ISSN:0971-1260
Vol-22- Issue-35-December-2019

Role of Punjab Gramin Bank in Implementing DAY-NRLM/NULM Scheme in Amritsar

***Dr.Priyank Mishra ,**

Associate Professor, Dr.C.V.Raman University, Bilaspur, Chhattisgarh

**** Ms.Ravijot Kaur,**

Research Scholar, Dr.C.V.Raman University, Bilaspur, Chhattisgarh

ABSTRACT

Punjab has been traditionally associated with low Gross Domestic Product (GDP) and Human Development Index (HDI).In this Research Paper, the main objective is to find out the role of Punjab Gramin Bank in the implementation of the DAY-NRLM/NULM Scheme in Amritsar district from from year 2015 to 2018. For the purpose, secondary data from the bank itself was collected. Data has been made available from 28 different branches of Punjab Gramin Bank spread over the 9 different blocks of Amritsar. Statistics were compiled using SPSS software version 20 in which One way Annova test has been used to test whether there exist any significant differences in the credit disbursed by Punjab Gramin Bank in part three years in Amritsar District.

Key Words : Financial Inclusion , DAY- NRLM/NULM, Self Help Groups (SHGs), SBLP, MFIBL.

INTRODUCTION

The goal of financial inclusion has always been a challenge in front of the policy makers around the world especially in the developing countries like India where people face insuffiency of the financial resources as to improve their social economic status (Vatta,2003). Due to the challenges faced by the policy makers around the world, Formal banking sector has been incapable in the achievement of financial sustainability. Availability of finance to rural areas by the financial sector of the economy has become an alarming task unsettling to various demand and supply constraints whether it is illiteracy of the people in the backward areas or the poor branch network of the banks in those areas.

Microfinance thus emerged as a mechanism that provides privilege to the underprivileged. Microfinance thus not only extend the credit facilities to the rural population but also includes credit facilities, savings , insurance, remittance and various non- financial services like training and counselling.Various schemes have been launched under microfinance programme by the government of India in order to improve the standard of living of the poor. As The founder of GraamenBank , Mohammad Yunus Concluded in his statement that the Development should be the Growth of the bottom 50% of the people living in the country. A poor is also capable to grow just like anybody and if given an opportunity and access to credit ,He/Shetoo can think about building a better future and overcoming poverty.(Bakhtiari, S. (2006).

ISSN:0971-1260
Vol-22- Issue-35-December-2019

For the purpose of reduction of poverty in India, The Ministry of Rural Development (MoRD) has launched the National Rural Livelihood Mission (NRLM) wherein Swarnajayanti Gram SwarojgarYojana (SGSY) was restructured with effect from 01st April 2013. This mission was later namedas DAY-NRLM (DeendayalAntyodayaYojana - National Rural Livelihoods Mission) with effect from March 29, 2016.The aim of the iconic Programme run by the Government of India was to create strong cooperation among the people especially women suffering from poverty which would help them to collectively get access to the various financial facilties provided by NABARD ultimately to eradicate poverty.NRLM planned to cover 7 crore rural households, spread over 600 districts, 6000 blocks and 6 lakh villages across country through SHGs and MFIs which would help them to earn better living(Singh, Vikram. (2016).

Apart from this, people below poverty line would be facilitated with enhanced acces to public services, rights, diversified risks and better oppurtunities to grow and empower. Not only this, DAY-NRLM felt in considering the ingrained capacity of the people associated with them and provides them with the window of information, knowledge, skills and most importantly finance to participate in the growth of the economy. The DAY-NRLM actively aims at mobilizing 8-10 crore rural poor households, across 600 districts, 6,000 blocks, 2.5 lakh gram panchayats and 6 lakh villages in the country through self-managed SHGs and federated institutions and support them for livelihoods collectives. Additionally, the Mission seeks to facilitate access of the poor to their rights, entitlements and public services, besides diversifying risk and improving empowerment.

