percentage method as main statistical tools.

Scope of the Study

Financial inclusion is critical for poverty reduction as this helps in transferring the benefits of economic growth and development to the lowest strata of the population. Limited access of financial services among citizens also obstructs economic growth as it limits the new initiatives and developments. While India had focused on financial inclusion in the past, its success was limited. Before 2014, only 50% adults had bank accounts. As per World Bank estimates, in 2014, India had 469 million bank accounts despite a population of >1.2 billion. Also, a majority of laborers working in the unorganized sectors and households below poverty line did not have bank accounts.These limitations resulted in lukewarm success of government schemes in extending basic financial support to households and hence, the PMJDY was launched with renewed focus and objective to ensure maximum coverage of banking services across the country and demographics.

Table No.1

Pradhan Mantri Jan - Dhan Yojana Report as on 2014 to June 2021

Bank Name /Type	Number of Beneficiaries at rural/semi-urban center bank branches	Number of Beneficiaries at urban metro center bank branches	Number of Total Beneficiaries	Deposits in Accounts (In lac)	Number of Rupay Debit cards issued to beneficiaries
Public Sector Banks	209546711	127166989	336713700	11184149.46	265291742
Private Sector Banks	6924682	5656774	12581456	435856.64	11111514
Grand Total	216471393	132823763	349295156	11620006.1	276403256

(Pradhan Mantri Jan Dhan yojana Report as on 30/06/2021)

Table No .2

Bank Name /Type	Number of Beneficiaries at rural/semi-urban center bank branches(%)	Number of Beneficiaries at urban metro center bank branches(%)	Number of Total Beneficiaries (%)	Deposits in Accounts (In lac) (%)	Number of Rupay Debit cards issued to beneficiaries (%)
Public Sector Banks	96.80%	95.74%	96.39%	95.68%	95.97%
Private Sector	3.2%	4.26%	3.61%	4.32%	4.03%

Banks					
Grand Total	100%	100%	100%	100%	100%

According to statistics, public sector banks made a greater contribution to the scheme's success in both rural and urban areas, accounting for 96.80 percent of accounts in both cases.while private banks contributed slightly with 3.2 percent accounts in rural and urban areas.

Table 2 reveals that public sector banks have made a greater contribution to the scheme's success in rural areas, with 95.68 percent collecting deposits and 95.97 percent issuing Rupay debit cards to beneficiaries. Where as a private banks have nominally 4.32 percent collecting deposits and 4.03 percent Rupay debit card to beneficiaries.

Reasons for Poor performance of Private Banks on PMJDY Scheme.

1. Lack of infrastructure in rural and semi-urban areas:

For both customers and financial institutions, distance or absence of availability to a traditional banking outlet is a major roadblock. On the one hand, financial institutions face challenges such as getting appropriate internet, electricity, and other sources. Independent bank branches, on the other hand, should be seen as a non-viable option due to high costs and other factors. As a result, consumers do not have access to the appropriate bank.

2.Place of living:

The number of private banks usually operate in metropolitan business districts, with branches placed strategically in profitable territories. As a consequence, people in rural areas have a difficult time getting financial services.

3. Low ratio profit

The profitability of private sector banks in India is critical to the banking sector because without profit, investors are unable to invest in this sector. A strong financial system stimulates the economy by providing financial support for profitable business opportunities, mobilizing savings, efficiently allocating resources, and enabling the exchange of goods.

4. Service problems

private banks put hidden fees on their consumers, which may act as a disincentive to financial inclusion. Minimum spend restrictions in a savings account, current account, as well as other institutions are instances of service charges. High AMB or ABQ deposit account requirements, account non-maintenance fees, cash deposit fees, RTGS or NEFT fees, check bounce fees, and so on.Only a small percentage of the population uses financial services; those who are excluded are also those who live in rural, poor areas where it is difficult to supply these services, or who rely on the informal sector (moneylenders, etc.) for funding at expensive rates.The main issue of financial inclusiveness is to get out to rural and low-income people.Low-income people are another difficult group to target in terms of financial inclusion because they think banks only serve the wealthy.

Findings

The above table 2depicts From looking into the available data set sure gives us a fair idea of public banks and private banks' performance regarding financial inclusion. Most of the public sector banks well performed on the PMJDY scheme.But private-sector banks' performance is very poor on the PMJDY scheme than public sector banks.The State bank of India plays a vital role in financial inclusion schemes, bank of Baroda and Punjab National banks are followed the state bank of India to reach financial inclusion objectives.SBI financial inclusion performance is greater than overall private banks financial inclusion performance, not only SBI, Bank Baroda, and Punjab national banks financial inclusion performance is greater than overall private banks performance.

Conclusion

The above study explores the financial inclusion scheme progress of public banks better than the private banks, the private banks are not focused on low-income people with various issues like corporate control, lack of infrastructure facilities, low-profit ratios. The government also needs to support private banks, some private banks are like yes bank, city union bank, progress very less towards low-income groups.

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CREDIT CARD EMI PROCESSING FEE TO CHANGE CONSUMER BEHAVIOUR TO EMI TRANSACTION

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ABSTARCT - ***Todays many consumer use credit card service he use many need to complete of his life. Today's many need not completed to some balance of payment he need many and income source limit is over example- Education, Medical, Emergency need, other***

Credit card help to 20 days to 50 days use Zero charges use of credit. credit card many facility provide to our customer some discount EMI facility,point of credit card to convert voucher or direct credit to his credit card account

Many consumer offer to online shopee to discount and no cost of EMI example Flipkart ,Amozon, Tata CLiQ costomer many online shopee company provide discount and many option to payment of credit card .

Introduction – Credit Card EMI

One of the major advantages which credit cards offer is that you can purchase any product which is above the price of Rs.10,000 and convert it into Equated Monthly Installments. With this feature, you do not have to pay the entire amount at once, you can pay a portion of it for a selected tenure.

How Does EMI on Credit Card Work?

EMI on credit cards works in a simple way. If you are purchasing a product which is more than Rs.10,000, for example, an electronic appliance, furniture, vehicles, etc. You can convert it to an EMI.

The EMI will be calculated depending on the rate of interest charged by the bank, the tenure you choose and the down payment which you provide.

If for example, you have purchased a phone worth Rs.40,000 and pay Rs.20,000 as a down payment. The rest Rs.20,000 can be paid as EMIs for a period of 1 year with an interest of 12%. The EMI you will need to pay for 12 months will be Rs.2400

First transaction 99/199 plus 18% GST in first EMI transaction paid by consumer some time Emi total amount 14160/- tenure in 9 month 1659.78 per month

But first EMI 1959.78+199+35.82 GST TOTAL amount pay in 2194.60/- month. This is a reducing interest method.

Something 10000/- amount use in credit card payment method but 3411 in 14% reducing method three month interest pay Rs 234/- and Emi Convert fee Rs 199+35.82= 234.82

Equal Fee is pay to consumer something Emi is reject to consumer more than EMI fee

Consumer to directly not convert amount he pay full option because interest rate and processing fee charges is very high interest + gst including 18% on interest . this charges very high consumer only pay full option then he paytm and other wallet company 2 to 2.5 % payment charges allowed to pay direct credit card option

Example 10000 rs balance use to credit card bill date to second day already 50 day full cycle provide credit card company he convert 3 month 14% reducing rate EMI convert fee 99 or 199 + GST

Month	Bank	Interest	GST 18% on INT	Instalment Amount	Principal bal	EMI Processing fee
1	HDFC	116	20.88	3411+116+20.88+234.82	6705	199+35.82

				=3782.7		=234.82
2		78	14.04	3411+78+14.04 =3503.04	3372	
3		39	07.02	3411+39+7.02=3457.02	0	
	Total	233	41.94	10742.76		Add in Instalment amt

EMI processing fee and interest and GST is 742.76 RS TOTAL calculation app in available in android mobile system something total payment in convert to wallet app to profitable decision on consumer

Example

Month	Bank	Charges to Pay payment	GST 18% on Pay	Instalment Amount	Principal bal	EMI Processing fee
1	PAytm	**116**	0	3500+116=3616	6500	0
2		69	0	3500+69=3569	3000	
3		0	0	3000	0	
	Total	185	0	10185		0

Which method profitable in customer to decide to wallet through payment this is change of consumer behaviour in instalment system

How to Convert Credit Card Payments into EMIs?

You can choose to convert your credit card payments into EMIs during the time of purchase itself. If you think that you do not have the money or have only a part of the total amount with you at the time of purchase, you can pay that amount as a down payment. The rest can be converted into an EMI.

Most retailers encourage customers who have a credit card to go for the EMI option as it proves as more convenient for the customer. Apart from this, the monthly EMI is charged to your card as a part of your bill statement per month.

However, to opt for an EMI option, banks must deem you as eligible for the EMI. It is considered as a loan from the bank. The bank is giving you Rs.10,000 and you are paying the bank on a monthly basis. Banks conduct a check before a purchase can be converted into EMIs. Your credit score, your current loans and your repayment habits of previous loans are checked and then you are cleared for the EMI mode of payment.

Interest Rates by Top Banks

Bank	**Interest Rate**	**Tenure Range**	**EMI PROCESSING FEE CHARGES**
HDFC Bank	14 to 16%	9 months to 3 years	199+ GST
State Bank of India	14%	3 months to 2 years	99+GST
Axis Bank	14 to 16%	6 months to 2 years	MIN 99 TO 199 MAXIMUM + GST

Advantages of Converting Credit Card Purchases in EMIs

Here are some of the advantages of converting your purchases made on your credit card into EMIs.

- **Interest Rate** – Different banks charge a different rate of interest on your EMI. The interest rate will also depend on the tenure you have chosen to pay off the amount in its entirety. While shorter tenure ranges attract lesser interest rates, the higher tenures call for comparatively higher interest rates.
- **Repayment Period** – The tenure which you choose can range between 6 months and 2 years usually. Some banks also provide a tenure of 3 months as well. You can save yourself some money on higher interest rates by choosing the EMI facility.
- **Processing fee** – Some banks do not charge a processing fee to convert your purchase into an EMI. In that way, you can save money as well. There are selected offer periods when the bank forgoes their processing fee, during the festival time for example. You can make the most of your credit card by making your purchase in that time period.

Advantages of Credit Card

1)EMIs – EMIs allows cardholders to spread out their payment over a few months. Here you can break down a big-ticket purchase into smaller portions which can be spread out to over 12 months or more. For this, you will be charged an interest rate, between 12.5% to 24% p.a. Note some e-retailers and stores also provide a **No-cost EMI** option where you will not be charged any interest rate.

2)Transaction Dispute – Credit cards allow customers to dispute a transaction that they have already made. This feature is particularly useful if you have paid for a service that was then not given to you or a product that was not delivered. Moreover, it is a much quicker way of getting your money back.

3)Security – Today Credit cards are secured with EMV (Europay, MasterCard, and Visa) chip which secures your card against fraudulent transactions. Banks and payment gateway providers have also boosted their security measures to ensure safety during online transactions.

4)Loan on Credit Card – If you ever require cash urgently then you may apply for loan against credit card. Here, the bank will transfer money against your available cash/credit limit to your bank account. Post approval, you can expect to get the amount transferred within a few minutes.

5)Balance Transfer – Credit cards let you transfer the outstanding amount from your credit card to another card provider's credit card. By using this facility you can lower or even temporarily avail a zero interest rate. This will give you a much needed respite from the high credit card interest rate which is about 40%.

6)Rewards and Benefits – Almost all credit cards provide some form of benefit to their cardholders. These can be in the form of cashback, reward points, airmiles and so on. These can make your purchases rewarding. You can use the reward points to buy merchandise, use the airmiles to book a flight or use cashback to shop even more!

7) One-Time Bonuses

There's nothing like an initial bonus opportunity when getting a new credit card. Often times, applicants with good credit or excellent credit can get approved for credit cards that offer bonuses worth $150 or more (sometimes much more) in exchange for spending a certain amount (anywhere from $500 to several thousands of dollars) in the first several months the account is open.

Other cards entice applicants with bonus reward points or miles that can be redeemed for travel, gifts cards, merchandise, statement credits, or checks (more on those below). In contrast, a standard debit card that comes with a bank checking account generally offers no initial bonus or ongoing opportunity to earn rewards.

8) Cash Back

The cash-back credit card was first popularized in the United States by Discover, and the idea was simple: Use the card and get 1% of your purchases rebated in the form of cash back. Today, the concept has grown and matured. Now, some cards now offer 2%, 3% or even as much as 5% cash back on selected purchases, though such lucrative offers involve quarterly or annual spending caps.[1] The best cash-back cards are those that charge minimal fees and interest, while offering a high rewards rate.

Some cards, like the Fidelity Rewards card, offer a high 2% rate of cash back rewards on all spending but you must deposit your cash directly into a Fidelity investment account.[2]

9) Grace Period

When you make a debit card purchase, your money is gone right away. When you make a credit card purchase, your money remains in your checking account until you pay your credit card bill

Hanging on to your funds for this extra time can be helpful in two ways. First, the time value of money, however infinitesimal, will save you money. Delaying eventual payment makes your purchase a tiny bit cheaper than it would be otherwise. Beyond that, by paying with a credit card versus your debit card, cash, or check, your cash will spend more time in your bank account. And if you pay your credit card from an interest-bearing checking account, you will earn money during the grace period. The extra cash will eventually add up to a meaningful amount.

Second, when you consistently pay with a credit card you don't have to watch your bank account balance as closely.

10) Insurance-

Most credit cards automatically come with a number of consumer protections that people don't even realize they have, such as rental car insurance (though often secondary to your personal auto insurance), travel insurance, and product warranties that may exceed the manufacturer's warranty.

11) Universal Acceptance

Certain purchases are difficult to make with a debit card. When you want to rent a car or stay in a hotel room, you'll almost certainly have an easier time if you have a credit card. Rental car companies and hotels want customers to pay with credit cards because it makes it easier to charge customers for any damage they cause to a room or a car. Another reason is that, unless you have prepaid for your rental or hotel stay, the merchant doesn't know the final amount of your transaction. The merchant, therefore, needs to block out a certain amount of your available credit line to protect themselves from potential charges they didn't anticipate.

So if you want to pay for one of these items with a debit card, the company may insist on putting a hold of several hundred dollars on your account.[11] Also, when you're traveling in a foreign country, merchants won't always accept your debit card—even when it has a major bank logo on it.

12)Reducing Interest Rate – In most cases, banks charge interest based on the reducing balance method. The interest rate will be charged on the balance of the loan at the end of every month. If you have purchased a product of Rs.30,000 and paid Rs.5,000 in the first month, the interest is usually charged on Rs.25,000. In this way, the interest you pay is lesser every month.

13)Foreclosure and Cancellation – Banks offer the facility of foreclosing or cancelling the loan if you have acquired the money to pay off the loan before your tenure has ended. You can do so by paying a certain amount of money as a foreclosure fee which is charged. If you are a long-time customer; the bank may not charge you the foreclosure fee.

Disadvantages of Credit Cards

Credit cards are a powerful monetary tool but can also lead to a financial disaster if not used properly. Some pitfalls related to credit cards come in the form of:

1)High Interest Rate – The interest that is levied on credit card is about 40% p.a. (3.35% p.m.) making it the costliest form of credit. If you happen to withdraw cash using a credit card then you will incur this interest from the day of withdrawal itself along with withdrawal charges, applied on every withdrawal.

2)Over Spending – One of the factors that bank use to judge credit worthiness of an individual is Credit Utilisation Ratio (CUR). CUR is the ratio of your card spends against the total credit limit extended to you. If you **utilise a major portion** of your credit limit then your **credit score will be negatively impacted**. Banks see such people as someone who requires a lot of credit; this is not a desirable trait. It is advised to maintain a credit utilization ratio of 30% or less.

3)Surcharges – Certain payments when made through a credit card incur a surcharge, additional fee. These surcharges are generally applied on fuel purchases and railway bookings making you pay more than the due amount.

4)Fraud – Though credit cards are much safer than carrying cash, still they are susceptible to online fraud. Your credit card information can be stolen. Also, if the fraudulent transaction is made by a third party then the onus of informing the bank lies with the cardholder. In this scenario, one must inform the bank of within 3 days of the said transaction. If the customer fails to inform the bank then he/she will bear liability on the transaction.

5)Fees & Charges – Credit cards charge a certain amount for all the services they provide. These include an annual fee, foreign transaction mark-up fee and so on. If you are unaware of all the fees and charges associated with your credit card then you may end up paying unnecessarily.

Minimum Amount Due Trap – Credit card providers allow their customers to make a minimal payment; that is, 5% of the total amount due. This might seem a great option to the common man but it is not so. If you pay only the minimum amount due consecutively for a few months, you may find yourself in the midst of a large debt due to high interest rates.

Conclusion

You should try and look at credit cards like a tool which can be used to bring convenience and luxury into your life. Credit cards are also very helpful in starting you on your credit journey and maintaining a good score. However, if they are not used responsibly, then they will hurt you both in the short and long term by destroying your credit score and finances. So, you must always pay your credit card bills in full and keep on availing the benefits they offer.

Bank Additional avoid charges to his prime customers and prime and other customer remove emi processing fee and government 18 GST is very high charges on instalment so less 5% to 9 % is important in bank credit card customers and interest charges is low to bank 7 to 12 %

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INITIATIVES OF NABARD FOR FINANCIAL INCLUSION IN INDIA

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ABSTRACT

Financial inclusion is a key driver of economic growth and poverty alleviation. It is a multi-dimensional phenomenon. Financial inclusion relates to connecting marginalised and the underprivileged in the society to the mainstream economy, by means of providing financial literacy and access to banking and financial services. India has developed its financial ecosystem and has brought about major changes to increase the last-mile connectivity of financial services to its people. The intent has been to provide the underprivileged and marginalised access to financial resources to improve their lives. National Bank for Agriculture and Rural Development (NABARD) have taken initiatives to promote financial inclusion. These include the opening of bank branches in remote areas, issuing Kisan Credit Cards using information technology to spread awareness and literacy, linkage of self-help groups with banks etc. The present paper highlights the initiatives of NABARD for financial inclusion in India.

Keywords: Financial Inclusion, Economic Growth, NABARD.

Introduction

Financial inclusion is a key driver of economic growth and poverty alleviation. It imparts formal identity, provides access to the payments system and to savings safety net like deposit insurance, and enables the poor to receive direct benefit transferred in a leak-proof manner. It is crucial for sustainable and inclusive socio-economic growth. The potential for development in the various sectors of the is enormous. However, the limited access to affordable financial services such as savings, loan, remittance and insurance services by the vast majority of the population in the rural areas and unorganised sector is believed to be acting as a major constraint to the growth impetus in these sectors. It is widely believed that access to affordable financial services enlarges livelihood opportunities and empowers the poor to take charge of their lives. Such empowerment also adds to social and political stability in the economy.

Financial inclusion is a multi-dimensional phenomenon. With an objective to extend such financial services to a sizeable majority of population particularly who continue to remain excluded from the opportunities and services provided by the financial sector, a Committee on Financial Inclusion was set up by the Govt. of India under the Chairmanship of Dr. C. Rangarajan in 2006. This Committee on Financial Inclusion (Rangarajan, 2008) defined Financial Inclusion as: “process of ensuring access to financial services and timely and adequate credit where needed by vulnerable groups such as weaker sections and low income groups at affordable costs.”

Financial inclusion relates to connecting marginalised and the underprivileged in the society to the mainstream economy, by means of providing financial literacy and access to banking and financial services. It is a multidimensional approach that involves bringing on board various stakeholders from the government and the people. India, with a population of more than 1.3 billion, has a large number of people who are still out of the formal financial net. Although the situation has improved considerably over time, owing to the major banking and economic reforms undertaken in recent years, there still exists both a great need and the potential to tap into this unbanked population and bring them into the financial net. In a diverse country like India, financial inclusion is a critical part of the development process. Since independence, the combined efforts of successive governments, private institutions, and the civil society have helped in increasing the financial-inclusion net in the country. There has been an emphasis to provide last-mile connectivity of banks and other financial institutions.

In this perspective the paper focuses on the rationale of financial inclusion and initiatives of NABARD in this respect.

Indian Scenario

The concept of financial inclusion has evolved over a period, and has been studied by policymakers and researchers. India has developed its financial ecosystem and has brought about major changes to increase the last-mile connectivity of financial services to its people. The intent has been to provide the underprivileged and marginalised access to financial resources to improve their lives. It has been observed that financial inclusion has the potential to reduce poverty, create jobs, among others.

The lack of inclusive growth, due to large inequalities in economic and/or social realms, often translate into inequalities in terms of opportunities, leading to huge disparities in the critical sectors of health and education (Goldberg 2019). Earlier, private institutions did not engage with the poor as customers on a significant scale. This has now changed, and there has been an active participation of the private players, as they have also realised that bringing the poor into the financial net is beneficial to their business models as well.

The Reserve Bank of India (RBI) and National Bank for Agriculture and Rural Development (NABARD) have taken initiatives to promote financial inclusion. These include the opening of bank branches in remote areas, issuing Kisan Credit Cards using information technology to spread awareness and literacy, linkage of self-help groups with banks, increasing the number of automated teller machines and business correspondents, increasing credit facilities and insurance covers for the marginalised people, among others.

The biggest fillip to the efforts of financial inclusion has come from Digital India. Various initiatives under Digital India, like easy banking facilities for all, simplification of procedures relating to financial instruments like Permanent Account Number, unique identification process of Aadhaar, simplification of tax procedures through the goods and services tax etc, have contributed significantly to the efforts of financial inclusion in the country. The Reserve Bank of India (RBI) released the National Strategy for Financial Inclusion 2019-2024 on January 10, 2020. It sets forth the vision and objectives of financial inclusion policies in India. The strategy was prepared by the RBI with inputs from the central government and financial sector regulators. The report refers to financial inclusion as the process of ensuring access to financial services, and timely and adequate credit for vulnerable groups and low-income groups at an affordable cost. Financial inclusion has a multiplier effect in boosting overall economic output, reducing poverty and income inequality, and in promoting gender equality and women empowerment. RBI observed that, as of mid-2018, more than 35 countries, including China, Brazil, and Indonesia have a national financial inclusion strategy. Some common themes across these nations include: (i) following a target-based approach (by targeting specific sectors), (ii) strengthening requisite infrastructure of payment mechanisms, (iii) strong regulatory framework, (iv) focus on last-mile delivery and financial literacy, (v) use of innovation and technology, and (vi) periodic monitoring and evaluation of progress made in financial inclusion.

The RBI noted that several steps have been taken to further financial inclusion in the country. These include: (i) Pradhan Mantri Jan Dhan Yojana (PMJDY), under which 34 crore accounts have been opened with deposits amounting to Rs 89,257 crore (as of January 2019), (ii) schemes such as the Pradhan Mantri Suraksha Bima Yojana to provide accidental death or disability cover and Atal Pension Yojana to provide pension cover to subscribing bank account holders. Further, it noted that the bank-led model of financial inclusion adopted by the RBI through issuance of differentiated banking licenses (small finance banks and payments banks) and the launch of Indian Post Payments Bank in September 2018 has helped bridge the gap in last mile connectivity. However, certain critical gaps remain an impediment for financial inclusion, such as: (i) inadequate infrastructure (in parts of rural hinterland, far flung areas in Himalayan and north-eastern region), (ii) poor tele and internet connectivity in rural hinterland, (iii) socio-cultural barriers, and (iv) lack of market players in payment product space. RBI identified six strategic objectives of a national strategy for financial inclusion: (i) universal access to financial services, (ii) providing basic bouquet of financial services, (iii) access to livelihood and skill development, (iv) financial literacy and education, (v) customer protection and grievance redressal, and (vi) effective coordination.

To achieve this vision, it identified certain milestones such as: (a) providing banking access to every village (or hamlet of 500 households in hilly areas) within a five km radius by March 2020, (b) strengthening digital financial services to create infrastructure to move towards a cash less society by March 2022, and (c) ensuring that every adult has access to a financial service provider through a mobile device by March 2024.

Initiatives of NABARD

NABARD has initiated Rural Financial Institutions Programme (RFIP) among others. The Rural Financial Institutions Programme (RFIP) is a bi-lateral cooperation programme of NABARD, on behalf of the Government of India, and Gesselschaft fur Internationale Zusammenarbeit (GIZ), on behalf of the Government of the Federal Republic of Germany. It was incepted in 2008/2009. Since 2012 the RFIP consist of three components covering Cooperative Banks, SHG networks and Bank led Financial Inclusion approach. Under component 3 of RFIP, GIZ and Department of Financial Inclusion and Banking Technology (DFIBT) of NABARD have been working closely on several initiatives adopting the key approaches as given below: To try and test improved models of Business Correspondent with RRBs. To improve capacity of Cooperative Banks & Regional Rural Banks to offer varied payment services like RuPay Cards To improve the financial capabilities of clients through the Financial Literacy approach.

A pilot project was started in Uttar Pradesh (Unnao district) in collaboration with GBA (Gramin Bank of Aryavart) and RGMVP (Rajiv Gandhi Mahila Vikas Pariyojana). The objective of the pilot was to leverage the existing SHG networks , by building the capacities of selected SHG members who are rendering doorstep banking services on behalf of the RRB while acting as CSP agents (Bank Sakhis). The pilot project leverages technology which enables the Bank Sakhis to offer basic banking services (savings, credit) along with BF (banking facilitator) services. The project is an attempt to understand how effective would the SHG members be as a BC agents and what are the potential benefits of it being a community-driven model.The initiative, ever since its launch, has been able to deliver a BSBD account to more than 18,000 customers spread across 150+ villages in the Unnao district. The project's uniqueness is the fact that it is completely managed by the SHG network comprising of women.

Developing capacity of District Central Cooperative Banks & Regional Rural Banks on technology based payment system services Component 3 of RFIP works with DFIBT at NABARD to support the on-boarding of StCBs and CCBs onto the payment system for RuPay based payment platform and allied initiatives. Technical Assistance (TA) support has been provided to StCBs and CCBs in the following areas as a part of on-boarding support: 1. Technical support for bank's on-boarding processes 2. Building of bank capacities through trainings An Implementation Reference Guide was developed for the cooperative banks as a step-by-step guidance for adopting and onboarding RuPay based KCC and payment ecosystem. Please click here for details of RuPay Implementation Reference Guide for STCCS. Similarly, two publications on Mobile based services have been recently released as detailed below: Mobile Banking by Business Correspondents in India – A Landscape Study The 'Landscape study on Mobile Banking by Business Correspondents in India' explores eight m-banking models with respect to geographical reach, scalability, distribution reach and cost effectiveness. RFIP commissioned this study also to gain insights for the introduction of mobile-based banking in rural/cooperative banks. Handbook on Mobile Banking – Regulatory and On-Boarding Guidelines for Regional Rural Banks and Central Cooperative Banks. This Handbook on Mobile Banking provides a step-by-step on-boarding process for rural/cooperative banks to adopt mobile-based banking. The handbook also deals with the key regulatory guidelines as well as the operational & technical processes to be followed by the banks for initiating mobile-based banking. This includes the Immediate Payment Service (IMPS) platform of the National Payment Corporation of India (NPCI) with special focus on rural/cooperative banks. Please click here to access the soft copy of the same. 3. To improve the financial capabilities of clients through the Financial Literacy approach FLC (Financial Literacy Centre) FAQs for FLC Counsellors Under RFIP projects, IIBF was mandated to develop supporting materials for Financial Literacy Centre (FLC) managers, starting with Frequently Asked Questions (FAQs) and answers thereto. The objective of developing a comprehensive material resource for the FLCs was to help FLC counsellors and clients with a ready reckoner and user friendly compendium of basics of products and services available for the clients and to increase their financial awareness. It is expected that the FAQ booklet will help and guide clients in taking an informed decision to avail themselves of banking products and services. The FAQs cover a broad range of products and services offered by Banks, viz. savings, credit, remittance, Know Your Customer (KYC) guidelines, and legal issues in banking. These FAQs have been circulated to Banks and FLCs in both hard copy format and in soft copy in CDs.

Further, developing Indices of Financial Inclusion Financial inclusion is a multi-dimensional phenomenon representing demand and supply factors that could be measured through developing a suitable financial inclusion index (FII). A composite financial inclusion index provides scope for multiple dimensions of financial inclusion to be reduced to a single one, making it simpler for analysts and policymakers alike. In general, such indices have no units and are constructed by making all the measured dimensions comparable. Several scholars developed FI index mostly following methodology of Human Development Index, based on secondary data with few exceptions like World Bank's Findex. Whatever existing measures were used so far had some limitations or the other to be resolved/improved upon. NAFINDEX, based on NABARD All India Rural Financial Inclusion Survey (NAFIS) 2016-17 data. NAFIS was undertaken by NABARD pan-India during 2016-17 covering both financial and livelihood aspects of 40327 sample households covering 245 districts across 29 states. The survey covered all aspects of financial inclusion from a household perspective, viz., savings, borrowing, investment, remittances & payments, and insurance. Besides, the survey also covered financial literacy and experience of households with payment mechanisms. The index is generated at all India and state-level based on the field level data collected from households.

Conclusion

There is no doubt that India has significantly improved the financial inclusion of the marginalised sections, and Digital India has turned out to be an important intervention. However, the digital divide is too wide and there exist many bottlenecks and challenges which need immediate attention. The most common barriers to the digital financial inclusion include the non-availability of suitable financial products, lack of skills among the stakeholders to use digital services, infrastructural issues, teething problems between various systems, and low-income consumers who are not able to afford the technology required to access digital services (Niranjan 2017). The government must devise strategies to achieve the targets of financial inclusion to ensure inclusive growth.

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SELF HELP GROUPS (SHGS) AND FINANCIAL INCLUSION IN INDIA

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ABSTRACT

Financial Inclusion is a very important initiative for the sustainable growth of a country. Financial inclusion goes beyond opening of bank accounts; it is a comprehensive set of services that needs to be offered to the clients so that they can choose based on their needs from the services. The financial products services for the weaker sections and low income groups need to be in such a way that they unleash hidden potential to save, enhance the credit absorption levels to go beyond basic consumptive credit needs and insulate them from a wide range of risks and vulnerabilities. In India, Self Help Groups or SHGs represent a unique approach to financial intermediation. The approach combines access to low-cost financial services with a process of self-management and development for the women who are SHG members. The present paper highlights the role of SHGs in promoting financial inclusion.

Keywords: Financial Inclusion, SHGs, Inclusive Growth.

Introduction

Financial Inclusion is a very important initiative for the sustainable growth of a country. With a huge rural population, that is economically challenged, Government in India has rolled out many initiatives like Rural Employment Guarantee Scheme, Sarva Shiksha Abhiyan (Education for All), Bharat Nirman Programme. But to support the growth, a committee on Financial Inclusion (FI) was also formed in June 2006, with Dr. C Rangarajan as Chairman to recommend a strategy to achieve a higher Financial Inclusion in the country.

India in last 15 years has witnessed unprecedented growth in financial services, unfolded by liberalization and globalization of financial services due to adoption of Information Technology and unlocking of the regulatory framework. But alongside this positive development there are evidences that the formal financial sector still excludes a large section of population. As on March 2006, the saving accounts per 100 adult populations were 63 and credit accounts were only 16 in all India (RBI, BSR 2006). In 1992, India's National Bank for Agricultural and Rural Development (NABARD) piloted the concept with 500 groups. Since then, the SHG movement has witnessed tremendous growth that brought about one of the world's largest and fastest-growing networks for micro-finance. In 2007, some 40 million households were organized in more than 2.8 million SHGs that borrowed more than US$ 1 billion of credit from banks in 2006/7 alone (Reserve Bank of India 2008). Cumulative credit disbursed to SHGs amounted to some US$ 4.5 billion (or about 10% of total rural credit) in India (Garikipati 2008). income groups of society at an affordable cost. The various financial services include credit, savings, insurance, payments and remittance facilities.

Financial inclusion goes beyond opening of bank accounts; it is a comprehensive set of services that needs to be offered to the clients so that they can choose based on their needs from the services. The financial products services for the weaker sections and low income groups need to be in such a way that they unleash hidden potential to save, enhance the credit absorption levels to go beyond basic consumptive credit needs and insulate them from a wide range of risks and vulnerabilities. In India, Self Help Groups or SHGs represent a unique approach to financial intermediation. The approach combines access to low-cost financial services with a process of self-management and development for the women who are SHG members.

SHG and Financial Inclusion

A self-help group (SHG) is a village-based financial intermediary committee usually composed of 10–20 local women or men. Members make small regular savings contributions over a few months until there is enough capital in the group to begin lending. Funds may then be lent back to the members or to others in the village for any purpose. In India, many SHGs are 'linked' to banks for the delivery of micro-credit. For the rural women, economic empowerment can be harvested through the concept of Self-Help Groups (SHGs) based on group approach to rural development. SHGs are indeed a boon to the rural poor women who undertake viable economic activities on their own. SHGs are voluntary association of people formed to attain some common goals. A self-help group may be registered or unregistered. It typically comprises a group of micro entrepreneurs having homogeneous social and economic backgrounds all voluntarily coming together to save regular small sums of money, mutually agreeing to contribute to a common fund and to meet their emergency needs on the basis of mutual help. They pool their resources to become financially stable, taking loans from the money collected by that group and by making everybody in that group self-employed. The group members use collective wisdom and peer pressure to ensure proper end-use of credit and timely repayment. This system eliminates the need for collateral and is closely related to that of solidarity lending, widely used by micro finance institutions.

According to a Nabard (National Bank for Agriculture and Rural Development) report, though the SHG-BLP (self-help group-bank linkage programme) is a step towards bringing the 'unbanked' poor into the mainstream banking channel, its formal acceptance as a financial inclusion channel by the central bank is still awaited. An SHG is a homogeneous group, comprising 15-20 members (mostly women), where members first pool in their savings and give out small loans to needy members. Once the SHG successfully undertakes savings and credit operations from its own resources, it can borrow from a bank (SHG-BLP) to enhance its pool of resources.The scope of activities undertaken by the BCs include disbursal of small-value credit; recovery of principal / collection of interest; collection of small-value deposits; sale of micro insurance, mutual fund plans, pension and other third-party products; and receipt/ delivery of small-value remittances and other payment instruments.

BFs provide services such as identification of borrowers; collection and preliminary processing of loan applications; creating awareness about savings and other products; post-sanction monitoring and follow-up for recovery. The 'Status of Microfinance in India' report observed that a successful programme such as the SHG-BLP, which could link millions of rural poor to the formal banking system, could have been the main instrument for financial literacy and financial inclusion in the country. "There are a number of plausible ways by which matured SHGs could have been participants in the financial inclusion initiative, including being agents of providing direct banking services to the poor at their doorsteps, as a low-cost and efficient alternative. This model is certainly a more cost effective and reliable alternative to the existing inclusion agenda and millions of households, now members of SHG-BLP, would have been the immediate beneficiaries.

Initiatives of NABARD

The Self Help Group Bank Linkage programme (SHG-BLP) is a landmark model initiated by the National Bank for Agriculture and Rural Development (NABARD) in 1992 to deliver affordable door-step banking services and has largely achieved the stated goals of financial inclusion. It is a home-grown self-help movement with an objective of creating sustainable livelihood opportunities for the rural poor. Started as a bank outreach programme, SHG-BLP transcended itself into a holistic programme for building financial, social, economic, and of late, technological capital in rural India. NABARD has pioneered the SHG–bank linkage model which positions the SHGs as financial intermediaries to enable the flow of bank loans to poor members without physical collateral. The movement has emerged as the world's largest as well as the fastest growing microfinance programme and most successful network of women owned community based microfinance institution. The SHG–bank linkage model as it has developed in India is now a major model of microcredit globally.

The history of rural credit, microfinance and poverty alleviation are inextricably interwoven. After nationalization of the banking sector in India and with rapid expansion of the banking network substantial flow of resources to the priority areas took place. However, the physical outreach of the banking sector did not translate into an inclusive process, as majority of the population could not avail the benefits of institutional services. An Action Research Programme was launched by NABARD to identify the real reasons for this inequality. It was revealed that the poor needed better access to financial services and products. In 1987, based on the success of the Action Research programme sanctioned by NABARD to Mysore Resettlement and Development Agency (MYRADA), a pilot was launched in 1992, which envisaged linking of 500 SHGs by the end of 1994.

Self Help Groups were thus conceived as informal groups of 10-20 members having homogeneous socio-economic background coming from a small contiguous area, to operate on the principle of self-help, solidarity and mutual interest. They are encouraged to make compulsory thrift of the uniform amount as decided by them and pool resources so created to extend interest bearing loans to its members to meet their emergent needs. SHGs are given the freedom of charging interest from their members at the rate as decided by group consensus. Recovery is to be a mechanism of peer pressure. The process helped SHG members imbibethe essentials of financial intermediation, including prioritization of needs, setting terms and conditions and maintaining books of accounts. This was their learning ground before they could be in a position to handle bigger size funds by way of credits from banks. It is interesting to note and remember that three radical innovations were introduced through the RBI/NABARD guidelines during the pilot phase. They were (a) acceptance of informal groups as clients of banks – both deposit and credit linkage (b) Introduction of collateral free lending and (c) Permission to lend to group without specification of purpose/activity/project. 1.5 The SHG Bank linkage programme spearheaded by NABARD had a modest beginning with 225 credit linked groups and a loan amount of R29 lakh in 1992. Within 3 years, 4,750 SHGs were credit linked with different banks with bank loan of R6.06 crore covering 28 commercial banks, 60 RRBs and 7 Cooperative banks. The overwhelming success of the pilot led to RBI mainstreaming SHGBLP as normal business activity of banks and rest as they say is history. Later, RBI declared the SHG-BLP as a priority sector lending activity in April 1996.

Since 1999, Government of India has been supporting by way of special budgetary provision for promotion of the SHGs. The SHGs that came to be promoted by Indian NGOs, Banks and Government agencies can be described as a form of a micro bank as it raises equity and deposits, as well as external funds, and on-lends them. Harper et al. (1998) had described Indian SHGs as on-lending groups which collect their own equity capital, and savings deposits, from their owners, who are also the members and the customers, they lend out their money to the members, at interest rates which they decide, and they accumulate profits which they choose either to distribute to the owners, or to add to the fund at their joint disposal. 1.7 With the achievement of dream project of promoting one million SHGs by 2005, three years ahead of the schedule, SHG BLP became a massive programme and now touching the lives of more than 120 million poor households of the country. It has become a mass movement of the rural poor in their journey towards holistic empowerment. 1.8 For making SHG Bank linkage programme more client friendly and addressing some emerging issues, NABARD suggested certain product level changes under SHG-2 by reiterating thrust on savings with introduction of voluntary savings, smooth flow of credit with sanction of cash credit limit to SHGs, improved risk mitigation mechanism, leveraging second level institutions like SHG Federations for sustained hand holding support, promoting JLGs out of SHG members, strengthening the monitoring mechanism, etc. 1.9 SHG-Bank Linkage Programme has become more popular in India than elsewhere in the world primarily due to its widespread adoption by Scheduled Commercial Banks, Regional Rural Banks and Cooperative Banks. NABARD has continued to support more than 5,000 partner agencies such as NGOs, RRBs, District Central Cooperative Banks and other SHPI partners for promoting and nurturing SHGs.

NABARD has been continuously supporting training and capacity building of different stakeholders of SHG Bank linkage programme such as Bankers, NGOs, Government Officials and SHG member trainers. During 2019-20, 3,592 training programmes were conducted covering 1.53 lakh participants from various banks/stakeholders under FIF. Further, 1,152 training programmes covering 0.69 lakh participants were conducted under WSHG Fund. Cumulatively, around 2.79 lakh participants have been imparted training under WSHG fund support and 40.45 lakh participants were trained under FIF. With a view to strengthen the MF sector through supply of research inputs that facilitates policy initiatives and improvement in design & delivery systems that provide poor with sustainable access to quality financial services, NABARD had set up The Centre for Microfinance Research within Bankers Institute of Rural development (BIRD) on 01 January 2008 renamed as Centre for Research on Financial Inclusion and Microfinance (CRFIM) on October 2016.

Conclusion

India's Self Help Group (SHG) movement has emerged as the world's largest and most successful community based poverty alleviation and empowerment program. It is predominantly a women's movement. As some experts have pointed out, it is a development innovation in its own right. The SHG bank linkage program (SBLP), which is the India's own innovation, has proved to be one of the most effective community based microfinance programs. To create financial literacy among the SHG members and their household members, the SHGs should introduce financial inclusion aspects as mandatory agenda for SHG/federation meetings that would help in creating awareness among the rural households on financial inclusion.

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ROLE OF NABARD IN RURAL DEVELOPMENT IN INDIA

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ABSTRACT

" Growth with Social Justice" has been the basic objective of the Development Planning in India since independence. Since the beginning of planned development, the Government through five years plans made significant strides in developing rural India. The National Bank for Agriculture and Rural Development (NABARD) was setup in July 1982. The importance of institutional credit in boosting rural economy has been clear to the Government right from its early stages of planning.The Reserve Bank of India (RBI) at the insistence of the Government of India, constituted a Committee to Review the Arrangements for Institutional Credit for Agriculture and Rural Development (CRAFICARD) in 1979, under the Chairmanship of Shri B. Sivaraman, former member of Planning Commission. The Committee's report (1979) outlined the need for a new organisational device for providing undivided attention, forceful direction and pointed focus to credit related issues linked with rural development. It resulted in foundation of NABARD (National Bank for Agriculture and Rural Development) in 1982 as a statutory body under Parliamentary act-National Bank for Agriculture and Rural Development Act, 1981.Its initial paid up capital was Rs. 100 cr. contributed with 50: 50 by government of India and Reserve bank of India. It stood at Rs. 10,580 cr. as on 31 March 2018.To support Indian Rural economy with credit facility, RBI was apex body before formation of NABARD. It resulted in making NABARD as an apex development financial institution in India. The NABARD's role is basically a continuation of the RBI role in the sphere of Agriculture and Rural Development.

(**Key words** :- Growth, Development, Organisational, Apex, Financial)

INTRODUCTION

National Bank for Agriculture and Rural Development or NABARD is the main regulatory body in the country's rural banking system and is considered as the peak development finance institution which is established and owned by the government of India. This bank aims to provide and regulate credit to the rural areas, which will be a first step towards enhancing the rural development in the country.

NABARD has been given many responsibilities related to the formulation of policies, planning, and operations in agriculture and financial development. NABARD carries these responsibilities efficiently and works towards promoting and developing man industries in the rural areas like the agriculture industry, cottage industries, other small scale industries, and rural crafts in an effort to create better infrastructure and better employment opportunities for the people living in these regions.

The Government of India established this bank considering all the guidelines of the National Bank for Agriculture and Development Act of 1981. To put it in simple terms, you can say that the National Bank for Agriculture and Rural Development or NABARD is the main and specific bank of the country for agriculture and rural development. NABARD's establishment took place on 12 July 1982 as a central regulating body for agriculture financing and rural section. The government of India established NABARD under the outlines of the National Bank for Agriculture and Rural Development Act 1981.

NABARD AND RBI

Reserve Bank of India is the central bank of the country with sole right to regulate the banking industry and supervise the various institutions/banks that also include NABARD defined under **Banking Regulation Act of 1949**.Many developmental and regulatory works are done by RBI and NABARD in co-operation.RBI provides 3 directors to NABARD's Board of Directors. **NABARD provides recommendations to Reserve Bank of India on issue of licenses to Cooperative Banks,** opening of **new branches** by State **Cooperative** Banks and **Regional Rural Banks** (RRBs).

ROLE OF NABARD:

1. It is an apex institution which has power to deal with all matters concerning policy, planning as well as operations in giving credit for agriculture and other economic activities in the rural areas.

2. It is a refinancing agency for those institutions that provide investment and production credit for promoting the several developmental programs for rural development.

3. It is improving the absorptive capacity of the credit delivery system in India, including monitoring, formulation of rehabilitation schemes, restructuring of credit institutions, and training of personnel.

4. It co-ordinates the rural credit financing activities of all sorts of institutions engaged in developmental work at the field level while maintaining liaison with Government of India, and State Governments, and also RBI and other national level institutions that are concerned with policy formulation.

5. It prepares rural credit plans, annually, for all districts in the country.

6. It also promotes research in rural banking, and the field of agriculture and rural development.

FUNCTIONS OF NABARD :

Now that we have seen what NABARD stands for and the roles that it has to perform, let us go through the functions performed by the bank. In an effort to keep up with its roles, the National Bank for Agriculture and Rural Development undergoes four central functions. These four central functions performed by the NABARD are—credit functions, financial functions, supervisory functions, and development functions. To understand all these four functions performed by the NABARD, let's go through all of them one by one.

1. Credit functions As the main provider of credit facilities in rural areas, the National Bank for Agriculture and Rural Development or NABARD performs the credit functions. Under these functions, the bank provides, regulates, and monitors the credit flow in the rural parts of the nation.
2. Financial functions NABARD has many client banks and institutions that help and assist in the developmental activities in rural areas. By performing the financial functions, the National Bank for Agriculture and Rural Development or NABARD provides loans to these client banks and institutions like handicraft industries, food parks, processing units, artisans and many more.
3. Supervisory functions As already discussed above, NABARD is the apex institution that looks after agriculture and rural development. This is why the responsibility of monitoring and regulating all the development activities and projects fall on this institution. Given this role, the NABARD performs supervisory functions in which it has to keep a check on all the client banks, institutions, credits and non-credits societies that are a part of the developmental tasks taking place in the rural areas.
4. Development Functions As you must be pretty much aware by now that the primary role of the National Bank for Agriculture and Rural Development or NABARD is to focus on developing sustainable agriculture and promote rural development, the bank performs development functions in an effort to stay true to this role. Under developmental functions, the NABARD helps rural banks prepare action plans for the developmental activities.
5. To serve as an apex financing agency for the institutions providing investment and production credit for promoting various developmental activities in rural areas
6. To coordinate the rural financing activities of all institutions engaged in developmental work at the field level and liaison with the Government of India, the State Governments, the Reserve Bank and other national level institutions concerned with policy formulation; and
7. To undertake monitoring and evaluation of projects refinanced by it.
8. NABARD gives high priority to projects formed under Integrated Rural Development Programme (IRDP).

9. It arranges refinance for IRDP accounts in order to give highest share for the support for poverty alleviation programs run by Integrated Rural Development Programme.
10. NABARD also gives guidelines for promotion of group activities under its programs and provides 100% refinance support for them.
11. It is setting linkages between Self-help Group (SHG) which are organized by voluntary agencies for poor and needy in rural areas.
12. It refinances to the complete extent for those projects which are operated under the 'National Watershed Development Programme'and the 'National Mission of Wasteland Development'.
13. It also has a system of District Oriented Monitoring Studies, under which, study is conducted for a cross section of schemes that are sanctioned in a district to various banks, to ascertain their performance and to identify the constraints in their implementation, it also initiates appropriate action to correct them.
14. It also supports "Vikas Vahini" volunteer programs which offer credit and development activities to poor farmers.
15. It also inspects and supervises the cooperative banks and RRBs to periodically ensure the development of the rural financing and farmers' welfare.
16. NABARAD also recommends about licensing for RRBs and Cooperative banks to RBI.
17. It also runs programs for agriculture and rural development in the whole country.
18. It is engaged in regulations of the cooperative banks and the RRB's, and manages their talent acquisition through IBPS CWE conducted across the country.

The National Bank for Agriculture or Rural Development or NABARD performs all the above roles and functions efficiently and has a great impact on the agricultural progress and rural development in the country.

