



ORIGINAL RESEARCH PAPER

Economics

STATUS OF FINANCIAL INCLUSION SCHEMES IN HARYANA

KEY WORDS: Financial Inclusion, GCC, NGO, financial services, Haryana

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ABSTRACT

Financial Inclusion is an essential part of 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. Through financial inclusion, 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.

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% 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.

OBJECTIVES:

- To study Financial Inclusion in Haryana.
- To examine various Financial Inclusion Schemes.
- To examine the status of various Financial Inclusion Schemes in Haryana.

METHODOLOGY:

The present paper is based on secondary data like books, journal, various websites, newspapers and Govt. publications etc. During this study we have analyzed the secondary data.

Financial Inclusion Schemes are very essential for any development program. 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 Yojana (PMJDY): This scheme was launched on 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 lakh bank accounts were opened in the State and 42.97 lakh 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 lakh RuPay Cards have been issued, which is 85 percent of the accounts opened.

Table 1.1-Accounts Opened, Aadhaar Seeding & RuPay Cards Issued Under PMJDY

Particulars	Upto 31.12.2016
Accounts Opened	5675611
Aadhaar Seeding	3761276
RuPay Card Issued	4839816

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

Pradhan Mantri Suraksha Bima Yojana (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.

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 up 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 Rs.330. Under the scheme, Rs. 2 lakh is payable on member's death due to any reason. Uptp 31.3.2016, banks enrolled 7,91,767 persons under the scheme and enrolment increased to 7,95,662 upto 31.12.2016.

Atal Pension Yojana (APY): The Government of India is extremely concerned about the old age income security of the working poor and is focused on encouraging and enabling them to join the 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. Upto 31.3.2016, banks enrolled 55,797 persons under the scheme and enrolment increased to 86,302 upto 31.12.2016.

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 lakh) 'Tarun' (above Rs. 5 lakh up to Rs. 10 lakh) that will be disbursed by the banks. The progress of MUDRA loans is given in the Table 1.2.

Table 1.2- No. of Accounts and Amount Disbursed Under PMMY.

Scheme	Loan Limit (Rs.)	From 1.4.2016 to 31.12.2016			
		Total no. of accounts	Amount disbursed (Rs. lakh)	Women beneficiaries	%age of cases disbursed to women to total cases disbursed
Shishu	Upto 50000	68312	17904	39751	58.19
Kishore	50001 to 500000	22336	45082	3858	17.27
Tarun	500000 to 1000000	6757	49838	499	7.38
Total	97405	112824	44108	45.28	

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

Direct Benefit Transfer (DBT): Direct Benefit Transfer is a major reform initiative launched by Government of India on 1st January, 2013 to re-engineer the existing the cumbersome delivery processes using modern Information and Communication Technology (ICT). DBT is an attempt to ensure a better and more timely 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 'ghost' from the government databases. For the financial year 2015-16 out of 61.99 lakh beneficiaries, 25.61 lakh beneficiaries are seeded with Aadhaar. The fund transferred using Aadhaar Bridge payment only (DBT) is Rs. 56,238,80 lakh and through electronic fund (non-Aadhaar transfer only EBT) is Rs. 3,18,550.71 lakh. The ghost beneficiaries removed/de-duplication are 2,260,727 for the financial year 2015-16 resulting in a saving of Rs.349.69 crore.

Stand Up India: This scheme was launched in April, 2016. The objective of the Stand Up India scheme is based on recognition of the challenges faced by SC,ST and Women entrepreneurs in setting up enterprise, 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 lakh and Rs. 1 crore. Under Stand Up India program, loan of Rs. 14,920 lakh have been sanctioned to 761 entrepreneurs (174 SCs/STs and 587 Women) by 473 bank branches from 1.4.2016 to 30.12.2016 in the State. Out of total sanctioned amount of Rs. 14,920 lakh, Rs.12,573 lakh have been disbursed to 711 entrepreneurs from 1.4.2016 to 30.12.2016.

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