Being Multi Dimensional,Urban poverty has hit the poor in various cities and towns leaving them prone to various vulnerabilities whether it is employment or housing or social harrassments. These issues needed to be addressed in an integrated manner under the Poverty Alleviation Programmes so that definitive impact could be made to the ground. Such programmes are to be more skilled based and easily accessible to credit facilties.It is mandatory that a mission- oriented approach is followed and implemented in urban areas in the form of the National urban livelihood mission (NULM). National urban livelihood mission (NULM), being an important Programme for rural development by Government of India. would lay higheremphasis on aggregation of various schemes/programmes focusing on skill development, standard of living, self-entrepreneurship, healthconsiousness, education assistance, etc.The programme initiated an alliance strategy with all the concerned departments which would help promote the skills training among the rural and urban migrants thus securing them with an opportunity to earn their livelihoods.

OBJECTIVES :

1. To study the role of Punjab Gramin Bank in under NRLM/NULM scheme
2. To analyse the progress of Punjab gramin bank in different yearsunder NRLM/NULM scheme in Amritsar area.

HYPOTHESIS

H_0 - There exist no differences in years in respect to loans disbursed under NRLM/NULM Scheme by Punjab Gramin Bank in Amritsar district

H_1 -There exist significant differences in years in respect to loans disbursed under NRLM/NULM Scheme by Punjab Gramin Bank in Amritsar District.

ISSN:0971-1260
Vol-22- Issue-35-December-2019

REVIEW OF LITERATURE

Gupta et.al (2019) , in the study , “Mapping of schemes, policies/programs for slum free cities in India” attempted to point out the targets of Sustainable Development Goals which lead to the cities free from slum areas with the help of various schemes and programs initiated by Government of India like NRLM/NULM to make cities slim free.

Devi,(2018)in the article “Functioning of SHGs with a Special Focus on an Indian State” emphasised the interventions taken under DAY-NRLM covering various households in the rural areas of Telangana. The article focused on the initiatives taken for the revival of the n on – functioning SHGs and socio economic changes in the lives of the members of the SHGs. The paper thus concluded with the problems faced by them and the ways in which members themselves and stakeholders of various institutions come forward to takle such problems. The analysis helped in designing the policies which lead to the sustainability of the SHGs in Telangana.

Nagayya(2016), in the study “Microfinance through Self-Help Groups and Financial Inclusion”,laid special focus on the connection of SHGs Bank Linkage Programme (SBLP) and National Rural Livlihood Mission (NRLM) with various other programmes towards the diffusion of Financial Inclusion. The models like SHGs Bank Linkage Programme (SBLP) and Micro finance Institution Linkage Programme (MFIBL) should be pursued more vigorously to outreach microfinance in the underdeveloped areas without compromising on the process of qualitative lending.

Umar et al. (2008), in the study titled, “The Role and Sustainability of Microfinance Banks in Reducing Poverty and Development of Entrepreneurship in Urban and Rural Areas”, observed that by providing proper skills knowledge and adult literacy , there has been an improvement in the condition of women in the urban and rural areas spreaded by the Microfinance institutions and banks.

Basu (2006), in the study titled “Microfinance and Women Empowerment: An Empirical Study with Special Reference to West Bengal” focused on two basic research points First, women investing in the safer projects so as to gain a better position in household.Second, the examination of women empowerment by controlling the savings, loans purchasing capacity and importantly family planning.

Sahu and Tripathy (2005), in the book titled, “Self-Help Groups and Women Empowerment” viewed that 70% of the women in the world are under the poverty line and situations are even worse in the rural areas women are not just poor but also burdened with the socio economic constraints. The conclusion thus drawn from the article is drawn is the role of microfinance which helped in the upliftment of the role of the women in the society through the formation of the Self Help Groups.

Sinha (2005), in the study, “Access, Use and Contribution of Micro-Finance in India: Findings from a National Study” concluded that both savings and borrowings have been increased significantly with the microfinance coming into being due to which the status of poor has been improved in the country.the study finds that micro credit is mainly used for the direct investment depending on the credit requirements of the householdsat the time of the disbursement of the loans.

Survey (2005), under the title, “Gender Inequality and Women‟s Empowerment” concluded that the womenbelong to the most disadvantaged section of the society.The situation is indicated by low literacy rate among women, low facilities of education, lesser women working and earning and most

ISSN:0971-1260
Vol-22- Issue-35-December-2019

significantly early marriages.Paper also suggested the role of various programmes and schemes like NRLM/NULM under micro finance which are coming forward to uproot this problem in the country.

