



Financial Inclusion Schemes In India: An Overview

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Abstract;

Financial system plays an important role in the economic development of the country, it encourages both savings and investment, it helps in mobilizing and allocating one's savings it facilitates the expansion of financial intuitions and markets .This paper presents the Schemes launched under the Financial Inclusion in India, an overview on progress and achievement of Pradhan Mantri Jan Dhan Yojana scheme to reach the target people, the relavant data is collected for this study from various articles and financial reports.

KEY Words: Financial Inclusion, Economic Development.

Introduction:

Financial inclusion is one of the most important aspects in the present situation for inclusive growth and development of the Nation. According to Committee on Financial Inclusion headed by Dr. c. Rangarajan (2008) defined Financial Inclusion as “The process of ensuring access to financial services and timely and adequate credit where needy by vulnerable groups such as weaker section sections and low-income groups at an affordable cost.” The following schemes are launched under Financial Inclusion in India.

1. Pradhan Mantri Jan Dhan Yojana (PMJDY).
2. Pradhan mMantri Jeevan Jyothi Beema Yojana (PMJJBY).
3. Atal Pension Yojana(yojana).
4. Pradhan Mantri Mudra Yojana.
5. Standup India Schme.

Objective of the Study

- 1) To understand the financial inclusion and its importance.
- 2) To analyze the growth and achievements of Pradhan Mantri Jan Dhan Yojana (PMJDY) Scheme towards reaching out to the unbanked people.

Pradhan Mantri Jan Dhan Yojana (PMJDY)

Prime minister of India announced Pradhana Mantri Jan Dhan Yojana as the National mission on Financial inclusion on August 15, 2014, to provide Universal banking services for unbanked households, based on the guiding principles of banking the unbanked, securing the unsecured, funding the unfunded and serving un served and underserved areas.

Eligibility criteria for individuals to open a PMJDY account

1. He /She must be citizen of India.
2. He /She should be at least 10 years of age.
3. He /She should not have a bank account.

Benefits of PMJD;

- I. There is no requirement of minimum balance.
- II. Rupay Debit card is provided to PMJDY account holder.
- III. Interest is paid on savings.
- IV. Accident insurance benefit is cover up to Rs.1.lakh is available with Rupay card issued to the account holder, now insurance coverage amount is enhanced to Rs. 2lakhs to new account holder opened after 2018.
- V. An over draft (OD) facility is available up to Rs.10,000 to eligible account holders.
- VI. One saving bank account is opened for unbanked people.

Table-1, Shows the Progress of Pradhan Mantri Jan Dhan Yojana (PMJDY) Scheme

| S. No | Category | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2023 |
|-------|---|--------|--------|--------|--------|--------|----------|------------|
| 1 | No of accounts (in crore) | 14.72 | 21.43 | 28.17 | 31.44 | 35.27 | 38.33 | 48.14 |
| 2 | Deposits in accounts (in crore) | 15,670 | 35,672 | 62,972 | 78,494 | 96,107 | 1,18,434 | 189,111.76 |
| 3 | Average Deposits per account (in Rs) | 1,065 | 1,665 | 2,235 | 2,497 | 2,725 | 3,090 | 3,928 |
| 4 | No of Ru pay cards issued to account holders (in crore) | 13.14 | 17.75 | 21.99 | 23.65 | 27.91 | 29.30 | 32.64 |

Source:- Dept of Financial Services ,Ministry of Finance, Govt of India.

