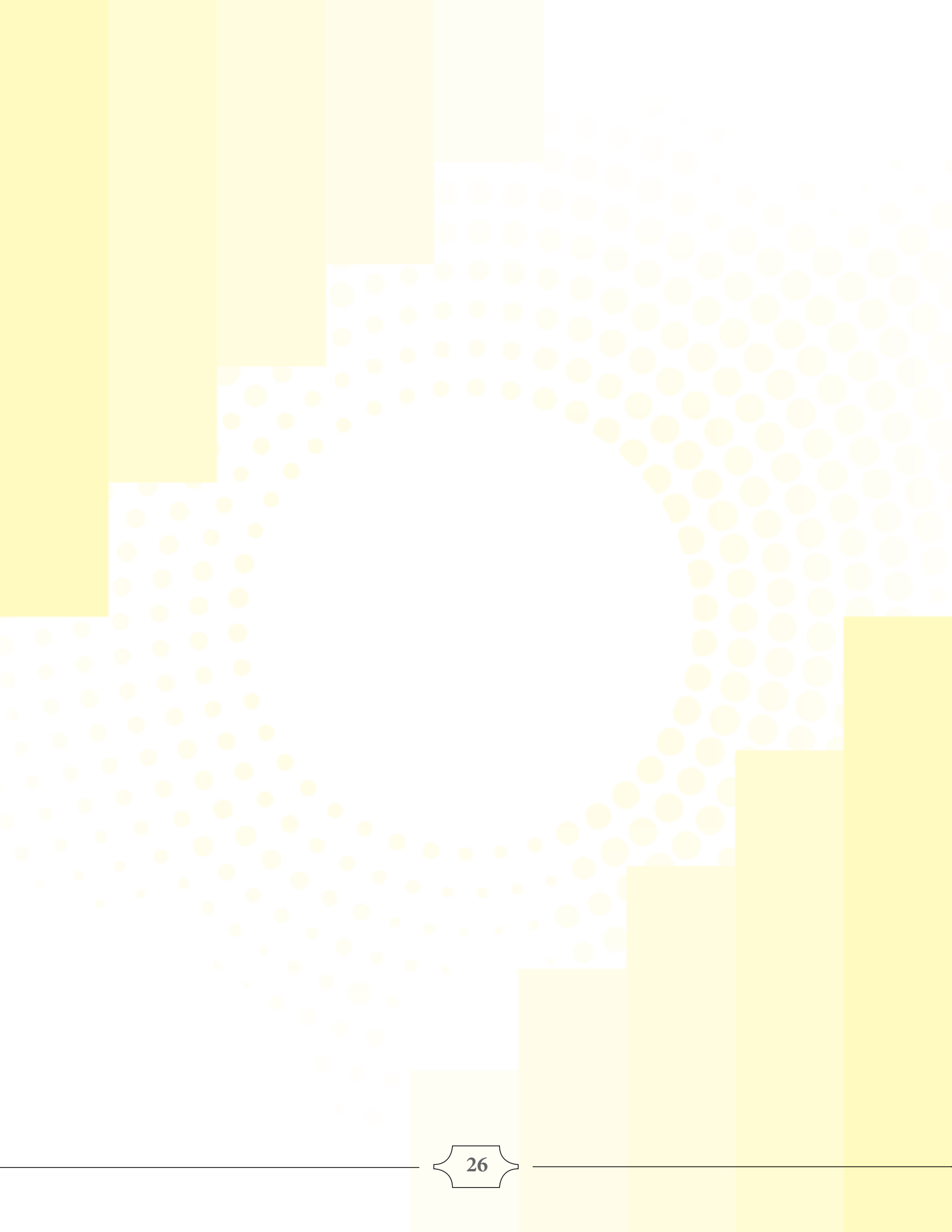


Chapter - 3

**Banking and Financial
Institutions**



Chapter – 3

Banking and Financial Institutions

“In the ‘Amrit Kaal’ of independence, the Indian banking sector will move with big thinking and Innovative approach”

-Hon’ble Prime Minister Narendra Modi

Banks and financial institutions play a crucial role in economic growth by providing a range of financial services that support economic activities, such as borrowing and lending, investing, and savings. The state has a banking network of 34 Scheduled Commercial Banks, 2 Regional Rural Banks, 1 State Cooperative Bank, 38 District Central Cooperative Banks (DCCBs), 8 Small Finance Banks, and 3 Payment Banks (India Post Payment Bank, Airtel, FINO) are operating in the state. Banking services in the state is covered through a network of 8,138 branches, of which 34 percent are working in rural areas and 66 percent in semi-urban and urban areas. Public Sector Banks (PSB) constitute 50 percent of banking network, followed by Private sector banks (17 percent), RRBs (16 percent), Cooperative banks (11 percent), and SFBs (5 percent) (SLBC Report, 2021 and 2022).