Dasgupta (2005), in the study, “Microfinance in India: Empirical Evidence, Alternative Models and Policy Imperatives” suggested a shift of focus to “Microfinance Reforms” from the old “Financial Sector Reforms”. It concludes with a suggestion that the focused sector needs to be made lineant and microfinancing must be monitored rigorously. The study also suggested that the proper designing of the scope and space should be done so that it could build the competitive environment to the micro-finance services hence provided.

RESEARCH METHODOLOGY

This study is based on the secondary data collected and compiled from wide sources such as reports of NABARD, RBI and the officials of the regional office of Punjab Gramin Bank in Amritsar.

Overall progress of Punjab Gramin Bank in implementing the scheme in different blocks of Amritasr is shown through Bar Diagram.

To know whether exists the significant differences in years in respect to loans disbursed under NRLM/NULM Scheme by Punjab Gramin Bank in Amritsar District, One way Annova and Post Hoc test was applied at 90% significant level.

PUNJAB GRAMIN BANK :AN INTRODUCTION

Punjab state forms a larger part of North India **.**The state has Jammu & Kashmir to its north, Haryana to its south, Himachal Pradesh to its East and Pakistan to the west.. The state covers an area of 50,362 square kilometres, 1.53% of India's total geographical area with 27,704,236 inhabitants at the 2011 census, Punjab stands at 16^{th} position in terms of Population comprising 22 Districts.

Punjab GraminBank isa part of Regional Rural Bank sponsored by Punjab National Bank holding 35% of the ownership stake in Punjab National Bank.- a pioneer banking institution in India. Bank is presently having its operations in more than 400 branches across 22 districts of Punjab and is operating on fundamentally strong and sound banking operations. PGB, having most of its branches in rural areas is playing major role in uplifting living standard of rural people by providing various types of deposits and loan schemes and is committed for inclusive growth. PGB is Committed for Rural Developement.

PGB has come into existence after amalgamation of three RRBs i.e.:

Punjab Gramin Bank

MalwaGramin Bank

Sutlej Gramin Bank

Punjab Gramin Bank has a large network of branches in Amritsar. **Punjab Gramin Bank** offers a variety of services under Microfinancing area which covers various Deposit schemes such as saving accounts , current accounts, term deposits , Fixed Deposits Etc. and Other Loan/Advances Such as Agricultural loans m Personal loans, Educational Loans, Mortgage loans Etc. Punjab Gramin Bank Implemeted various schemes to promote microfinance in rural and urban committees and thus supporting Government’s agenda of financial inclusion. The bank has been participating

ISSN:0971-1260
Vol-22- Issue-35-December-2019

enthusiastically in Government schemes since long, such as Pradhan Mantri Jan DhanYojana(PMJDY), Pradhan Mantri Mudra Yojana (PMMY),DeendayalAntyodayaYojanaNational Rural Livelihoods Mission (DAY-NRLM), DeendayalAntyodayaYojana-National Urban Livelihoods Mission (DAY-NULM) ,), Pradhan MantriAwasYojana (PMAY), Pradhan MantriJeevanJyotiBimaYojana (PMJJBY), Pradhan Mantri Suraksha BimaYojana (PMSBY), Pradhan MantriFasalBimaYojana (PMFBY), Atal Pension Yojana (APY), SukanyaSamriddhiYojana (SSY).

CONTRIBUTION OF PUNJAB GRAMIN BANK IN IMPLEMENTATION OF NRLM/NULM SCHEME

Table 1.1 Loans Disbursed By Punjab Gramin Bank

(Amt. In lakh)

Name of the Bank	Year	Total loans disbursed during the year		Of total, Loans Disbursed to Women SHGs		Of Total, Loans Disbursed Under NRLM/SGSY scheme		Of Total, Loans Disbursed Under NULM/SGSY scheme	
		No. Of SHGs	Loans Disbursed	No. Of SHGs	Loans Disbursed	No of SHGs	Loans Disbursed	No. of SHGs	Loans Disbursed
Punjab Gramin Bank	2017-18	715	256.52	664	230.59	395	133.74	0	0
Punjab Gramin Bank	2016-17	629	284.86	588	258.62	426	150.62	0	0
Punjab Gramin Bank	2015-16	619	495.2	582	465.6	310	248	0	0

