

Innovations

Impact of microfinance on the inclusive development of Bihar

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Abstract

The concept of inclusive development is a novel economic growth that has a significant impact on eradicating poverty in states like Bihar. Microfinance has now become a powerful tool for financial inclusion in India during the last few years. The concept of Microfinance can be understood as the tiny savings, loans, and services for socioeconomically disadvantaged people. It offers financial services and products to the general public, particularly to the underprivileged and disadvantaged section of society on a reasonable term. The demand for microfinance is caused by the unequal distribution of money among society's many social classes, which eventually raises barriers to the poorer classes' ability to participate in economic and socially inclusive related activities. Microfinance via its working channels and networks tries to create a sustainable financial system that represents a strong pillar of economic development in the state of Bihar. The contribution of microfinance to financial inclusion is not only recognized globally but also significantly closes the financial inclusion gaps. This research examines microfinance's influence on Bihar's inclusive growth. Secondary source of data is used in this study. During this study, it is observed that the Bihar Rural Livelihoods Promotion Society (BRLPS) Mission popularly recognized as Jeevika has a great impact on the inclusive rural development of Bihar in terms of its accessibility and remarkable achievement. Furthermore, NABARB's pilot scheme SHG-Bank Linkage Programme (SBLP), and other schemes of government are also discussed. Secondary data supports the study's conclusion which discloses how small finance and payment Banks contribute to the expansion of microlending in states like Bihar.

Keywords:- 1.Microfinance, 2.Inclusive Development, 3.Financial Inclusion, 4.Poverty, 5.NABARD, 6.SBLP.

Introduction

“Economic resources of the country should be utilised for the well-being of the poor. The change will commence from this point.”- **Sh.Narendra Modi**

In light of national goals and existing laws, financial inclusion is considered as a policy objective in the financial regulatory system. Almost, 2.5 billion adults worldwide lack formal banking services. Microfinance thus came as a great economic tool with a range of financial services, including loans and savings plans, that the poor, persons in rural regions, indigenous people, women, and young people would not have access to conventional means of credit or banking. In February 1997, Microcredit Summit in Washington D.C. defined microfinance as "programmes that offer credit for self-employment, other financial and business services to very poor persons". It enabled poor people to start small firms and enhance their living standards in the economy. The increased focus on the financial service system demonstrates an increasing recognition of the significance of microfinance which boosts social and economic development. This shift reflects a rising awareness that financial inclusion is essential to eradicating extreme poverty, increasing shared prosperity, and fostering inclusive and sustainable development. Microfinance is, therefore, considered as an endeavour to make affordable financial services accessible to a larger portion of the global population.

Review of literature

“Books are infinite in numbers and time is short. The secret of knowledge is to take what is essential. Take that and try to live up to it”. –**Swami Vivekananda**.

This is essential to study and review the previous works done in the past which are as follows-

Microfinance provides an alternative to traditional financial services in both developing and developed countries and helps financially excluded groups (**Giné et al. 2010**). Microfinance is one of the world's most significant development policy innovations, that provides financial services to economically active but underprivileged people to promote entrepreneurial finance and reduce poverty (**QudratI and Lutfor Rahman 2006**). Microfinance helps low-income individuals and families to gain social and financial inclusion in underdeveloped countries by giving them banking services (**Morduch 1999b, Yunus, 1999**).

Research Objectives

1. To examine microfinance's impact on the inclusive development of Bihar.
2. To assess the scenario of the microfinance sector in the rural development of Bihar.
3. To know the government initiatives for promoting inclusive development of Bihar.

Methodology

Secondary data from books, journals, magazines, websites, and published annual reports of various official organisations such as NABARD, Sa-Dhan annual report on microfinance, Economic survey of Bihar State Level Bankers' Committee report (Bihar), JEEViKA annual report, etc., were used in this research.

Role of microfinance on inclusive development of Bihar

In a backward state like Bihar inclusive development becomes a challenge for the Government. For inclusive development governments are implementing a sound financial system via microfinance and some of the major schemes for the economic and financial prosperity of the economy of Bihar. The goal behind it is to ensure that all individuals have access to and are able to utilize financial services wisely.