NABARD CURRENT PERFORMANCE

- **The NABARD (Amendment) Bill, 2017 passed in 2018:**

- Amendment in Act enabled Union Government to increase the **authorized capital of NABARD** from Rs. 5,000 crore to Rs. 30,000 crore.
- **Increase in capital of NABARD:** Under the 1981 Act, NABARD may have a capital of Rs 100 crore. This capital can be further increased to Rs 5,000 crore by the central government in consultation with the Reserve Bank of India (RBI). The Bill allows the central government to increase this capital to Rs 30,000 crore.
- **Transfer of the RBI's share to the central government:** Under the 1981 Act, the central government and the RBI together must hold at least 51% of the share capital of NABARD. The Bill provides that the central government alone must hold at least 51% of the share capital of NABARD. The Bill transfers the share capital held by the RBI and valued at Rs 20 crore to the central government. The central government will give an equal amount to the RBI.
- **Micro, small and medium enterprises (MSME):** Under the 1981 Act, NABARD was responsible for providing credit and other facilities to industries having an investment of upto Rs 20 lakh in machinery and plant. The Bill extends this to apply to enterprises with investment upto Rs 10 crore in the manufacturing sector and Rs five crore in the services sector.
- Under the 1981 Act, experts from small-scale industries are included in the Board of Directors and the Advisory Council of NABARD. Further, banks providing loans to small-scale, tiny and decentralised sector industries are eligible to receive financial assistance from NABARD. The Bill extends these provisions to the micro, small, and medium enterprises.

CONCLUSION

More than 75 per cent people of India depend on agriculture. Rural infrastructure investments help in raising the socio-economic status of the rural people through increased income levels and quality of life.

NABARD being an apex institution for providing credit facilities and capacity building to Indian rural economy, it has great a opportunity for poverty reduction and socio-economic empowerment of rural India.

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ENHANCED AUTOMATED TELLER MACHINE USING GSM

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Abstract:

An automated teller machine (ATM) or cash machine is an electronic telecommunication device that is used to enable customers to perform the financial transaction, such that cash withdrawals, deposits, fund transfers, balanced Enquiries or account information Enquiries, at any time and without any need for direct interaction with bank staff. Using Cash machine, people can get money instantly, so people need the ATM but ATM is safe to use or not? This question was rising in our mind because the money was theft from ATM. These days, thieves are becoming smarter because they are using cameras, magnetic readers and other scanning devices to get data from customers. To overcome from this issue we specifically designed Mobile Controlled ATM based on GSM communication, the main feature is to avoid the usage of keyboard instead of that it was controlled by mobile phone.

Key words: Automated Teller Machine, Mobile controlled ATM, GSM

I. INTRODUCTION

In human life, money is more important. Humans use money in day to day life including buying things like living or non living things. Money is an essential component of life. Money saving is more important in human life. So people need bank to save money for emergency time uses. But now people don't need to go for bank directly there is a way to save and get money return back using of cash machine. Now a day's cash machines are most used to money deposit and withdrawals as well as balance enquiries. Cash machines are needed to update on new safety technology. ATM are updated a using keypad, touch display, and other systems. So safety of the ATM as improved. The use of pinhole cameras and scanning devices enable bank accounts to be easily stolen. Thus, mobile controlled cash machines are the easiest and safest way to use ATMs. The GSM used mobile message system is used to control the cash machine.

II. LITERATURE SURVEY

According to a literature review of cash machine systems, it has already been applied and tested in a number of studies. Distribution, monitoring, and measuring the amount of money in the cash machine, mini statements as well as bill creation, are all included in the suggested model. Data may be transmitted to the user and admin for invoicing for individual residences, cash deposit, cash withdrawals, and ATM safety. The focus of this article was on mobile controlled cash machine using of GSM. The GSM has used to controller of the cash machine. [1]This will stop the unauthorized usage of ATM cards by person other than the owner but not eliminate the process. [5] This project shows on recognition based Verification system has been implemented for many ATMs for safety purposes. This work deals with Biometric recognition like fingerprints, face recognition to identify person. In addition, Internet of things has been used to enhance the security of the Money and to give timely updates. Also, one time password will be sent to user to verify identity but not gives full security for user. [12]The system gives only transactions through SMS but not complete control using mobile its gives alert messages only.

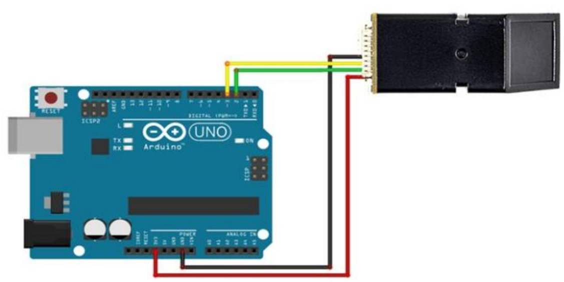
III. EXISTING WORK

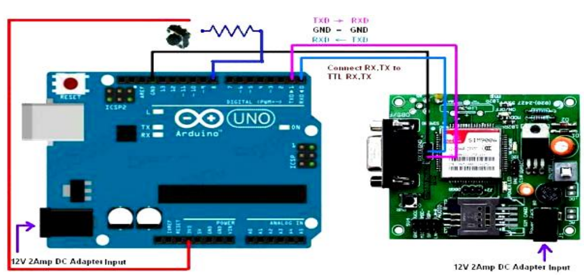
In the cash machine is very important to bank and card holders. So we present a GSM based mobile controlled cash machine. Money is an important part of our lives. The current system may be controlled manually, which means that the user can control the cash machine using of inbuilt key pad or touch display. In our system first we need insert the magnetic (personal information stored card) card into the magnetic reader, then the cash machine fetch the data of the cardholder. Then the message sent to the cardholder via GSM to the mobile. Cardholder need to confirm that by using a PIN (personal identification number) given by the respected bank through mobile. The ATM has confirmed that the cardholder is the right person. Otherwise, the ATM will cancel the transaction or need fingerprint verification. After the verification message from the server, it displays “Please enter the Amount”, and then the cardholder enters the amount. After this process cash machine withdrawal the money and completes its transaction.

IV. PROPOSED SYSTEM

The suggested system uses a GSM has design and construct a mobile communications based on messaging and controlling a household application. When the magnetic card was inserted into cash machine then the cash machine was fully controlled by mobile using of user mobile.

Schematic Diagram:





V. MEDHODOLOGY

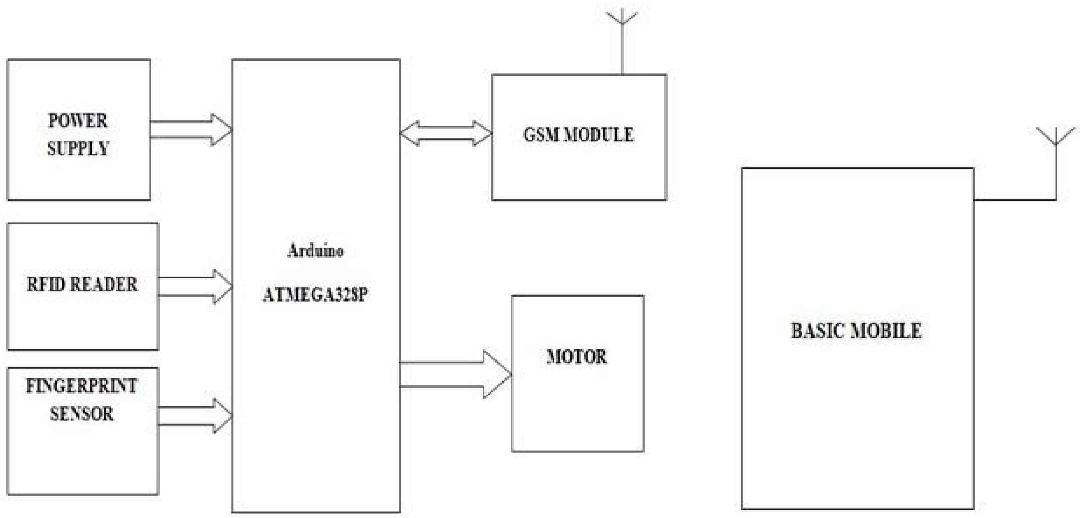
A. Material Used

Arduino ATMAGA 328p, GSM, finger print sensor, DC motor, numerous connecting connections including male to male and male to female cable, and plastic box assembly to cover equipment will be given to execute this system.

B. Research Design

The design of mobile control cash machine systems is covered in this research, which includes hardware and software design (showing architectural diagrams) as well as software from the system design.

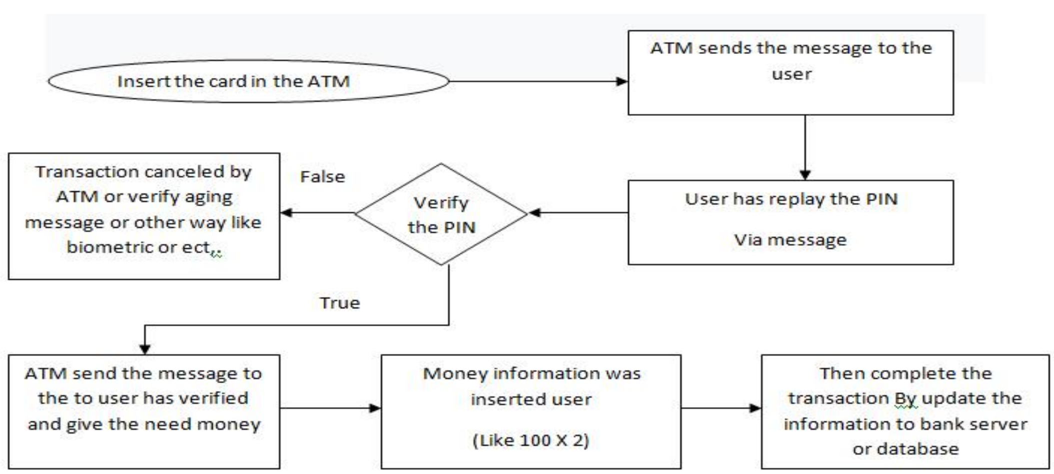
Block Diagram:



Block diagram

A. Software Design

The arduino ATMAGA328p programming, GSM interfacing, fingerprint sensor interfacing is used in this study. System testing determines if software can detect processes from sensors and then depict those processes on computers with precision, accuracy, and linear values.



Flow Chart Design

VI. EXPERIMENTAL RESULTS

After installation, the mobile act as a controlling unit and cash machine act as a receiver unit as well as output unit. The GSM is inbuilt to the cash machine it's act receiver as well as message transmitter. Mobile has received GSM transmitted message and give the controlling message to GSM.

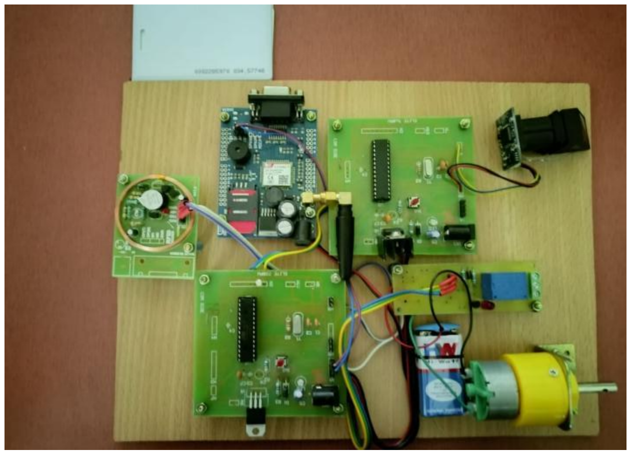
VII. CONCLUSION

The project allows us to controlling the cash machine using of mobile. Using of GSM it's allows the all type of mobiles has control the cash machine instead of messaging system. The system gives more security for connecting with cash machine. The user has the not ability to control the ATM using any time without card and users mobile.

VIII. FUTURE SCOPE

This suggested system has a wide range of applications and more useful to bank ATM systems. These days, with our hectic lives, we need reminder messages on our phones or laptops, and this system may send alerts about the cash machine uses and controlling of cash machines. It will also aid in the creation of a smart city focusing on cash machine. It can be installed in all cash machines.

IX. PHOTO OF KIT



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STUDY TO REVIEW THE ROLE OF NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT (NABARD) IN INDIAN ECONOMY

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ABSTRACT

The major function of the National Bank for Agriculture and Rural Development (NABARD) is to achieve all elements of the rural economy. Apart from providing financial assistance to the country's underprivileged people, the institution also oversees the operation and supervision of banks. Millions of rural families across the country have benefited from NABARD. The main objective of this paper is to gain a better understanding of the NABARD's financial initiatives in rural areas. NABARD, financial initiatives, operating, and support are all things that come to mind while thinking of NABARD. The research will add to the literature on NABARD and its role in Indian Economy.

INTRODUCTION

Agriculture is the crucial sector of Indian economy which accounts for about 21% of GDP and two-thirds of population is dependent on the agriculture sector and the robust growth of agriculture sector demands a greater flow of finance.

Hence, there is a huge role of farm financing in development of agricultural sector.

For, India's economy to be secure, the rural sector needs to grow. Rural areas todayas well are tormented by the problems of illiteracy, unemployment, malnourishment, lack of necessities, etc. India is considered as a successful countrywith an agricultural-based economy in which an associated sector plays an important role.

The need for institutional credit in a growing economy has always been keen, therefore the Reserve bank of India (RBI) composed a committee to keep a check on arrangements for institutional credits for the rural financial institution. The committee was formed on 30th March 1979, which traced out of need for

Credit-related issues connected with rural development.

This led to the formation of a distinctive developmental financial institution named as “National Bank for Agriculture and Rural Development" which soon was ratified by Parliament through the Act 61 of 1981. NABARD came into reality on 12th July 1982 by transferring agricultural creditfunctions of the Reserve Bank of India.

NABARD is assigned as an apex developmental bank of the country with aim of uplifting rural India by giving credit flow in agriculture, handicraft, village, and small scale industries. It also plays an important role in providing investment forpromoting developmental programs for rural development, helps with preparing plans annually for several districts of the country.

NABARD also helps in assembling the specifications for the promotion of group activities and provides full support to them. Under NABARD, many programs for rural and agriculture runs.

The errand of NABARD is to boost sustainable agriculture and rural development through the financial and nonfinancial innovations, technology, etc. NABARD later began with the SHG-Bank linkage program in 1989.And since 1995-1996, the state government was helped by NABARD under the rural infrastructure development fund (RIDF).

Later In 2006-2007, another program was launched named Bharat Nirman for theconstruction of rural roads under PMGSY.

In essence, NABARD has been fulfilling its role as mentor of rural development and has been bracing institutional development and evaluation of customer banks.

FINANCIAL INITIATIVES

1) Designated Food Parks(DFP):

The government provides special subsidies to outline food parks (DFPs) and food processing units at food parks, such as term loans with low interest rates. The National Bank for Agriculture and Rural Development (NABARD) has set aside Rs. 2,000 crore for this purpose. The goal is to improve the development of the food processing industry, agricultural waste reduction, etc.

Rural India has a lot of job options. State governments, local governments, and non-profit organizations are all eligible for loan.

State governments, government-sponsored institutions, joint ventures, cooperatives, cooperative federations, special purpose vehicles, farmers' producer organizations, companies, corporations, and entrepreneurs are all eligible for the loan.

2) Warehouses, Cold Chain Infrastructure and Cold Storage:

This inventiveness promotes development of infrastructure to aid in the repository of agricultural products. Loans are available to assist projects that build storage

Infrastructure for agricultural goods (with less aggregate capacity of 5,000 metric tons). This comprises operations such as the construction of silos, warehouses, cold storage, bulk coolers, controlled environment stores, reefer vans, fast freezing units, and so on, as well as the upgrading or development of the APMC's Marketing Infrastructure Facilities (Agricultural Produce Marketing Committee). The merits of the argument will be considered while improving current storage infrastructural development.

State governments, government-owned/assisted institutions, cooperatives, Farmers' Producers' Organizations (FPOs), Federation of Cooperatives, Federation of Farmers' Collectives, PPP-created SPVs, cooperative marketing societies (CMS), Primary Agricultural Credit Societies (PACS), companies, corporates, or individual entrepreneurs, and agricultural produce marketing committees are all eligible for the loan (APMCs).

3) Marketing Federations:

Acquisition of agricultural commodities, consisting milk, collection, storage, and value added in selected products, and sale of these products are examples of activities. NABARD also makes short-term loans to retailing federations to help them with their day-to-day activities. To satisfy the operating capital needs of marketing federations, a brief-period credit facility (less than 12 months) is available. Retailing and purchase of agricultural commodities, sales and fining of agricultural output, assembling, processing, and retailing of milk, and supply of agricultural products like animal feeds are all permitted for this loan. State or Central Government Agricultural Marketing Federations and Corporations, Dairy Federations and Cooperatives, Agriculture Federations and Cooperatives, and Registered Companies are all permitted.

RURAL INFRASTRUCTURE DEVELOPMENT FUND (RIDF);

Agriculture and allied industries, social sectors, and rural connectivity are among the RIDF's eligible categories. State governments or union territories, state-owned corporations, government-supported organizations, Panchayat Raj institutions,

Non-governmental organizations and self-help groups are all eligible. The ideas shouldindeed be presented to the government's relevant department for approval. The interestrates are linked to the Bank Rate at the moment of disbursement of the loan. Within 7 years after the disbursement date, all loans can be returned in equal annual payments. A two-year grace period is included in this figure. At the end of each quarter, the interest is paid.

Mandates registered with the RBI or any other Scheduled Commercial Bank, TPN, unconditional guarantees from state governments, and acceptance of the terms and conditions in the sanction letter are all used to secure loans.

SCHEMES:

- **Direct Refinance Assistance to Cooperative Bank**

This program provides financial assistance to cooperative banks to aid in thedevelopment of their businesses.

Increasing the amount of money they can lend out. There are two types of loansthat fall into this category which are as follows:

a) Short Term Multipurpose Credit Product

This involves meeting working capital requirements, as well as repairingand maintaining farm equipment. This product covers activities such as storage, packaging, and grading of commodities, as well as related marketing.

b) Abetment to Cooperative Banks to Lend to Sugar Factories

Cooperative banks are granted refinancing assistance so that the cashcan be used by farmers to purchase sugarcane. The fund is utilized to cover other agricultural expenses.

On the outstanding balance, interest is paid in quarterly rests. The bank'srisk rating will be used to determine the security. Scheduled Banks typically issue unencumbered fixed deposit receipts, but the State Cooperative Banks may use Government guarantees, promissory notesas collateral.

- **Aid of Producer Organizations**

NABARD's Producers Organization Development Fund is in charge of implementing this scheme. Financial support is provided in the form of loans and grants for capacity building and trade facilitation, as well as credit support for share capital. PODF's main goal is to address the ongoing needs of Producer Organizations (PO) while also ensuring that they are entirely sustainable. Loans are available to Registered ProducerOrganizations, whereas grant components are available to government non-profits, licensed Community Based Organizations (CBOs), registeredProducer Organizations (POs), the implementing agency, or both, as wellas other institutions approved by NABARD. The credit limit is 90 percent of the development's total expenditure.

NABARD Infrastructure Development Assistance (NIDA)

This loan assistance will be used to fund rural infrastructure projects. Additional solutions, such as annuity-based services, PPP, mezzanine capital, and so on, are available depending on the borrower's needs. Theloan's interest rate is changeable, as it is determined by the borrower's risk profile and the project's specifications. Based on the project specifications, a moratorium period of 2-4 years is offered. The loan's repayment term and schedule are determined by the borrower's risk profile and the project's characteristics.

Financing and Evolution of PACS

PACS (Primary Agricultural Credit Societies) provide credit and other services to their members. Upgrading agro-storage centers, agro-servicecenters, agro-processing centers, agricultural marketing and transportation facilities, and farm-information centers are all eligible for assistance. The Asset Liability Committee sets the interest rate (ALCO).

The Umbrella Programme for Natural Resource Management (UPNRM)

NABARD has developed this program to fund NRM-based, community-managed, sustainable rural livelihood programs. These initiatives will have to pass a Guiding Principles level assessment. The interest rates will be determined by the project's type, target audiences,and channel partners.

Other Investment Funds (AIFs)

NABARD contributes to the success of NABARD's current refinance and co-finance products, as well as other developmental activities such as encouraging entrepreneurship in agricultural and rural development activities, facilitating the development of model units for the rural poor to emulate, encouraging investment in innovative activities in the rural development and agricultural sectors, and assisting units that are unable to scale up their operations.

Abiding Irrigation Fund (LTIF)

NABARD efforts aiming at assisting and expediting a completion of vital and medium irrigation projects which are currently under construction. State governments and the National Water Development Agency (NWDA), which is part of the Ministry of Water Resources, are both eligible to borrow funds from NABARD under the LTIF.

CONCLUSION

NABARD influences all elements of the rural economy as rural development becomes increasingly important. NABARD promotes new job possibilities and offers financial assistance to the country's underprivileged people, as well as overseeing bank operations and regulation. Millions of rural families across the country have benefited from NABARD.

NABARD is the backbone of the rural economy's existing and anticipated growth. The NABARD's financial activities in rural areas are predicted to have a substantial impact on the Indian economy's development. Because each of these categories will continue to be very important to overall GDP growth and job creation, NABARD develops in all areas of agriculture, manufacturing, and services.

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FINANCIAL INCLUSION IN INDIA: THE ROLE OF PRADHAN MANTRI JAN DHAN YOJANA (PMJDY)

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Abstract

Financial inclusion, also known as inclusive finance, is the provision of financial services at little or no cost to disadvantaged and low-income parts of society, as opposed to financial exclusion, which occurs when those services are neither available or affordable. The government of India launched the "Pradhanmantri Jan Dhan Yojna" as part of its financial inclusion efforts. The current study seeks to investigate the influence of PMJDY in increasing financial inclusion in India. According to the report, PMJDY expanded the number of bank accounts for disadvantaged and poor persons by weakening KYC, however transactions in the accounts are quite restricted. Many accounts remain dormant due to a lack of adequate income to route via that account or a lack of savings to deposit. It is suggested that policymakers focus on promoting financial literacy among residents, particularly those living in rural areas, in order to make better use of PMJDY accounts.

Keywords: Financial Inclusion, PMJDY, Rural Development, financial literacy, NABARD

Introduction

Financial inclusion guarantees that every individual has access to a variety of acceptable financial services and that they understand and use those services. An inclusive financial system is one of many countries' top concerns, and it is regarded as critical to attaining equitable prosperity. Despite the fact that India has taken various steps to improve financial inclusion, a sizable portion of the population still lacks access to even basic financial services. As a result, financial inclusion is not only an economic necessity for India, but also a sociopolitical one. According to the CRISIL financial inclusion index Inclusix 2016, India has a financial inclusion rating of 58.0 out of 100. Financial inclusion is an important concern when providing financial goods and services to a larger proportion of the population (Joshi & Rajpurohit, 2016). It has been characterized as the inexpensive provision of a wide variety of financial services to underserved and low-income people. While the need for financial inclusion was recognised with the beginning of the cooperative movement in the early twentieth century, rural India remains mostly unbanked. Following the cooperative movement, a considerable number of banks were nationalised, with a concentration on priority sector lending and the establishment of branches in outlying areas. However, the outcomes left a lot to be desired. Lack of education, poor income, poverty, and so on are some of the causes for exclusion on the demand side, whereas inadequate branch penetration and burdensome paperwork are some of the supply side restrictions.

In August 2014, the government launched the Pradhan Mantri Jan Dhan Yojana (PMJDY), a National Mission for Financial Inclusion (NMFI), to provide universal banking services to every unbanked household, based on the guiding principles of banking the unbanked, securing the unsecured, funding the unfunded, and serving unserved and underserved areas. The PMJDY scheme's goal is to ensure that no household is left without a bank account. There are 9.98 crore MGNREGA worker accounts at banks and post offices. There are 3.66 crore accounts in Post Offices and 0.75 crore accounts in Co-operatives. As a result, all banks were coordinated to strive toward this route of greater inclusivity.

Review of Literature

(Ramakrishna, 2018) investigated the function of regional rural banks in promoting financial inclusion. The research was descriptive as well as analytical in character. The necessary secondary data were gathered from the yearly reports of NABARD and RRBs. The study concludes that the importance of RRBs in financial inclusion is inextricably linked to their expansion into rural India.

In another study by (Kumar & Venkatesha, 2014) explored the efficiency of the PMJDY plan in terms of financial inclusion. According to the report, financial inclusion is an innovative idea that offers alternative approaches to encourage banking habits and functions as a facilitator in poverty reduction, and the establishment of the Pradhan Mantri Jan Dhan Yojana (PMJDY) by the Government of India is a step in that direction (Bijoy, 2018; Raval, 2015; Tewari, 2015).

(Maity & Sahu, 2020) used secondary data gathered from 2011 to 2018 to examine the performance of public sector banks in financial inclusion prior to and after the implementation of PMJDY. The study discovered that overall average efficiency toward financial inclusion grows dramatically throughout the post-phase, despite the fact that not all public sector banks perform similarly. The level of effectiveness varies significantly across them and even between the two times.

(Singh et al., 2020) investigated the influence of financial inclusion, as promoted by the Pradhan Mantri Jan Dhan Yojna (PMJDY) plan, on economic performance in Indian states. According to the study's findings, most Indian states have a low or medium degree of financial inclusion. The results demonstrate that the PMJDY plan boosted the speed of economic growth but did not raise the overall degree of economic prosperity across states (Raichoudhury, 2019).

Research Methodology

The present study attempts to examine the role of Pradhan Mantri Jan Dhan Yojna (PMJDY). The study is based on Secondary data collected from PJDY annual report for the period of 2018 to 2022. Combined Annual Growth Rate being used to measure the growth happened in the period.

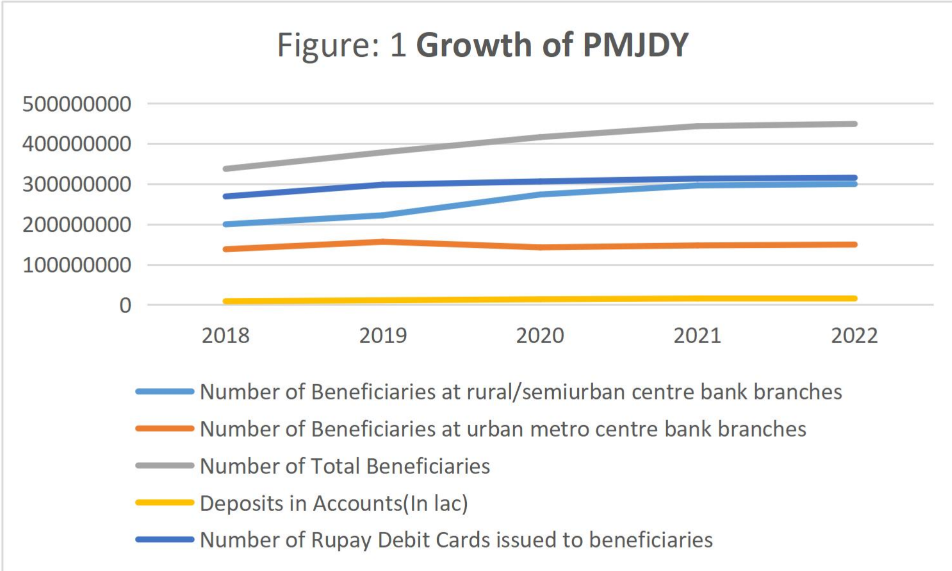
Analysis and Discussions

According to table 1, the number of PMJDY recipients in 2008 was 337281675.00. It climbed at a 5.88 percent CAGR to 448818224.00 in March 2022. It demonstrates Indian residents' faith in the Central Government. In 2008, a total of 8703342.18 lacs rupees were placed in PMJDY accounts; in 2022, it increased to 16271842.06 lacs, representing a 13.33 percent increase. Under the PMJDY plan, 268796863.00 debit cards were distributed to the public; by 2022 March, this figure had risen to 315225671.00 cards, with a CAGR of 3.24 percent.

Table: 1 Growth of PMJDY

Year	Number of Beneficiaries at rural/semiurban centre bank branches	Number of Beneficiaries at urban metro centre bank branches	Number of Total Beneficiaries	Deposits in Accounts(In lac)	Number of Rupay Debit Cards issued to beneficiaries
2018	199599705	137681970	337281675	8703342.18	268796863
2019	221961230	156289571	378250801	11016125.9	297969669
2020	273599704	142388026	415987730	13573952	306049485
2021	296048169	147223083	443271252	15491646.7	313009705
2022	299506098	149312126	448818224	16271842.1	315225671
CAGR	8.45%	1.64%	5.88%	13.33%	3.24%

Source: https://pmjdy.gov.in/



All these figures show the role played by PMJDY as catalyst in financial inclusion initiative of the Government of India.

The way ahead

PMJDY is a significant step in bringing the rejected vulnerable peoples under the umbrella of the official financial system, but some of the challenges may jeopardise its survival if not closely monitored and regulated. To deal with a flood of no-frills bank accounts, both current and new, the programme must ensure that monies are sent from the government to individuals on a regular basis.When the large amount of 22.81 crore Rupay debit cards to be distributed under Jan Dhan Yojana and the present volume of 120 million Rupay Kisan Cards are merged, a problem is inevitable. To achieve the intended outcome, important participants such as cooperative societies, banking or responders, mobile service providers, postal service, and new payment banks may be enlisted and roles synchronised. The actual problem is in the delivery of services. The mere opening of the account will not bring good fortune. Only when financial services are really available to the public will the account become heavenly.

Conclusion

Financial inclusion will benefit the poor by bringing them into the mainstream of growth, while simultaneously providing financial institutions with a chance to collaborate on inclusive growth. We encounter a number of hurdles in implementing financial inclusion initiatives. The proposal of creating a PMJDY account received a positive reaction all around India, bringing banking to the masses of the Indian community. Constant evaluation and frequent checks are critical for the success of any strategy. If implemented successfully, it would not only eliminate poverty but will also put a stop to corruption.

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FINANCIAL INCLUSION: THE IMPLICIT 2030 SUSTAINABLE DEVELOPMENT GOALS ENABLER

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ABSTRACT

There is an implicit role for greater financial inclusion through greater savings mobilization for investment and consumption that can spur growth. Economic growth and economic development being the major agenda under the 17 Sustainable Development Goals (SDGs), there is a need to understand the role of effective financial inclusion measures for the success of SDGs. The World Bank Group considers financial inclusion a key enabler to reduce extreme poverty and boost shared prosperity.

KEYWORDS: financial services, SDGs, payment, digital finance, empowerment, digitalisation

INTRODUCTION

The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. These 17 SDGs built on decades of work by countries and the UN at its heart are an urgent call for action by all countries - developed and developing - in a global partnership. They recognize that ending poverty and other deprivations must go in sync with strategies that improve health and education, reduce inequality, and spur economic growth – all while tackling climate change and working to preserve our oceans and forests.

All of these are achievable but the biggest challenge is to ensure prosperity with preservation. To achieve this it is also important to improve quality of life at the grassroots level. A major financial inclusion drive with reliable financial solutions at global level without any unfair treatment will assist judicial achievement of some of the SDGs.

Inclusive growth requires that capital investments reach all geographic areas, and that the investment requirements are fully financed. This accelerates transformative growth and retains value within economies, avoiding patterns of high growth and low poverty reduction.For which the need is to provide seed capital to de-risk the economic space and support the development of a pipeline of bankable projects.

STRINGENT FINANCIAL SERVICES

Financial services are part of the vital infrastructure of a modern economy, enabling individuals, businesses, and governments to transact cheaply and efficiently. For a range of companies, including banks, telecommunications companies, payments providers, financial-technology start-ups, retailers, and others, the potential business opportunity is large. The opportunity to accelerate inclusive growth could be addressed rapidly and without the need for major investment in costly additional infrastructure.

Although the investment can be minimal, there can be creation of substantial development dividends for food security, women's economic empowerment, renewable clean energy, climate resilience, and local economic development. This helps to increase fiscal space, capital formation and, most significantly, output per capita, through the investments themselves and their multiplier effect making the SDG goals more achievable.

Financial Inclusion necessitates meeting the needs of individuals and businesses – transactions, payments, savings, credit and insurance – delivered in a responsible and sustainable way. To ensure this, efficient financial services have to be effective.The World Bank Group considers financial inclusion a key enabler to reduce extreme poverty and boost shared prosperity.

Two billion individuals and 200 million micro, small, and midsize businesses in emerging economies today lack access to savings and credit. Even those with access must often pay high fees for a limited range of products. Economic growth suffers. But a solution is right in people's hands: a mobile phone. Payments and financial services delivered via mobile phones and the Internet in the form of Digital Finance could transform the lives and economic prospects of individuals, businesses, and governments across the developing world, boosting GDP and making the aspiration of financial inclusion a reality.

THE BIG PUSH

Financial inclusion cites its position as the much needed big push towards achieving some of the major 2030 Sustainable Development Goals. The traces of which can be found amongst eight goals out of the seventeen goals.

SDG 1 - No Poverty (on eradicating poverty), SDG 2 - Zero Hunger (on ending hunger, achieving food security and promoting sustainable agriculture), SDG 3 - Good Health and Well-Being (on profiting health and well-being), SDG 5 - Gender Equality (on achieving gender equality and economic empowerment of women), SDG 8 - Decent Work and Economic Growth (on promoting economic growth and jobs), SDG 9 - Industry, Innovation and Infrastructure (on supporting industry, innovation, and infrastructure), SDG 10 - Reduced Inequalities and SDG 17 - Partnerships for the Goal, all of these 8 goals strives towards strengthening the means of implementation of financial inclusion.

There is academic evidence that financial inclusion models can support overall economic growth and the achievement of broader development goals. A new report from the McKinsey Global Institute (MGI), 'Digital finance for all: Powering inclusive growth in emerging economies', states that widespread adoption and use of digital finance could increase the GDPs of all emerging economies by 6%, or a total of USD 3.7 trillion, by 2025. This is the equivalent of adding to the world an economy the size of Germany, or one that's larger than all the economies of Africa. This additional GDP could create up to 95 million new jobs across all sectors of the economy.

The results of a long-term impact study on a mobile money service in Kenya, M-PESA, found mobile money has lifted as many as 194,000 households – 2% of the Kenyan population – out of poverty, and has been effective in improving the economic lives of poor women and of members of female-headed households.

The economic potential varies significantly, depending on a country's starting position. Lower-income countries such as Ethiopia, India, and Nigeria have the largest potential, with the opportunity to add 10 to 12% to their GDP, given low levels of financial inclusion and digital payments today.

Based upon the Financial Inclusion Insights (FII) Survey 2020, the financial inclusion in India was 78%, while Pakistan approx 21% and Bangladesh 47%.

There is also growing evidence of financial inclusion creating more stable financial systems and economies, mobilizing domestic resources through national savings and helping to boost government revenue.

The UN Capital Development Fund's (UNCDF) last mile financing models support banks, cooperatives, microfinance institutions, money transfer companies and mobile network operators to extend the reach of financial markets where they would otherwise not go. It ensures that suitable financial products of savings, credit, insurance, payments, and remittances are available to individuals – notably the excluded and underbanked – and micro, small, and medium enterprises, at a reasonable cost, and on a sustainable basis. In particular, UNCDF targets women based on the growing evidence that access to savings leads to positive economic outcomes for women, including increasing productivity and profits and greater investment in their businesses. Having savings also makes women less likely to sell assets to address health emergencies, stabilizes their incomes in times of economic shocks, and provides greater control over their funds.

STUDY BY WORLD BANK

The World Bank study has identified Financial inclusion as an enabler for 8 of the 17 Sustainable Development Goals. The G20 is also committed to advance financial inclusion worldwide and reaffirmed its commitment to implement the G20 High-Level Principles for Digital Financial Inclusion.

Financial access facilitates day-to-day living, and helps families and businesses plan for everything from long-term goals to unexpected emergencies. As account holders, people are more likely to use other financial services, such as credit and insurance, to start and expand businesses, invest in education or health, manage risk, and weather financial shocks, which can improve the overall quality of their lives.

The ongoing COVID-19 crisis has also reinforced the need for increased digital financial inclusion. Digital financial inclusion involves the deployment of the cost-saving digital means to reach currently financially excluded and underserved populations with a range of formal financial services suited to their needs that are responsibly delivered at a cost affordable to customers and sustainable for providers.

Great strides have been made toward financial inclusion and 1.2 billion adults worldwide have gotten access to an account between 2011 and 2017. As of 2017, 69% of the world's adults had an account. Digital financial services have now been launched in more than 80 countries, with some reaching significant scale. As a result, millions of formerly excluded and underserved poor customers are moving from exclusively cash-based transactions to formal financial services using a mobile phone or other digital technology to access these services.

However, close to one-third of adults – 1.7 billion – were still unbanked in 2017, according to the latest Findex data. Between 2011 and 2017 gender gap in account ownership remained stuck at 9 percentage points in developing countries, hindering women from being able to effectively control their financial lives. Countries with high mobile money account ownership had less gender inequality. The impact of the COVID-19 on this gender gap remains to be seen.

Since 2010, more than 55 countries have made commitments to financial inclusion, and more than 60 have either launched or are developing a national strategy.

Countries that have achieved the most progress toward financial inclusion have:

- Policies delivered at scale, such as universal digital ID - India and Aadhaar / JDY accounts - more than 1.2 billion residents covered
- Leveraged government payments. (For example, 35% of adults in low income countries receiving a government payment opened their first financial account for this purpose.)
- Allowed mobile financial services to thrive. (For example, in Sub-Saharan Africa, mobile money account ownership rose from 12% to 21%.)
- Welcomed new business models, such as leveraging e-commerce data for financial inclusion
- Taking a strategic approach by developing a national financial inclusion strategy (NFIS) which bring together diverse stakeholders including financial regulators, telecommunications, competition and education ministries
- Paying attention to consumer protection and financial capability to promote responsible, sustainable financial services

When countries take a strategic approach and develop national financial inclusion strategies which bring together financial regulators, telecommunications, competition and education ministries, our research indicates that when countries institute a national financial inclusion strategy, they increase the pace and impact of reforms.

TAPPING THE UNBANKED INDIA

It is essential to reach out to the people living in rural and remote places to accelerate the Indian economy. The growth of financial inclusion in the country will enable the overall economic development of the unbanked and underprivileged. The need of the hour is to provide banking services such as cash deposit, cash withdrawal, balance inquiry, bank statement, insurance, simplified KYC, easy credit, and others to the weaker section of the society at an affordable cost. Digitization has emerged as a key theme for financial inclusion and thus, economic development. Digitization has led to low cost and convenient delivery of all these services.

Government bodies have been quite active in the financial inclusion programs, and several schemes such as Pradhan Mantri Jan Dhan Yojana, Atal Pension Yojana, Stand Up India Scheme, Pradhan Mantri Mudra Yojana, Pradhan Mantri Suraksha Bima Yojana, and Sukanya Samriddhi Yojana were launched for the financially challenged sections of the society.

However, government bodies need to address the current challenge of providing better infrastructure to enhance acceptance infrastructure across the country, encourage innovation in digital payments methods, increasing the spectrum of social schemes, and better regulatory frameworks. Improving awareness on digital means of payments and ensuring customer grievances are addressed seamlessly in a time-bound manner, will help build confidence among those sections of society who are excluded, and reluctant in accepting digital modes of payments.

The Reserve Bank of India (RBI) on 7th April 2022 allowed banks to open separate outlets to further financial inclusion and offer at least basic digital banking products and services in urban as well as rural areas.

ROADS AHEAD

To capture the opportunity, businesses and government leaders will need to make a concerted and coordinated effort. It is crucial to ensure successful implementation of major financial inclusion measures for rapidly unlocking economic opportunity and accelerating social development. Also,an appropriately applied proportionality can significantly advance the G20's goals with promotion of financial inclusion.

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FINANCIAL LITERACY OF COLLEGE STUDENTS IN CHENNAI CITY

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Abstract

In recent years, it has become vital for every individual to have financial knowledge in order to build a solid financial foundation and protect themselves against future uncertainties. Modern generations have a wealth of materials available to them in order to educate themselves about financial goods and financial planning. However, they did not have a sufficient understanding of financial planning and goods, which is a question mark. This research was done to determine the literacy level of college students regarding financial planning and financial products. The convenience sample approach was used to pick 120 respondents. The replies were gathered using a structured questionnaire. The researchers used percentage analysis and one-way ANOVA. According to the findings of the survey, college students have a reasonable degree of knowledge about financial planning and investment avenues. The gender, course of study, and monthly packet money of college students have a significant impact on financial planning and products.

INTRODUCTION

"Financial literacy refers to the knowledge and comprehension of many financial matters, such as personal finance, money, and investment." People should have suitable strategies in place for long-term investments in order to meet their future emergency demands. Students, on the other hand, should have a thorough understanding of personal finance in order to make investment decisions once they begin to earn. They must also manage their own medical and life insurance requirements. Nowadays, the younger population, particularly students, lacks the financial information necessary to make sound judgments. They want to spend rather than save. Students should establish the habit of saving and investing their money in various financial products while keeping the future in mind. They should also be informed of the numerous financial services and facilities offered by banks and financial institutions, which will encourage them to make wise decisions and prepare for a secure and better future without relying on anybody.

Financial literacy is a crucial component of financial inclusion. It's not only about disseminating financial knowledge and data. It's also about improving people's financial habits and behaviors. The ultimate objective is to enable individuals to act independently in their own best interests. People are better equipped to determine what they want and feel empowered in a meaningful way when they are aware of the financial products available and can evaluate the advantages and demerits of each product as well as its fit for their unique requirements.

REVIEW OF LITERATURE

Agarwalla et.al., (2012) mentioned that Indians are less knowledgeable in financial planning than foreigners. They found that parents' occupation and source of income have a great impact on the financial literacy of college students.

Akca et.al., (2018) found that gender and grade of the students have an influence on their financial literacy, so the financial literacy of the students can be enhanced with the help of adding the same in the curriculum of the students.

Oseifuah. et.al., (2018) reveals that as one might expect, students' experience with money (as a result of managing their earnings from work) has a positive impact on their financial literacy, as such experience with money necessitates knowledge of financial management topics such as budgeting, investing, and interest rates, among others. Students' out-of-pocket incomes continue to be a major factor in their personal financial management.

Lusardi (2009) found that American teenagers with the age group of (12-17) are having sufficient knowledge about the interest rate, inflation, and portfolio diversification. In addition, they have mentioned that African-Americans, Hispanics, and less educated people are possessing poor knowledge in financial literacy.

Sabri (2010) investigated the association between savings behavior and financial issues and financial literacy among Malaysian college students in this study. After controlling for financial literacy correlates, multivariate analysis of a sample of students from 11 colleges and institutions revealed that students with greater financial awareness test scores were more likely to report saving behavior and had fewer financial troubles. The impact of childhood consumer experience and financial socialization agents on savings and financial problems was more mixed, implying that financial experience prior to college may create bad habits or attitudes toward money management, which could be mitigated by financial education during college.

Albeerdy (2015) framed the goal of this study is to look at the factors that influence financial literacy among Malaysian university students. This study's data was gathered using a self-administered questionnaire and disseminated using a simple sampling approach. An aggregate of 105 questionnaires was gathered, all of which were completed and usable. Pearson The interrelationship of several factors in financial literacy was determined using correlation analysis and multiple regression tables. The empirical findings demonstrate a substantial association between the independent variables of education and money attitudes toward the dependent variable of financial literacy, but no correlation between financial socialization agents and financial literacy.

Thapa, B. S. (2015). conducted the study among the 436 college students to find out about their financial literacy and the effects of demographic, educational, and personality factors on financial literacy. The analysis was carried out using the mean, ANOVA, and logistic regression. The findings demonstrate that the majority of students have a fundamental grasp of finance, but they lack comprehension of credit, taxes, the stock market, financial statements, and insurance. Students' parents have a strong effect on them at home, and they have a favorable attitude toward saving. It has been shown that college students have a basic understanding of financial matters. However, certain of the students' demographic, educational, and personality factors have an impact on their total financial understanding.

OBJECTIVES OF THE STUDY

1. To study the personal profile of the college students' impact on financial planning and awareness about financial avenues
2. To study the financial planning of college students.

METHODOLOGY

This research blend of both primary data. Primary data was collected from the 120 colleges students in a convenient manner. Well-structured questionnaires were designed and the same was circulated among the students through a google form. Secondary data was collected from journals, websites, and articles.

DATA ANALYSIS AND INTERPRETATION

Personal details of the respondents contain gender, course of study, parents' working sectors, monthly packet money, and the residence of the college students.

Table.1

Personal profile of respondents

Sl. No	Personal Details	No. of Respondents	Percentage
1	**Gender**		
	Male	79	65.83
	Female	41	34.17

	Total	**120**	**100**
2	**Course of study**		
	Under Graduate	37	30.83
	Post Graduate	83	69.17
	Total	**120**	**100**
3	**Parents working Sectors**		
	Government	55	45.83
	Private	65	54.17
	Total	**120**	**100**
4	**Monthly Packet money**		
	Less than Rs.1000	98	81.67
	1001 to 1500	17	14.17
	Above 1500	3	2.5
	Nil	2	1.66
	Total	**120**	**100**
5	**Residence**		
	On-Campus	23	19.17
	Off-Campus	16	13.33
	Live with parents	81	67.5
	Total	**120**	**100**

Source: Primary data

Table.1 represents the personal details of the respondents. 65.83% are male and 34.17% are female. It is inferred that the majority of the respondents who participated in the survey are male. Based on the course of study 69.17% doing postgraduate and the remaining 30.83% are doing undergraduate. Postgraduate students were focused on this survey. 54.17 of students' parents were working in the private sector and the remaining 45.83% worked in the government sector. Monthly packet money-wise classification of the respondents, 81.67% receiving less than Rs.1000 and the 1.66% doesn't receive packet money for their expenses, it means all the expenses were met by their parents. Residence of the respondents 67.5% of respondents participated in the survey is living with their parents.

Table.2

Habits of savings

Sl. No	Savings habit	No. of respondents	Percentage
1	Yes	73	60.83
2	No	47	39.17
	Total	120	100

Source: Primary Data

Table.2 Inferred that 60.83% have a saving habit and 39.17% don't have a saving habit. It means the majority of the respondents have savings habits.

Table.3

Preparation of Monthly Budget

Sl. No	Preparation of Monthly Budget	No. of respondents	Percentage
1	Yes	29	24.17
2	No	91	75.83
	Total	120	100

Source: Primary Data

Table.3 reveals that 75.83% don't have the habit of preparing the monthly budget and 24.17% have prepared their monthly budget.

Table.4

A future interest of financial plan to invest their savings

Sl. No	Investment Avenues	Percentage
1	Fixed Deposit	95.2
2	Mutual funds	28.7
3	Recurring Deposit	63.4
4	Equity shares	17.2
5	Debentures	19.3
6	Public Provident Fund	87.5
7	Gold	96.7
8	Not Interested	2.3

Source: Primary Data

Table.4 represents the respondent's interest in the investment avenues in the future financial plan. The highest level of willingness of the respondents towards the investment avenues in the future is fixed deposit and gold.

Table.5

Personal profile and financial planning-One Way ANOVA

Sr.No	Financial Planning	Personal profile	P-value
1	Knowledge about the financial products	Gender	.001
		Course of study	.001
		Parents working sectors	.062
		Monthly packet money	.001
		Residence	.713
2	Financial planning is very important	Gender	.001
		Course of study	.001

		Parents working sectors	.537
		Monthly packet money	.048
		Residence	.621
3	A personal budget is necessary	Gender	.026
		Course of study	.001
		Parents working sectors	.731
		Monthly packet money	.031
		Residence	.001

Source: Primary Data

Table.5 reveals that gender, course of study, and monthly packet money is influencing the financial planning of the college students

SUGGESTIONS

1. Financial planning can be added as a subject to the curriculum for all the degrees.
2. Students can be motivated to learn personal finance subjects from the online learning portals.

CONCLUSIONS

Financial literacy is a very important need for everyone, so it can be educated to the students from the schools and colleges. The economy of the country should be strengthened by inculcate the savings habit of the people.