(Source : Report Of NABARD : Status of Microfinance of 2015-16,2016-17,2017-18)

As the Table 1.1says , it is clear that loans Disbursed by Punjab Gramin Bank during 2016-17 was 284.86 lakh as against 495.2 lakhs in 2015-16. It further was decreased to 256.52 lakhs in 2017-18. It shows that though the Number of SHGs were increased from 2015 to 2018 but the amount of loans disbursed were reduced over time. Out of the total number of SHGs covered under Punjab Gramin bank during the Respective years, more than 50% of the SHGs were covered under NRLM/SGSY Scheme. Further, the loans disbursed by Punjab Gramin Bank under NRLM/SGSY Scheme in 2016-17 was 150.62 lakhs as against 248 lakhs in 2015-16. Then in 2017-18 the loans disbursed were 133.74 lakhs which indicated that though overall SHGs covered by Punjab Gramin Bank were increased but the amount of loans disbursed were reduced.

Table 1.2 Loans Outstanding Against Punjab Gramin Bank

(Amt. In lakh)

ISSN:0971-1260
Vol-22- Issue-35-December-2019

Name of the Bank	Year	Total loans outstanding against SHGs		Of total, Loans outstanding against Women SHGs		Of Total, NRLM/SGSY SHGs		Of Total, NULM/SGSY SHGs	
		No. Of SHGs	Loans O/S	No. Of SHGs	Loans O/S	No of SHGs	Loans O/S	No. of SHGs	Loans O/S
Punjab Gramin Bank	2017-18	2182	1056.82	1942	912.93	687	270.45	0	0
Punjab Gramin Bank	2016-17	4732	2115.27	4268	1851.41	1521	514.21	0	0
Punjab Gramin Bank	2015-16	4103	1900.38	3857	1582.3	867	398.8	0	0

(Source : Report Of NABARD : Status of Microfinance of 2015-16,2016-17,2017-18)

Table 1.2 Shows total loans outstanding against SHGs by Punjab Gramin Bank. It was observed that number of SHGs against whom loans were outstanding has been reduced over time that is from 4103 in 2015-16 to 2182 In 2017-18 . The amount of loans outstanding against SHGs in 2015-16 was 1900.38 lakhs which inititally increased to 2115.27 lakhs in 2016-17 , later in 2017-18 it reduced to 1056.82 lakhs. Out of total number of SHGs , less than 32% SHGs were such against whom loans were outstanding under NRLM/SGSY scheme in 2015-18. In 2015-16, the number of SHGs with outstanding loans were 867 which was increased to 1521 in 2016-17 and later in 2017-18, it was reduced to 687. The amount of loans outstanding against the SHGs in 2015-16 under NRLM/SGSY scheme was 398.8 lakhs which rose to 514.21 lakhs in 2016-17 and finally reduced to 270.45 lakhs in 2017-18. It isclear from the above table that the performance of Punjab Gramin Bank in terms of

Table 1.3 **Amount in Lakhs**

	Year/Blocks	Ajnala	Attari	Chogawan	HarshaChinna	Jandiala Guru	Majitha	Rayya	Tarsikka	Verka
Loans granted by Punjab Gramin Bank	2015-16	160000	171000	350000	260200	400000	684000	160000	75000	186000
	2016-17	148100	251200	42100	140100	398000	47300	102500	200	232000
	2017-18	200000	327891	347000	400000	485000	302000	90451	25200	500670

