

Economy Pillar#1-D- बीमे का खेल खत्म



D1: Insurance

- Types, Org, Schemes



1) MBFI



2) Budget



D2: pension

- Org, Schemes



3) Intl. Trade



4) Sectors of Economy



D3: Financial Inclusion

- Schemes



5) Infrastructure



6) HRD

17 → (₹ 31) PENSION (पेंशन)

- ⇒ Insurance: person/his family eligible to receive ₹ if he suffers death / damage. e.g. PM Jeevan Sahayya Yojana
- ⇒ Pension: person eligible to receive monthly ₹ when he retires. And when he dies, his wife (is usually) eligible to receive monthly ₹. When she also dies, scheme stops.
- ⇒ ES2019 observed that in future, we'll have an ageing population and less young people, so should gradually raise the age of retirement. More in [Pillar#6 → Demographic dividend](#).

17.11 EMPLOYEE PROVIDENT FUND ORG. (कर्मचारी भविष्य निधि संगठन)

- 1951-52: EPFO was setup initially by ordinance & then Act.

Ministry of Labour & Employment

Finish memorizing
it!

- ⇒ Principal + interest returned upon retirement age/ death
- ⇒ Partial withdrawal upto "X%" allowed for education/ construction. (अपरि से पहले आधिक स्पष्ट से पैसा निकलना)
- ⇒ 2020: ATMANIRBHAR → PM Garib Kalyan EPFO subscribers' to withdraw upto "X%" of EPFO account even during lockdown



लेकिन सरकार पढ़ाकू
बच्चों पर ज्यादा GST
लगाती है इसलिए मैं रोज
की पढ़ाई रोज नहीं करता

1D: Insurance finished. Now, Pension

पेंशन लेने के लिए मरना जरूरी नहीं है | जीवन बीमा के लिए मरना जरूरी



(term) Life insurance



Law of probability.
Term life insurance:
not everyone will
get money back.

- Premium: ₹ 6000 per year
- Entitlement: ₹ 1 cr to family IF u DIE.
- No death no money

जीवन बीमा के
लिए मरना
जरूरी

1D: Insurance finished. Now, Pension

पेंशन लेने के लिए मरना जरूरी नहीं है | जीवन बीमा के लिए मरना जरूरी



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Pension



No Law of
probability. Every
subscriber/family
will get pension.

- Contribution: ₹ 10,000 monthly from age of 21-59
- Entitlement: ₹ 10,700 per month pension from age of 60 onwards. When u die → wife continues to receive pension till she dies.
- When she dies, son receives original amount back.

PPF = Public Provident Fund: long term fixed deposit

लोक भविष्य निधि- लंबी अवधि की बचत योजना- 15 साल बाद पैसा वापस करेंगे



1) ₹ 1.5 lakh per year



(2) National Small
Savings Fund (NSF)



PPF = Public Provident Fund: long term fixed deposit

लोक भविष्य निधि- लंबी अवधि की बचत योजना- 15 साल बाद पैसा वापस करेंगे



1) ₹ 1.5 lakh per year



(2) National Small Savings Fund (NSF)

(4) ~8% interest rate annually. But withdraw after 15 years*. If withdrawn early, then less interest**.



(3) No monthly pension guaranteed. You simply get principal + interest back. हर महीने पेंशन नहीं देंगे. लेकिन अच्छे ब्याज के साथ मूलधन वापस करेंगे

(5) You can withdraw part of money even before maturity e.g. for paying children' college fees, marriages, hospitalization etc. subject to certain ceilings.

परिपक्वता समय से पहले भी पैसा उठा सकते हैं- शर्तों के आधीन

All of them take your money → invest it in G-sec, Shares, Bonds etc.



Life Insurance: मरना जरूरी

- If no death/damage, then money (usually) not returned,
- Except, whole-life / endowment type policy.



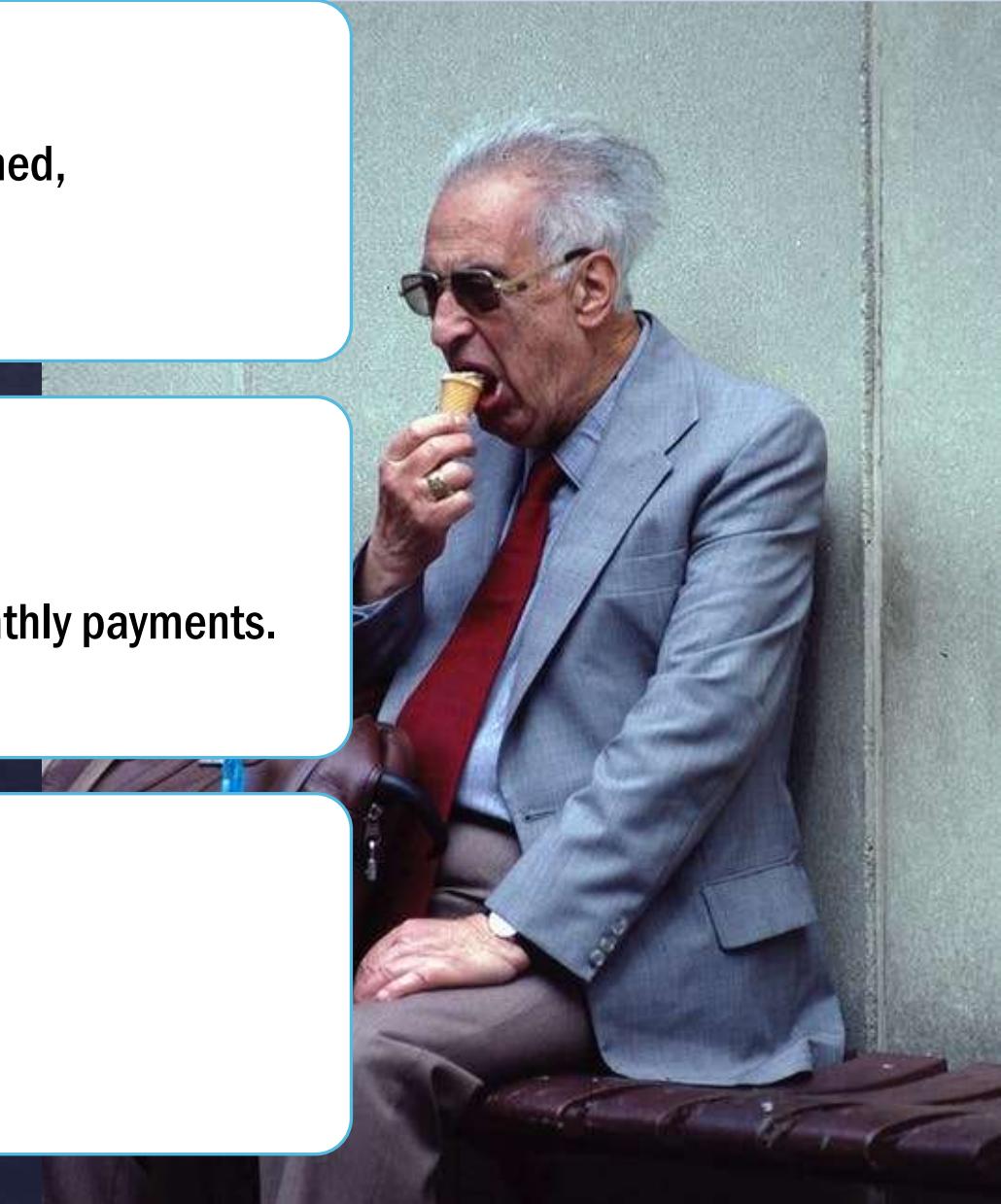
Pension Fund: निवृत्ति के बाद हर महीने पैसा

- Pay (monthly/ yearly)
- At retirement age (~60-65), they'll begin giving monthly payments.
- Pension to you & your wife



Provident fund: लंबी बचत

- Pay (monthly/ yearly)
- Type of Long term savings: ~8 interest.
Matures after ~ 15 years/>



1D: Pension Schemes: depending on Audience type

ग्राहक कौन है उस हिसाब से अलग-अलग पेंशन योजनाएं



Middle Class: Senior Citizen (60/>)

- PM Vay Vandana: Need to pay ₹₹



Middle Class: Young Person:

- NPS: need to pay ₹₹ for subscription



Lower middle class & Poor:

- EPFO, Atal Pension, Sharm Yogi (unorganized workers),
- Karam Yogi (Kiranastore walla)
- Kisan Maan Dhan (Farmers)



Poor with no capacity to pay ₹ :

- NSoAP-इतना गरीब है कि ₹1 निवेश नहीं कर सकता

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- **Insurance:** person/his family eligible to receive ₹₹ if he suffers death / damage. e.g. PM Jeevan Jyoti: ₹ 2 lakhs on death.
- **Pension:** person eligible to receive monthly ₹₹ when he retires. And when he dies, his wife (is usually) eligible to receive monthly ₹₹. When she also dies, scheme stops.
- **ES2019** observed that in future, we'll have an ageing population and less young people, so we should gradually raise the age of retirement. *More in Pillar#6 → Demographic dividend.*

16.1 EMPLOYEE PROVIDENT FUND ORG. (कर्मचारी भविष्य निधि संगठन)

- 1951-52: EPFO was setup initially by ordinance & then Act.
- Nodal: Labour Ministry (कर्म मंत्रालय).
- EPFO governed by Tri-partite "Central Board of Trustees" त्रिदलीय बैन्डोय न्याय बोर्ड -
 - I. Government (Union + state) - 15 nominees (मनोनीत सदस्य)
 - II. Employers (industrialists) - 10 nominees
 - III. Employees (workers) - 10 nominees
- They make policy decision about where to invest money Bonds>Shares; with minimum and maximum slabs) and should be paid to subscribers.

Chronology	Scheme (Tech. norms not written here as they are not relevant)
1952	Employee Provident Fund (EPF) ⇒ Principal + interest returned upon retirement ⇒ Partial withdrawal upto "X%" allowed for medical treatment and house construction. (अधिक से पहले नहीं निपटा सकता)
1976	Employees Deposit Linked Insurance Scheme (EDLIS) ⇒ If worker dies → family gets upto 6 lakhs
1995	Employee Pension Scheme (EPS) ⇒ Monthly pension on retirement (once they attain the age of 58 years old) / permanent disability (कार्यमी विकल्प)

- EPFO subscriber worker has UAN (Universal Account Number) unchanged even if he changes job from one organization
- Previously, employee himself couldn't generate his UAN, employer to send forms to EPFO. But 2019: EPFO allowed online by simply giving Aadhar & Mobile Number.
- **Factory owner/Employer has LIN (Labour Identification Number)** while uploading EPFO documents on Shramsuvidha website
- EPFO & ESIC transactions can be done through
 - o Through public & pvt sector banks
 - o through Ministry of Electronics and Information Technology (MeitY)'s UMANG

Audio/Video Problem?



CTRL R

Edu Doubt?
Ask through



EMPLOYEES PROVIDENT FUND ORGANISATION

- **Statutory Corporation** made in 1950s
- Nodal: Labour Ministry

For EPFO Exams

1. Their official website- history, HQ etc
2. Labour laws & allied concepts (we'll study them in pill4)
3. Do topicwise analysis of previous papers e.g. whether Padma-Award-GK asked or not...prepare accordingly



EMPLOYEES PROVIDENT FUND ORGANISATION

मजदूरों के लिए तीन
योजनाएं चलाता है

LIKE a long term saving /
Fixed deposit

Once u die

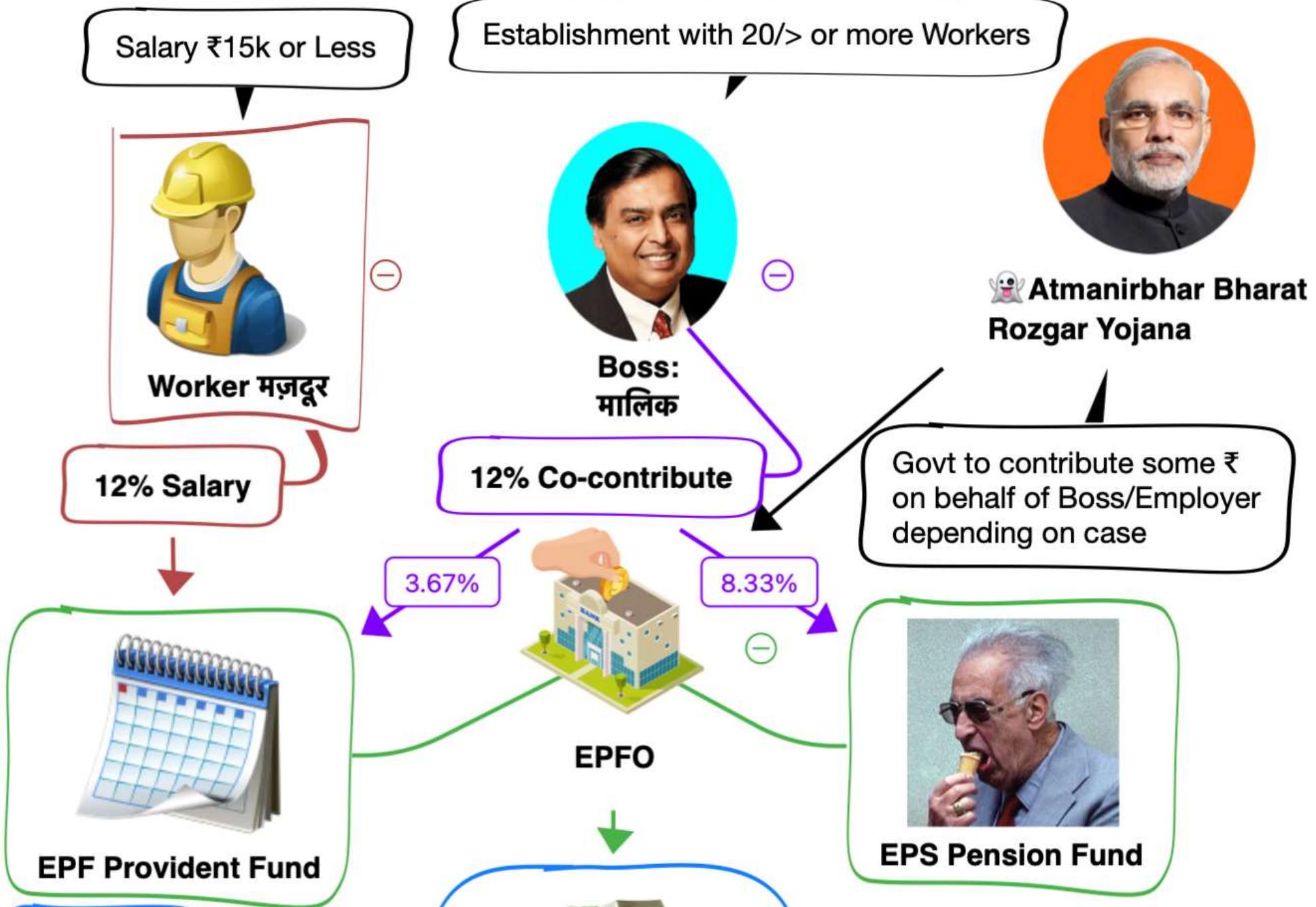
Once u retire



Provident Fund
• 1955

Deposit Linked
Insurance
• 1976

Pension
• 1995



**EPFO compulsory for
worker earning upto ₹15,000**



1

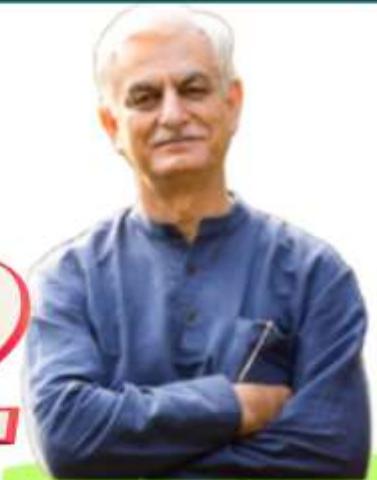


Worker
12% of salary

Boss
12%



when worker gets old



2

1. pension
2. provident fund

Legal requirement: any establishment with 20/> workers***...

मजदूर की तनख्वाह का कुछ हिस्सा + मालिक अपने जेब से थोड़ा पैसा → यह सब जाएगा इपीएफ पेंशन योजनामें



Salary is ₹ 15k/<

कोई भी सरकारी या निजी क्षेत्र की इकाई
जहाँ 20 या उससे अधिक लोग काम कर रहे हैं
और उनमें से ऐसे मजदूर
जिनकी तनख्वाह या उससे कम है

EMPLOYEES PROVIDENT FUND ORGANISATION

Legal requirement: any establishment with 20/> workers*** ...

मजदूर की तनख्वाह का कुछ हिस्सा + मालिक अपने जेब से थोड़ा पैसा → यह सब जाएगा इपीएफ पेंशन योजनामें



Salary is ₹ 15k/<

Employee: 12%

12% into EPF
(Provident Fund)

Boss deducts

- Interest ~8.***%. (इतना ब्याज मिलेगा)
- Can withdraw prematurely upon fulfilling certain conditions
 - e.g. child edu/ marriage, home construction
 - ATMANI → PM Garib Kalyan package= these withdrawal conditions relaxed.

Deposits in EPFO



स्वाभाविक है कुछ लोग भावुक हो जाते



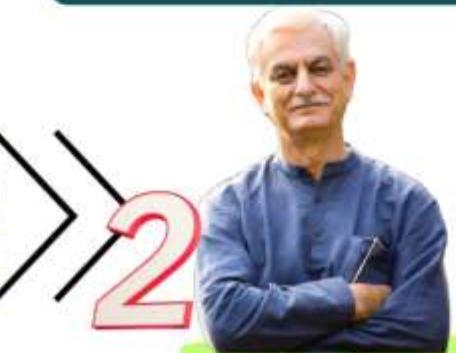
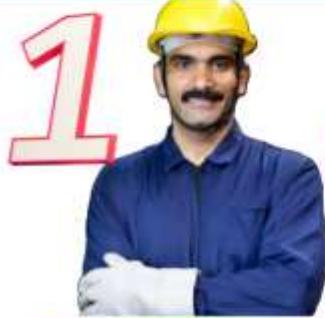
- You said compulsory cutting from salary if upto ₹15k/month
- My salary is ₹30k yet company deducts ₹₹ for EPFO?



- Legally there is no EPFO compulsion IF employees earning >15k/per month.
- It's **voluntary for them to join.** स्वेच्छिक है
- ₹15,000 से ज्यादा तनख्वाह हो उनके लिए यह योजना कानून अनिवार्य नहीं है, वैकल्पिक है

EPFO compulsory for worker earning upto ₹15,000

when worker gets old



- 1. pension
- 2. provident fund

worker earning ₹50,000



my salary is ₹50,000.

So how much is 12%

- 12% of entire ₹50,000?
- 12% of 15,000 cap/ceiling?

& how much of 12% should goto

- A) pension investment
- B) provided fund investment



we'll give judgement



we'll updates rules as per SC judgement

SC upholds 2014 EPS Scheme, reads down provisions for employees benefit

A three-judge bench presided over by Chief Justice of India



Ashish Tripathi, DHNS, New Delhi, NOV 04 2022, 2

15,000 से ज़्यादा तनख्वाह वाले का कितना पैसा कटेगा इस बाबत सुप्रीम कोर्ट का फैसला – परीक्षा के लिए बहुत काम का नहीं

Also read in: [தமிழ்](#)

What the Supreme Court said on EPFO pension scheme

Employees who were existing EPS members as on September 1, 2014 can contribute up to 8.33 per cent of their 'actual' salaries —as against 8.33 per cent of the pensionable salary capped at Rs 15,000 a month — towards pension.

Legal requirement: any establishment with 20+ workers**...



Salary is 15k/<



Deposits in EPFO



Employee: 12%

Employer (Boss) co-contribute (12%)

12% into EPF
(Provident Fund)

3.67% in EPF
(Provident Fund)

8.33% EPS
(Pension)

Think of it as long term
fixed deposit (Princi+Interest)

Monthly income in
old age

Legal requirement: any establishment with 20/> workers***...



Salary is 15k/<

How to check balance? What if we shift job?

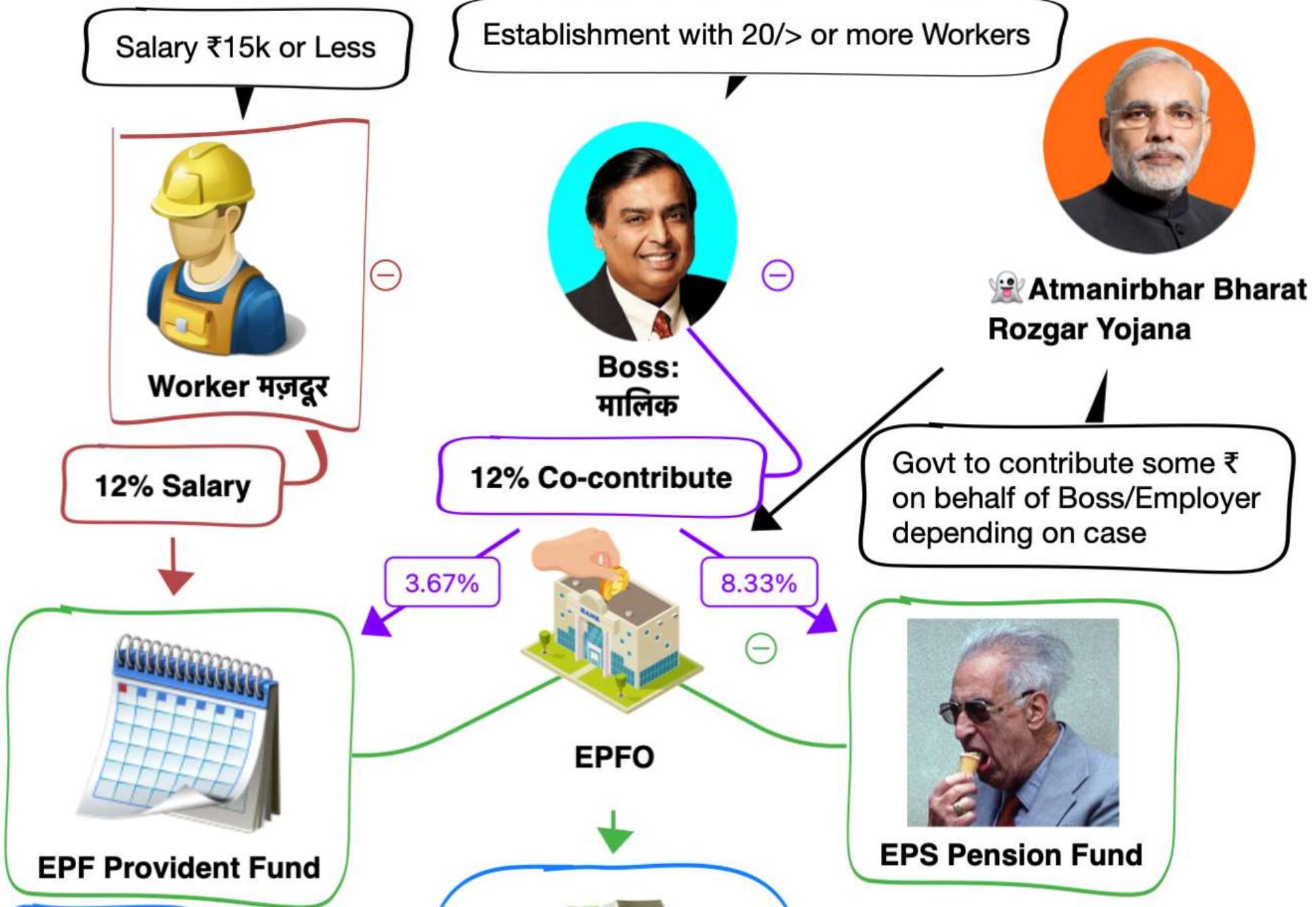
UAN: Universal Account Number



Similarly, I've
LIN: Labour
Identification
Number

Employee: 12%	Employer (Boss) co-contribute (12%)	
12% into EPF (Provident Fund)	3.67% EPF (Provident Fund)	8.33% EPS (Pension)

अगर बैंक में आपका बैंक अकाउंट नंबर होता है
तो EPFO में क्या होता है? कोई खाता नंबर होता है कि नहीं?