Some of the important strategies of microfinance that help in the inclusive development of Bihar are:

SHG-Bank Linkage Model of NABARD

The SHG-Bank Linkage Programme, now the world's biggest microfinance programme, was originally established in 1992 as a pilot initiative with a set of instructions given by NABARD. The Reserve Bank of India made it possible for financial institutions to provide saving accounts to unregistered organisations and to extend loans to SHGs without requiring collateral. NABARD model's SHGs-BLP is now has become the world's biggest microfinance programme which is currently benefiting almost 12.4 crore households with more than Rs 26000 crore deposits through 102 lakh SHGs. SHGs with bank accounts, credit disbursed, bank loans

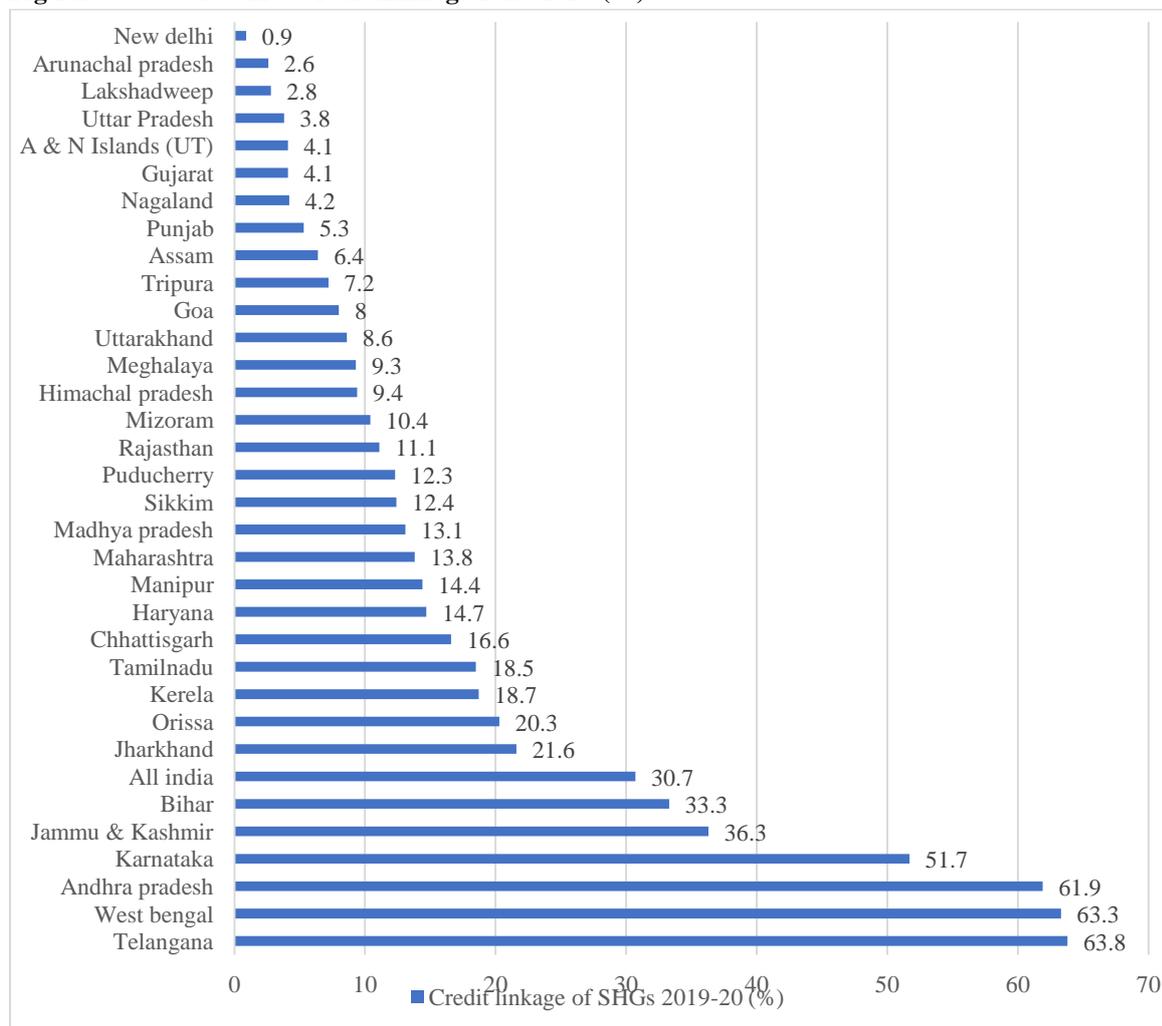
outstanding, and savings have increased during the last three years and predicted to continue the same in 2019-2020.

According to NABARD report, Data Highlights for the SHG-BLP as of March 2020 is:

- The total number of SHGs linked to banking institutions for savings is 102.43 lakh.
- SHGs linked to banks have saved a total of 26,152 crore.
- In 2019-20, the total number of SHGs credit linked is 31,46 lakh.
- The total amount disbursed in 2019-20 is Rs. 77,659 crores.