Credit is vital for the economic growth of a nation and serves as a good proxy for understanding the undercurrent in the economy. The credit data along with commercial banks when looked at along with GSDP growth trends gives a comparison of growth. The credit to the priority sector in the state has been expanded with a CAGR of 15.45 percent from FY 2005-06 to FY 2022-23 (as on Sep 2022); Similarly, with a same time span the credit to MSME sector grew with a CAGR of 30.22 percent and agriculture with 13.41 percent.

Financial inclusion has been identified as an enabler for 7 out of the 17 Sustainable Development Goals (SDGs). The Jandhan Aadhar Mobile trinity has proved to be a gamechanger in implementing large scale benefit transfer and transformed the concept of financial inclusion. PMJDY has brought the unbanked into the banking system, expanded the financial architecture of India beyond brick and mortar and brought almost everybody into the ambit of financial inclusion. Financial inclusion is not only restricted to accessibility of financial services, barriers in availing financial services along with usage, and quality are equally important (RBI, 2021). As per the SLBC report (2022) more than 3.85 crore beneficiaries banked under PMJDY since inception, 53 percent account holders are women, and 59 percent Jan Dhan accounts are in rural and semi-urban areas.

This chapter is divided into four parts which focuses on credit expansion in the state by various agencies, the performance of the banking sector, financial inclusion for equitable growth and financing to assist employment scheme.

3.1 Credit Expansion for Economic Growth

3.1.1 Credit Growth

The Annual Credit Plan (ACP) has been designed for planning the credit targets by the banks. The ACP is synchronized with the Potential Linked Credit Plan of the National Bank for

Agriculture and Rural Development (NABARD). Figure 1 shows the total credit expansion which is continuously increasing in the state from Rs 9437 crore (FY 2005-06) to 215427 crore (2022-23).

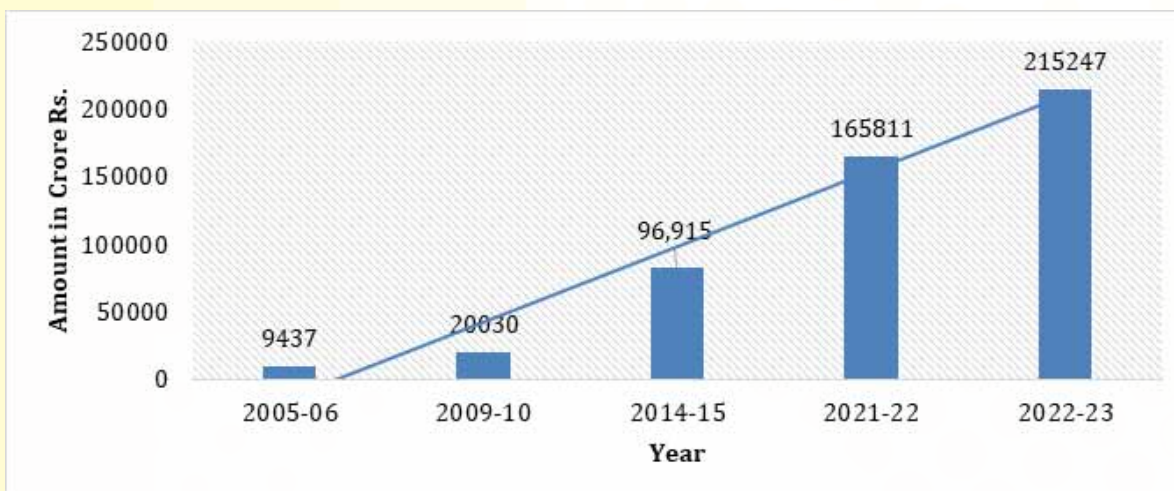


Figure 3.1: Credit Expansion

Source: SLBC reports of various years,

Notes- 1. FY 2022-23 data is as on Sep 2022,

2. Data for Non-PSL was not available for the FY of 2005-06 and 2009-10.

For sector wise understanding of credit, refer table 3.1 which shows the performance of different sector under ACP for a period ranging from 2005-06 to 2022-23, it shows the credit extended in priority sector and non-priority sector.