Atma-Nirbhar Bharat for Post Corona economic revival

कोरोना महामारी के बाद अर्थतंत्र को पुनर्जीवित करने के लिए आत्मनिर्भर भारत अभियान



JAN FEB MAR

APR MAY JUN

JUL AUG SEP

OCT NOV DEC

Atma-Nirbhar
1.0 (May)

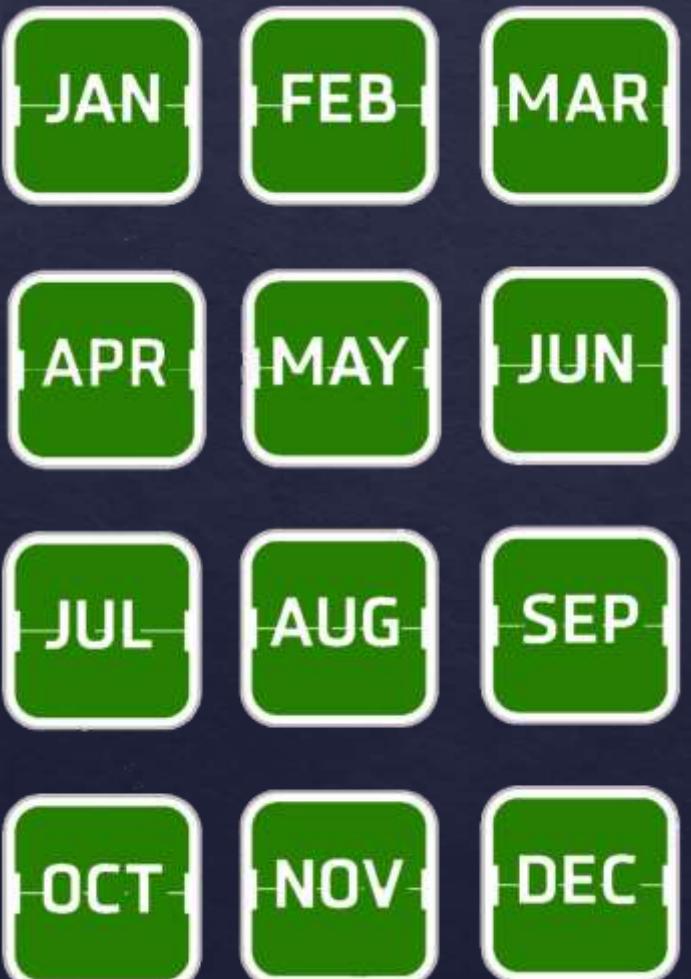
Atma-Nirbhar
2.0 (Oct)

Atma-Nirbhar
3.0 (Nov)

EPFO → Atmanirbhar Bharat Rozgar Yojana (2020-Nov)



who is the beneficiary? इसको मिलेगा योजना का लाभ



New EPFO-worker just got job

- जिसको अभी नया-नया का नौकरी मिला है
- FRESH registration in EPFO



Old EPFO-worker- lost job in Corona but found new job afterwards

- lost job between March 1 to Sept 30 of 2020 but then found new job.
- Old/EXISTING Registration in EPFO



EPFO → Atmanirbhar Bharat Rozgar Yojana (2020-Nov)

EPFO

Small firm
(upto 1000 workers)

Large firms (>1000w)

Worker



12%

Boss



12%



= govt will give these ₹₹ from its pocket to EPFO

यह हिस्से सरकार अपनी

जेब से पैसा देकर ईपीएफओ में जमा करेंगी



12%



= boss will have to pay to EPFO यह हिस्सा मालिक ने देना होगा

EPFO → Pension after 58 (EPS: Employees' Pension Scheme)

मजदूर वक्त से पहले पैसा उठा तो सकते हैं लेकिन फिर बाद में पेंशन  मिलेगा



- 1) But suppose @52 years
 - withdraws some pension ₹₹ in advance
 - for child marriage etc



2) After 58 years

- He's actually eligible for pension
- but EPFO will pay less pension for some years.

3) 500 jaat ke combination on how it affects you.

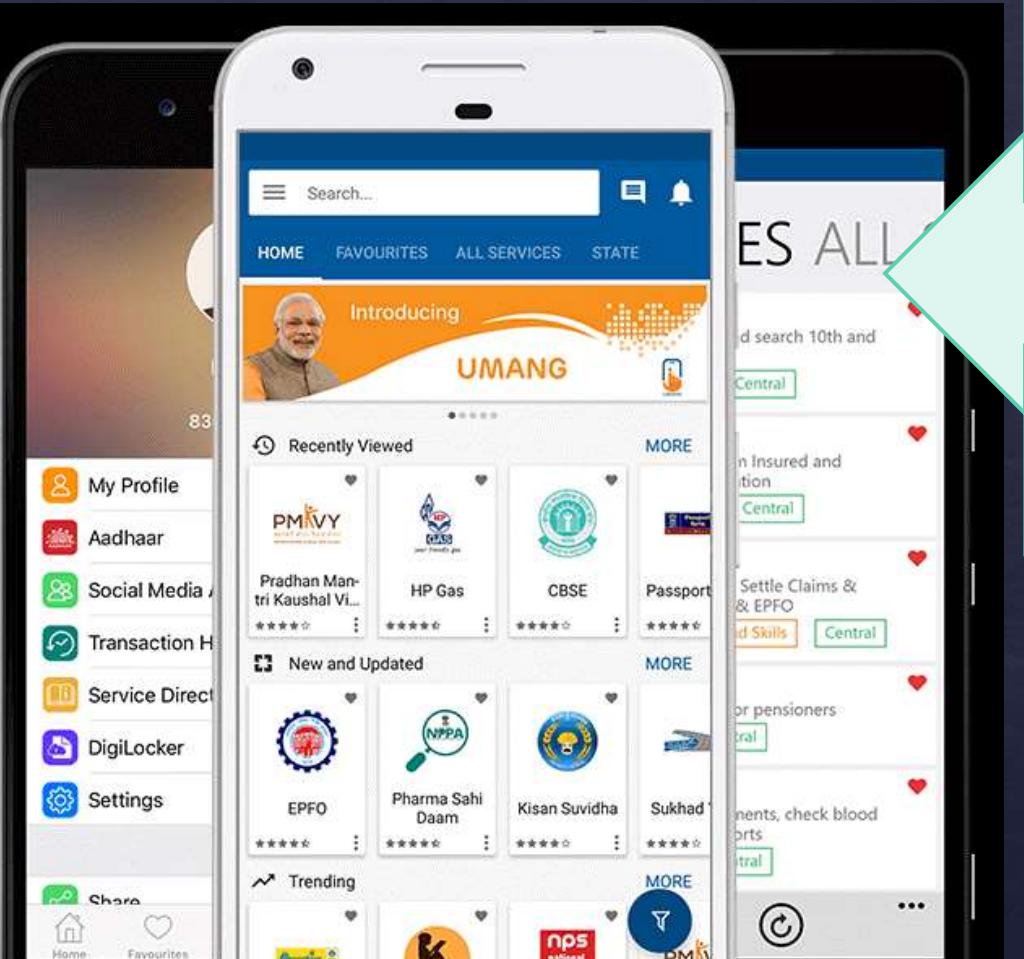
- Useful for ordinary readers
-  Poor cost:benefit for UPSC



This is called
Commutation

UMANG (Unified Mobile Application for New-age Governance)

बैलेंस वगैरा चेक करना हो तो कैसे?



Download the UMANG App

Get it on
Google play

Download on the
App Store

Download on the
Windows Store

- App developed by Ministry of Electronics and Information Technology (MeitY)
- Possible to do EPFO & ESIC related things via this app.



I've to deposit ₹₹



I've to check my account balance

EPFO → Labour Ministry's Shram Suvidha Portal

मालिक ने अलग-अलग दस्तावेज सरकार में जमा करने होते हैं



Boss has to upload EPFO compliance documents here

EPFO: Tri-partite “Central Board of Trustees”

बड़े निर्णय लेने के लिए कोई ऊपर बोर्ड जैसी संस्था है कि नहीं?

Trustee Board

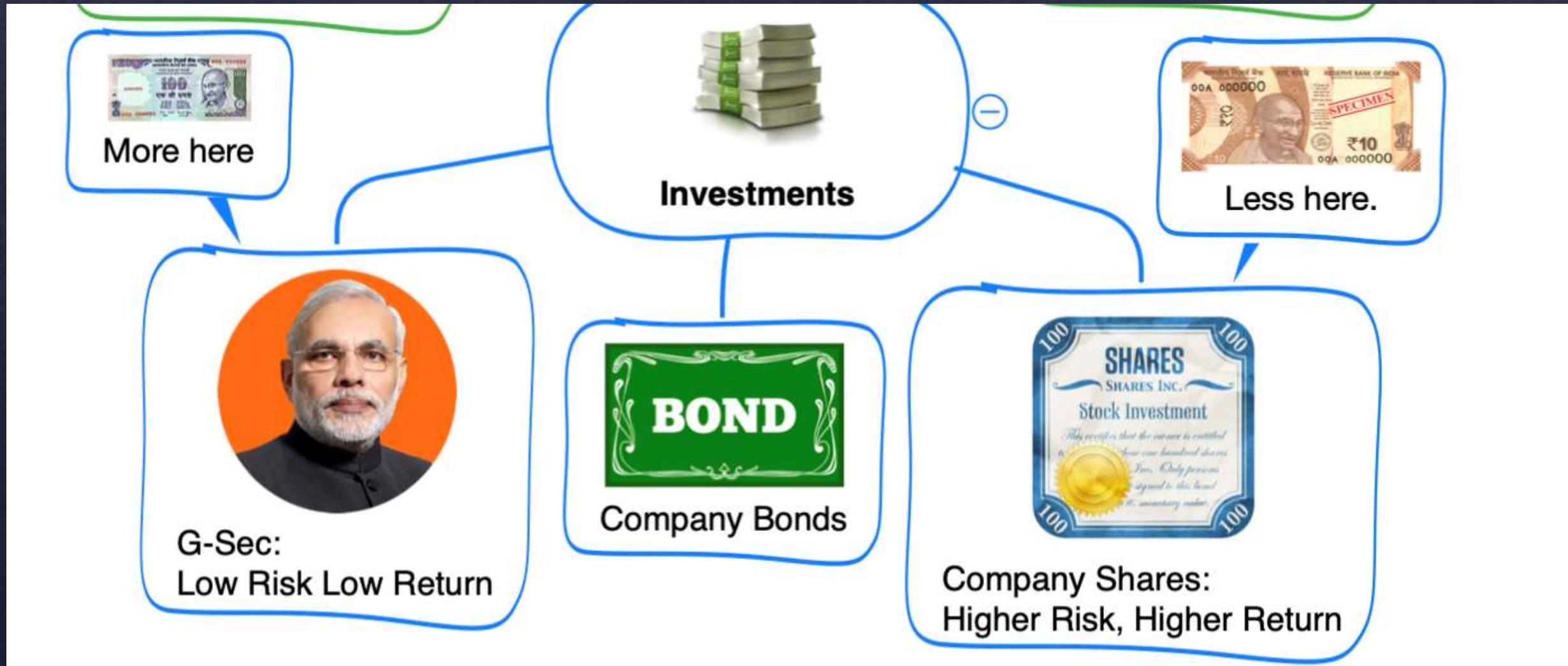
Government (Union + state)	15
Employers (Boss)	10
Employees (workers)	10



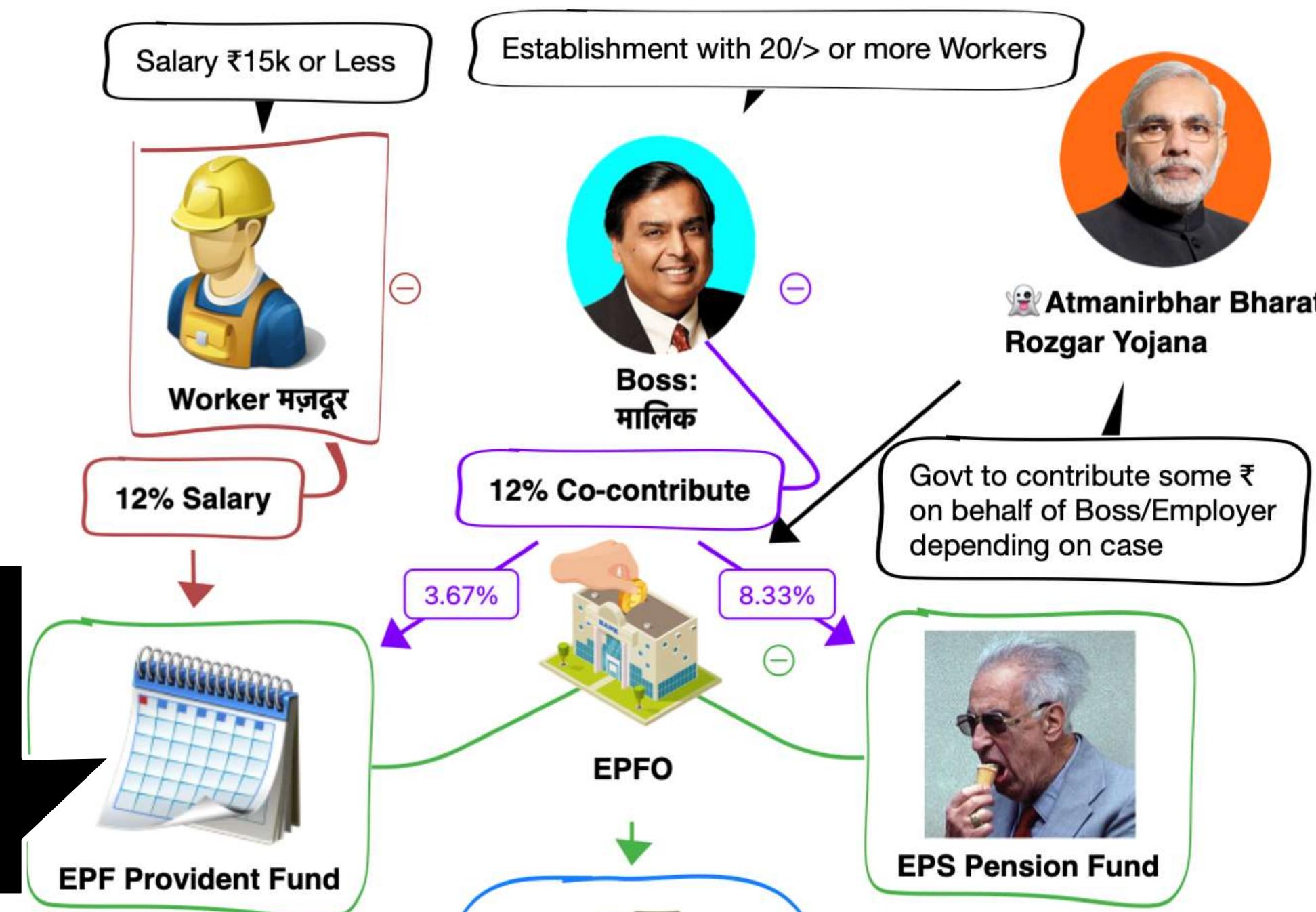
- Board decides the composition of investment
- i.e. min, max. limits abt how much money to invested
- G-sec>Corporate Bonds>Shares.
- How much interest to be paid on provident fund?



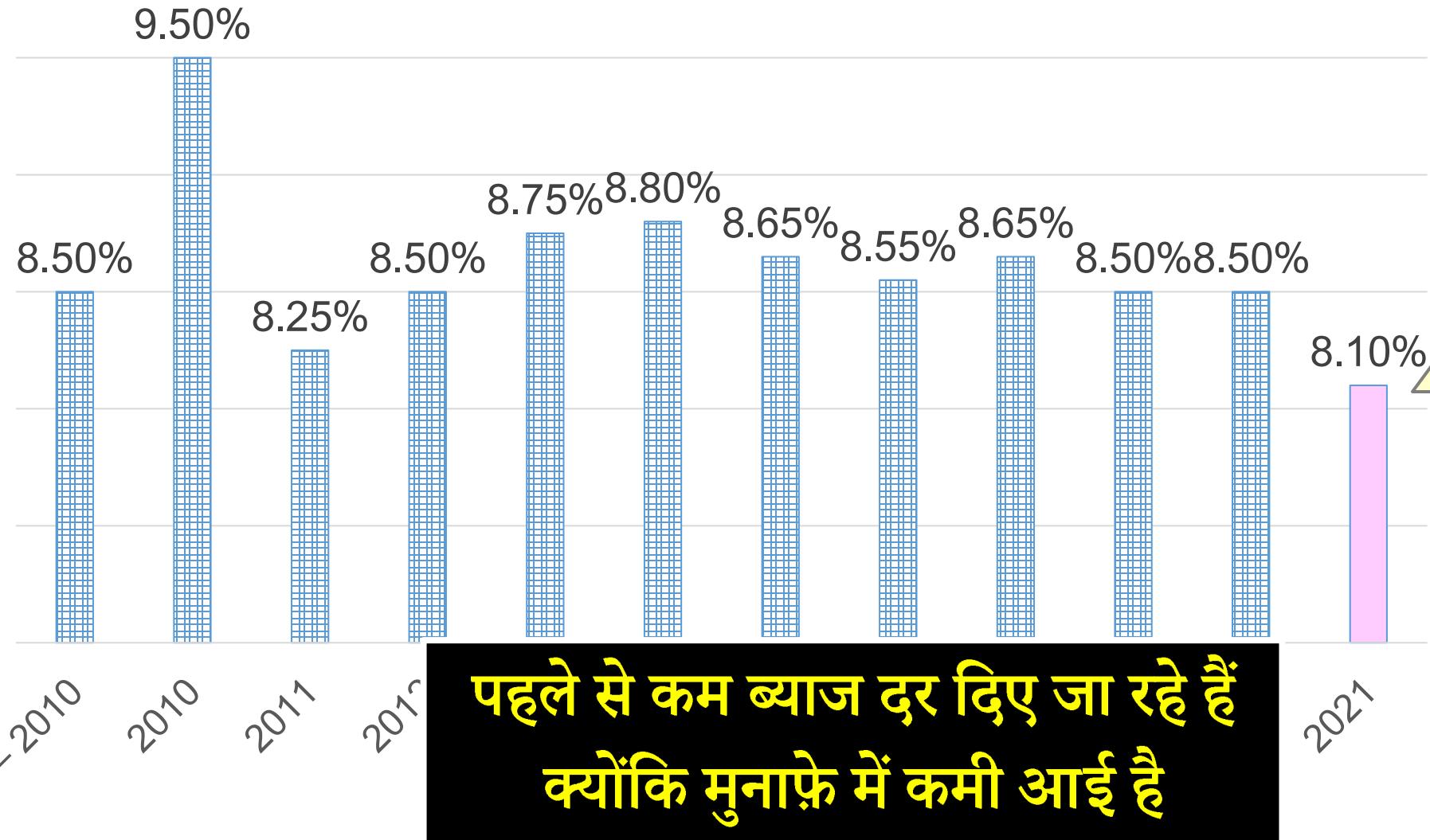
EPFO Act in 1952
Nodal: Labour Ministry



How much
interest
here?



Central Board of Trustees decides EPF Interest Rates (Provident Fund)



पहले से कम ब्याज दर दिए जा रहे हैं
क्योंकि मुनाफ़े में कमी आई है

Lowest in last
40 years.



MORAL OUTRAGE Q: “why not merge EPFO with ESIC!!? ”

- Their laws are different. To merge them you've to merge two laws. But this is not some election priority for govt like 'Triple Talaq bill'.
- So, you may send suggestion to Prime Minister. But until your suggestion is implemented, prepare the facts as given in the handout. #थोड़ा-पढ़ो-आगे-बढ़ो



Q. Why not merge
EPFO and ESIC?

A. Two different statutory corporate
under two different acts. Send
suggestion to PM to merge them.



<https://economictimes.indiatimes.com> › Wealth › Tax ::

[New Income tax rules 2021: Tax on PF interest, reduction in ...](#)

31-Mar-2021 — As announced in the Budget 2021, if deposits in Employees' Provident (EPF) and Voluntary Provident Fund (VPF) by an employee exceed Rs 2.5 ...

<https://www.livemint.com> › money › personal-finance ::

[New PF tax: Interest on PF will be tax-free for up to ₹5 lakh, i ...](#)

23-Mar-2021 — During Budget 2021, Sitharaman announced **interest earned on the EPF** ...
order to rationalise tax exemption for the income earned by high ...

<https://www.livemint.com> › money › personal-finance ::

[Tax on EPF interest proposed in Budget 2021: What it means ...](#)

02-Feb-2021 — Up to ₹2.5 lakh has been kept as the deposit limit for which interest is tax exempt, finance minister said."We are not reducing any workers ...

Missing: principal | Must include: principal

<https://taxguru.in> › income-tax › taxability-interest-exce... ::

[Taxability of Interest on Excess PF Contribution - TaxGuru ✓](#)

11-Feb-2021 — Existing Statutory Provisions Section 10(11) and 10(12) of the Income Tax provides an **exemption** for the statutory provident fund and ...

<https://www.thehindubusinessline.com> › article33762741 ::

['No retro taxation on interest earned for EPF/GPF contributions](#)

05-Feb-2021 — Interest of more than ₹2.5 lakh earned annually from contribution to Employee Provident Fund (EPF) or Government Provident Fund (GPF) will ...

