

Key Government Initiatives on Financial Inclusion & e-Governance

Vakrangee Limited – At the forefront to Leverage the Strategic Growth Opportunity

In his maiden Independence Day speech delivered on 15th August, 2014, from the Red Fort, New Delhi, Honorable Prime Minister Mr. Narendra Modi disclosed his strategic priorities to put India in new growth orbit. Some of these priorities are the 'Pradhan Mantri Jan Dhan Yojana' (A holistic financial inclusion scheme) as well as "Digital India" for better e-Governance.

The objective of the "Pradhan Mantri Jan Dhan Yojana" is to bring every Indian into the banking net including the poorest of the poor. The scheme aims to provide bank accounts to 15 crore individuals in Rural and Urban India along with a life insurance cover of Rs 1 lakh.

"Through the Pradhan Mantri Jan Dhan Yojana, we want to give the poorest of the poor, bank accounts," the Prime Minister mentioned in his speech. "The Jan Dhan Yojana will give poor people an insurance cover of Rs 1 lakh," he added.

The two-phase Financial Inclusion Mission, which has been approved by the Cabinet, will be formally launched by Mr. Narendra Modi at the end of this month. The Government is gearing up to operationalize the scheme across the country around August 28-29 this year.

The scheme, to be pushed by the Government as a mission mode project, seeks to provide two accounts each to the 7.5 Crore identified households.

The main features of the scheme include an overdraft facility of Rs 5,000 for Aadhar-linked accounts, a RuPay Debit Card with an inbuilt Rs 1 lakh accident insurance cover and a minimum monthly remuneration of Rs 5,000 to Business Correspondents who will connect the last link between the account-holders and the Banks.

Some elements of the new Financial Inclusion programme:

- Aiming to cover all households in the villages
- Including both rural and urban population
- Focusing on financial literacy, opening of Basic Savings Bank Deposit Account, Convergence with other subsidy schemes and Micro Insurance/Pension, RuPay Debit Card and Kisan Credit Card.
- Monitoring the mechanism at the Centre, State and District level. Active participation of States and districts emphasized.
- Opening of Accounts online on Core Banking Solution of banks. Provision of RuPay Card to each account-holder, giving him freedom to operate anywhere.
- Proposition to launch an advertisement campaign for enhanced 'brand visibility' of the Financial Inclusion programme. Besides, rural branches of these banks will have a dedicated financial literacy cell.

The Government has also strongly emphasized on Digitization and E-governance –

"Digital India is a plan not for the benefit of the rich, but the poor. e-Governance is easy governance, efficient governance, and economical governance and that is important" the Prime Minister emphasized. (Source-<http://businesstoday.intoday.in/story/pm-narendra-modi-financial-inclusion-drive-independence-day/1/209251.html?src=ilaw>; and http://zeenews.india.com/business/news/finance/independence-day-narendra-modi-announces-financial-inclusion-scheme_106167.html)

"BHAMASHAH SCHEME" LAUNCHED BY THE RAJASTHAN GOVERNMENT:

Addressing the State-level Independence Day function at the Maharana Bhupal stadium, Rajasthan's Honorable Chief Minister Mrs. Vasundhara Raje announced the "Bhamashah Scheme", which promises to empower women and bring a positive change in their lives.

Under this Scheme, Bank Accounts for all the women in 1.5 crore families shall be opened and benefits accrued therein will be directly transferred to their accounts. The Government has made a total provision of Rs. 600 crore this year, adding that monetary benefits of the scheme will be transferred directly to these accounts. (Source-<http://timesofindia.indiatimes.com/india/Vasundhara-Raje-announces-scheme-for-women-in-Rajasthan/articleshow/40304878.cms> and [Vasundhara Raje announces scheme for women in the state – IBN Live](#))

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