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"FARMER'S AWARENESS ON ROLE OF NABARD IN PROVIDING FINANCIAL HELP THROUGH KERALA BANKS"

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ABSTRACT

Topic: "Farmer's awareness on role of NABARD in providing financial help through kerala banks"

The Indian state is an agricultural-based economy, meaning the rural sector forms the spine of the overall economic development. A majority of the country's population consists of the rural population, amounting to a total of 65% of the total population. The rural economies play an indispensable part in the overall growth and development of the nation. The Indian financial system is largely divided into 2 broad categories; namely the Organized and the Unorganized Financial sectors. While the organized financial sector covers banks, capital markets, and other financial institutions.

NABARD by virtue of its Financial, Developmental and Supervisory role is touching almost every aspect of rural economy, including providing refinance support, building rural infrastructure, preparing district level credit plans, guiding and motivating the banking industry in achieving credit targets, supervising Cooperative Banks and Regional Rural Banks, helping banks to develop sound banking practices, enabling them to on-board to the CBS platform, designing new projects for rural development, implementing development schemes, training handicraft artisans and providing them a marketing platform for selling their articles, etc.

Government have constituted the Kerala co-operative employee's welfare fund with the object of welfare of the employees of co-operative societies registered or deemed to be registered/constituted/ established under the Kerala co-operative societies act-1969.

The study aims to identify the various financial purpose behind taking loan from kerala banks and to analyse the awareness of farmers towards various schemes of NABARD And to know whether there is any relationship between gender and number of farmers taken loan from kerala banks. Primary data collected from the people by questionnaire. And also use secondary data from websites, journals etc..

Keywords:

Micro finance: Banking service provided to unemployed

NABARD: National Bank for Agriculture and Rural development

Rural India: people who are economically backward

CBS : Core Banking solution

INTRODUCTION

The CRAFICARD Committee's interim report, submitted on 28 November 1979, outlined the need for a new organisational device for providing undivided attention, forceful direction and pointed focus to credit related issues linked with rural development. Its recommendation was formation of a unique development financial institution which would address these aspirations and formation of National Bank for Agriculture and Rural Development (NABARD) was approved by the Parliament through Act 61 of 1981.

NABARD came into existence on 12 July 1982 by transferring the agricultural credit functions of RBI and refinance functions of the then Agricultural Refinance and Development Corporation (ARDC). It was dedicated to the service of the nation by the late Prime Minister Smt. Indira Gandhi on 05 November 1982. Set up with an initial capital of Rs.100 crore, its' paid-up capital stood at Rs.14,080 crore as on 31 March 2020. Consequent to the revision in the composition of share capital between Government of India and RBI, NABARD today is fully owned by Government of India.

The vision of the NABARD was Development Bank of the Nation for Fostering Rural Prosperity. And it was existed for Promote sustainable and equitable agriculture and rural development through participative financial and non-financial interventions, innovations, technology and institutional development for securing prosperity. The Government of India encourages farmers in taking up projects in select areas by subsidizing a portion of the total project cost. All these projects aim at enhancing capital investment, sustained income flow and employment areas of national importance. NABARD has been a proud channel partner of the Government in some of these schemes shown in this section.

Direct Lending to Cooperative Banks is an additional short-term line of credit to StCBs and District Central Cooperative Banks (DCCBs) for diversification of their loan portfolio and enhancing their earnings through profitable lending. The credit limit is sanctioned to financially strong StCBs and DCCBs for purposes such as working capital, repair and maintenance of farm equipment and other productive assets, storage/grading/packaging of produce, marketing activities, and crop loans above ₹ 3.00 lakhs, etc. Sanctions and disbursements stood at ₹ 11,890 crore and ₹ 7,373.49 crore respectively during FY 2020-21.

As the kerala banks provide various financial help to the farmers in order to increase the development of agricultural sector and also rural development.Agricultural credit is considered as one of the most basic inputs for conducting all agricultural development programmes. In India there is an immense need for proper agricultural credit as the economic condition of Indian farmers are very poor. From the very beginning the prime source of agricultural credit in India was money lenders. After independence the Govt. adopted the institutional credit approach through various agencies like co-operatives, commercial banks, regional rural banks etc. to provide adequate credit to farmers, at a cheaper rate of interest. Moreover with growing modernization of agriculture during post-green revolution period the requirement of agricultural credit has increased further in recent years.

STATEMENT OF THE PROBLEM

The problem is to identify the various financial purpose behind taking loan from Kerala banks by the farmers with special reference to farmers in Thrissur district. And also to analyse the attitude of farmers towards various schemes of NABARD. And to know whether there is any relationship between gender and number of farmers taken loan from kerala banks.

OBJECTIVES OF THE STUDY

- To identify the various financial purpose behind taking loan from kerala banks
- To analyse the awareness of farmers towards various schemes of NABARD .
- To know whether there is any relationship between gender and number of farmers taken loan from kerala banks.

RESEARCH METHODOLOGY

The study is based on both primary and secondary data. The analytical research design is used to identify the various financial purpose behind taking loan from kerala banks and the level of awareness of farmers towards these schemes of NABARD**.** The target population is taken as farmers in Thrissur District, Kerala. Convenience sampling method is used to select 100 respondents. The data was collected by conducting a survey using questionnaire that was designed to collect information regarding benefits of farmers from cooperative banks. Primary data collected from the people by questionnaire through open ended questions were also recorded. Thus, the questionnaire is both subjective as well as objective in nature and also use secondary data from websites, journals etc. For data analysis, chi-square test, descriptive statistics and pie-charts have been used.

REVIEW OF LITERATURE

The RBI Governor, Y. V. Reddy (2007) gave a simple definition of financial inclusion as “Ensuring bank account to all families that want it”. He said it would be the first step towards reaching the goal of bank credit as a human right as advocated by Nobel laureate Professor Mohammed Yunus. Now the microfinance service providers include apex institutions like National Bank for Agriculture and Rural Development (NABARD), Small

Industries Development Bank of India (SIDBI) and Rashtriya MahilaKosh (RMK). At the lower level we have commercial Banks, Regional Rural Banks and cooperatives to provide microfinance services.

Dutta, P (2011) studied the contribution of SHG-bank linkage program initiated by NARABRD in poverty reduction and social empowerment of the people, by comparing the preSHG and post-SHG scenario. It also studies the regional and intra-regional disparity in the development of SHG-Bank linkage program among the states. The finding shows as a result of collective effort of the Indian government, banks, NGOs and SHGs, more numbers of rural people now have access to the benefits of the modern financial system.

V. N. (2010) elaborate about an overview of evolution of microfinance for socio economic development. The research findings suggest that the Self Help Groups contribute substantially in pursuing the conditions of the female population up and through that chip in poverty eradication.

Anwarul Hoda, and Prerna Terway (2015), in their research paper “Credit Policy for Agriculture in India - An Evaluation”, mentioned that a targeted debt relief is an appropriate response for alleviating farmer distress and cannot be criticized for vitiating the environment for loan operations in future. The Prime Minister’s rehabilitation program for suicide-prone districts was doubly beneficial as it combined debt relief with a public investment and private investment program mainly in irrigation and horticulture. The loan waiver scheme of 2008 was followed by another loan waiver of a large magnitude called “Runa Mafi”, in 2014 in the state of Andhra Pradesh and the newly formed state of Telangana. Despite several warnings and criticism from the Reserve Bank of India and the Indian Banking Association, the scheme was rolled out in these two states. While it will cost Rs.40000 crore in Andhra Pradesh, it is expected to cost Rs. 17000 crore in Telangana

Dr.V.J.R Emerlson Mosses and Mr. G. Krishnamoorhty(2014), in their piece of writing “Impact of Microfinance and SHG – An Overview”, revealed that levels of poverty are high and because of this problem Self Help Groups movement occupies a significant agenda in the poverty reduction and empowerment of poor people. Microfinance program is important institutional device to provide small credit to the rural people in order to alleviate poverty and SHG bank linkage have the potential to minimize the problems of inadequate access of banking services to the poor.

R. Uma Devi and S. R. K. Govt(2012), in their article “The Role of Credit Co-Operatives in the Agricultural Development of Andhra Pradesh, India”, concluded that the advantages enjoyed be the beneficiaries through improved technology with the efforts of the banks in terms of high production, increased net returns and subsidiary incomes. There is further need to enlighten the farmers about the superiority and profitability of improved technology through the extensive credit services. By and large the role of Credit Cooperatives is highly impressive and clearly exhibited in the socio-economic development gained by the beneficiaries.

THEORETICAL FRAMEWORK

Functions of NABARD NABARD was set up essentially as a development bank for promoting agriculture and rural development. Its main function is to provide refinance for rural credit disbursed by the State Cooperative Banks, the Regional Rural Banks and other financial institutions as may be approved by the RBI. The important functions of NABARD are as follows:

- Providing finance and also refinance for production and marketing in the rural areas.
- Coordinating and advising the operations of institutions engaged in rural credit.
- Promoting research in agriculture and rural development. Besides this pivotal role, NABARD also:
- Acts as a coordinator in the operations of rural credit institutions
- Extends assistance to the government, the Reserve Bank of India and other organizations in matters relating to rural development
- Offers training and research facilities for banks, cooperatives and organizations working in the field of rural development

• Helps the state governments in reaching their targets of providing assistance to eligible institutions in agriculture and rural development

Acts as regulator for cooperative banks and RRBs identification of exploitable potentials under agriculture and other activities available for development through bank credit.

• Refinancing banks for extending loans for investment and production purpose in rural areas.

• Providing loans to State Government/Non-Government Organizations (NGOs)/Panchayati Raj Institutions (PRIs) for developing rural infrastructure.

• Supporting credit innovations of Non-Government Organizations (NGOs) and other nonformal agencies.

• Extending formal banking services to the unreached rural poor by evolving a supplementary credit delivery strategy in a cost-effective manner by promoting Self Help Groups (SHGs)

• Promoting participatory watershed development for enhancing productivity and profitability of rain fed agriculture in a sustainable manner.

• On-site inspection of cooperative banks and Regional Rural Banks (RRBs) and off-site surveillance over health of cooperatives and RRBs. (www.nabard.org) Role of NABARD NABARD is the apex institution in the country which looks after the development of the cottage industry, small industry and village industry, and other rural industries.

NABARD also reaches out to allied economies and supports and promotes integrated development. Now days the long term and short-term credit needs of these institutions are also being met by National Bank for Agricultural and Rural Development (NABARD). The scope of the operations of NABARD is large indeed. Besides providing finance to credit institutions, it is providing innovations in regard to formulation of schemes, monitoring of implementation, evaluation of results and evolution of suitable supporting structures of all kinds of agricultural activities. It is performing the various functions assumed by it smoothly and efficiently and to help NABARD discharge its duty, it has been given certain roles as follows:

1. Serves as an apex financing agency for the institutions providing investment and production credit for promoting the various developmental activities in rural areas
2. Takes measures towards institution building for improving absorptive capacity of the credit delivery system, including monitoring, formulation of rehabilitation schemes, restructuring of credit institutions, training of personnel, etc.
3. Co-ordinates the rural financing activities of all institutions engaged in developmental work at the field level and maintains liaison with Government of India, State Governments, Reserve Bank of India (RBI) and other national level institutions concerned with policy formulation
4. Undertakes monitoring and evaluation of projects refinanced by it.
5. The Bank refinances the financial institutions which finances the rural sector.
6. It also keeps a check on its client institutes.
7. It regulates the institution which provides financial help to the rural economy.
8. It provides training facilities to the institutions working in the field of rural upliftment.

NABARD's refinance is available to State Co-operative Agriculture and Rural Development Banks (SCARDBs), State Co-operative Banks (SCBs), Regional Rural Banks (RRBs), Commercial Banks (CBs) and other financial institutions approved by RBI. While the ultimate beneficiaries of investment credit can be individuals, partnership concerns, companies, State owned corporations or co-operative societies, production credit is generally given to individuals. NABARD is also known for its 'SHG Bank Linkage Programme which encourages India's banks to lend to self-help groups (SHGs). Because SHGs are composed mainly of poor women, this has evolved into an important Indian tool for microfinance. By March 2006, 22 lakh SHGs representing 3.3 core members had to be linked to credit through this programme.

Credit Facilities Offered by NABARD NABARD also offers various credit facilities like:

• **Rural Infrastructure Development Fund (RIDF)** RIDF is a fund to promote the investment in infrastructure for agriculture. State Governments as well as Panchayati Raj Institutions (PRIs), Non- Governmental Organisations, Self-Help Groups, etc. are eligible to borrow out of RIDF for their schemes like ongoing Irrigation, Flood Protection, Watershed Management projects, rural Road & Bridge projects, Primary and Secondary Schools, Primary Health Centres, Village Haats, Joint Forest Management, Terminal and Rural Market/Godowns, Rain Water Harvesting, Watershed development, flood protection, drainage, Cold Storage, Riverine Fisheries, Fishing Harbour & Jetties, Mini/Small Hydel Projects in Power Sector, Rural Drinking Water Supply Schemes, Citizen Information Centres, Modern abottoir, Seed/Agri./Hori. Farms, etc.

• **Kisan Credit Cards**: NABARD has formulated a Model scheme for issue of Kisan Credit Cards to farmers, on the basis of their land holdings, for uniform adoption by banks, so that the farmers may use them to readily purchase agricultural inputs such as seeds, fertilisers, pesticides, etc. and also draw cash for their production needs. Farmers have to get in touch with Researcher's banks to use this facility

• **Micro Credit Innovation scheme, Under the MCIS**, NABARD facilitates sustained access to financial services for the unreached poor in rural areas through various microfinance innovations in a cost effective and sustainable manner.

• **Refinance for Rural Housing Facilities scheme RRHFS** provides Credit to the Individuals, Cooperative Housing Societies, Public Bodies, Housing Boards/ Improvement, Trusts, Local Bodies, Voluntary agencies and NGOs, Housing Finance Companies registered, with NHB for finance extended by them to housing projects in the 'rural' areas only. The finance is provides for Construction of New Houses as well as

Repairs/Renovation of existing houses in rural areas/ Rainwater Harvesting Structures/ Sanitary Latrines, etc.

• **A Research and Development Fund** has been established by the bank with the objective of acquiring new insights into the problems of agricultural and rural development through in-depth studies and applied research and trying out innovative approaches backed up by technical and economic studies. It includes facilities for training, dissemination of information and promotion of research by undertaking studies techno-economic and other surveys in the fields of agriculture, rural banking and rural development. The eligible Institutes for the fund are Approved research institutions, organisations and other agencies which are engaged in action-oriented, applied research, Individuals or groups of individuals would also be extended assistance provided they are sponsored by suitable organisations which would certify the proper use and accounting of funds, Private and commercial organisations are not normally eligible for assistance under the this fund.

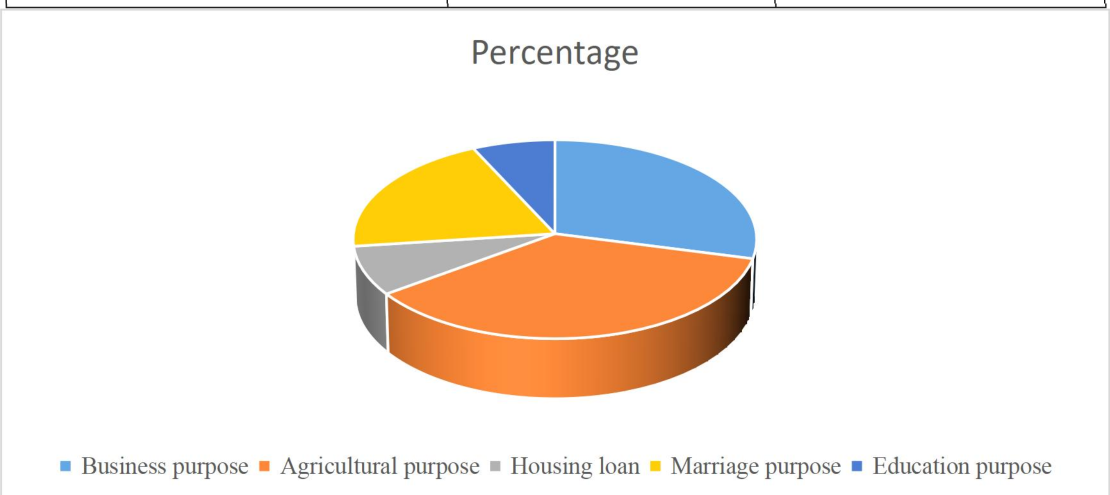
• **Swarojgar Credit Card Scheme**: It aims at providing adequate and timely credit i.e. Working capital or block capital or both to small artisans, handloom weavers, service sector, fishermen, self employed persons, rickshaw owners, other microentrepreneures, SHGs, etc from the banking system in a flexible, hassle free and cost effective manner. Borrowers in urban areas can be covered under SCC Scheme. Small business covered under priority sector is also eligible under SCC Scheme. Any scheme/project that is income generating/ employment generating may be covered under the scheme. The facility may also include a reasonable component for consumption needs. Farm sector activities like fisheries, dairy, etc. can also be covered under the scheme. Generally, such of the self-employment activities which have regular turn over/income stream on shortinterval basis can be covered under SCC scheme. SCC is a credit delivery mode and not a purpose. Coverage of SCC will not make a unit ineligible for subsidy. Banks can issue SCCs to target borrowers of SCC scheme for disbursing credit under any schemes whether they are covered under subsidy or not.

• **Farmers' Club Programme** is a grassroots level informal forum. Such Clubs are organised by rural branches of banks with the support and financial assistance of NABARD for the mutual benefit of the banks concerned and rural people. The broad functions being to coordinate with banks to ensure credit flow among its members and better bank borrower relationship interface with subject matter.

DATA ANALYSIS AND INTERPRETATION

Various financial purpose behind taking loan from kerala banks

Financial purpose	**No. of respondents**	**Percentage**
Business purpose	29	29%
Agricultural purpose	36	36%
Housing loan	8	8%
Marriage purpose	20	20%
Education purpose	7	7%
Total	**100**	**100%**



INTERPRETATION:

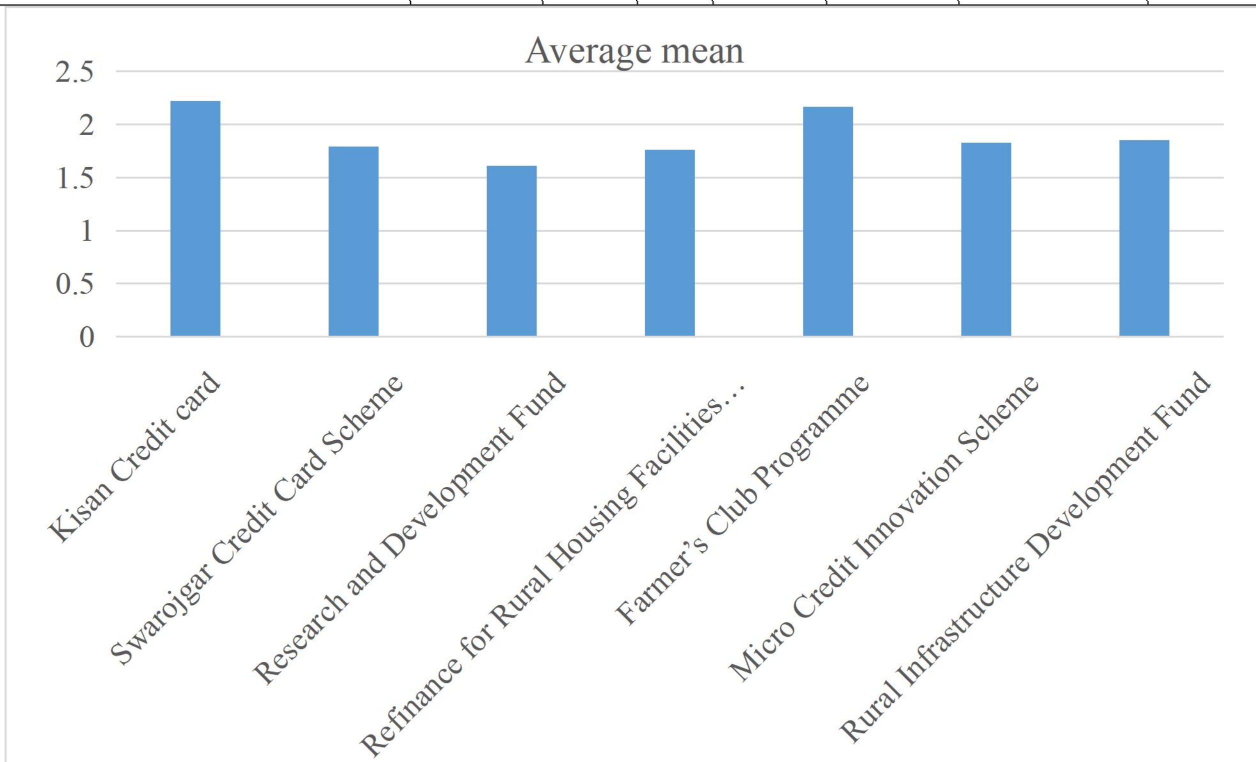
From the above graph reveals that most of respondents taking loan from the bank for agricultural purpose and business purpose. And the least of the respondent taking loan for the purpose of Housing and Education.

WEIGHTED AVERAGE MEAN

Analyses on the awareness of farmers towards various schemes of NABARD.

Schemes	**Very high (5)**	**High (4)**	**N (3)**	**Low (2)**	**Very low (1)**	**Weighted total**	**Average mean**
Kisan Credit card	50	60	90	18	4	222	2.22
Swarojgar Credit Card Scheme	75	48	30	16	10	179	1.79
Research and Development Fund	80	48	24	8	1	161	1.61

Refinance for Rural Housing Facilities Scheme	80	60	18	16	2	176	1.76
Farmer's Club Programme	73	80	23	35	6	217	2.17
Micro Credit Innovation Scheme	80	12	45	32	14	183	1.83
Rural Infrastructure Development Fund	64	34	30	45	12	185	1.85



INTERPRETATION:

The above graph shows that the most of the respondents are aware about Kisan Credit Card and Farmer's Club Programme. And the least of the respondents aware about Research and Development Fund and Refinance for Rural Housing Facilities Scheme.

Chi-square test: Independence of two attributes

- H0: There is association between gender and number of farmers taken loan from Kerala banks.
- H1: There is no association between gender and number of farmers taken loan from Kerala banks.

Gender	**Whether or not the loan taken from Kerala banks**		
	Yes	**No**	**Total**
Male	65	7	72
Female	20	8	28
Total	85	15	100

X^2 = (ad-bc) ^{2}*N/(a+b)(c+d)(a+c)(b+d)
= (520-140)2*100/(65+7)(20+8)(65+20)(7+8)

=5.61

Level of significance = 5%
Degree of freedom = (r-1) (c-1) =1
Table value=3.84

INTERPRETATION:

Calculated value is more than the table value. So, we reject the null hypothesis. That means there is no association between gender and number of farmers taken loan from Kerala banks.

CONCLUSION

From the above discussion it shows that NABARD is working for the 360 degree development of rural India. Every year the financial assistance received by NABARD and the disbursement made out of it are increasing. In short, we can say that NABARD is providing rural India all round assistance and proved to be an institution where "Growth with Social Justice" exists. It is, in brief, an institution for the purpose of refinance; with the complementary work of directing, inspecting and supervising the credit- flows for agricultural and rural development.

The study reveals that the main purpose behind which getting loan from bank is agricultural and business needs. And the respondents are largely aware about the NABARD Scheme of Kisan Credit Card and Farmer's Club Programme. there is no association between gender and number of farmers taken loan from Kerala banks. That means gender is not a factor influencing the loan taken from banks by the respondents.

SUGGESTIONS

- Provide various workshop and training to the farmer's about the various schemes of NABARD
- Conduct seminars relating to loan provided by the banks on various purposes.
- Provision of various reserves for the purpose loan to farmers.
- Conduct inspections of the RRBs and the co-operative societies, without any prejudice to the authority of the RBI.
- All the applications for opening a branch by RRBs or co-operative societies should be forwarded to the RBI through the NABARD.
- Copies of all returns submitted by the RRBs and co-operative societies to the RBI should also be furnished to the NABARD.
- NABARD is also empowered to obtain any information or statement from the RRBs and the co-operative societies.
- The bank staff may provide credit counseling to the farmers with a human touch and focus on building a delighted customer environment.
- The interest charged should be nominal to cover just the operational expenses of the bank in providing loans to the farmers considering the social needs and the heavy dependence on agriculture
- Agricultural borrowers are to be educated and encouraged to use high tech banking facilities

INDIAN AGRICULTURE AND CROP INSURANCE SCENARIO

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Abstract:

Agriculture or crop insurance scheme is the best way to protect farmers from agriculture risk. The Government Policy protects agriculture risk in the form of Crop Insurance Scheme on Analysis of Agricultural Risk and its Management, the tools Available to Agricultural Producers for Risk Management. Agriculture is considered an important sector in many developing economies like India as it contributes to the achievement of developmental goals such as job creation, food security and poverty reduction, economic viability and environmental sustainability. The crop insurance plan was the most profitable risk management strategy. The main objective of crop insurance is to compensate for crop failure and to encourage the adoption of modern technology. Crop insurance in India started with the introduction of all risks, under the name of Comprehensive Crop Insurance Scheme (CCIS) which covers major crop risks in all the states. Each state implements various schemes according to the needs of the farmers in their respective states. Thus, it is important for researchers to analyze issues related to crop insurance that will improve crop insurance to secure agricultural livelihoods in India.

Keywords: Insurance, risk Management, natural calamities, Rabi, Kharif, premium.

1. Introduction:

Agriculture plays an important role in India's economic development. Agriculture supplies the country with food, labor, contributes raw materials to the industrial goods market, and generates foreign exchange. Agricultural development is an integral part of the overall economic development of the country. The contribution of the agricultural sector to the global economy is very small, but it has remained a central part of many people's lives. According to a 2012 World Bank report, 19 percent of the world's population was directly involved in agriculture, but agriculture and allied sectors accounted for 2.8 percent of total income. Crop insurance is recognized as a fundamental tool for maintaining agricultural income stability, promoting technology, promoting investment and increasing credit flow to the agricultural sector. This creates self-reliance and self-esteem among the farmers, as they can claim compensation as a matter of right in case of crop damage. Thus, crop insurance covers crop losses by guaranteeing farmers protection from natural hazards beyond their control. The Central Government and the State Governments of India have introduced a number of crop insurance schemes in recent years.

2. The significance of the Study:

The present study is important for potential beneficiaries in villages where there is little awareness about crop insurance scheme. This will help small and marginal farmers to protect their crop interests from natural calamities and to avail benefits under this scheme. It will also help insurers, bankers and policy makers for policy prescription and policy intervention.

3. Objectives of the Study:

1. To study the growth and development of Crop Insurance Scheme.

2. To know the important features aspects of Crop Insurance Scheme in India.

3. To suggest the probable remedies to make this scheme more effective.

4. Methodology:

The research paper seeks to analyze the understanding, growth and performance of crop insurance schemes in India. It relies mainly on secondary data collected from official government websites, supplemented by various reports and discussions with banks, insurance companies, academics and some farmers.

5. Scope and Limitations of the Study:

The present study confined to exposure of Crop Insurance Scheme in India, Kharif 2021 and Rabi 2021. The topical scope of this study is limited to understanding the scenario of Crop Insurance Scheme. This study is depending mainly on secondary data.

6. Crop Insurance in India

Indian agriculture is dependent on monsoon which is always flexible. This creates an operating risk in the cultivation of various crops. Natural disasters can affect the income of the agricultural sector. Crop insurance is the only mechanism available to protect agricultural production from risk. To meet this need, the Government of India has experimented with various crop insurance schemes. Crop insurance in India dates back to the early 1920's. After independence, the Central and State Governments made several efforts to implement crop insurance schemes for Indian farmers; the first of these started in 1972 and was followed by various schemes. For detailed information on the evolution of crop insurance schemes in India, see table no. 1 shows the development of crop insurance scheme in India.

Table No.1

Development of Crop Insurance schemes in India

Start and end year	**Name of crop insurance scheme**	**Primary feature of the scheme**
1972–1978	First individual approach crop insurance scheme	First scheme in India after independence; voluntary and limited in scale
1979–1984	Pilot Crop Insurance Scheme	First area index-based scheme; confined to loanee farmers; voluntary; 50 percent subsidy on premium for marginal and small farmers
1985–1999	Comprehensive Crop Insurance Scheme (CCIS)	Crop insurance made mandatory for loanee farmers; available to all; 50 percent subsidy on premium for marginal and small farmers
1997–1998	Experimental Crop Insurance Scheme (ECIS)	Fully subsidized scheme
1999–2016	National Agricultural Insurance Scheme (NAIS)	Sharecroppers were included in insurance cover
2003–2004	Farm Income Insurance Scheme (FIIS)	First scheme to cover farm income rather than cost of cultivation
2007 to present	Weather Based Crop Insurance Scheme (WBCIS)	First scheme to ascertain crop loss based on deviation in rainfall
2010–2016	Modified National Agricultural Insurance Scheme (MNAIS)	Private sector participation encouraged; immediate partial payment to affected farmers introduced
2016 to present	Pradhan Mantri Fasal Bima Yojana (PMFBY)	Premium rates lowered; use of technology emphasized; heavily subsidized; mandatory to loanee farmers until 2019; voluntary to all from 2020

7. Coverage of Farmers

All farmers including sharecroppers and tenant farmers growing the notified crops in the notified areas are eligible for coverage. However, farmers should have insurable interest for the notified/insured crops. The non-loanee farmers are required to submit necessary documentary evidence of land records prevailing in the State (Records of

Right (RoR), Land possession Certificate (LPC) etc.) and/ or applicable contract/ agreement details/ other documents notified/ permitted by concerned State Govt. in case of sharecroppers/tenant farmers and the same should be defined by the respective States in the notification itself.

8. Compulsory Component

All farmers who have been sanctioned Seasonal Agricultural Operations (SAO) loans from Financial Institutions (FIs) (i.e. loanee farmers) for the notified crop(s) season would be covered compulsorily. This provision shall override any decision taken by FIs including PACS exempting farmers from compulsory coverage of loanee farmers.

However non-standard KCC /crop loans as defined and as per prevailing practices of the concerned Banks/Govt. regulator shall not be covered compulsorily. However bank branches may facilitate such farmers for enrolment as non-loanee farmers.

Merely, sanctioning of crop loan against other collateral securities including fixed deposits, gold/jewel loans, mortgage loans etc. without having insurable interest of the farmer on the insurable land and notified crops shall not be covered under the Scheme.

9. Voluntary Component

- The Scheme is optional for non-loanee farmers.
- The insurance coverage will strictly be equivalent to sum insured/hectare, as defined in the Govt. notification or /and on National Crop Insurance Portal multiplied by sown area or notified crop.

10. Coverage of Crops

- Food crops (Cereals ,Millets and Pulses),
- Oilseeds
- Annual Commercial / Annual Horticultural crops.

In addition for perennial crops, pilots for coverage can be taken for those perennial horticultural crops for which standard methodology for yield estimation is available.

11. Coverage of Risks and Exclusions

Following stages of the crop risks leading to crop loss are covered under the Scheme. Addition of new risks by the State government other than the one mentioned below, by the State Govt. is not permitted.

1. **Prevented Sowing/Planting/Germination Risk:** Insured area is prevented from sowing/ planting/germination due to deficit rainfall or adverse seasonal/weather conditions.
2. **Standing Crop (Sowing to Harvesting):** Comprehensive risk insurance is provided to cover yield losses due to non-preventable risks, viz. Drought, Dry spell, Flood, Inundation, widespread Pests and Disease attack, Landslides, Fire due to natural causes ,Lightening, Storm, Hailstorm and Cyclone.
3. **Post-Harvest Losses:** Crops that need to be harvested in the field and dried in spread / small bundle stage after protection from specific hazards of hailstorms, hurricanes, hurricanes and untimely rains are protected for a maximum of two weeks after harvest.
4. **Localized Calamities:** Loss/damage to notified insured crops resulting from occurrence of identified localized risks of Hailstorm, Landslide, Inundation, Cloud burst and Natural fire due to lightening affecting isolated farms in the notified area.

12. Crop Insurance Scheme in Kharif season 2021:

Table 1 shows the details of farmer participated in crop insurance scheme in Kharif season. In year 2021 kharif season big states like Maharashtra, Uttar Pradesh, Chhattisgarh, Rajasthan covered with 50% crop insured by farmer of the whole country. The crop insurance paid by the farmers in 2021 is the highest crop insurance paid so far in all the previous years. Farmers do not seem to be as enthusiastic about crop insurance in Rabi season as they seem to be more insistent on crop insurance during kharif season. Farmers have to make huge financial provision to pay the crop insurance premium but if the government pays the farmers share of crop insurance premium then it will be more beneficial to the farmers, due to that the farmers will be more attracted about the crop insurance.

Table No.2

Crop Insurance at Glance (Kharif 2021)

S. No	State / UT	Notified Districts	Insurance Units	Farmers	Thousand Hect.	Amount In Lac.				Sum Insured (In Lac.)
					Area Insured	Farmers Premium	State Premium	GOI Premium	Gross Premium	
1	Andaman & Nicobar Islands	3	25	359	0.28	0.9774	9.74	6.81	17.53	195.35
2	Assam	27	164	5,76,214	309.51	27.00	4,149.21	4,493.75	8,669.96	1,83,846.26
3	Chhattisgarh	28	18,624	12,69,157	1,970.25	16,061.50	53,012.67	53,012.67	1,22,086.84	8,03,075.73
4	Goa	2	15	23	0.01	0.4356	0.1645	0.1645	0.76	10.51
5	Haryana	22	6,749	5,31,439	829.15	24,245.21	31,919.75	31,919.72	88,084.68	6,72,896.15
6	Himachal Pradesh	10	125	88,002	32.35	194.12	318.74	318.74	831.60	9,706.00
7	Jammu And Kashmir	4	62	49,418	22.01	418.02	977.89	977.89	2,373.80	20,901.08
8	Kerala	14	329	5,173	4.24	78.78	195.32	195.32	469.42	3,648.14
9	Madhya Pradesh	52	20,228	24,66,397	6,433.02	50,818.58	1,88,937.40	1,88,937.40	4,28,693.38	24,76,330.25
10	Maharashtra	34	2,430	36,06,282	4,873.85	44,191.99	2,11,633.22	1,95,476.11	4,51,301.32	18,94,867.67
11	Manipur	7	41	2,147	2.46	33.85	12.50	112.49	158.84	1,679.35
12	Odisha	30	6,873	12,36,073	1,050.31	14,147.33	62,300.39	62,300.39	1,38,748.11	7,07,815.09
13	Puducherry	3	87	2,691	2.40	0.0306	75.88	43.38	119.29	1,626.58
14	Rajasthan	33	11,341	30,93,096	6,751.06	38,603.42	1,67,677.05	1,53,564.52	3,59,844.99	18,46,774.00
15	Sikkim	4	79	2,142	0.28	8.51	0.1075	0.9677	9.59	252.78
16	Tamil Nadu	34	833	48,356	43.42	504.78	2,336.50	2,008.79	4,850.07	21,970.95
17	Tripura	8	1,107	1,70,350	37.83	26.07	523.18	242.10	791.35	26,118.15
18	Uttar Pradesh	75	49,281	17,90,669	1,560.08	15,680.26	31,505.20	31,374.55	78,560.01	7,84,018.39
19	Uttarakhand	13	820	45,239	11.87	162.76	71.61	71.61	305.98	8,137.95
20	Total	403	119213	14983227	23934.38	205203.6	755656.5	725057.4	1685918	9463870

Source-https://pmfby.gov.in/compendium/General/2021

13. Crop Insurance Scheme in Rabi season 2021:

In the Rabi season of 2021, the enthusiasm of farmers for crop insurance is slightly less than that of Kharif season 2021. In Rabi season 2021, we see farmers in the largest states in India paying more crop insurance; the participation of large states in crop insurance scheme is higher. There is still a need to create awareness among the farmers regarding crop insurance so that the farmers get maximum insurance cover in case of natural calamities and efforts are made at the government level to recover the losses from their farms through crop insurance. From the table No.3, you can see that there is less awareness about crop insurance scheme in the backward and small states, therefore there is a need to make more efforts at the government level to increase the participation of farmers in crop insurance in those states.

Table No.3

Crop Insurance at Glance (Rabi 2021)

Sr. No	State/UT	Notified Districts	Insurance Units	Farmers	housand Hect.	Amount In Lac.				Sum Insured (In Lac.)
					Area Insured	Farmers Premium	State Premium	GOI Premium	Gross Premium	
1	Andaman & Nicobar Islands	2	8	169	0.04	0.1917	3.33	1.77	5.29	38.24
2	Assam	28	1,660	5,93,718	381.96	49.98	4,570.88	5,233.88	9,854.74	2,66,657.19
3	Chhattisgarh	25	4,487	2,22,911	349.36	1,832.48	7,832.20	7,832.20	17,496.88	1,22,166.73
4	Goa	1	9	12	0.00	0.0200	0.0033	0.0033	0.03	1.33
5	Haryana	22	6,706	5,12,949	825.09	7,606.53	13,639.77	13,632.14	34,878.44	5,07,104.24
6	Himachal Pradesh	10	125	84,409	30.96	139.33	544.55	544.55	1,228.43	9,288.54
7	Jammu And Kashmir	4	61	38,078	20.69	248.44	720.02	720.02	1,688.48	16,562.80
8	Kerala	14	194	3,895	3.35	45.48	46.81	46.81	139.10	2,807.02
9	Madhya Pradesh	52	20,754	20,07,939	5,230.40	30,984.79	1,08,775.00	1,08,775.00	2,48,534.79	20,65,654.96
10	Maharashtra	32	1,744	6,61,288	844.99	4,867.18	34,219.69	28,572.59	67,659.46	2,94,915.58
11	Manipur	6	11	123	0.05	0.5764	0.0247	0.2226	0.82	23.48
12	Odisha	30	848	34,548	40.95	403.69	419.29	419.29	1,242.27	27,603.25
13	Puducherry	2	109	10,096	9.39	0.1074	272.44	175.58	448.13	6,354.62
14	Rajasthan	33	10,568	23,64,131	4,050.40	43,241.98	1,10,193.10	1,02,708.77	2,56,143.85	23,06,214.08
15	Sikkim	3	17	100	0.01	0.2387	0.0368	0.3316	0.61	15.91
16	Tamil Nadu	41	11,873	13,88,254	1,620.28	17,145.42	1,73,896.41	1,09,828.72	3,00,870.55	10,66,686.77

17	Tripura	8	74	74,703	15.03	12.49	161.03	142.15	315.67	10,416.28
18	Uttar Pradesh	75	50,441	16,75,617	1,420.59	14,062.10	30,434.29	30,434.29	74,930.68	8,89,018.83
19	Uttarakhand	13	893	34,768	9.79	92.43	159.46	159.46	411.35	6,162.17
20	Total	401	110582	9707708	14853.33	120733.5	485888.3	409227.8	1015850	7597692

Source-https://pmfby.gov.in/compendium/General/2021

14. Conclusion:

A number of crop insurance schemes have been introduced in the country since 1972, but they have failed to impress the farmers and distribute the agriculture risk. Nowadays some farmers are committing suicide due to lack of risk management. Therefore, there is a need to pay serious attention to the issue of protecting the crops from adverse weather and natural calamities by sharing the risks of the farmers. Against this backdrop, in Rabbi Season crop insurance scheme has started from 1999-2000. There are a lot of expectations from crop insurance scheme, but it also failed to meet the expectations of farmers due to lack of some implementation techniques. Available materials and data indicate that natural disasters such as droughts, floods, hurricanes, storms, landslides and earthquakes frequently affect agricultural production and agricultural yields. These risks are exacerbated by price fluctuations, weak rural infrastructure, inadequate markets and limited time, and a lack of financial services, including the design of risk mitigation tools such as credit and insurance.

The crop insurance scheme is showing a deficit on the basis that the premium received is always lower than the claims under this scheme. Premium rates are required to cover net risk, administrative costs and reasonable returns. The private sector insurance company may include crop insurance for comprehensive coverage of farmers as well as to improve the viability of crop insurance. The design of village level insurance products should be simple in structure so that it is easily understood by the farmers. The scheme can be made affordable to the grassroots through farmers' self-help groups. Therefore, proper knowledge and implementation of crop insurance scheme can increase crop production in India and reduce the risk of crop loss.

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"AN OVERVIEW OF PRADHAN MANTRI JANDHAN YOJANA"

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Abstract:

Today, 75 years after India's independence, financial institutions in India have failed to reach the poor. We see the poor common man in India in a negligible form in the running of this financial institution. 2014 When Narendra Modi was sworn in as the Prime Minister, many new schemes were launched. In this, Pradhan Mantri Jandhan Yojana is considered as an important scheme. Pradhan Mantri Jandhan Yojana was launched with the objective of extending banking system to the common man. Zero balance account opening facility was provided in it. People who do not have an account with any bank till now get the facility to open an account. It is important to consider the extent to which the Pradhan Mantri Jandhan Yojana has been launched. It is important to look at the benefits of the scheme to the poor and the disadvantages of the scheme. It is important to consider how much financial inclusion this plan, designed for financial inclusion, could actually do. It is also important to see how a plan is implemented once it is launched. The beginning of Jandhan Yojana, its beneficiaries, the money deposited in it also needs to be considered. In a fragmented country like India, it is important to see how far Jandhan Yojana has really reached. There is also a need to think about how to make Jandhan Yojana more efficient by eliminating its shortcomings. It is equally interesting to see how it has changed over the seven years of the scheme. Overall, it is important to consider that Jandhan Yojana is a mere paperwork scheme in the banking system and a milestone in the banking system.

Key words: financial institutions, extending banking, financial inclusion, milestone.

Introduction:

We see banks playing a vital role in any type of economy. The development of the country is impossible without the development of the banking sector. The banking system in India today is backward compared to developed countries. In the history of Indian independence, banks in India were formerly owned by the private sector. Therefore, when Indira Gandhi was the Prime Minister, on 19th July 1969, he nationalized 14 banks. Then again in 1980, six banks were nationalized. Considering the rural areas, the condition of the banking system and the bank account holders was very poor. The government was having difficulty in implementing many schemes as most of the people in India did not have bank accounts. In such a scenario, the Government of India launched the Jandhan Yojana to implement a comprehensive banking system. The new Narendra Modi government that came to power in 2014 was one of the most important of the revolutionary schemes as it put the poor at the center. The scheme provided free Zero Account Balance account. You can see that a large number of bank accounts have been opened since the scheme was launched. However, the research paper tries to show how many people the scheme has reached, how many people have actually benefited from it and the shortcomings of the scheme.

Objectives of study:

1. Getting information about Jandhan Yojana.
2. To get information about the number of beneficiaries of Jandhan Yojana.
3. Obtaining information about the benefits of Jandhan Yojana.
4. Discussing the shortcomings of Jandhan Yojana.

Research methodology :

The Secondary method has been used to create the presented dissertation. The research material has been prepared with the help of this second material from various texts, books, newspapers and internet**.**

Pradhanmatri jandhan yojana:

2014 Sayali When the new Narendra Modi government came to power, in his first Independence Day speech on 15th August 2014, Narendra Modi announced the establishment of Jandhan Yojana. In fact the scheme was implemented from 28th August 2014. In his speech, Narendra Modi, while explaining the bank's broken relationship with the poor people of India, pointed out the usefulness of this scheme to the nation.

Tagline of Pradhan Mantri Jandhan Yojana:

Jandhan Yojana was launched in India under the tagline 'Mera Khata Bhagya Vidhata'.

Beneficiaries and deposits:

So far 44.09 crore accounts have been opened in Pradhan Mantri Jandhan Yojana and one lakh 159878.92 has been deposited. 1.26 lakh bank friends are working in the sub-service sector.

Features of Pradhan Mantri Jandhan Yojana:

1. Interest on the deposit amount.
2. Accident insurance cover of one lakh rupees.
3. No minimum balance required
4. Under the Pradhan Mantri Jan Dhan Yojana, life insurance of Rs 30,000 will be payable to the beneficiary on the reimbursement of normal conditions on his death..
5. Easy money transfer across India
6. Beneficiaries of government schemes will get benefit transfer from these accounts.
7. Overdraft facility will be given after satisfactory operation of these accounts for six months.
8. Access to pension, insurance products.

Benefits of Pradhan Mantri Jan Dhan .

This was one of the schemes implemented by Prime Minister Narendra Modi in his first year after coming to power.

1. Large bank accounts:

So many accounts have been opened in Pradhan Mantri Jandhan Yojana so far. It is important to have a large number of accounts for this scheme launched for financial inclusion as it is mainly the poor people who are involved in these accounts. For that purpose 44.69 crore accounts have been opened in this scheme. These accounts have been opened from both rural and urban locations. Also 159878.92 rupees amount has been deposited in these accounts..

2. Bank Inclusion:

Even after many years of India's independence, most of the people were deprived of banking services. It had a large poor population. However, through Pradhan Mantri Jandhan Yojana, the government has succeeded in attracting a large number of disadvantaged people to the bank.

3. Beneficial for various schemes:

In India, there are always problems with how to implement any scheme. Therefore, corruption and procrastination are seen in those schemes. We see many examples of people who are benefiting from the scheme without reaching out to the people for whom it is being implemented. But through the Prime Minister's Jandhan Yojana, the government has been able to transfer the money of various schemes implemented through it directly to the accounts of the beneficiaries. By opening an account for the poor and deprived people, the government does not have to pay the scheme subsidy directly but can transfer it directly to their account.

4. Increase in saving

Lack of bank accounts in India has made it difficult for many people to save their savings .But many people have opened bank accounts due to the Pradhan Mantri Jandhan Yojana. As a result, many people across the country have been able to deposit their savings in banks. As a result, there has been a huge increase in people's sav**:**very rare in India compared to developed countries. The main reason for this is that majority of people in India were deprived of bank accounts. Pradhan Mantri Jandhan Yojana opened bank accounts for many people. Facilities like banking became available. As a result, digital transactions in the country increased tremendously.

5. Rural areas:

The majority of India's population lives in rural areas. They think of rural areas. Today, 75 years after independence, the banking network is not very strong. We see that many people are deprived of bank accounts. It seems that this has happened. The people of rural areas have benefited from the large number of zero balance accounts opened.

Disadvantages of Pradhan Mantri Jandhan Yojana:

Many benefits of Pradhan Mantri Jandhan Yojana, which was launched with great enthusiasm in India, can be seen in our country. However, there are some disadvantages to this plan.

1. Absolutely not included

Pradhan Mantri Jandhan Yojana was implemented for full inclusion of all citizens of the country in the banking sector. Even though the scheme has opened a large number of zero balance accounts, many disadvantaged people in the country are still deprived of the benefits of the scheme. Many people living in slums and rural areas are still deprived of banking services.

2. Misuse during the period of denomination:

The biggest criticism of the Pradhan Mantri Jandhan Yojana is that a large amount of black money was deposited in the accounts opened through this scheme during the ban on banknotes. Denomination objectives could not be met.

3.Maintenance costs:

Accounts opened under the Pradhan Mantri Jandhan Yojana incur huge maintenance costs for the poor. For ATM cards, debit cards, check books, a large amount of money is deducted from the account every year.

4. No transaction

Most of the accounts started under Pradhan Mantri Jandhan Yojana do not show any transaction. The objective of the scheme cannot be achieved without any kind of transaction in the scheme which was started to include the rural poor in the banking sector.