Table 3.1 : Performance on Credit Extension under Annual Credit Plan (ACP)

(Amount in Rs. crore)

S.N.	Sector	2005-06	2009-10	2014-15	2022-23 (as on Sep 2022)
Priority Sector					
1	Agriculture	6,954	15,508	49,871	55,531
2	MSME	525	1,854	13,823	40,999
3	Education	-	-	633	216
4	Housing	-	-	6,006	2,375
5	Others	1,958	2,668	4,296	1901
6	Total priority	9,437	20,030	74628	1,01,081
7	Total Non-priority	-	-	22,287	1,14,166
8	Grand Total	9,437	20,030	96,915	2,15,247

Source: SLBC Report of various Years

Notes-*No data was available for the non-priority sector of the year 2005-06 and 2009-10.

Priority Sector Lending (PSL) refers to the set of lending targets and guidelines set by the Reserve Bank of India (RBI) for banks in India to ensure that they provide adequate credit to certain sectors of the economy that are considered to be priorities for inclusive growth and social welfare. The objective of PSL is to direct credit to sectors that may not have easy access to financing, such as small businesses, agriculture, and rural infrastructure, as well as to promote employment generation, sustainable development, and financial inclusion.

For the given FY (2005-06 to 2022-23), PSL credit grew with a CAGR of 15.45 percent. Within PSL, the agriculture sector grew by 13.41 percent however MSME grew at 30.22 percent indicating a movement towards industrial strengthening from the agriculture setup.

Table 3.2 : Bank-Wise ACP Performance FY 2022-23 Q2

(Amount in Rs. crore)

Bank Type	Agriculture			MSME			Priority Sector		
	Target	Achi.	Achi.%	Target	Achi.	Achi.%	Target	Achi.	Achi.%
SCBs	1,12,768	39,183	34.75	41,500	36,362	87.6	1,66,628	79,074	47.5
RRBs	17,910	4,414	24.65	1,798	1,044	58.1	20,663	6,022	29.1
Co-Operative	32,506	11,835	36.41	542	2,497	460.9	33,181	14,337	43.2
SFBs	1,576	99	6.27	1,104	1,097	99.4	2,976	1,648	55.4
Total	1,64,761	55,531	33.7	44,944	40,999	91.2	2,23,449	1,01,081	45.2

Source: SLBC Report (184th, 2022)

Notes: FY 2022-23, data is available as on September 22

For a better understanding of the credit status, of bank wise ACP of Agriculture, MSME and priority sector has been shown in table 3.2. Cooperative banks have achieved the maximum target (36.41 percent), followed by Schedule commercial banks (SCBs) (34.75 percent), and Regional Rural Banks (RRBs) (24.65 percent) in the agriculture sector. Further, cooperative banks have achieved the maximum target (460.9 percent) in the MSME sector followed by SCBs and the cooperative sector. This shows that the cooperative sector is performing well in the state and achieving an overall 43.2 percent in PSL. Overall analysis shows that MSME sector has achieved the maximum target of 91.2 percent in comparison to other sector like agriculture where achievement is 33.70 percent and overall PSL achievement is 45.2 percent respectively.

Table 3.3 : Scheduled Commercial Banks Credit Growth Comparison with Country

Sector	Y-o-Y growth % Country		Y-o-Y growth % Madhya Pradesh	
	Sep 2021	Sep 2022	Sep 2021	Sep 2022
Overall Credit	6.8	16.9	7.1	15.6
Agriculture	12.8	15.8	9.7	12.1
MSME	2.0	27.0	1.1	20.0
Housing	5.3	9.2	6.7	17.6

Education	-6.0	-0.5	-2.9	4.4
Priority Sector	7.1	18.8	4.9	14.4

Source: SLBC and RBI, 2022 * Excluding Cooperative Banks

As we have seen in the table 3.2, Schedule Commercial Banks (SCBs) are playing a crucial role and having maximum share in PSL, having dominant position in the economic development of the nation by providing credit. Table 3.3 shows the scheduled commercial banks credit growth in different sectors and a comparison of the state with the Country. The overall credit growth in the state as on September 2022 was 15.6 percent whereas nationally credit grew at 16.9 percent, which shows that the State is closer to national credit growth. The credit growth of the state in the Housing and Education sectors in September 2022 was more than that of the National performance. The credit growth in MSME sector grew at 20.2 percent in the state however, nationally it grew at 27 percent, similarly, agriculture grew at 12.1 percent against 15.8 percent of national growth, which shows that the State started pushing the secondary sector to promote industrialization in the state.

