CAHIERS MAGELLANES-NS
Volume 06 Issue 2
2024

ISSN:1624-1940
DOI 10.6084/m9.figshare.2632574
http://magellanes.com/

AN ANALYSIS OF THE APPLICABILITY OF FINANCIAL INCLUSION SCHEMES IN INDIA: A COMPREHENSIVE REVIEW

Prof. Shilpa Dubey[1*], Dr. Sachin Chavan[2], Dr.Rajesh Gade[3], Dr.Anil Poman[4], Dr.Parikshit Mahankal[5]

[1*]Assistant Professor Dr. D Y Patil Institute of Management and Research, PhD Scholar Zeal Institute of Business Administration and Computer Application & Research Pune
[2]Professor BIIB, Sri Balaji University Pune,
[3]Assistant Professor Lotus Business School
Savitribai Phule Pune University
[4]Associate Professor, Lotus Business School
Savitribai Phule Pune University
[5]Associate Professor Smt.Jayshree Sharadchandra Kothari Business School,Dadar(W) , Mumbai

***Corresponding Author**: Prof. Shilpa Dubey
*Assistant Professor Dr. D Y Patil Institute of Management and Research, PhD Scholar Zeal Institute of Business Administration and Computer Application & Research Pune

Abstract– Financial inclusion is playing significant role for the devolvement of a country. To encourage unbanked and underbanked people to have access to banking and financial services, the government has implemented a number of financial inclusion programs over the years. The objective of this research paper is to present a thorough examination and analytical assessment of the suitability of financial inclusion initiatives in India. This research paper delves in the effectiveness and applicability flag bearer financial inclusion scheme in India. The study examines government initiative, concepts and approaches and ground level difficulties for implementation of existing schemes. In this comprehensive review of existing literature, schemes performance reports and RBI reports will identify the success and challenges of the schemes. The key performance indicators core valuation are access and reach ,usage and adoption , financial literacy.

Key words- financial inclusion, banking services, financial literacy, penetration and economic growth.

1.Introduction–India is country of diversification with one of the world's largest economies. With the common men to former, worker to industrialist, young earning person to retired person, every one is taking part of the financial inclusion. Financial inclusion is indicator of the economic growth of country. Financial inclusion refers accessibility of financial services by citizen of the country irrespective of their income levels. The primary goal of government to provide affordable financial service to each class of the society. Financial inclusion may be defined as the process of ensuring access to financial services and timely and adequate credit where needed by vulnerable groups such as weaker sections and low income groups at an affordable cost (The Committee on Financial Inclusion, Chairman: Dr. C. Rangarajan). Another revised definition by formal RBI governor Financial Inclusion, broadly defined, refers to universal access to a wide range of financial services at a reasonable cost. These include not only banking products but also other financial services such as insurance and equity products (The Committee on Financial Sector Reforms, Chairman: Dr. Raghuram G. Rajan 2008).
According to Alliance for Financial Inclusion, 2013; World Bank, 2013Across the world Financial Inclusion is the top focus area in recent years. International and national authorities are supporting financial inclusion as a necessary development goal. World banks's universal access to finance or G 17

