

Status of Financial Inclusion Schemes in Haryana

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Abstract – Financial Inclusion is an Important for economic growth and development of Rural Areas. Benefits of development in most of the developing countries are shared of the society which is a small percentage of total population. Financial inclusion is that stair through which, it is possible over a period of time to transform economically deprived people into a large section of society that actively contributes to the economic development of their country. In this study the growth of various schemes has been studied which being launched for the development of the society in the state of Haryana. These schemes helped poor section of the society to get in touch with banking sector regularly.

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INTRODUCTION

Financial Inclusion is the delivery of Financial Services at affordable costs to vast section of disadvantaged and low income groups. The availability of banking and payment services to the entire population without discrimination is the prime objective of this financial inclusion. The Financial Inclusion has direct correlation to poverty reduction. The term 'Financial Inclusion' was used for the first time in April 2005 in the Annual Policy Statement presented by Y. Venugopal Reddy, the then Governor, Reserve Bank of India. Later on, this concept gained ground and came to be widely used in India. Haryana is one of the most progressive States in the Country. Norms were relaxed for people intending to open accounts with low or no balance. General Credit Cards (GCCs) were issued to the poor and the disadvantaged with a view to help them access easy credit. SHGs, NGOs, MFIs Banks are providing financial inclusion by extending financial and banking services to the people to ensure 100 percent financial inclusion. The economic growth of Haryana has been exemplary except some period since its creation as a separate State. Though, Haryana is geographically a small State, the contribution of the state in the National Gross Domestic Product at constant (2011- 12) prices has been estimated to be 3.5 percent as per the quick estimates of 2015-16.

Despite rapid strides made in the penetration and spread of the financial sector across various states, formal finance does not appear to have adequately permeated vast segments of our society, although progress is being made. As per the CRISIL score, it was observed the wide disparity in the performance of

various states. States such as Gujarat followed by Rajasthan have seen a maximum jump in their financial inclusion scores over the years, while among the non-special category of states; Uttar Pradesh and Madhya Pradesh have been fairly poor. The untiring efforts of both the centre and state governments on the financial inclusion front are expected to help achieve greater success in the years to come.

As per the advance estimates, the state is expected to grow at an impressive rate of 8 per cent in FY18 as compared to 8.2 per cent in the previous fiscal and the national average of 6.5 per cent. A sharp correction in the agriculture sector growth from 10.4 per cent in FY17 to 2.4 per cent in FY18 is expected to drive the mild moderation in growth. The Banks of Haryana state are working hard to reach the corner of the state. In below table, 3214296 household are availing banking services out of 4717954 household.

Number of Households Availing Banking Services:

STATE	Total/ Rural/ Urban	Total number of households	Total number of households availing banking services
	1	2	3
	Total	4,717,954	3,214,296
HARYANA	Rural	2,966,053	1,955,176
	Urban	1,751,901	1,259,120

(Source: <http://www.censusindia.gov.in/2011census>)

In Haryana, out of 2966053 household belongs to rural household 1955176 households are availing banking services. In urban area, out of 1751901 household, 1259120 are availing banking services.

In order to have more connection with the banking sector, various schemes has launched by government for the poor people.

OBJECTIVES OF THE STUDY:

The following are the need of the study:

1. To study status of Financial Inclusion in Haryana.
2. To examine various Financial Inclusion Schemes.
3. To examine the status of various Financial Inclusion Schemes in Haryana.

RESEARCH METHODOLOGY:

The present paper is based on secondary data like books, journal, newspapers and Govt. publications, various websites etc. During this study we have analyzed the secondary data on schemes. Financial Inclusion Schemes are very essential for any development program.

SCHEMES:

Over the years, the Indian Government has introduced various schemes for contribute to the Economy. The role of the government has been to persuade the banking institution to give greater importance to the agriculture and allied sector, particularly for poverty alleviation programs. The following Financial Inclusion Schemes in Haryana.

Pradhan Mantri Jan Dhan Yojna (PMJDY): This scheme was announced on event of Independence day , 15th august 2014 and Haryana became the 4th state in the country to achieve the milestone by covering all the 48.58 lakh household and providing them with a bank account by 18th December, 2014.Upto 31.03.2016, 51.84 lakhs bank accounts were opened in the State which includes 27.56lakh in Rural and 24.27 lakhs in urban area and 42.97 lakhs RuPay Cards were issued, which was 83 percent of the total account opened. Upto Dec., 2016, 56.76 lakh bank accounts have been opened in the State and 48.40 lakhs RuPay Cards have been issued, which is 85 percent of the accounts opened. Till Dec 2017, 64.54 lakh bank accounts have been opened in the state and 58.26 lakh RuPay cards have been issued, which is 90 percent of the total accounts opened. Upto 31.03.2018, 67.20 lakhs bank accounts were opened in the State and 61.43 lakhs RuPay Cards were issued, which was 91.41 percent of the total account opened. It stands for progression year by year.