Conclusion:

After considering all of the above, we can see that the Pradhan Mantri Jandhan Yojana, despite its shortcomings, has been instrumental in bringing the poor, disadvantaged, tribal community into the mainstream of the banking sector. Although this scheme is not one hundred percent effective, it is very important for the future due to the work done in a short period of time. If the government removes the flaws in the scheme and implements it effectively, it will definitely help in making the scheme more effective. It is also important for the government to ensure that money is not misappropriated. The Pradhan Mantri Jandhan Yojana will definitely be used to build a digital economy in the future. There is no doubt that the scheme will be beneficial for the government to deposit the money of the schemes in the accounts of the beneficiaries to prevent future leaks in the schemes.

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NABARD : FOSTERING FOOD PROCESSING SECTOR

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INTRODUCTION

In order to promote integrated rural and balanced development of the economy, an apex regulatory body, NABARD (National Bank for Agriculture and Rural Development) was set by Government of India in 1982 under the jurisdiction of Ministry of Finance. It formulates and implement many strategies and schemes for the promotion of rural business enterprises in the country. It also supports small industries, cottage and village industries and rural artisans using credit and non-credit approaches. It is one of the premier agencies under Reserve Bank of India. NABARD also gets financial aid and advice for the upliftment of the people in agricultural areas from its international associates; World Bank-affiliated organisations and global developmental agencies working in the field of agriculture and rural development.

NABARD is wholly owned by Government of India. Its head office is located at Mumbai with 31 Regional offices in different States and Union Territories.

ROLE OF NABARD:

The chief functions of NABARD are as follows:

1. The bank work as refinancing agency of agriculture credit. This includes the loans advanced by the state governments, state cooperate banks, land development banks, regional rural banks and other financial institutions to agriculture, small and cottage industries, handicrafts etc.
2. It also conducts inspection of regional rural banks and also of their refinancing and development activities.
3. For the development of agriculture and industries, it also distributes foreign help required for the project.
4. The bank provides concessional loans to institutions in case of natural calamities, military activities, war and other emergency situations.
5. It has been instrumental in innovations in rural areas by undergoing research and exchange of information in respect of rural banking.
6. It co-ordinates the rural financing activities of all institutions engaged in developmental work at the field level and maintains liaison with Government of India, state governments, Reserve Bank of India (RBI) and other national level institutions concerned with policy formulation.
7. It also provides training facilities to the institutions working in the field of rural upliftment.

Major contributions of NABARD in balanced regional development of the country:

1. NABARD designed Kisan Credit Card (KCC) scheme in association with RBI in 1998 for providing crop loans.
2. NABARD was instrumental for technology revolution in rural areas by helping rural financial institutions in providing Ru Pay Kisan Cards.
3. The Tribal Development Programme of NABARD contributed towards development of different tribes of the economy.
4. To sustainably utilise the natural resources of rural areas, it started a direct lending facility; Umbrella Programme on Natural Resource Management (UPNRM) in 2007.
5. Self Help Group- Bank Linkage Programme (SHG-BLP) in 1992 by NABARD provided financial assistance to different SHGs working in rural areas.
6. To digitise SHGs, a project E-Shakti was launched on 15 March 2015.
7. For promoting entrepreneurial culture among rural youth and encouraging them to start enterprises in rural areas, NABARD undertakes skill development strategy.

8. Rural Infrastructure Development Fund (RIDF) scheme by NABARD covers projects relating to irrigation, rural roads and bridges, health and education, soil conservation, water schemes etc.

NABARD provides great opportunity for poverty reduction and socio-economic empowerment for rural India where nearly 75 percent of the population depends on agriculture. It has been instrumental in raising quality of life and income levels for the people living in the rural areas.

GOI and NABARD

The Government of India (GOI) and NABARD have given the food processing industry great attention. In this respect, the Government of India (GOI) has authorised the Pradhan Mantri Kisan SAMPADA Yojana (Scheme for Agro-Marine Processing and Development of Agro-Processing Clusters) with a budget of 6,000 crores for the period 2016-20, which coincides with the 14th Finance Commission cycle. Mega food parks, agro processing clusters, integrated cold chain infrastructure, and increased food processing capacity are all part of the plan. The programme is expected to reduce perishable food waste, create jobs, and assure food security for the rising population. The Ministry of Food Processing Industry, Government of India, has sanctioned 42 mega food parks in 24 states. The Government of India has also sanctioned 238 cold chain projects, 120 of which have already been completed. Investors in the food processing business can take advantage of a variety of tax breaks, including 100% Foreign Direct Investment (FDI) through an automated approach. Varying state governments have their own regulations on food processing and provide various incentives to this industry. A food processing fund was established by the GOI at NABARD during 2014-15 with an initial amount of 2000 crore to offer affordable financing to Designated Food Parks, including Mega Food Parks, and the establishment of food processing units therein. NABARD has approved 16 projects in 13 states with a cash commitment of 602.43 crore and has disbursed 275.28 crore, which when operational will improve the common procedure, terms of production, consumption and export. The industry provides employment to large number of people and also helps in containing inflation. Food goods have a large domestic market in the country, as well as the possibility to be exported to other countries. If some of the obstacles are removed by successful techniques, there is a lot of room for this expansion to continue. This NABARD publication is an attempt to compile existing information on the sector into a food processing status paper.

ECONOMIC STATUS OF FOOD PROCESSING INDUSTRY

In terms of GDP contribution, employment, and investment, the food processing industry is a significant segment of the Indian economy, and it will be a major driver of the country's growth in the near future. Many technologies are employed in food processing operations to add value to raw food materials (such as marine goods, poultry, and meat) that can be consumed by humans or animals. Processing and value addition transform raw food ingredients into consumable goods. Food processing operations are often divided into two categories: primary processing and secondary processing. This creates jobs for rural residents, particularly women, and inhibits capital flight from rural to urban areas, so reducing the economic divide between rural and urban communities. The Food Processing Sector has witnessed the growth rate of nearly 20% in the past few years. The industrial food processing sector has evolved to meet the current demand for food materials. The country's food processing industry is dominated by unorganised businesses. About 42% of the output is produced in the unorganised sector, which is dominated by small size industries, 25% is produced in the organised sector, and the balance is produced by small scale businesses. The small-scale food processing business employs a large number of people and adds value to crops. It is a significant dietary source in the human diet. The small-scale food processing sector, on the other hand, is increasingly threatened by major manufacturers, who, through economies of scale and improved presentation and marketing, are gaining a competitive advantage. The importance of good packing cannot be overstated. Food processing companies are in need of food ingredients as well as new meal forms as a result of improved convenience in food preparation in the home, institution, and restaurant. As our country's top development bank, NABARD has provided financial support to eligible financing institutions for a variety of agro and food-related activities, as well as administering the Food Processing Fund (FPF), which provides cheap credit to approved food parks and processing units. The sectoral study also identified a number of concerns that must be addressed in order for the agro and food processing sector to reach its full potential.

FOREIGN DIRECT INVESTMENT

The Indian food sector is on the verge of a massive expansion, with its contribution to global food commerce expanding year after year. Because of its enormous potential for value addition, the food sector in India has emerged as a high-growth and high-profit sector, particularly in the food processing business. According to the Department of Industrial Policies and Promotion (DIPP), the food processing sector in India attracted around USD 7.47 billion in foreign direct investments (FDIs) between April 2000 and December 2016. In the approaching years, the sector has the potential to attract even more FDIs. After China, India is the world's second-largest food producer. Given its location, it has the potential to become the world's food basket. According to the NSSO's 67th cycle, the unorganised food processing sector employs 47.9 lakh people. As a result, the sector as a whole employs more than 65 lakh people, with the number expected to rise to 9 million by 2024. In India, the unorganised sector accounts for 42% of the food processing industry. The sector's strength stems from India's position as the world's leading producer of a variety of commodities such as grains, bananas, mangoes, chilies, ginger, milk, and beef. After China, it is the world's second-largest producer of fruits and vegetables, third-largest producer of marine landings, and fifth-largest producer of chicken. However, insufficient post-harvest management infrastructure facilities are always a source of worry. It has been calculated how much post-harvest waste there is. The government, through the Ministry of Food Processing Industries (MoFPI), is working hard to attract food industry investment. It has given its approval to joint ventures, foreign partnerships, industrial licences, and units that are solely focused on exports. In addition, the allocation to the Ministry of Food Processing has been increased to Rs. 1400 crore for the fiscal year 2018-19. Despite India's enormous achievement in agricultural production, post-production wastage is excessively high, resulting in the annual waste of around '440 billion worth of fruits, vegetables, and grains.

The Indian food and grocery market is the sixth largest in the world, with retail accounting for 70% of total sales. It is one of India's largest industries, accounting for 32 percent of the country's overall food industry and ranking fifth in terms of production, consumption, export, and expected growth. It accounts for around 8.80 and 8.39 percent of GVA in manufacturing and agriculture, respectively, as well as 13 percent of India's exports and 6% of overall industrial investment. The Indian gourmet food sector is worth US$ 1.3 billion and is increasing at a 20 percent compound annual growth rate (CAGR). By 2020, India's organic food market is predicted to have tripled.

ELIGIBILITY FOR LOAN TO FOOD INDUSTRIES

A NABARD loan for food processing is offered for a wide range of post-harvest operations that add value to the food product and/or extend its storage life. Cleaning, grading, waxing, controlled ripening, labelling, packing and packaging, warehousing, canning, freezing, freeze-drying, and other food processing processes are all covered under the programme. The following are examples of the products of processing/manufacturing conducted by the units:

- Fruits, vegetables, mushrooms, plantation crops and other horticulture crops
- Milk and milk products
- Poultry and meat
- Fish and other aquatic & marine products
- Cereals, pulses, oilseeds and oil crops
- Herbs, medicinal and aromatic plants, forest produce, etc.
- Consumer food products, such as bakery items, confectionery, snacks, etc.
- Any other ready-to-eat food/ convenience foods
- Beverages, non-alcoholic drinks, energy drinks, carbonated drinks, packaged drinking water, soft drinks, etc.
- Food flavours, food colours, spices, condiments, ingredients, preservatives and any other item which may be required in food processing
- Nutraceuticals, health foods, health drinks, etc.
- Any other activity approved by the competent authority for establishment in the designated Food Park

ELIGIBLE ENTITIES

NABARD loan for food processing units under this scheme will be provided only for units in designated food parks. Food processing units in the following designated food parks are eligible under this scheme:

Food Parks promoted by Ministry of Food Processing Industries (MOFPI), Government of India

Mega Food Parks promoted by Ministry of Food Processing Industries (MOFPI), Government of India

Food Parks/ exclusive food processing industrial estates promoted by State Governments

Designated food processing/ agro-processing/ multi-products SEZs, including de-notified areas of these SEZs

Any other area having developed enabling infrastructure and designated as Food Park by Ministry of Food Processing Industries (MOFPI), Government of India

The following types of entities in the above-designated food parks are eligible for NABARD loan:

- State Governments Entities
- Entities promoted by Government of India
- Joint ventures, SPVs, Cooperatives
- Federations of Cooperatives
- Farmers' Producer Companies
- Limited Companies
- Private Limited Company
- Individual Entrepreneurs (Proprietorships)
- Term Loan Provided by NABARD

Under the NABARD Food Processing Fund, term loan will be provided by NABARD either directly or in-consortium with other lenders. The term loan will be provided by NABARD at concessional rate of interest for the following:

DEVELOPMENT OF INFRASTRUCTURE IN THE DESIGNATED FOOD PARKS

Setting up of individual food processing units or any other unit that is established for supporting the operations of the food processing units within the designated Food Parks

Modernization of existing processing units in the designated Food Parks resulting in process technology up-gradation, automation, increased efficiency, improvement in product quality, reduction in cost, etc.

For undertaking the above activities, NABARD provides term loan of upto 75% of project cost for corporates, companies, SPVs, joint ventures and individual entrepreneurs. The term loan can be extended with a tenure of upto 7 years at NABARD's Prime Lending Rate (PLR) + Risk Premium. NABARD's present Prime Lending Rate (PLR) is 9.00%. A risk premium of upto 1% will be added on top of the NABARD PLR based on borrower's credit profile. In addition, collateral security will be requested by NABARD for sanctioning of term loan based on the borrower profile.

A) Documents Needed

Registration certificate or Partnership agreement for SPV

Auditor's Certificate

Profiles of shareholders and Directors

PAN & TAN of Special Purpose Vehicle

Registered Deed Details

State Policy on Food, Agro-processing

B) For more details, contact:

NABARD,

Plot C-24, G Block, Bandra Kurla Complex,

BKC Road, Bandra East, Mumbai, Maharashtra-400051

Phone: (91) 022-26539895/96/99

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"A STUDY OF INCLUSIVE GROWTH AND FINANCIAL LITERACY MEASURES IN INDIA"

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ABSTRACT:

This study seeks to review existing investments and identifies key themes in the field of research, Investment decisions, evaluation of investment and financial development; Investment in India. It contains important theories of many scholars and scholars who offer a wide range of views in one place in the investment sector. To estimate the investment many indicators are made as an indicator Investment Index (IFI), International Investment Index, Maya Declaration and 3 x 3 x 3 matrix method. Investment is a winning opportunity for all service providers once the recipients. So, everyone should take advantage of your opportunity and participate, in achieving your financial percentage goal installation. All over the world, there is the sound of creating an inclusive world and India is also at the forefront. The Indian government is fully committed to its decision to achieve inclusive growth. To achieve this goal, efforts are made to integrate the priorities of national development with them international efforts and a number of policies, strategies, programs / schemes and actions have been done at the national level. Financial Institution is the integration of all sections of society under the umbrella of legal financial sector. It is crucial to achieving inclusive growth and thus sustainable development economic development and growth. Globally there is an uproar to achieve inclusive growth but the performance of a developed, developing, changing and underdeveloped world varies very. Therefore, the policies applied in one case do not work well in another.

Keywords: indicator Investment Index, Investment, financial sector, inclusive growth,

INTRODUCTION

India is one of the largest and fastest growing economies in the world, but what has been the most disturbing fact about their growth that their growth is not only complex but also diverse. There have been inequalities in the sense that they exist it had no similarities in its growth function and was fragmented and cut in terms of growth as well distribution of growth benefits to specific sectors of the economy. In addition, a Most people were left without basic health care and education during this high growth period section. In recent decades, economic and social inequalities have skyrocketed, and growth rates have skyrocketed.

increased regional inequality. More than 25% of Indians continue to live in extreme poverty. As a result, Inclusive growth has been be the object of the national policy of the Union Government. In terms of planning for Indian growth it is a new term that has acquired the attention of policy makers to the Eleven-Year Plan. While India is still on track to achieve its goals, it is interesting to analyse how far has reached it compared to other countries and what could be the development of a relevant policy needed to achieve its goal of inclusive growth and sustainable development. In this context, the paper is based on an analysis of India's position on inclusive growth once and for all identification of specific policies that are expected to have a positive impact on both growth and inequality, and could be the focus of India's policy action. The paper explains that the definition, need, and challenges of inclusive growth in the next phase. "Inclusive should be seen as a process of including outsiders as participating agents is essential to design the development process and not just as social goals in development programs." In the current page an effort has been made to understand the inclusive growth of its demand and to invest as a tool to get it in terms of its level in the Indian subcontinent.

LITERATURE REVIEW

Investment is an add-on process. In this rise, banks of state-owned enterprises are required

intervene as the purpose of the private sector banks for these increasing profits will reduce their efforts social benefits. Affiliate banks can also to assist in the implementation of the policies of investment. Public sector banks are playing games a major role in poverty alleviation programs government because of its existence areas without banks. The big issues with that investment in India is structurally natural and unless all sections of society are so brought under the financial umbrella system, the benefits of high growth will not scatter on the ground with most of the people will not be allowed to enjoy the benefits of this high growth thus widening the gap between rich and poor. Therefore, the investment is importance both socially and politically as well economically. There are several unregistered government programs once rights ensure that those who were neglected sections of the public cannot access benefits provided by these programs. So, there is the need to work closely with these

categories and presentation required technical solutions to deal with these challenges. Stable unformed employees the industry stands on both performance and location and needs to be divided by employment a separation. A clear identification of these employees and high community participation can help implement programs like MUDRA (Micro Units Development and Refinance Agency Bank) in the right way so that the community can harvest its benefits. Contracts that may be legally delayed and is usable and based on non-financial relationships can be used financially credit bureaux in informal sector and may be the basis for recognizing the legitimacy of Indian economy. Recent schemes used by the government has been very successful to provide access to individual deposit services at home. For a complete financial installation with credit access and insurance service, new

the model is needed for current support technology and addressing the challenges they face

with revenue sources and a single operational structure, it also falls on the disadvantaged

communities thus empowered them to achieve a better life. The current paper focuses on investing as a tool to achieve inclusive growth - in the context of India, which has made a concerted effort to understand the level of investment in India as a whole says as part of it.

OBJECTIVES OF THE PAPER

- ❖ Reading and understanding the meaning and need for inclusive growth.
- ❖ Understand the level of diversity in the provinces of India in terms of investment.
- ❖ Analyze the relationship of the demand side and separate financial provisioning indicators
- ❖ inclusion and growth involving the individual.
- ❖ Analyze the impact of investments in a growth that includes all Indians economy.
- ❖ Review and analyse existing literature Financial Installation, its features, national values and development.
- ❖ Determining the direction of further research on investment.

RESEARCH METHODOLOGY

The study was conducted using a secondary data source. Environmental Collection Analysis is performed Parallel measurement options are based on the Euclidean range in between.

multidimensional recognition. Another hierarchical integration method has been demonstrated by Dendrogram considerations the ratio of communication between groups The effect was analysed by calculation Pearson's coefficient of correlation between to provide investment indicators and five-point clues that contribute to this inclusive and interdependent global growth indicators of the side of the need for investment and indicators of inclusive growth.

NEED FOR INCLUSIVE GROWTH

India needs inclusive growth to achieve rapid and systematic growth. Combined growth is necessary for sustainable development and equitable distribution of wealth and prosperity. Achieving inclusive growth is also important is one of the biggest challenges in India. The challenge is to bring growth rates to the whole community and to all parts of the country. Rapid growth in the local economy, sustainable urban growth, infrastructure development, transformation education, health, ensuring future energy needs, healthy public-private partnerships, aimed at preventing inclusion, practice. all sections of society are equal partners in growth, and above all good governance will ensure that India achieves what it is it deserves.

The key areas that require inclusive growth can be summarized as follows:

• Poverty alleviation and unemployment

• Removal of income inequality

• Agricultural Development

• Reducing regional diversity

• With the development of the social sector

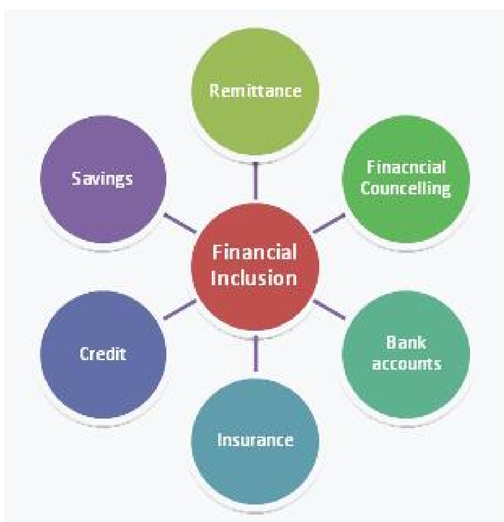
• Protecting the environment

However, in order to achieve the goals of inclusive growth there is a need for resources, as well as resource production and consolidation of investment is required. It plays a very important role in the economic growth process. Finance installation of appropriate financial

services can solve the problem of resource availability, integration and distribution especially those who do not have access to those resources. So, in the present paper an effort is made to study the role of investment in inclusive growth.

FINANCIAL INCLUSION

By investment, we mean the provision of financial services, including banking and credit services, by affordable costs in many categories of poor and low-income groups that are usually excluded. Variety financial services include access to savings, debt, insurance, payments and remittance services provided by a juristic person financial system. In simple terms investing is about non-existent inclusion in the national financial system, and ensure that their financial and social security needs are met by qualified financial service providers.



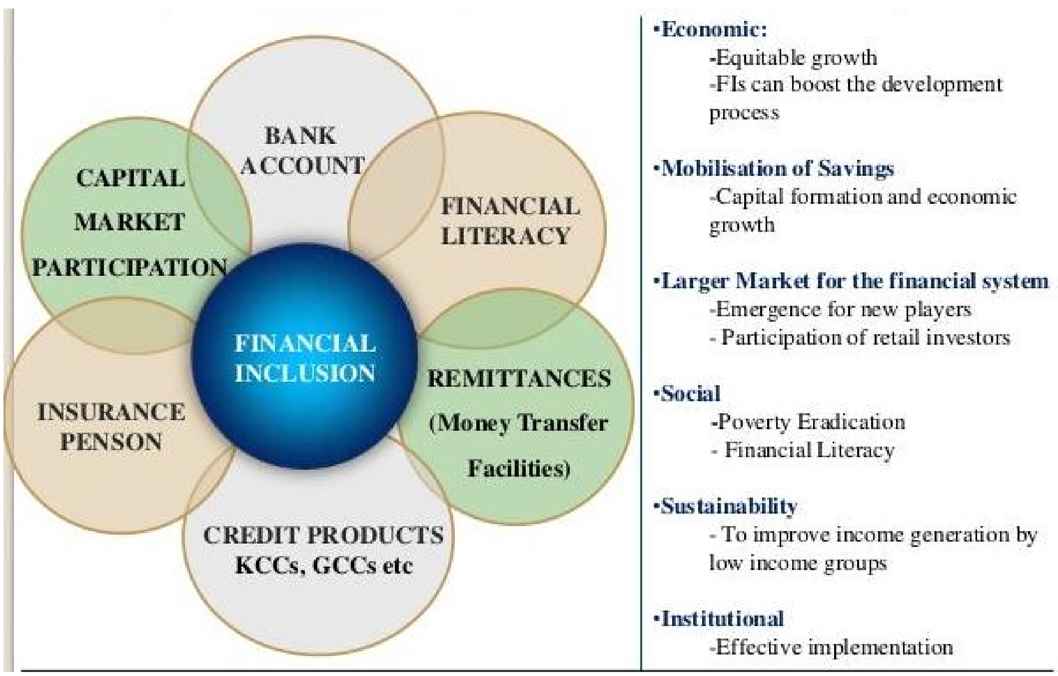
FINANCIAL INCLUSION AND DEVELOPMENT IN INDIA

Several countries around the world now consider investment as a means to full growth,

there, each citizen of the country is able to use his or her salary as a financial aid that they can use to operate. improve their future financial status and at the same time contribute to the development of the nation. Investments have always been given high priority by the State Bank and the Government of India to help the process of inclusive economic growth, the history of investment in India is actually much older than the official recognition of the

purpose. Investments are increasing. Globally, 515 million adults open an account in a financial institution or financial service between 2014 and 2017. This represents an increase from 62% to 69% of adults with accounts. Despite this progress, 1.7 billion adults are still neglecting and inequality continues. Women in developing countries are 9 percent less likely for men to have an account than men. (Global index) Mobile money continues to grow in all regions, especially in West Africa. In low-income economies, there are twice as many cash accounts as there are bank accounts for 1,000 adults. (IMF Financial Access Survey)

Small and medium-sized businesses generally do not engage in formal lending, despite growing to having an account with a financial service provider. In Latin America and the Caribbean, for example, about 90 percent of firms own an account, though only one-half have a bank loan or a credit line from a bank. (World Bank Enterprise Surveys) People over the age of 60 join the digital age. Two thirds of the elderly population in developing countries, as well as 85% in the wealthiest nations, have a mobile phone. They have the same opportunity for young adults to make payments using a mobile phone or the internet.



CONCLUSIONS

The achievement of integrated growth depends largely on the equitable distribution of growth opportunities and benefits. And investment is one of the most important opportunities for equitable distribution in the country to achieve full growth. It needs to be understood by the state that in order to bring about orderly growth, order it needs to be improved in terms of inclusive financing. It requires the cooperation of all of them stakeholders such as sector regulators, banks, governments, civil society organizations, NGOs, etc. to achieve a financial purpose installation. The challenges of financial exclusion are facing many regions of the country once again to address them must develop its own customized solutions drawing on its experience and features as well as those of its peers across the country.

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ROLE AND IMPORTANCE OF NABARD IN FINANCIAL INCLUSION

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ABSTRACT

National Bank for Agriculture and Rural Development or NABARD is the main regulatory body in the country's rural banking system and is considered as the peak development finance institution which is established and owned by the government of India. This bank aims to provide and regulate credit to the rural areas, which will be a first step towards enhancing the rural development in the country. NABARD has been given many responsibilities related to the formulation of policies, planning, and operations in agriculture and financial development. NABARD carries these responsibilities efficiently and works towards promoting and developing man industries in the rural areas like the agriculture industry, cottage industries, other small scale industries, and rural crafts in an effort to create better infrastructure and better employment opportunities for the people living in these regions. The Government of India established this bank considering all the guidelines of the National Bank for Agriculture and Development Act of 1981. To put it in simple terms, you can say that the National Bank for Agriculture and Rural Development or NABARD is the main and specific bank of the country for agriculture and rural development.

Key Words: Regulatory, Formulation, Opportunities, Infrastructure, Guidelines etc.

1. Introduction

The Government of India established this bank considering all the guidelines of the National Bank for Agriculture and Development Act of 1981. To put it in simple terms, you can say that the National Bank for Agriculture and Rural Development or NABARD is the main and specific bank of the country for agriculture and rural development. The National Bank for Agriculture and Rural Development (NABARD) is a national financial institution in India with a total balance sheet of over US$ 40 billion. It has the mandate of promoting sustainable agriculture and rural development through innovative, sustainable and equitable agriculture and rural prosperity by providing financial and technical support. It has built partnerships with other national entities, financial institutions and non-governmental organizations in order to implement innovative ideas through loans, guarantees, blended finance and other structures in the areas of agriculture, natural resources management, fisheries, rural livelihood improvement, renewable energy and micro finance among others. Almost one-third of its cumulative disbursements are related to climate change adaptation and mitigation activities. NABARD sought accreditation to the GCF in order to continue implementing its climate change adaptation and mitigation projects and programmes, which are well aligned with the results areas of the GCF, particularly food and water security, forestry and landscape management, enhancing livelihoods and ecosystem services. Leveraging its long-standing partnerships and experience, NABARD intends to undertake low-emissions and climate-resilient sustainable development that reduces the impacts of climate change.

2. Objectives of the study

1. To study the concept of Financial Inclusion.
2. To study the government financial inclusion through NABARD.
3. To study the role of NABARD.
4. To study the functions of NABARD.

3. Concept of Financial Inclusion

Financial Inclusion is described as the method of offering banking and financial solutions and services to every individual in the society without any form of discrimination. It primarily aims to include everybody in the society by giving them basic financial services without looking at a person's income or savings. Financial inclusion chiefly focuses on providing reliable financial solutions to the economically underprivileged sections of the society without having any unfair treatment. It intends to provide financial solutions without any signs of inequality. It is also committed to being transparent while offering financial assistance without any hidden transactions or costs.

Financial inclusion wants everybody in the society to be involved and participate in financial management judiciously. There are many poor households in India that do not have any access to financial services in the country. They are not aware of banks and their functions. Even if they are aware of banks, many of the poor people do not have the access to get services from banks.

They may not meet minimum eligibility criteria laid by banks and hence, they will not be able to secure a bank's services. Banks have requirements such as minimum income, minimum credit score, age criteria, and minimum years of work experience. A bank will provide a deposit or a loan to an applicant only if he or she meets these criteria. Many of the poor people may be unemployed without any previous employment record due to lack of education, lack of resources, lack of money, etc.

These economically underprivileged people of the society may also not have proper documents to provide to the banks for verification of identity or income. Every bank has certain mandatory documents that need to be furnished during a loan application process or during a bank account creation process. Many of these people do not have knowledge about the importance of these documents. They also do not have access to apply for government-sanctioned documents.

Financial inclusion aims to eliminate these barriers and provide economically priced financial services to the less fortunate sections of the society so that they can be financially independent without depending on charity or other means of getting funds that are actually not sustainable. Financial inclusion also intends to spread awareness about financial services and financial management among people of the society. Moreover, it wants to develop formal and systematic credit avenues for the poor people.

For several years, only the middle and high classes of the society procured formal types of credit. Poor people were forced to rely on unorganised and informal forms of credit. Many of them were uneducated and did not have basic knowledge about finance and hence, they got cheated by the greedy and rich people of the society. Several poor people have been exploited for years in the context of financial assistance.

4. Government Financial Inclusion though NABARD

Inclusion into the financial mainstream of all poor people living in remote areas is one of the aspirations of the Government of India (GoI) and with the help of the National Bank for Agriculture and Rural Development (NABARD), this aspiration has come into fruition. NABARD has championed the "Government's Direct Benefit Transfer" (DBT) initiative to help ensure smooth flow of benefits to the remotely-located and poorly-connected people in the countryside through rural cooperative banks (RCBs) and regional rural banks (RRBs). NABARD, through the Financial Inclusion Fund (FIF) and funds received from the GoI and with the guidance of the Reserve Bank of India (RBI), has enabled all RCBs and RRBs to onboard a "Core Banking Solution" (CBS), an online banking platform that serves as an instrument for the people to be included in the government's financial inclusion program.

5. Role of NABARD

NABARD is designated as an apex development bank in the country. This national bank was established in 1982 by a Special Act of the Parliament, with a mandate to uplift rural India by facilitating credit flow in agriculture, cottage and village industries, handicrafts and small-scale industries. It is also required to support non-farm sector while promoting other allied economic activities in rural areas. NABARD functions to promote sustainable rural development for attaining prosperity of rural areas in India. It is basically concerned with "matters concerning policy, as well as planning and operations in the field of credit for agriculture and other economic activities in rural areas in India". It is worth noting with reference to NABARD that RBI has sold its own stake to the Government of India. Therefore, Government of India holds 99% stake in NABARD. The following are some roles of NABARD

i. The National Bank for Agriculture and Rural Development or NABARD provides investment and production credit for various developmental activities and projects taking place in rural areas, which will help enhance rural development and facilitate rural prosperity. As this bank is the center or the main financing agency for all such developmental projects, the responsibility falls on the bank to ensure that the projects receive the proper financing and promotion.

ii. The responsibility of coordinating all the financing activities in the rural areas with all institutions involved in the developmental projects falls on the NABARD. It has to stay in touch with all major institutions, including the Indian government, Reserve Bank of India or RBI, state governments, or any other major institutions that may be a part of the ongoing agriculture or rural development activities.

iii. NABARD takes action towards monitoring, formulating strategies for the rehabilitation schemes, restructuring credit institutions and training personnel, etc., through making an improvement in the credit delivery system's absorptive capacity and building a strong institution with an aim to achieve the same.

iv. The National Bank refinances all the financial institutions that finance the rural development projects for Agriculture and Rural Development or NABARD as it is the specific bank for looking after all agriculture and rural developments in the country.

v. After the bank has refinanced a developmental project or activity taking place in the rural region, the responsibility of monitoring and evaluating the project or activity also falls on the NABARD.

vi. NABARD keeps all the client institutions in check and provides training facilities to all the institutions that are working towards rural upliftment or want to work for rural development in the future.

vii. Along with all the above roles, the National Bank for Agriculture and Rural Development also keeps the portfolio of the Natural Resource Management Programmes.

viii. NABARD also helps Self-Help Groups or SHGs through its SHG bank linkage programme that will boost the activities of SHGs in the rural areas and will be a helpful step in the rural development.

6. Functions of NABARD

Now that we have seen what NABARD stands for and the roles that it has to perform, let us go through the functions performed by the bank. In an effort to keep up with its roles, the National Bank for Agriculture and Rural Development undergoes four central functions. These four central functions performed by the NABARD are credit functions, financial functions, supervisory functions, and development functions. To understand all these four functions performed by the NABARD, let's go through all of them one by one.Credit functions As the main provider of credit facilities in rural areas, the National Bank for Agriculture and Rural Development or NABARD performs the credit functions. Under these functions, the bank provides, regulates, and monitors the credit flow in the rural parts of the nation. Financial functions NABARD has many client banks and institutions that help and assist in the developmental activities in rural areas. By performing the financial functions, the National Bank for Agriculture and Rural Development or NABARD provides loans to these client banks and institutions like handicraft industries, food parks, processing units, artisans and many more. Supervisory functions As already discussed above, NABARD is the apex institution that looks after agriculture and rural development. This is why the responsibility of monitoring and regulating all the development activities and projects fall on this institution. Given this role, the NABARD performs supervisory functions in which it has to keep a check on all the client banks, institutions, credits and non-credits societies that are a part of the developmental tasks taking place in the rural areas. Development Functions As you must be pretty much aware by now that the primary role of the National Bank for Agriculture and Rural Development or NABARD is to focus on developing sustainable agriculture and promote rural development, the bank performs development functions in an effort to stay true to this role. Under developmental functions, the NABARD helps rural banks prepare action plans for the developmental activities. Apart from this following are the some developmental functions of NABARD.

i. Institutional Development

In Association with the government of India and RBI, the NABARD has been undertaking several institutional development projects like the Development projects like The Development Action Plan for Rural Co-operative Banks, Co-operative Development fund, Organizational Development initiative etc.

ii. Farm Sector

NABARD has introduced various programmes for the farm sector including Kisan Credit Card scheme, participatory watershed development farmers club programme etc.

iii. Off farm sector

NABARD have been involved actively in promoting innovations in the rural areas in the farm as well as non-farm sectors like building an entrepreneurial culture and necessary skills among the rural women etc.

iv. Skill Development

In the past 30 years, the developmental institution has also been promoting an entrepreneurial culture among the rural youth and encouraging them to launch their enterprise in the rural off-farm sector.

v. Micro-Finance Sector

In 1992 NABARD launched the Self –Helf Group Bank linkage Program (SHG-Help) which assisted more than 14 lakh SHGs and nearly 12.5 crore sector.

7. Conclusion

The full form of NABARD is the National Bank for Agriculture and Rural Development. NABARD manages any credit-related concerns for agricultural and rural undertakings such as their policy, planning, and operations. In general, NABARD handles the funding of any agricultural activities with respect to rural development in India as the institution's primary goal is the nationwide growth of India's rural community. There are three sectors NABARD works around: development, supervision, and finance.

National Bank for Agriculture and Rural Development (NABARD) has released a study named, ‘Achieving Nutritional Security in India: Vision 2030’, in December 2020. The report assesses the trends for nutritional security and identifies determining factors that have a significant effect on reducing malnutrition levels in India. With this, it becomes important for IAS Exam candidates to learn what NABARD is and why is it an important entity in the Indian Economy. NABARD is India’s apex development bank – National Bank for Agriculture and Rural Development. With headquarters in Mumbai, NABARD has branches across India. This is an important topic in the section of Indian Economy as well as Indian Polity of the

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NABRAD's FINANCIAL INITIATIVE: EMPOWERMENT OF RURAL ECONOMY

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Abstract

National Bank for Agriculture and Rural Development (NABARD) essential capacity is to contact all parts of rural economy. Aside from offering monetary help to the underserved populace of the country, the foundation likewise screens the working and guideline of banks. NABARD have been a help to a large number of rural families across the country. This Paper expects to understand the monetary drives taken by the NABARD in the rural region. Catchphrases: NABARD, monetary initiatives, functioning, support.

Keywords :- NABARD, economy, initiative, rural region

Introduction

NABARD gives administrations like monetary, administrative, and developmental plans for the strengthening of rural India and for achieving monetary consideration. Aside from this, monetary contributions, direct money items and renegotiate plans are likewise given to qualified borrowers. Guideline and management of the elements of Regional Rural Banks and Cooperative Banks are the developmental exercises are finished by NABARD and it additionally directs intermittent assessments of state level agreeable units like Marketing Federations, Apex Weavers Societies, and State Cooperative Agriculture and Rural Development Banks. NABARD is a channel band together with the Government in plans like National Livestock Mission, Dairy Entrepreneurship Development Scheme, and Interest Subvention Scheme.

Financial Initiatives of NABARD

The financial initiatives from the National Bank for Agriculture and Rural Development are

Designated Food Parks (DFP)

Unique subsidizes like arrangement of term advances at appealing financing costs to Designated Food Parks (DFP) and food handling units at food parks are presented by the public authority. A measure of Rs.2, 000 crore was saved through NABARD for the equivalent. The intention is Development of the food handling area, Reduction in wastage of horticultural products and Creation of work amazing open doors in rural India. The qualified elements for the credit are State Governments, Institutions advanced by the public authority, Joint endeavors, Cooperatives, Federations of Cooperatives, Special Purpose Vehicles, Farmers' Producer Organizations, Companies, Corporates and Entrepreneurs.

Warehouses, cold chain infrastructure and cold storage

This drive upholds the formation of framework that can help in the capacity of rural produce.Loans are accommodated the financing of activities that make capacity foundation (with least total limit of 5,000 metric tons) for farming products stockpiling. This incorporates the accompanying exercises like Construction of storehouses, stockrooms, cold capacity, mass coolers, controlled air stores, dope vans, speedy freezing units, and so on and the up degree or development of Marketing Infrastructure Facilities of the APMC (Agricultural Produce Marketing Committee). The improvement of existing stockpiling framework offices will be viewed as founded on the benefits of the case. The qualified substances for the advance are State Governments, Government possessed/helped establishments, Cooperatives, Farmers' Producers' Organizations (FPOs), Federation of Cooperatives, Federation of Farmers' Collectives, SPVs that are made under PPP mode, Cooperative Marketing Societies (CMS), Primary Agricultural Credit Societies (PACS), Companies, corporates, or individual business people and Agricultural Produce Marketing Committees (APMCs).

Marketing Federations

Exercises like Procurement of horticultural items, including milk, Collection, stockpiling, and worth expansion in select wares and Marketing of these products. NABARD likewise gives momentary advances to showcasing organizations to help their everyday tasks. Transient credit office (for under a year) is proposed to meet the functioning capital prerequisites of showcasing leagues. The exercises qualified for this credit are Marketing and acquirement of rural items, Marketing and handling of horticultural produce, Collection, handling, and showcasing of milk and Supply of agrarian data sources, like creature feed. The qualified elements are State or Central Government Agricultural Marketing Federations and Corporations, Dairy Federations and Cooperatives, Agriculture Federations and Cooperatives and Registered Companies.

Rural Infrastructure Development Fund (RIDF)

The qualified classes under RIDF include Agriculture and related ventures, Social areas and Rural availability. The qualified elements are State legislatures or association regions, State-claimed partnerships, Government upheld associations, Panchayat Raj foundations, NGOs and Self-Help Groups. The undertakings ought to be submitted for endorsement through the nodal branch of the government. The financing costs are associated with the Bank Rate at the hour of credit disbursal. All advances profited can be reimbursed in equivalent yearly portions in something like a long time from the disbursal date. This is comprehensive of a 2-year beauty period. The premium sum is paid toward the finish of each quarter. Loans are gotten by mandates enlisted with the RBI or some other Scheduled Commercial Bank, TPN, unlimited assurance from state legislatures, and acknowledgment of agreements in the assent letter.

Direct refinance assistance to cooperative banks

In this plot monetary help is proposed to agreeable banks to help in the extension of their lendable assets. The advances under this classification can be characterized into two sorts:

(a) Short Term Multipurpose Credit Product

This incorporates the satisfaction of working capital necessities, fix, and upkeep of homestead gear. Activities like capacity, bundling, and evaluating of merchandise and related showcasing are covered under this item.

(b)Assistance to Cooperative Banks to Lend to Sugar Factories

Refinance help is proposed to agreeable banks with the goal that the assets can be used by ranchers for the acquisition of sugarcane. To meet other horticultural costs the asset is utilized. Premium is paid with quarterly lays on the outstanding balance. The security will be resolved in light of the gamble rating of the bank. This is typically unhampered fixed store receipts gave by Scheduled Banks and for State Cooperative Banks, government ensure or promissory notes can go about as security.

Support of producer organisations

Under this plot drives are attempted by NABARD under the Producers Organization Development Fund. The acknowledge backing, for example, advances and awards for building limit and linkages to business sectors and credit support towards share capital are given. The key goal of PODF is to meet the proceeded with necessities of Producers Organizations (PO) and to guarantee that they are totally sustainable. Loans are proposed to Registered Producers Organizations, Grant parts are given government non-associations, enlisted Community Based Organizations (CBOs), the enrolled POs or the carrying out office, or both, and additionally to different establishments that are endorsed by NABARD can likewise get grants. The most extreme advance sum can be 90% of the all out cost of the undertaking.

NABARD Infrastructure Development Assistance (NIDA)

This credit support is to fund rural framework projects. It likewise offers extra items, for example, annuity-based contributions, PPP, mezzanine capital, and so on in light of the borrower's needs.The financing cost for the advance is variable as it is reliant upon the gamble profile of the borrower and the particulars of the venture. Ban time of 2-4 years is accessible, in light of venture subtleties. The reimbursement residency and timetable of the advance fluctuates in light of the borrower's gamble profile and the idea of the venture.

Financing and development of PACS

Essential Agricultural Credit Societies (PACS) offers credit and different sorts of administrations to its individuals. Help is accessible for exercises connected with the up gradation of agro-stockpiling focuses, agro-administration focuses, agro-handling focuses, agri-advertising and transportation offices, and agri-information centres.The loan cost is fixed by Asset Liability Committee (ALCO).

Umbrella Programme for Natural Resource Management (UPNRM)

This program is sent off by NABARD to support local area made due, practical rural business drives that are NRM-based. These ventures should pass an appraisal at the Guiding Principles level. The financing costs will be founded on the kind of venture, target gatherings, and channel accomplices.

Alternative Investment Funds (AIFs)

NABARD makes commitments for the accomplishment of supplementing the current renegotiate and co-finance results of NABARD and other developmental exercises like empowering business in horticultural and rural development exercises, working with the development of model units so the rural poor can copy it, empowering interest in inventive exercises in the rural development and rural areas, to help units that can't upscale their tasks because of absence of assets and to help units that are occupied with foundation development or work age exercises.

Long Term Irrigation Fund (LTIF)

This is a drive of NABARD pointed toward subsidizing and optimizing the consummation of major and medium water system projects that have forthcoming work. The qualified substances are State legislatures can get assets from NABARD under LTIF and National Water Development Agency (NWDA) that capacities under the Ministry of Water Resources can acquire from LTIF.

Pradhan MantriAawas Yojana

Grameen (PMAY-G) - By the year 2022, the PMAY-G program targets setting up pucca houses for all families that are as of now remaining in kutcha houses. This is an endeavor of the Ministry of Rural Development (MoRD). The total monetary necessity for the development of these houses is relied upon to be met from monetary sources. The excess sum will be supported by NABARD.

Conclusion

As rural development turning out to be increasingly crucial, NABARD contacts all parts of rural economy. NABARD sets out new business open doors and offers monetary help to the underserved populace of the nation and likewise screens the establishment working and guideline of banks. NABARD have been a help to a great many rural families the nation over. NABARD is the spine for the current and future development of rural economy. The monetary drives taken by the NABARD in the rural region is relied upon to assume a critical part in the rise of the Indian economy. NABARD creates in every aspect of agriculture, assembling and administrations areas in light of the fact that every one of these areas will keep on being extremely applicable to the general GDP development as well as business age. At any rate, any impediments and obstacles in rural development are to be eliminated and to be used at their best.

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"PMJDY – A MEANS FOR FINANCIAL INCLUSION"

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Abstract:

Pradhan Mantri Jan Dhan Yojana came into existence on 28th August 2014. This scheme was directly overseen by the Prime Minister of India and the department of financial services. The main focus of this scheme was to open bank accounts for about 70 million households with the assistance of RuPay debit card with Rs. 100000 accident cover. This study gives an insight on what PMJDY scheme is about and analyses the impact of this scheme on the financial inclusion of our country. It tries to give a picture on how public sector banks, regional banks and private sector banks have benefitted from this scheme. The paper concludes with agreeing that this scheme has played a major role in the development of the financial inclusion.

Key words: PMJDY, Fianacial inclusion

1. Introduction:

Financial inclusion is increasingly being recognized as a key driver of economic process and helps to eradicate poverty all over the world. Providing access to the formal financial system can boost job opportunities, reduce susceptibility to economic wise fluctuations and increase investments in human capital. Without proper access to formal financial services, individuals and firms must depend on their own limited resources or depend upon costly informal sources of finance to satisfy their financial needs and pursue growth opportunities. At a macroeconomic level, greater financial inclusion can boost sustainable and inclusive socio-economic growth for all. Quantifying financial inclusion progress is usually undertaken across the three dimensions of access, usage and quality.

Financial inclusion could also be defined as, "The process of ensuring access to financial services and timely and adequate credit where needed by vulnerable groups like weaker sections and low-income groups at an inexpensive cost" (The Committee on Financial Inclusion, Chairman: Dr. C. Rangarajan

Examples of financial inclusion can include:

- The provision of zero-balance accounts to the poor.
- The KYC guidelines should be loosen up
- Bank branches should be opened in rural and other remote areas
- Financial education should be provided to the illiterate and the poor.

On 15th August 2014, Shri Narendra Modi announced the Pradhan Mantri Jan Dhan Yojana (PMJDY), one of the biggest financial inclusion initiatives in the world. The Prime Minister had described the occasion on 28th August as a festival to celebrate the liberation of the poor from the chain of poverty. In order to bring about comprehensive financial inclusion and ensure access to banking services for all households in the country, Pradhan Mantri Jan Dhan Yojana is a National Mission on Financial Inclusion. Among the services available are a basic savings account, access to need-based credit, remittances, insurance and pension.

Table 1.1: Pradhan Mantri Jan Dhan Yojana – Beneficiaries as on 09/03/2022 (All figures in crores)

Bank Name / Type	Number of Beneficiaries at rural/semi urban centre bank branches	Number of Beneficiaries at urban metro centre bank branches	No Of Rural-Urban Female Beneficiaries	Number of Total Beneficiaries	Deposits in Accounts (In Crore)	Number of Rupay Debit Cards issued to beneficiaries
Public Sector Banks	22.10	13.27	19.51	35.36	125497.97	27.03
Regional Rural Banks	7.15	1.07	4.76	8.22	32492.28	3.39
Private Sector Banks	0.70	0.59	0.71	1.30	4728.18	1.10
Grand Total	**29.95**	**14.93**	**24.98**	**44.88**	**162718.42**	**31.52**

Source: Pradhan Mantri Jan-Dhan Yojana, Department of Finance services, Ministry of Finance

As of December 15, 2021, 44.12 crore accounts have been opened under the Pradhan Mantri Jan Dhan Yojana, according to the Ministry of Finance. In addition, more than 55 per cent of account holders are women under the PM Jan Dhan Yojana. The coverage is now almost 100%. 60% of the accounts are opened in rural areas, and 40% in urban areas. Share of female account holders is about 51%. RBI Report: India's 'Financial Inclusion Index' is 53.9 by the tip of March 2021. In April 2021, the banking concern of India (RBI) announced that it's constructed a composite Financial Inclusion Index (FI-Index) supported multiple parameters to reflect the broadening and deepening of economic inclusion within the country. As per latest government data, PMJDY now has 42.89 crore beneficiaries (basic checking account holders) with ₹1,43,834 crore total balance. over 1/2 the beneficiaries are women (23.76 crore) while 28.57 crore are from rural and semi urban areas.

2. Literature Review:

Kumar Divyesh & Venkatesha R (2014), in their article “FINANCIAL INCLUSION USING PRADHAN MANTRI JAN-DHAN YOJANA –A CONCEPTUAL STUDY” have given a gist on what is financial inclusion or inclusive financing and how it enables the alternative techniques to promote the banking habits and acts as enabler in reducing the poverty and the launch of Pradhan Mantri Jan Dhan Yojana (PMJDY) by Government of India is in that direction. This paper is an attempt to discuss the overview of financial inclusion using PMJDY in India

Suresh A et al. (2016), in their article “A Study on Financial Inclusion Initiatives and Challenges in India with Reference to PMJDY” points out on the slow pace in the progress on financial inclusion over the decades. The paper highlights its main aim to be eradicating financial untouchability by opening bank accounts for poor.