3.1.2 Agri-Crop GVA to Agri-Crop Credit

Another dimension of performance of agriculture credit is to analyse the ratio of credit flow to Agri-crop to Agri-crop Gross Value Added (GVA). Table 3.4 shows the division wise Agri -crop GVA and Agri-crop credit flow to the agriculture sector for the year 2019-20, and the ratio of Agri-credit to Agri GVA varies from 7.5 percent to 40 percent. Across division, the ratio can be seen in table 3.4, which is maximum for Narmadapuram division with 40.51 percent followed by Bhopal division with 35.40 percent.

Table 3.4 : Division wise ratio of Agri-crop Credit to Agri-crop GVA (2019-20)

(Amount in Rs. crore)

Administrative Division	Agri Crop GVA	Credit flow in Agri crop	Agri Credit to Agri GVA (%)
Jabalpur	58,323.15	13,561.46	23.25
Ujjain	60,100.1	16,908.55	28.13
Shahdol	12,686.52	950.94	7.50
Chambal	18,469.36	4,038.84	21.87
Gwalior	32,885.74	6,600.7	20.07
Indore	58,314.49	13,886.49	23.81
Narmadapuram	18,996.83	7,694.91	40.51
Rewa	30,622.92	2,590.51	8.46
Sagar	33,605.76	5,670.24	16.87
Bhopal	37,584.29	13,306.08	35.40
Total	36,1589.2	85,208.72	22.59

Source: NABARD Report (2022)

Notes- Numbers are at Current prices

Some division have much stronger performance with agriculture pre-dominance as Narmadapuram is leading division and sets example for other areas.

3.1.3 Credit Flow to Priority Sector

Credit to weaker section refers to loans and credit facilities provided to individuals and groups of people who are considered economically disadvantaged and may have difficulty accessing credit through traditional means. Table 3.5 shows the credit growth in the PSL sector is 59.41 percent in the state and higher than the National average of 40 percent. Similarly, agriculture advances in the state are at 32.2 percent which is higher than the national average of 18 percent. Further advances to weaker sections are 10 percent out of total advances nationally, however, in the State it is continuously increasing from 22.92 percent (March 2020) to 26.15 percent (March 2022). Strong growth in PSL is helpful in the social and economic upliftment of society and has a positive impact on the economy by promoting inclusive growth, financial inclusion, and diversification. The state is putting in far more efforts to promote livelihood in weaker sections to promote equitable growth in the economy.

Credit Deposit Ratio (CDR) is another important benchmark of credit growth and shows that the current CDR for the State (as on Sep. 2022) is 75.14 percent, which is higher than the national average of 72.70 percent.

Table 3.5 : Credit Expansion of the State with National Average

Indicator	National Average	2020	2021	2022	2022*
Priority Sector Advances % out of Total	40	61.49	61.05	60.47	59.41
Agriculture Advances % out of Total	18	33.09	32.83	32.38	32.20
Advances to Weaker Section % out of Total	10	22.92	22.28	22.63	26.15
Credit Deposit Ratio (CDR) (%)	72.70	73.42	73.99	72.66	75.14

Source: Directorate of Institutional Finance, Government of Madhya Pradesh;

Note: *Data for 2022 is available as on Sep 2022

3.1.4 Credit Deposit Ratio

For detailed understanding of the district wise CD ratio refer table 3.6a where districts are divided in to different quartiles based on their CD ratio range. The maximum CD ratio has been reported for Agar-Malwa district which is 269.6 and the lowest has been reported for Singrauli. The first quartile range is more than 124, followed by 70.9 to 119.45 for the second quartile, 48.24 to 70.08 for the third quartile, and less than 48 for fourth quartile. Overall 26 districts in the state having CD ratio more than 70 percent.