In Bihar, poverty, unemployment and illiteracy is the major drawback that create a wide gap among people living in rural Bihar. **Bharat microfinance report (2020)**, the overall number of microfinance institutions successfully operating in the state Bihar is 58, which further covers a total of 38 districts in Bihar with a total of 1963 branches across Bihar. The client outreach of microfinance institutions in Bihar state in the year 2019 was 45.24 lakh and in the year 2020, it was 45.34 lakh, that shows an increase in growth rate by 0.2%. Microfinance institutions have managed loan portfolio outstanding worth of nearly Rs 9,946 crores as of March 2020 whereas it was Rs 9,234 crores in the year 2019 which represents an increase in outstanding loan portfolio by 8% in Bihar. Loan disbursement across Bihar has decreased by 3% during the year 2019-2020.

Fig 1.1: State-Wise SHG Credit Linkage 2019-2020 (%)



Source- NABARD Report 2019-2020.

Figure 1.1, Shows 2019-20 SHG credit linkage by states. SHG credit linkage was strong throughout the year from the south states including Telangana, West Bengal, Andhra Pradesh, Karnataka, and Tamil Nadu. Jammu and Kashmir, and Bihar enjoyed excellent credit linkage throughout the year. In North-East and priority states like Uttar Pradesh, Gujarat, Assam, Rajasthan, Madhya Pradesh, and Uttarakhand, poor credit connectivity is an issue. New Delhi has the lowest SHG credit linkage connection, at 0.9% among all other regions.

Progress in Microfinance during 2019-2020: Bank Loans disbursements Table 1.2
(Amt in lakh)

Region /States	Commercial Banks		Regional Rural Banks		Cooperative Banks		Total	
	Total SHGs Nos.	Amounts of Loans Disbursed	Total SHGs Nos.	Amounts of Loans Disbursed	Total SHGs Nos.	Amounts of Loans Disbursed	Total SHGs Nos.	Amounts of Loans Disbursed
Andaman & Nicobar	31	82.65	-	-	227	490.21	258	572.86
Bihar	157590	196734.75	108407	286963.00	-	-	265997	483697.75
Jharkhand	34082	30661.27	23352	19714.00	181	195.10	57615	50570.37
Odisha	88844	139852.15	40917	77415.12	13150	19066.89	142911	236334.16
West Bengal	208353	366275.37	359429	546279.99	88954	101344.64	656736	1013900.00
Total	4,88,900	733606.19	5,32,105	930372.11	1,02,512	121096.84	11,23,517	1785075.14

Source- NABARD report 2019-2020.

Table 1.2, shows the position of loans disbursed by self-help groups (SHGs) under different banks in the Eastern region of India during the year 2019 to 2020. During the year the total number of SHGs in Eastern India is almost 11 lakh who were linked to the formal banking system with loan disbursement amount of Rs 17.85 crores. Bihar has 26.59 lakhs of total SHGs working under different banks which was about 23.67% of eastern region's total. Total loan disbursement amount of SHGs was about 4.83 crore under different banks which was about 27.09% of eastern region's total.

Table 1.3

STATE-LEVEL BANKERS' COMMITTEE BIHAR, PATNA						
CONVENOR- SBI FY:2019-20						
SELF-HELP GROUP'S BANK-WISE PROGRESS AS ON DECEMBER 31, 2019 (Amt. in Lacs)						
Sl. No.	BANK'S NAME	TARGET (CREDIT LINKAGE)	SAVING BANK LINKAGE DONE	CREDIT LINKAGE (SANCTION)		CREDIT LINKAGE % ACHIEV.
		NO.	NO.	NO.	AMT.	(NO.)
LEAD BANKS						
1	STATE BANK OF INDIA	35441	13018	23701	42662	66.87
2	CENTRAL BANK OF INDIA	18893	5100	9512	16170	50.35
3	PUNJAB NATIONAL BANK	26738	2322	6548	11,459	24.49
4	CANARA BANK	7529	1593	3098	5267	41.15
5	UCO BANK	8704	3875	6894	10272	79.20
6	BANK OF BARODA	10283	3965	8166	14241	79.41
7	UNION BANK OF INDIA	4467	244	558	558	12.49
OTHER PUBLIC SECTOR BANKS						
8	BANK OF INDIA	12808	1715	6333	12096	49.45
9	ALLAHABAD BANK	9175	-	227	227	2.47