Help me do Phd on
taxability of EPFO
interest.

लेकिन यूपीएससी ऐसा
किधर पूछ रहा है
आईएएस की परीक्षा में ?

Let me know in
which previous year
UPSC - IAS exam
asked such MCQs?



1D: Pension Schemes: depending on Audience type



Middle Class: Senior Citizen (60/>)

- PM Vay Vandana: Need to pay ₹₹



Middle Class: Young Person:

- NPS: need to pay ₹₹ for subscription



Lower middle class & Poor:

- EPFO, Atal Pension, Sharm Yogi (unorganized workers),
- Karam Yogi (Kiranastore walla)
- Kisan Maan Dhan (Farmers)



Poor with no capacity to pay ₹ :

- NSoAP

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(more than 100 workers)	10%	10%	large firms e.g. Reliance or Tata who've more than 100 workers.)
			⇒ In such large firms workers and boss have to deposit ₹ from their own pocket into EPFO.
			⇒ But, government has ↑ their % from 12+12=24% to 10+10=20% (so that worker and boss will be left with more money to spend in their hands= shopping/demand ↗ = economic revival)

16.1.4 MORAL OUTRAGE Q: "why not merge EPFO with ESIC!!?"

- Their laws are different. To merge them you've to merge two laws. But this is not some election priority for govt like 'Triple Talaq bill'.
- So, you may send suggestion to Prime Minister. But until your suggestion is implemented, prepare the facts as given in the handout. #भोटा-पटो-आगो-वटो

16.2 PENSION FOR GOVT EMPLOYEES & MIDDLE CLASS? = NPS

Govt Employees (from 2004)	Middle Class (from 2009)
<ul style="list-style-type: none">- 2004: New Pension Scheme (नईन पेंजन योजना) → (2009) renamed into National Pension System.- Subscriber? Those who joined govt. service on or after 01/01/2004*- Mechanism? Employees (10 % of basic pay) + Govt. contribution (14% of basic pay: since Interim-Budget-2019) → goes to PFRDA →NPS Trust → empaneled NPS Fund-manager → Invested G-sec, Corporate Bonds and Shares depending on your preference in Tier1/Tier2**.	<ul style="list-style-type: none">- In 2009, the Government employee-walla National Pension System was made open for all citizens (and NRIs) aged 18-55 on voluntary basis. You contribute money till age of 60, as per your capacity →Invested →pension.- 2010: NPS-Lite (Swavalamban): If poor person from unorganized sector (असंगठित वर्कर) joined NPS, then govt to co-contribute (समाज योगदान) money for five years**.

** subject to some technical norms which are not imp for exam.

- NPS subscribers have PRAN: Permanent Retirement Account Number, Just like EPFO subscriber has UAN Number.
- ES20: in NPS: # of State Govt employees >> union govt employees. And within State govt employees: UP > Madhya Pradesh >Raj > Maharashtra.

16.2.1 Old Pension Scheme (OPS) will not be re-introduced says Govt in Lok Sabha

- Before-2004: Government was entirely responsible for arranging the pension money for its Government employees. (सरकारी कर्मचारी का पेंजन सरकार स्थिरम की ओर से देती)
- But after 2004's NPS: Govt Employee's salary is partially deducted and invested in financial securities, his pension is thus "NOT FIXED nor fully paid by Government" but it's dynamically linked with dividend & interest generated by those financial securities.
- Thus, in NPS, Govt employee himself is 'contributing money' towards his pension.

#266



Vikash Tiwari
52.76 marks • 2

#272



Tejas Ninawe
52.1 marks • 19m : 14

#267



Nenavath Han
52.12 marks • 2

#273



Mr Akash
52.08 marks • 54m

#268



Vikash Kumar
52.12 marks • 3

#274



Rajkiran T
51.44 marks • 19m :

#269



Vijayant Gadri
52.12 marks • 3

#275



Prabhat Kumar
51.44 marks • 33m :

#270



Laxmipriya Sa
52.12 marks • 3

#276



KUSH JOSHI
51.44 marks • 37m :

#271



Willingbirth Sc
52.12 marks • 5

#277



Pihu Dhakad
51.44 marks • 42m :

#278



RAKHI FARKALE
51.44 marks • 55m : 42s

#279



Aafreen
50.78 marks • 25m : 4

**Audio/Video
Problem?**



#280



Akriti Singh
50.78 marks • 26m : 5

**Edu Doubt?
Ask through**



#281



Shruti Singh
50.12 marks • 15m : 21s

#282



Anuj Kandel
50.08 marks • 33m : 46s

#283



Chandan Kr
50.08 marks • 44m : 26s

Your Time Taken: 0s

Avg Time Taken By Others: 43s

Attempt Accuracy: 42%

Which of the following statement/s are correct regarding electoral bonds? (चुनावी बॉन्ड के बारे में निम्नलिखित में से कौन सा / से कथन सही है/ हैं?)

1. They can be purchased from any Scheduled Commercial Banks. (इन्हें किसी भी अनुसूचित वाणिज्यिक बैंकों से खरीदा जा सकता है)
2. They can be purchased by any resident of India. (उन्हें भारत के किसी भी निवासी द्वारा खरीदा जा सकता है)
3. These bonds don't fetch interest income to the bond holder. (ये बॉन्ड बॉन्ड धारक को ब्याज से होने वाली आय नहीं देते हैं)

1 and 2 only

3 only

CORRECT ANSWER



Aliya Bhatt can't buy it.
She's RESIDENT NOT citizen

1, 2 and 3

Your Time Taken: 0s

Avg Time Taken By Others: 1m 10s

Attempt Accuracy: 26%

Which of the following statements is/are correct about the sovereign green bonds in India?
[निम्नलिखित में से कौन सा कथन भारत में संप्रभु हरित बॉण्ड के बारे में सही है?]

1. The first time it was issued in the year 2023. [पहली बार यह वर्ष 2023 में जारी किया गया था।]
2. Money collected from these bonds directly goes to the Public Account of India. [इन बांडों से एकत्रित धन सीधे भारत के सार्वजनिक खाते में **Consolidated Fund**]
3. Projects funded by the Sovereign green bonds are monitored by the CEO of NITI Aayog.
[संप्रभु हरित बॉण्ड द्वारा वित्त पोषित परियोजनाओं की निगरानी नीति अयोग के सीईओ द्वारा की जाती है।]

Select the correct answer using the codes given below. [नीचे दिए गए कोड का उपयोग करके सही उत्तर का चयन करें।]]

Chief Eco Advisor (CEA)

1 only [केवल 1]

CORRECT ANSWER

2 only [केवल 2]

Your Time Taken: 0s

Avg Time Taken By Others: 37s

Attempt Accuracy: 38%

Find correct about Competition Commission of India (CCI) (भारत के प्रतियोगिता आयोग (CCI) के बारे में सही खोजें)

1. It was setup under the Companies Act 2013. (यह कंपनी अधिनियम 2013 के तहत बनाया गया था।)
2. It functions under the Ministry of Commerce. (यह सीसीईए संस्था वाणिज्य मंत्रालय के नीचे काम करती है)

Answer Codes:

 Solution [Hide](#)

The correct answer is D) neither 1 nor 2.

Explanation:

The Competition Commission of India (CCI) is a statutory body established under the Competition Act, 2002. **#1 is wrong.**

The Ministry of Corporate Affairs is the parent organization of the Competition Commission of India. **#2 is wrong.**

Refer to explanation

(UPSC-Prelims-2020 SetB.Q90)

यह कोई बड़ी सुर्खियों में नहीं था कि कोचिंग वाले पढ़ाने लगे

AB
CD

? In India, under cyber insurance for individuals covers following?

1. Cost of restoration of the computer system in case of malware disrupting access to one's computer. वायरस से कंप्यूटर बर्बाद हो → ठीक करने का खर्च
2. Cost of a new computer if some miscreant wilfully damages it, if proved so. बदमाश कंप्यूटर को क्षति पहुंचाए
3. Cost of hiring a specialized consultant to minimize the loss in case of cyber extortion. जबरन वसूली में किसी विशेषज्ञ को बुलाना पड़े
4. Cost of defence in the Court of Law if any third party files a suit. कानूनी बचाव के लिए के खर्चे

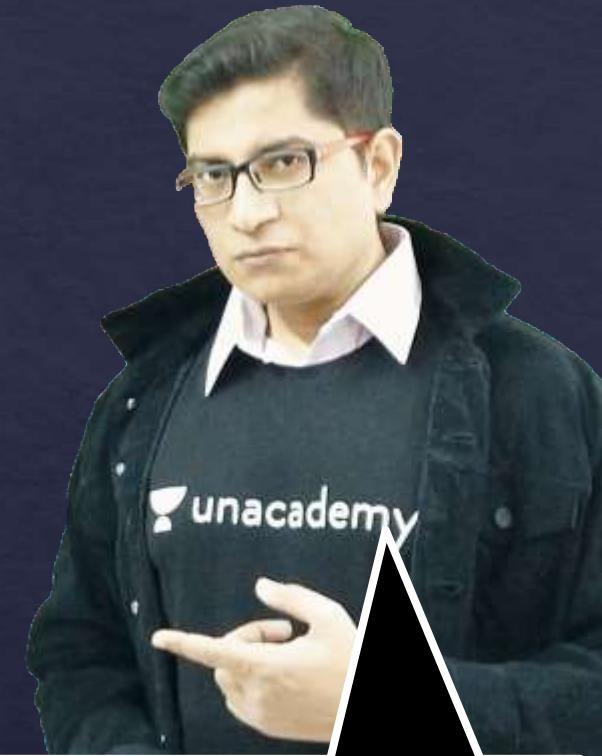
Answer Codes:

- [a) 1, 2 and 4 only [b) 1, 3 and 4 only [c) 2 and 3 only [d) 1, 2, 3 and 4

100% Surety

50:50

E) Skip



Random bouncer
asked.
50:50
Or SKIP

(UPSC-Prelims-2020 SetB.Q90)

AB
CD

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1. Cost of restoration of the computer system in case of malware disrupting access to one's computer. वायरस से कंप्यूटर बर्बाद हो ठीक करने का खर्च
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Answer Codes:

- [a] 1, 2 and 4 only [b] 1, 3 and 4 only [c] 2 and 3 only [d] 1, 2, 3 and 4



#1: हाँ भाई इतना तो कम से कम देता ही होगा

Now by elimination
4 common, so accept as true.

100% Surety

50:50

E) Skip

Cyber-insurance = digital data stealing / internet related theft but if what physically damaging it

#2: Cost of a new computer if some miscreant wilfully damages it, if proved so.

बदमाश कंप्यूटर को क्षति पहुंचाए

बदमाश हथोड़ा मार के उसे तोड़ दे तो बिमा कपंनी वाले नया कंप्यूटर खरीदने का पैसा देंगे कि नहीं



Mrunal, Vision, insight,drishti

- ✌️ NO. as per scheme documents this is not explicitly stated → B only 1,3,4

Shankar, IASBABA

- ☑️ Yes → “D” all correct

Wait for the official answerkey of UPSC next year

कोचिंग वाले भी इस प्रश्न के बारे में एक मत नहीं है

ANA_CSP2020_Prelims_Answerkey

File Edit View Insert Format Data Tools Add-ons Help Last edit was seconds ago

100% Default (Ari... 10 B I S A R S T U V

fx

1	PHASE	Subject	Difficulty	Theory/Curr	Type of MCC	S1	Mru	Key VisionIAS	Key-Insights	KEY SHANKAR	KEY DRISHI	KEY IASBABU
11	If you withdraw t 1,00,000 in cash	e1	Ease 😊	Theory 📚	1-Liner 📜	mru	D	D	D	D	D	D
21	"Blockchain Technology"	e1	Ease 😊	Contemporar	3TF 🌿	mru	D	D	D	D	D	D / A
73	Interest Coverage Ratio	e1	Medium 😐	Contemporar	3TF 🌿	mru	A	A	A	A	A	A
77	Kisan Credit Card scheme	e1	Ease 😊	Contemporar	5TF 📜	mru	B	B	B	B	B	B
81	Call Money	e1	Ease 😊	Theory 📚	4TF 📜	mru	C	C	C	C	C	C
85	non-financial debt	e1	Tough 😞	Theory 📚	3TF 🌿	random	D	D	D	C	A/D*	D
88	expansionist monetary policy	e1	Ease 😊	Theory 📚	3TF 🌿	mru	B	B	B	B	B	B
90	District Central Cooperative Banks (I	e1	Medium 😐	Contemporar	2TF 📜	mru	B	B	B	B	B	B
91	cyber insurance	e1	Tough 😞	Contemporar	4TF 📜	random	B	B	B	D	B	B / D
103												

Official UPSC answerkey say “B” is correct.

(UPSC-Prelims-2020 SetB.Q90)

AB
CD

? In India, under cyber insurance for individuals covers following?

1. Cost of restoration of the computer system in case of malware disrupting access to one's computer. वायरस से कंप्यूटर बर्बाद हो ठीक करने का खर्च
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Answer Codes:

- [a] 1, 2 and 4 only [b] 1, 3 and 4 only [c] 2 and 3 only [d] 1, 2, 3 and 4

100% Surety

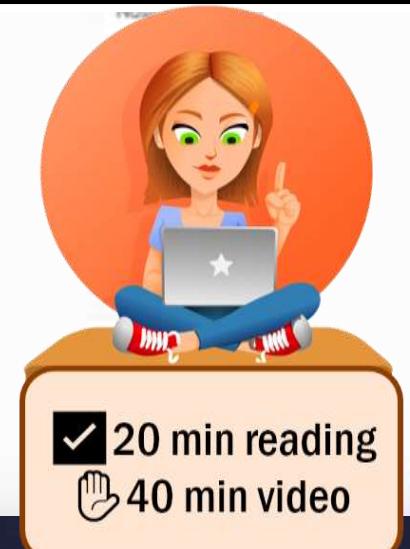
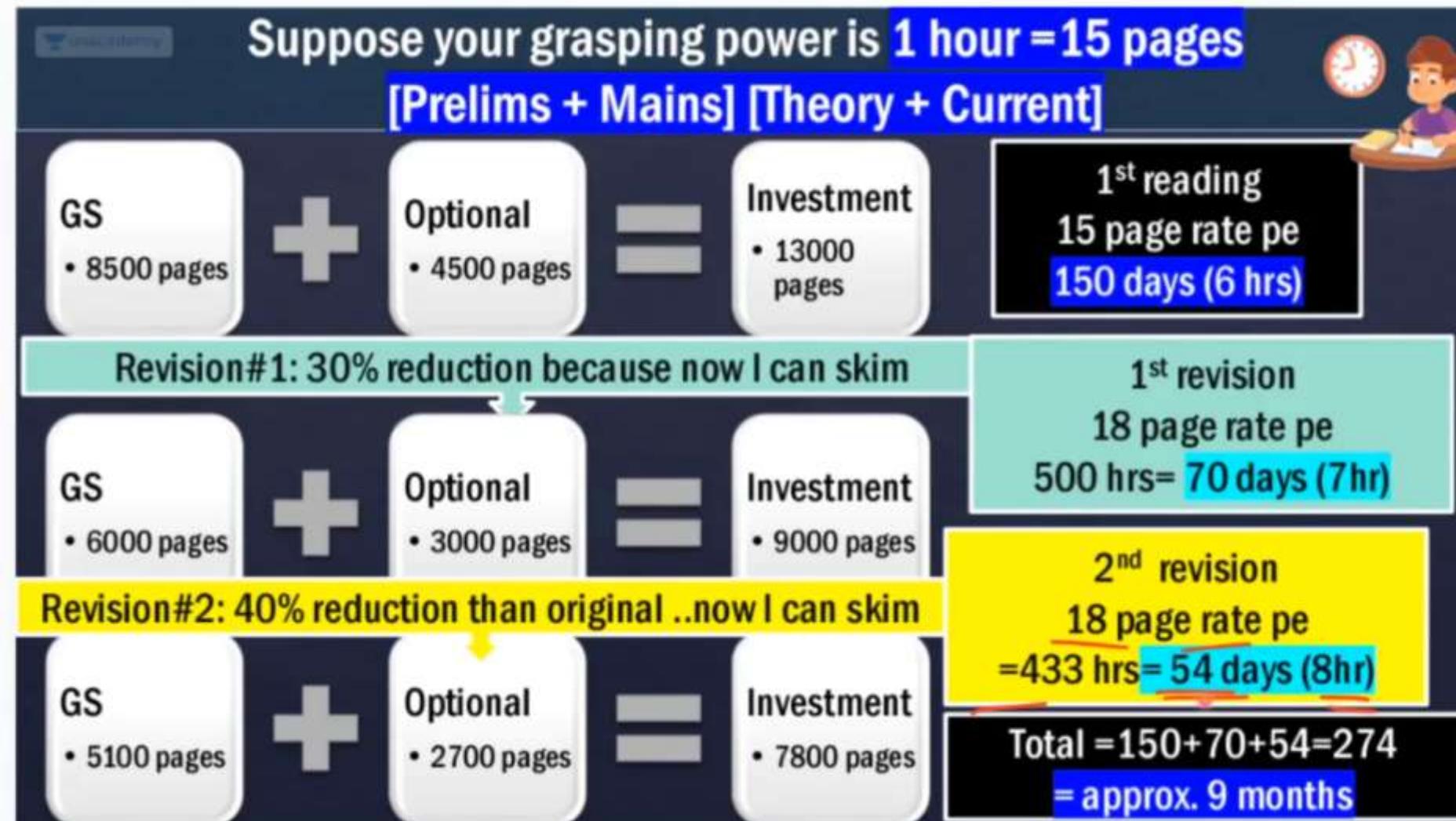
Other MCQs from 1D in Wednesday test



 Tough question
but then cutoff is
never 200/200



pillar1D mostly
schemes.
I'll run fast.



1D: Pension Schemes: depending on Audience type



Middle Class: Senior Citizen (60/>)

- PM Vay Vandana: Need to pay ₹₹



Middle Class: Young Person:

- NPS: need to pay ₹₹ for subscription



Lower middle class & Poor:

- EPFO, Atal Pension, Sharm Yogi (unorganized workers),
- Karam Yogi (Kiranastore walla)
- Kisan Maan Dhan (Farmers)



Poor with no capacity to pay ₹ :

- NSoAP

Handout Page 203 onw

(more than 100 workers)	10%	10%	large firms e.g. Reliance or Tata who've more than 100 workers.)
			⇒ In such large firms workers and boss have to deposit ₹ from their own pocket into EPFO.
			⇒ But, government has ↑ their % from 12+12=24% to 10+10=20% (so that worker and boss will be left with more money to spend in their hands= shopping/demand ↗ = economic revival)

16.1.4 MORAL OUTRAGE Q: "why not merge EPFO with ESIC!!?"

- Their laws are different. To merge them you've to merge two laws. But this is not some election priority for govt like 'Triple Talaq bill'.
- So, you may send suggestion to Prime Minister. But until your suggestion is implemented, prepare the facts as given in the handout. #भोटा-पटो-आगो-वटो

16.2 PENSION FOR GOVT EMPLOYEES & MIDDLE CLASS? = NPS

Govt Employees (from 2004)	Middle Class (from 2009)
<ul style="list-style-type: none">- 2004: New Pension Scheme (नवीन पेंजन योजना) → (2009) renamed into National Pension System.- Subscriber? Those who joined govt. service on or after 01/01/2004**- Mechanism? Employees (10 % of basic pay) + Govt. contribution (14% of basic pay: since Interim-Budget-2019) → goes to PFRDA →NPS Trust → empaneled NPS Fund-manager → Invested G-sec, Corporate Bonds and Shares depending on your preference in Tier1/Tier2***.	<ul style="list-style-type: none">- In 2009, the Government employee-walla National Pension System was made open for all citizens (and NRIs) aged 18-55 on voluntary basis. You contribute money till age of 60, as per your capacity →Invested →pension.- 2010: NPS-Lite (Swavalamban): If poor person from unorganized sector (असंगठित दौड़ी) joined NPS, then govt to co-contribute (समाज योगदान) money for five years**.

** subject to some technical norms which are not imp for exam.

- NPS subscribers have PRAN: Permanent Retirement Account Number, Just like EPFO subscriber has UAN Number.
- ES20: in NPS: # of State Govt employees >> union govt employees. And within State govt employees: UP > Madhya Pradesh >Raj > Maharashtra.

16.2.1 Old Pension Scheme (OPS) will not be re-introduced says Govt in Lok Sabha

- Before-2004: Government was entirely responsible for arranging the pension money for its Government employees. (सरकारी कर्मचारी का पेंजन सरकार स्थिरम की ओर से देती)
- But after 2004's NPS: Govt Employee's salary is partially deducted and invested in financial securities, his pension is thus "NOT FIXED nor fully paid by Government" but it's dynamically linked with dividend & interest generated by those financial securities.
- Thus, in NPS, Govt employee himself is 'contributing money' towards his pension.

Old Pension Scheme for Government employees

पुरानी पेंशन योजना में सरकारी कर्मचारी को बैठे-बिठाए पेंशन मिलता था

पुरानी पेंशन प्रणाली में सरकारी बाबू को बैठे बिठाए पेंशन मिल जाएगा



Old Pension Scheme

Govt directly pays pension to Employee

👉 Employee NOT required to contribute ₹



Govt (Employer)



Govt Employee

- 5) But this is a **big financial burden** on the Government.
- Less ₹ ₹ left for welfare schemes 😞

सरकारी कर्मचारी के पेंशन की पूरी जिम्मेदारी खुद सरकार लेगी
= गरीबों की योजना के लिए पैसा कम बचेगा.