Table 3.6a : District Wise CD Ratio Analysis

CD Ratio range (>124)	CD Ratio range (70.9 to 119.45)	CD Ratio range (48.24 to 70.08)	CD Ratio range (<48)
Agar-malwa	Ashoknagar	Chhindwara	Panna
Rajgarh	Vidisha	Seoni	Satna
Shajapur	Ratlam	Shivpuri	Tikamgarh
Raisen	Burhanpur	Damoh	Bhind
Sehore	Guna	Morena	Dindori
Khargone	Narsinghpur	Bhopal	Mandla
Harda	Hoshangabad	Alirajpur	Rewa
East nimar	Jhabua	Betul	Shahdol
Dewas	Sheopur	Sagar	Sidhi
Barwani	Neemuch	Balaghat	Niwari
Dhar	Indore	Katni	Umaria
Ujjain	Datia	Gwalior	Anuppur
Mandsaur	Jabalpur	Chhatarpur	Singrauli

Source: SLBC, 2021

Two years CD ratios of 50 districts have been analysed and compared to see the growth. Table 3.5 shows that the State's average CD ratio is higher than the national average. Here, it is important to understand district wise performance. Based on availability of data, two financial years viz. 2018-19 and 2020-21, CD ratios have been compared and compiled in table 3.6b to show which districts are growing up-to 10 percent, more than 10 percent, and CD ratio dropped.

Table 3.6b : District wise Growth in CD Ratios

S.N.	C-D Ratio	No. of Districts	Name of Districts
1	1- 10%	23	Anuppur, Ashok Nagar, Balaghat, Bhind, Chhatarpur, Damoh, Datia, Gwalior, Hoshangabad, Jabalpur, Katni, Mandla, Morena, Narsinghpur, Panna, Rewa, Sagar, Satna, Shahdol, Sheopur Kala, Shivpuri, Umaria, Vidisha
2	>10 %	23	Alirajpur, Betul, Guna, Seoni, Dindori, Chhindwara, Tikamgarh, Neemuch, Ratlam, Raisen, Burhanpur, Mandsaur, Harda, Dewas, Dhar, Ujjain, Sehore, Khargone, Barwani, Shajapur, Khandwa, Rajgarh, Agar-malwa
3	Drop	6	Bhopal, Indore, Jhabua, Niwari, Sidhi, Singrauli

Source: SLBC Report (2019, 2021)

Analysis shows that in 23 districts, CD ratio grew upto 10 percent, and 21 districts grew at more than 10 percent growth rate and six districts, where CD ratio has been dropped.

3.2 Banking Sector Performance

3.2.1 Status of Cooperative Banks

The three tier Rural Cooperative Credit Structure consists of Madhya Pradesh State Co-operative Bank (MPStCB) operating at the Apex level, 38 District Central Cooperative Banks (DCCBs) operating at the district level and 4536 Primary Agricultural Credit Society (PACS) operating at the grass root level. The StCB and DCCBs together have 851 branches out of which 630 are rural and semi-urban branches.

District Credit Cooperative Banks (DCCBs)

DCCBs are small banks working in a small town to mobilise deposits from public to support the credit needs of PACS and its members. Table 3.7 shows the financial status of DCCBs in the state for the years 2018-19, 2019-20 and 2020-21. The number of DCCBs has remained the same for all three years. The total share capital has increased by 4.5 percent from 2018-19 to 2020-21. The share of the State in the total share capital of the DCCBs has also increased by 10.89 percent from 2018-19 to 2019-20 but has decreased slightly by 0.32 percent from 2019-20 to 2020-21. The deposits have increased over the three years by 3.73 percent and 10.96 percent from 2018-19 to 2019-20 and 2019-20 to 2020-21 respectively. The borrowings have decreased from 2018-19 to 2019-20 by 3.41 percent and from 2019-20 to 2020-21 by 5.96 percent.

Table 3.7 : Consolidated Financial Status of District Central Co-operative Banks

(Amount in Rs crore)

Particulars	2018-19	2019-20	2020-21
No of DCCBs	38	38	38
Total share capital	1465.58	1500.94	1531.2
Share of the State in Share Capital	258.16	286.28	285.36
Deposits	15371.43	15944.9	17693.34
Borrowings	9513.66	9188.64	8640.65

Source: National Federation of State Co-operative Banks Ltd. (NAFSCOB), Annual Report of various years

3.2.2 Non-Performing Assets

A non-performing asset (NPA) is a classification used by financial institutions for loans and advances on which the principal is past due and on which no interest payments have been made for a period of time. Table 3.8 shows that the non-performing assets (NPAs) of private sector banks, regional rural banks and small finance banks have been reduced by more than 10 percent as on September 2022.