10	ANDHRA BANK	467	-	-	-	-
11	BANK OF MAHARASHTRA	66	-	-	-	-
12	CORPORATION BANK	695	-	-	-	-
13	INDIAN BANK	1730	560	1047	1466	60.52
14	INDIAN OVERSEAS BANK	1309	41	68	68	5.19
15	ORIENTAL BANK OF COM	1075	-	-	-	0.00
16	PUNJAB AND SIND BANK	260	-	-	-	0.00
17	SYNDICATE BANK	1352	246	390	390	28.85
18	UNITED BANK OF INDIA	3443	-	299	299	8.68
TOTAL PUBLIC SECTOR BANK		144435	32679	66841	115175	46.28
PRIVATE SECTOR BANKS						
19	IDBI	1581	124	139	139	8.79
20	ICICI BANK	850	1912	1765	1765	207.65
21	FEDERAL BANK	140	-	-	-	-
22	JAMMU KASHMIR BANK	14	-	-	-	-
23	SOUTH INDIAN BANK	-	-	-	-	-
24	AXIS BANK	1159	-	-	-	-
25	HDFC BANK	1376	-	-	-	-
26	INDUSIND BANK	288	-	-	-	-
27	KARNATAKA BANK	-	-	-	-	-
28	KOTAK MAHINDRA	105	-	-	-	-
29	YES BANK	14	-	-	-	-
30	BANDHAN BANK	2679	-	-	-	-
31	DEVELOPMENT CREDIT BANK	-	-	-	-	-
TOTAL PRIVATE SECTOR BANK		8206	2036	1904	1904	23.20
TOTAL COMM. BANKS		152641	34715	68745	117079	45.04
CO-OPERATIVE BANKS						
32	STATE CO-OP. BANK	-	-	-	-	-
TOTAL COOPERATIVE BANK		-	-	-	-	-
REGIONAL RURAL BANKS						
33	DAKSHIN BIHAR GRAMIN BANK	47701	11471	37734	86788	79.11
34	UTTAR BIHAR GRAMIN BANK	49658	15411	34067	44287	68.60
TOTAL OF R.R.Bs		97359	26882	71801	131075	73.75
SMALL FINANCE BANK						
35	JANA SFB	-	-	-	-	-
36	UTKARSH SFB	-	-	-	-	-
37	UJJIVAN SFB	-	-	-	-	-
TOTAL SMALL FINANCE BANK		-	-	-	-	-
TOTAL FOR BIHAR		250000	61597	140546	248154	56.22

Source - www.slbcbihar.com

Table 1.3 shows the status of bank-wise progress under self-help groups (SHGs) as on 31st December 2019, during the financial year 2019-2020 in Bihar. During the year different formal banks, that avail microfinance services to the public through SHG-linkage programme have been analyzed. Bank-wise progress in total for Bihar has a target credit linkage of 2.5 lakh, in which saving bank linkage is almost 61.5 thousand whereas credit linkage sanctioned is almost Rs 2.48 lakh with a credit linkage rate of 56.22%.

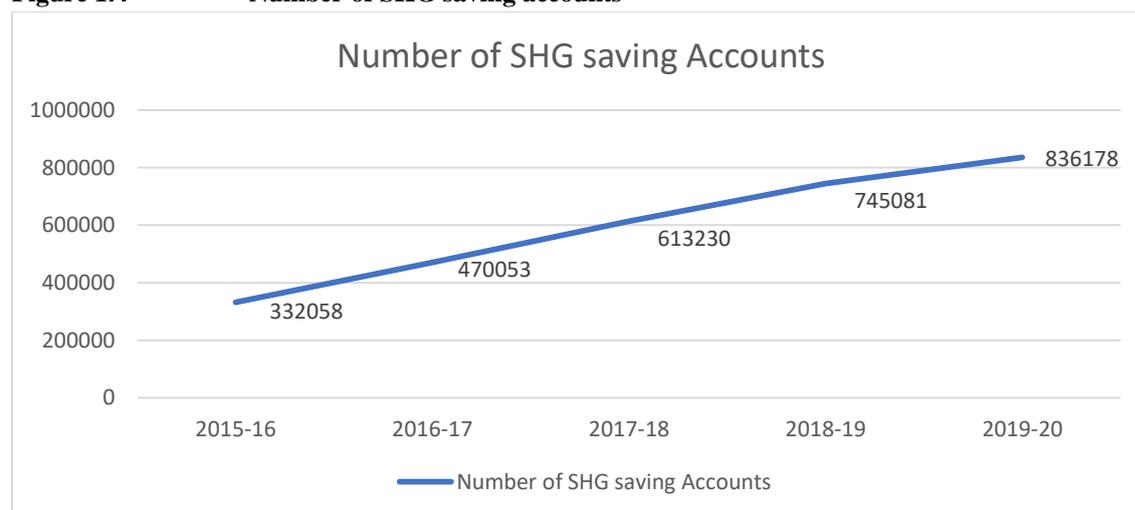
JEEViKA

JEEViKA, a Bihar government poverty reduction programme that empowers rural poor people via SHGs and their federations to seek good services, finances, and resources from private and public sector organizations. The initiative formed 9,48,159 SHGs by March 2020 and completed all preparations to reach 10 Lakh SHGs by June 2020. With the SHG saving account, JEEViKA has initiated SHG financial inclusion with banks. The saving account is opened within 4-6 months after the newly formed SHG begins its fundamental functions such as meetings, attendance, and saving. Over 91000 SHG accounts were established this fiscal year and 836178 saving accounts were established by March 2020 in Bihar.