CAHIERS MAGELLANES-NS
Volume 06 Issue 2
2024

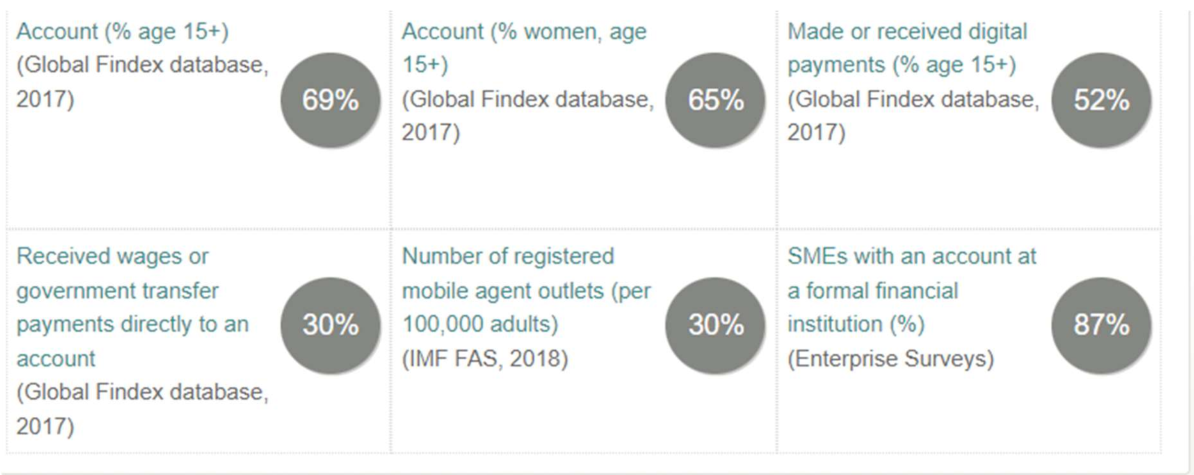
ISSN:1624-1940
DOI 10.6084/m9.figshare.2632574
http://magellanes.com/

goals for inclusion all are together for Financial inclusion. The Community Reinvestment Act of 1997 in the United States France's exclusion law of 1998 The Financial Inclusion Task Force in the UK and Mzansi (2004) in South Africa The 'no-frills' accounts ,BC model and 'general credit card' schemes of India.

1.1 Financial inclusion world wide

Across the world around 1.4 billion population is not having bank account even though they are not operated with mobile money. This number decreased from 2.5 billion in 2011 to 1.7 billion in 2017.As per Global Findex database 2021,54% population of across the world not having bank account. In India 78 % adult Is having an account, 78% of women are having a bank account and poor adults are with an account of 78%.

As per report of Global partnership of Financial Inclusion report use of mobile money is increased and 515 million adults opened an account in financial institution. This represents a rise from 62% to 69% of the adult population in the year between 2014 to 2017. Despite of this progress , 1.7 billion world-wide don't have a bank account and its shows the inequalities still persist. (Global Findex)



Source GPFI website report

1.2 National Initiatives of Financial Inclusion

Financial Inclusion Initiatives have taken by the various ruling government, nationalisation of banks in two phases is the first stepping step for financial inclusion. The Government of India and RBI took up major steps to increase the coverage of the financial inclusion approach during the period 2004 onwards. The following initiative programs were taken up are explained as under:

1. The RBI created the No-Frills Account in 2005 for low-income groups with nil or low bank balances and charges. No-frills or zero-balance accounts provide account holders with basic services such as mobile banking, internet banking, and a free debit card.

2. Know Your Customer (KYC): In 2005, the RBI established the KYC initiative to streamline the process of opening bank accounts. Under this initiative, banks can require any kind of identification to verify a customer's residence. The Unique Identification Authority of India also sent a letter to banks directing them to collect account holders' names, addresses, and Aadhaar numbers.

3. Business Facilitator and Business Correspondent Model: The fundamental purpose of the BFs and BCs models is to bring banking and financial services to the general public's doorstep through a range of intermediaries (i.e., NGOs, SHGs, MFIs, farmers, clubs, post offices, insurance agents, and rural corporate outlets).

ISSN:1624-1940
DOI 10.6084/m9.figshare.2632574
http://magellanes.com/

4. EBT – Electronic Benefits Transfer – This initiative is for direct transfer of money to beneficiary's bank account. This system involves human less process of transfer of 29 payments. The government aimed to urge people who haven't registered an account to do so once benefits are available to the public.
5. Kisan Credit Card
The RBI launched this scheme in 2001 to provide farmers with shortterm credit at a low interest rate.
6. General Credit Card Scheme-The government created this program to provide hassle-free credit to the poor and impoverished based only on a study of their cash flow. Under the plan, bank branches in rural and semi-urban regions are eligible for financing up to Rs.25,000.
7. Branch Expansion and Authorization
Under financial inclusion, the RBI mandates a 25% growth in branch network in rural areas, and all s cheduled commercial banks must open a branch with a population of less than 50,000.The use of information technology and digitalisation of banking services are also facilitating financial inclusion.