Table 1.1 Source: Economic Survey of Haryana, (2016-17) Govt. of Haryana, Department of Economic and Statistical Analysis, Haryana

Particulars	Upto 31.12.18
Account opened	6719802
Aadhar seeding	6069185
Rupay card issued	6142794

Pradhan Mantri Suraksha Bima Yojna (PMSBY):

This scheme is a one year cover, renewable from year to year, Accidental Insurance Scheme offering insurance on accidental death and disability cover for disability on account of an accident. This scheme was launched on 9th May, 2015 which is being offered/administered through Public Sector General Insurance Companies (PSGICs) and other General Insurance Companies. All saving bank account holders in the age group of 18-70 years can enroll themselves in participating banks on payment of an annual premium of Rs 12 renewable on year to year basis . Upto 31.3.2016, banks enrolled 24,32,364 persons under this scheme and enrolment increased to 25,05,062 upto 31.12.2016. Out of 630 lodged claims of Rs.1,253 lakh, 411 claims of Rs. 820 lakh have been settled upto 31.12.2016 under this scheme.Upto 31.3.2018, banks enrolled 28,56,587 persons under this scheme and enrolment increased to 30,48,075 up to 31.12.2018. Out of 2,229 lodged claims of ` 4,418 lakh, 1,926 claims of ` 3,825 lakh have been settled up to 31.12.2018 under this scheme.The progression has been seen year on year.

Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY):

This scheme came into effect from 1st June, 2015. The scheme is being implemented through Life Insurance Corporation of India/other insurance companies willing to offer product on similar terms with necessary approvals and tie ups with banks for this purpose. Under this scheme, all saving bank account holders with the age-group of 18-50 years can enroll themselves to avail benefits of the scheme on payment of annual premium of ` 330. Under the scheme, ` 2 lakh is payable on member's death due to any reason. Up to 31.03.2016 banks have enrolled 791767 person under the schemes and 696226(88%) applications have been uploaded by the banks. Up to 31.3.2018, banks enrolled 8,68,257 persons under the scheme and enrolment increased to 9,39,344 up to 31.12.2018. Out of 3,979 lodged claims of ` 7,958 lakh, 3,647 claims of 7,294 lakh have been settled up to 31.12.2018.

Atal Pension Yojana (APY): The Government is extremely concerned about the old age income security of the working poor and to focus on encouraging and enabling them to save for their retirement,The government launched this National

Pension Scheme (NPS). Govt. of India has introduced Atal Pension Yojana (APY) with effect from 1st June, 2015. All bank account holders which are citizen of India and in the age group of 18-40 years can join APY and avail benefits of the scheme on payment of subscription. Under APY, there is guaranteed minimum monthly pension for the subscribers ranging between Rs. 1,000 to Rs. 5,000 per month depending upon the premium paid the age of entry to the scheme by the subscriber. To get a fixed monthly pension between Rs. 1,000 per month and Rs. 5,000 per month, the subscriber has to contribute on monthly basis between Rs. 42 and Rs. 210, if he joins at the age of 18 years. For the same fixed pension levels, the contribution would range between Rs. 291 and Rs. 1,454, if the subscriber joins at the age of 40 years. up to 31.03.2016, banks have enrolled 55797 persons under this scheme and 50693(91%) records uploaded by the banks. Up to 31.3.2018, banks enrolled 1,95,073 persons under the scheme and enrolment increased to 2,66,580 up to 31.12.2018..

Pradhan Mantri MUDRA Yojana (PMMY): Micro Units Development and Refinance Agency Ltd. (MUDRA) was launched by the Prime Minister on April 8, 2015 as a new financial entity for developing and refinancing last mile financial intermediaries like banks, NBFCs and MFIs etc. who are in the business of lending to smaller of the micro enterprises in manufacturing, trading and service sector. Under the MUDRA scheme, there are three categories of loans 'Shishu' (Loan up to Rs. 50,000) 'Kishor' (Loan above Rs. 50,000 up to Rs. 5 lacs) 'Tarun' (above Rs. 5 lacs up to Rs. 10 lacs) that will be disbursed by the banks

No. of Accounts and Amount Disbursed Under PMMY.				
Scheme	Loan Limit (₹)	1.4.2018 to 31.12.2018		
		Total no. of accounts	Amount disbursed (₹ lakh)	%age of cases disbursed to women to total cases disbursed
Shishu	Upto 50000	120695	34745	99073
Kishore	50001 - 500000	43154	87085	11926
Tarun	500001 - 1000000	11705	84273	1906
Total		175554	206103	112905

Source: Finance Department Haryana.