Access to bank credit was often considered a distant dream for a poor rural family. JEEViKA made inexpensive financing available to underprivileged households in order to lift them out of poverty. JEEViKA makes saving and credit connection forms available to SHGs in order to allow progressive success in financial inclusion via financial transactions with banks.

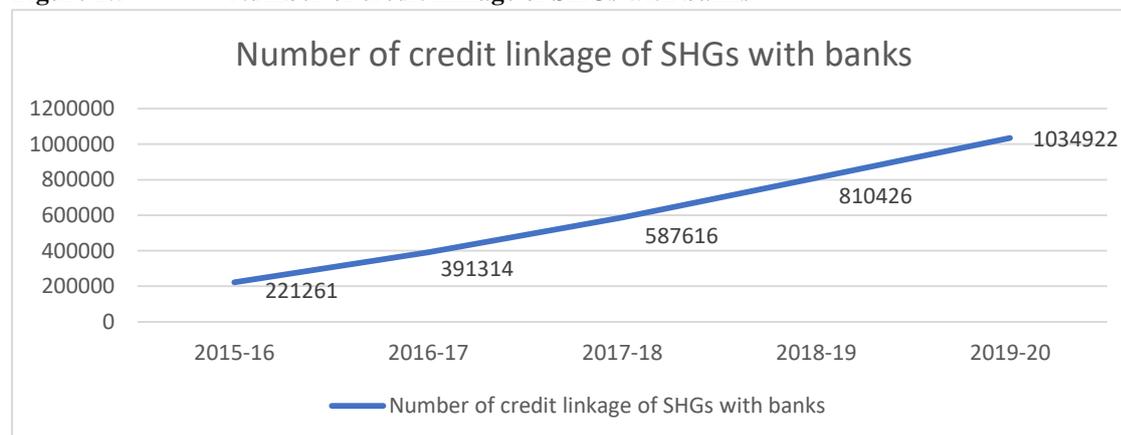
The progress of JEEViKA with its SHG to facilitate financial transactions with banks in Bihar can be shown with the following diagrams:

Figure 1.4 Number of SHG saving accounts



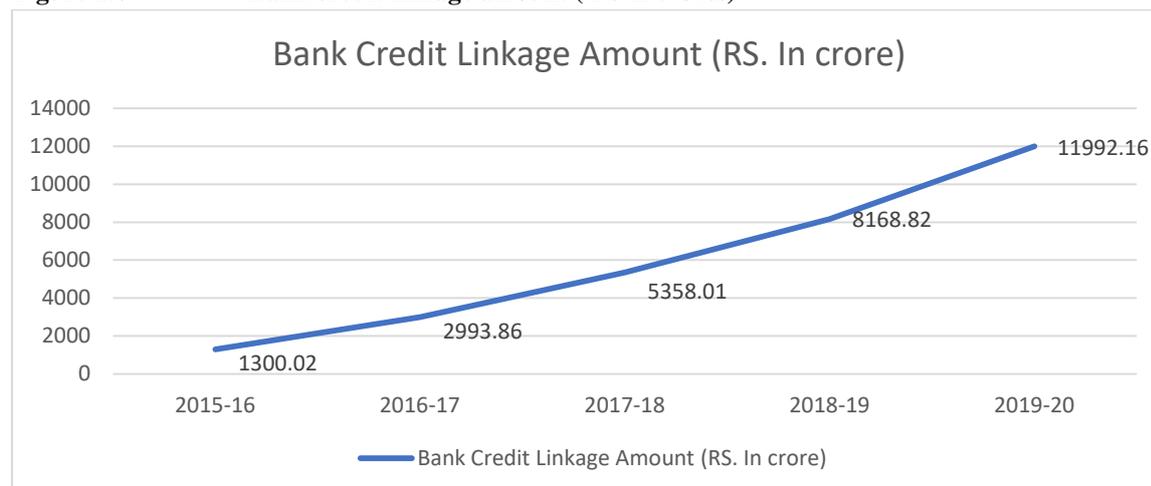
Source- JEEViKA annual report 2019-2020.

Figure 1.5 Number of credit linkage of SHGs with banks



Source- JEEViKA annual report 2019-2020.

Figure 1.6 Bank credit linkage amount (Rs in crores)



Source- JEEViKA annual report 2019-2020.