Meera Rifaya et al. (2016), in their article “Performance of PMJDY Scheme After Demonetization” have mentioned on how demonetization was implemented as a tool to measure the black money in the country. They have attempted to study about the performance of PMJDY scheme after demonetization. The study showed a positive result in the performance of the scheme after the demonetization.

Sharma Neha & Goyal Ruchi (2017), in their article “Pradhan Mantri Jan Dhan Yojana (PMJDY) - A Conceptual Study” gives a gist on various initiatives implemented by the Indian Government along with the PMJDY for financial inclusion. The study tris to find out the success rate of the inclusion in rural areas of Jaipur district after the implementation of this scheme. The results show that Income, financial information from various channels and awareness of PMJDY are influential factors leading to inclusion.

Bijoy Kumar (2018), in his article "Financial Inclusion in India and PMJDY: A Critical Review" shows recent development in banking and insurance sector after the implementing this scheme. The study gives us an insight on the current situation of India regarding the financial inclusion and analyses the government efforts through other policies along with PMJDY. It has also been recommended that policy makers should concentrate on creating job opportunities to improve financial inclusion in our country.

Maity Sudarshan & Sahu Nath Tarak (2020), in their article "Role of public sector banks towards financial inclusion during pre and post introduction of PMJDY: a study on efficiency review" showed a massive shift in the financial inclusion of the financially excluded group after the implementation of the scheme. The paper aims to examine the efficiency of the public sector banks after the introduction of the PMJDY

Gupta Manjula (2020), in her article "A Study of PMJDY in Rising India: A Move for Financial Inclusion" mentions on how financial inclusion broadens the aid base of the monetary device by developing a way of life of financial savings among a huge segment of rural populace. It also points out that financial inclusion is a toll used to measure the development of the country. In a summary in gives us a picture on how PMJDY scheme has played a major part in the development of financial inclusion of our country.

3. Objectives:

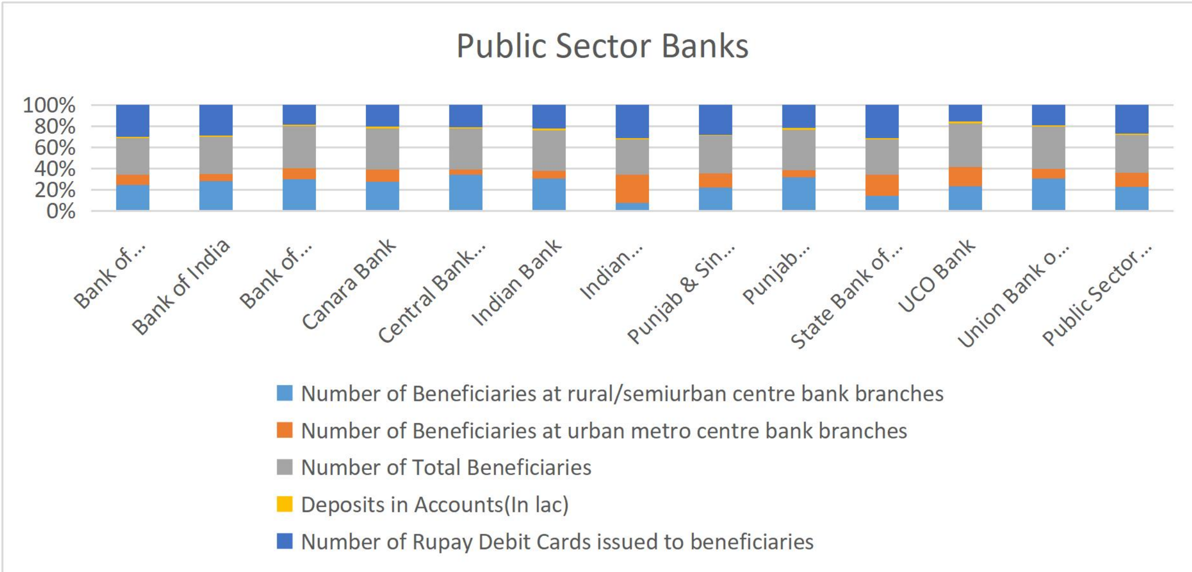
- To analyse the impact of monetary inclusion in society.
- To get a transparent understanding of PMJDY
- To list out the negative implications of PMJDY

4. Benefits of PMJDY Scheme

- One basic savings checking account is opened for unbanked person.
- There isn't any requirement to keep up any minimum balance in PMJDY accounts.
- Interest is earned on the deposit in PMJDY accounts.
- Rupay open-end credit is provided to PMJDY account holder.
- Accident Insurance Cover of Rs.1 lakh (enhanced to Rs. 2 lakhs to new PMJDY accounts opened after 28.8.2018) is offered with RuPay card issued to the PMJDY account holders.
- An overdraft (OD) facility up to Rs. 10,000 to eligible account holders is on the market.
- PMJDY accounts are eligible for Direct Benefit Transfer (DBT), Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), Pradhan Mantri Suraksha Bima Yojana (PMSBY), Atal Pension Yojana (APY), Micro Units Development & Refinance Agency Bank (MUDRA) scheme.

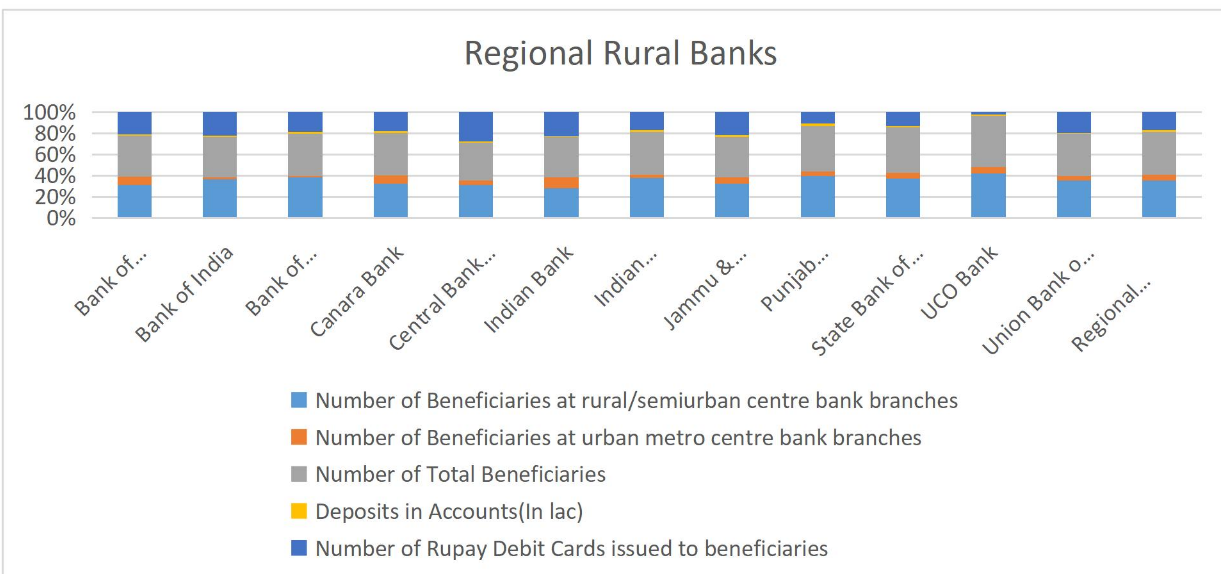
5. Facts and Figures

Chart 5.1: Pradhan Mantri Jan Dhan Yojana – Beneficiaries (Public sector banks)



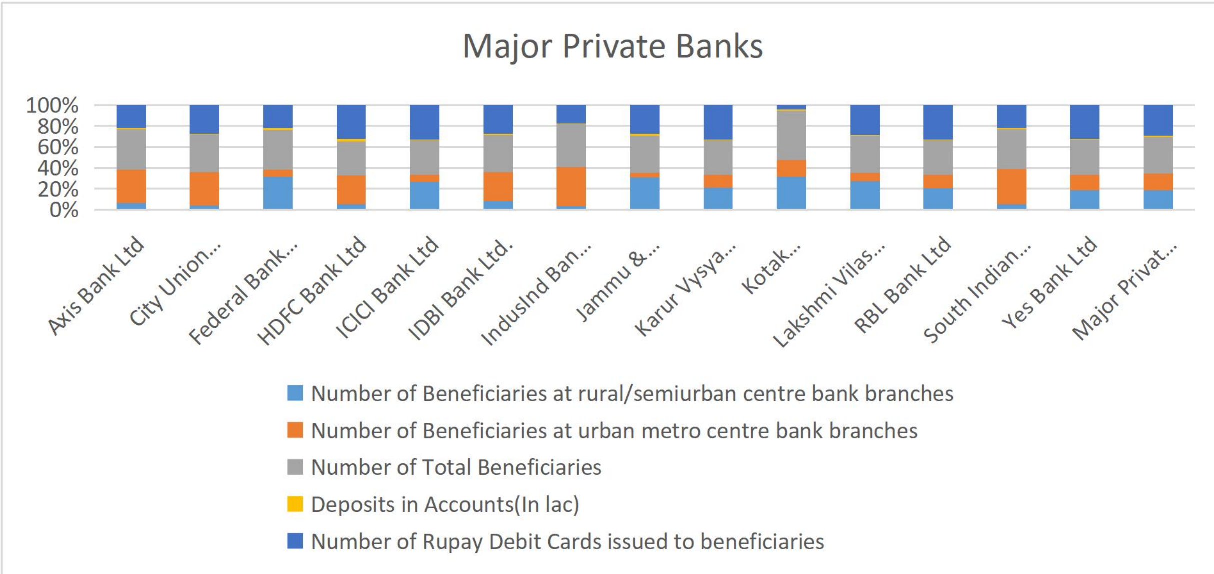
Source: Pradhan Mantri Jan-Dhan Yojana, Department of Finance services, Ministry of Finance

Chart 5.2: Pradhan Mantri Jan Dhan Yojana – Beneficiaries (Regional Rural Banks)



Source: Pradhan Mantri Jan-Dhan Yojana, Department of Finance services, Ministry of Finance.

Chart 5.2: Pradhan Mantri Jan Dhan Yojana – Beneficiaries (Major Private Banks)



Source: Pradhan Mantri Jan-Dhan Yojana, Department of Finance services, Ministry of Finance.

6. Probable Threats of PMJDY

- ATM Network in rural India is a smaller amount hence the people are less alert to using ATM's
- No check on the new account – chances of existing account holders opening additional accounts under this scheme is high
- Government can easily encourage people to open new accounts but the largest challenge is increasing the transactions in those accounts.
- No clarity about non recovery of over draft and also the associated cost.

7. Suggestions

- The base of this scheme being the RuPay debit cards, usage of these cards is unaware by the rural people. Hence awareness about the usage of these systems has to be provided.
- Encouraging people to open bank accounts is not the end of the job, continuous monitoring hon those accounts have to be maintained to avoid any unnecessary problems.
- To make this scheme jump into more action encouragement and facilities should be provided to the people in the rural area which leads to keeping their bank accounts active.

8. Conclusion

One of the best steps ever taken to eradicate poverty is financial inclusion through PMJDY. For the success of any scheme constant review and regular check is incredibly much essential. Successful implementation wouldn't only reduce poverty but also puts a check on corruption. A bold beginning by NDA Government indeed helped many to come back into the most stream of economy and reduce financial untouchability.

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PROMOTING INCLUSIVE GROWTH WITH THE HELP OF SELF HELP GROUPS IN INDIA: A STUDY WITH REFERENCE TO MICRO FINANCING UNDER NABARD

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ABSTRACT

Indian economy comprises of a vast section of diverse and backward population who does not get adequate finance as per their convenience and need. They are often ignored by the apex financial institution of our society and therefore, the role of micro financing and NABARD is very crucial for the economic development of our nation by taking every individual in the process. The idea of micro financing is also well meet by the Self Help Groups of country, which is evolving and becoming a revolution for the poor populations of our economy. The initiatives have got the power to remove financial distress for all, generating financial inclusion in the economy, and thereby creating inclusive growth and development in the process. Therefore, looking at the importance of Self Help Groups and micro finance, the researcher attempted to conduct an empirical study to examine how the Self Help Groups of our country are promoting and influencing the inclusive growth of our economy with the help of micro financing for all. Several variables were used in the study to establish an empirical relationship by conducting statistical tests like correlation and regression analysis by the researcher such that the objectives of the study can be fulfilled and the research hypothesis can be tested to get a clear conclusion about the research work. There were both significant and insignificant results of the study but the Self Help Groups have the capability and opportunity to do much more for the overall financial stability and inclusive growth of our economy.

Keywords: *Economy, Inclusive Growth, Micro Financing, NABARD, Self Help Groups.*

JEL Classification: C12, C32, C88, D53, Y10.

INTRODUCTION

For an economy to prosper, its financial stability is of crucial importance which drives the nation towards sustainable development. A strong financial system not only alleviates poverty but also improves livelihood thereby improving the local economy in the process. Not only creating, but also ensuring macroeconomic stability in country increases sustainability over a longer period of time by building institutions and changing wider systems and organizations within the country. Inclusive growth in our economy can be achieved with the help of micro financing that can reduce several social problems along with reducing the problem of unemployment. Inclusive growth means the progress of an economy by taking all in the process which reduces poverty to a greater extent by providing equal opportunity to all along with empowering individuals through various development in skills and education. Therefore, inclusive growth is very important for every country to develop from its root and for that micro financing with the help of Self Help Groups (SHGs) is one of the major aspect that can drive our nation towards such sustainable growth. The role of National Bank for Agricultural and Rural Development (NABARD) is also very crucial for the improvement of backward society and it is playing its part silently as a facilitator of micro finance initiatives in our economy which also innovates micro financing and provides micro credit for the needy and deserving ones. Our society has a vast group of diversified and poor population and for that micro financing is a necessary term, which can be meet adequately with the help of Self Help Groups in every corner of our economy, such that we can take a step forward towards inclusive growth.

REVIEW OF LITERATURE AND RESEARCH GAP

Krishnan (2000) examined the reach and spread of micro finance along with SHGs across our country and the efforts of various different agencies involved in it. The researcher identified that the SHG of our country brings financial discipline along with timely repayments especially among small borrowers and it was further pointed out that there is need for coordinated action among various agencies for full inclusive growth. **Ranjan and Chattoraj (2013)** found out that micro financing in India has much to offer for the rural population for their financial improvement and it also reduces vulnerability of the poor for adverse circumstances which ultimately helps in sustaining the process of development of our nation. **Parwez (2015)** identified that micro finance is basically an intervention where poor individuals can mobilize their savings and link it with credit to become self sufficient regarding finance on their own. The researcher also found that on the basis of NABARD initiative, micro financing has become a revolution in our economy which powerfully alleviates poverty especially in the rural and backward population of our country. **Kandpal (2022)** studied the development happened with the help of Self Help Groups in our nation and the researcher found that micro finance institutions are looking to empower individuals, and especially women by increasing their habit of savings to generate finance in need, but the researcher also pointed out that financially empowerment can only be achieved by creating financial awareness among themselves.

Based on the extensive review of available literature, the researcher has identified that there is an immense importance to conduct the current study to drive our economy towards inclusive growth with help of micro financing and SHGs under the initiative of NABARD. It was found out that currently there is no such research work undertaken for in taking the knowledge about inclusive growth with the help of various initiatives, and considering the social significance of the study, the researcher choose to conduct the research work.

OBJECTIVES OF THE STUDY

The research work has been concentrated with the following research objectives mentioned by the researcher based on the need of the study:

1. To examine how the Self Help Groups of our nation are promoting Inclusive growth in our country.
2. To know the importance of Self Help Groups and NABARD for the nation’s financial growth and development.
3. To know how micro financing are influencing the inclusive growth of our nation in the recent scenario.

RESEARCH QUESTIONS

Depending on the objectives of the current study, the following research questions have been considered and extracted by the researcher:

1. Are the Self Help Groups of our nation effectively promoting the inclusive growth in our country?
2. What roles does the Self Help Groups along with NABARD play for the nation’s financial growth and development?
3. Is micro financing under NABARD influencing the inclusive growth of our nation in the current scenario?

RESEARCH HYPOTHESIS

The following testable and formulated research hypothesis of the study has been developed by the researcher based on the objectives and necessity of the study:

- H_{01}: There exists no significant impact of savings with Self Help Groups on our nation’s Gross Domestic Product.
- H_{02}: There exists no significant impact of loan disbursements to Self Help Groups on our nation’s Gross Domestic Product.
- H_{03}: There exists no significant impact of loan outstanding against Self Help Groups on our nation’s Gross Domestic Product.

RESEARCH METHODOLOGY

Methodology states the technique that has been used to carry out the research work and how the study has been conducted in a proper manner. Here in the study, research methodology consists of sources of data and period of the study; and selection of variables and statistical tools used.

Sources of data and Period of the Study: The current study is based on secondary sources of data and information which is empirical, explorative and analytical in nature. The secondary sources of available data and information has been collected from various research articles, news bulletins, journals, news reports and published information, which was used to answer the above mentioned research questions and to fulfill the research objectives of the study. The current study is conducted over a period of last ten financial years ranging from the financial year 2010-11 to 2019-20 and the data has been collected from the portion Status of Microfinance in India under the website of NABARD.

Selection of Variables and Statistical Tools used: Four variables are considered in the study for the purpose of identification of empirical relationship in the study based on its need and importance. Among the four different variables used in the study, Gross Domestic Product (GDP) has been considered as the dependent variable which represents inclusive growth of our country and the rest three variables being the explanatory variable, they represents the part of Self Help Groups of our economy, and therefore the independent variables that have been selected are Savings with Self Help Groups, Loan disbursements to Self Help Groups, and Loan outstanding against Self Help Groups. For the statistical part of the study, SPSS software has been used and accordingly Pearson's Correlation Coefficient was conducted to find the association between the dependent and independent variables. Based on the significant results of the correlation matrix, multiple regression analysis was then conducted such that to find the impact of independent variables on the dependent variable and furthermore to test the developed hypothesis of the study. Also, log transformation has been used for all the selected variables in the study to make data better normal and then proceed with the statistical tests. Finally, based on the findings of the study, suitable and logical conclusion was given by the researcher.

DATA ANALYSIS AND FINDINGS

To fulfill the research objectives of the study based on the above asked research questions and to test the above formulated research hypothesis on the basis of the well narrated research methodology of the study, the researcher has gone through the following systematic procedure to find and establish an empirical relationship between the Gross Domestic Product of our nation along with the variables related to Self Help Groups of our country:

Table 1: Pearson's Correlation

		GDP	Savings with SHGs	Loan disbursed to SHGs	Loan outstanding against SHGs
GDP	Pearson Correlation	1			
	Sig. (2-tailed)				
	N	10			
Savings with SHGs	Pearson Correlation	.987(**)	1		
	Sig. (2-tailed)	.000			
	N	10	10		
Loan disbursed to SHGs	Pearson Correlation	.991(**)	.990(**)	1	
	Sig. (2-tailed)	.000	.000		
	N	10	10	10	
Loan outstanding against SHGs	Pearson Correlation	.768(**)	.785(**)	.829(**)	1
	Sig. (2-tailed)	.009	.007	.003	
	N	10	10	10	10

** Correlation is significant at the 0.01 level (2-tailed).

Source: Researcher's own Computation

Table 1 is all about the Pearson's Correlation which clearly shows that there is a linear and significant association at 1% level of significance between the dependent variable Gross Domestic Product of our nation with its independent variables related to the Self Help Groups of our country. It is further observed that there is a high positive correlation with a value of 0.987 between the dependent variable GDP and its independent variable Savings with SHGs which is significant at 1% level of significance that which indicates a positive and strong association between GDP and Savings with SHGs of our country. There is also a positive and high correlation between the dependent variable GDP and its independent variable Loan disbursed to SHGs at a value of 0.991that is also significant at 1% level of significance indicating a strong and positive association between GDP and Loan disbursed to SHGs of our country. The correlation between GDP with its independent variable Loan outstanding against SHGs has a value of 0.768 that is moderate and positive, which is significant at 1% level of significance indicating a moderate and positive association between GDP and Loan outstanding against SHGs of our country. Therefore, the Pearson's Correlation gives a clear indication that there is a strong and positive association between the dependent variable GDP of our nation with its explanatory variables and it can be further said that there is positive relationship between inclusive growth represented by GDP and nature of work done by SHGs of our economy.

The researcher further proceeds with multiple regression analysis to establish an empirical relationship between the dependent variable GDP with its exploratory variables since the Pearson's Correlation Coefficient provides a positive and significant association between dependent variable with its independence variables. Log transformation has been used in the study for the value of dependent and independent variables such that the relationship can be better established and thus the study was further examined by formulating the below mentioned multiple regression model:

$\text{Log } Y = \beta 0 + \beta 1 [\text{Log } X1] + \beta 2 [\text{Log } X2] + \beta 3 [\text{Log } X3] + \varepsilon$

Where, Y = Nation's Gross Domestic Product;

X1 = Savings with Self Help Groups;

X2 = Loan disbursements to Self Help Groups;

X3 = Loan outstanding against Self Help Groups;

β0 is the constant term and the slope of the regression which measures the amount of change in Y

associated with an unit change in β; and

ε is the Error term.

Table 2: Regression Model Summary

R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
.995	.991	.986	.03861	2.490

a Predictors: (Constant), Loan outstanding against SHGs, Savings with SHGs, Loan disbursed to SHGs

b Dependent Variable: GDP

Source: Researcher's own Computation

The regression model summary depicted above in Table 2 shows that the value of R which is the correlation coefficient between the dependent and explanatory variables is at 0.995, which is significant at 1% level of significance indicating a linear and significant association between the dependent variable GDP with its independent variables related to SHGs i.e. the Savings with the Self Help Groups, Loan disbursements to Self Help Groups, and Loan outstanding against Self Help Groups. The R square value according to the table is 0.991, which indicates that more than 99% of variation in the dependent variable GDP has been explained by its exploratory variables related to SHGs. The value of adjusted R square is also very high at 0.986 and there is no first order autocorrelation present in the regression model which can be visible clearly from the Durbin-Watson value at 2.490 in the table.

Table 3: ANOVA Table

	Sum of Squares	df	Mean Square	F	Sig.
Regression	.933	3	.311	208.630	.000
Residual	.009	6	.001		
Total	.942	9			

a Predictors: (Constant), Loan outstanding against SHGs, Savings with SHGs, Loan disbursed to SHGs

b Dependent Variable: GDP

Source: Researcher's own Computation

From the above ANOVA Table represented in Table number 3, it can be seen that the value of F is 208.630, that which measures the ratio between the mean square of regression and the error term, is significant at 1% level of significance. The ANOVA Table also tells about the overall fitness of the regression model and here the model is significant and reliable one with good predictor which can be observed from its p value at 0.000 accordingly.

Table 4: Regression Coefficients

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	8.338	.160		52.241	.000		
Savings with SHGs	.008	.207	.013	.040	.969	.16	6.352
Loan disbursed to SHGs	.659	.207	1.118	3.178	.019	.13	7.823
Loan outstanding against SHGs	-.061	.029	-.169	-2.108	.080	.246	4.073

a Dependent Variable: GDP

Source: Researcher's own Computation

The above regression coefficient table gives us the regression equation which is given below as follows:

$\text{Log } Y = 8.338 + 0.008[\text{Log } X1] + 0.659[\text{Log } X2] – 0.061[\text{Log } X3] + \varepsilon$

The table of regression coefficients along with its equation shows the estimated value of the coefficients along with its intercept terms including their P values. According to the table, it can be depicted that the constant term along with the coefficient of the independent variables are significant at 5% level of significance. It was also found that the unstandardized beta value of Savings with SHGs is 0.008 which is not significant at 5% level of significance with a P value of 0.969 which is more than 0.05 and having its t value at 41.040. The unstandardized beta value of the explanatory variable Loan disbursed to SHGs is 0.659, which is significant at 5% level of significance since its P value is less than 0.05 at 0.019 with a t value of 3.178, explains that for every 1 unit change in Loan disbursed to SHGs there will be an 0.659 unit change in GDP of our country. Finally, the unstandardized beta value of the independent variable Loan outstanding against SHGs is -0.061, which is also not significant at 5% level of significance with a P value of 0.080 that is more than 0.05 and having its t value at -2.108, indicates that the explanatory variable have no significant impact on the GDP of our nation. The value of tolerance level and Variance inflation factor (VIF) for each and every independent variable in table 4 also indicates that the regression model is free from multicollinearity among the variables.

DISCUSSION AND CONCLUSION

It was observed from the data analysis and findings of the study, that there were both significant and insignificant results to test the developed hypothesis on account of promoting inclusive growth in our country with the help of Self Help Groups and micro financing under NABARD in India and therefore the results of the formulated hypothesis of the study are further discussed below as follows:

- H_{01} is not rejected at 5% level of significance and there exists no significant impact of savings with Self Help Groups on the Gross Domestic Product of our country.
- H_{02} is rejected at 5% level of significance and it was found that there exists a significant impact of loan disbursements to Self Help Groups on our nation's Gross Domestic Product.
- H_{03} is not rejected at 5% level of significance and therefore it can be said that there is no significant impact of loan outstanding against Self Help Groups on our nation's Gross Domestic Product.

Accordingly, it can be clearly said that the nature of work done by the Self Help Groups of our country and the disbursement of loans to such groups are the main influencing factor for inclusive growth and development in our economy. The savings of the Self Help Groups including micro financing under the process are too small in amount to influence the Gross Domestic Product of our country and thereby inclusive growth in the process. The amount of loan disbursements to Self Help Groups are quite large in number and thereby it has the power to influence the growth and development of our economy, especially at a time when the groups are evolving and empowering themselves with self sufficient funds and finance at times of their need. Therefore, the amount of loan disbursements to Self Help Groups is having a positive impact on the development and inclusive growth of our economy but on the other hand, loan outstanding against the Self Help Groups is having no significant impact on the Gross Domestic Product of our country since it negatively influences our economy and it does not add anything to our society rather the amount outflows in a certain way creating a negative impact in the process of inclusive growth of our country. The SHGs of our country are the main source of micro financing especially among women's in downgraded areas of our society and it is on the verge of rise which is definitely creating growth by taking all in the process. The SHGs under the guidance of NABARD have the capability and capacity to do much more beyond its potential and the groups can also solve the problem of adequate finance for the poor and economically weaker sections of the society if they are nurtured properly and given sufficient amount of loans in need for the overall society. Mobilization of credit to the SHGs needed to be adequately taken care of by the policy makers and institutions, since a lot of individuals today are dependent on the groups, who are improving their lifestyle and making it better day by day with the help of micro finance through Self Help Groups. In a diverged economy like India, the informal association in form of SHGs has the capability to improve the livelihood of the deprived sections of the society, and thus it can achieve inclusive growth by providing financial services to each and every individual of our society.

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ROLE OF PRADHAN MANTRI JAN- DHANYOJANA IN FINANCIAL INCLUSION

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Abstract:

The Pradhan Mantri Jan-DhanYojana (PMJDY)is a National Mission for Financial Inclusion that aims to provide inexpensive access to financial services. Since its inception in 2014, this scheme has helped millions of people gain access to the banking services. It is a crucial government initiative aimed at achieving widespread financial inclusion and progressing toward inclusive growth. This article aims to investigate the scheme in depth, as well as its progress across the country.

Keywords: PMJDY, Financial inclusion, Financial services, Growth, Banking.

INTRODUCTION

Financial inclusion refers to the provision of financial services such as basic bank accounts, deposit and saving facilities at a low cost to the poor and underserved sectors of society, as well as those who do not have access to the banking system, so that they can benefit from basic banking services and be integrated into the formal banking system. The concept of financial inclusion was born in India in 2005, when its relevance was recognised and the banking sector was allowed leeway to devise the best techniques for attracting individuals to the banking sector by offering low-cost banking services. The Reserve Bank of India is playing a key role in promoting financial inclusion, with the goal of involving every single household. Although the government of India and our banking sector are working hard to meet financial inclusion goals, they are seeing positive results. There are various obstacles in the way of financial inclusion that act as roadblocks to achieving financial inclusion goals. Because the majority of India's population lives in rural areas, they have limited access to formal banking services. This is where financial inclusion comes into play by offering banking services to rural residents and bringing them into the financial system.

PRADHAN MANTRI JAN-DHAN YOJANA (PMJDY)

The Pradhan Mantri Jan-Dhan Yojana (PMJDY) Scheme's aim is to make financial services more accessible to all people in an affordable manner. The Benefits of PMJDY is as follows:

- Unbanked people are given access to a basic savings account.
- In PMJDY accounts, there is no requirement to maintain a minimum balance.
- In PMJDY accounts, interest is earned on deposits.
- PMJDY account holders are given a Rupay Debit card.
- With the RuPay card supplied to PMJDY account holders, an accident insurance cover of Rs.1 lakh is available (increased to Rs.2 lakh for new PMJDY accounts opened after 28.8.2018).
- An overdraft (OD) facility of up to Rs 10,000 is provided to qualifying account holders.
- Direct Benefit Transfer (DBT), Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), Pradhan Mantri Suraksha Bima Yojana (PMSBY), Atal Pension Yojana (APY), and Micro Units Development & Refinance Agency Bank (MUDRA) are all available to PMJDY accounts.

REVIEW OF LITERATURE

Atkinson, A. and F. Messy (2013) stated that financial inclusion is the process of promoting affordable, timely, and adequate access to a wide range of regulated financial products and services, as well as broadening their use by all segments of society, through the application of tailored existing and innovative approaches, such as financial awareness and education, with the goal of promoting financial well-being and economic and social inclusion.

Garg and Aggarwal (2014) examined the fact that, despite the efforts of regulators, governments, banks, and others, the results do not meet the needs or expectations. Banks must use information, communication, and technology, as well as creative products, to help the poor and underserved.

Shafi.M.K and Muhammed (2021) aimed to look into various bank and government programmes related to financial inclusion in general and PMJDY in specific. This is a secondary data-based exploratory study. This research also intends to examine the state of banks' financial inclusion through PMJDY, as well as compare bank financial performance before and after PMJDY. With the aid of SPSS, quantitative analysis was carried out using the Paired Sample t-test.

OBJECTIVES OF THE STUDY

1. To assess how far PMJDY and the financial inclusion process have progressed.

2. To determine the best methods for achieving India's financial inclusion goals.

RESEARCH METHODOLOGY

The current study is descriptive in nature and is based on secondary data obtained from a variety of sources, including government publications, the RBI's annual report, and other published sources about financial inclusion, in order to make the study understandable and simple.

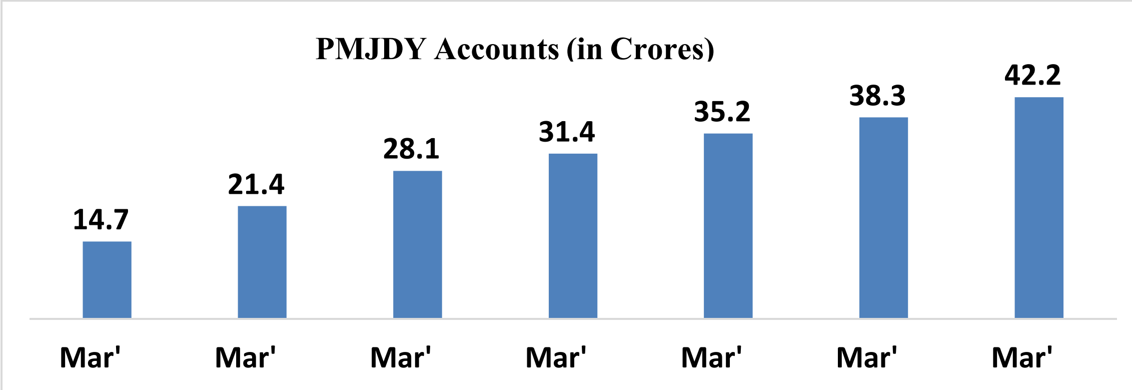
PERFORMANCE OF PRADHAN MANTRI JAN-DHAN YOJANA

The performance of PMJDY in terms of accounts opened, deposit balance and average deposit balance over the time is tabulated as under:

S.No	Item	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21
1	No. of PMJDY accounts (in Crore)	14.72	21.43	28.17	31.44	35.27	38.33	42.20
2	Deposit in PMJDY accounts (in Rs. Cr)	15,670	35,672	62,972	78,494	96,107	1,18,434	1,45,551
3	Average Deposit per PMJDY account (in Rs.)	1,065	1,665	2,235	2,497	2,725	3,090	3,449
4	Number of RuPay debit cards issued to PMJDY account-holders (in Crore)	13.14	17.75	21.99	23.65	27.91	29.30	30.90

Source: Secondary Data

On important metrics, constant development has been recorded under PMJDY over the years, as shown in the table above. Since its start, over 42 crore new accounts have been established, with the newly banked depositing over Rs. 1,45,551 crore in the official banking system. The total number of active PMJDY accounts has risen from 17.01 crore in March 2017 to 36.26 crore in March 2021. Women account for 55.40 percent of Jan-Dhan accounts, and rural and semi-urban regions account for 65.99 percent of Jan-Dhan accounts.



Progress of number of PMJDY Accounts

Rapid expansion of PMJDY accounts: In March 2015, accounts created under PMJDY had an average amount of Rs. 1,065; as of 31.3.2021, the average value had increased to Rs. 3,449, with an aggregate balance in PMJDY accounts of Rs 1,45,551 crore.

Women's financial inclusion is accelerating: in March 2014, 27 percent of all savings accounts were held by women. Women, on the other hand, account for 55.40 percent of total Jan Dhan accounts as of 31.3.2021.

RuPay Debit Cards: A total of 30.90 crore RuPay debit cards have been provided to PMJDY account holders till March 31, 2021.

Overdraft facility for PMJDY account holders: After six months of acceptable operation in the account, an overdraft facility of up to Rs 5,000 (now increased to INR 10,000) is available to give hassle-free credit to PMJDY beneficiaries. PMJDY has been extended beyond 14.8.2018 in order to further deepen financial inclusion actions in the country, with the focus on account opening changing from "every household" to "every unbanked adult" and the plan being made more appealing with the following modifications:

i. The existing Over Draft (OD) limit of Rs. 5,000 has been increased to Rs. 10,000; ii. There will be no conditions for OD up to Rs. 2,000;

iii. The age limit for using the OD facility has been increased from 18-60 to 18-65 years; and iv. The accidental insurance cover for new RuPay card holders has been increased from Rs. 1 lakh to Rs. 2 lakh for new PMJDY accounts opened after August 28, 2018.

Bank Category wise Report as on 01/03/2022

Bank Name / Type	**Number of Total Beneficiaries**	**Deposits in Accounts(In lac)**	**Number of Rupay Debit Cards issued to beneficiaries**
Public Sector Banks	353123938	12385979.50	269661222
Regional Rural Banks	82117791	3224845.70	33914656
Private Sector Banks	12969538	473161.91	11020592
Grand Total	448211267	16083987.11	314596470

Source: Secondary Data

The above table portrays that the public sector banks are leading in the implementation process of financial inclusion other than regional rural and private sector banks.

METHODS FOR ACHIEVING INDIA'S FINANCIAL INCLUSION GOALS

Account with No Frills

All commercial banks and regional rural banks in India have been directed by the Reserve Bank of India to come forward and engage people in formal banking. Banks are increasingly offering zero-balance accounts and giving services to the impoverished and unbanked so that they can benefit fully from the financial system.

Simple KYC Requirements

To make documentation, process, and conventions connected to getting to know your consumers as simple as possible, so that more and more people are involved. Now, under the PMJDY programme, you may create a bank account with just one document, which will encourage uninformed clients to visit banks due to the lengthy verification procedure.

Rural Branches Expansion

According to RBI standards, each bank must set aside 25% of its total branch plan for rural regions so that additional rural branches may be built and individuals living in rural and distant locations can benefit from bank services. Apart from that, license requirements for new branches have been simplified, allowing banks to build additional branches and extend their network.

General Credit Cards

On the basis of RBI recommendations, banks are now distributing GCC to their clients in order to give credit to the needy and disadvantaged. These generic credit cards will assist people in obtaining financing for their production needs, therefore boosting manufacturing and jobs in rural regions. In the near future, more GCC will be released with other banking instruments that will aid in circulation.

Financial Literacy

To address the issue of financial illiteracy, the government of India and the Reserve Bank of India (RBI) have begun to promote financial education among young customers and students in order to raise awareness among them so that they can benefit from the banking system and use their knowledge to help the poor.

CONCLUSION

The PMJDY initiative aims to reach the weakest and poorest sections of society through banking services and microfinance facilities. Although the PMJDY is doing an excellent job of guaranteeing widespread participation and offering low-cost financial services and banking facilities, more financial education and understanding about the benefits of banks and basic banking facilities is still needed. Banks must open additional branches in rural regions, as well as financial facilities and ATMs in remote places. PMJDY must make efforts to reach its aims by establishing new accounts and assuring less and less financial exclusion on a continuous basis, using innovative and well-designed goods that can serve to the demands of poor and needy people.

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"THE ROLE OF RRB'S IN MICROFINANCE: AN EVIDENCE FROM ASSAM"

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ABSTRACT

With the goal of high rate financial inclusion Indian policy makers are trying various innovative ways to include the population to avail the financial products and services. As India has the second largest population in the world more than half of the people lives in rural areas. Due to this the Regional Rural Banks(RRB) are the appropriate measure to reach the rural households. NABARD facilitate RRB's with various grants, loans and supports with a vision to reduce the financial exclusion rate. This paper tries to examine the current status and the role of the RRB's in microfinance with some relevant factors. The research is based on the secondary sources that are collected from RBI bulletin, NABARD Annual Reports, article, research papers and government official websites. The expected outcome pointed out the rate of loan disbursed, loan outstanding and NPA of SHG's with RRB's.

INTRODUCTION

All over the world specially in developing and least developing countries microfinance programm are being considered as an significant avenue to uplift the economy. Microfinance has roots in 1970's when Grameen Bank of Bangladesh founded by Muhammad Yunus. It is a banking service refers to the process of lending money to the Urban- rural and low income group of people to make them self reliant.

With the tremendous growth of population in India, financial inclusion may not be possible without microfinance as 65.07% people resided in the rural areas. The first initiative of India to introduce microfinance was Self Employed Women's Association(SEWA) Bank in Gujrat in the year 1974. From that time to till the date Government has tried various significant initiatives towards financial inclusion. NABARD through the department of Micro Credit Innovations has continued its role as the facilitator of microfinance all over the country. It resulted in the tremendous growth of microfinance sector in India through different approaches like

(a)Self help group Bank linkage Programme- Aims to deliver financial services and products to the Indian population that has lack access of formal banking. During the year 1992-93 it was started to link about 500 SHGs but now it is become the largest microfinance programme in the world.

(b)Financing of Joint Liability Groups- Joint liability groups are 4-10 members of informal group who are engaged in similar economic activities. With the support of 13 RRB's in 8 states NABARD introduced the project in 2004-05.

(c)Micro Enterprise Development Programme- This programmes are on location skill development training programme which attempts to bridge and optimize the skills of the SHG's members.

Apart from the above NABARD also imparts training and capacity building of various members, Livelihood and Enterprise Development Programmes, Schemes for promotion of women SHG's in backward areas through commercial banks, co-operative banks, various private sector banks and Regional Rural Banks. In this context the paper present an analysis about the role and the performance of RRB's in Assam. An attempt has been made to find out the various factors like total SHG's bank linked, disbursed & outstanding loan and NPA of RRB's.

OBJECTIVES OF THE STUDY

To draw a comparative analysis of loan distribution, loan outstanding, Non Performing Asset(NPA) of the Regional Rural Banks of Assam over the years i.e., from 2017-2021.

RESEARCH METHODOLOGY

The study is mainly based on the secondary data. The sources of data were NABARD Annual Reports, RBI Websites, GOI websites, various journals, Articles and Magazines. India's North Eastern region is consists of seven states viz., Assam, Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Tripura and Nagaland(excluding

Sikkim). For this study the performance of Regional Rural Bank of Assam has been considered from the year 2017-2021. A comparison was conducted on the basis of four factors i.e., (a) Progress under microfinance – savings of SHGs with RRBs (b) RRB's loan disbursed to SHG's (c) RRB's loans outstanding against SHG's (d) NPA's against bank loan to SHG's. An effort has been made to analyze the percentage changes with base year 2017-2018. For percentage calculation of all the four factors the used formula is

Current year/Base year*100

LITERATURE REVIEW

Anoop(2015) assess the role of RRBs in last few years focusing on their contribution in the field of micro financing. The paper also argues that in the economy as vast and varied as India, there is scope for diverse microfinance approach to co-exist in future. MS Sriram(2005) reviews the performance of formal institutional channels of microfinance and the new forms of collaboration in the delivery of microfinance services. Dr. Manoj(2015) makes a detailed analysis of the pattern and trend of microfinance exposure by formal institutions in India with a focus on Kerala. Commercial banks represents the largest share of 72.48% of the total microfinance exposure. In case of PSB's deserves a special mention and in case of private sector need to enhance their business further.

DATA ANALYSIS AND INTERPRETATION

In north east, Assam receives the highest amount of support from Government. From the study the amount of savings in the year 2018-19 was 124.07% which was increased gradually 149.99% and 227.03% by the year 2019-20 and 2020-2021. In the year 2018-19 the savings amount of exclusive women was 133.64% which increases to 186.98% and 315.83% by the year 2019-2020 and 2020-2021. In case of SGSY scheme in the year 2018-19 savings amount of SHG's was 103.38% which was declined in the year 2019-2020 by 10.63%. By the year 2020-21 the amount of savings increases by 28.68% (refer table 1).

Table 1: Statement of Savings of SHG's with RRB's

State/ Year	Details of SHG's - saving linked with bank			out of total SHG's exclusive women SHG's			out of total SHG's under SGSY scheme		
	No of SHG's	of Saving's(in lakh)	Percentage (+) or (-)	No of SHG's	of Saving's(in lakh)	Percentage (+) or (-)	No of SHG's	of Saving's(in lakh)	Percentage (+) or (-)
Assam 2017-18	257671	13325.3	100 %	138773	7867.87	100%	32470	292.18	100%
2018-19	268174	16533.9	124.079	144014	10514.8	133.643	3221	302.07	103.385
2019-20	284479	19987.7	149.997	158671	14711.4	186.981	373	31.06	10.6304
2020-21	296269	30253.2	227.035	170643	24849.4	315.834	375	83.8	28.681

Source: Data compiled from NABARD Annual Reports

In case of loan disbursement for the savings linked with bank in the year 2018-19 the loan disbursed was 61.36% which increases 129.53% and 254.92% by the year 2019-2020 and 2020-2021. For the scheme of exclusive women SHG's it was shown the loan disbursed amount in the year 2018-19 was 56.91% which increases to 135.66% and 270.95% by the year 2019-20 and 2020-21 respectively. For the scheme SGSY the amount of loan disbursed in the year 2018-19 was 51.10% which was shown increasing trend by the subsequent year i.e., 143.45% and 293.97% by the year 2019-20 and 2020-21(refer table 2).

Table 2: Statement of Loan disbursed amount of SHG's with RRB's

State/ Year	Details of SHG's -saving linked with bank			out of total SHG's exclusive women SHG's			out of total SHG's under SGSY scheme		
	No of SHG's	Total Loan Disbursed(in lakh)	Percentage (+) or (-)	No of SHG's	Total Loan Disbursed(in lakh)	Percentage (+) or (-)	No of SHG's	Total Loan Disbursed(in lakh)	Percentage (+) or (-)
Assam 2017-18	21175	19400.1	100%	19189	18243.8	100%	7577	14507.7	100%
2018-19	8687	11904.6	61.3636	7578	10383.8	56.9167	5381	7413.59	51.1012
2019-20	14265	25129.9	129.534	14076	24750.4	135.665	11678	20812.3	143.457
2020-21	26761	49456.5	254.928	26740	49432.1	270.953	23331	42648.8	293.974

Source: Data compiled from NABARD Annual Reports

In case of loan outstanding for savings linked to bank in the year 2018-19 loan outstanding was 97.15% which gradually increases to 115.21% and 169.52% by the year 2019-2020 and 2020-2021 respectively. For the exclusive women SHG's scheme loan outstanding in the year 2018-19 was 63.12% which increases to 85.80% in 2019-20 and 175.78% in the year 2020-21. For the SGSY scheme loan outstanding in the year 2018-19 was 131.78% which increases to 393.64% in the year 2020-21.(refer table 3).

Table 3: Statement of Loan outstanding amount of SHG's with RRB's

State/ Year	Details of SHG's -saving linked with bank			out of total SHG's exclusive women SHG's			out of total SHG's under SGSY scheme		
Assam	No of SHG's	Total Loan Outstanding (in lakh)	Percentage (+) or (-)	No of SHG's	Total Loan Outstanding (in lakh)	Percentage (+) or (-)	No of SHG's	Total Loan Outstanding (in lakh)	Percentage (+) or (-)
2017-18	62061	40076.6	100%	59452	38098.9	100%	23146	11754.1	100%
2018-19	57464	38935.2	97.1519	32527	24050.8	63.1274	22372	15490.1	131.784
2019-20	61210	46172.4	115.21	41611	32690	85.8031	27334	24127	205.264
2020-21	73035	67941.4	169.529	71324	66971.8	175.784	43289	46270	393.649

Source: Data compiled from NABARD Annual Reports

In Assam, NPA for savings linked with bank in the year 2017-18 was 13.73% to the loan outstanding which was increased to 37.77% in the year 2018-19. After that by the subsequent two years number of NPA was declined by 31.96% and 22.73% by the year 2019-20 and 2020-21 respectively. In case of exclusive women SHG's scheme NPA in the 2017-18 was 14.41% to the loan outstanding which was increased to 21.74% in the year 2018-19.

After that in the year 2019-20 NPA was declined to 14.91%. Again in the year 2020-21 NPA was increased by 21.67%. For the SGSY scheme NPA in the year 14.9% to the loan outstanding which was increased to 16.07% in the year 2018-19. In the subsequent year the percentage of NPA decreased to 9.88% and 6.42% by the year 2019-20 and 2020-21(refer table 4).

Table 4: Statement of NPA Amount and Percentage of SHG's with RRB's

State/ Year	Details of SHG's - saving linked with bank		out of total SHG's exclusive women SHG's		Out of total SHG's under SGSY scheme	
Assam	Amount of NPA's(in lakh)	NPA as %age to Total Loan O/s	Amount of NPA's(in lakh)	NPA as %age to Total Loan O/s	Amount of NPA's(in lakh)	NPA as %age to Total Loan O/s
2017-18	5501.37	13.73	5490.65	14.41	1751.68	14.9
2018-19	14703.99	37.77	5229.09	21.74	2586.17	16.7
2019-20	14755.55	31.96	4873.28	14.91	2384.03	9.88
2020-21	15444.61	22.73	14513.38	21.67	2971.78	6.42

Source: Data compiled from NABARD Annual Reports

FINDINGS AND CONCLUSION

From the above study we can observed that for the first two schemes savings of SHG's is very satisfactory as the trend of savings goes up but in case of SGSY scheme the savings decreases in the year 2019-20. In case of loan disbursement all the three schemes has receives satisfactory amount of disbursement. For the scheme SGSY has the highest growth in loan disbursement in the year 2020-21. Every year for all the schemes loan disbursement amount has a increasing trend. In case of loan outstanding the trend is not satisfactory as it has a increasing trend. Over the three years for the all schemes outstanding amount increases with high growth rate. As compared to outstanding amount for the savings linked with bank schemes increases in the year 2018-19 and then falls gradually by the subsequent years. For the Women SHG's scheme the NPA rate first increases in 2018-19 then it started declining but again it has shown increasing trend by the year 2020-21. But in case of SGSY scheme NPA shows a decreasing trend over the years.