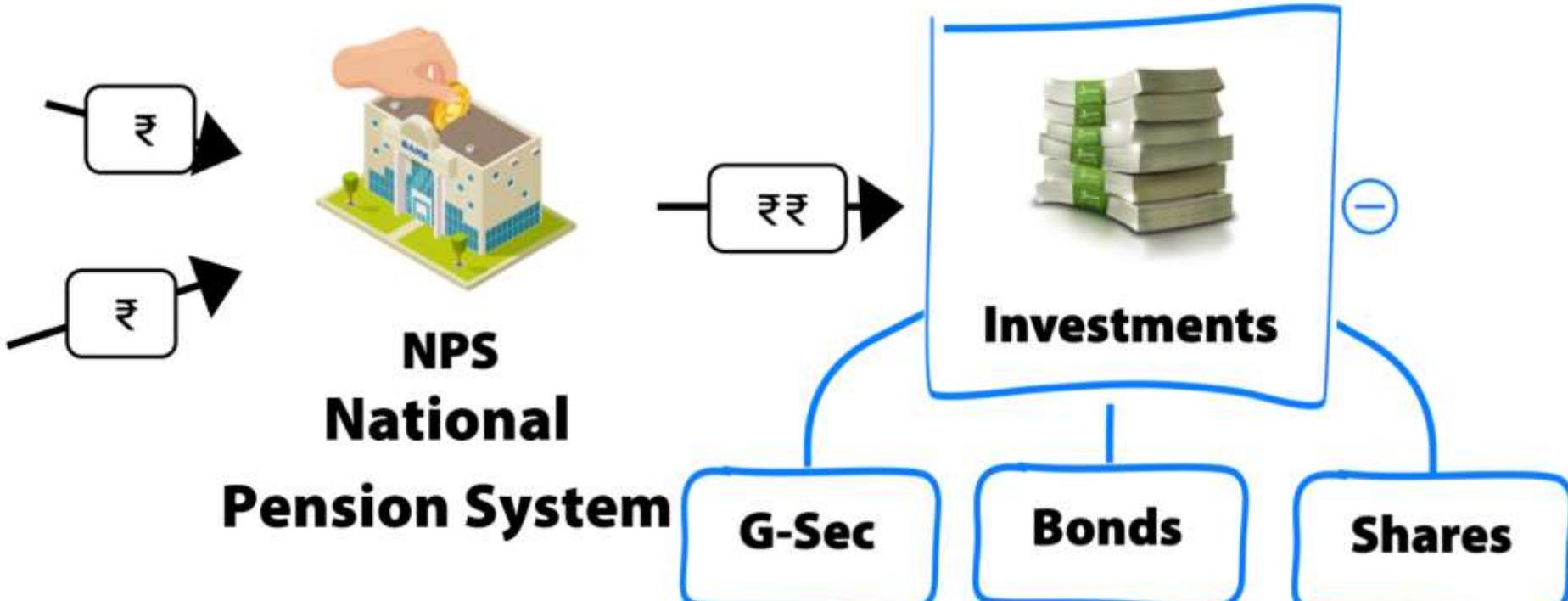
नई राष्ट्रीय पेंशन प्रणाली में सरकारी बाबू की तनख्वाह
का कुछ पैसा कटेगा जो शेयर बॉन्ड इत्यादि में निवेश
होगा



Govt (Employer)



Govt Employee



😢 So if
sharemarket
⬇️ then
pension ⬇️

Rajasthan govt firm on decision to restore Old Pension Scheme: Ashok Gehlot

हम तो पुराणी पेंशन योजना लाएगा.



Old pension scheme will burden future taxpayers:

करदाता पर बोज बढ़ेगा!



1. NPS

2. OPS

3. GPS

4. MARS



सरकारी कर्मियों को रिटायर होने पर पेंशन

Andhra Guaranteed Pension Scheme (GPS)



State Govt Employee	State Govt	Guaranteed Pension
10% of salary	10%	33% of last salary before retirement
14%	14%	40% of last salary before retirement

Andhra Guaranteed Pension Scheme (GPS)



State Govt Employee	State Govt	Guaranteed Pension
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14%	14%	40% of last salary before retirement

- something like this for Central Govt

Employees = MARS

- Minimum Assured Return Scheme

- guidelines yet to come





NPS client

Compulsory
क्या जुड़ना अनिवार्य
है?

**Govt
employees**

**Yes,
Compulsory**

**Govt contributes
money?**

क्या सरकार आपके खाते में
कुछ पैसा जमा करेगी?

YES



Other citizens

Voluntary
आपकी मर्जी है.

No.
But Income Tax benefit
given (HOW? Pillar#2)



1D: Pension Schemes: depending on Audience type



Middle Class: Senior Citizen (60/>)

- PM Vay Vandana: Need to pay ₹₹



Middle Class: Young Person:

- NPS: need to pay ₹₹ for subscription



Lower middle class & Poor:

- EPFO, Atal Pension, Sharm Yogi (unorganized workers),
- Karam Yogi (Kiranastore walla)
- Kisan Maan Dhan (Farmers)



Poor with no capacity to pay ₹ :

- NSoAP

Handout Page 203 onw

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			⇒ But, government has ↑ their % from 12+12=24% to 10+10=20% (so that worker and boss will be left with in their hands = economic revival)

Some minor topics pending.

pay) + Govt. contribution (14% of basic pay: since Interim-Budget-2019) → goes to PFRDA →NPS Trust → empaneled NPS Fund manager → Invested G-secs, Corporate Bonds and Shares depending on your preference in Tier1/Tier2***.

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जिदा होने का प्रमाण दो, तभी पेंशन
की रकम दूँगा...

Retd. Government employee
MUST submit a physical Life
Certificate in November each year
= hardship, bribery.



Pension officer in Govt Dept



AFTER reforms:

- Goto Community Service Centers (CSCs) / designated PSBs etc.
- Show Aadhar number
- + biometric reading device connected to PC/Mobile →
- “Jeevan Praman Digital Life Certificate”



Pension officer in
Govt Dept has
accept it ONLINE

Jeevan Pramaan = originally for Government employees

2020: extended to EPFO Pensioners are well

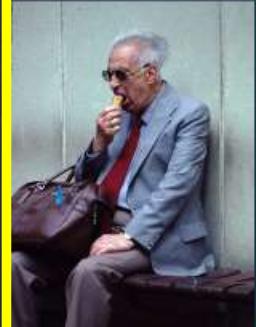


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Pension officer in
Govt Dept has to
accept it ONLINE

किसी को कागज



दिखाने की जरुरत ही नहीं है

Legal requirement: any establishment with 20+ workers*



Salary is 15k/

Employee: 12%	Employer (Boss) co-contribute (12%)
12% into EPF (Provident Fund)	3.67% in EPF (Provident Fund)



Deposits in EPF

मजदूर ने “पेंशन लेने वास्ते जिदा
हु” ये साबित करने के लिए EPFO
ऑफिस के धक्के नहीं खाने होंगे!

EPFO launches face authentication for pensioners to submit digital life certificates

PTI • Last Updated: Jul 30, 2022, 06:05 PM IST

 SHARE  FONT SIZE  SAVE  PRINT  COMMENT 1



In very old people
Finger print scan sometimes
doesn't work
So facial recognition

1D: Pension Schemes: depending on Audience type



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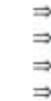
Poor with no capacity to pay ₹ :

- NSoAP

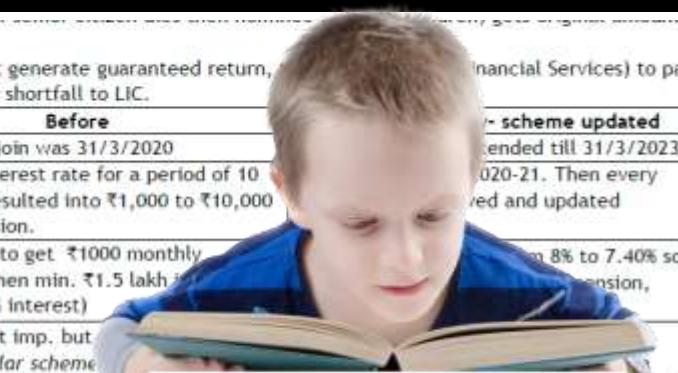


Handout Page 203 onw

- फलाना ऐसा क्यू है?
- ढिमका वैसा क्यू है?
- तंबूरा हाथ से क्यों बजते है,
मुँह से क्यों नहीं बजाते है?



back.	Financial Services) to pay
⇒ If LIC can't generate guaranteed return,	
subsidy for shortfall to LIC.	
Before	- scheme updated
Last date to join was 31/3/2020	ended till 31/3/2023
8% annual interest rate for a period of 10 years. This resulted into ₹1,000 to ₹10,000 monthly pension.	2020-21. Then every
⇒ If u want to get ₹1000 monthly pension then min. ₹1.5 lakh is req. (@8% interest)	revised and updated
⇒ *figures not imp. but	8% to 7.40% so,
⇒ Other similar scheme	pension,
Yojana but they are older	

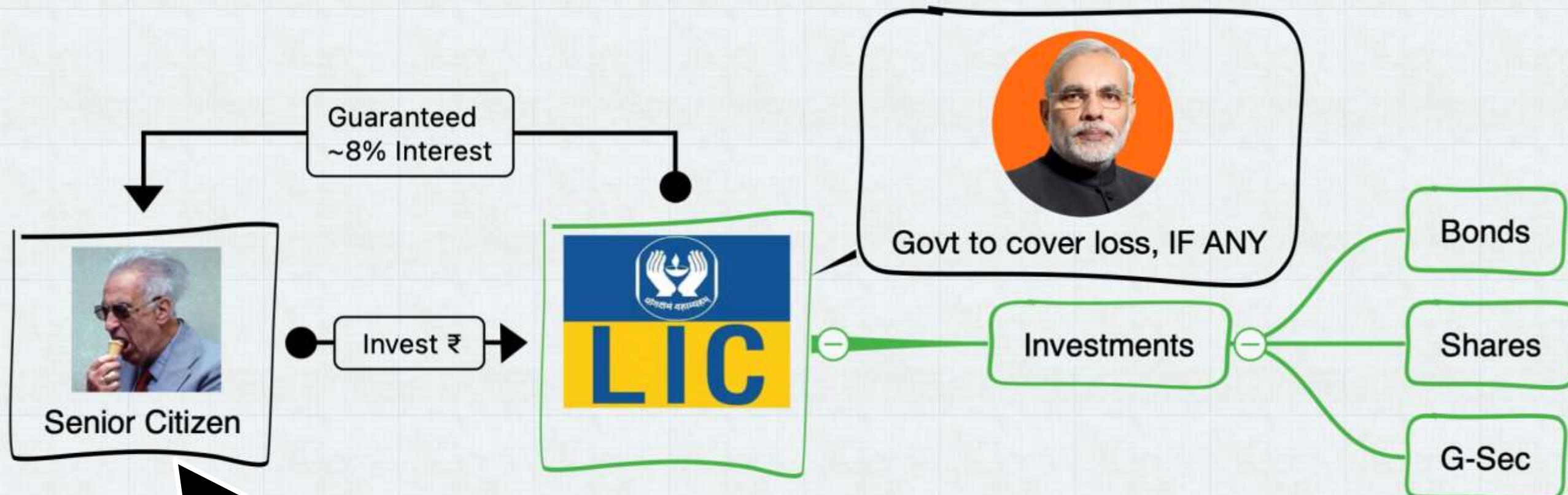


Just 1 Word Asso

[Asked in UPSC-CDS-201] ie : It
was launched to provide social security during old age and to protect elderly persons aged
certain market
s through
ised on
fy the scheme.

#थोड़ा-पढ़ो-आगे-बढ़ो





Invest
1.50 lakh to 15 lakhs

1 word association asked.

AB
CD

?

[Asked in UPSC-CDS-2019-1] Consider the following passage about a scheme : It was launched to provide social security during old age and to protect elderly persons aged 60 years and above against a future fall in their interest income due to uncertain market conditions. The scheme enables old age income security for senior citizens through provision of assured pension / return linked to the subscription amount based on government guarantee to Life Insurance Corporation of India (LIC). Identify the scheme.



Answer Choices:

- a) Pradhan Mantri Swasthya Suraksha Yojana
- b) Pradhan Mantri Vaya Vandana Yojana
- c) Liveability Index Programme
- d) Rashtriya Vayoshri Yojana

- फलाना ऐसा क्यू है? ढिमका वैसा क्यू है?
- तंबूरा हाथ से क्यों बजाते है, मुँह से क्यों नहीं बजाते है?



but UPSC
not asking
PHD!



Just 1 Word Asso

Do you have a written contract with employer?

आपको नौकरी मिली ऐसा कागज है?

YES



- **NPS**
- **EPFO**
- **Pvt Pension Schemes (HDFC Etc)**

Yes

Formal Worker
औपचारिक

NO

- **Atal Pension**
- **Shram Yogi Maan Shan etc**

No

Informal Worker
अनौपचारिक



Do you work in a govt office, pvt company, factory, etc.

- NPS
- EPFO
- Pvt Pension Schemes (HDFC Etc)

Yes

organized sector Worker (संगठित)

YES



- Atal Pension
- Shram Yogi Maan Shan etc

No

unorganized sector Worker (असंगठित)

NO



2015: Dept of Financial Services: Atal Pension Yojana (APY), 2015



Monthly auto debit from bank
₹ 42-210 till 60 age



G-Sec*



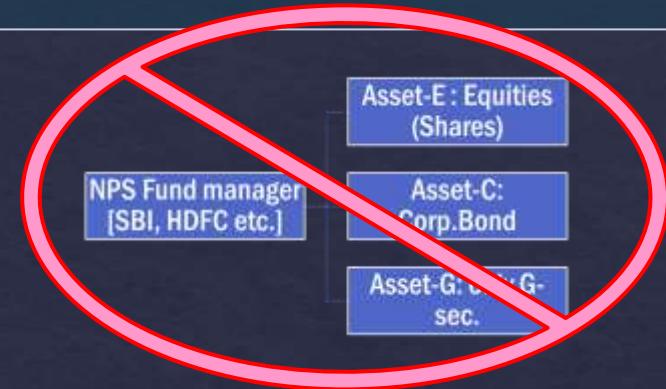
- Only Indian **citizen** residing in India. Apply @18-40
- Pay monthly ₹ 42-210 till age of 60.
- Then ₹ 1k-5k monthly pension.
- 1-person-1-subscription only.

2015: Dept of Financial Services: Atal Pension Yojana (APY), 2015

- 
- 1) Subscriber pension
 - 2) When he's dead:
Wife gets pension
 - 3) Both husband- wife die,
then **nominee gets premium** (=original
amt his father deposited over the years)



Monthly auto debit from bank
₹ 42-210 till 60 age



G-Sec*



Pension of 1k to 5k depends on @which age joined, how much contributed?



जन पेंशन योजना से
रित का हक्क.

को

जन पेंशन योजना में पंजीकृत करायें.

समस्त बचत बैंक खाताधारकों के लिए
जिनकी आयु 18 से 40 वर्ष है।

मासिक पेंशन आपके योगदान पर आधारित होगी,
यानी 18 वर्ष पर प्रवेश करने पर

₹42 से **₹210** प्रति माह तक
योगदान करने पर

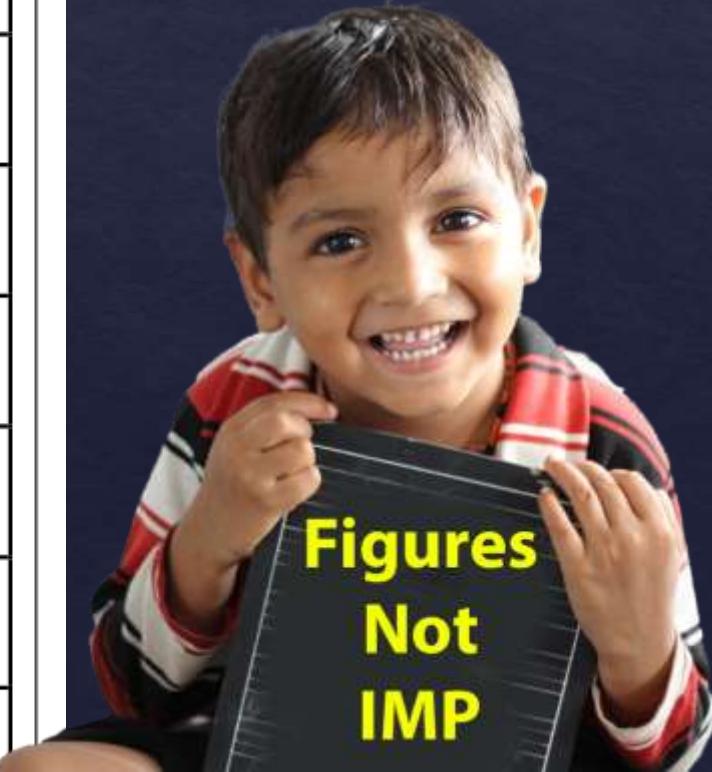
60 वर्ष की आयु से,
₹1,000 से **₹5,000**
तक के पेंशन का आजीवन भुगतान पाएं

न संपर्क करें और
जाएं

अधिक जानकारी के लिए कृपया राष्ट्रीय टोल फ़ोन की नंबर 18002334035 पर कॉल करें या ऑफिशियल वेबसाइट www.jansuraksha.gov.in/www.financialservicesscotland.gov.uk पर जाएं।

Indicative Monthly Contribution Chart

Age of Entry	Monthly pension of Rs 1000.	Monthly pension of Rs 2000	Monthly pension of Rs 3000	Monthly pension of Rs 4000	Monthly pension of Rs 5000 .
18	42	84	126	168	210
20	50	100	150	198	248
25	76	151	226	301	376
30	116	231	347	462	577
35	181	362	543	722	902
40	291	582	873	1164	1454



Pradhan Mantri Jan-suraksha Schemes

It's the collective name for 3 schemes

- ❖ 1) Atal Pension Yojana
- ❖ 2) PM Jivan Jyoti Yojana
- ❖ 3) PM Suraksha Bima Yojana

Learned in
insurance
segment

Atal पेंशन योजना से रिश्वत का हक्.

टल पैरान योजना में पंजीकृत कराये।

समस्त बचत बैंक खाताधारकों के लिए जिनकी आयु 18 से 40 वर्ष है।

भासिक पेंशन आपके योगदान पर आधारित होगी, यानी 18 वर्ष पर प्रवेश करने पर

₹42 से ₹210 प्रति माह तक योगदान करने पर

60 वर्ष की आयु से,

₹1,000 से ₹5,000 तक के पेंशन का आजीवन भुगतान पाएं।

अधिक जानकारी के लिए कृपया राष्ट्रीय टोल फ़िल्म की नंबर 1800 110 001 राष्ट्रीय टोल फ़िल्म की नंबर 18002334035 पर जाल करें या वेबसाइट पर www.jansuraksha.gov.in www.financialservices.gov.in

1D: Pension Schemes: depending on Audience type → ATAL PENSION



Middle Class: Senior Citizen (60/>)

- PM Vay Vandana: Need to pay ₹₹



Middle Class: Young Person:

- NPS: need to pay ₹₹ for subscription



Lower middle class & Poor:

- EPFO, Atal Pension, Sharm Yogi (unorganized workers),
- Karam Yogi (Kiranastore walla)
- Kisan Maan Dhan (Farmers)



Poor with no capacity to pay ₹ :

- NSoAP

Audio/Video
Problem?



CTRL

Edu
Ask t
Goog
Form



Page 203 onw



Pradhan Mantri Shram-Yogi Maandhan
Interim Budget-2019→Labour Ministry
Income Tax-payer, NPS,EPFO,ESIC-walla

Q) मैं रोज़ की पढ़ाई
नियमित नहीं करता अब
इतने सारे Pages खत्म
हो गए, मैं कैसे पढ़
पाऊंगा? 😭 😭

ANS) मैं DAY#1 से
बोल रहा था कि रोज़ की
पढ़ाई रोज़ करो!



continues to receive same amt. pension.
If husband dies before 60 age, wife gets
premium OR if she continues to pay then
gets pension when she reaches 60.
wife, then beneficiary (child)
the entire principal (premium).
Jivan Jyoti Yojana 2) PM Jivan Jyoti Yojana and 3) P
own as Pradhan Mantri Jansuraksha Schemes

Prelim 2016] Find correct statement(s) regarding

guaranteed pension scheme mainly targeted at

family can join the scheme.

guaranteed for the spouse for life after

(a) 2 only (c) 1 and 3 only (d)

Three Maan Dha

and manage

Ministry o

es



: Pradhan Mantri Shram-Yogi Maandhan

थोड़ा पैसा मजदूर देगा+ थोड़ा पैसा सरकार देगी → अंत में उसको 3000 पेंशन मिलेगा

Husband Join during
18-40 age

1



55-200 Rs.
per month



55-200 Rs.



Wife can also join separately,
but has to pay 55-200 separately.

retirement age: 60 yo
husband gets
Rs.3000 /pm Pension



3 Husband dies then
Wife gets Rs.1500 pm
pension



Wife dead.
Children get nothing.
Scheme Stops





1) “We Sold total ₹1 cr MRP ke LCD TVs, fridge & Mobiles”

Associated concepts

Turnover, gross sales, gross revenue
What do they mean? B.Com NOTIMP

2) That doesn't mean Jethalal is a crorepati.

Turnover →

- (-) GST
- (-) Staff Salary
- (-) Shop Rent
- (-) Electricity Bill,

=====

= PROFIT/asli income →
Income Tax (IF taxable
income above ₹“X” lakh)
(more in Pillar#2)

PM schemes	Boss	Beneficiary
Shram Yogi Maan Dhan	Labour Min	unorganized worker
Laghu Vyapari Maan Dhan	Labour Min	small trader
Kisan Maan Dhan	Agro Min.	farmer with upto 2ht. land

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Poor with no capacity to pay ₹ :

- NSoAP

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Edu
Ask t
Google
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Page 203 onw



Pradhan Mantri Shram-Yogi Maandhan
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हो गए, मैं कैसे पढ़
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ANS) मैं DAY#1 से
बोल रहा था कि रोज़ की
पढ़ाई रोज़ करो!



प्रवासी भारतीयों के लिए कोई योजनाएं हैं कि नहीं?

Pravasi Bharatiya Bima Yojana, 2017

- Saudi, Qatar, UAE, Libya, Malaysia, etc. They don't have good labour protection laws.
- Indian Govt classifies them as Emigration Check Required (ECR) nations.
- If Indian worker migrating there, he must join this SCHEME.
- He has to pay premium: Insurance, hospitalization etc.

If this Indian worker 'BHARAT' dies in your SAUDI oil field, who will pay insurance?



But BHAI is the hero of this movie, HOW CAN HE DIE!!!?

But what if a Poor person has no capacity
to contribute any ₹ in a pension/ Insurance Scheme?



- Boss? Rural Development Ministry (1995)
- National Social Assistance Programme (NSoAP)
- For Below poverty line (BPL) families.
- We get money without contributing any subscription 😊
- 😊😊 इन्होंने खुद का ₹1 भी निवेश नहीं करना है
- 😊😊 सीधा बैठे-बिठाए पेंशन मिल जाएगा

Rural Ministry: National Social Assistance Programme(NSoAP) for BPL [1995]

वैसे ही योजना मैं केंद्र सरकार ही पैसा देता है. लेकिन राज्य चाहे तो स्वैच्छिक रूप से अतिरिक्त पैसा दे सकते हैं

Components	Union	State (Optional to give extra)
Old age pension @60	₹200-500*	May give extra.. & rename it e.g. Samajwadi Pension



The Samajwadi Pension Scheme provides a pension of Rs500 per month to BPL families. Photo: PTI

Not imp for UPSC
But state PSC exams

Yogi Adityanath govt scraps Samajwadi Pension Scheme in Uttar Pradesh

* Depends on how old you're

Rural Ministry: National Social Assistance Programme(NSoAP) for BPL [1995]

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Widow pension 40 onwards	₹300-500*	May give extra and rename it e.g. UP vidhva Pension @1k



* Depends on how old you're

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वैसे ही योजना मैं केंद्र सरकार ही पैसा देता है. लेकिन राज्य चाहे तो स्वैच्छिक रूप से अतिरिक्त पैसा दे सकते हैं

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Widow pension 40 onwards	₹300-500	May give extra and rename it e.g. UP vidhva Pension @1k
Disability pension: 18-59	Same as widow	Guj: Sant Surdas Scheme
National Family Benefit INSURANCE	Death of bread winner 10k	Guj: Sankat Mochan (Total 20k)
Annapurna (2001)	If senior citizen uncovered.. 10kg grain / pm free.	May give additional..