The above figures(**fig 1.4 +1.5+1.6**) show the data related to JEEViKA during the financial year 2019-2020 in Bihar.10,34,922 credit linkage of SHGs were linked to banks by March 2020 and a total of 11,992.16 crores was the bank credit linkage amount Also, it shows a total of 8,36,178 saving Accounts which were opened with various banks for financial transactions during the year 2019-2020 in Bihar. Growth rate of number of SHG saving accounts from 2015-16 to 2019-20 was 151.81%. Another growth rate in number of SHG’s credit linkage with banks from 2015-16 to 2019-20 was 367.73% whereas the percentage increase in Bank credit linkage amount from 2015-16 to 2019-20 was 822.45%.

Furthermore, **Bank Sakhis**, a member of JEEViKA SHG, established Customer Service Points (CSPs) using the support of business correspondents with various major banks. These CSPs are situated in remote villages with little bank access and assist financial transactions such as account opening, deposits, withdrawals, money transfers, account opening, etc., to their clients. This project has contributed to the expansion of financial inclusion and bank outreach. Additionally, it has assisted in enhancing the entrepreneurial abilities of Bank Sakhis employees.

Table 1.7Progress in alternate banking intervention

Particular	FY 2019-20	Cumulative till march 2020
Functional Bank Sakhis	367	919
Number of Accounts opened	43613	154466
Volume of transactions (Rs. In crores)	1081.53	1942.37
Commission earned (In Rs.)	29924745.42	55376637.42
Average commission earned permonth by a Bank Sakhis	Rs 4607	

Source- JEEViKA annual report 2019-2020.

Table 1.7shows the progress in Alternate banking intervention run by Bank Sakhisin Bihar during the financial year 2019-2020. A total of 919CSPs were established in 245 blocks of 33 districts in Bihar. These CSPs opened 43,613 bank accounts in total and carried out financial transactions totaling Rs. 1081.53 crores. The number of accounts opened is 28.23% of total cumulative opened accounts in 2019-20.Average Commission earned per month by Bank Sakhis stood at RS. 4607.

Government initiatives on inclusive development of Bihar

According to the 66th Round of the NSSO Survey for 2011-12, it was projected that 88 percent of India's 47.29 crore unorganized sector employees do not have access to a formal pension plan and for a long time, a substantial section of India's population has been living without any type of health, accidental, or life insurance.

Therefore, three social security schemes, all built on the Jan Dhan Yojana platform, were suggested in the Budget 2015–16 to help people in uncertain events like accidents, sickness, and old age. These three schemes of government are formally referred to as Jan-Dhan Se Jan Suraksha.

Jan-Dhan Se Jan Suraksha- Launch of triad social security schemes:

1. Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY):

This scheme offers coverage of insurance for an affordable rate. Under the plan, any savings account holder between the ages of 18 and 50 can be insured against death for an amount of Rs.2.00 lacs by paying Rs. 330 per year in premiums and it would be deducted from his savings account. Insurance is renewed annually from June, 1 to May, 31.

Table 1.8 The performance of all Bihar PMJJBY member banks as of 30 June 2012.

As on June 30, 2021, NO. Of New PMJJBY Enrollments for FY 2021–22	RECEIVED NO. Of PMJJBY Claims for FY 2021–22 as on June 30, 2021	NO. OF PMJJBY CLAIMS SETTLED IN FY 2021-22 as on 30.06.2021	NO. OF TOTAL PMJJBY ENROLLMENTS IN FORCE TILL 30.06.2021	TOTAL (CUM.) NO. OF PMJJBY CLAIMS RECD TILL 30.06.2021	NO. Of TOTAL (CUM.) CLAIMS Settled BY PMJJBY till JUNE 30, 2021
71171	564	471	7659931	9205	7723

Source- Proceeding from 78th meeting SLBC (BIHAR).

Table 1.8 shows Bihar's PMJJBY member banks' performance on 30.06.2012. It presents number of new enrollments which was 71,171 and the total number of enrollments in force till 30.06.2021 under PMJJBY scheme. The number of claims received during the year was 564 and claims settled was 471 which was 83.51% of total claims received. The total number of cumulative claims received till 30.06.2021 was 9205 and the total number of cumulative claims settled stood at 7723 which was 83.90% of total cum. claims received.

2. Pradhan Mantri Suraksha Bima Yojana (PMSBY):

This initiative of the government allows anyone who has a savings bank account and is between the ages of 18 and 70 to be insured for Rs.2.00 lacs against accidental death for an annual premium of Rs.12. Additionally, coverage is offered in the event of total or partial incapacity. The policy's coverage period runs from June 1 to May 31 each year and can be renewed.