After analyzing the present status of microfinance in Assam we come to know that the people of rural Assam can easily avail microcredit and microfinance facility. The performances of RRB's are highly appreciable. The disbursement rate has a satisfactory growth but due to the high outstanding rate the growth of microfinance has become slack. If banks has the authority to decide the loan amount, provide a productive way to use the credit facility, demonstration facility then the rate of outstanding may decreases over the years. This type of steps would help the people of rural areas to increases their livelihood and can cross the below poverty line. From the side of the Government of Assam also trying their best to revive the rural economy which was devastated by the pandemic. As Assam is mainly based in agriculture banks and other institution should focus on the delivering the financial products related with the agriculture. By the years it has shown that the financial inclusion rate in Assam growing rapidly which indicate the overall economic development.

LIMITATIONS AND SCOPE OF THE STUDY

The study is mainly based on performances of RRB's in Assam for the three schemes that are savings linked with banks of SHG's, Exclusive women's SHG's and SGSY scheme. Moreover the study considered only four years of data. These aforesaid limitations can be use by the future researcher as a scope of the study in this area.

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AN OVERVIEW OF BASIC SAVINGS BANK DEPOSIT ACCOUNT -A FINANCIAL INCLUSION INITIATIVE OF RESERVE BANK OF INDIA AND COMPARATIVE ANALYSIS OF ITS FEATURES

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Abstract

Financial Inclusion activities are all about including those who are excluded from basic minimum financial purview. Such financial inclusion is possible through special schemes and awareness campaigns especially through banking concerns. In India, The Reserve Bank of India, being an apex of banking system, has initiated various products, schemes, services and campaigns in this regard. One such initiative directed towards this objective came in November, 2005 from RBI when it notified a road map for Financial Inclusion- trough 'Access to Banking Services' in the form of 'The Basic Savings Bank Deposit (BSBD) Account'.

Present research paper is an attempt to provide an overview of Basic Savings Bank Deposit Account -A Financial Inclusion Initiative of Reserve Bank of India and make a comparative analysis of its features when it is provided through public sector banks.

Key Words: Basic Savings Bank Deposit Account, Reserve Bank of India, Public Sector Banks

1.Introduction:

Financial Inclusion activities are all about including those who are excluded from basic minimum financial purview. Such financial inclusion is possible through special schemes and awareness campaigns especially through banking concerns. In India, The Reserve Bank of India (RBI), being an apex of banking system, has initiated various products, schemes, services and campaigns in this regard. One such initiative directed towards this objective came in November, 2005 from RBI when it notified a road map for Financial Inclusion- trough 'Access to Banking Services' in the form of 'The Basic Savings Bank Deposit (BSBD) Account'.

According to RBI, 'The Basic Savings Bank Deposit (BSBD) Account was designed as a savings account which will offer certain minimum facilities, free of charge, to the holders of such accounts'.

2. Features of Basic Savings Bank Deposit (BSBD) Account:

According to notification issued by RBI, Banks are advised to offer the following basic minimum facilities in the BSBD Account, free of charge, without any requirement of minimum balance -

- The cash deposit facility at bank branch as well as ATMs/Cash Deposit Machines
- Receipt/ credit of money through any electronic channel or by means of deposit /collection of cheques drawn by Central/State Government agencies and departments
- No limit on number and value of deposits that can be made in a month
- Minimum of four withdrawals in a month, including ATM withdrawals
- ATM Card or ATM-cum-Debit Card
- The BSBD Account shall be considered a normal banking service available to all.
- Banks are free to provide additional value-added services, including issue of cheque book, beyond the above minimum facilities, which may/may not be priced (in non-discriminatory manner) subject to disclosure.

With the above background in mind, present research paper is an attempt to provide an overview of Basic Savings Bank Deposit Account -A Financial Inclusion Initiative of Reserve Bank of India and make a comparative analysis of its features when it is provided through public sector banks.

3. Research Methodology:

A. Description of Sample: For comparative analysis of services offered under Basic Savings Bank Deposit Account, five major public sector banks viz, The State Bank of India (SBI), Bank of Baroda (BoB), Punjab National Bank (PNB), Canara Bank, and Union Bank of India (UBI) have been included in sample.

B. Data Collection: The secondary sources of data collection, pertaining to Basic Savings Bank Deposit Account and related services offered by above mentioned five Public Sector Banks are collected through their official websites, latest Annual Report of the selected banks, and through personal contacts with bank officials in some cases.

C. Analysis: The data collected and analyzed is gauged around Basic Savings Bank Deposit Account and related services. The comparative analysis of different features of such Basic Savings Bank Deposit Account and related services is made through tabulation, graph, averages etc as per requirement.

D. Limitations: The study is limited to selected five public sector banks and therefore all other types of banking concerns including payment banks, local area banks etc. are excluded.

4. Comparative Analysis of features and services provided under Basic Savings Bank Deposit Account by the selected banks:

Feature	SBI	BoB	PNB	Canara	UBI
Zero balance Account	Yes	Yes	Yes	Yes	No
ATM-cum debit card without any fee and annual maintenance charge	Yes	Yes	Yes	Yes	Yes
Free receipt or credit of money through NEFT and RTGS	Yes	Yes	Yes	Yes	Yes
Deposit or collection of cheques	Yes	Yes	Yes	Yes	Yes
No charges on account closure	Yes	Yes	Yes	Yes	Yes
4 withdrawals in a month	Yes	Yes	Yes	Yes	Yes
Single or Joint operation of account	Yes	Yes	Yes	Yes	Yes
Free Cheque book	No	Yes	Yes	No	Yes
Internet banking facility	No	Yes	No	Yes	Yes
Standing instruction, ECS allowed	No	Yes	No	Yes	Yes
No charges on non-operation/activation of inoperative BSBD account	No	No	Yes	Yes	Yes
Avg.(Yes)	7	10	9	10	10

Source: websites of respective banks

Abbv. SBI=State Bank of India, PNB=Punjab National Bank, BoB=Bank of Baroda, Canara=Canara Bank, Union Bank of India (UBI)

4. Findings:

From the information given in the table, it is clear that almost all the banks have made provision to provide basic minimum services under their Basic Savings Bank Deposit Account services like - Zero balance Account, ATM-cum debit card without any fee and annual maintenance charge, Free receipt or credit of money through NEFT and RTGS, Deposit or collection of cheques, No charges on account closure, Four withdrawals in a month and

Single or Joint operation of account except The Union Bank of India (UBI) which requires minimum deposit of Rs.10 for opening the account.

However, when it comes to providing value-added services above and beyond basic services, the banks do differ in their provisions like –

i. Out of five banks only three public sector banks are offering Free Cheque book facility (BoB, PNB, UBI)
ii. Out of five banks only three public sector banks are offering Internet banking facility to their BSBD account holders (BoB, Canara, UBI)
iii. Out of five banks only three public sector banks are offering Standing Instruction (SI) and Electronic Clearing System (ECS) to their BSBD account holders (BoB, Canara, UBI)
iv. Out of five banks only three public sector banks are not levying charges on non-operation/activation of inoperative BSBD account. (PNB, Canara, UBI)

5. Conclusion and Suggestion:

To conclude, it can be state that though all the selected public sector banks have offered Basic Savings Bank Deposit Account, as per RBI's notification as a part of financial inclusion initiatives, there are definitely differences in add-on/value added services. Large banks like SBI are providing a smaller number of services compared to others.

Looking at recent lock-down like situation under pandemic, when there are restrictions on movement, more and more e-services are need of time and making them available to BSBD account holder is also becoming must.

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SELF RELIANT OR SELF REVERSE: AN EMPIRICAL ANALYSIS OF COVID-19 FINANCIAL STIMULUS IN INDIA

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Abstract:

Global economic situation is worst during 2019-2020 due to Covid-19 pandemic. Countries around the world announced 'Covid-19 stimulus package' to recuperate the hit in respective economies. Prime minister of India announced to pay out Rs.20,97,053 crore, which is about 10 percent of India's GDP achieved in 2019-20. India named the special initiative as 'Atma Nirbhar Bharat Abhiyan' or 'Self Reliant India Mission'. Pledged amount is expected to be spent in the domestic economy to make the country India self reliant both in goods and services. Looking into the prospects of global leadership of Indian economy 'Self Reliant Mission' has derived attention from the academicians and policy makers across the countries and regions. Looking into the importance of financial management in pandemic period paper analyzed different monetary components of the mission and briefly explained the global outlook of the same. With analytical methodological approach and secondary data base paper critically explained the mission as a whole. Paper suggested measures like institutional rearrangement, proper utilization of allotted funds and stated the required fields of further reform.

Keywords: Covid-19, Finance, Global, India, Stimulus etc.

Introduction:

Situation of global economy is worst during 2019-2020 since the 1930s due to Covid-19 pandemic. Countries around the world announced 'Covid-19 stimulus package' to recuperate the hit in respective economies. Prime minister of India announced to pay out Rs.20,97,053 crore, which is about 10 percent of India's GDP achieved in 2019-20. Prime Minister named the special initiative as 'Atma Nirbhar Bharat Abhiyan' or 'Self Reliant India Mission'. Pledged amount is expected to be spent in the domestic economy to make the country India self reliant both in goods and services during this pandemic period. Looking into the prospects of global leadership of Indian economy 'Self Reliant Mission' has derived attention from the academicians and policy makers across the countries and regions. Looking into the importance of financial management in pandemic period paper analyzed different monetary components of the mission and briefly explained the global outlook of the same. Paper also suggested measures like institutional rearrangement, proper utilization of allotted funds and stated the required fields of further reforms.

Global Scenario of Stimulus Packages:

Amidst complex time of Covid-19 and tough competition in global supply chain announcement made by the prime minister of India twisted repercussions across the sections. Earlier, with the announcement of New Economic Policy, 1990-91 India became a part of integrated trade world but with the announcement of self reliant monetary stimulus package to make the country self dependent or self reliant is looking something odd. It looks like both way arrow to hunt the target i.e. development. Similarly, not only by India but also many other dominating and prospective countries of the world have announced monetary stimulus packages to overcome the pandemic domestically. Covid-19 monetary stimulus package announced in India is one of the biggest in comparison to the other countries of the world and it would rank just behind Japan, the US, Sweden, Australia and Germany. Japan has announced estimated 21.1 percent (USD 1.1 trillion) and the US 13 percent (USD 2.7 trillion) of it's GDP achieved in the last year as economic stimulus to revive their respective economies worse affected by the pandemic. Japan and the US are followed by Sweden (12 percent of GDP), Australia (10.8 percent of GDP) and Germany (USD 815 billion, 10.7 percent of GDP). France (9.3 percent of GDP) and Spain (7.3 percent of GDP) followed by India serially in terms of economic stimulus (percentage of GDP) announced to control and revive the devastated economies due to the pandemic in 2020. Italy, the worst hit country in terms of number of death has announced about USD 815 billion (5.7 percent of GDP) package to rebuild the negative effects of Covid-19. India's economic stimulus value to control the pandemic and revive the devastated domestic economy is higher than the GDP of numbers of countries of the world and it is almost equal to the annual GDP of Pakistan which is about USD 284 billion in 2019.

Analysis of Different Stimulus Contents in India:

Pledged amount (Rs.20,97,053 crore) in India include the sum of Rs.1,92,800 crore from the earlier stimulus announced by the government in March, 2020 besides the RBI's previous stimulus Rs.8,01,603 crore announced to boost liquidity and reduce interest rate in the country. All the three sectors- primary, secondary and services of Indian economy are benefited at different levels with special Atma Nirbhar Abhiyan or Self Reliant Bharat Abhiyan. Agriculture and it's allied activities, rural development, MSMEs, Aviation, Health, Power and Education services are to get special preference in the initiative. The Atma Nirbhar initiative of government facilitated and makes the way for more private investment in the Indian economy.

Total stimulus package in India is announced under five different parts. Detailed allocation under the five different parts in several items and sectors are explained in the following five tables. First part consist of the major items of allocation and it allocates maximum amount of stimulus budget i.e. Rs.5,94,550 Crore (28.35% of total allocation) in sum.

Table-I: Allocation under Part-I

Sl.No.	Component	Amount (Rs. Cr.)
1	Working Capital for Business including MSMEs	3,00,000
2	Subordinate debt for stressed MSMEs	20,000
3	Fund of Funds for MSMEs	50,000
4	EPF support for business and workers	2800
5	Reduction in EPF rates	6750
6	Special liquidity scheme for NBFC/HFC/MFIs	30,000
7	Partial credit guarantee scheme for NBFCs/MFIs	45,000
8	Liquidity injection for DISCOMs	90,000
9	Reduction in TDS/TCS rates	50,000
	Total	**5,94,550**

Source: Ministry of Finance, Government of India

As it is stated in table-1, 1st part includes allocation under MSMEs, NBFCs (Non Banking Financial Companies) and MFIs (Micro Finance Institutions). Again, second part of the allocation incorporates mostly six items and includes 14.78% of total stimulus allocation as stated in following Table-II. Expenditure for free food supply for Covid-19 induced inward migrant workers, credit facility for street vendors, KCC (Kishan Credit Card) related expenditures, NABARD (National Bank for Agriculture and Rural Development) and MUDRA yojana etc. are included under the 2nd part of stimulus package.

Table-II: Allocation under Part-II

Sl.No.	Components	Amount (Rs. Cr.)
1	Free food grain supply to migrant workers	3500
2	Interest subvention for MUDRA shishu loans	1500
3	Special credit facility for street vendors	5000
4	Housing CLSS-MIG	70,000
5	Additional working capital through NABARD	30,000

6	Additional credit through KCC	2,00,000
	Total	**3,10,000**

Source: Ministry of Finance, Government of India

Third part (Table-III) of stimulus allocation consists of seven items. In sum it is 7.15% of total stimulus package. This package specially includes fund for agri-infrastructure development, infrastructure development in animal husbandry, expenditure for the promotion of herbal cultivation etc. It also includes Rs.500 Crore for bee keeping initiatives in the country.

Table-III: Allocation under Part-III

Sl.No.	Components	Amount (Rs. Cr.)
1	Food micro enterprises	10,000
2	Pradhan Mantri Matsya Sampada Yojana	20,000
3	Operation greens	500
4	Agri-infrastructure fund	1,00,000
5	Animal husbandry infrastructure development fund	15,000
6	Promotion of herbal cultivation	4,000
7	Bee keeping initiative	5,00
	Total	**1,50,000**

Source: Ministry of Finance, Government of India

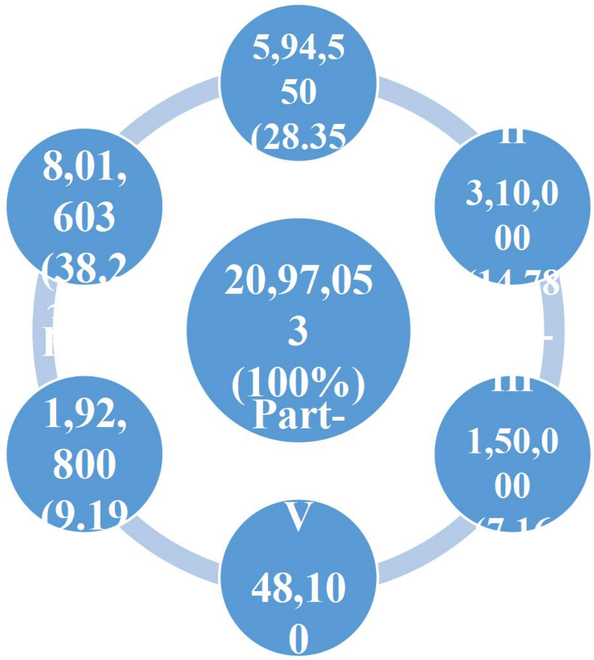
Part four and five of stimulus package comes together. It consists of two major items and includes 2.29% of the total stimulus allocation, explained in the following table-IV.

Table-IV: Allocation under Part-IV & V

Sl.No.	Components	Amount (Rs. Cr.)
1	Viability gap funding	8,100
2	Additional MGNREGA allocation	40,000
	Total	**48,100**

Source: Ministry of Finance, Government of India

Besides the above explained five parts and respective amounts of allotments Covid-19 stimulus package also include Rs.8,01,603 Crore (38.22% of total stimulus amount) actual liquidity measure announced by the RBI (Reserve Bank of India) since March, 2020. Total stimulus amount Rs.20,97,053 Crore is also comprised with Rs.1,92,800 Crore (9.19% of the total amount) package for free food grain and cooking gas distribution to poor and also the cash distribution to some section of the people in India announced in March, 2020. Thus, the total Covid-19 stimulus package consists of six different packages and different people friendly welfare measures. Altogether six packages and allotments (in Rs.Crore) along with the respective percentages to the total are explained with the help of the following circled figures. Gross total amount of allotment (in Rs.Crore) is also depicted in the centre.



During the time of heavy mental and physical crises government rightly promoted the broad agriculture sector, enhanced MGNREGA allotments along with the special preference in MSMEs where maximum number of rural skilled or semi skilled labourers work in the country. Under the initiative poor farmers of the country are to get institutional credit at concessional rate through KCC. This might have covered about 2.5 crore farmers of the country. Road map also prepared in such a way that the buyers can directly meet the actual farmers and buy the required food items from the field itself. Infrastructure development fund Rs.1 (one) lakh crore to be created for the purpose, as it is announced in the self reliant India mission document. Government appropriately empowered NABARD and all other regional rural and cooperative banks to help the farmers of the country in time of future financial need. Government allotted Rs.1,20,000 crore as emergency working capital and the said amount is expected to meet the crop loan demand of farmers. The loan fund is supposed to be disbursed through NABARD and it is going to help about three crore small and marginal farmers of the country. Mission also announced to promote infrastructure development through private investment in dairy processing along with the development of cattle feed infrastructure in India. Amount Rs.15,000 crore is allotted for the purpose of development in animal husbandry sector of India. This initiative is expected to help all the dairy farmers of India. Essential Commodities Act, 1955 to be amended to deregulate the essential food items like cereal, potato and onion, oilseed and edible oil, paddy, pulses etc. Earlier imposed stock limits of such essential food items are to be withdrawn except the emergency like national calamities and famines in the country. Deregulation of such essential food items is likely to enhance the private investment and production. It will also improve the distribution chain of such essential food items with a better flow of market price to the actual farmers. To help and boost the rural economy additional fund of Rs.40,000 crore is allotted under the job guarantee scheme MGNREGS (Mahatma Gandhi National Rural Employment Guarantee Scheme). This has increased the union budget allotment for MGNREGS from Rs.61,500 crore to Rs.1,01,500 crore (65% increase) for 2020-21 financial period. To help the destabilized street vendors of India due to the pandemic government also announced a scheme which will provide bank credit as an initial working capital Rs.10,000 to each. Under the One Nation One Card scheme migrant labourers are able to access the PDS ration from any fair price shop in India by March 2021 as it is modified by the self reliant mission. The scheme is announced to be modified immediately for the easy interstate portability and national level access for all the migrant labourers of India. It is estimated to cover about 67 crore beneficiaries by August 2020 under the initiative. Again, under Pradhan Mantri Awas Yojana (PMAY) urban poor migrant labourers are expected to get living facility in urban work places at a special affordable rent. Thus, numbers of self reliant policies are undertaken in India keeping in mind the revival of the domestic economy.

Global Outlook of Self Reliant Mission:

Crisis triggered by Covid-19 pandemic can easily be compared to the economic crises of 1990-91 which was a herald of paradigm shift via liberalization, privatization and globalization (LPG). Through the process of LPG domestic economy was made open for the entire globe. Flexibilities were made in border land custom stations for trade expansions. Looking into the comparative cost advantages (Ricardian Model) exports and imports (both in goods and services) were given much importance during the entire period from 1990 to the beginning of Covid-19 era in March, 2020. But immediately after Covid-19 outbreak the situation of Indian economy become changed. Presently, policy aspects adopted through self reliant mission are looking like the reverse from the LPG regime. Now government asks 130 crore Indians to be self reliant in all the day to day used products and advised for vocal for locals. Question comes whether the self reliant mission is again a backward move of the country towards a close economy. Government directly promoted import substitution without giving much emphasis on export promotion. Significantly, all most all the business dominating countries of the world are also doing the same during this pandemic period. All have announced economic stimulus packages (like India) looking into the domestic aspects only. International entry points are closed for general businesses except the emergencies. Therefore, highly discussed question of the day is whether Covid-19 will change the economic geography or the international understandings as a whole. The World Trade Organization had earlier predicted that global trade volume could decline by a level which would be worse than the trade volume (declined by 25%) during the great depression of 1930s. Prior to 2008 global economy had expanded annually by over 5% but during 2010 to 2019 expansion had declined to 3.8% and in the last five years it was down to about 3%. For all the major advanced and emerging economies, ratios of trade to GDP which is an indicator of openness have also recently declined significantly. India's trade to GDP ratio reached nearly 56% in 2012 but was down to 43% in 2018. China's trade to GDP ratio was close to 58% in 2008 but a decade later (2019) it is hardly about 38%. Therefore, globalization or trade openness in the world as a whole is in stake! Countries have started to forgo the established Ricardian Comparative Cost Trade Principle while announcing the pandemic induced stimulus packages. Packages were unable to give much coverage to export promotion. Thus, Covid-19 Self Reliant Principle looks like Self Reverse in nature and expected to lose or break the economic integration among the countries of the world.

Suggestive Measures:

If we see the critical part of some of the historic economic policies undertaken in India then the most important point comes to our mind is that any major monetary stimulus package must come parallel with institutional reset-up. Without institutional rearrangement main purpose of bringing the spread of development or trickling down of merits of effects may not be fulfilled sufficiently. Besides, reform in primary sector was much expected even during the pre pandemic period in Indian economy. Traditionally run agriculture and it's allied sector marketing aspects along with micro and small industries needs a thorough revival in India. Before going to any further investment in any of the sectors of the economy it is necessary that basic infrastructure gets updated in Indian economy. Infrastructure building raises productivity and respective GDP in the country but the amount allotted for the purpose under the self reliant India mission is really meager. Again, self reliant Covid-19 stimulus package in India somehow failed to recognize the economic situation of rural poor people in the country. In this period of heavy crisis rural poor people in India are not at all prepared with proper propensity to consume. Majority of the rural consumers do not have money to spend even for their basic needs and medicines and many have lost their temporary or permanent jobs due to the pandemic. They need cash in hand for the consumption of basic foods and livelihood. Many of the people even scare to consume or purchase anything except the basic necessities due to the corona virus. Without revival of rural infrastructure and boost in propensity to consume massive investment in MSMEs may lead to closure the entire sputter very soon in Indian economy. Further, any major stimulus package must be followed by sector wise small packages but still there is no any significant proposal for the purpose. Thus it seems Covid-19 stimulus packages in India was haphazard in character. Besides, success of any policy change depends on proper implementation and respective socio-economic welfare achieved by the people. All are eagerly waiting to see the positive effects of Covid-19 induced self reliant mission and revival of Indian economy.

Conclusion:

Out of all the worst incidents happened during the days of strict national lockdown the situation of reverse migrants is found most pathetic in the country. Train roads were used not to run trains but to walk as short cut by the migrated labourers of the country. They walked or bicycled even thousands of kilometers with bag and baggage to reach their native villages. Several forlorn incidents are released in national print and visual media. Hundreds of migrated labourers died or committed suicide on their way to home in the country. Majority of the labourers vow not to go back to their earlier work places even after the relaxation of lockdown norms in the country. This might have significantly added to the existing unemployment rate of rural areas. Rural people are now unable to think about their savings for future. They are thinking to earn only the present basic necessities of livelihood. At this sedated situation, ultimate and preferred source of livelihood especially for the rural people in India is expected to be the agriculture and it's allied activities. General propensity to consume is lingering at minimum level. Autonomous investment (except health services) is asymptotic to zero and boosts are requiring for induced investment. Deficiency in aggregate demand is likely to blown away the aggregate supply. Therefore, the announced monetary stimulus package in India is much timely but subject to the removal of impending deficiencies.

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ROLE OF NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT (NABARD) IN ENTREPRENEURSHIP REINFORCEMENT – A BUSINESS LAW PERSPECTIVE

Mr. Gopal Ramnarayan Mantri

"An entrepreneur tends to bite off a little more than he can chew hoping he'll quickly learn how to chew it."
(By- Roy Ash)

Abstract:

The development of the agriculture sector is not only limited to saw seed, water the plants and take the yield but also to make the good market place available once the farm produce is ready for sale. NABARD has been forms with many aim and objective even if the core aims for the development of agriculture and its promotion. In this research paper research is focusing on the role and function of the NABARD and its various functions. Researcher also provides a new ideas about the business law and its knowledge needs to be given in rural areas the different form of business organization has been formed and the proper knowledge with regard to its formation, offices and regulatory framework and dispute mechanics needs to be given in rural areas. NABARD can definitely performing its role and function in best way but has to adopt some of the measures for the promotion and development of rural entrepreneurships for the all-round development of rural areas.

Keywords: NABARD, Rural entrepreneurship development, Business Law approach

Introduction:-

In recent times India facing many challenges like poverty, employment, lack of proper skills, knowledge and education. These challenges definitely become absolute obstacles in the development of economy. To overcome and there should be proper channelization of the growth of the country some of institution has been set-up among one of them is NABARD i.e. National Bank for Agriculture and Rural Development. India is country known for its villages, where majority of the people are migrated from rural to urban areas because there is not proper scope of growth, lack of resources, mobility in the rural areas. There were some question before the government at all the time is that how to overcome the above mentioned issues of rural development because the main source of income of majority of Indian is bases on agriculture produce and if the problems faces by the farmers, rural entrepreneurs has not been removed it will impact in long run.[1]

To encounter the issues of the rural areas especially the agriculture and rural entrepreneurs the Government of India has set up NABARD by enacting National Bank for Agriculture and Development Act, 1981. The NABARD is known as specialized agency for the agriculture and rural development. NABARD has been established on 12 July, 1982 as a main regulating institution with an intention to provide all financial institution in agriculture and rural areas. The RBI and the AgriculturalRefinance and Development Corporation were in charge of all key problems relating to rural loans until NABARD took over. As a result, NABARD has emerged as the leading institution in the field of policy planning and rural financial institution refinancing. Through the Self-Help Group route, NABARD has also played a catalytic role in micro-credit.[2]

There are many problems and issues has been facing by the India's rural areas like one could see the in last few years there was not proper yield, due to change in whether, continuous raining throughout the year in some of the country and which has affected the farming and farmers very badly on the other side there is not proper market place available to the goods and products of the farmers and it will result into the entrepreneurship in rural areas the question is that what can be done and what would be the role of NABARD in such case.

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[1] Mishra & Puri, Indian Economy HPH, New Delhi.

[2] Bajwa D.R.," Role Of Nabard In Rural Development In India", Minor research projects, June 2020 DOI: 10.13140/RG.2.2.30261.29922, available at: https://www.researchgate.net/publication/342301647_ROLE_OF_NABARD_IN_RURAL_DEVELOPMENT_IN_INDIA.

Considering the role of NABARD in the agriculture and rural areas, it plays very great role in the development of the country by providing financial assistance to the needy farmers and young rural entrepreneurs. Researcher claims that there is need to provide more financial assistance to rural entrepreneurs in terms of money, availability of resources and proper guidance and training. In Maharashtra some of the parts has been developed and the growth of farmers has been happened but literary speaking the real credit of such development goes to the local politicians but on the other side there are many areas in which proper channelization of the resources not been done and due to this reason even if the financial assistance has been provided by the NABARD then also it has not achieved success of the rural areas and villages in terms of the development. As a researcher I want to state that the policies framed by the government and if the growth and development of such rural areas not been achieved in such case the question is that whether can we say that such policy of government has been succeeded? Why the ground level policies cannot be made with the participation of local people like farmers and entrepreneurs? Why their opinions of local people cannot be taking into consideration while making any agriculture policy.

Role of NABARD:-

NABARD is the one of the central body for agriculture and rural development and it has significant role in the development of the rural India some of the role of NABARD is as follows-

1) NABARD provides for various investment and production credit for different developmental activities, policies and project with the aim to achieve rural all growth and prosperity. NABARD also ensures that there should be proper financial assistance to be provided to all the agriculture and rural project. Hence in rural areas the main issues related to money and resources so to provide monetary and other assistance arises NABARD perform it very well.[3]
2) NABARD also plays very significant role to co-ordinate with all other agency for successfully implementation of any policy or project. NABARD co-ordinate with all other government agency like RBI, various ministries and state government for the proper implementation of any rural project.
3) With regard to rural entrepreneurs NABARD perform the role of monitoring agency. It formulate the policies and various schemes like rehabilitation schemes, restricting credit and also provides institutional framework for the providing the personnel training, also provides development in the credit delivery system absorption capacity.
4) NABARD look into to provide the refinancial assistance to all the financial institution in the agriculture and rural development like cooperative and rural banks, in Maharashtra, Maharashtra Gramin Bank, Konkan Kshetriya Gramin Bank etc. The basic objective to provide the short term financial assistance.
5) NABARD also performs the regulatory functions by keeping check on all other institution who involved in the agriculture and rural development. It also provides basic training and framework to all the institution who work for the upliftment and of agriculture and rural entrepreneurs.

Apart from all other mentioned role NABARD also maintains the portfolio of National Resources Management programme as it is also connected with the field of agriculture. At the same time NABARD also provides help and all the assistance to self-help group for facilitation of any programme in rural areas for the development of agriculture and its connected areas.[4] Hence one could say that the role of NABARD is very pivotal in the development, promotion of agriculture and related activities in the rural areas and it also help for the rural entrepreneurships.

Functions of NABARD:-

As it has been mentioned time and again in this research paper that the NABARD is the central agency it provides the financial assistance to the agriculture and rural entrepreneurs and to achieve its goal it performs various functions like, financial function, credit function, supervisory functions and development function, etc. Below

[3] Sundaram, K.P.M. Sundaram, Indain Economy. S. Chand Publications, New Delhi.

[4] Bhole L. M, Financial Institutions & Market, Tata Mcgraw Hill , New Delhi.

researcher discusses the what can be improvise for the better implementation and to achieve greater success on the part of NABARD :-

a) Financial and Facilitative Functions

NABARD provides finances to various banks and financial institution who further lend the money to farmers and small scale entrepreneurs like handicraft, poultry, dairy, food manufacturing and processing units, artistic and many other manufacturing products. Basically to provide good market place and to aware theses small entrepreneurs is also required.[5] One of the examples is that the agricultural products are available for the sale in Mumbai Grahak Panchayat, this is non-governmental organization it provides assistance to consumers and also creates awareness to protect the consumers from any deceiving activities at the same time it facilitate the small entrepreneurs and farmers to sale their farm produce in Cities i.e. directly to people. Researcher here believes that NABARD should also provide the assistance to these organizations which will facilitate the platform to small entrepreneurs and farmers to sale their products directly to the people.

b) Monetary and Credit Function:-

NABARD is mainly the provider of the credit in rural areas. It performs the credit function by regulating and channelizing the credit flow in the rural areas. This function also enables the NABARD to monitor the various activities in the remote areas it may be connected with the agriculture or rural entrepreneurships. Credit flow also regulated the currency flow in the rural areas so that there should not shortage or in excess of the money and there should be proper utilization of the money on the market. It also establishes the proper regulation of the market and various produce for its optimum uses of resources.

c) Regulatory and Supervisory Function:-

For development of the agriculture and rural entrepreneurships NABARD is the Supreme Institution. NABARD performs functions of monitoring all the activities related to promotion and development of rural projects. NABARD also keep watch on other institutions and others banks who operated in the area of agriculture and rural entrepreneurships, any financial institution who lends money, on credit and non-credit societies, also on clients banks, etc. NABARD very confidently performs the role of regulatory and monetary agency on all other banks and financial institutions those operates their businesses in rural areas in the field of agricultures.[6] Regulation and supervision of the functions of Regional Rural Banks and Cooperative Banks are the developmental activities are done by NABARD and it also conducts periodic inspections of state level cooperative units like Marketing Federations, Apex Weavers Societies, and State Cooperative Agriculture and Rural Development Banks.[7]

d) Promotion and Developmental Function:-

NABARD, if formed with one of the most significant objectives for the promotion and development of agriculture and rural entrepreneurships activities and for its development it performs various functions like it lend money, provide financial assistance, organize training session and camps and all other activities. NABARD also assist the rural banks and co-operative societies which are working in rural areas to prepare action plan for the development of the agriculture sector.[8]

Even if the all the possible steps has been taken by NABARD for the development of agriculture sector but assessment of the policy and plans must be done, because the reason is that to frame the best documental policy is

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[5] Srivastava R. M, Management Of Indian Financial Institutions, HPH, New Delhi.

[6] Das Mamoni, National Bank for Agriculture and Rural Development (NABARD), December 2021
DOI: 10.52403/ijrr.20211211, available at:
https://www.researchgate.net/publication/356923694_National_Bank_for_Agriculture_and_Rural_Development_NABARD.

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[8] Dr. KumarAnurag, "Role Of NABARD In Rural And Agriculture Development", Journal of Emerging Technologies and Innovative Research, Volume 5, Issue 7, July 2018.

one side of the coin and how that policy or plan succeeded its altogether is different aspect hence unless the assessment of any policy or plan is not done it would remain on the paper.

Role of Business Law in Rural Entrepreneurship:-

Business law is very broad term many laws and regulation comes under this jargon like Contract Act, 1872, Partnership Act, 1932, Sale of Goods Act, 1930, Negotiable Instrument Act, 1881, Companies Act, 2013, Limited Liability of Partnership Act, 2008 and other laws. Parliament enacts any substantive laws it basically does not differentia with the rural and urban areas. While framing any policy then in such case it's the executive they basically focus on the rural development. The above mentioned business laws are similarly applicable to rural and urban areas. As a researcher my question is that whether there is any awareness about the different form of business organization in the rural areas and the laws applicable to them like Partnership firm wherein two people can come together and start any business or modern form of partnership is Limited liability of partnership wherein the liability of all the partners in normal situation would remain limited but it also considered as separate legal entity. Even under the Companies Act, 2013 a new concept of One Person Company has been introduced , hence in rural areas whether the knowledge of all the forms of business organization and how to incorporate them, what the different offices, what is procedure to register them, what are the different business if two people come together start any partnership or LLP firm such type of knowledge needs to be given and at the same time the market place where the prices to all the farm produce must be available.

The role of NABARD comes as it agency operate for the promotion and development of agriculture and rural entrepreneurships hence NABARD can take efforts to organize special camps at all the level like Taluka, District and State level to provide all the information to young rural entrepreneurs to provide them the legal knowledge of all the business firm and organization and what are the different offices like Register of Company, Register of Partnership, etc.

People in rural areas are not organized for the business activities. It means that they may not aware about like two or more people can come together and legally start any business or enterprise like it may be milk dairy products, vegetable, farm products etc. Secondly the knowledge for the resolution of dispute needs to be given them because villagers would presume that for any dispute they may require to go to court and lawyers may charge expressive fees and on the other hands there is no much margin or gain while doing any business in rural areas hence with these issue any business dispute in the rural areas may remain as unaddressed as a result rural entrepreneurs would be reluctant to start any business or enterprise.

A sound infrastructure aids to determine sustained economic growth for an emerging economy like India through diversifying production, expanding trade, coping with mounting population growth, reducing poverty and improving environmental conditions. Both, quantitative and qualitative improvements for infrastructure, are essential to modernise and diversify production, enable countries compete internationally, and accommodate rapid urbanization.[9] I believe that if the training and assistance camps are organized with the help of self-help group, banks, and other institution then the above mentioned problems can be overcome and rural entrepreneurship will get boost to function properly and the development of rural entrepreneurships can be achieved in real sense.

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FUND DISBURSEMENT UNDER NRLM AND NRLP IN MAHARASHTRA AND ITS LACUNAE

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Abstract

During the past few year's parameters show a great amount of development but the drip down effect cannot be seen. Even today nearly three quarters of the rural poor households do not have access to any kind of banking or financial services.

The problem lies much deeper in the low standard of living unorganized structure and lack of financial literacy among the rural poor. The ultimate aim of financial inclusion is alleviating poverty.

SHGs can play a major role towards financial inclusion as it consists of people who are the poorest of the poor. The Bank Linkage Program has been an important step in this direction. Along with BLP funds have been disbursed under NRLM and NRLP programs

This paper analyses the reach out of the funding under NRLP, NRLM and state project funds program in Maharashtra and the problems faced in it.

Role of SHGs

Self help groups which comprise members from among the poorest of the poor can play an important role in helping financial help reach its members and thus lead to financial inclusion

The SHG members first pool in their savings and give out small loans to needy persons once SHG successfully undertakes savings and credit operations from its own resources it can borrow from the banks to enhance its pool of resources

(Source: thehindubusiness line.com)

The SHG BLP was launched by NABARD in 1989 and then crystallised into a pilot project in 1992. program aims to bring the unbanked poor into mainstream banking channel this is an instrument for financial literacy and financial inclusion.

The term financial inclusion gained importance due to its correlation with poverty. It is defined as the availability of equal opportunity to access financial services, it is the process by which individuals and businesses can access appropriate affordable and timely financial products and services, such as banking, loan, equity and insurance products.

(Source: https://www.worldbank.org)

Alleviate poverty is the final aim, but merely having a bank account will not result in a miracle. What is critical is the facilities provided to one's having bank account such as access to insurance products at nominal premium, inculcate and improve savings habit and access to credit . Poverty eradication needs a multifaceted approach financial inclusion is just one of them.

(Source :www.eastmojo.com)

Strategy under DAY NRLM

1Perpetuity of resources

DAY-NRLM provides capitalization support to institutions of the poor (SHG and Cluster Level Federation) as grants, which are then passed on to the SHG member as loans to be repaid with interest by the members. This on-lending – repayment – on-lending cycle ultimately leads to an increase in the corpus of these institutions, creating"resources in perpetuity" for the village community. This strengthens their institutional and financial management capacity, creating a culture of timely repayments and help build a track record to attract mainstream bank finance.

These grants include a Revolving Fund (RF) of up to INR 15,000 per SHG as corpus that serves the members' credit needs as well as acts as catalytic capital to leverage repeat bank finance. The project also provides a Community Investment Fund (CIF) of up to INR 25,000 per SHG at the Cluster Level Federation (CLF) to meet the credit needs of the members through SHGs and Village Organizations (Vos)

2 Simplification of procedures and application formats

3 Supporting banks in conducting their

DAYNRLM has placed a trained Community Resource Person (CRP), called Bank Mitra, within bank branches to facilitate non-cash transactions such as filling application forms, following up on repayments etc. This strategy helps in reducing the workload on the bank branch officials and inspires confidence in SHG members who are unfamiliar with the formal banking system

4 Instituting Community Based Recovery Management (CBRM) System Initially, the Mission faced immense challenges in convincing banks to lend to the SHGs due to the high rates of NPAs in the SHG-loan portfolio. In order to address this issue, DAYNRLM institutionalized Community Based Repayment Mechanisms (CBRMs) at branches involved in financing SHGs to monitor and ensure timely repayment of loans by SHGs

5 Promoting financial literacy. Since DAYNRLM works with rural poor women who are largely illiterate or semi-literate, it is critical that capacity building steps are taken to prepare them for financial inclusion. In this context, DAY NRLM has initiated a comprehensive financial literacy program in partnerships with Rural Self Employment Training Institutes (RSETI) and banks

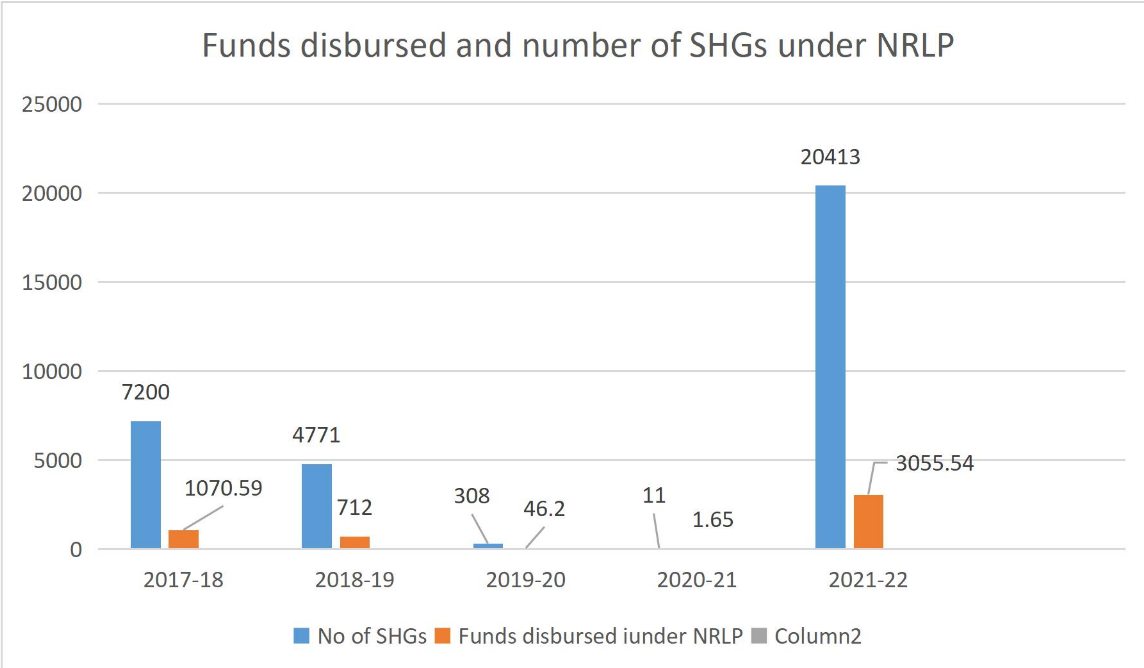
6 Instituting transparency and accountability the multiplicity of banks and bank branches involved in financing SHGs invariably meant that there was a lack of coordination in reporting the progress by individual districts/ blocks etc. In order to mitigate this problem, the DAY-NRLM, on the recommendations of the Usha Thorat committee, has developed the NRLM-Bank Linkage portal, which captures the information directly from the banks' Core Banking System (CBS). Since all the Public Sector Banks (PSB), Regional Rural Banks (RRBs) and leading private sector banks share data on the bank linkage portal, a wealth of data (down to the bank branch level) is being captured on critical indicators such as loans disbursed, loan amount overdue, loans outstanding, portfolio at risk and NPAs. Access to this data has ensured transparency and facilitated decision-making.

(Source:https://openknowledge.worldbank.org/bitstream/handle/10986/34725/SHG-Bank-Linkage-A-Success-Story.pdf?sequence=1&isAllowed=y)

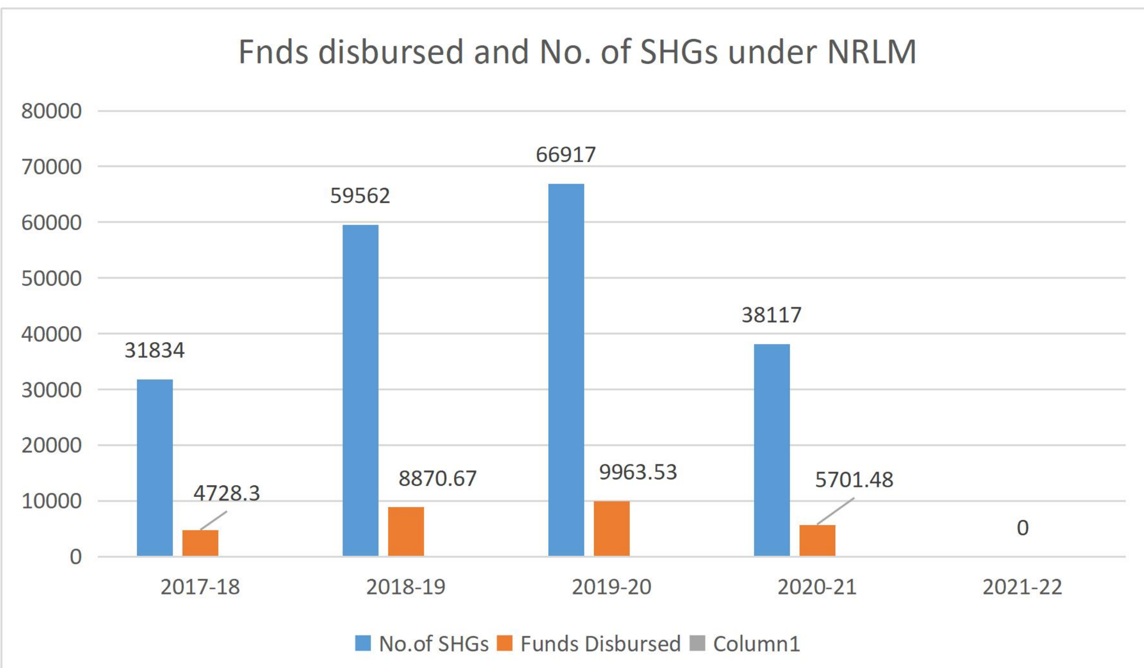
Author(s): Shantanu Kumar, Alreena Renita Pinto, Amit Arora, Sourav Roy)

Analytical details of fund disbursement to SHG from various sources in the state of Maharashtra

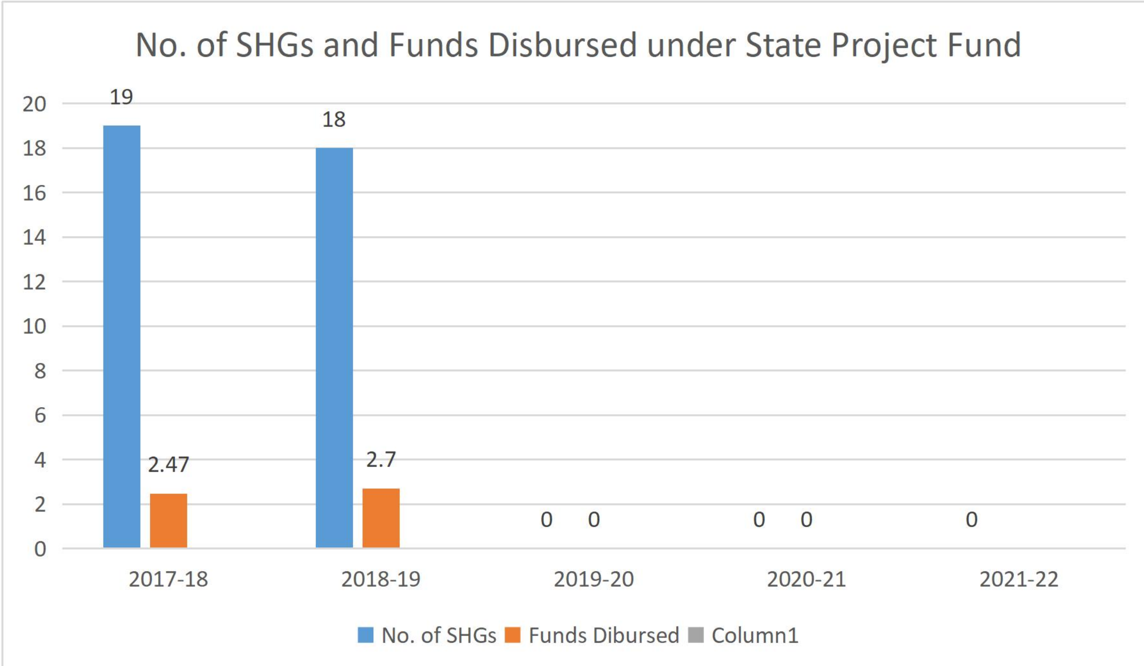
Year	NRLP Fund (No. of SHGs)	NRLP Fund (Amount in Lakhs)	NRLM Fund (No. of SHGs)	NRLM Fund (Amount in Lakhs)	State Project Fund (No. of SHGs)	State Project Fund (Amount in Lakhs)
2021-22	20413	3055.54	--	--	--	--
2020-21	11	1.65	38117	5701.48	--	--
2019-20	308	46.2	66917	9963.53		
2018-19	4771	712	59562	8870.67	18	2.7
2017-18	7200	1070.59	31834	4728.3	19	2.47



Source : https://nrlm.gov.in/RevolvingFundDisbursementAction.do?methodName=showView



Source : https://nrlm.gov.in/RevolvingFundDisbursementAction.do?methodName=showView



Source : https://nrlm.gov.in/RevolvingFundDisbursementAction.do?methodName=showView

Conclusions

1) Number of SHGs and funds disbursed under NRLP started dropping post 2017-18 but a sudden pickup is seen in 2021-22.
2) Number of SHGs and funds disbursed under NRLM has shown a steady rise from 2017 to 2020. However in 2020-21 a sudden drop of nearly 50% is seen.
3) State Project fund is seen contributing only in 2017-18 and 2018-19, no entries are seen from the year 2019-20 onwards.
4) Further research has shown that many times SHG members took loans because the NRLM targets had to be met and not because they needed the loans.
5) A hierarchical pyramid-like arrangement of the associative tiers had been developed. Goods and services, for instance, conceptualised as newer opportunities, were flown through this structure. The leaders of the associative tiers took the responsibility of making these goods and services accessible to the members of the primary SHGs. In order to do this, they would follow an approach of ‘making things happen’.
6) The idea was to include marginalised people in making their destiny, but in practice, due to the pyramid like arrangement, it was found that the more vocal members who were selected were already from an elite background. They received training and interacted with various organisations. Through NRLM interventions, SHG members have remained marginalised, have become more distant from the government, and have become passive receivers of goods and services.
7) Participation’ in a programme such as NRLM, therefore, does not necessarily lead to any fundamental change in the social relation. On the contrary, it reinforces the existing hierarchy. Participation in those programmes may become more meaningful in the sense that marginalised people will take charge of their lives only when they have understood the reason for their current situation, and have gone through a process of identifying issues and acting on them, thereby learning and becoming more confident.