Then Why is he not covered? Because sometimes schemes launched when elections are near.



Don't be overwhelmed by figures.
Just remember motive.

Cliched Question in UPSC Interview



- 1) you're DM. during a tour, you find a widow who says she has no money to feed her children.
What will you do?
- 2) What is the name of that 'subsidy'

- 1) I'll give her subsidy
- 2) I don't know

1D: Pension Schemes: depending on Audience type → ATAL PENSION



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Poor with no capacity to pay ₹ :

- NSoAP

But, who regulates the pension sector? पेंशन क्षेत्र का कोई बाहुबली
नियंत्रक है कि नहीं

Functions

- ⇒ they've been created to regulate pension schemes.
- ⇒ Protect Clients,
- ⇒ Prescribe liquidity, audit, financial reporting, etc.
- ⇒ Powers of civil court.
- ⇒ financial awareness
- ⇒ Pension FDI is linked to India's茶 plantations related pension schemes as well as other mechanisms.

16.6.1 Separation of PFRDA and NPS

- ⇒ 2008: PFRDA setup a body NPS Trust to manage the National Pension System
- ⇒ (Full) Budget-2019: PFRDA is the pension regulator which should separate itself from NPS-trust which is doing pension business. Government should initiate technical steps for this. (Recall that Government took over the pension regulator in similar pattern visible here- the financial regulators themselves were not able to regulate their products, so that they can work in an independent manner.)

16.7 🏠 SOCIAL SECURITY FOR OVERSEAS INDIANS (SOCIAL SECURITY INSURANCE)



Pension Fund Regulatory and Development Authority (PFRDA)

पेंशन क्षेत्र का कोई बाहुबली नियंत्रक है कि नहीं

पेंशन निधि विनियामक और विकास प्राधिकरण

5 yr /
65 age

Chairman

5 yr /
62 age

3 Fulltime

2 Part time
usually some
secy(IAS)

Total 6, re-appointment yes.



- 2003: executive order
- 2013: Pension Fund Regulatory & Development Authority Act
- 2014: operational
- Pension FDI = insurance FDI (49% → 74%)

Pension Fund Regulatory and Development Authority (PFRDA)

यह संस्था किन पेंशन कंपनियों का नियंत्रण करती है?

Public Sector

- i) LIC Pension Fund Limited
- ii) SBI Pension Funds Pvt. Ltd
- iii) UTI Retirement Solutions Ltd
- And other... **BUT NOT EPFO**

- NSoAP is a 'direct entitlement scheme' so  outside purview.
- PFRDA for regulations where subscriptions are taken.



About Us

Pvt Sector

- i) HDFC Pension Management Co. Ltd.
- ii) ICICI Prudential Pension Fund Management Co. Ltd.
- iii) Kotak Mahindra Pension Fund Ltd.
- iv) Reliance Capital Pension Fund Ltd.
- v) Birla Sun Life Pension Management Limited **and others...**



Functions of PFRDA

- ◆ Regulate all public and private pension funds
 - ◆ EXCEPT EPFO, Seaman, Coal miners, Assam tea plantations' schemes etc -यह कुछ पेंशन योजना हैं इसके दायरे से बाहर हैं क्योंकि उनके कानून अलग हैं
- ◆ Implement National Pension System (NPS), select its fund-managers
- ◆ Regulate the fees/ commissions paid to agents, Liquidity, auditing, investment norms.



Functions of PFRDA

- ❖ Protect Clients, Pensioners,
- ❖ Powers of civil court- can order witness to come
- ❖ Documentation, financial awareness.
- ❖ Although Department of financial services also has certain regulating powers
 - ❖ e.g. in Maan-Dhan 3k pension Govt to decide investment pattern of LIC,
 - ❖ hence the criticism that PFRDA is not truly independent regulator 😢
 - ❖ हालांकि अलग-अलग सरकारी योजनाओं में सरकार खुद भी बहुत सारे निर्णय लेती है निवेश के बारे में इसलिए वास्तव में इसके पास पूरा पावर/स्वतंत्रता नहीं है



About Us



Economy Pillar#1-D



D1: Insurance

- Types, Org, Schemes



D2: pension

- Org, Schemes



D3: Financial Inclusion

- Schemes



1) MBFI



2) Budget



Audio/Video
Problem?



- Prelims: Schemes are important
- Mains: GSM1, 2 and 3- issues related to poverty, welfare, advancement of women and weaker sections; and essay paper. Serves as a fallback line, filler material

1D3 → Financial inclusion | वित्तीय समोकेशन: 4 Pillars



Banking

- PM Jan Dhan
- PSL(1A2)



Investment

- Small Savings
- Chit funds



Credit (Loans)

- MSME, Startup,
- SHG, Farmers,

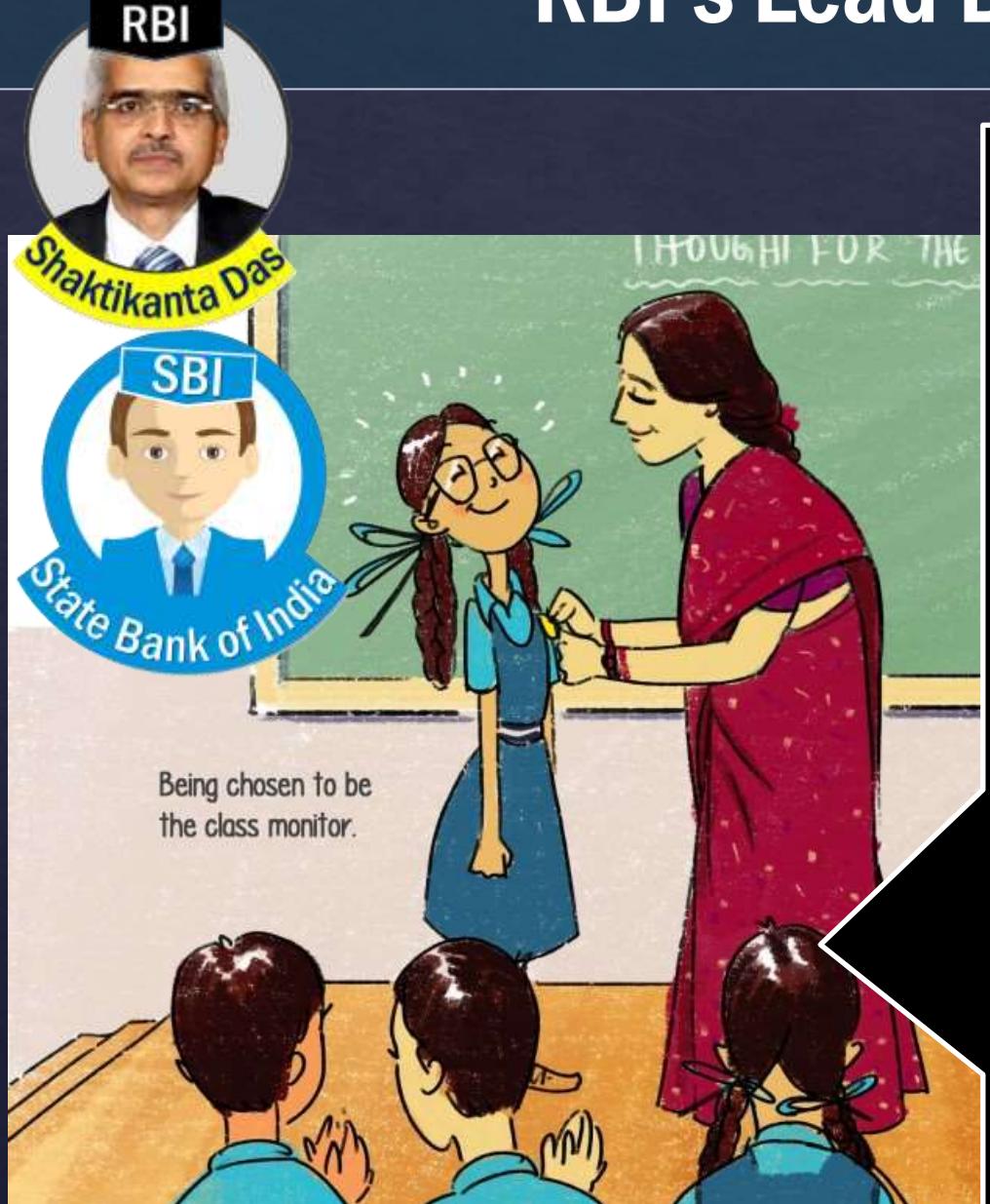


Pension, Insurance



- Every person should have access to these facilities
- वित्तीय समावेशन का मतलब है देश के सभी लोगों को बैंकिंग, निवेश, लोन, इंश्योरेंस, पेंशन की सुविधा मिलनी चाहिए

RBI



RBI's Lead Bank Scheme (late 60s)

- A (public or private sector) bank with large network in the rural areas of a given district, is assigned "Lead Bank status" by RBI.
- Lead bank acts as a leader for coordinating the efforts of all loan-giving institutes in the district for farmers, SME, weaker section etc. क्लास मॉनिटर की तरह उस जिले के सभी अन्य वित्तीय संस्थानों पे नजर रखे, संकलन करे
- Prepares a district credit plan with 'service area approach'. जिले में सब को लोन देने के लिए एक रणनीति बनाए

Post independent India: Banking Penetration (non-exhaustive)

गांव गांव तक बैंकों की जड़ों को गहरा करने के लिए क्या कदम उठाए

Nationalization ('55, '69, '80)

'61: DICGC Act

'66: Cooperative Banks under RBI's Ambit

'69: Lead Bank Scheme @District

2018: RBI says we'll reform it

'71: State level Bankers' Committee



(Pre19-SetA) Q61. The Service Area Approach was implemented under the purview of

- (a) Integrated Rural Development Programme
- (b) Lead Bank Scheme
- (c) Mahatma Gandhi National Rural Employment Guarantee Scheme
- (d) National Skill Development Mission



👉 A rather old and obscure topic. In real exam you may not have known then better to skip.

वास्तव में इतनी बारीक चीजे हम नहीं

पढ़ के जा सकते

100% Surety

50:50

E) Sk

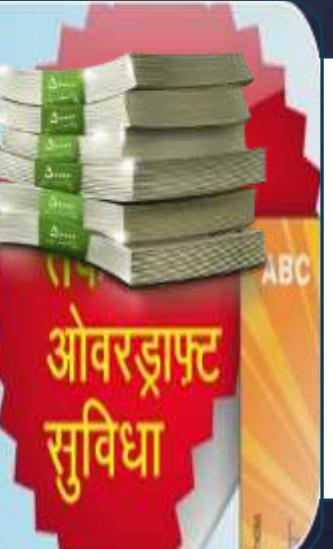
2014: Pradhan Mantri Jan Dhan Yojana Account (PMJDY)?

गरीबों का बैंक खाता खोलो योजना



Basic Savings Bank Deposit Account

- Age 10/> (minor accounts also possible)
- Zero balance. But, Chequebook only with “balance”.
- Max. 4 withdrawals / month (incl. ATM).
- Overdraft only with balance history of min. 6 months.



Overdraft : खाते में पैसा ना हो तो उधारी में उठा सकते हैं

- Looking @min. 6 months history → **overdraft upto 10k**
- Will have to return money, with interest within max. 3 years
- Only 1 account holder in household (preferably woman)



EVERY Jan dhan account comes with

मुफ्त में दुर्घटना बीमा मिलता है

Insurance

Accident
₹"X" lakh

Premium
paid by

NPCI

Who?

All eligible-
husby, wife

But, Rupay should be used every 90 days - even if not doing shopping → then atleast use card for checking balance in ATM machine

Union Govt employees, and income tax payers not eligible for this FREE insurance.



Jan Dhan bank accounts of a family

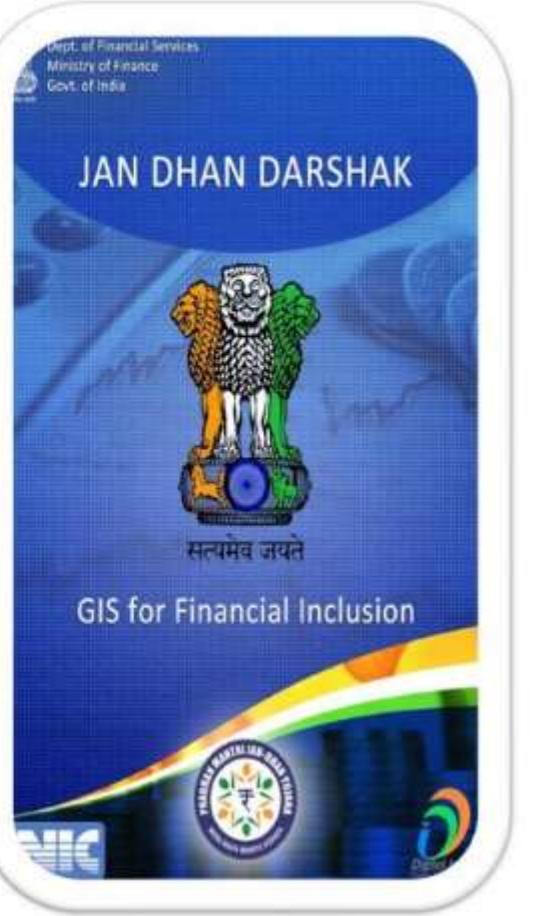


Controversy

- Bizman deposited blackmoney in driver/peons account after demonetization to prevent IT raids.
- More in Pillar2: taxation → blackmoney

2018: JAN DHAN DARSHAK App

आपके आसपास कोई बैंक या एटीएम मशीन है कि नहीं उसका गूगल मैप दिखाये



- Jointly developed by Department of Financial Services (**DFS**) & National Informatics Centre (**NIC**)
- It helps people find the nearby **financial touch points** such as Bank branches, ATMs, Post Offices etc.

Corona → Atma-Nirbhar 2020

PM-JDY: महिलाओं के जनधन खाते में ₹1500 जमा किए गए



₹500 per month x 3 months

= ₹1500



1D3 → Financial inclusion | वित्तीय समोवेशन: 4 Pillars



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- PSL(1A2)



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- Small Savings
- Chit funds



Credit (Loans)

- MSME, Startup,
- SHG, Farmers,



Pension, Insurance

- **Bank account hardly 3-6% interest.** यहां पैसा बचत किया तो बहुत कम ब्याज मिलेगा
- **What if u want more profit/interest?** अगर ज्यादा ब्याज चाहिए तो कोई और योजना है कि नहीं
- **Then invest in long-term small saving schemes (लघु-बचत योजनाएं)**

- ✓ **KI fees** can be submitted by buying Indian Postal Orders (IPO). E-IPO = overseas Indians can pay RTI fees online using this mechanism.
- ✓ **Deen Dayal SPARSH Yojana:** Students in class 6-9 given scholarship for philately.
- ✓ **Dhai Akhar Letter** Writing Competition wherein students asked to write letters to Mother Teresa, Tagore etc. 2019-20's theme "Dear Bapu, you're immortal." This theme is inspired by Albert Einstein's homage to Gandhi "Generations to come will scarce believe that such a one as this ever in flesh and blood walked upon this earth".
- ✓ **Officers' training** conducted at **Rafi Ahmed Kidwai** National Postal Academy at Ghaziabad, UP. Kidwai was India's first Minister for Communications.

Page 235 onwards

Long term Investment for better returns than bank deposit rates?

अगर आपको अच्छा ब्याज चाहिए तो दीर्घ अवधि के लिए पैसा निवेश करना होगा

लघु बचत योजनाएं

4: Post Office schemes: monthly, 5 year, savings, time deposits

1: Senior Citizen Savings (2004)

1: National Savings Scheme (NSC) '59

1: Kisan Vikas Patra 1988-11, 2014

1: Public Provident Fund (PPF) ;68

1: Sukanya Samriddhi Yojana (BBBP)

Above Small Savings
Deposits



National Small
Savings Fund (NSSF)



Loans to Union,
Selected State
Govt**

Interest rates decided by Dept of Economic Affairs.

Government withdraws interest rate cut on small savings

Our Bureau | New Delhi, April 01 | Interest Cut Rollback | Updated On: Apr 01, 2021



Rates as on March
to continue for Ap:
June quarter



Friday, March 25, 2022

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[Home](#) / [Business](#) / Small savings rates need to be reduced in 9-118 bps range: RBI

Small savings rates need to be reduced in 9-118 bps range: RBI

The government is expected to review interest rates on SSIs for the first quarter of 2022-23 on March 31, 2022, it added.

1D3: financial Inclusion → Small saving schemes (लघु बचत योजनाएं)

लघु बचत योजनाएं

4: Post Office schemes: monthly, 5 year, savings, time deposit

1: Senior Citizen Savings (2004)

1: National Savings Scheme (NSC) '59

1: Kisan Vikas Patra 1988-11, 2014

1: Public Provident Fund (PPF) ;68

1: Sukanya Samriddhi Yojana (BBBP)

-  Each scheme's eligibility, upper-lower limits etc. poor cost:benefit... इसमें से हर एक के मुख्य बिंदु पढ़ने नहीं बैठेंगे बस समझ लो कि एक प्रकार से लंबी अवधि की फिक्स डिपाजिट हो गई
- However **Sukanya Samriddhi** is important...<NEXT SLIDE>

Launched parallelly with
BBBP yojana (2015)

Annual tax free interest (9.1% presently ~8.5%)

इस ब्याज की आमदनी पर
सरकार आयकर नहीं लेगी



Account automatically
closed if

- Girl married before 21 year,
- = discourages early marriage,
- helps her pursue higher education.

Enrollment: 0-10 years

Annual deposit:

₹250 to 1.5L

Deposit
only upto

14 age.

50%
withdrawal
after 18 age

100%
withdrawal
@21

Sukanya Samriddhi Yojana 2015 [Dept of Economic Affairs decides interest]

Mahila Samman Bachat Patra



- tenure two years.
- Maximum deposit is Rs 2 Lakh.
- interest: 7.5%



Senior Citizen Saving Scheme



How much money
can be invested?



Before

Rs 15 Lakh

After

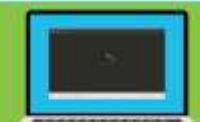
Rs 30 Lakh



BUDG

1D3 → Financial inclusion | वित्तीय समोवेशन: 4 Pillars

Audio/Video
Problem?



CTRL R

Edu Doubt?

Ask through

Google
Forms

लेकिन सरकार पढ़ाकू बच्चों
पर ज्यादा GST लगाती है
इसलिए मैं रोज की पढ़ाई
रोज नहीं करता



Banking

- PM Jan Dhan
- PSL(1A2)



Investment

- Small Savings
- Chit funds



Credit (Loans)

- MSME, Startup,
- SHG, Farmers,



Pension, Insurance

- ⇒ Chit Fund's fund manager is called 'Foreman'. New act increases his commission%
- ⇒ New Act also the maximum amount of investment the foreman can accept from subscribers.
- ⇒ Further powers with State Governments. (चिटफंड पर नियन्त्रण के बारे में राज्य सरकारों की शक्तियों को बढ़ाया गया)

18.12.5 Chit Fund Scams? धोखली/ गबन / काण्ड

- Chit fund is a type of "contract" = subject to Concurrent list. So, UNION has Prize Chits and Money Circulation Schemes 1978, Chit Funds Act 1982 (2019); Further state have their own acts / rules / State regulator of Chit Funds. (समर्पित सूची में होने के कारण केंद्र और राज्य द्वारा कोनून)
- Saradha Chit Fund scam, Rose Valley Chit Fund Scam: The scamsters ran multiple schemes in W.Bengal and neighbouring states, invested money in sharemarket, real-estate, shopping malls etc. thus violating the chit-fund laws.
- Further, any collective investment scheme of ₹100 cr/> requires SEBI permission. Yet they didn't obtain permission. (100 करोड़ रुपए से बढ़ा किसी भी सामृद्धिक निवेश योजना में सेवा की अनुमति अनिवार्य)
- They also engaged in Multi-level marketing (MLM) / Pyramid / Ponzi Selling = they'd use new investors' money to pay-off old investors. But once new investors stop coming, it'll collapse. [Further Modus Operandi / Timeline not IMP.](#) (समस्तीय योजना के साथ पर)
- Action? CBI & other agencies investigating. Union Govt proposed "Banning of Unregulated Deposit Schemes Bill 2018" → later Act 2019.

18.12.5.1 Banning of Unregulated Deposit Schemes Act, 2019

- अनियमित योजनाओं पर प्रतिबंध कानून
- If an entity is soliciting public to deposit /invest money, then it could be regulated by RBI (Bank, NBFC-D, Home loan NBFCs etc), SEBI (MF, ReITs, InvITs etc), IRDAI & PFRDA, Corporate Affairs ministry (NIDHI), State Governments (chit fund), EPFO, Multi state cooperative societies Register under Agriculture Ministry.
- A deposit-taking scheme is defined as 'unregulated' if person is asking people to deposit/invest money but he has not registered with any of the above organizations. E.g. builders, jewellers, etc. Act prohibits advertisement & money collection in it. (ऐसी कोई भी बचत योजना जो किसी भी वित्तीय नियन्त्रक के द्वायरे में नहीं आती उसे गैरकानूनी माना जाएगा)
- Penalty upto ₹50 crores and jailtime upto 10 years + attaching the assets to refund depositors within prescribed timelines. (जुर्माना, कारावास, स्पर्जन की जर्ती)
- Union to setup an online central database of deposit-taking activities in the country.

18.13 FINANCIAL INCLUSION: CREDIT (LOANS: क्रेडिट)

Self Study? Pillar#1A2: Monetary Policy → PSL. Pillar#1B1: Classification → microfinance

18.13.1 Credit Guarantee (क्रेडिट गारंटी)

- Meaning? if borrower defaults, then losses of banks/NBFCs will be covered by credit guarantor. So, Bank/NBFC can lend confidently without requiring borrower to pledge collaterals.