The performance of Banks under PMSBY in Bihar can be shown below:

Table 1.9 : Performance of Banks under PMSBY in Bihar as on 30.06.2021

NO. OF PMSBY NEW ENROLLMENTS in 2021-22 as on 30.06.2021	NO. of Total PMSBY CLAIMS Received in 2021-22 as on 30.06.2021.	NO. of Total PMSBY CLAIMS Settled in 2021-22 as on 30.06.2021	TOTAL NO. OF PMSBY ENROLLMENTS IN FORCE TILL 30.06.2021	NO. of Total (Cum.) PMSBY CLAIMS Recd. Till 30.06.2021	NO. of Total (Cum.) PMSBY CLAIMS Settled Till 30.06.2021
215902	199	192	15039619	4358	3625

Source- Proceeding from 78th meeting SLBC (BIHAR).

Table 1.9 shows the performance of PMSBY in Bihar as on 30.06.2021. Total number of New enrollments under PMSBY scheme recorded as on 30.06.2021 was 2,15,902 whereas the total of enrollments active in force stood at 1,50,39,619. The total number of claims received under PMSBY as on 30.06.2021 was 199 and claims settled were 192 which was 96.48% of total claims received. The cumulative number of claims received till date was 4,358 and cumulative claims settled number was 3,625 which was 83.18% of total cum. claims received.

3. Atal Pension Yojana (APY):

People between the ages of 18 and 40 are eligible to join this scheme. The programme primarily targets disorganized sector employees. After reaching age 60, the participants in the plan would obtain a monthly pension of Rs. 1,000–5,000, based on their monthly contributions and their nominee are liable to receive a lump sum payment at the demise of the pensioner. SLBC-Bihar has been honoured with the Citizen's Choice Award for Outstanding Performance in Enrollment under APY for two consecutive years, i.e. FY- 2019-20 and 2020-21.

Table 1.10 Performance of banks under APY scheme in Bihar as on 30.06.2021

Number of New APY enrollments as on June 30, 2021 for FY 2021–22.	No. of Total (cumulative) APY Enrollments till June 30, 2021.
59,271	25,38,220

Source- Proceeding from 78th meeting SLBC (BIHAR).

Table 1.10 shows the performance of banks under the APY scheme in Bihar as on 30.06.2021. In this table total number of new enrollments in APY scheme stood at 59,271 and the total cumulative number of APY enrollments till 30.06.2021 was 25,38,220, New APY is 2.33% of total cum. enrollments.

Some other financial inclusion development schemes of the government in the State Bihar

1. Pradhan Mantri Jan-Dhan Yojana (PMJDY):

On August 15, 2014, the Prime Minister of India, Shri Narendra Modi launched "Pradhan Mantri Jan-Dhan Yojana (PMJDY)," National Mission for economical and fiscal Inclusive development. PMJDY is based on the philosophy of Inclusive Development i.e. "Sab Ka Sath Sab Ka Vikas". It was formed with the objective to provide many finance facilities via need-based loans, saving accounts, insurance, remittances, and pension plan to low-income and disadvantaged groups of people. This Mission made it easy for all households in urban and rural sectors to get access to financial services.

This plan opens a zero-balance Savings Bank account with minimal documents and issues a Rupay Card and the account holder receives free accidental death insurance of Rs.2 lacs, subject to usage terms.

Table 1.11 ; Status of PMJDY scheme in Bihar as on 30.06.2021 (Amt. in Rs. Crore)

NO. OF PMJDY ACCOUNTS OPENED IN FY 2021-22 As on June 30, 2021.		TOTAL PMJDY ACCOUNTS		TOTAL ACTIVE PMJDY ACCOUNTS		NO. OF SANCTIONED OVERDRAFTS IN FY 2021-22 As on June 30, 2021.		TOTAL (CUM) NO. OF OVER-DRAFTS SANCTIONED	
NO	BALANCE AMT	NO	BALANCE AMT	NO	BALANCE AMT	NO	BALANCE AMT	NO	BALANCE AMT
493925	140	49955630	13136	41528326	11964	40170	17	2695001	168

Source- Proceeding from 78th meeting SLBC (BIHAR).

Table 1.11 shows the status of PMJDY scheme in Bihar as on 30.06.2021. The table presents number of accounts opened which was 4,93,925 and the total accounts till date under PMJDY scheme was 4,99,55,630 whereas total active accounts were 4,15,28,326 with total amount of Rs11,964 crore. Total active PMJDY account bal. is 91.07% of total PMJDY account bal. and bal. of sanctioned overdrafts is 10.11% of total cum. sanctioned overdraft bal. amount. The total cumulative number of overdrafts sanctioned stood at 26,95,001 with a balanced amount of Rs 168 crore.

2. Kisan Credit Card (KCC):

The Indian government's Kisan Credit Card allows farmers to have access over easy credit. In 1998, NABARD introduced the Kisan Credit Card (KCC) to give farmers short-term credit facilities. KCC system ensures farmers

in agriculture, fishery, and animal husbandry to obtain credit on easy terms and received short-term loans. It also provides a credit limit to buy equipment and covers other expenditures.

