

Financial Inclusion

By

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Financial Inclusion

Concept: The Financial and other institution did a very appreciating growth in last 30 years. The reach of the institution are growing very rapidly. But a segment of people are still untouched with the available day to day and other financial services. It creates a need of inclusion in financial services.

Financial Inclusion

- Financial inclusion is an effort to connect the low income group people with available financial services. The cost of services should be very low or nominal. The banks and other financial institution should create a positive environment for excluded group of people.

Financial Inclusion

- In other word it is a planed activity to include the poor or weaker section of the society with financial services.
- To inspire and aware the low income group to know the available financial schemes.
- It is also known as inclusive finance.

Financial Inclusion

Key Points

- Financial services should be available for all section of the society specially weaker section.
- The charges received for services should be affordable for weaker section of the society.
- The digitalization is also a important step in promotion of financial inclusion.

Financial Inclusion

Some Facts

- Firstly discussed in the UNO meeting year 2003. Kofi Anan was the General Secretary of UNO. He discussed to provide the minimum financial services to the weaker section.
- To search the Possibilities of Financial inclusion in India.
- Reserve Bank of India framed Khan Commission in the year 2004.

Financial Inclusion

Some Facts

- Y.Venugopal Reddy, the then governor, Reserve Bank of India Presented Annual Policy Statement of 2005.
- In this policy statement RBI introduce financial Inclusion.
- RBI issued necessary guidelines to all commercial bank.
- Some commercial banks initiate financial inclusion before the guidelines of RBI.

Financial Inclusion

- **Speedy dispersal** the services among weaker section the commercial bank involve the followings as per guidelines of RBI.
- **Self Help Groups**
- **Non Government Organization.**
- **Micro Financial Institution.**
- **Cooperative Societies**

Government Schemes

PMJDY : Pradhan Mantri Jan Dhan Yojana

- A big step taken by Government of India in the year 2014.
- Plan implemented in two phases. First phase meet its end 2015 and second 2018.
- First Phase was to Provide the People a universal access of banking services.

Government Schemes

- In this phase people got a facility of Basic banking services like Saving Accounts, Rupay debit card and also got one lakhs accidental insurance.
- In next phase banks extended overdraft facilities of up to Rs 5,000 to account holders.
- Credit Guarantee Fund for coverage of defaults in overdraft accounts.

Government Schemes

- More than 59% of accounts open in rural areas branch as per RBI.
- 32.8 Cror Accounts has been functional at the year ended 2018.
- The account are uses for Direct Benefit Transfer.

Government Schemes

Ayushman Bharat/Priminister Jan Aarogay Yojana (PMJAY)

- Government of India launch this health care insurance scheme in the year 2018.
- The main purpose of this scheme is to help economically vulnerable indians.
- 50 cror People of India covered under this scheme.

Government Schemes

- The government issued more than 10 crore e-cards.
- the scheme provide a cover of Rs. 500000 to a family.
- It covers 8 crore families in rural areas 2.33 crore family of urban of low income group.
- It have some other features for rural areas.

Sukanya Samriddhi Yojna (SSY)

- Government of India declare a small deposit scheme Sukanya Samriddhi Yojana. The scheme specially for a girl child.. The scheme is meant to meet the education and marriage expenses of a girl child. Scheme is popular due to tax benefits. It gives a option of investment to low income group.

Pradhan Mantri Kisan Pension Yojna (PMKPY)

Government of India declare Kisan pension Yojana. The scheme design to fulfill the old age financial need of Small farmers. The farmers have up to two hectare land and a age between 18 to 40 years are covered under this scheme. Every farmer will deposit Rs.55 to 200 per month attainment of age 60.on the maturity of scheme individual will entitled to get a pension of Rs.3000 per month.

RBI Initiatives

- Basic Saving Deposit Account (BSDA)
- Overdraft facility to saving bank holders.
- Banking Correspondent Model
- Green Card/Kishan Credit Card
- Extension of rural branch
- Relaxed ATM rules.
- Relaxed the KYC Norms.
- Introducing technology products and services

RBI Initiatives

- Permitted to RRBs' and other local banks to sell Financial Products.
- Start Financial Literacy Program for awareness.
- Made some of Special Funds for inclusion.
- Identification of areas for financial inclusion across various States/Union Territories.
- New rules for Licensing of New Banks
- Adopt mobile banking which was very successful in other countries.

Financial Inclusion

Thank you