#RAFTAAR: Chit Fund



Members contribute
money monthly basis

Members get
loan



hindustantimes

Saturday, Feb 05, 2011

All about the Saradha chit fund case that triggered CBI-Mamata row

The Saradha group scam exploded on the face of Bengal in April 2013 when the chairman of the ponzi scheme, Sudip Sen and the company's executive director Debjani Mukherjee, were arrested from JSRK after a chase across north India.

HT Updated: Feb 05, 2011 12:59 IST

HT Correspondent
Hindustan Times, Kolkata



- Union and State both regulate it
- Some scams then legal reforms.
- But outdated so finishing it quickly.

SC observed “Chit fund” is a type of contract = subject to concurrent list-
क्योंकि समवर्ती सूची में है इसलिए केंद्र और राज्य दोनों कानून बना सकते हैं 😠

Central Chit Fund Act 1982 → Register @Ministry of Corporate Affairs

Bihar State
Chit Fund
Registrar

W.Bengal
State Chit
Fund Registrar

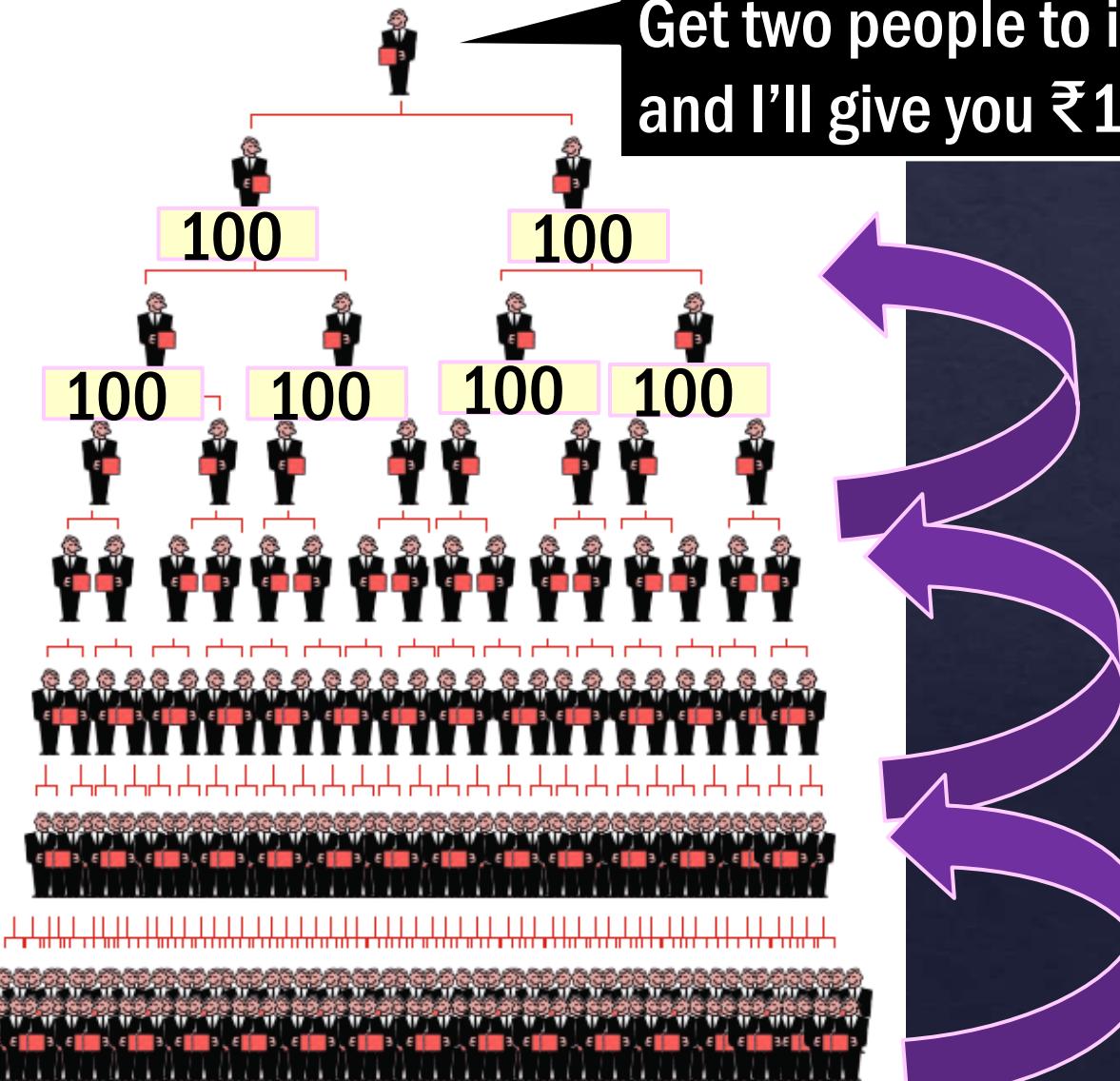
Odisha State
Chit Fund
Registrar



- Individual states are empowered to make their own regulations हर राज्य ने अपना कानून बनाया है
- Result: lack of effective centralised monitoring. 😠
- Corruption, bribery, scams with Political patronage of the regional parties. संकलन नहीं, राजनीतिक भ्रष्टाचार



Ponzi, pyramid, multilayer marketing (MLM) scams- इसकी टोपी उसके सर पर



This will collapse, when new investors stop coming in. some scamsters were running this type of scams in the disguise of Chit funds

hindustantimes

All about the Saradha chit fund case that triggered CBI-Mamata row

The Saradha group scam exploded on the face of Bengal in April 2013 when the chairman of the ponzi scheme, Sudipto Sen and the company's executive director Debjani Mukherjee, were arrested from TSK after a chase across north India.

Further ball by ball commentary not imp.



Banning of Unregulated Deposit Schemes Act 2019

अनियमित जमा योजना पर प्रतिबंध अधिनियम, 2019

If an entity is soliciting public to deposit /invest money,
AND IF it is regulated by

- ◆ RBI (Bank, NBFC-D, Home loan NBFCs),
- ◆ SEBI (MF, ReITs, InvITs etc),
- ◆ IRDAI & PFRDA
- ◆ Corporate Affairs ministry (NIDHI),
- ◆ State Governments (chit fund),
- ◆ EPFO (if factory boss is taking money)
- ◆ Cooperative Societies Register



- These are 'regulated deposit' schemes. ये सब कानून वैध हैं
-  If a person is doing something outside of it= 'unregulated deposit scheme'. यदि इनमें से एक ने भी आपको अनुमति नहीं दी तो आप जनता से डिपॉजिट नहीं करवा सकते

Banning of Unregulated Deposit Schemes Act, 2019

अनियमित जमा योजना पर प्रतिबंध अधिनियम, 2019

‘unregulated deposit scheme’ e.g.→

- Jewellers, Builders: pay 11 instalments, we'll pay 12th instalment.
- Bitcoin and other investment schemes.

Scheme Type	11+1
You Pay	3000
No of months	11
Total Paid	$11 \times 3000 = 33000$
Discount	3000 (at time of purchase)
Total Amount	36000
Time period	after 12 months
Advantage	Discount - 100% of monthly instalment



Banning of Unregulated Deposit Schemes Act, 2019

अनियमित जमा योजना पर प्रतिबंध अधिनियम, 2019

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Total Paid

$11 \times 3000 = 33000$

Discount

3000 (at time of purchase)

Total Amount

36000

Time period

after 12 months

Advantage

Discount - 100% of monthly instalment



Under this Act

- ✓ Union's central database to monitor regulated schemes
- ✓ Bans Advertisement, collection of unregulated schemes
- ✓ Arrest, penalty, attachment of assets to refund money

1D3 → Financial inclusion | वित्तीय समोकेशन: 4 Pillars

Audio/Video
Problem?



CTRL R

Edu Doubt?

Ask through

Google
Forms



Banking

- PM Jan Dhan
- PSL(1A2)



Investment

- Small Savings
- Chit funds



Credit (Loans)

- MSME, Startup,
- SHG, Farmers,



Pension, Insurance

Page 235 onwards

17.3 FINANCIAL INCLUSION: CREDIT (LOANS: ऋण)

Self Study? Pillar#1A2: Monetary Policy → PSL. Pillar#1B1: Classification → microfinance

17.3.1 Credit Guarantee (ऋण अदायगी गारंटी)

- **Meaning?** if borrower defaults, then losses of banks/NBFCs will be covered by credit guarantor. So, Bank/NBFC can lend confidently without requiring borrower to pledge collaterals. Earlier DICGCI used to give credit guarantee for PSL borrowers, but now this work is done by organizations such as:

Organization	Credit Guarantee Fund	Loans covered
SIDBI + C	Credit Guarantee Fund for Micro & Small Enterprise	Loans to Micro & Small Enterprise
Dep. of S		
Corporation		

17.3.2 Refinancing

- When an AIFI (or MUL) needs to finance they (Bank/NBFC) have difficulty in getting collateral.
- Usually works via the process of **securitization** of the portfolio. What happens in real life?

17.3.3 Credit Guarantee

- 2006: **Pradhan Mantri Kisan Credit Guarantee Yojana** (PM-KCGY) was launched.
- **Objectives:** कृषि उत्पादन के सेवाएँ और कृषि का उद्धार।

Note: This handout only deals with conceptual issues/challenges, refer Pillar4B → MSME

Refinance पुनः वित्त



I gave loans to 3 farmers
Now no depositor is depositing any new money.
कोई बैंक में पैसा बचत करने के लिए अब आ नहीं रहा



10I



10I



10I

Assets

CRR+SLR

Loans

Liabilities

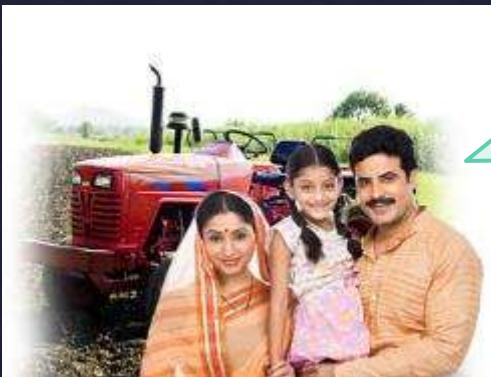
Deposits



Refinance: 3 किसानों को कर्ज दे दिया → चौथे किसान को कर्ज देने का पैसा नहीं



I have given loan to 3 farmers, and suppose no depositor is depositing any new money. कोई बैंक में पैसा बचत करने के लिए अब आ नहीं रहा, तो मैं चौथी किसान को कर्ज में पैसा कैसे दूँ ??



4th farmer: I want to take a tractor loan, but SBI saying they do not have money they are waiting for the previous 3 farmers to repay the loan 😞😞

Refinance- बैंक अपने लोन कागजात देगी → जिसके दम पे नाबार्ड नए बांड जारी करे



1) I'll give my loan papers to NABARD....



2) We'll issue new bonds, derivatives → arrange ₹₹ from investors



3) Process is called 'securitisation'
प्रतिभूतिकरण



Refinance (पुनर्वित्त)

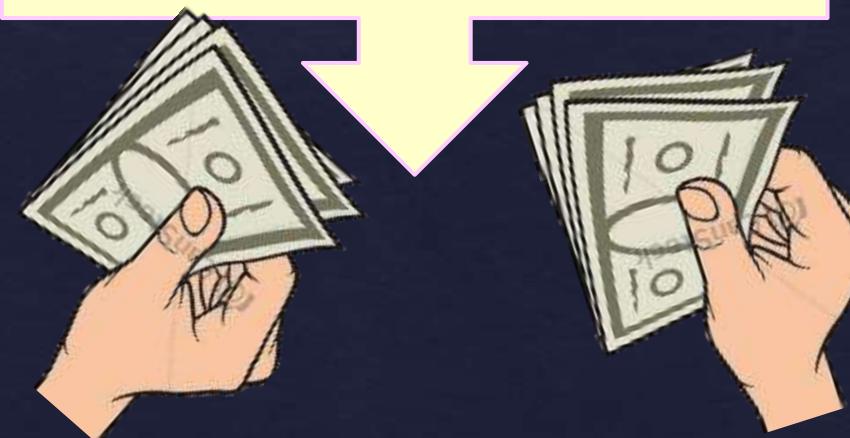


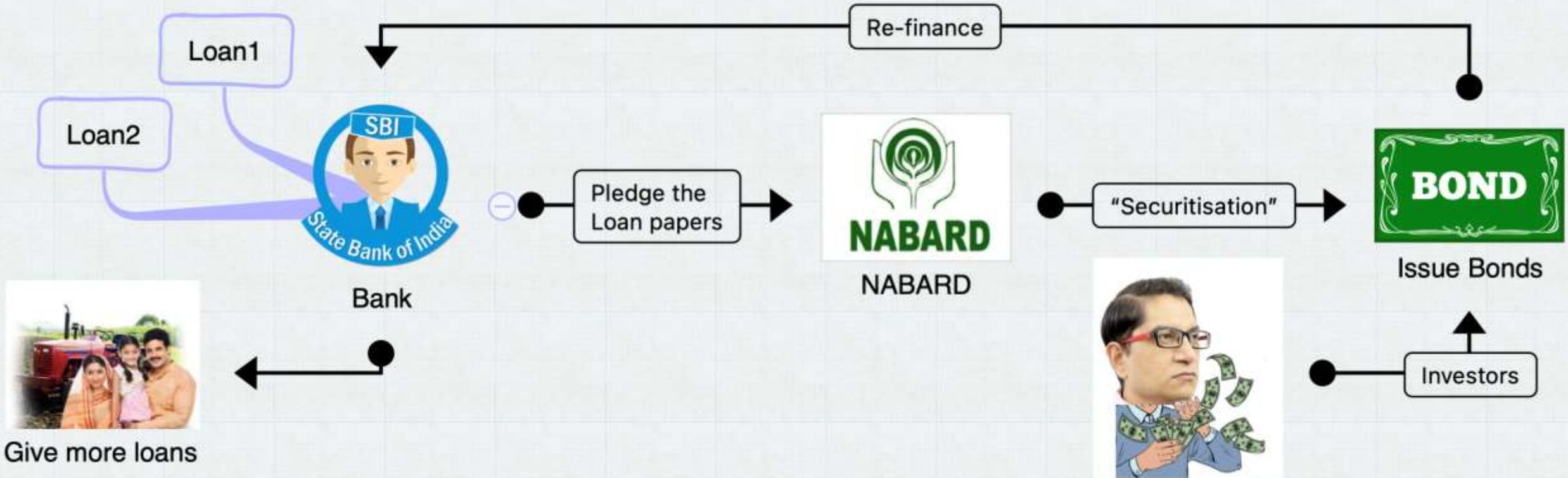
I'll give my loan papers to NABARD....



₹ NABARD gives to SBI

We'll issue new bonds,
derivatives → arrange ₹₹
from investors





- ❖ How, where, why? When will SBI return that money to NABARD? What if loan turns NPA?
- ❖ When an AIFI (or MUDRA) gives new finance
- ❖ to Banks/NBFCs (particularly MicroFinance-walla)
- ❖ based on the quantum of finance they (Bank/NBFC) have already given to end-borrowers
- ❖ It usually works via the process of securitization of the previous loan papers
- ❖ Beyond that further B.com, CA, PHD & hypertension is unnecessary for UPSC.



17.3.1 🚧: ⚡ Credit Guarantee (ऋण अदायगी गारंटी)

- Meaning?** if borrower defaults, then losses of banks/NBFCs will be covered by credit guarantor. So, Bank/NBFC can lend confidently without requiring borrower to pledge collaterals. Earlier DICGCI used to give credit guarantee for PSL borrowers, but now this work is done by organizations such as:

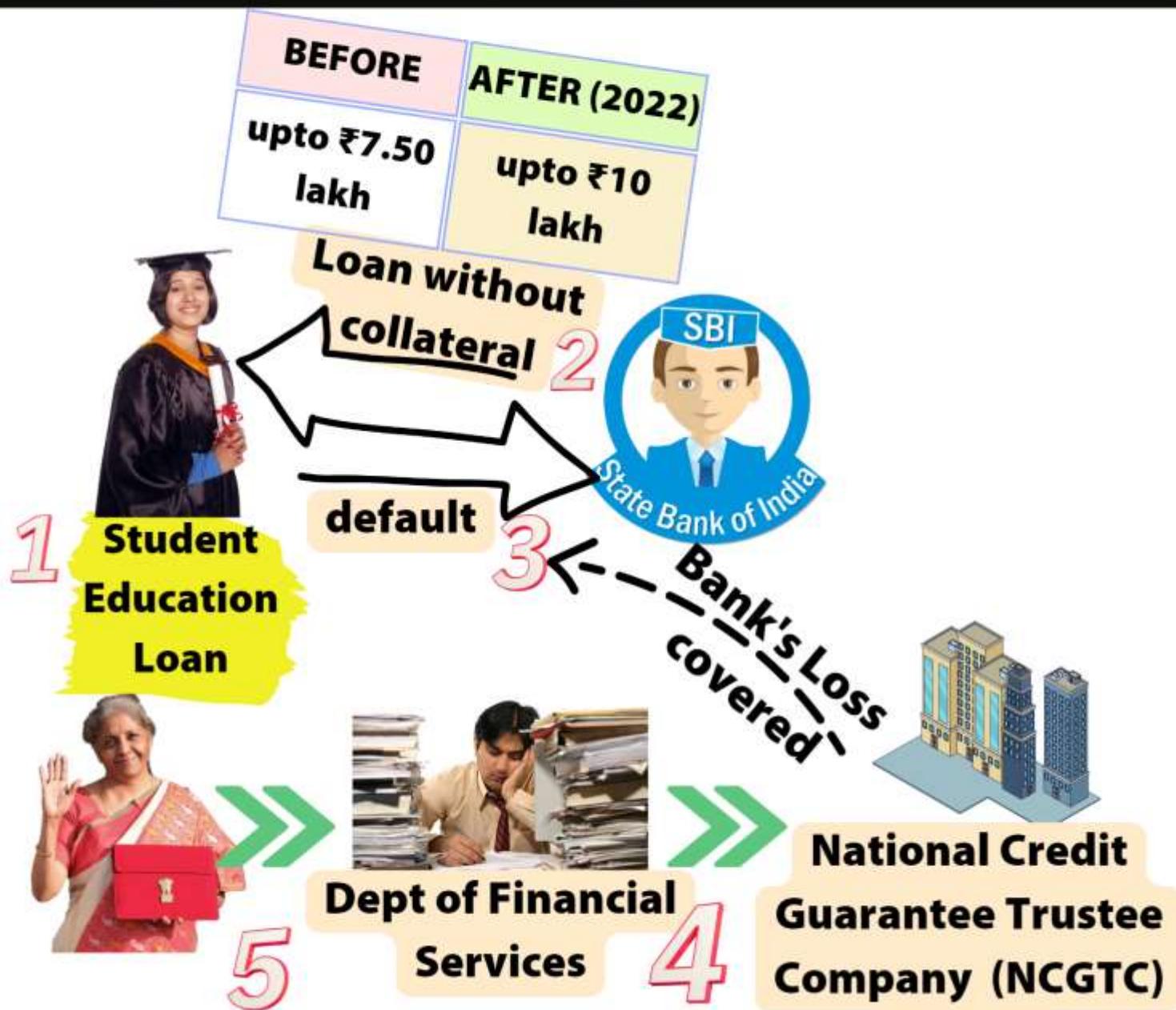
Organization	Credit Guarantee Fund	Loans covered
SIDBI + Govt	Credit Guarantee fund trust for Micro & Small Enterprise (CGTMSE)	Loans to Micro & Small Enterprise
Dept. of Financial Services	National Credit Guarantee Trustee Company (NCGTC)	Mudra, Stand up India, Skill & Education loans
Commerce Ministry	Export Credit Guarantee Corporation of India fund (ECGC)	Exporters



हमारा लोन वापस नहीं आया तो
नुकसान की भरपाई कोन करेगा?

Atma Nirbhar Bharat -
some MSME loans
covered even by
NCGTC.

CREDIT GUARANTEE FUND FOR EDUCATION LOANS



- बिना कुछ गिरवी रखवाए दिए गए
- शिक्षा लोन पर,
- बैंक के नुकसान की भरपाई के लिए-
- क्रेडिट गेरंटी फंड/ऋणआश्वासन निधि

1D3 → Financial inclusion | वित्तीय समोवेशन: 4 Pillars

Audio/Video
Problem?



CTRL R

Edu Doubt?
Ask through

Google
Forms



Banking

- PM Jan Dhan
- PSL(1A2)



Investment

- Small Savings
- Chit funds



Credit (Loans)

- MSME, Startup,
- SHG, Farmers,



Pension, Insurance

Page 235 onwards

17.3 FINANCIAL INCLUSION: CREDIT (LOANS: ऋण)

Self Study? Pillar#1A2: Monetary Policy → PSL. Pillar#1B1: Classification → microfinance

17.3.1 Credit Guarantee (ऋण अदायगी गारंटी)

- **Meaning?** if borrower defaults, then losses of banks/NBFCs will be covered by credit guarantor. So, Bank/NBFC can lend confidently without requiring borrower to pledge collaterals. Earlier DICGC used to give credit guarantee for PSL borrowers, but now this work is done by SIDBI + Govt.

Organization

SIDBI + Govt

Dept. of

Central M

Refinancing

Refinancing

17.3.2 Refinancing

- When an AIFI (or MUDRA) gives new finance to Banks/NBFCs based on the quantum of finance they (Bank/NBFC) have already given to end-borrowers.
- Usually works via the process of ~~securitization~~ of the previous loan papers. How it happens in real!

17.3.3 2006: Micro Finance

Definition

कुल बिक्री के

(services) क्षेत्र के

refinance

credit
guarantee

Note: This handout only deals with 'loan' component of MSME. For other MSME issues/challenges, refer Pillar4B → MSME

लेकिन सरकार पढ़ाकू बच्चों
पर ज्यादा GST लगाती है
इसलिए मैं रोज की पढ़ाई
रोज नहीं करता



What is MSME industry? Basically Aachar, Agarbatti & Almari type units

Individual firm

- e.g. Bicycle repair, Tuition class

Partnership firm

- e.g. restaurant

Limited Liability Partnership (LLP)

- e.g. Vajiram Coaching class

Company under Companies Act

- e.g. small sized food processing Co.

Original definition

How much ₹ have you invested in your business? अपने उद्योग में कितना निवेश किया?