1.3 Current Schemes of Financial Inclusion in India

Pradhan Mantri Jan Dhan Yojana: The operation and implementation of the scheme started on 28th August 2014. The major goal of this two-phase initiative is to give unbanked Indians financial freedom. Phase one of this programme offers each citizen a zero balance bank account and a Rupay debit card. The primary goal of the program's creation was to enhance financial literacy among the underprivileged by enabling digital payment at all Indian banks.

Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) Participants in the PMJJBY must be between the ages of 18 and 50, have bank accounts, and have authorised enrollment or auto-debit. Aadhar serves as the main form of KYC for bank accounts. The 2-lakh-rupee life insurance policy can be renewed, and its validity spans from 1 June to 31 May of the following year. The risk coverage under this policy is for Rs. 2 lakh in the case of the insured person's death for any reason.

Pradhan Mantri Suraksha Bima Yojana (PMSBY) The Scheme is available to anyone with a bank account between the ages of 18 and 70 who agrees to sign up for or activate auto-debit on or before May 31 for the coverage period running from June 1 to May 31 on an annual renewal basis. Aadhar would serve as the primary KYC for the bank account. The risk coverage under the plan is Rs. 2 lakh for accidental death and Rs. 1 lakh for partial and total disability. The account holder's bank account will be debited once for the Rs. 20 annual premium using the "auto-debit" feature.

Atal Pension Yojana (APY) The Prime Minister announced APY on May 9, 2015. The contributions vary based on the pension amount chosen, and are available to any saving bank/post office account holders between the ages of 18 and 40. Subscribers would begin receiving the minimum guaranteed monthly pension of Rs. 1,000, Rs. 2,000, Rs. 3,000, Rs. 4,000, or Rs. 5,000 at the age of 60.

Pradhan Mantri Mudra Yojana-It began airing on April 8, 2015. Shishu's sub-scheme offers loans up to Rs. 50,000, Kishore's sub-scheme offers loans between Rs. 50,000 and Rs. 5.0 lakhs, and Tarun's sub-scheme offers loans between Rs. 5.0 lakhs and Rs. 10.0 lakhs. Loans can be secured without the use of collateral. These initiatives are meant to give young, educated, or skilled people more self-assurance so they can now aspire to start their own small businesses and to help current small businesses expand their operations.

ISSN:1624-1940
DOI 10.6084/m9.figshare.2632574
http://magellanes.com/

Stand Up India Scheme-On April 5, 2016, the government unveiled the Stand Up India initiative. The Scheme enables bank loans between Rs. 10 lakh and Rs. 1 crore to at least one borrower from a Scheduled Caste or Scheduled Tribe and at least one woman per bank branch for the establishment of new businesses. This business could be engaged in manufacturing, services, or trading activities related to agriculture. At least 2.5 lakh borrowers will benefit from the programme, which is being conducted through all Scheduled Commercial Banks. The programme is active, and Scheduled Commercial Banks all throughout the nation are disbursing loans under it.

Pradhan Mantri Vaya Vandana Yojana-The government has introduced the Pradhan Mantri Vaya Vandana Yojana (PMVVY) to give elderly people with social security as well as to protect them from a future decline in their interest income owing to unsure market conditions. The Life Insurance Corporation of India (LIC) administers the programme, and subscriptions are accepted up to March 31, 2023.

2. Objective of Study-

- To study the applicability and current reach of Pradhan Mantri Jan Dhan Yogana scheme as a financial inclusion scheme.
- To study the out reach and Penetration of the financial inclusion schemes.