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PERFORMANCE OF PRIVATE SECTOR BANKS IN SELF-HELP GROUPS

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Abstract

Banks play a very important role as an indicator of money circulation in the economy, banks are the bridging source of money supply between the public and the government. So banks focus on increasing the wealth and economic development in the priority and rural India in developing them through them with the availing them through the schemes induced by the government of India. The banks make these scheme reach the rural India. So, in that case, the self-help group Is another milestone where the banks focus on provide them with and loans and advances so that they can develop their social wealth. so keep this in focus the private sector banks are been taken into consideration and analyzed how well these banks are performing in enhancing self-help groups, how is the level of loans and advances they provide to self-help groups to equip themselves. this study with the help of descriptive statistics and trend analysis has helped in concluding that private sector banks are well in providing loans and advances along with maintaining the saving standards but the outstanding loan amount is also comparatively high which has to be given time in recovery as soon as possible to avoid nonperforming assets.

Keywords: growth and Trend, performance, Private sector banks, self-help groups.

Introduction

Finance is one of the pillars of criteria in the evaluation of a country. The basic reason for rural finance is to encourage the rural people to the habit of living and expansion of saving to the rural people. Out of the total population, 58.74 million women live in India 121.05 million as per the 2011 India census. The self-help group encourages many people in the age of 18-40 to make their live hood by making their money an asset. The self-help groups are composed of 10-30 local women. In 1972 self-help groups emerged under the self-employed women associations. Many banks are giving providing different kinds of services to SHG in India, especially Private Sector banks provide many facilities to them like savings, loans, and other facilities for their social and economic development. Other than the public sector and regional rural banks the private sector banks provide many services to the people having privacy and security, and also they provide a high rate of interest to the saving for the account holder. NABARD gives a controlling authority for self-help groups for the micro-finance support and regulation in India.

Review of literature

Feroze, S.M. et al (2011) the study analyzed the influence on SHG recovery in India is described in this research based on an analysis of 120 SHG members from 60 milk SHGs and 60 non-milk SHGs in Haryana state. Peer care, equality, and the proportion of women affected the most during Tobit's retreat, but relationships and loan rates were also influenced. Paying off self-help groups is not a good idea. The study indicated that the impoverished may benefit if the desire for self-help was recognized and handled.

V.Ramanujam & U.Homiga (2014) the study revealed socio-economic status and recovery practices adopted by the self-help groups. The data are collected from 150 respondents from 300 self-help groups by using the interview schedule as the data tool. The researcher use SWOT analysis to discuss the problems faced by the self-help group's women entrepreneurs. The major finding of the study was by being members of SHGs, three out of every four women received assistance from NGOs and Voluntary Organizations. Self-motivation and self-initiative, according to the majority of SHG members, are two essential characteristics for launching micro-businesses.

Saikumar C Bharamappanavara (2015) the paper examines the differences in overall performance and relationship patterns of individual characters, group variables, and economic variables. The study is based on data from 90 members of nine SHGs who work in three locations in Karnataka's Davanagere district. Cooperation, the consensus among members, understanding of SHG links, and transparency in activities all had a significant impact on overall performance, as seen by the sexual relapse. It has already been discovered that SHGs can increase their performance by promoting knowledge of the purpose among its members and updating the material regularly. While being discussed, the article is commended. Specific contextual difficulties and basic facts must be addressed in your SHGs and delivery methods, in general.

Prakash R (2019) this study aims to look into the function and efficiency of SHGs in assisting women in Tamil Nadu's Tiruvannamalai region. SHG working for finance, lending to the needy, managing team finance, repaying loans, growing portfolios, establishing relationships with banks, and measuring social and economic gains are the broad aims of this study. Is to investigate the system. According to the poll, SHG has established a new microcredit-based currency exchange service for banks. A loan is required while creating a GWP for a variety of reasons.

Pankaj Sinha & Nitin Navin's (2021) this study assesses its performance from 2011 to 2019. It focuses on two areas of the program's performance: geographic expansion and non-performing asset growth. It demonstrates that the initiative has fared better in wealthy states, whereas it has struggled in the middle and north-eastern regions. The rising number of NPAs in certain areas necessitates prompt action.

Statement of problem

In the modern era of technology, each sector has been updated in the sense that self-help groups have a major role in the development of rural areas both in financial a non-financial activates for the developments. The banking sector has an important role in the financial activities of self–help groups. The core function of a self-help group's bank is to make building financial capabilities and make financially strong. Saving is the primary stage to start the self-help groups. After that, they can make loans from their deposits for starting any kind of small-scale activity. This makes them financially strong. The saving pattern and the loan amount will vary according to the nature and working of the bank as well as SHGs. The private bank differs from other banking activities. This study aims to find the performance of the private banking sector at all Indian levels.

Objectives of the study

- To study the performance of private sector banks on SHG in India
- To understand the trend and growth of financial activities of SHG's

Methodology

Secondary sources of information have been collected for the study consisting of 5 years of data has been collected to find the trend and growth and to find the performance of private sector bank current financial year data has been extracted from NABARD. Saving, Loan disbursed and loan outstanding data has been collected from the report. For the calculation, SPSS is used to find the descriptive statistics and for trend and growth, Microsoft Excel is used.

Table 1.1

Descriptive statistics of Private Sectors Banks

	Range	Maximum	Sum	Mean		Std. Deviation	Variance	Skewness		Kurtosis	
				Statistic	Std. Error	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error

Saving	247991.2	247991.2	311855.8	17325.32	13740.469	58295.876	3398409199.8	4.08	.53	16.9	1.0
Loan Outstanding	268199.7	268199.7	788535.5	43807.53	22942.566	97337.064	9474504102.3	1.96	.53	2.0	1.0
Loan Disbursed	223015.6	223015.6	558033.4	31001.85	16550.010	70215.748	4930251361.2	2.32	.53	4.3	1.0

Sources: *secondary and computed in* ***SPSS***

The above table 1.0 shows the descriptive statistics of Private Sector Bank for the period from 2020 to 2021. The table depicts that Loan outstanding have the highest mean value of **3807.53** followed by Loan Disbursed **31001.85.** Standard deviation is also high in the Loan Outstanding which was **97337.064** and also saving has the highest skewness value which was **4.08** which is followed by Loan Disbursed of **2.32.** The Kurtosis value is high for saving in the Private Bank in India.

Table 1.2

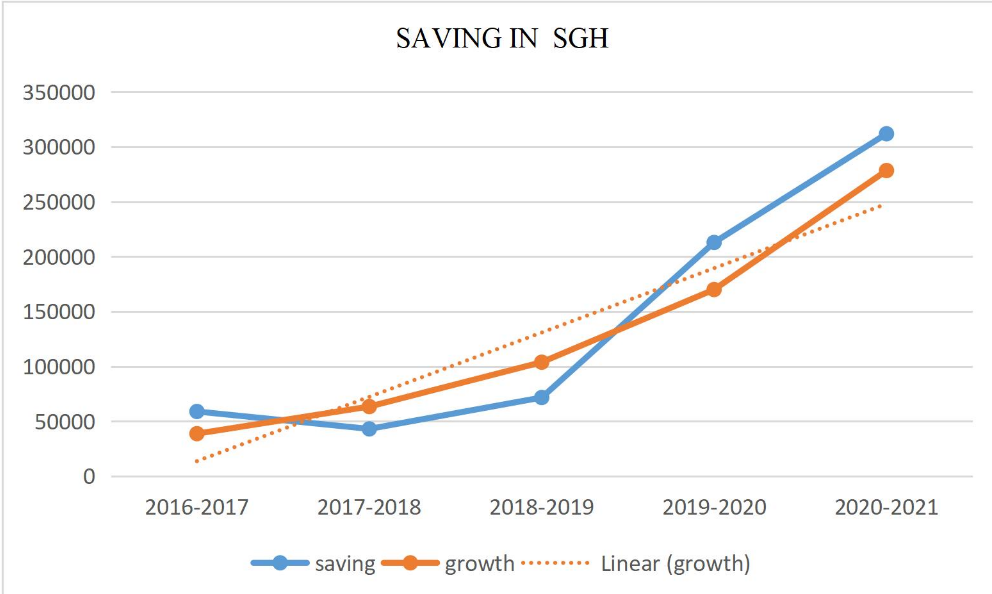
Trend and Growth Analysis of Saving in Private Sector Bank in India

Year	**Saving**	**Growth**	**Trend**
2016-2017	58867.6	38686.59869	13639.67117
2017-2018	43016.75	63360.71341	72232.92482
2018-2019	71590.02	103771.8523	130826.1785
2019-2020	212851.89	169957.0087	189419.4321
2020-2021	311855.87	278354.7193	248012.6858

Sources: *secondary and computed in* ***Excel***

Graph 1.1

Trend and Growth Analysis of Saving in Private Sector Bank in India



The above table and graph show the trend and growth analysis of saving in the private sector from 2020 to 2021. The growth and trend are moving in an increasing direction which means that development in the self-help groups in their saving pattern. And also indicates that if the saving pattern is increasing trend which shows that they started saving their money.

Table 1.3

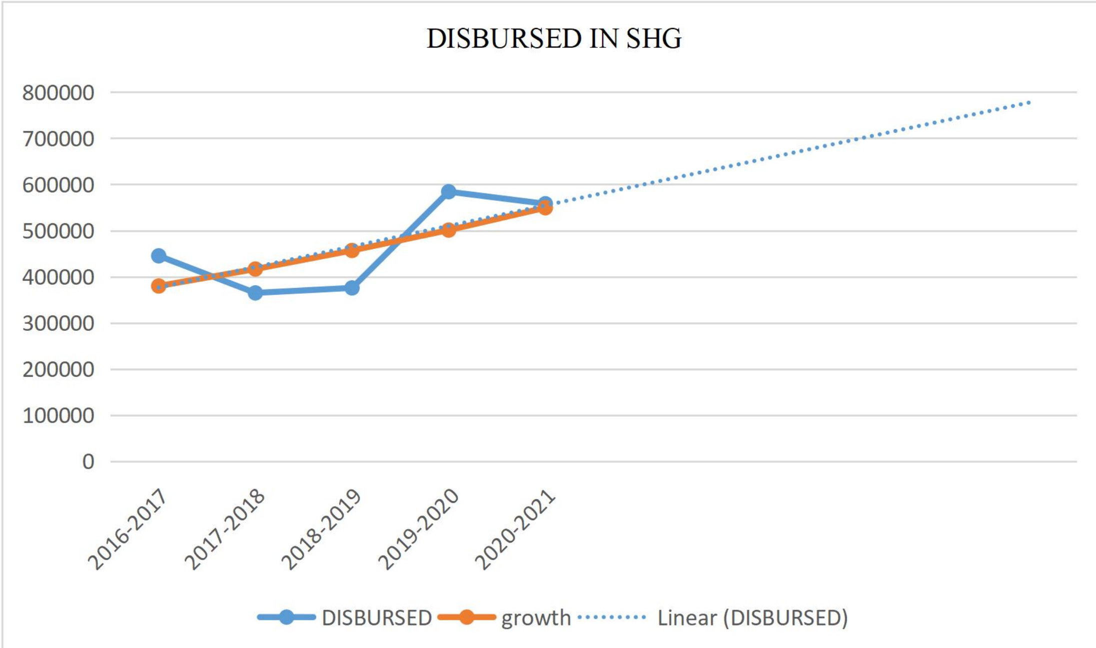
Trend and Growth Analysis of Loan Disbursed in Private Sector Bank in India

Year	Disbursed	Growth	Trend
2016-2017	445197.39	379889.2079	376628.406
2017-2018	364928.85	416590.3066	421116.471
2018-2019	375725.58	456837.0987	465604.536
2019-2020	584137.44	500972.1337	510092.601
2020-2021	558033.42	549371.0546	554580.666

Sources: *secondary and computed in* ***Excel***

Graph 1.2

Trend and Growth Analysis of Disbursed in Private Sector Bank in India



The above table depicts the trend and growth analysis of Loan Disbursed of Private Sector Bank from 2020 to 2021. It reveals that the loan disbursed is decreasing over the year 2017-2019, and again it is increased to the next 2 financial years.

Table 1.4

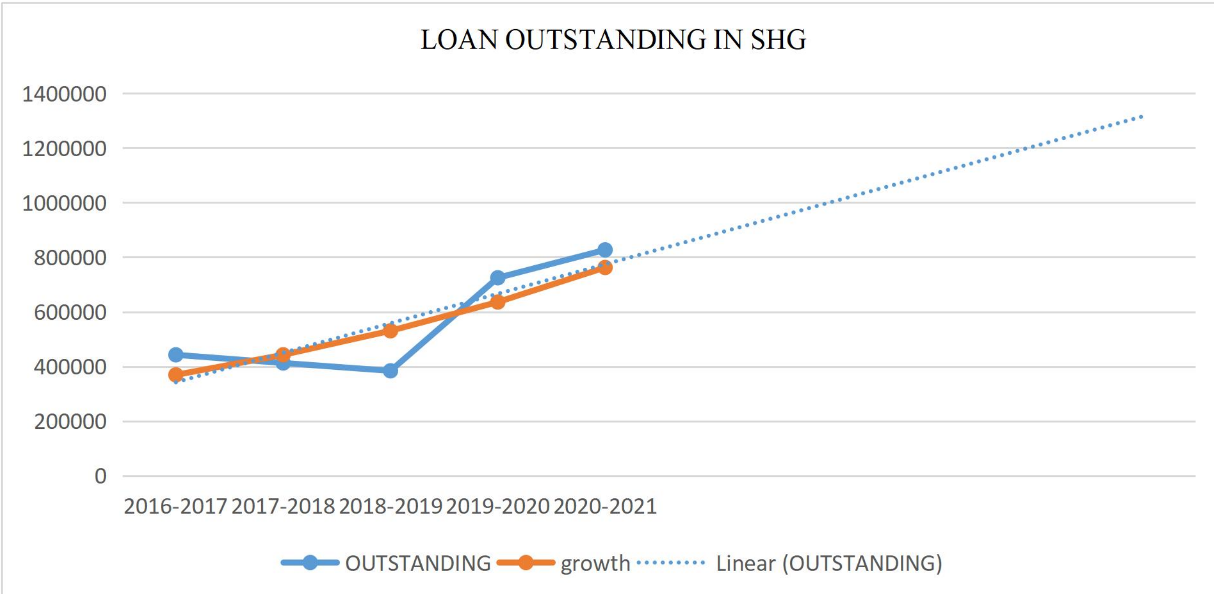
Trend and Growth Analysis of Loan Outstanding in Private Sector Bank in India

Year	Outstanding	Growth	Trend
2016-2017	442432.21	369031.6159	341905.062
2017-2018	412583.56	442413.5077	449971.787
2018-2019	383828.02	530387.3797	558038.512
2019-2020	724582.31	635854.8454	666105.237
2020-2021	826766.46	762294.5038	774171.962

Sources: *secondary and computed in* ***Excel***

Graph 1.3

Trend and Growth Analysis of Loan Outstanding in Private Sector Bank in India



The above represent the Loan Outstanding of Private Sector Banks, it is showing that the trend line is moving upward and it is the amount that is repaid was considerably diminishing which creates a non-performing asset to the bank and it also affects the financial performance of the economy.

Finding

- The study found that Loan Outstanding have the highest Mean, Range, Maximum, Standard Deviation.
- Saving shown that have highly skewed and kurtosis is also too peaked.
- The trend and growth of saving are increasingly showing that the rural people have increased their habit of saving.

Suggestion

The study suggested that much of research have been conducted in this area, moreover, this research is mainly focused on the performance of Private Sector Bank in the development of SHG, in India for the current financial year. From this study, many training programs should be arranged for the rural people for awareness. And also, the bank has to improve the recovery channels. More many NGOs should involve in the development of SHGs in India.

Conclusion

The study concluded that Private Sector banks have a major role in the development of Self-Help Groups in India. And also, the private sector bank provides loans to Self-Help Groups with minimal rates of interest and some of the Self-Help Groups. The primary aim of Self-Help Groups was to empower women in rural Ares financially and non-financially and also develop the literacy of rate of rural peoples. The trend of saving was increased for the private sector banks and also the loan disbursed were increasing trend.

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"THE ROLE OF NABARD IN GROUP LENDING AND FINANCIAL INCLUSION"

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Abstract:-

In this paper, we have tried to justify the rationale behind Joint Liability Group Lending (JLGL) over the Limited Liability Individual Lending (LLIL), and then we have tried to show the role of NABARD towards Financial Inclusion Initiative (FII) in India using JLGL programs. The group lending programs have proven able to reach poor individuals, particularly women that havebeen difficult to reach through alternative approaches. NABARD's JLGL projects and SHG-BLPs have successfully led us to adopt microcredit programs, and thus play the lead roles to promote FII in India. NABARD takes pride in the fact that the Self Help Group - Bank Linkage Programme, which is the largest microfinance programme in the world, today touches nearly 11 crore households through more than 87 lakh SHGs with deposits of over Rs. 19500 crore and annual loan off take of more than Rs. 47000 crore and loan outstanding of over Rs. 75500 crore. Several initiatives are taken by NABARD to bring the poor into the fold of formal financial service providers, and serious attempts are made to achieve the Financial Inclusion (FI) goals. It is high time to promote the working of JLGs, SHG-BLPs and FII in a complimentary manner, synergizing the strengths, and ensuring effective banking footprints in remotest of hinterlands.

Keywords- Microcredit, Group Lending, Joint Liability, and Social Sanction, Financial Inclusion

Introduction:-

The National Bank for Agriculture and Rural Development (NABARD) is a national financial institution in India with a total balance sheet of over US$ 40 billion. It has the mandate of promoting sustainable agriculture and rural development through innovative, sustainable and equitable agriculture and rural prosperity by providing financial and technical support. It has built partnerships with other national entities, financial institutions and non-governmental organizations in order to implement innovative ideas through loans, guarantees, blended finance and other structures in the areas of agriculture, natural resources management, fisheries, rural livelihood

improvement, renewable energy and micro finance among others. Almost one-third of its cumulative disbursements are related to climate change adaptation and mitigation activities. NABARD sought accreditation to the GCF in order to continue implementing its climate change adaptation and mitigation projects and programmes, which are well aligned with the results areas of the GCF, particularly food and water security, forestry and landscape management, enhancing livelihoods and ecosystem services. Leveraging its long-standing partnerships and experience, NABARD intends to undertake low-emissions and climate-resilient sustainable development that reduces the impacts of climate change.

Objective of the study:-

1. To evaluate the role of NABARD in Group Lending.
2. To study the importance of financial inclusion.

Research Methodology:-

The Research approach used in this project is a 'Secondary Data Analysis'. The information existing in the following analysis is based on Government Surveys, Internet, Newspapers, Magazines and Books etc.

The Study:-

Inclusive economic growth has been one of the priority agendas of the Government of India (GOI) over the past decade. It is widely acknowledged that inclusive economic growth cannot be accomplished without achieving financial inclusion for the nearly two-thirds of India's population who are unbanked. NABARD aims at to facilitate sustained access to financial services for the unreached poor in rural areas (through various microfinance innovations) in a cost effective and sustainable manner, and to link nearly 9.2 crore households by the end of year 2015. NABARD takes pride in the fact that the Self Help Group - Bank Linkage Programme, which is the largest microfinance programme in the world, today touches nearly 11 crore households through more than 87 lakh SHGs with deposits of over Rs. 19500 crore and annual loan off take of more than Rs. 47000 crore and loan outstanding of over Rs. 75500 crore (NABARD, 2017-18).

For the Financial Inclusion Initiative (FII) in India, the "Committee on Financial Inclusion" under the Chairmanship of Dr. C. Rangarajan has recommended setting up of two funds - Financial Inclusion Fund (FIF) and Financial Inclusion Technology Fund (FITF). The two funds have been established with National Bank for Agricultural and Rural Development (NABARD), with its Financial Inclusion Department (FID) as the nodal department of the GOI.

Several initiatives are taken by the Government of India, the Reserve Bank of India, NABARD and Banks to bring the poor into the fold of formal financial service providers, and serious attempts have been made to leverage the Joint Liability Group Lending (JLGL) or Self Help Group-Bank Linkage Program (SHG-BLP) to achieve the Financial Inclusion (FI) goals. Actually, there is a need for JLGL and/ or SHG-BLP, and FII working in a complimentary manner, synergizing the strengths, and ensuring effective banking footprints in remotest of hinterlands.

To promote FII in India, NABARD has been constantly supporting formation of informal groups like Joint Liability Groups (JLGs) with 4-10 members. Both theoretically and in practice, it is generally found that financing of Joint Liability Groups (JLGs) is a good business proposition from the lenders perspective also. JLGL projects need simplified documentation, group dynamics, timely repayment culture and prospects of credit enhancement to quality clients.

JLGs are intended basically as credit groups for tenant farmers and small farmers who do not have proper title of their farmland or security to offer, but needed longer term credit or seasonal credit for pursuing their economic activities. NABARD supports banks for nurturing and financing of JLGs and has issued comprehensive guidelines on JLGs to Banks. Thus, regular savings by JLG is completely voluntary in nature. NABARD not only extends financial support for awareness creation or capacity building of all stakeholders, but also extends complete refinance support to Banks on their lending to JLGs. Almost 1,96,500 JLGs were promoted and credit linked during 2012-13, as against 1,91,500 JLGs promoted during the previous year. There has been expansion in credit flow to JLGs to the extent of Rs. 1,837.64 crore as against Rs. 1,700.33 crore, i.e., 8% increase over the previous year, taking the cumulative number of JLGs to 5,29,246 (which was

3.32 lakh in 2011-12) and the cumulative loan disbursed to JLGs to Rs. 4,683.33 crore (that was 2845.68 crore in 2011-12) (NABARD, various issues).

For the last three decades, it has been witnessed that a substantial amount of resources being earmarked towards meeting the credit needs of the poor. The branch expansion of the nationalized banks is synergized with massive manpower recruitment drive for manning such branches. The launching of NABARD's Pilot phase of the SHG-BLPs in February, 1992 could be considered as a landmark development in banking with the poor.

The strategy involved is forming small, cohesive and participative groups of the poor, encouraging them to pool their thrift regularly and using the pooled thrift to make small interest bearing loans to members, and in the process learning the nuances of financial discipline. Subsequently, bank credit also becomes available to the Group, to augment its resources for lending to its members. It needs to be emphasized that NABARD sees the promotion and bank linking of SHGs not as a credit program, but as a part of an overall arrangement for providing financial services to the poor in a sustainable manner and also an empowerment process for the members of these SHGs.

The microfinance sector in India is considered to be one of the main contributors to financial inclusion in the country. The journey, initiated by NABARD, so far navigated by the SHG-BLP has crossed many milestones from linking a pilot of 500 SHGs of rural poor two decades ago to cross 8 million groups a year ago. Similarly from a total savings corpus of a few thousands of Indian Rupees in the early years to a whopping Rs. 27,000 crore today, from a few crore of bank credit to a credit outstanding of Rs. 40,000 crore and disbursements touching Rs. 20,000 crore during 2012-13 (NABARD, 2013). The geographical spread of the movement has also been quite impressive - now spreading to even the most remote corners of India. Over 95 million poor rural households are now part of this world's largest microcredit initiative. The poor in the country have demonstrated that inspite of being poor; they are, perhaps, the most "bankable" clients and most willing to help each other for a better tomorrow (NABARD, 2013).

Result and Discussion:-

Financial inclusion means much more than simply having or not having a bank account: it means not only the mere availability of services, but also to their adoption and usage. The microcredit movement has shown that despite high transactions costs and no collateral, it is possible to provide poor people in rural areas, with credit facilities for setting up or expanding business, for investing in self-employment generating activities and thereby increasing household security. The group-lending programs have proven able to reach poor individuals, particularly women that have been difficult to reach through alternative approaches.

Conclusion:-

More than 75 per cent people of India depend on agriculture. Rural infrastructure investments help in raising the socio-economic status of the rural people through increased income

levels and quality of life. NABARD being an apex institution for providing credit facilities and capacity building to Indian rural economy, it has great an opportunity for poverty reduction and socio-economic empowerment of rural India. There is a need to critically examine the causes and issues in underserved areas of Self Help Group Bank Linkage Programme at a granular level and devise strategies for intervention. This calls for redefining the priority states and strategy for such states with particular emphasis on Central, Eastern India and North-Eastern regions. Mapping of potential could be one of the interventions.

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"THE ROLE OF NABARD IN RURAL DEVELOPMENT"

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Abstract:-

In the Indian context rural development assumes greater significance as nearly 70% of its population live in rural areas. Most of the people living in rural areas draw their livelihood from agriculture and allied sectors. Such areas are distinct from more intensively settled urban and suburban areas. Life styles in rural areas are different than those in urban areas, mainly because limited services are available. Governmental services like law enforcement, schools, are departments, and libraries may be distant, limited in scope, or unavailable. Rural development is a national necessity and has considerable importance in India. The main objective of the rural development programme is to raise the economic and social level of the rural people. National Bank for Agriculture and Rural Development (NABARD) is set up as an apex institution by the Government of India with the main objective of providing and regulating credit and other facilities for the promotion of rural development. It is a single integrated organisation which looks after the credit requirements of all types of agricultural and rural development activities. Hence, an attempt is made to study the role of NABARD in the rural development. The study covered aspects such as objectives, functions, management and organizational hierarchy, sources of funds, activities achieved, loan assistance to various institutions, refinance assistance micro finance assistance etc.

Keywords: Microfinance, Rural Development, NABARD, Refinance etc.

Introduction:-

India is predominantly a rural country with two third population and 70% workforce residing in rural areas. Despite the rise in urbanization, more than half of India's population is projected to be rural by 2050. However, the face of rural India is progressively changing with the initiatives of Central and State governments, corporate sector, and national and international development agencies with provision of urban amenities in rural areas. NABARD has been actively participating in this endeavor. National Bank for Agriculture and Rural Development or NABARD is the main regulatory body in the country's rural banking system and is considered as the peak development finance institution which is established and owned by the government of India. This bank aims to provide and regulate credit to the rural areas, which will be a first step towards enhancing the rural development in the country. NABARD has been given many responsibilities related to the formulation of policies, planning, and operations in agriculture and financial development. NABARD carries these responsibilities efficiently and works towards promoting and developing man industries in the rural areas like the agriculture industry, cottage industries, other small scale industries, and rural crafts in an effort to create better infrastructure and better employment opportunities for the people living in these regions. The Government of India established this bank considering all the guidelines of the National Bank for Agriculture and Development Act of 1981. To put it in simple terms, you can say that the National Bank for Agriculture and Rural Development or NABARD is the main and specific bank of the country for agriculture and rural development.

Objective of the study:-

1. To highlight the role of NABARD in rural development
2. To find effectiveness NABARD in development of rural India

Research Methodology:-

The Research approach used in this project is a 'Secondary Data Analysis' i.e. Qualitative Method. The information existing in the following analysis is based on Government Surveys, Internet, Newspapers, Magazines and Books etc.

NABARD and its Developmental Role:-

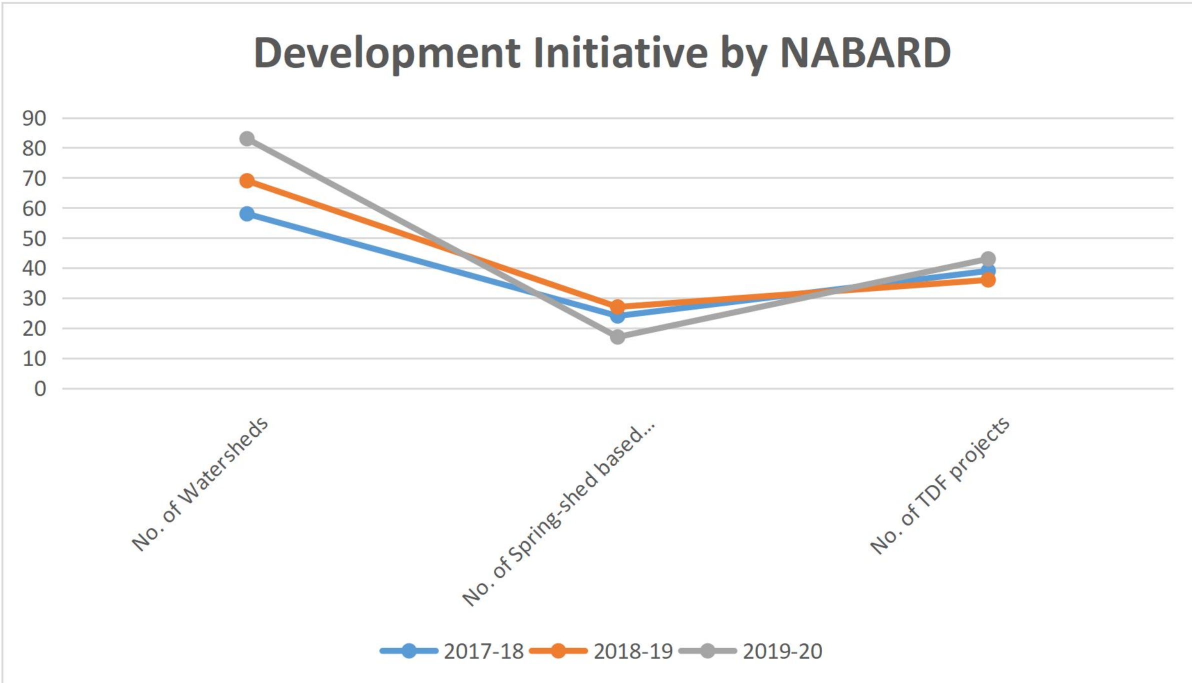
During 1983-84 NABARD mobilized net resources amounting to Rs. 774 crores, which however fell to Rs. 541 crores during the year 1984-85. During this year NABARD sanctioned Rs. 1233 crores to SCBs for financial seasonal agricultural operations. It also provided medium-term and long term credit facilities for the benefit of the agricultural sector. During 1984-85 its total outstanding amounted to Rs. 1018 crores and limits sanctioned amounted to Rs. 1688 crores. NABARD also assisted the development and promotion of agricultural investments in the less developed and /or underbanked states. For this purpose during the year 1984-85, it disbursed Rs. 455 crores. For the year 1986-87 NABARD could mobilize Rs. 887 crores towards its aggregate net resources for providing rural credit. During 1986-87, NABARD completed the inspection of 178 CCBs, 86 RRBs, 7 SLOBs and 30 other institutions. It also approved and assited during the year, 5 research proposals, 17 seminars and several conferences from its R&D fund, and incurred and expenditure of Rs. 3.41 lakhs on this account.

During the year 1987, NABARD also introduced a 10 point action programme for rehabilitation of weak primary land development banks and branches of state land developing banks. The action program was with regard to: (i) Investigation of overdues; (ii) strengthening of organization and management; (iii) review of loan policies and procedures; and for the year 1989-90, the short term credit limits sanctioned by NABARD for financing seasonal agricultural operations aggregated to Rs. 2807 crores. During 1995-96, the total amount of refinance disbursements by NABARD increased by less than 2% to Rs. 3064 crore from that of the previous year. During this period a Rural Infrastructural Development Fund (RIDF) was created within NABARD for facilitating rural infrastructure projects. During 1996-97 NABARD's resources increased to Rs. 2963 crores against Rs. 1617 crore in the previous year.

Purpose wise Disbursements under RIDF during 2007-08		
Purpose	Amount (Rs. In Lakh)	% Share
Irrigation	286955	35.71%
Rural Roads	257338	32.03%
Drinking Water Supply	64688	8.05%
Bridges	58159	7.24%
Primary/Secondary School	49227	6.13%
Power Sector	19294	2.40%
Watershed Development	17980	2.24%
Flood Protection	13225	1.65%
Soil Conservation	8827	1.10%
Forest Management	8030	1.00%
Drainage Improvements	5931	0.74%
Storage/ Market Yard	3467	0.43%
Others	10371	1.29%
TOTAL DISBURSEMENT	803492	100.00%

Source- Report by NABARD

The data shows that under Rural Infrastructural Development Fund (RIDF) maximum disbursement is provided to irrigation i.e. 35.71%, 32.03 % to Rural roads and rest approximate 32% to all the other activities like drinking water, drainage improvements etc.



In above line chart we can observe that various initiative by NABARD in recent years in rural areas. NABARD has initiated 58 watersheds in the year of 2017-18 and it increased to 69 and 83 in 2018-19 and 2019-20 respectively. Whereas Number of spring-shed based watershed development programme also initiated by NABARD, There were 24 spring-shed based watershed development programmes by NABARD in 2017-18, it increased to 27 in the 2018-19 but decreased to 17 in 2019-20 unfortunately. Similarly, 39 TDF projects were in the list of NABARD in 2017-18 and its number has gone down to 36 in 2018-19 and increased once again in 2019-20. In the lump, in recent years the performance of NABARD is improved but need to be consistent with their ability for the development of rural development.

NABARD has set up its in-house Climate Change Fund in 2016-17 for promoting and supporting activities aimed at addressing climate change impacts, adaptation and mitigation measures, awareness generation, knowledge sharing and for facilitating sustainable development. During 2019-20, out of total budget of Rs.4 crore allocated under CCF to NABARD HO, ROs, and CCC-BIRD, Rs.1.22 crore was disbursed/ utilised for various programmes and events. Sustainable Development Plan (SDP) addresses the critical issues of technology transfer, agriculture extension, credit intensification, integrated pest management, integrated nutrient management, promotion of farmer producer organisations (FPOs), etc. of the completed watershed projects. As on 31 March 2020, 466 SDPs have been sanctioned, with total financial outlay of Rs.45.07 crore.

Result and Discussion:-

Since 1982 NABARD has taken care of not only primary sector and its allied activities but secondary sector consist of Manufacturing and construction sector and tertiary sector which includes Banking, Insurance, Transportation, various services etc. As we all know Indian economy is based on primary sector and it requires more boost to develop its various segments. NABARD is the platform the same. During COVID 19 pandemic, NABARD has taken care of rural based Micro and Medium scale industries by means of financial support. In the lump, NABARD is one of the successful step by Government of India since independence.

Conclusion:-

Rural development in India is very much needed for the growth of Indian economy Different approaches, strategies and programmes have been taken for the uplift of rural development. The former Prime Minister, Manmohan Singh, launched the ambitious Bharat Nirman initiative, which aimed at strengthening the country's rural infra-structure. The initiatives taken by the Government of India for rural housing deserve appreciation. The home-less people are reaping the benefits from this scheme. NABARD's role with regard to rural development needs no description. Farmers' Club, RIDF, KCC and SHG-Bank Linkage Programme etc. have helped a lot for the development of economy. The introduction of KCC scheme is a bold step taken by the GOI to mitigate the problems of the farmers. The said scheme has eased the flow of credit to farmers. So effective implementation of the schemes may result in overall development of rural areas that may improve the quality of life of rural people. The Government needs to pay strict vigil on the proper implementation of the programmes. An awareness programme should be arranged for the beneficiaries so that they can know the ins and outs of different schemes. If they are in dark, the ultimate goal will be defeated. Developing country like India were in search of parent institution for Rural India's development and its upliftment in post-independence era with strong policies and implement it in time bound programme. This requirement has fulfilled by NABARD.

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AWARENESS ABOUT PRADHAN MANTRI JEEVAN JYOTI BIMA YOJANA & PRADHAN MANTRI SURAKSHA BIMA YOJANA WITH SPECIAL REFERENCE TO AMBASAN VILLAGE IN SATANA DIST.NASIK

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Abstract:

Pradhan Mantri Jeevan Jyoti Bima Yojana is a type of pure term life insurance scheme. Pradhan Mantri Suraksha Bima Yojana is a type of accidental life insurance scheme. Pradhan Mantri Jeevan Jyoti Bima Yojana & Pradhan Mantri Suraksha Bima Yojana provides financial assistance to the insured person or her nominee after the accidental death of the insured person or full disability or partial disability depending upon situation which helps to the offset the financial loss.

In this research paper, entitled "Awareness about Pradhan Mantri Jeevan Jyoti Bima Yojana & Pradhan Mantri Suraksha Bima Yojana with Special Reference to Ambasan Village in Satana Dist.Nasik" is selected for study purpose as study area. The researcher is seek to get information about how many people living in Ambasan Village is aware about PMJJBY & PMSBY & enrolled & getting benefitted from these scheme.

To find out awareness & enrolled to PMJJBY & PMSBY in the study area are the basic objective. Primary data are collected through questionnaire of 20% respondent from study area.

It is no doubt PMJJBY & PMSBY have been providing financial assistance to insured person its nominees but the in the case of study only 43.60 % people are aware & taken PMJJBY insurance policy & 42.80 people are have & taken PMSBY insurance policy.

Keyword: Pradhan Mantri Jeevan Jyoti Bima & Yojana & Pradhan Mantri Suraksha Bima Yojana

Introduction:

Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) is a type of pure term life insurance scheme. PMJJBY provides Rs.2 lakhs death benefit to insured nominee. The PMJJBY was declared in the 2015 budget speech by finance minister Arun Jettlly. All saving account holder whose age are between 18 to 50 years are eligible for PMJJBY. The PMJJBY is renewable insurance scheme, annually Rs. 330 insurance premium are auto debit from insurer saving account with his pre permission. The policy holder of PMJJBY or her nominee can claim after 45 days from policy taken except accidental case.

Pradhan Mantri Suraksha Bima Yojana (PMSBY) is a type of accidental life insurance scheme. PMSBY provides Rs. 2 lakhs accidental death & full disability & Rs.1 lakhs partial disability to insured person or her nominee. The PMSBY was also declared in the 2015 budget speech by finance minister Arun Jettlly. All saving account holder whose age are between 18 to 70 years are eligible for PMSBY. The PMSBY is renewable insurance scheme, annually Rs.12 insurance premium are auto debit from insurer saving account with his pre permission.

PMJJBY & PMSBY provides financial assistance to the insured person or her nominee after the accidental death of the insured person or full disability or partial disability depending upon situation which helps to the offset the financial loss. In this research paper, the researcher is seek to get information about how many people living in Ambasan Village is aware about PMJJBY & PMSBY & enrolled & getting benefitted from these scheme.

Objective:

To find out awareness of people about PMJJBY & PMSBY & enrolled people to PMJJBY & PMSBY in the study area of Ambasan Village.

Method:

The Ambasan village from Satana taluka, district nashik is selected for study purpose, Ambasan village is NSS adopted by MGVs SPH Arts, Science and Commerce College Nampur Dist. Nasik, affiliated to Savitribai Phule Pune University Pune, Mahastratra. It is descriptive type article. In this research paper primary & secondary data are used. Primary data is collected from questionnaire. of 906 respondents. The questionnaires are collected from only ambasan village from Satana taluka, district nashik. The 906 (20%) people are of is selected as sample size by non-probability sampling methods. The respondents of study are included 56.60% male & 44.40% female respondent. The respondents are having various group of age between in 18-25 to 51-60. It is not homogeneous group of respondents in the case of education status & earning sources.

Table 1: Respondents view about PMJJBY & PMSBY

Parameters	Male	%	Female	%	Total	%
Known about PMJJBY	271	53.75	177	44.00	448	49.45
Unknown about PMJJBY	233	46.25	225	56.00	458	50.55
PMJJBY Policy Taken	244	48.41	151	37.56	395	43.60
PMJJBY Policy Not Taken	260	51.58	251	62.43	511	56.40
Known about PMSBY	257	51.00	152	37.81	409	45.15
Unknown about PMSBY Policy	247	49.00	250	61.18	497	54.85
PMSBY Policy Taken	236	43.82	152	37.81	388	42.80
PMSBY Policy Not Taken	268	53.17	250	61.18	518	58.20
Total	**504**	**100**	**402**	**100**	**906**	**100**

(Compile from questionnaires)

Results:

1. **Known & Unknown about PMJJBY:** The male respondents are more known about to PMJJBY as compare to female respondents & the female respondents are more unknown about to PMJJBY as compare to male respondent.
2. **PMJJBY Policy Taken Status:** The policy taken percentage of male respondent is more than female respondent percentage & the non-taken policy percentage of female respondent is more than male respondent.
3. **Known & Unknown about PMSBY:** The male respondents are more known about to **PMSBY** as compare to female respondents & the female respondents are more unknown about to **PMSBY** as compare to male respondent.
4. **PMSBY Policy Taken Status**: The policy taken percentage of male respondent is more than female respondent percentage & the non-policy taken percentage of female respondent is more than male respondent.

Discussion:

1. The male respondent percentages in overall parameters are more than female respondent percentage. The overall awareness, known & policy taken percentage of PMJJBY is higher than PMSBY. The known percentage of male respondents about to PMJJBY is 7.50 % more than female respondent percentage and in the case of PMSBY it is more 13.19 % as compare to female respondent. The policy taken percentage of

male respondents of PMJJBY is 10.85 % more than female respondent and in the case of PMSBY it is near about 6.01 % more as compare to female respondent.

2. In is very officially founded that, only 49.45% respondent are known about PMJJBY & 50.55% are unknown about PMJJBY. In is not a good position in the case of PMJJBY Policy Taken Status, 43.60 % are respondent PMJJBY Policy holder & 56.60.
3. In is also founded that, only 45.15% respondent are known about PMSBY & 54.85% are unknown about PMSBY. It is not also a good position in the case of PMSBY Policy Taken Status because 42.80 % respondents are holder of PMSBY Policy & 58.20 respondent are non-Policy holder of PMSBY Policy.

Conclusion:

It is no doubt PMJJBY & PMSBY have been providing financial assistance to insured person its nominees but the in the case of study only 43.60 % people have taken PMJJBY insurance policy & 42.80 people have taken PMSBY insurance policy.

PMJJBY & PMSBY is beneficiated to all people especially in rural part of India but the actual very less people having policy of PMJJBY & PMSBY hence it is necessary to aware more rural people by adopting campaign for participating in PMJJBY & PMSBY.

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A STUDY ON PROGRESS OF PRADHAN MANTRI JAN DHAN YOJANA (PMJDY)

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Abstract:

Financial inclusion refers to make the financial services available to everyone at affordable costs. Under this, the financial services should be available for deprived and needy people and low-income groups. No person should remain financially untouchable. The financial inclusion not only brings more people to the bank and increases its business but it also helps to improve their standard of living. This also bridges the rural-urban economic gap. Government of India and Reserve Bank of India have taken various initiatives such as No frills account, BSBDA – Basic savings bank deposit account, LBS – Lead banking scheme, PMJDY – Pradhan Mantri Jan Dhan Yojana, simplified KYC norms etc. Pradhan Mantri Jan Dhan Yojana (literal meaning - People's Wealth Scheme) is the biggest financial inclusion initiative in the history. It aims of launching India's most intensive financial inclusion as a national mission. This study investigates the progress made by PMJDY from 2017 to 2021. This is descriptive research based on secondary data. .

Keywords: PMJDY, Financial inclusion (FI), saving bank accounts, RuPay debit cards

INTRODUCTION:

Financial inclusion means that individuals and businesses have access to useful and affordable financial products and services that meet the needs of transactions, payments, savings, credit, insurance, etc. provided in a responsible and sustainable manner. The government of India has launched many flagship schemes to promote financial inclusion and provide financial security to empower the poor and unbanked in the country. These include the Pradhan Mantri Mudra Yojana (PMJDY) , Stand-Up India Scheme, Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), Pradhan Mantri Suraksha Bima Yojana (PMSBY) and Atal Pension Yojana (APY).

Pradhan Mantri Jan Dhan Yojana (PMJDY) is the Government of India's financial inclusion program open to its citizens. This program aims at providing affordable access to financial services such as bank accounts, remittances and loans, Insurance and pensions. This financial inclusion campaign was launched by Indian Prime Minister Narendra Modi on August 28, 2014.

PMJDY a national mission for financial inclusion that was designed and developed to provide access to financial services to unbanked people. Under this programme, those who do not have a savings account can open an account without the need for a minimum balance, in case they self-certify that they do not have any of the officially valid documents required for opening a savings account, they may open a small account. Thus, PMJDY offers unbanked persons easy access to banking services and awareness about financial products through financial literacy programmes.

Benefits of PMJDY accounts as follow:

- PMJDY envisions all Government benefits should reach to the beneficiaries accounts directly and it works through the Direct Benefits Transfer (DBT) scheme of the Union Government.
- One basic savings bank account is opened for unbanked person.
- A Saving bank account will be opened for unbanked person with zero minimum balance.
- RuPay debit card will be given to account holder, this card has inbuilt accident insurance cover of 1 lakh (enhanced to Rs. 2 lakh to new PMJDY accounts opened after 28.8.2018 i.e. in III phase of the programme).
- Deposits made in PMJDY account earns interest.
- An overdraft (OD) facility up to Rs. 10,000 to eligible account holders is available based upon credit history of six months.
- PMJDY accounts are eligible for other financial inclusion initiatives introduced by government of India such as, Direct Benefit Transfer (DBT), Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), Pradhan Mantri Suraksha Bima Yojana (PMSBY), Atal Pension Yojana (APY), Micro Units Development & Refinance Agency Bank (MUDRA) scheme.

OBJECTIVES:

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The main objectives of the study are:

To examine the status of financial inclusion in India.

To evaluate the progress of Financial Inclusion Plans (FIPs) in India.

To appraise the progress made under the PMJDY

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To appraise the progress made under the PMJDY

The main objectives of the study are:

- To appraise the progress of PMJDY.
- To appraise the volume of RuPay debit cards issued to PMJDY account holders.

LITERATURE REVIEW:

Financial inclusion is affordable, timely and appropriate access to a wide range of regulated financial products and services for all sections of society through the implementation of customized and existing innovative approaches, including financial awareness and education. A process that promotes access and expands its use. To promote economic well-being and economic and social inclusion. (Atkinson, A. and F. Messy, 2013).