Table 3.8 : Non-Performing Assets (NPA) in Banks

(Amount in Rs. crore)

Agency	2019	2020	2021	2022	Y-o-Y variation %		
					2020	2021	2022
Public Sector Banks	22,459	20,793	23,556	22,528	-7.42	13.29	-4.36
Private Sector Banks	5,520	3,149	3,630	3,097	-42.95	15.27	-14.68
Regional Rural Banks	3,026	2,551	2,461	1,802	-15.70	-3.53	-26.78
Cooperative Banks	6,392	7,517	7,037	8,067	17.60	-6.39	14.64
Small Finance Banks	-	-	573	492	-	-	-14.14
Total	37,397	34,010	37,257	35,986	-9.06	9.55	-3.41

Source: SLBC Report (184th , 2022); Note: All data points are as on september.

Overall improvement can be seen in the NPAs in post-covid in PSBs, RRBs, SFBs, however, aberration has been noticed in the cooperative sectors where NPAs are increasing.

Sector-wise NPA has been shown in table 3.9 where agriculture, MSME, education, housing, priority and non-priority sector mainly. The Highest NPA has been recorded in agriculture (14 percent) followed by the priority sector (11.70 percent) where NPA is more than 10 percent, however in other sectors viz. MSME (6.70 percent), housing (7 percent), education (8 percent) and non-priority areas (4.12 percent) it is less than 10 percent.

Table 3.9 : Sector-Wise Status of NPA

(Amount in Rs. crore)

Sector	2019	2020	2021	2022	Y-o-Y variation %			NPA % of portfolio as on Sep'22
					2020	2021	2022	
Agriculture	15,539	18,256	18,205	19,976	17.49	-0.28	9.73	14.90
MSME	5,569	5,505	6,929	5,225	-1.16	25.87	-24.59	6.70
Housing	2,029	1,984	2,136	2,111	-2.21	7.66	-1.17	7.00
Education	181	154	181	172	-15.05	17.53	-4.97	8.00
Priority Sector	24,224	26,514	29,416	29,094	9.45	10.95	-1.09	11.70
Non-Priority Sector	13,310	7,578	7,754	6,898	-43.07	2.32	-11.04	4.12

Source: SLBC Report (184th Agenda, July, 2022)

Notes- All data-points are as on September

3.3 Financial Inclusion for Equitable Growth

Access to banking is essential for financial inclusion, which is the process of providing everyone, regardless of their income level, with access to basic financial services such as savings accounts, credit, and insurance. Efforts to increase access to banking through different channels

like SCBs, RRBs, Co-operatives and SFBs often involve the development of financial infrastructure, such as the establishment of new banks or the expansion of existing banks to serve underserved communities. In recent years, technological innovations have also enabled the development of digital banking services, which can be accessed through mobile phones and other digital devices. These services can be especially beneficial for individuals and communities without access to traditional banking infrastructure.

3.3.1 Banking Network & Alternative Channels

This section covers the branches of Commercial Banks, Cooperative Banks, Regional Rural Banks, Small Finance Banks, and India Post Payment Banks (IPPBs) in rural areas, semi-urban areas, and urban areas. The total number of bank branches in Madhya Pradesh was 7958 in March 2020 which increased to 8138 in September 2022. The total Branches of commercial banks were 5510 in September 2022, and an increase of 1.5 percent has been seen since March 2020. Co-operative bank branches have decreased from 877 (March 2020) to 851 (September 2022), and less than 1 percent growth has been observed in RRBs. The total number of branches shows an increasing trend and growth of 2.2 percent from March 2020 to September 2022. Table 3.10 below shows the extension of branches in the banking network of the state. The branches in rural and urban areas are nearly the same as compared to the previous year, with an increase of a few branches of regional rural banks and a decrease of a few branches of small finance banks. Although small finance banks' coverage in semi-urban areas has improved in coverage. Overall, there is a marginal increase in the number of branches in the state.

Table 3.10 : Extension of Branches in the Banking Network of the State

Type of Bank	2019-20	2020-21	2021-2022	As on Sept. 2022
Branches in Rural areas				
Commercial Banks	1,520	1,488	1,484	1,488
Cooperative Banks	297	297	380	380
Regional Rural Banks	854	854	854	859
Small Finance Banks	41	69	88	77
I.P.P.B.	-	-	-	-
Total	2,712	2,708	2,806	2,804
Branches in Semi-Urban Areas				
Commercial Banks	1,692	1,685	1,738	1,750
Cooperative Banks	470	470	250	250
Regional Rural Banks	318	318	318	322
Small Finance Banks	108	123	133	158
I.P.P.B.	-	-	-	-