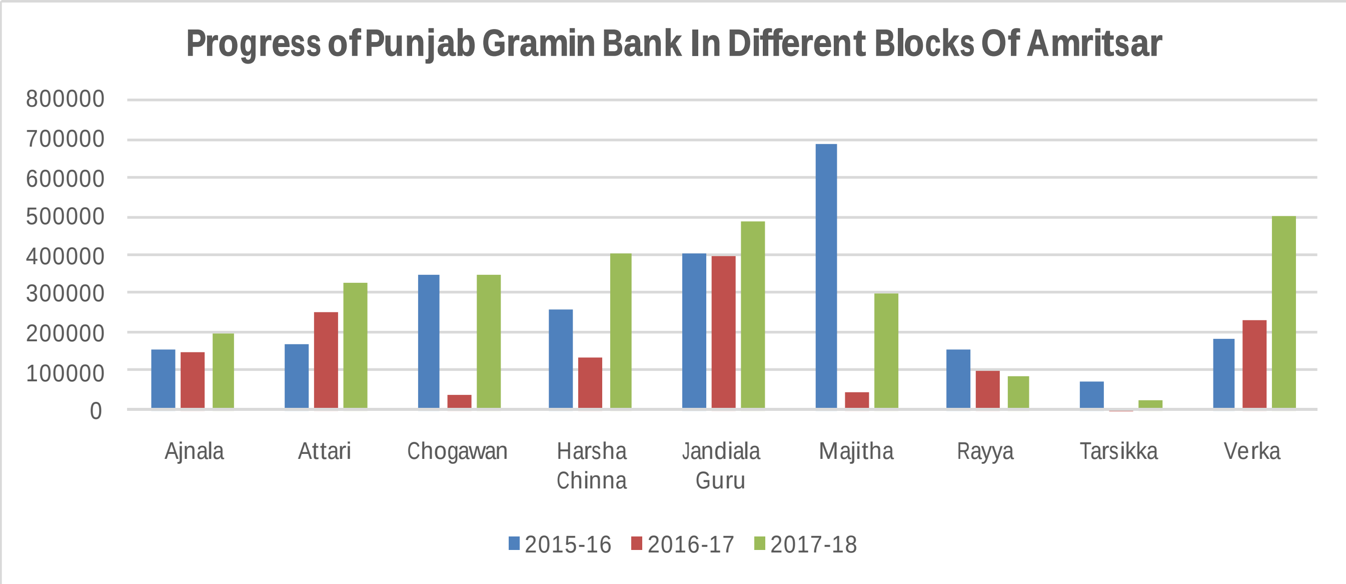
Loan Repayment Policy has improved over time leading to the reduction in the number of NPAs.

(Source : Reports collected from bank)

ISSN:0971-1260
Vol-22- Issue-35-December-2019

PROGRESS OF PUNJAB GRAMIN BANK IN DIFFERENT BLOCKS OF AMRITSAR

Figure 1.1 Progress Of Loans Disbursement By Punjab Gramin Bank in Diffferent Blocks of Amritsar From 2015- 2018



ANALYSIS AND RESULTS

ANOVA

Loan

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	160416647532.360	2	80208323766.180	3.404	.050
Within Groups	565510768140.603	24	23562948672.525		
Total	725927415672.963	26			

Multiple Comparisons

Dependent Variable: loan

Tukey HSD

(I) years	(J) years	Mean Difference (I-J)	Std. Error	Sig.	90% Confidence Interval	
					Lower Bound	Upper Bound
2015-16	2016-17	164671.42857*	74217.39532	.088	4759.9721	324582.8850
	2017-18	14592.31746	77357.87570	.981	-152085.7304	181270.3653
2016-17	2015-16	-164671.42857*	74217.39532	.088	-324582.8850	-4759.9721
	2017-18	-150079.11111*	68994.14215	.096	-298736.3593	-1421.8629
2017-18	2015-16	-14592.31746	77357.87570	.981	-181270.3653	152085.7304
	2016-17	150079.11111*	68994.14215	.096	1421.8629	298736.3593

*. The mean difference is significant at the 0.10 level.

ISSN:0971-1260
Vol-22- Issue-35-December-2019

FINDING AND OBSERVATIONS

From the above Table, it is clear that F value is 3.404 with P value at 0.05 which shows that the results are significant at 5% level of significance. This test (One Way Annova) shows that there exist significant differences in the years i.e from 2015-2018 in the loans disbursed by the Punjab Gramin Bank in Amritsar District.

Further, Tukey test that is the Post Hoc Test was applied to find out which specific groups means(compared with each other are different) . using the Tukey HSD calculation of HSD for each pair of means was done. check the differences existing in different Years in which loans were disbursed by the Bank. Above Results depicts that although there is a slight significant difference in year 2015-16 and 2016-17 as significance value is .088 mand there exist no differences in further years. The differences between 2016-17, 2017-18 is again significant at 10% level of significance. The overall result shows that minor differences in 2015-16 and 2016-17 exists in respect of the loans disbursed by the bank in Amritsar district.