3. Literature Review

The goal of India's financial inclusion programs is to provide financial services and products to the underprivileged and thrifty segments of the population. These programs are crucial for the equitable growth and long-term sustainability of any nation because they give people access to reasonably priced financial products and services.
(Beg, 2012). However, the productiveness and applicability of these schemes vary from different regions and communities within the country.There are some contradictions and interesting facts to consider. While digital finance tools have been identified as having the potential to empower individuals and bridge the financial gap between society (Saini & Saha, 2024), there is evidence that a notable number of rural dweller remain unaffected by financial inclusion initiatives (Singh, 2022). Moreover, despite the introduction of various schemes by the government, less than two-thirds of households in India have access to banking facilities (Shekar, 2017). This suggests that the targeted reach of financial inclusion programs and their real-world effects are not aligned. In conclusion, financial inclusion programs in India have advanced the provision of wider banking services, especially through the use of digital finance and legislative measures.(Saini & Saha, 2024; Shekar, 2017), challenges such as implementation, lack of awareness, and inadequate distribution networks limit their success (Singh, 2022). To enhance the applicability of these schemes, there is a need for diversified financial products, improved financial literacy, and the leveraging of technology to ensure the safety and security of financial instruments (Singh, 2022). Additionally, the promotion of rural tourism has been suggested as a means to provide a stable source of income, which could further stimulate financial inclusion (Singh, 2022). It is imperative that policymakers and stakeholders address these challenges to create a more inclusive financial landscape in India (Barua et al., 2016; Saini & Saha, 2024; Singh, 2022).

3 Research Methodology

This research is descriptive research and based on secondary sources such as research paper, articles, web site report, RBI reports and bulletins, newspaper articles, IMF published report.

CAHIERS MAGELLANES-NS
Volume 06 Issue 2
2024

ISSN:1624-1940
DOI 10.6084/m9.figshare.2632574
http://magellanes.com/

4. Applicability of Financial Inclusion Schemes
4.1 Assessment of Penetration-
4.1.1 Branch & ATM Penetration

TABLE- 1

Year	Institutions of commercial banks	Branches of commercial banks	Automated Teller Machines (ATMs)
2013	157	106528	115849
2014	151	117958	163230
2015	152	126625	184139
2016	153	135474	202060
2017	159	140510	213553
2018	161	142570	213653
2019	161	146292	210096
2020	151	150145	219047
2021	139	150680	221815
2022	141	151369	260873