Type of Bank	2019-20	2020-21	2021-2022	As on Sept. 2022
Total	2,588	2,596	2,439	2,480
Branches in Urban Areas				
Commercial Banks	2,215	2,248	2,276	2,280
Cooperative Banks	110	110	221	221
Regional Rural Banks	148	148	148	152
Small Finance Banks	143	180	188	180
I.P.P.B.	42	42	42	40
Total	2,658	2,728	2,875	2,873
Total Branches of Banks				
Commercial Banks	5,427	5,421	5,499	5,510
Cooperative Banks	877	877	851	851
Regional Rural Banks	1,320	1,320	1,320	1,333
Small Finance Banks	292	372	409	404
I.P.P.B.	42	42	42	40
Total	7,958	8,032	8,121	8,138

Source: Directorate of Institutional Finance, Government of Madhya Pradesh (2022),

Notes-* Data points for the Year 2022 (as on Sep 2022)

Box 3.1 : 100 % Digital Districts of Madhya Pradesh

RBI launched the digital district programme in the year of 2019 to expand and deepen the digital payment ecosystem in the nation. All State/UT Level Bankers Committees (SLBCs/UTLBCs) have been instructed to choose one district in their respective States/UTs as a pilot area after consulting with banks and other stakeholders. Madhya Pradesh selected three districts viz Betul, Indore and Vidisha where 100 percent saving and current account transactions are digital. Another district Satna is also in the row to achieve the status of 100 percent digital district and at present it achieved total 92 percent digital district status.

Source: SLBC Report, 2021,2022

Box 3.2 : District Financial Inclusion Index of Madhya Pradesh

The standing committee at AIGGPA has guided a number of steps for assisting the state on matters of financial inclusion. Development of a financial inclusion index at district level was one of the decisions by the committee. As of now, the index of financial inclusion either available on country-wise parameters (Global Findex), National parameters (RBI Findex) or state-wide parameters (CRISIL and NABARD). An index with the granularity of districts is not yet available in the public domain for any Indian State. This index was agreed to be developed by involving both state level institutions like lead banks, State Level Bankers Committee, NABARD and field functionaries, like local administration, educational institutions, MFIs, MSMEs, etc. This index has been prepared on three dimensions: Access, Usage and Quality and total 16 indicators used for 52 districts of the state. The dimension selection in the study draws confidence from the fact similar dimensions have been used by National Strategy for Financial Inclusion (NSFI 2019-25) paper. Two stage Principal Component Analysis method used for weight estimation and score calculation. This index is prepared for the two financial years of 2019-20 and 2020-21. For better representation and instilling understanding, the index scores are divided in quartiles based on performance output and the details are given below in the table. This index will help in creating district wise plan for financial inclusion to help in improving the performance of districts.

Developed Districts Score Range (0.319-0.640)	Aspirational Districts Score Range (0.229-0.316)	Developing Districts Score Range (0.101-0.222)
Bhopal	Shahdol*	Shajapur
Indore	Balaghat*	Mandla*
Hoshangabad*	Damoh	Barwani*
Harda	Sagar	Khandwa*
Dhar*	Mandsaur	Datia
Jabalpur	Katni	Dindori*
Sehore	Panna	Satna
Ujjain	Sidhi*	Tikamgarh
Ratlam*	Chhattarpur	Sheopurkalan*
Gwalior	Anuppur*	Alirajpur*
Neemuch	Betul*	Burhanpur*
Dewas	Vidisha	Rewa
Raisen	Umariya*	Shivpuri
Chhindwara*	Seoni*	Singrauli
Jhabua*	Ashoknagar	Bhind
Narsimhapur	Guna	Morena
Rajgarh	Khargone*	-

Source: District Financial Inclusion Index Report, 2022

available at <https://aiggpa.mp.gov.in/projectdetails/view/TTVLSGE1ZHdWZIFYZ0x2Qkh5SVhKZz09>

3.4 Financing to Assist Employment

Financing plays a critical role in supporting employment by providing the capital and resources needed to create jobs, develop skills, and build economic infrastructure. By providing small business loans, financial institutions are helping small entrepreneurs to start and expand their business activities, which helps in creating employment. The state is running many Government Sponsored Schemes (GSS) to support small businesses and self-employment.