EPILOGUE

With the Initiatives taken by NABARD and Government of india to improve the Relationship between the poor and the bankers under the concept of financial inclusion, Many Banks have come forward in implementing the idea in the form of number of schemes, DAY-NRLM/NULM one of them. The idea that emerged from this study was that the Punjab Gramin Bank has been able to implement the scheme not just for the financial inclusion but also for the social inclusion of the people. They have been able to cover most of the people from the abandoned parts of the area to help them scaling-up core livelihoods promotion on sustainable agriculture, livestock and non-timber forest produce and lsso covering the SHGs including women SHGs in opening up new businesses and other self employmentoppurtunitiesin all intensive blocks of Amritsar. It is concluded that the bank has been almost significantly covering all the intensive blocks i.eAjnala ,Attari, Chogawan, HarshaChinna, Jandiala Guru, Majitha, Rayya, Tarsikka, Verka of Amritsar in terms of disbursing of credit. Though , it is clear from the Figure 1.1, that in 2015-16 Majitha Block made the Maximum progress in disbursing the loans while in 2016-17, Jandiala Guru Block outreached the maximum progress in lending of the credit. Finally during the year 2017-18 ,verka block made the maximum progress.Overall Progress is significant in different years so it can be concluded that Amritsar Region is moving forward in stablising the growth of the people below the poverty line and improving their sustainability.Though the progress is significant, it is far less than the most developed areas in the country where the progress is huge in terms of lending of the loans under microfinancing schemes.

This can be achieved by providing financial literacy, counseling services on savings, trainings on micro-investment, credit and insurance for capacity building to all SHGs. Also with the coordination within the bank executives, more and more people can be motivated and educated to avail the opportunity to grow.

Finally, the study concludes that even Emerging banks Like Punjab Gramin Bank can accelerate the task of financial inclusion and social inclusion amongthe masses to be future “Makers of India”.

ISSN:0971-1260
Vol-22- Issue-35-December-2019

REFERENCES

Bakhtiari, S. (2011). Microfinance and poverty reduction: some international evidence. *International Business and Economics Research Journal*, *5*(12), 65.

Basu, J. (2006), "Microfinance and Women Empowerment and Empirical Study with Reference to West Bengal" Available at http:/www.igidr.ac.in/mone/mfc/10/jyotis%20praksh%20basu_submission-55.pdf

Dasgupta, R.(2005), "Microfinance in India: Empirical Evidence, Alternative Models and Policy Imperatives", Economic and Political weekly, Vol.XL(12) March,pp.1229-1237

Devi, A. K., Sarangi, T. K., & Lal, R. (2018). Functioning of SHGs with a Special Focus on an Indian State. In *Reflecting on India's Development* (pp. 271-292). Springer, Singapore.

Gupta, H., Sharma, S., & Singh, I. P. Mapping of schemes, policies/programs for slum free cities in India.

Nagayya, D., & Rao, B. A. (2016). Microfinance through Self-Help Groups and Financial Inclusion. *Journal of Rural Development*, *35*(3), 341-375

Sahu and Tripathy (2005), Self-Help Groups and Women Empowerment, Anmol Publications Pvt. Ltd., New Delhi.

Sharma, M. (2007), "Index of Financial Inclusion", International Council for Research on International Economic Relations.

Singh, Vikram. (2016). Promotion of Sustainable Livelihood through Skill Development Among Rural Youth - Role of Micro-Finance in Developmental Paradigm. Journal of Rural and Industrial Development. 4. 10.21863/jrid/2016.4.1.016.

Swain,B.; and Wallentin,Y.(2007),"Can Microfinance Empower Women? Self-Help Groups in India", Money with Mission,Vol.1, pp.23-54.

Umar, A.; Ikponmwosa, N.; and Ezike, J. E. (2008),"The Role and Sustainability of Microfinance Banks in Reducing Poverty and Development of Entrepreneurship in Urban and Rural Areas",