If you're eligible → register with MSME ministry to avail scheme benefits

Investment in Plant / Machinery / Equipment (NOT more than ₹)

शुरूआत में इनकी व्याख्या इस पर निर्भर थी कि आपने अपने धंधे में निवेश कितना किया है

Original definitions under MSME Dev Act 2006

Manufacturing

Micro



- ₹ 25 Lakh

Small



- ₹ 5 cr

Medium



- ₹ 10 cr

Services Sector

- ₹ 10 Lakh



- ₹ 2 cr



- ₹ 5 cr



ATMANI → new common definition MSME in MFG and Service Sector

अभी इस व्याख्या को बदला गया

Micro



Small



Investment

AND

Turnover

- ≥ 1 cr
- and

- ≥ 5 cr



Medium



- ≥ 10 cr
- and



Medium

- ≥ 50 cr
- and



- ≥ 250 cr



More number of firms are covered
in Government schemes for MSME



MSME → Equity infusion via Fund of Funds

लघु उद्योग में शेयर खरीदे जाएंगे



Daughter funds (₹40kcr) from their pocket

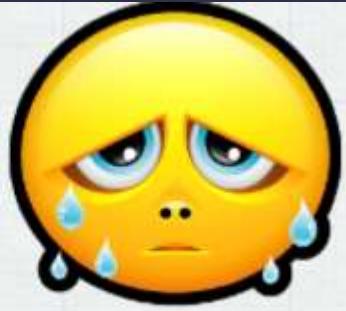


10k+40k=50k cr Equity in MSME

ATAMA-NIRBHAR → Loan→ MSME



Borrower



NPA-walla
MSME

अगर उसका पुराना लोन खाता पहले से ही
NPA में है

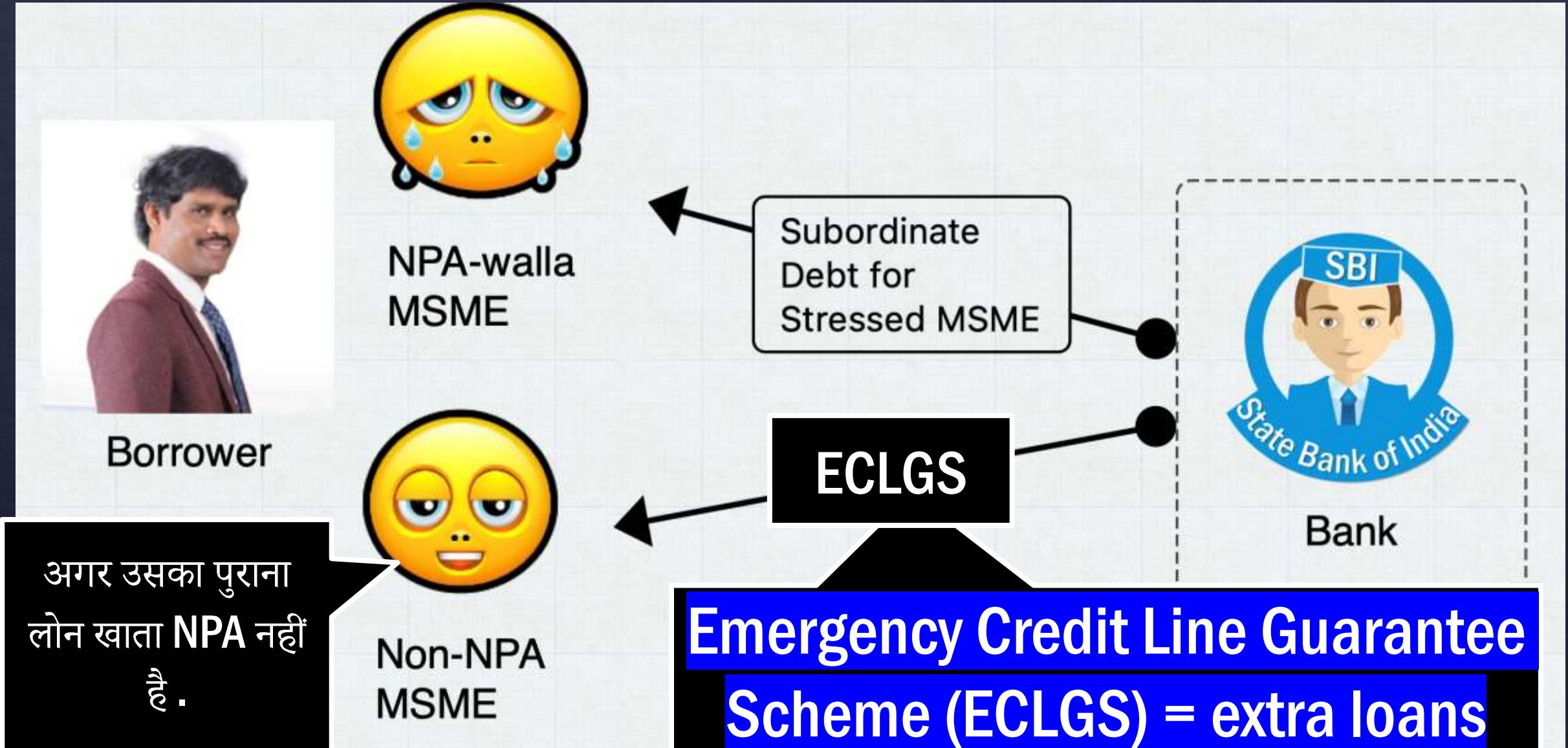
Subordinate
Debt for
Stressed MSME

तो उसको रहम खाकर थोड़ा और पैसा
लोन में दे देंगे ताकि वो अपना धंधा वापस
शुरू कर सके



Bank

ATAMA-NIRBHAR → Loan → MSME ko extra loans



ATAMA-NIRBHAR → Loan→ MSME



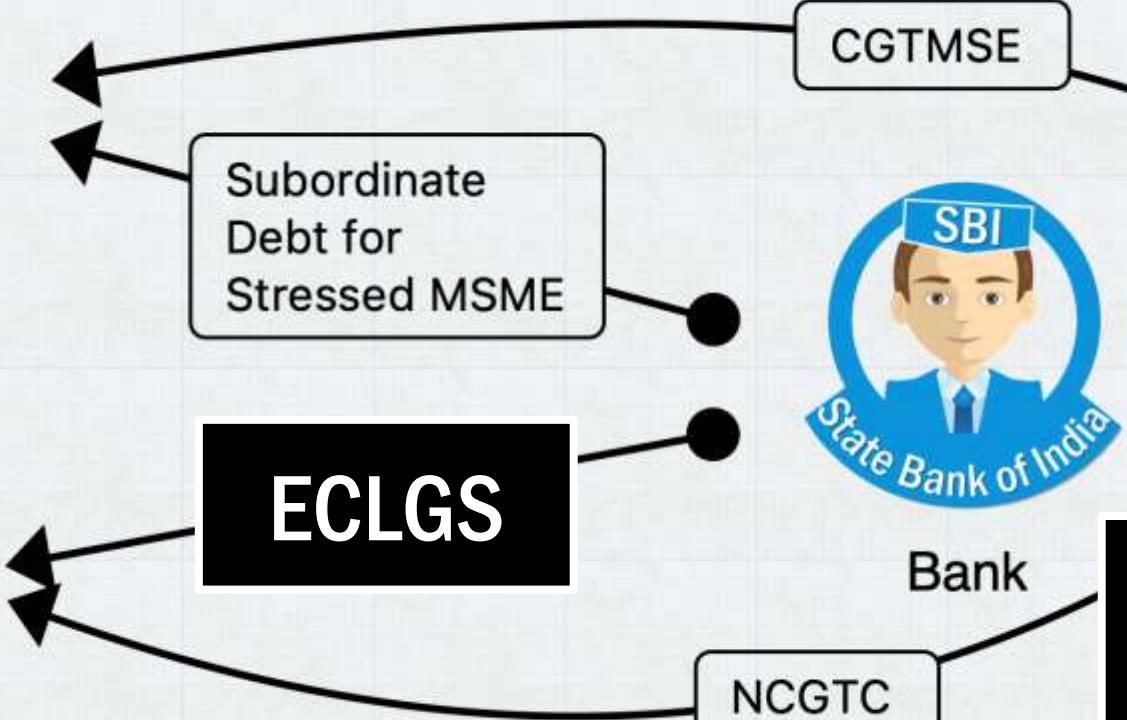
Borrower



NPA-walla
MSME



Non-NPA
MSME



Bank



Credit Gurantee

अगर वो लोन वापस नहीं
करे तो bank/NBFC
के नुकसान की भरपाई
हम करेंगे

1D3 → Financial inclusion | वित्तीय समोवेशन: 4 Pillars



Banking

- PM Jan Dhan
- PSL(1A2)



Investment

- Small Savings
- Chit funds



Credit (Loans)

- MSME → MUDRA pending
- Startup, SHG, Farmers,



Pension, Insurance

Audio/Video Problem?



CTRL R

Edu Doubt?
Ask through



Page 235 onwards

- 17.3.7 MSME → equity infusion Fund of Funds (एकाई का निधि)
⇒ Govt will set up a Fund of Funds with ₹10,000 crore.
⇒ This FoF will invest in daughter funds (who'll supply ₹40k cr from their funds). So, total 10k+40k=50k equity funding/infusion to MSME. (इविंटी के रूप में कंपनी में जान फूकना)

- 17.3.8 NBFC → Mudra (2015, 100% SIDBI subsidiary)



- Micro Units Development & Refinance Agency. (सूक्ष्म इकाई विकास एवं पूनः वित्तपोषण एजेंसी)
- **Objective?** provides indirect lending via SCB, RRB, Cooperatives, MFI & other NBFCs through refinancing.
- **Ownership?** It's wholly owned by SIDBI, and also receives the funding from PSL-shortfalls via RBI, and budgetary support via Department of Financial Services.
- **Beneficiary?** Micro Enterprises from Agri-allied sectors, mfg & service sector who are not registered under the companies act = Non-corporate type.

Table 4: Mudra-Products:

Pradhan Mantri MUDRA Yojana (PMMY)

- 1) Shishu : loans upto 50,000/-
- 2) Kishor : >50,000/- upto 5 lakh
- 3) Tarun : > 5 lakh and upto 10 lakhs

MUDRA Rupay Card

- ATM cum Debit Card issued against MUDRA loan account.
- For working capital component.
- Can be accessed in all modes like a routine debit card (ATM, MicroATM, PoS, Online)

- Mudra loans are collateral-free (जमानत से मुक्त). If borrower defaults on loan, then lender's losses are covered through Credit Guarantee Fund for Micro Units [CGFMU] which is operated by National Credit Guarantee Trustee Company Ltd. [NCGTC, 2016]- which is a private ltd company by Dept of Financial Services in Finance Ministry.
- **MUDRA Challenges?** (1) Loan Interests are high (2) Rising NPA/Bad loans.

Non-Banks: Why MUDRA? (Budget 2015)

क्योंकि सूक्ष्म उद्योगों का भारत के निर्यात और सामाजिक उत्थान में काफी अहम हिस्सा है



MSE:
>5.5 cr units

40% export
comes from
there

>60% owned
by backward
classes

Need loans
50k-10L

But only 4%
can access
bank/NBFC 😞

Micro Units Development & Refinance Agency Ltd. (MUDRA)

सूक्ष्म उद्योगों को कर्जा दिलाने के लिए बनाया गया गैर बैंकिंग वित्तीय संस्थान



Beginning: Indian Mudra not the 1st in world

- 1990s: Bangladesh already done
- 2015: India announced in Budget



Structure-

- HQ: Mumbai, NOT Bank.... **RBI** registered as **NBFC- ND**
- **100% subsidiary of SIDBI** (Rs. 750 cr)
- **RBI's order:** PSL shortfall → 20k Cr. Mudra refinance fund



Function- लघु उद्योगों को परोक्ष रूप से कर्ज देता है

- Micro enterprises → develop, Financial literacy, training
- Give last mile loans via SCB, RRB, Cooperatives, MFI etc.
- Direct lending nahi **INDIRECT Lending**.



मुद्रा संस्था
सूक्ष्म में उद्योगों को
परोक्ष रूप से
लोन दिलवाएगा



1. RBI: PSL-shortfall
2. SIDBI
3. Govt Budget

2) Indirect
lending

3) Loan

4) If Defaulted 😞



Micro Enterprises

 Mudra challenge:
bad loans are rising. (और वो
भी कोरोना से पहले से)



1. RBI: PSL-shortfall
2. SIDBI
3. Govt Budget

2) Indirect
lending

4) Will cover the
losses

3) Loan

4) If Defaulted 
दिवालियापन हुआ तो नुकसान की
भरपाई कौन करेगा



5) A company under
Dept of Financial Service

Micro Enterprise: तीन किसम के लोन दिए जाते हैं



To approach any of the following lending institutions in their region

Scheduled Commercial Banks (Public / Private)

Regional Rural Banks (RRBs)

Scheduled Urban Co-operative Banks/ State Co-operative Banks

Micro Financial Institutions viz., NBFCs, MFIs, Societies, Trusts, etc.

Shishu Loan

- Upto 50k

Kishor loan

- >50-5 L

Tarun loan

- >5-10L

Loan interest = lender decides (ब्याज दर अलग-अलग हो सकता है)

👉 Collateral? Not required (because NCGTC guarantee)



Atma Nirbhar

- **2% interest subvention on Shishu loans, for Prompt Payees.** जो शिशु लोन की किस्तें नियमीत रूप से चुका रहे हैं उनका 2% व्याज सरकार भरेगी
- **For 12 months.**





Capital

Debt

Equity

(loan, Bond-Debenture)

(share, Partnership)



Loan is given in bank account



To use this loan portion. Mudra
“DEBIT” card given By the bank

Paying for land, building, machinery – used for
more than 1 financial year

Payment for raw material, input etc.
Used for less than 1 Financial year

1) Fixed Capital (अचल/ स्थिर)

2) Working Capital (कार्यकारी)

Capital will be used for....

Debt

Equity

(loan, Bond-Debenture)

(share, Partnership)





Bank gives the card on the MUDRA loan account

Payment Gateway

Stand Up India Scheme, 2016

- ❖ Boss? FinMin's Dept of Financial Services
- ❖ Objective? Each SCB bank branch to give **Greenfield** Loans between **10 lakh and 1 Crore** to
 - ❖ at least **1 SC/ST** and
 - ❖ atleast **1 woman** entrepreneur
- ❖ tenure **upto 7 years.**
- ❖ Collateral? Bank **can ask collaterals.**
- ❖ If loan **without collaterals** → Credit Guarantee Fund for Standup India (CGFSI) operated by **NCGTC** will cover losses.



= starting new biz from ground ZERO



=expanding existing biz



Margin Money: Amount of money that businessman arranged from his own pocket remaining amount will be given as loan

इतनी रकम
उद्योगपति ने
अपनी जेब से
निकालनी होगी

बाकी की रकम
का बैंक से कर्जा
मिलेगा

Standup
India
**Margin
Money**

Bank
Loan



BEFORE

25%

75%

100% Biz
project cost

Margin Money: Amount of money that businessman arranged from his own pocket remaining amount will be given as loan

इतनी रकम
उद्योगपति ने
अपनी जेब से
निकालनी होगी

Standup
India

Margin
Money

बाकी की रकम
का बैंक से कर्जा
मिलेगा

Bank
Loan



BEFORE

25%

75%

100% Biz
project cost

AFTER

15%

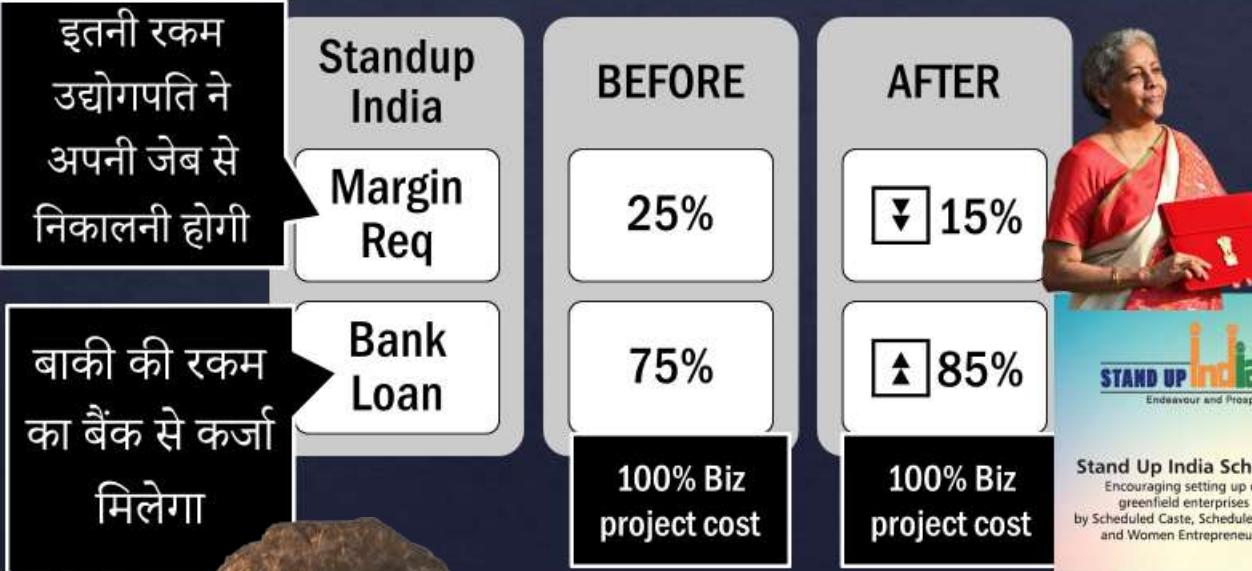
85%

100% Biz
project cost



Stand Up India Sch
Encouraging setting up of
greenfield enterprises
by Scheduled Caste, Scheduled
and Women Entrepreneurs.

Margin Money: Amount of money that businessman arranged from his own pocket remaining amount will be given as loan



Ans) That is correct but here government scheme is giving credit guarantee so government can mandate that “if banker wants credit guarantee in Standup India → this is the rule.”

यहां पर योजना में सरकार उस उद्योगपति के दिवालियेपन की गारंटी ले रही है इसलिए वह बोल सकती है एसा

Q) But margin requirement , down payment norms selective credit control = aren't these qualitative tools of RBI?

यह तो मौद्रिक नीति का साधन हुआ ना तो सरकार कैसे बोल सकती है रिजर्व बैंक ने बोलना चाहिए



No need for multiple visits to branch.

HOW IT HAPPENS IN 59 MINUTES



GST Identification Number



Income tax returns in XML format



Bank statement for last six months in pdf format



Director/Owners details: basic, personal, educational & ownership details



Inprinciple Approval in 59 minutes

Apply Now

Portal by SIDBI & big 5 PSBs- SBI, Bank of Baroda, PNB, Vijaya and Indian Bank. (no need to memorize all PSB names)

FinMin's Jan Samarth Portal (2022)

Apply for Loans



CROSSCHECK

- UIDAI-Aadhar number,
- income tax & GST paid
- UDYAM Number (MSME)
- CIBIL credit score



Faster loan processing

1D3 → Financial inclusion | वित्तीय समोवेशन: 4 Pillars

Banking

- PM Jan Dhan
- PSL(1A2)



Investment

- Small Savings
- Chit funds



Credit (Loans)

- MSME → MUDRA
- Startup, SHG,
- Street Vendor, Farmers



Pension, Insurance



Audio/Video
Problem?



CTRL R

Edu Doubt?
Ask through



Page 235 onwards

न्याय सवा विभाग

- **Boss?** FinMin's Dept of Financial Services
- **Objective?** Each SCB bank branch to give Greenfield Loans between 10 lakh and 1 Crore to at least 1 SC/ST and atleast 1 Woman entrepreneur with tenure upto 7 years.
- **Collateral?** Bank can ask collaterals. If loan without collaterals, then Credit Guarantee Fund for Standup India (CGFSI) operated by NCGTC.
- **(Full) Budget-2019:** this scheme extended till 31/3/2025.

17.3.12 Self-help group (स्व-सहायता समूह) → Credit



- is an informal group of 10-20 local people to combine their savings/ resources, engage in biz activity like weaving, agarbatti etc
- and not registered in as a firm / company under partnership act or companies act etc.
- Self-help groups are formed under the government schemes like National rural livelihood mission (NRLM). More in Pillar#6]
- **(Full) Budget-2019:**
 - o 1 woman in each self-help group (SHG) will be made eligible for ₹ 1 lakh loan under **Mudra** scheme.
 - o Every verified woman SHG member with a PM Jan Dhan account eligible for overdraft of ₹ 5,000.
- **ATMANI**→ **PM GaribKalyan** → Women Self Help Groups (SHGs) to be given ₹20 lakh collateral free loans. Further,
 - o Government will procure masks and sanitizers prepared by SHG = ₹₹ income for poor families.
 - o These SHG are given additional 10-15k rupees as Revolving funds (RF: परिक्रमण निधि), if they're holding - regular meetings, regular savings, and maintenance of proper books of accounts etc. ATMANI= RF fund disbursal will be done through PAISA webportal.]

What is Self-help group (SHG: स्व-सहायता समूह)

- ❖ informal group of 10-20 local people to combine their savings/ resources, स्थानीय लोगों का एक अनौपचारिक समूह जो अपनी बचत और संसाधन साझा करके कोई धंधा शुरू करें
- ❖ biz activity like weaving, agarbatti etc and
- ❖ not registered in as a firm / company etc. लेकिन कंपनी के रूप में पंजीकरण ना करें
- ❖ They are formed under the govt schemes like National rural livelihood mission (NRLM), NULM etc. [More in Pillar#6] अलग-अलग सरकारी योजनाओं में उन्हें तालीम और सस्ती ब्याज पर कर्जा दिया जाता है



कुल मिलाकर गरीब को तालीम देंगे और लोन में कुछ पैसा देंगे ताकि वो स्वरोजगार कर सके

गांव के गरीबों के लिए यह सब करेंगे

More in pillar 6 Poverty Removal

National Rural Livelihoods Mission

Ministry of Rural Development

- Bring min.1 woman from each poor household to Self Help Group → give them training and loans
- Give training to rural men. So, they can do
 - 1) self employment or
 - 2) skilled wage employment



Budget-2019 on MUDRA Scheme

◆ 1 woman in each self-help group (SHG) will be made eligible for

◆ ₹ 1 lakh loan under Mudra scheme.

◆ Every woman in a self-help group (SHG) eligible for

◆ overdraft in PM Jan Dhan

 Don't lose sleep.

One lines for Mains- ke
Government helps SHG like this



इन महिलाओं को मुद्रा योजना में लोन और जनधन में ओवर ड्राफ्ट



2020-Corona → ATMA NIRBHAR → SHG

- ◆ ₹20 lakh collateral free loans.
(interest/tenure=NOT Mentioned. So
don't loose sleep.)
- ◆ Government will procure masks and
sanitizers prepared by SHG = ₹₹
income for poor families.



1D3 → Financial inclusion | वित्तीय समोवेशन: 4 Pillars

Banking

- PM Jan Dhan
- PSL(1A2)



Investment

- Small Savings
- Chit funds



Credit (Loans)

- MSME → MUDRA
- Startup, SHG,
- Street Vendor, Farmers



Pension, Insurance



Audio/Video
Problem?