3.4.1 Government-Sponsored Schemes (GSS)

The GSS of the state are as follows, Mukhya Mantri Udyam Kranti Yojana (MMUKY) was launched by the Chief Minister of the State for the welfare of aspiring youths, and women who want to become entrepreneurs. Department of Micro, Small and Medium Enterprises is the nodal agency for the implementation of MMUKY. Mukhya Mantri Gramin Path Vikreta Yojana (MMGPVY) aims to achieve the welfare of the rural local street vendors of Madhya Pradesh by providing financial assistance through short-term loans without any interest. Sant Ravidas Swarojgar Yojana (SRSY) aids manufacturing-centred projects and service-oriented businesses.

Dr. Bhimrao Ambedkar Arthik Kalyan Yojana (DBAAKY) aims to provide loans for low-cost equipment or working capital to the micro, small and medium-scale industries already established by the beneficiaries of the scheduled caste category. The scheme is operated through the Madhya Pradesh State Cooperative Scheduled Castes Finance and Development Corporation. For providing self-employment opportunities to youths of the scheduled tribe of Madhya Pradesh, the State cabinet has approved three new schemes. It includes Bhagwan Birsa Munda Swarojgar Yojana (BBMSY), Tantya Mama Arthik Kalyan Yojana (TMAKY), and Mukhyamantri Anusuchit Janjati Vishesh Pariyojana Vitt Poshan Yojana. All the above schemes are routed through the banks, the status of the GSS as on December 2022 is shown in table 3.11.

Table 3.11 : Status of GSS

Scheme	Sanctioned	Disbursed	Pending	Disbursed % out of sanction
MMUKY	10,156	7,842	7,327	77
MMGPVY	3,59,454	3,27,931	1,53,945	91.2
SRSY	247	151	1,623	61
DBAAKY	81	62	1,502	77
BBMSY	130	84	2,684	64
TMAKY	126	50	2,783	39

Source: SLBC Report (184th, 2022);

3.4.2 Rural Infrastructure Development Fund (RIDF)

A major policy initiative for rural infrastructure development was setting up RIDF in NABARD in 1995 to finance rural infrastructure projects. RIDF was set up to fund infrastructure projects in the States, which were incomplete due to a lack of financial resources. Due to the inadequacy of

critical infrastructure, banks were unable to channelize their lending to agriculture as per priority sector guidelines.

The Government of India, therefore, announced the setting up of the Rural Infrastructure Development Fund (RIDF) in the budget of 1995-96, to be operationalized by NABARD towards the financing of, at that time, the ongoing rural infrastructure projects in the irrigation sector. Subsequently, RIDF was made available for new rural infrastructure projects and its ambit was broad-based to cover almost all important aspects of rural infrastructure.

The State Projects Department (SPD) provides loans from the Rural Infrastructure Development Fund (RIDF) to support public sector capital investment in rural infrastructure by providing low-cost fund support to State Govts and State-Owned Corporations. Over the years, RIDF has become an important source of public capital formation in the rural infrastructure space.

Box-3: e-RUPI statistics of Madhya Pradesh

Month	e-RUPI Use Case Name	Voucher Created Volume	Voucher Redeemed Volume
September 2022	Madhya Pradesh Government: Agriculture Equipment Distribution	325	299
October 2022	Madhya Pradesh Government: Agriculture Equipment Distribution	63	55
	Madhya Pradesh Government: Cycle Distribution	521	12
November 2022	Madhya Pradesh Government: Agriculture Equipment Distribution	70	45
	Madhya Pradesh Government: Cycle Distribution	26	6
December 2022	Madhya Pradesh Government: Agriculture Equipment Distribution	62	37
	Madhya Pradesh Government: Cycle Distribution	3	3
January 2022	Madhya Pradesh Government: Agriculture Equipment Distribution	26	12

Source : NPCI (<https://www.npci.org.in/what-we-do/e-rupi/product-statistics>), Volume in Unit

The Hon'ble Prime Minister introduced e-RUPI, a digital system that enables cashless payment for the COVID-19 immunisation. The National Payments Corporation of India is the company that powers the digital payment system, which was created with the help of the Department of Financial Services and the National Health Authority.

Users can use this easy one-time payment method to make purchases at businesses that accept UPI e-Prepaid Vouchers without using a card, a digital wallet, or internet banking. Organizations would send the recipients the e-RUPI by SMS or QR code for a particular activity or purpose.

Its contactless e-RUPI is simple, secure, and safe because it entirely protects the beneficiaries' personal information. Because the necessary amount is already saved in the voucher, the complete transaction process using this voucher is significantly quicker and more reliable.

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