Source- Authers own table based on FIS data

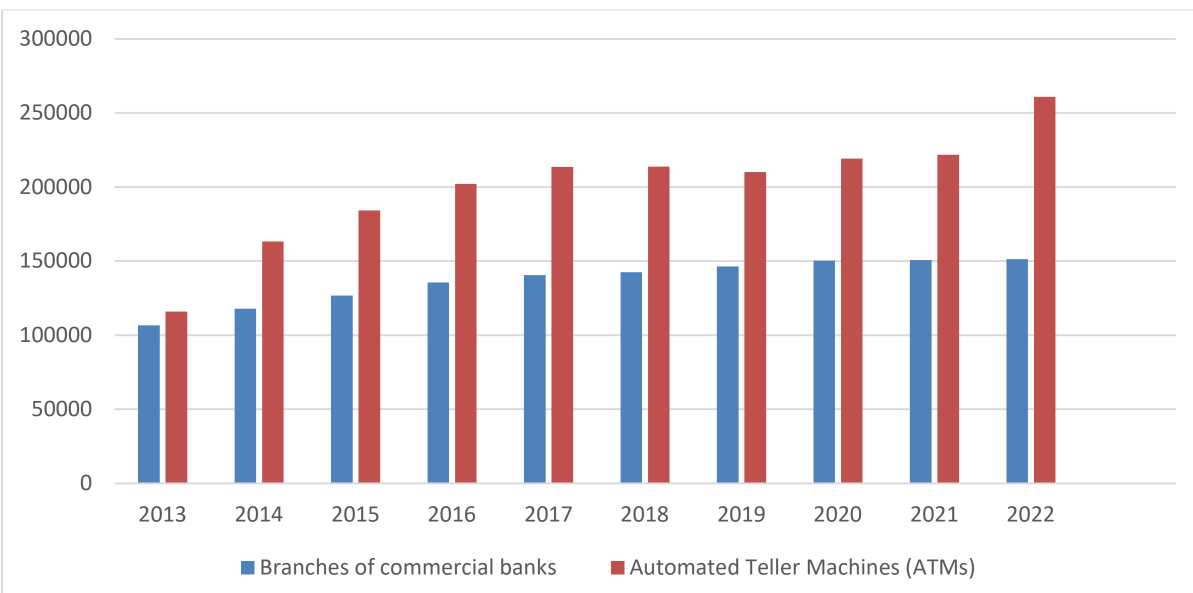


Figure 1 – Presentation of Branches of Commercial Bank & ATM

Interpretation -The number of branches has grown steadily throughout the years. In 2013, there were 106,528 branches; by 2022, this figure had climbed to 151,369. The overall trend points to a constant increase in the physical presence of commercial bank branches. In addition, the number of ATMs has been steadily increasing. In 2013, there were 115,849 ATMs; by 2022, the number had risen to 260,873. The number of ATMs has grown more rapidly than the number of branches. While the number of branches and ATMs has increased, the rate of expansion for ATMs appears to be faster, particularly in

CAHIERS MAGELLANES-NS
Volume 06 Issue 2
2024

ISSN:1624-1940
DOI 10.6084/m9.figshare.2632574
http://magellanes.com/

later years. This could point to a transition toward digital and automated financial services, with a stronger reliance on ATM infrastructure.

4.1.2 Card Penetration-

TABLE- 2

Year	Number of debit cards	Number of credit cards
2013	331000000	19600000
2014	394000000	19200000
2015	553000000	21100000
2016	662000000	24500000
2017	772000000	29800000
2018	861000000	37500000
2019	90,60,00,000	47100000
2020	82,90,00,000	57700000
2021	89,80,00,000	62000000
2022	91,80,00,000	73600000

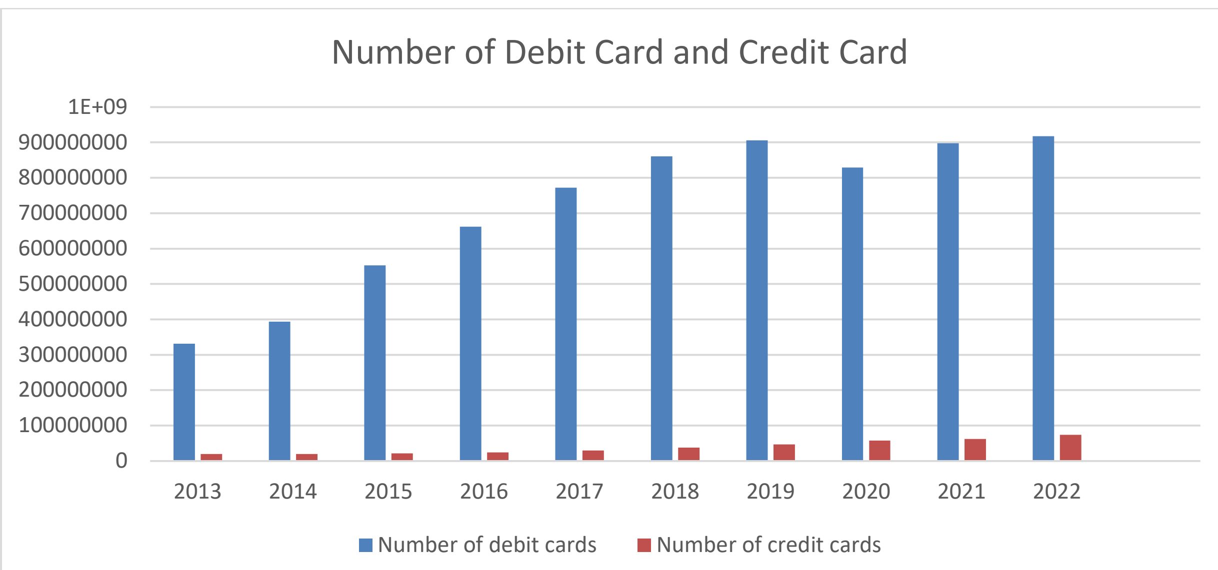


Figure 2- Number of Debit Card and Credit Card

Interpretation-In this graph debit card show From 2013 to 2019, there was a notable rise, with 90.6 crore in 2019. This could be caused by a number of things, such as campaigns for financial inclusion, easier access to banks, and encouragement of cashless transactions.