Table 1.12 Banks operating under KCC scheme in Bihar as on 30.06.2021

Banks	Target (No.)	Disbursement (No.)			% Achievement
	New	New	Renewal	Total	New
Commercial Banks	504599	49082	145171	194253	9.73
Co-operative Banks	54306	594	6434	7028	1.09
RRBS	258012	873	116022	116895	0.34
Small Finance Bank	58167	0	0	0	0.00
Grand Total	875084	50549	267627	318176	5.78

Source- Proceeding from 78th meeting SLBC (BIHAR).

Table 1.12 shows the status of banks operating under the KCC scheme in Bihar. It reveals that state banks loaned 3,18,176 beneficiaries which also includes new beneficiaries of 50,549 and Renewal beneficiaries of 2,67,627 under the KCC scheme as of the end of the June quarter of the current financial year 2020-2021. The achievement rate of commercial bank is high at 9.73%, followed by co-operative banks with 1.09% achievement rate. The minimum growth rate has been noticed from small finance bank with NIL achievement rate.

3. The Pradhan Mantri Mudra Yojna (PMMY):

On April 8, 2015, the Pradhan Mantri Mudra Yojna was inaugurated to promote sustainable, inclusive, and significant entrepreneurship with alliance partners for socioeconomic achievement and financial stability. Loans of PMMY are grouped into a) Shishu, which considers the maximum of Rs. 50,000, b) Kishore, which considers an amount between Rs 50,001 to Rs 5 Lakhs and, c) Tarun whose range amounted to Rs.5,00,001 to 10 Lakhs. Also, Small firms that are engaged in manufacturing, processing, service, or trade businesses are eligible to obtain loans under this scheme.

Table 1.13 : Status of(PMMY) scheme in Bihar as on 30.06.2021(Amt. in Rs. Crore)

PMMY DISBURSED DURING FY 2021-22								CUMULATIVE SANCTION SINCE INCEPTION							
SHISHU		KISHORE		TARUN		TOTAL		SHISHU		KISHORE		TARUN		TOTAL	
NO	A M T	NO	A M T	NO	A M T	NO	A M T	NO	AM T	NO	AM T	NO	AM T	NO	AM T
256	20	172	16	154	98	444	33	5695	172	1494	237	157	122	7347	532
319	5	607	66	41	2	367	53	875	44	172	55	114	76	161	75

Source- Proceeding from 78th meeting SLBC (BIHAR).

Table 1.13 shows the status of PMMY scheme under different categories as on 30.06.2021 in Bihar. It shows the total disbursed and total cumulative sanctioned status of three different categories of PMMY scheme. Under this the total amount disbursed including Shishu, Kishore and Tarun was 3,353 crores whereas the total cumulative sanctioned amount stood at Rs 53,275 crore. The % increase in cum. sanctioned amount is 1488.88% of the amount disbursed under PMMY scheme during the year 2021-22. Disbursed amount is maximum under Kishore division with 1666 crores whereas Shishu division shows the minimum bal. amount of Rs 205 crores.

4. Stand-Up India:

The PM introduced Stand Up India on April 5, 2016. Stand-up India loans for SC, ST, and women borrowers amount between Rs.10 lakh and Rs.1 crore for Greenfield Enterprises.

Table 1.14 Performance of Stand-Up India for FY 2021-22 in Bihar

Total Branches (in Nos.)	Branches which have given loans (in Nos.)	LOANS GIVEN		
		SC (Nos.)	ST (Nos.)	Women (Nos.)
7653	548	116	19	450

Source- Proceeding from the 78th meeting SLBC (BIHAR).

Table 1.14 shows the performance of Stand-Up India for FY 2021-22 in Bihar. It shows the total number of branches opened in Bihar was 7,653 in which the number of branches which have given loans to the beneficiaries was 548. Also, the number of SC, ST and Women beneficiaries who are given loans was 116, 19, and 450 respectively.

Conclusion

Microfinance, whether local or global, offers financial facilities and large funds to economically disadvantaged communities. Bihar is considered to be one of the financially excluded regions of India. Microfinance in this state has become an essential model for providing small loans, finance, and financial support to entrepreneurs and the poor of Bihar. Microfinance provides an alternative to traditional financial services and helps financially excluded groups in developing and developed nations. According to the above study, NABARD's pilot scheme model SHG-Bank linkage programme, JEEViKA, and other government schemes are performing a crucial role in delivering microfinance services on inclusive development of Bihar, which increases poor strata's saving habits and contributes to Bihar's financial inclusion development.

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