Fig -1

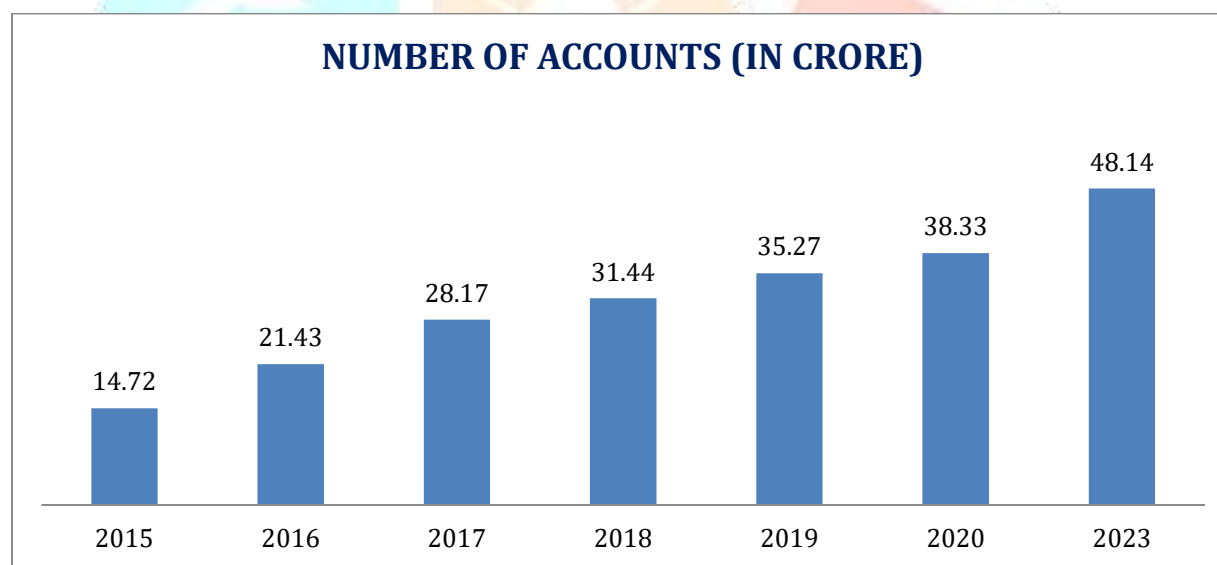
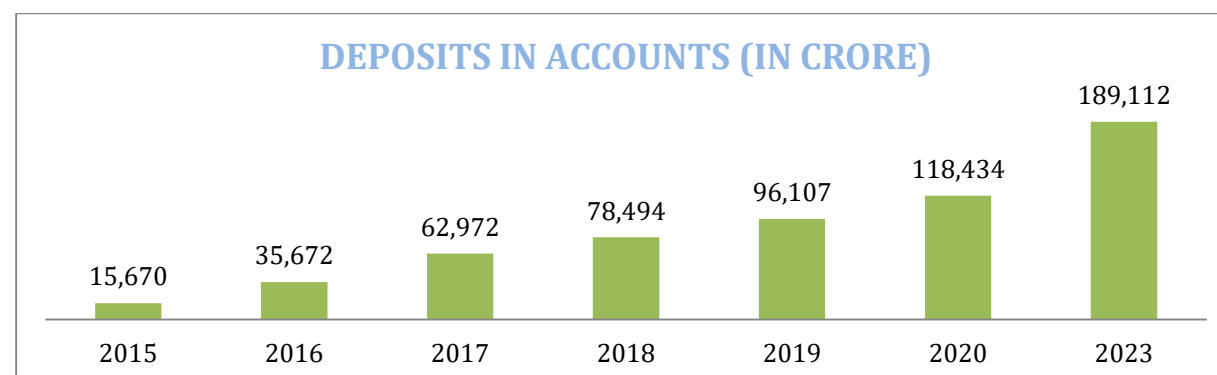