CTRL R

Edu Doubt?
Ask through



Page 235 onwards



- ⇒ Boss? Ministry of Housing and Urban Affairs
- ⇒ Pradhan Mantri Street Vendor's AtmaNirbhar Nidhi Scheme (PM SVANidhi)
- ⇒ Street Vendors (सड़क विक्रेता/फेरीवाला) will be given ₹10,000 loan via banks, NBFCs, Micro Finance institutions
- ⇒ Loan Tenure: 1 year. Repayment to be done on a monthly basis.
- ⇒ Loan Interest? Not explicitly mentioned but if the vendor repays loan on a timely fashion → government will give 7% interest subsidy in his bank account. (फेरीवाला ने रुण अदायगी नियमित रूप से की तो ब्याज में सरकार राहत देगी)
- ⇒ Scheme Valid till: 2022-March.

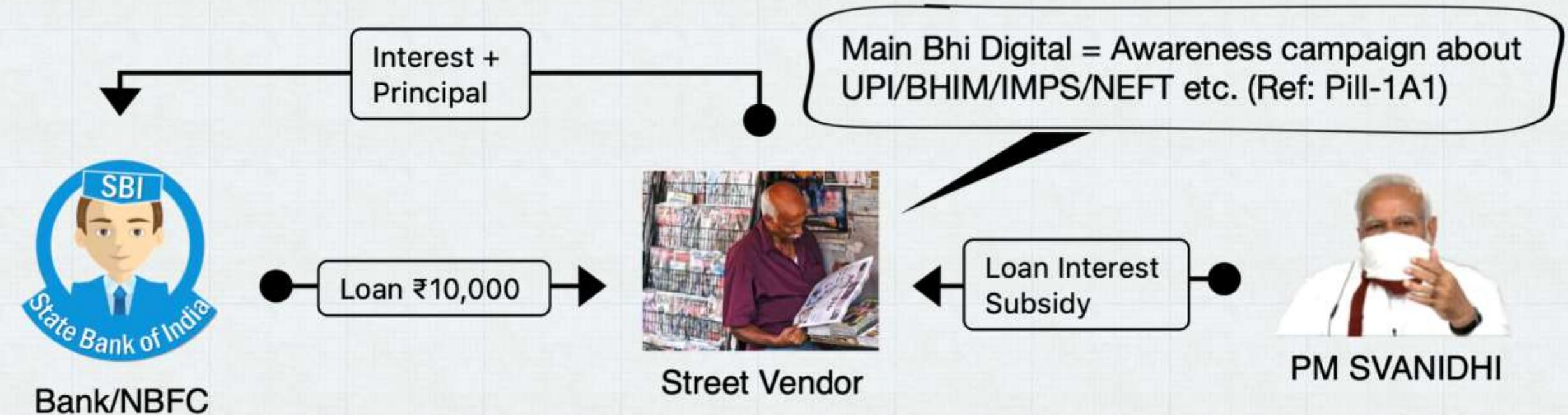
17.3.14 Kisan Credit Card (1998)



- 1998: Launched by RBI +NABARD.
- Farmer gets credit card from PSB, RRB, State Cooperative Banks.
- Can swipe it to buy farm inputs (seeds, fertilizers, pesticides etc.)
- Can withdraw cash (as loan).
- Money to be repaid with interest. Accidental insurance also given.
- **Budget-2018:** Kisan Credit Card (KCC) extended to Animal Husbandry and Fisheries farmers. Interim-Budget-2019: they (animal/fisheries-walla) too will get the interest subvention
- **Interim-Budget-2019:** comprehensive drive with a simplified application form to get all farmers under KCC cards.

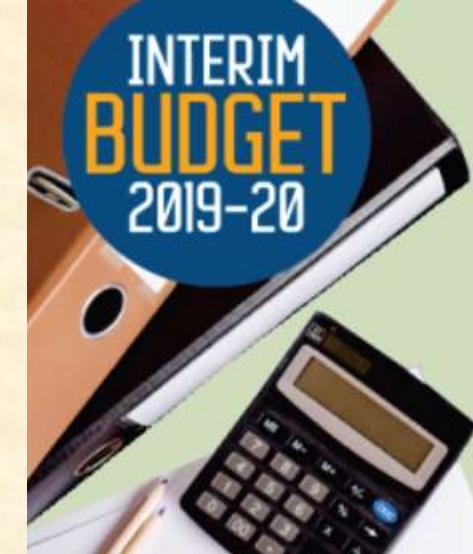
Street vendors's AtmaNirbhar Nidhi Scheme (SVANidhi)

सड़क-विक्रेता/फेरीवाला 10000 का लोन 1 साल के लिए दिया जाएगा



More details refer to Handout

Interest subvention: GST-registered MSME industry



Loan upto 1 crore	Interest 'X'%
Government pays →	2%
Entrepreneur pays →	X-2%



1 crore तक के लोन में 2%
का ब्याज सरकार देगी



Cumulative loans also eligible e.g. today borrow 50 lakh after 3 months
borrowed 40 lakhs...eligible as long as cumulative 1 cr target not crossed.

1D3 → Financial inclusion | वित्तीय समोवेशन: 4 Pillars



Banking

- PM Jan Dhan
- PSL(1A2)

Audio/Video Problem?

CTRL R

**Edu Doubt?
Ask through**

Google Forms



Investment

- Small Savings
- Chit funds



Credit (Loans)

MSME → MUDRA
Startup, SHG,
Street Vendor, Farmers



Pension, Insurance



- ⇒ Boss? Ministry of Housing and Urban Affairs
- ⇒ Pradhan Mantri Street Vendor's AtmaNirbhar Nidhi Scheme (PM SVANidhi)
- ⇒ Street Vendors (सड़क विक्रेता/फेरीवाला) will be given ₹10,000 loan via banks, NBFCs, Micro Finance institutions
- ⇒ Loan Tenure: 1 year. Repayment to be done on a monthly basis.
- ⇒ Loan Interest? Not explicitly mentioned but if the vendor repays loan on a timely fashion → government will give 7% interest subsidy in his bank account. (फेरीवाला ने रुण अदायगी नियमित रूप से की तो ब्याज में सरकार राहत देगी)
- ⇒ Scheme Valid till: 2022-March.



→ Launched by RBI +NABARD.
→ A credit card from PSB, RRB, State Cooperative Banks.
→ To buy farm inputs (seeds, fertilizers, pesticides etc.)
→ Can be used as loan.
→ Can be used with interest. Accidental insurance also given.
→ Kisan Credit Card (KCC) extended to Animal Husbandry and Fisheries
→ Budget-2019: they (animal/fisheries-walla) too will get the interest

Budget-2019: comprehensive drive with a simplified application form to get KCC cards.

Crop Loans upto ₹3 lakh rupees available @~9%

किसान को फसल के लिए ब्याज

Crop Loan Interest

Government pays for all
farmers सरकारी ब्याज चुकायेगी

If farmer pays regularly, then
Government pays extra

Effective Interest on Farmer

9%

-2%

-3%

9-2-3=
4% 



भारतीय स्टेट बैंक
State Bank of India
हर भारतीय का बैंक
THE BANKER TO EVERY INDIAN



FinMin → Dept
of Fin Services

 YES YES YES

मेरे को सस्ती ब्याज दर पर
कृषि लोन मिल गया



Loan Interest Subsidy vs subvention difference? NOT IMP.

आपस में दोनों शब्दों में क्या भेद है वह जानना हमारे लिए जरूरी नहीं



i) Wants 9%

ii) Pays 4%

iii) Pays 5%



Interest Subvention:
सरकार सीधा बैंक को देती है



बैंक को किसान से 9%
ब्याज लेना है
सरकार सीधा ही 5% अपनी
जेब से बैंक को दे
तो हम शब्द प्रयोग करते हैं

Interest Subvention

Subsidy vs subvention difference? =NOT IMP. ✋

आपस में दोनों शब्दों में क्या भेद है वह जानना हमारे लिए जरूरी नहीं

बैंक को फेरीवाले से 7.25%

ब्याज लेना है

सरकार बैंक को सीधा ब्याज

चुकाने की जगह फेरीवाले के

बैंक खाते में राशि जमा करें

तो हम शब्द प्रयोग करते हैं

Interest Subsidy



1) Wants 7.25%



2) Pays 7.25%



3) Will deposit 7% in your account afterwards, so effectively you paid
 $7.25\%-7\% = 0.25\% \text{ only}$

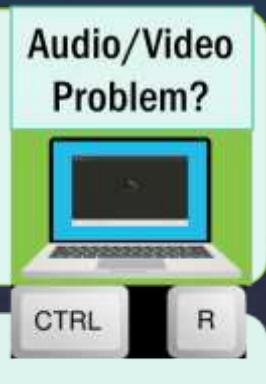
Interest Subsidy

1D3 → Financial inclusion | वित्तीय समोवेशन: 4 Pillars



Banking

- PM Jan Dhan
- PSL(1A2)



Edu Doubt?
Ask through
Google Forms



Investment

- Small Savings
- Chit funds



Credit (Loans)

MSME → MUDRA
Startup, SHG,
Street Vendor, Farmers



Interest Subvention



Kisan Credit Card



Farm Loan Waiver



- ⇒ Boss? Ministry of Housing and Urban Affairs
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- ⇒ Loan Tenure: 1 year. Repayment to be done on a monthly basis.
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Kisan Credit Card (1998)



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→ Kisan Credit Card (KCC) extended to Animal Husbandry and Fisheries
→ Budget-2019: they (animal/fisheries-walla) too will get the interest

Budget-2019: comprehensive drive with a simplified application form to get KCC cards.



Pension, Insurance

Kisan Credit Card (1998)

- ◆ 1998: Launched by RBI +NABARD.
- ◆ Farmer gets credit card from PSB, RRB, State Cooperative Banks. अलग-अलग बैंकों से यह क्रेडिट कार्ड ले सकता है किसान
- ◆ Can swipe it to buy farm inputs from market (seeds, fertilizers, pesticides etc.)
- ◆ Can withdraw cash from ATM (as loan).
- ◆ Money to be repaid with interest. ब्याज के साथ रकम वापस करनी होगी
- ◆ Accidental insurance also given. ** दुर्घटना बीमा भी मिलता है



Budget 2018: KCC available even for Animal Husbandry and Fisheries farmer

Kisan Credit Card can be used for ?

किसान क्रेडिट कार्ड की मदद से हम क्या-क्या खरीदारी कर सकते हैं?

- ◆ Investment credit requirement for agriculture (कृषि उत्पादन में होने वाले खर्च)
- ◆ Working capital for maintenance of farm assets (मशीन मरम्मत के खर्च)
- ◆ Post-harvest expenses, (फसल काटने के बाद होने वाले खर्च)
- ◆ Consumption requirements of farmer household; (घर के खर्चे)
- ◆ Can withdraw cash (as loan).



Agri Inputs → Finance / Credit:

RBI's priority sector lending norms for agriculture

Ref: Pill#1A2:
Monetary policy handout

Nationalisation of banks after the Independence. Setting up of differential banks (RRB, LAB, SFB). Etc

Ref: Pill#1B1:
Bank classification handout

Kisan credit card scheme & interest subvention scheme

Ref: Pill#1D:
Financial inclusion handout



यह सब हम लोग पढ़ चुके हैं

1D3 → Financial inclusion | वित्तीय समोवेशन: 4 Pillars

Banking

- PM Jan Dhan
- PSL(1A2)



Investment

- Small Savings
- Chit funds



Credit (Loans)

- MSME → MUDRA
- Startup, SHG,
- Street Vendor, Farmers



Pension, Insurance



Page 235 onwards

• Should we waive farm loans?

• किसान आत्महत्या कर रहे हैं
• क्या उनका कर्ज माफ करना चाहिए कि नहीं??

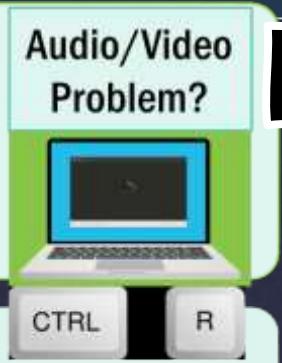
• Shifted this to Mains

1D3 → Financial inclusion | वित्तीय समोवेशन: 4 Pillars



Banking

- PM Jan Dhan
- PSL(1A2)



CTRL R

Edu Doubt?
Ask through

Google
Forms



Investment

- Small Savings
- Chit funds



Credit (Loans)

- MSME → MUDRA
- Startup, SHG,
- Street Vendor, Farmers

Micro

Pension, Insurance



Page 235 onwards

- ⇒ Suspension/Moratorium on the farm loans for "X" months from March 2020. Originally X=3 months..... (कृषि-अदायगी स्थगित की गई)
- ⇒ Cheap loans via Kisan Credit Card will be given to PM KISAN beneficiaries, Fishermen and Animal Husbandry farmers. (रियायती ब्याज दर पे कृषि-ऋण देंगे)
- ⇒ NABARD to give additional refinance to Regional Rural Banks and Cooperative banks and. (क्षेत्रीय बैंक और सहकारी बैंकों को पहले से अधिक पुनरबित्त दिया जाएगा)
- ⇒ (More AGRO SCHEMES in in Pillar#4A-Agri Schemes)

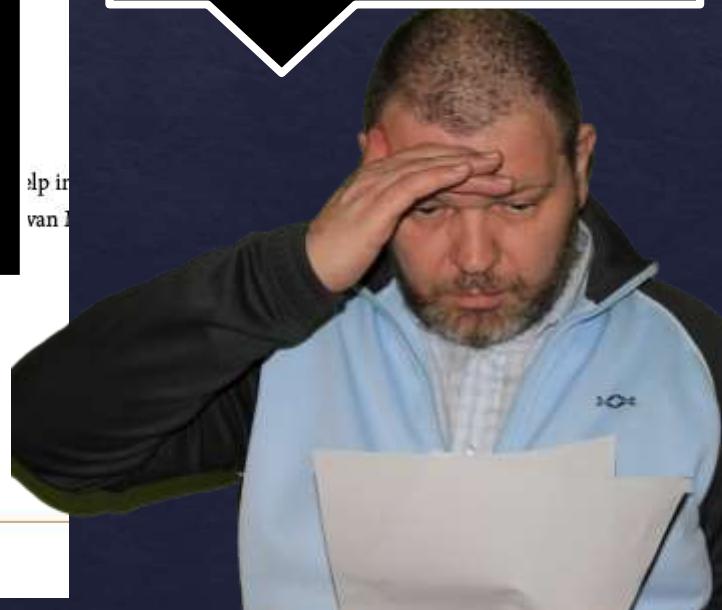
18.15 FINANCIAL INCLUSION: INSURANCE & PENSION

- Various schemes are given in previous sections: But just to quickly recall the notable terms: Insurance, Pension, etc.

ANS) मैं DAY#1 से बोल रहा था कि
रोज़ की पढ़ाई रोज़ करो! लेकिन गरीब
की बात कोई सुनने वाला नहीं.



Q) मैं रोज़ की पढ़ाई
नियमित नहीं करता अब
इतना सारा 200 pages
हो गए, मैं कैसे खत्म
पाऊंगा? 😢 😢



Micro Insurance (सूक्ष्म बीमा)

- ◆ Insurance policy may be Life / General Insurance
- ◆ BUT with a very low premium.
- ◆ AND small sum insured (upto ₹50k) &
- ◆ target audience= poor / villagers / farmer It may be an individual / group based insurance.
- ◆ Intermediaries such as NGO, SHG, MFI help in selling such policy.
- ◆ Policy/ Contracts are given in local language.
- ◆ e.g. LIC's Jeevan Madhur and Jeevan Mangal

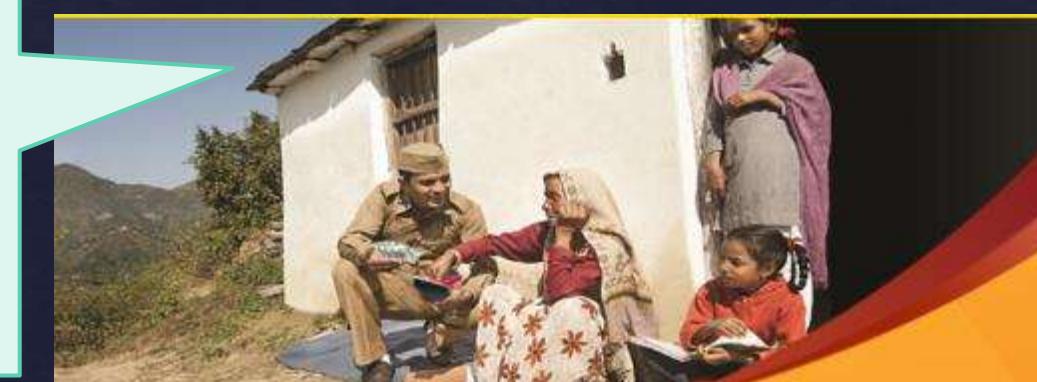
हमारी मुर्गियों और बकरियों के लिए कोई बीमा योजना है छोटी वाली ?



Ministry of Communications → Sampoorna Bima Gram Yojana (2017)

- ◆ 2017: Ministry of Communications
- ◆ In every district, atleast 1 village identified. हर जिले में एक गांव पसंद किया जाएगा
- ◆ cover all households with a minimum of one RPLI (Rural Postal Life Insurance) policy in that village. हर परिवार को कम से कम एक डाक जीवन बीमापॉलिसी बेचनी है।

हर परिवार को कम से कम एक डाक जीवन बीमापॉलिसी बेचनी है।



Ministry of Communications → Five Star Village scheme (2020)

◆ Post offices will spread more awareness, enrol more villagers in the following schemes:

Small saving schemes such as

- Post office Savings Bank accounts, National small savings certificate Kisan Vikas Patra, Sukanya Samridhi Accounts, public provident fund (PPF) Accounts

Insurance schemes such as

- Rural Postal Life Insurance Policy, Pradhan Mantri Suraksha Bima Yojana Account, Pradhan Mantri Jeevan Jyoti Bima Yojana Account.



लघु बचत योजना और
विविध सरकारी बीमा
योजनाओं में ज्यादा से
ज्यादा गांव वालों को जागृति
फैलाकर ग्राहक बनाया जाए



डाक जीवन बीमा
Postal Life Insurance





Model Insurance Villages (MIV) proposal by IRDAI (2021)

- ◆ To give complete insurance coverage to a village
- ◆ Funding/Subsidy by Union, State, Companies CSR Funds, NABARD & other AIFIs.
- ◆ (ऐसी बीमा पॉलिसी खरीदने के लिए सरकार तथा अन्य संस्थानों द्वारा गांव वालों को सब्सिडी/रियायत दी जाए)

गाँववालों के लिए में सभी प्रकार के जीवन बीमा, सामान्य बीमा पॉलिसी उपलब्ध हो, ताकि वह एक **आदर्श बीमा ग्राम** बन जाए।

Model Village = a village covered with all types of insurance

people's life insurance,

health insurance,

farm/crop insurance,

animal (livestock) insurance,

tractor/vehicle insurance etc

MSME biz insurance

नौकरी का कागज नहीं
है इनके पास

Employment: more in pillar 4C



Informal worker (अयथाविधि कर्मी): doesn't have any written contract with employer. SO

- EPFO/ESIC = not applicable
- But he can join Atal Pension, Maan Dhan etc. from his own money

नौकरी का कागज नहीं
है इनके पास

Employment: more in pillar 4C



Informal worker (अयथाविधि कर्मी): doesn't have any written contract with employer. So

-  EPFO/ESIC = not applicable
- But he can join Atal Pension, Maan Dhan etc. from his own money



Gig worker/ PLATFORM WORKER: has written contract but he's usually designated as 'independent contractor'
=NOT employee so,

-  EPFO/ESIC = not applicable
- But he can join Atal Pension, Maan Dhan etc. from his own money

कागज कहता है कि
“वह कर्मचारी नहीं है”

Gig Workers' social security code (गिंग कर्मी की सामाजिक सुरक्षा संहिता)

◆ 2019: Labour Ministry's Social Security Code .

◆ for all **informal & gig workers**



Benefits

insurance

pension,

maternity
benefit

scholarship
for children
etc.



हम इस चीज़ को लागू करवाएंगे

Budget-2021



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your
Sm Sa



1D3 → Financial inclusion | वित्तीय समोवेशन: 4 Pillars



Banking



Investment



Credit (Loans)



Pension, Insurance



Complaints?



Reports?

Audio/Video
Problem?

CTRL R

Edu Doubt?
Ask through
Google
Forms

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17.5 लोगों के लिए FINANCIAL INCLUSION: CUSTOMER PROTECTION

Bank/NBFC (under RBI)	Finances (SEBI)	Insurance (IRDAI)	Pension
Ombudsman: Bank, NBFC, Digital Transaction (given below)	SCORES Portal→ SEBI→SAT	Insurance Ombudsman via IRDAI Act '1999, hears matters upto ₹30 lakhs. If higher claim then consumer courts / other courts.	- NPS: NSDL→ PFRDA. - If EPFO- then its internal machinery

17.5.1 RBI's 3 Ombudsman (ओमबैड्समेन/ शिकायत निवारण अधिकारी)

	Banking Ombudsman	NBFC Ombudsman	Digital Transactions Ombudsman
When	1995	2018	2019
RBI designates a senior RBI official under	Banking Regulation Act, 1949	powers to regulate NBFCs under RBI Act, 1934	Payment and Settlement Systems Act, 2007

Because if poor person defrauded & not given justice, he will lose faith in financial intermediaries (Bank,NBFC) → financial inclusion motive is hurt.

Financial Inclusion: Customer Protection ग्राहक सुरक्षा, शिकायत निवारण

Bank/NBFC (under RBI)	Shares (SEBI)	Insurance (IRDAI)	Pension
Ombudsman: 1. Bank 2 NBFC, 3. Digital Transactions	SCORE Portal → SEBI → SAT	Insurance Ombudsman → IRDAI → SAT	- NPS: NSDL → PFRDA → SAT - If EPFO- then its internal machinery

↑
2021: Proposed merger

In some cases you can also approach the consumer courts.. Pillar#4B

1D3 → Financial inclusion | वित्तीय समोवेशन: 4 Pillars



Banking



Investment



Credit (Loans)



Pension, Insurance



Complaints?



Reports?



Page 235 onwards

- Annual report started in 2007, to measure financial inclusion levels, this report is prepared by The Economist Magazine's Economist Intelligence Unit, Accion global NGO

- Any real progress? How to measure it? इतना सब करने के बाद कोई प्रगति हुई की नहीं
- Answer = reports and indices
- मुख्य परीक्षा में बोलबच्चन के लिए कुछ आंकड़े अवलोकन इस्तेमाल कर सकते हैं बाकी बहुत नींद खोने की जरूरत नहीं
- Refer to Handout.