According to Chakraborty (2011) financial inclusion is the process which ensures access to appropriate financial products and services needed by all sections of society including vulnerable groups such as labourers, women and low income groups at an affordable cost in a fair and transparent manner by major banks and insurance companies. FI is to ensure banking services in the nature of public product, making the availability of banking and payment services to the entire population without discrimination is the prime objective of financial inclusion in public policy

RESEARCH METHODOLOGY:

The study is largely based on secondary data sources which has been collected through reports of committees, journals, articles and websites etc.; hence the study is analytical and descriptive in nature. The study analyses progress made by PMJDY in achieving the goal of financial inclusion over the period from 2017 to 2021. Wherever required the data has been presented in tabular forms and used graphs and charts to depict the trends in various variables of study.

Current Status and Progress of Pradhan Mantri Jan Dhan Yojana:

Here is a glimpse of progress made of PMJDY since 2017 to 2021, same has been depicted through table No. 1 . The below table consists information such as total no. of accounts opened at the end of the calendar year. The share of various sector banks is depicted with number of beneficiaries in urban/metro branches and rural branches. In addition to this number of RuPay debit card details too has been shown.

Table: 1 Bank Category wise Report as on from 2017 to 2021

Bank Name / Type	Number of Beneficiaries at rural/semiurban centre bank branches	Number of Beneficiaries at urban metro centre bank branches	Number of Total Beneficiaries	Deposits in Accounts(In lac)	Number of Rupay Debit Cards issued to beneficiaries	Bank Categorywise Report as on 27/12/2017
Public Sector Banks	133261941	115240567	248502508	5708964.83	186622941	
Regional Rural Banks	41908385	7664902	49573287	1227146.09	36437076	
Private Sector Banks	5986433	3889034	9875467	214005.6	9200453	
Grand Total	**181156759**	**126794503**	**307951262**	**7150116.52**	**232260470**	

Bank Name / Type	Number of Beneficiaries at rural/semiurban centre bank branches	Number of Beneficiaries at urban metro centre bank branches	Number of Total Beneficiaries	Deposits in Accounts(In lac)	Number of Rupay Debit Cards issued to beneficiaries	Bank Categorywise Report as on 26/12/2018
Public Sector Banks	146229322	124314618	270543940	6908371.17	221035028	
Regional Rural Banks	46723565	8810595	55534160	1483823.55	37851033	
Private Sector Banks	6213441	4276786	10490227	239884.58	9827742	
Grand Total	**199166328**	**137401999**	**336568327**	**8632079.3**	**268713803**	

Bank Name / Type	Number of Beneficiaries at rural/semiurban centre bank branches	Number of Beneficiaries at urban metro centre bank branches	Number of Total Beneficiaries	Deposits in Accounts(In lac)	Number of Rupay Debit Cards issued to beneficiaries	Bank Categorywise Report as on 25/12/2019
Public Sector Banks	162492321	138305528	300797849	8645374.2	247745530	
Regional Rural Banks	52363634	11962946	64326580	1972435.34	38040336	
Private Sector Banks	6962371	5563869	12526240	308052.21	11517954	
Grand Total	**221818326**	**155832343**	**377650669**	**10925861.75**	**297303820**	

Bank Name / Type	Number of Beneficiaries at rural/semiurban centre bank branches	Number of Beneficiaries at urban metro centre bank branches	Number of Total Beneficiaries	Deposits in Accounts(In lac)	Number of Rupay Debit Cards issued to beneficiaries	Bank Categorywise Report as on 30/12/2020
Public Sector Banks	201559894	127499003	329058897	10492017.37	260975340	
Regional Rural Banks	64854882	9182862	74037744	2600923.48	33720549	
Private Sector Banks	7016935	5713400	12730335	415547.74	11510150	
Grand Total	**273431711**	**142395265**	**415826976**	**13508488.59**	**306206039**	

Bank Name / Type	Number of Beneficiaries at rural/semiurban centre bank branches	Number of Beneficiaries at urban metro centre bank branches	Number of Total Beneficiaries	Deposits in Accounts(In lac)	Number of Rupay Debit Cards issued to beneficiaries	Bank Categorywise Report as on 29/12/2021
Public Sector Banks	218035249	130988859	349024108	11767784.53	267521289	
Regional Rural Banks	70362700	10106289	80468989	2870501.15	34240236	
Private Sector Banks	7002103	5839867	12841970	455650.67	11022647	
Grand Total	**295400052**	**146935015**	**442335067**	**15093936.35**	**312784172**	

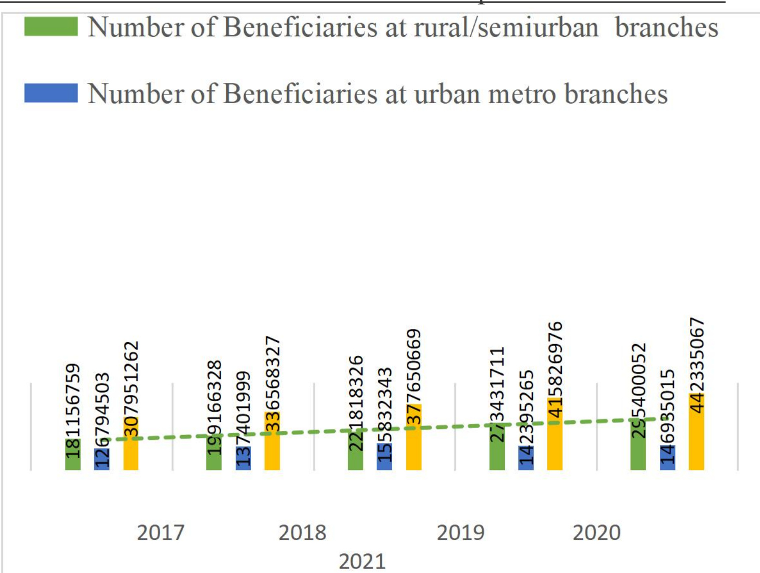
Source: Source: http://www.pmjdy.gov.in

Table: 2 Distribution of Bank Accounts Opened under PMJDY

Year	2017	2018	2019	2020	2021
Number of Beneficiaries at rural/semiurban branches	181156759	199166328	221818326	273431711	295400052
Number of Beneficiaries at urban metro branches	126794503	137401999	155832343	142395265	146935015
Total Number of accounts opened	**307951262**	**336568327**	**377650669**	**415826976**	**442335067**

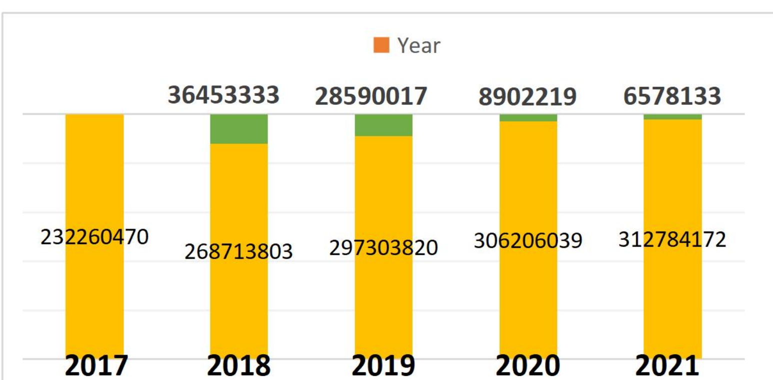
Source: Author's Compilation

Chart: 1 Distribution of Bank Accounts Opened under PMJDY



The distribution of bank accounts opened under PMJDY are primarily focused on rural and semi urban areas of the country. The trend line shows the progress of PMJDY in rural areas. Whereas the accounts opened in urban area is more or less the same year after year.

Chart: 2 Total Number of PMJDY- RuPay Debit Cards issued

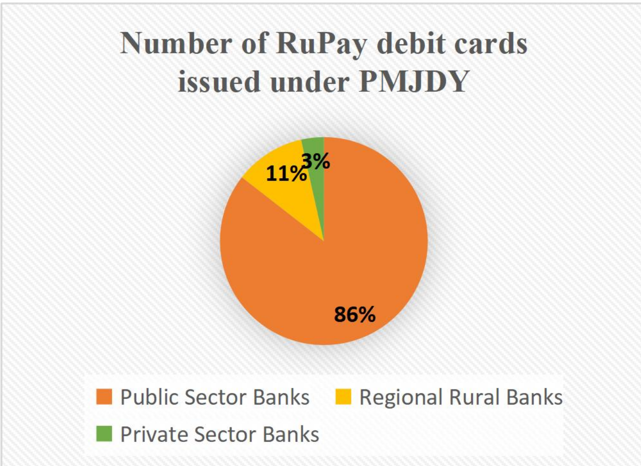


Though the issue of number of RuPay debit cards have shown an upward trend, it is growing at diminishing rate. In the year 2018, 3,64,53,333 new cards were issued compare to 2017. Gradually issue of debit cards has shown a down trend. In the year 2021, it was only 65,78,133 cards.

the study analyses progress made by PMJDY towards

achieving financial inclusion over the period from 13th January, 2015 to 11th January, 2017.

Chart 3/ Table 3 : % Share of Banks in RuPay Cards



Banks	Number of RuPay debit cards issued under PMJDY	Percentage of RuPay debit cards issued by Banks
Public Sector Banks	267521289	85.53%
Regional Rural Banks	34240236	10.95%
Private Sector Banks	11022647	3.52%
Total	**31,27,84,172**	**100%**

The total number of RuPay debit cards issued under PMJDY is **31,27,84,172**; Out of which almost 85.5% of cards are issued by Public sector banks alone, the remaining card issued by RRBs and Private sector banks as 10.95% and 3.5% respectively.

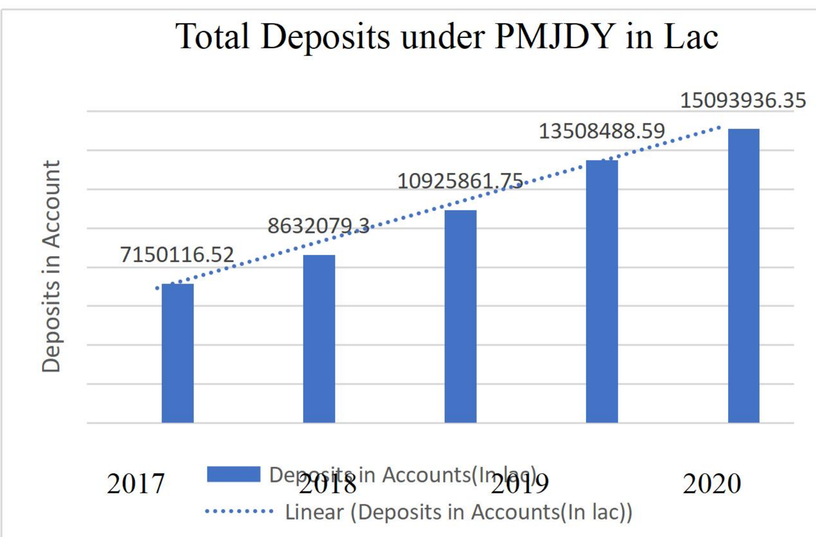


Chart 4: % Total Deposits under PMJDY in Lac

The deposits worth over 1.5 trillion Indian rupees were recorded in PMJDY accounts in the year 2021. The trend shows an upsurge from 2017 to 2021. In given 5 years the deposits have become double.

LIMITATIONS OF THE STUDY:

Following are the major limitations of the study:

The study has taken into consideration only few issues due to time constraints as well as unavailability of data.

The study is limited to the time period taken into consideration only.

The study mainly depends upon the published secondary data which was assumed to be reliable.

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LIMITATIONS OF THE STUDY: The major limitations of the study are:

The study depends upon the data published on pmjdy.gov.in which is considered as authentic and reliable. This study is limited to the time period taken into consideration only. This study concentrate only few issues.

CONCLUSION AND SUGGESTION

The aim of the PMJDY is 100% financial inclusion in India. From the period of 2017 to 2021 the bank accounts opened under PMJDY has increased from 30,79,51,262 to 44,23,35,067 this uptrend shows the rapid progress towards achieving 100% financial inclusion in the country. For a long period of time rural population had been neglected by the banks, as they were concentrated in urban areas but now the rural and semi urban areas have benefitted more than urban or metro cities under PMJDY. To a great extent beneficiaries of PMJDY are availing the facility of RuPay cards - an indigenous payment card introduced by NPCI. After the success of phase I and II, now the III phase is going on from August 2018. The impact of pandemic and lockdown can be seen on PMJDY, in the year 2021 the accounts opened are less the average of previous four years. The challenges are same as they were during first phase and second report. The major challenge includes technological issues affecting poor connectivity and bandwidth problem in rural and semirural areas. This can be observed in diminishing rate of growth of issue of RuPay debit cards. Addressing above challenges and creating awareness about the significance of financial literacy will help to achieve its goal of 100 percent financial inclusion in the country.

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ROLE OF NABARD IN FINANCIAL INCLUSION

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Dr. Jayashree Patil-Dake,
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Abstract

Rural development has always been an important issue in all discussions pertaining to economic development, especially of developing countries, throughout the world. In India, NABARD has been instrumental in foundation of rural, social innovations and social enterprises in the rural hinterlands. As of May 2020, NABARD operates at thirty-two Regional Offices in the country. Financial inclusion is a key enabler to reducing poverty and boosting prosperity. It is the convenience and equality of opportunities to access financial services. It refers to the development by which individuals and businesses can access appropriate, affordable, and timely financial products and services such as transactions, payments, savings, credit and insurance which should delivered in a responsible and sustainable way. Financial inclusion has been acknowledged as an enabler for 7 of the 17 Sustainable Development Goals. This study focusses on role of NABARD and the initiatives taken by NABARD in financial inclusion and also different strategies adopted for financial inclusion.

Keywords: *NABARD, Financial Inclusion, Strategies, Poverty Eradication*

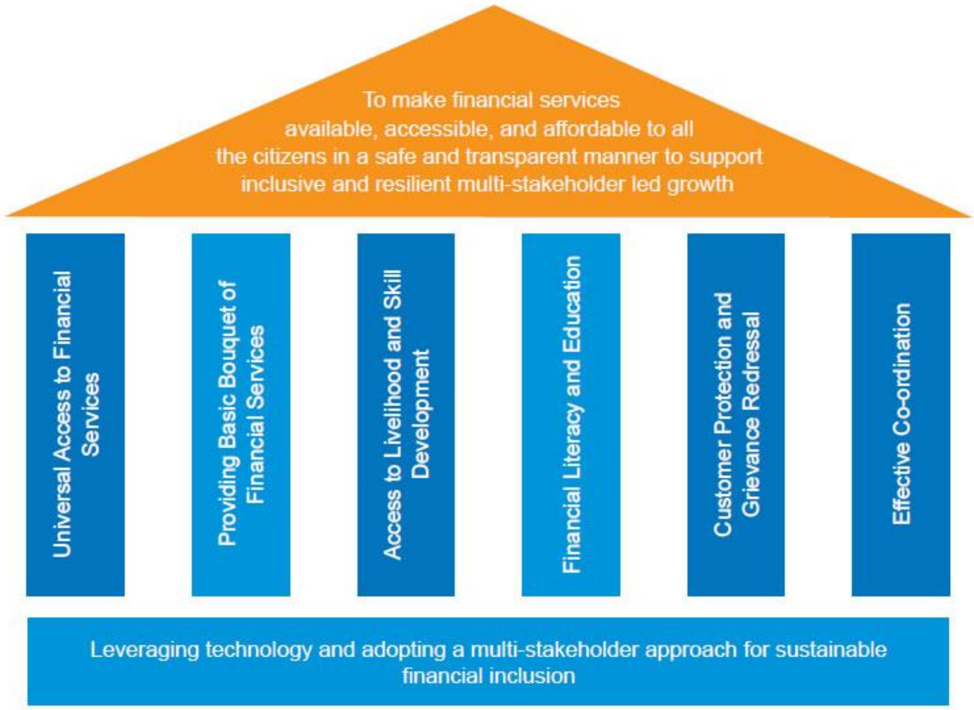
Introduction

Financial Inclusion – It is defined as the process of ensuring access to financial services and timely and adequate credit where needed by vulnerable groups such as weaker sections and low income groups at an affordable cost.

Financial inclusion is increasingly being recognized as a key driver of economic growth and poverty eradication the world over. Access to formal finance can boost job creation, reduce vulnerability to economic shocks and increase investments in human capital. If there no access to financial services then the individuals, the firm has to rely on the costly informal sources of finance to meet their financial needs and pursue growth opportunities.

The committee on Financial Inclusion, chaired by Dr. C Rangarajan, Ex-Governor of the Reserve Bank of India recommended the constitution of two funds – Financial Inclusion Fund (FIF) and Financial Inclusion Technology Fund (FITF) with NABARD to meet the costs of various promotional and developmental initiatives that will lead to better credit absorption capacity among the poor and vulnerable sections and for application of technology for facilitating the mandated levels of inclusion.

Figure IV.1-Strategic Pillars of National Strategy for Financial Inclusion



Source:https://www.rbi.org.in/Scripts/PublicationReportDetails.aspx?UrlPage=&ID=1154

About NABARD

National Bank for Agriculture and Rural Development (NABARD) was established on 12 July 1982 by an Act of the Parliament. NABARD, as a Development Bank, is mandated for providing and regulating credit and other facilities for the promotion and development of agriculture, small scale industries, cottage and village industries, handicrafts and other rural crafts and other allied economic activities in rural areas with a view to promoting integrated rural development and securing prosperity of rural areas, and for matters connected therewith or incidental thereto.

NABARD has been given many responsibilities related to the formulation of policies, planning, and operations in agriculture and financial development. NABARD carries these responsibilities efficiently and works towards promoting and developing man industries in the rural areas like the agriculture industry, cottage industries, other small scale industries, and rural crafts in an effort to create better infrastructure and better employment opportunities for the people living in these regions.

Financial literacy and Financial Inclusion are the corner stones for successful entrepreneurship, which in turn fuel economic growth. Besides focusing on financial literacy, NABARD has also actively engaged in supporting SHGs and JLGs under Micro-enterprise development program (MEDP) and Livelihood Enterprise Development program (LEDP). These programs aimed at developing and nurturing employable skills in rural India. Already 5.22 lakh members have been trained under MEDP and 1.36 lakh SHG members have diversified and attained sustainability under LEDP.

Definitions of Financial Inclusion

The Committee on Financial Inclusion chaired by Dr. C. Rangarajan, Ex-Governor of the Reserve Banks of India (2008), defined financial inclusion as the process of ensuring access to financial services and timely and adequate credit where needed by vulnerable groups such as weaker sections and low income groups at an affordable prices.

The Committee on Medium-Term Path to Financial Inclusion (Chairman: Shri Deepak Mohanty, RBI, 2015) has set the vision for financial inclusion as, "convenient access to a basket of basic formal financial products and services that should include savings, remittance, credit, government-supported insurance and pension products to small and marginal farmers and low- income households at reasonable cost with adequate protection progressively supplemented by social cash transfers, besides increasing the access of small and marginal enterprises to formal finance with a greater reliance on technology to cut costs and improve service delivery, ..."

Objective of the study

To study the initiatives taken by NABARD for financial inclusion

NABARD and Financial Inclusion

NABARD has supported Financial Literacy efforts through various initiatives keeping in mind its importance to augment demand for financial services, especially for those offered on the digital platform. In addition, in order to augment the supply side of the financial ecosystem, NABARD has also extended support for onboarding to digital platforms, improving connectivity and meeting regulatory requirements.

NABARD is adopting a differentiated strategy in 2019-20 for focused Financial Inclusion Fund (FIF) interventions to address regional inadequacies and to bring about inclusive and equitable financial inclusion across the country. As per the strategy, grant assistance will be provided at enhanced rate of 90% for Special Focus Districts which includes aspirational districts, LWE districts and districts in Hilly states and NER as well as Andaman and Nicobar Islands. In case of other districts, there will be standard participation share of FIF support vis-à-vis type of bank viz., SCBs (60%), RRBs (80%) and RCBs (90%) or ceiling prescribed under the scheme.

Standard schemes on tap

1) Financial Literacy Programmes

i) Financial and Digital Literacy Camps by branches of banks
ii) Financial and digital literacy camps through FLCs
iii) Reimbursement of Examination fee of BC/BF
iv) Demonstration Van for Financial Literacy in SFDs

2) Banking Technology Adoption

i) Deployment of micro ATMs
ii) POS/m POS Deployment in Tier 3 for 6 centres
iii) Dual Authentication facility at BC Point
v) On–boarding to BHIM UPI
vi) On-boarding to PFMS Platform

3) Regulatory Infrastructure Support

i) Membership of AUA/KUA
ii) Onboarding to CKYCR

4) Support for Connectivity and Power Infrastructure

i) VSAT deployment in SFDs
ii) Mobile Signal Booster deployment in SFDs
iii) Solar power unit/ UPS deployment in SFDs

5) Incentivizing Digital Transactions (Supported by GoI)

i) BHIM Referral Scheme for Individuals
ii) 20 lakh BHIM Aadhaar Pay Devices
iii) Incentives for establishing Aadhaar Enrolment Centres by banks in 10% branches

Functions of NABARD under financial Inclusion

- Giving high priority to the agenda of financial inclusion, expanding the scope of various financial literacy activities and coverage of capacity building initiatives through banks and institutions is a thrust area of Financial Inclusion Fund (FIF).
- Sensitizing the staff of Regional Rural Banks (RRBs) and Rural Co-operatives Banks (RCBs) on financial inclusion in a focused manner.
- Training Business Correspondents (BCs) / Business Facilitators (BFs) of banks with the support of institutions such as the Indian Institute of Banking and Finance (IIBF).
- Providing support to Banks for setting up Financial Literacy Centres and strengthening of RSETIs.

NABARD Initiatives

NABARD has supported financial literacy efforts through various initiatives, keeping in mind its importance to augment demand for financial services, especially for those offered on the digital platform. Additionally, in order to augment the supply side of the financial ecosystem, NABARD had facilitated the process for on-boarding of Regional Rural Banks (RRBs) and Rural Cooperative Banks (RCBs) to CBS. Support is also extended to banks including Scheduled Commercial Banks, Small Finance Banks and Payments Banks for on-boarding to digital platforms, improving connectivity and meeting regulatory requirements. Some of the major achievements of the Department are:

(i) On-boarding 27 weak RRBs on CBS: Financial Inclusion in India is essentially a bank-led model. A major push was given by extending support under the erstwhile FITF to 27 financially weak RRBs to migrate to CBS to be at par with other RRBs. This helped all RRBs in the country to migrate to the CBS environment.

(ii) On-boarding RCBs on CBS: NABARD has encouraged and supported the process of bringing all the Cooperative Banks onto CBS platform. A special initiative in this regard was facilitating 201 RCBs (14 StCBs and 187 DCCBs) from 16 States and 03 Union Territories with 6,953 branches to join the "NABARD-initiated Project for CBS in Co-operatives".

(iii) Expansion of Payment Infrastructure: The shift to digital mode of transactions in rural areas is being promoted vigorously by the Government of India. In order to strengthen the GoI initiatives NABARD has been working closely with NPCI, RRBs and RCBs in issuance and activation of RuPay Kisan cards to all eligible farmers.

(iv) Adopting Post CBS Technologies: Rural Cooperative Banks are expected to adopt new financial technologies in view of the technological and product innovations, which can enhance their outreach for greater financial inclusion. Banks have been supported to adopt new post CBS technologies like BHIM UPI, mobile banking, Public Financial Management System (PFMS), Central KYC Registry (CKYCR), Aadhaar Enabled Payment System (AEPS), Green Pin, Bharat Bill Payment System etc.

(v) Initiatives undertaken to mitigate COVID-19 Pandemic effect vis-à-vis NABARD's mandate and the outcome:

- PMJDY woman A/c holders: During phase I of COVID-19 pandemic, DFIBT, NABARD played a crucial role in collating data on 'PMJDY woman A/c holders for direct cash transfer' from all RCBs as required by DFS, GoI thereby facilitating DBT transfer of funds to PMJDY women beneficiaries.
- Demonstration of Banking Technology through Mobile Van: In order to bring digital financial literacy in remote areas and to give further thrust to effective financial inclusion, the scheme for providing support for

mobile vans was modified to support a maximum of five demo vans per district on a select basis. This has greatly helped in delivering banking services during the Pandemic.

Initiatives of NABARD for Microfinance sector

1. Grant Support to Partner Agencies for Promotion and Nurturing of SHGs

NABARD has been providing grant support to NGOs, Federations of SHGs, CBs, RRBs, NGO-MFIs, CCBs, PACS, Farmers' Clubs, Individual Rural Volunteers (IRVs) and so on, for promotion, nurturing and credit linkage of SHGs with the banks.

Achievements of SHG-Bank Linkage Programme -March 31,2021

Sr.No	**Particulars**	**Total**	
		Physical (No. in Lakhs)	**Financial (` in crore)**
1	Total number of SHGs saving linked with banks	112.23	37477.61
(i)	Out of total SHGs - exclusive Women SHGs	97.25	32686.08
(ii)	Out of total SHGs- under NRLM/SGSY	64.78	19353.7
(iii)	Out of total SHGs -under NULM/SJSRY	5.29	1954.09
2	Total number of SHGs credit linked during the quarter ended	28.87	58070.68
(i)	Out of total SHGs - exclusive Women SHGs	25.9	54423.13
(ii)	Out of total SHGs – under NRLM/SGSY	15.84	29643.04
(iii)	Out of total SHGs – under NULM/SJSRY	1.13	2112.04
3	Total number of SHGs having loans outstanding as on quarter ended	57.8	103289.71
(i)	Out of total SHGs - exclusive Women SHGs	53.11	96596.6
(ii)	Out of total SHGs - under NRLM/SGSY	33.78	57336.62
(iii)	Out of total SHGs - under NULM/SJSRY	2.23	4056.45
4	Average loan amount outstanding/SHG as on 31 Mar 2021 (in `)		1,78,694.37

5	Average loan amount disbursed/SHG during the quarter (in `)		2,01,117.96
6	Estimated number of families covered as at the end of the quarter	1388	
7	No. of Banks and Financial Institutions submitted MIS (in number)	399	
8	**Data on Joint Liability Groups**		
(i)	Joint Liability Group promoted during 2020-21 (till 31 Mar 2021)	41.27	
(ii)	Loan disbursed to Joint Liability Groups (JLGs) during 2020-21 (till 31 Mar 2021)		58311.78
(iii)	Cumulative Joint Liability Groups promoted as on 31 Mar 2021	133.83	213164.87
9	**Support from NABARD**		
(i)	Capacity building for partner institutions		
	Under SHG-BLP and JLGs		
	Number of programmes conducted during 2020-21 (in no. only)	20034	
	Number of participants covered during 2020-21 (in lakh)	2.22	
	Cumulative number of participants trained up to 31 March 2021 (in lakh)	46.03	
(ii)	**Grant Assistance to SHPIs for promotion of SHGs under SHG-BLP**		
	Cumulative sanctioned up to 31 March 2021		418.22

(iii)	Cumulative grant assistance sanctioned to anchor NGOs for promotion of SHGs under WSHG Development Scheme up to 31 March 2021		204.38
(iv)	Cumulative grant assistance sanctioned to JLGPIs for promotion of JLGs up to 31 March 2021		219.73
10	Total number of SHGs saving linked with banks as on 31 Mar 2021	112.23	37477.61
11	Total number of SHGs credit linked during the year 2020-21	28.87	58070.68
12	Total number of SHGs having loans outstanding as on 31 Mar 2021	57.8	103289.71
13	Average loan amount outstanding/SHG as on 31 Mar 2021 (in Rs.lakh)		178694.37
14	Joint Liability Group promoted during 2020-21	41.27	
15	Loan disbursed to Joint Liability Groups (JLGs) during 2020-21		58311.78

Source: https://www.nabard.org/about-departments.aspx?id=5&cid=477

2. Scheme for Promotion of Women SHGs in backward districts of India

This is a targeted scheme which NABARD implements in association with the Department of Financial Services, Ministry of Finance, and Government of India. NABARD continued to implement the scheme for promotion and financing of Women Self Help Groups

3. Promotion of JLGs

Under its JLG promotion support initiative NABARD extends grant support for formation and nurturing of JLGs to Banks and other JLG promoting institutions. For strengthening JLG financing, NABARD also extends (a) financial support for awareness creation and capacity building to all stakeholders of the programme and (b) Refinance support to those banks which finance JLGs.

In order to boost JLG financing NABARD has brought out a business model scheme whereby NABARD has proposed entering into an MOU with the RRBs with assured support to such banks from NABARD, where the concerned bank shall take the onus of extending credit support to JLGs on terms and conditions as specified in the guidelines

4. SHG based Livelihood Interventions of NABARD

Self-employment generation and creating employment opportunities through businesses are the two important aspects from entrepreneurship development perspective which will augment income earning potential and thus help to make a significant dent on poverty. NABARD recognizes that microfinance alone may not break the vicious circle of poverty in rural India. NABARD recognizes that livelihood promotion activities are essential for holistic financial inclusion. For this an important task is to groom and skill the SHGs members to the next stage of taking up livelihood activities. What is needed is a combination of both finance and non-monetized resources and a comprehensive approach which begins with the willingness to utilize the credit in a productive way and to plough back the profit or revenue from the economic activity to business over a long period of time

5. Support for training and capacity building of microfinance clients

Various training and capacity building programmes were undertaken for key stakeholder such as Bankers, NGOs, Government officials, SHGs, SHG Federations and trainers. NABARD recognizes the need for such trainings to enhance knowledge, awareness, exposure and skills of the stakeholder to ensure programmatic efficiency and quality.

During2020-21, 1.72lakh participants were trained through various programmes. Cumulatively, 42.17 lakh participants under FIF and 3.70 lakh participants under WSHG have been imparted training till the end of 31 March 2021, thus supporting the creation of a strong, highly skilled and experienced team for implementation of the microfinance programmes.

6. Grant support for Village Level Programmes

Banks, the SHPIs and SHGs work closely in ensuring the smooth flow of credit to SHG members and repayments from the SHGs to the Banks/FIs.

7. E-Shakti

In line with Government of India's "Digital India" mission, E Shakti, a pilot project for digitization of SHGs was launched by NABARD in the year 2015 in two districts Ramgarh (Jharkhand) and Dhule (Maharashtra) and later expanded to 100 districts across the country during2016 and 2017. It aims at digitization of data of all SHGs for enhancing the ease of doing business with SHGs

8.CRFIM

The Centre for Research on Financial Inclusion and Microfinance (CRFIM) was set up in BIRD on 1st January 2008 with a view to emerge as a centre of reference, information, knowledge ,valued opinion related to micro-finance sector.

9. Refinance support to Banks
NABARD has been extending 95% refinance to banks towards their lending to SHGs, JLGs, RMGs and MFIs to supplement their resources and boost bank credit to SHGs.

10. Support to MFIs
Refinance Support

NABARD has been providing financial assistance to MFIs by way of Long Term Refinance support since 2014-15.

11. Subvention to Women SHGs.
The Ministry of Rural Development (MoRD), Government of India launched the National Rural Livelihood Mission (NRLM) by restructuring Swarnajayanti Gram Swarojgar Yojana (SGSY) with effect from 1 April 2013. NABARD is implementing the Interest Subvention Scheme for Women SHGs under the National Rural Livelihood Mission (NRLM) for Regional Rural Banks (RRBs) and Cooperative Banks in Category I districts.

12. Special Initiatives during COVID-19
In context of Covid pandemic NABARD has taken up some special initiatives to support SHG members both in term of health advisory and promotion and livelihood support activities.

These include:

• E Shakti portal used for sending 40 lakh health advisory SMS to SHG members.

• SHGs under E shakti Portal engaged for making face masks, hand sanitizers, PPE kits, distributing essential items/ grocery kits/ vegetable hamper and setting up of grain bank, running awareness drive and so on. All these initiatives have created enhanced scope for SHG members to earn additional income.

• Keeping in view the COVID-19 pandemic and laborers' reverse migration to rural areas, allocations under MEDPs, LEDPs and Capacity Building were increased substantially to provide adequate skill set for employment in rural areas. The focus is on states of Assam, Bihar, Chhattisgarh, Jharkhand, Madhya Pradesh, Odisha, Rajasthan, Uttar Pradesh and West Bengal, where the impact of reverse migration is expected to be maximum. For 2020-21, in comparison to the previous year, the number of MEDPs were tripled and LEDPs doubled to augment skills of rural folks for enhanced employment.

Conclusion

Financial inclusion is a multi-dimensional phenomenon beyond just access to credit or bank account. Therefore, any measure of financial inclusion must capture breadth, intensity, and extent of financial and digital penetration. NABARD has adopted a differentiated strategy since FY2020 by providing grants under FIF at an enhanced rate of 90% of outlay for Special Focus Districts (SFDs) that are identified as aspirational, LWE-affected, credit-starved (by Reserve Bank of India), hilly districts, or districts from the North Eastern Region (NER), or islands of Lakshadweep and Andaman & Nicobar.

During FY2021, NABARD (through FIF) supported a host of activities under the five broad heads of financial literacy programmes; banking technology adoption; regulatory infrastructure support; support for connectivity and power infrastructure; and incentivizing digital transactions. The Reserve Bank of India (RBI) has said that there was a 24% improvement in financial inclusion (FI) as measured by RBI's FI Index between March 2017 and March 2021. However financial inclusion is more of a process than a phenomenon. It is the process by which mainstream financial services are made accessible to all sections of the population. It is a conscious attempt at trying to o the unbanked people into banking. More importantly financial inclusion is imperative for creating an inclusive economy at all fronts.

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FINANCIAL INCLUSION OF WOMEN

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Introduction

In many societies, women face discrimination and are disproportionately vulnerable. Unequal gender roles have implications for the most basic aspects of self-determination, dignity and freedom, which in turn influence financial inclusion - or lack thereof.

Gender dynamics, however, can and do change over time. The financial services industry can be both a catalyst and barometer of gender equality. On its own, financial inclusion will not result in gender equality. Only with equal access to the full range of needs-based financial services – savings, credit, insurance, payments – and the accompanying financial education, do women stand a chance of social and economic empowerment.

Whether they work in the home or outside of it, whether they are employed or self-employed, financial inclusion provides women the tools for accumulating assets, generating income, managing financial risks, and fully participating in the economy. The financial services industry can be both a catalyst and barometer of gender equality.

Women, the world of work and financial inclusion gap

Globally, women have fewer economic opportunities. Less than half of all eligible women participate in the labour force, compared to 75 per cent of men . Women are also more likely to work in informal employment and in vulnerable, low-paid or undervalued jobs. They also do not enjoy the same access to financial services as men. Fifty-six per cent of all those without a bank account are women – meaning that nearly a billion women are unbanked. Those with bank accounts do not necessarily have control over their finances, nor have much wealth, but it is a starting point for financial inclusion.

Why target women with financial inclusion?

Recent studies have shown that women and girls fare worse than men and boys on a range of factors that predispose them to poverty. Results from a study done by UN Women and the World Bank show that between the age of 20 and 34, women are more likely to be poor than men . Divorce, separation and widowhood affect women more negatively than men. In the 18-49 age group, divorced women are more than twice as likely to be poor than divorced men.

While economic inclusion can lead to financial inclusion and vice versa, gender dynamics hold women back on both accounts. This needs to change. Commercial banks often focus on men and formal businesses, neglecting the women who make up a large and growing segment of the informal economy. Many microfinance institutions (MFIs) have risen to the challenge, focussing primarily on women, but to change the status quo, much more is needed, from formalising MFIs to providing women with financial knowledge. Furthermore, our research shows that women tend to contribute larger portions of their income to household consumption than their male counterparts do. Targeting women with financial inclusion can also benefit households, communities and society.

The work of Social Finance and gender

Women's empowerment through financial inclusion is an essential component of promoting the ILO's Decent Work Agenda. While we mainstream gender in all our work, some examples where we explicitly focus on women include:

- Financial education: Financial education provides basic skills related to earning, spending, budgeting, borrowing, saving, and using other financial services such as insurance and money transfers. It is essential for increasing financial literacy and helps women to achieve better business results, better equality, and more empowerment. The ILO has developed a number of training materials adapted for various target groups, including women. It has benefited thousands of women in a number of countries, including Argentina , Egypt , Morocco and Tunisia .

- Microfinance for Decent Work : This action research supported 16 MFIs worldwide to develop products and services to reduce decent work deficits.
- Making Microfinance Work – Managing product diversification : This is a training programme for financial institutions developing products or distribution efforts to reach new market segments. While gender is mainstreamed in the programme, there is a specific training module on "Microfinance for women".
- FAMOS Check Guide for financial institutions: Together with the ILO Women's Entrepreneurship Development (WED) programme, Social Finance is promoting the use of the gender-based service quality check for Female And Male Operating Businesses (FAMOS). The check guide facilitates financial service providers, business support agencies, and government departments to have a fresh look – and a systematic assessment – of the extent to which they provide women entrepreneurs with appropriate products and services.
- Digital wage payments to foster financial inclusion of women workers: Social Finance launched its Global Centre on Digital Wages for Decent Work in December 2020. The Global Centre promotes the transition from cash to digital wage payments through research and evidence-based advocacy. With a specific focus on gender equality, the Global Centre will enable millions of women workers around the world to receive their wages digitally for better resilience and economic opportunities. Social Finance conducted studies on digital wage payments for female workers in the Philippines and Vietnam in partnership with Women's World Banking. In Myanmar, it conducted the study with UN Women and UNCDF.

Conclusion

Across the International Labour Organisation (ILO), there is a broader agenda to tackle gender inequality. The Gender, Equality and Diversity & ILO AIDS Branch (GED/ILOAIDS), supports policies and programmes throughout the organization that promote gender equality and lead to women's empowerment. The ILO's Women's Entrepreneurship Development (WED) programme, works to enhance economic opportunities for women by developing tools and strategies specific to the needs of women entrepreneurs.

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ROLE AND IMPORTANCE OF MICRO FINANCE SCHEME OF NABARD

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Abstract:

The concept of micro finance is a very important topic to strengthen the economy of India, the poor and deprived people of the Indian society are getting a lot of benefits from these micro finance schemes. The development of any country depends on its financial condition.

Objective of the study

1) Role and importance of micro-finance scheme of NABARD.
2) Study of the functions and services of micro-finance funded by NABARD.
3) NABARD role & its function
4) Analyzing and evaluating the Refinance schemes

Methodology: The paper is based on secondary sources of data. Several books, magazines, newspapers and relevant websites have been refereed to make the study effective.

Keywords: NABARD, Micro Finance, Refinance

Introduction: Micro finance companies are those financial institutions that provide their financial services in the form of loans and savings in a small form, that is, those financial structures that provide finance in a small form, these institutions mainly provide credit related facilities to small businessmen.Generally it is seen that getting a loan is a complicated problem. Banks do not provide loans easily. Micro finance facility has been started to make this complicated process easy or provides loan to any business institution.

Keeping in view the basic needs of the villagers in micro finance, they are given various types of financial facilities. By which the economically backward people living away from the economic stream of the society are given loans to start their own work. To start employment for rural people, they are motivated to work by giving small amount which includes dairy, agriculture, tailoring, poultry, small shop, animal husbandry or similar work.

Micro Finance:- Loans in India which are less than Rs.1 lakh, are called micro finance loans.

Features of Micro Finance :-

1) The loans given in this are mainly of small amount, for example: - Micro loans.
2) These loans are for short term duration.
3) Income generation is the basic objective of micro finance.
4) These loans are mainly available for the backward and poor people.
5) It does not take care of any parallel arrangement in providing loan.
6) Again the challenge is at a higher level.
7) It has maximum development in non-bank areas.
8) These are non-governmental organizations, which have been registered under section 25 of the Companies Act.
9) Regional rural banks, cooperative banks, commercial banks and other economic / financial institutions provide credit facilities to micro finance institutions.

10) Micro finance also lends to loan / borrowers through Bank's Self Help Groups.

11) Minimum paperwork.

12) It is beneficial in increasing women empowerment of the country and development of women.

NABARD :- National Bank for Agriculture and Rural Development (NABARD) is an apex bank of India, headquartered in Mumbai (Maharashtra). The main function of this bank is to plan and implement matters related to agricultural credit and rural areas to recognize economic activities.

NABARD was established on 12 July 1982. Its reserve fund is 81,220 crore (2007). NABARD was established on the recommendation of V Sivaraman Committee, which was started by regulating the Agriculture and Rural Development Act, 1981.The mission of NABARD is to "promote sustainable and equitable agriculture and rural prosperity." There are total 336 district offices under NABARD. Total number of training centers is 6 and there is a special cell in Srinagar :-

1) Agriculture Credit Department and Rural Planning and Credit Cell of Reserve Bank of India

2) Agricultural Refinance and Development Corporation

Initially, the authorized capital of NABARD was 500 crores, which has been increased to a maximum by introducing a bill in the Parliament, which is 30,000 times more than today's collection i.e. 30,000 crores. l Government's stake in NABARD is 100% paid-up capital share, which is 6700 crores. From the point of view of international recognition, NABARD is with World Bank related organizations and global development agencies.

Role of NABARD :-

1) NABARD, being the apex body, has the power to do all the work related to policies, starting of schemes, operations to give importance to agriculture and other financial activities in rural areas.

2) NABARD provides refinance to those institutions, which promotes various developmental programs and initiatives for rural development and also provides loans for production and investment.

Major organizations related to this:-

1) State Co-operative Agriculture and Rural Development Bank

2) State Co-operative Banks

3) Regional Rural Banks

4) Commercial Banks

5) Any other financial institution approved by the Reserve Bank of India

1) NABARD is improving its efficiency in lending policy in India, which includes supervision, formulation of rehabilitation plan, restructuring of credit institutions and training of work.

2) NABARD moves forward to promote the program of research and training. Its aim is mainly in rural banking and in agriculture and rural development.

3) Prepares and disseminates rural credit schemes to all the districts of the country as per the need every year.

4) NABARD, at the time of communication with the Reserve Bank of India, State Government, Central Government and other national level institutions, relates the rural credit financing scheme for developmental work at the regional level, which is related to lending and policy making.

5) Apart from this, NABARD has also run some other programs such as natural resource management programs such as: - Development of watersheds and tribal development programs.

Functions of NABARD :-

1) NABARD mainly provides refinance services. In which it gives importance to Central Co-operative Banks, Commercial Banks, State Co-operative Banks and Regional Rural Banks.

2) Provides loans to commercial banks and cooperative banks to promote small scale industries, cottage industries and rural industries with small areas.

3) NABARD also refinances agriculture, small scale industries and other village and cottage industries through loans to commercial banks.

4) For agricultural inputs, cooperative banks and commercial banks are also given exemption to earn finance for their bills and cheques.

5) NABARD provides special help to banks under the service sector method to promote small scale industries, cottage industries and rural industries.

6) The bank gives credit financing for agriculture and rural industries for research and development work.

7) The bank prepares the policy of the Central Government and Reserve Bank of India regarding agricultural credit.

8) Banks are provided by accepting loans for the institutions covered under long term agricultural loans cooperating with the guarantee of the state government, this happens only in the case of long term loans.

9) The bank also gives money to the state government so that it can conduct developmental and promotional activities in rural areas. Regional Rural Banks have been specially established to enhance rural development and help the weaker and vulnerable sections. These banks have been started especially in the backward areas in most of the states.

10) The bank provides finance to increase non-farm activities and employment in non-farm sectors so that the unemployment rate in rural areas can be reduced.

11) Inspection work has also been regulated by NABARD, which includes cooperative banks and regional rural banks.

12) The bank has coordinated the district development programs along with the district employees, for this they have started branch regional offices in all the district headquarters.

13) NABARD has done many initiatives to strengthen the functioning of regional banks. At present, the bank is giving importance to long run, medium term for agriculture business and to upgrade the country. Initially, in the establishment of NABARD, commercial There has been a significant increase in both horticulture loans and co-usable banks.

Refinance:-

1) Short-term loan (Production Credit):- Short-term loans / crop loans are given by various financial institutions to promote the production of crops. With the help of these loans, reliable related to food security of any country Information is received. In 2017-18, short-term loans of Rs 55,000 crore have been provided by NABARD to various types of financial institutions for carrying out seasonal agricultural works.

2016-17	87763
2017-18	79821
2018-19	90098
2019-20	100382
2020-21	130964

2) Long Term Loans: - The financial institution gives long-term loans for agricultural and non-agricultural purposes. The tenure of these loans is from 18 months to a maximum of 5 years. In 2017-18, NABARD gave loans of 65,240 crores to financial institutions. Along with this, 15,000 crore loans given to regional rural banks and cooperative banks are also included in this.

2016-17	53506
2017-18	65240
2018-19	90254
2019-20	78180
2020-21	92786

3) Regional Infrastructure Development Fund: - This type of fund is used for the development of well-planned and best infrastructure in the villages of India. 24,993 crores were provided by this fund in 2017-18.

4) Long Term Irrigation Fund: - This fund is used to provide funds for irrigation projects. It was started mainly to give 20,000 crores to those 99 irrigation projects. After this, 2 more projects named Polavaram National Project from Andhra Pradesh and Dakshin Koeldam Project from Bihar and Jharkhand have started.

5) Gramin Pradhan Mantri Awas Yojana: - As soon as this scheme was launched, an amount of 9000 crores was provided to the National Rural Infrastructure Development Agency, through which pucca houses have been provided to the disadvantaged families by the year 2022 keeping in mind their basic needs.

6) NABARD Infrastructure Development Assistant :- This is a useful program in NABARD for the development of basic facilities. l

7) Food Processing Fund: - Government of India has announced a loan of Rs 541 crore till 31st March 2018. In which 11 mega food projects, 3 food processing units and 1 food park are being implemented.

8) Direct Transactions to Co-operative Banks: - NABARD has given an amount of Rs.4849 crores to Co-operative Banks including Co-operative Commercial Banks and State Co-operative Banks. Number of Cooperative Commercial Banks spread in 14 states is 58 and State Co-operative Banks. number is 4

9) Loan facility to Marketing Federation: - The main objective of this federation is to carry out activities related to agriculture and to take forward the trade of agricultural products with strength. Along with this, this loan gives strength to cooperatives and business. 25,436 crore has been provided by

10) Loans to Producer Organizations and Primary Agricultural Co-operative Societies: - The Producer Organization Development Fund has been started by NABARD to help the Primary Agricultural Credit Societies and Producer Organizations. The main objective of these organizations is to act as a service center. is l

Government Sponsor Scheme:- Projects have been started by the government in certain areas to encourage rural farmers, for which only a part of their project cost is taken. The target of all these projects is capital investment, planned income flow and employment to the national to grow in areas of importance.

NABARD is a major organization operating the schemes of the government, which helps the government and the farmer through many schemes. is :-

1) Capital investment subsidy scheme for commercial production units for biological/biological inputs.

2) Agri-clinic and Agribusiness Center Scheme.

3) National Livestock Mission

4) To ensure the end use of the subsidy released.

5) Interest Subvention Scheme

6) New Agricultural Marketing Baseline Scheme.

7) Preparation of specific long term refinance plan.

Conclusion :

As we analyse the data is shows that NABARD is working for the 360 degree development of rural India. Every year the financial assistance received by NABARD and the disbursement made out of it are increasing. The Short-term loans and Long term loans disbursement contentiously increase.

An awareness programme should be arranged for the beneficiaries so that they can know the ins and outs of different schemes.

To improve the efficiency of NABARD; s schemes the followings measures could be taken -

1. Spreading education
2. Effective organizational and financial management
3. More participation of banks
4. Corporate governance for SHGs
5. Giving relaxation in interest rates
6. Technological intervention
7. Evaluation of NABARD;s schemes

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