Fig -2



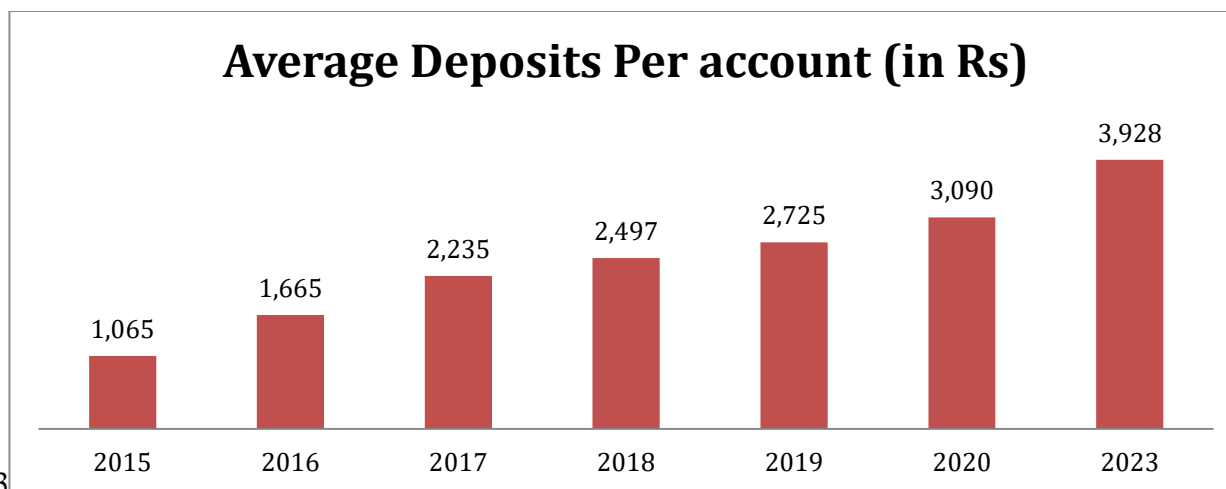


Fig-3

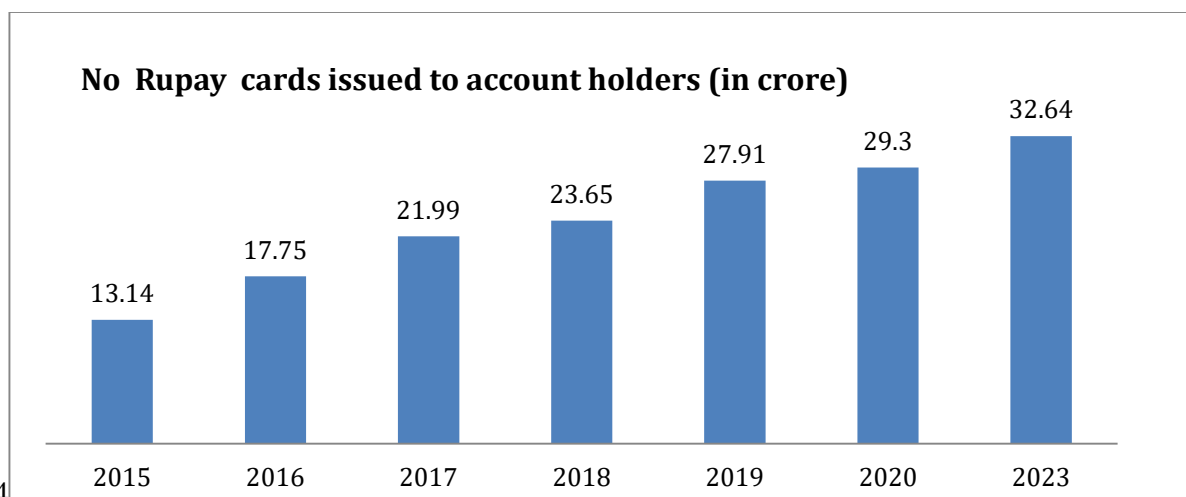


Fig-4

Table no 1. Reveals that continues progress has been observed and PMJDY over the years. The number of PMJDY accounts has increased from 14.72crore in 2015 to 42.20crore in 2023, the percentage of increment is 34.88 percent, an average deposit per account is Rs.1065 in 2015 and has grown to Rs.3,928 in 2023, the percentage of increment is 27.11 percent, issue of Rupay debit cards has grown from 13.14crore in 2015 to 32.64crore in 2023, the percentage of increment is 40.25percentage. After 2018 the focus on opening of accounts shifted from “every household” to “every unbanked adult” and made attractive modifications, like age limit for overdraft facilities revised from 18-60yrs to 18-65yrs and existing overdraft limit increased from Rs.5000-10,000 to encourage people.

Summary:-

India is a developing country, the banks plays an important role to provide financial services to the weaker section peoples and in under developed areas. Financial access can really boost the financial conditions and standards of living in poor and neglected population of the country .The financial inclusion schemes was launched by the government of India, to easy access of financial support with affordable cost for target population. The Pradhan Mantri Jan Dhan Yojana scheme is fulfilling the gap between the financial institutions and people.

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