Direct Benefit Transfer (DBT): Direct Benefit Transfer is a initiative launched by GOI on 1st January 2013 to rework on the cumbersome delivery process using modern Information and Communication Technology. DBT is an endeavour to ensure a timely and better delivery of benefits to the people. This marks a paradigm shift in the process of delivering government benefits like payments, fuel subsidies, food grain subsidies, etc. directly into the hands of beneficiaries, speeding up payments, removing leakages, and enhancing financial inclusion. DBT its direct and time-bound transfer system enables the government to transfer benefits using just an individual's bank account number preferably linked through Aadhaar. This Aadhaar number or the biometric input, being unique in nature, removes 'duplicates; and 'ghosts' from the government databases. As a result, the total saving for the financial year 2017-18 is to the tune of ` 295.28 crore. Similarly for the financial year 2018-19,

the saving is ` 258.98 crore. Year-wise savings of the Govt. due to DBT schemes is depicted in Fig. 2. The total beneficiaries of the DBT schemes in the year 2017-18 were 90,17, 638 and in the year 2018-19 (upto Dec., 2018) are 1,53,48,709. Year-wise total beneficiaries of DBT a scheme is depicted in Fig. 1. The State DBT portal has been created. The State Departments are in the process of uploading more State and Centrally Sponsored Schemes (sharing basis) on the State DBT portal along with beneficiaries and transactional data. Up to 25.1.2019, 135 State/Centrally Sponsored Schemes have been uploaded on the State DBT portal. Out of these schemes, 74 are State Schemes and 61 Centrally Sponsored schemes.

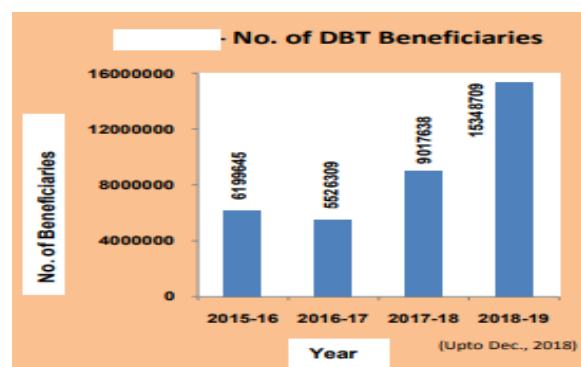


Figure:1

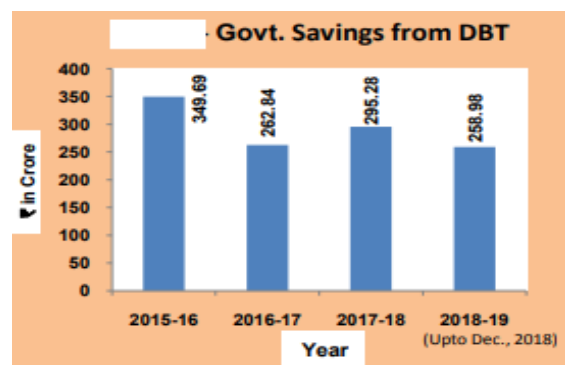


Figure:2

Stand up India: This scheme was introduced in April, 2016. The objective of the Stand Up India scheme is based on challenges faced by SC, ST and Women entrepreneurs in setting up enterprise, for obtaining loans and other support needed from time to time for succeeding in business. As per direction of Govt. of India every branch of the each bank has to provide at least one loan to each SC/ST and Women beneficiary between Rs. 10 lacs and Rs. 1 crore. e. Out of total sanctioned amount of Rs. 14,920 lacs, Rs.12,573 lacs have been disbursed to 711 entrepreneurs from 1.4.2016 to 30.12.2016. Rs 37.91 crores was offered for setting up the enterprises for the women from 1st April to June 30, 2017. Under Stand Up India programme, loan of ` 8,919 lacs has been sanctioned to 463 entrepreneurs (104 SCs/STs and 359 Women) by 249 bank branches from

1.4.2018 to 31.12.2018 in the State. The data showed the progression in the support from the government for entrepreneur so that they can uplift their lives.

DISCUSSION:

As per the performance of the various schemes launched by the Government, there is a steady growth in Haryana. The banks are putting efforts to reach the poor through these schemes which are launched for the betterment of the people. Finance is a powerful intervention for economic development and over the last decade or so the financial sector in India has undergone rapid expansion, both in terms of strong growth of existing financial services and new schemes entering the market. However, the banking sector is the major player in the financial sector ecosystem. The central government has introduced several landmark reforms in the financial sector which have had an impact on the working of the sector at the individual state-level too.

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Customer Service Centres

Adhaar Scheme

National Rural Financial Inclusion Plan

Project on "e-Grama"

Project Financial Literacy

SHG-Post Office Linkage

Credit Counselling Centres

Micro Pension Model

Know Your Customer

General Credit Card

Farmers' Club Program

Financial Inclusion Fund

Role of SHGs, NGOs and MFIs

Financial Inclusion Technology Fund

Pradhan Mantri Jan Dhan Yojna

No-frill Account

Separate Plan for Urban Financial Inclusion and Electronic

Benefit Transfer Scheme

Nationwide Electronic Financial

Inclusion System

Financial Literacy through Audio Visual medium - Doordarshan

Micro Finance Development Fund

Support to Cooperative Banks and RRBs for setting up of

Financial Literacy Centres

The National Agricultural Insurance

Scheme

Source: Dangi (2012), Paramasivan and Ganeshkumar (2013), Kumar (2013), Mehar (2014), Ambarkhane

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