Debit card numbers do, however, show a noticeable decline from 2019 to 2020, falling to 82.9 crore. Policy modifications, changes in consumer behavior, or the effects of outside events like the COVID-19 pandemic could all have an impact on this.

Credit card number is increased in every year and uses is increased in data given.s

While there has been a minor increase in the number of debit cards in 2021 and 2022, it has not yet reached the high seen in 2019.

ISSN:1624-1940
DOI 10.6084/m9.figshare.2632574
http://magellanes.com/

4.2 Assessment of Reach

4.2.1-Bank Branches per 1,000 Km^2

Table- 3

Year	Number of commercial bank branches per 1,000 km2	Number of ATMs per 1,000 km2
2013	35.88234	38.96455
2014	39.72467	54.90063
2015	42.64006	61.93314
2016	45.61666	67.96068
2017	47.31248	71.82622
2018	48.00601	71.85985
2019	49.25787	70.6635
2020	50.55042	73.67407
2021	50.72632	74.60505
2022	50.95873	87.74179

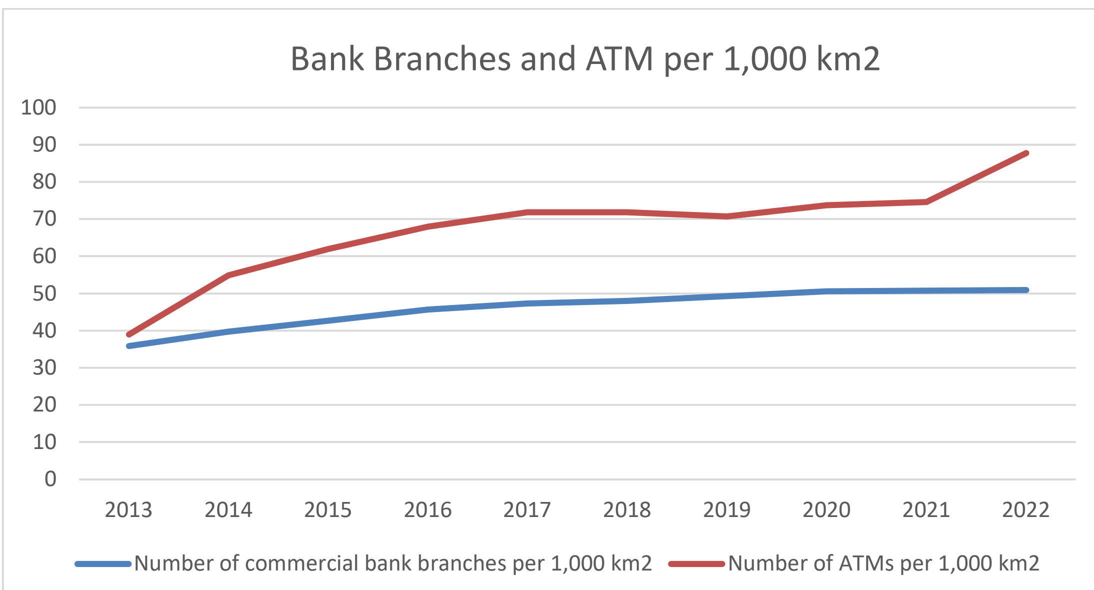


Figure 3-Bank Branches and ATM per 1,000 km^2

Interpretation- The number of commercial bank branches per 1,000 km² increased gradually between 2013 and 2022, going from 35.88 to 50.96. This pattern points to an increase in the geographic spread of commercial bank branches, which shows that banking services have been more easily accessible throughout time. Between 2013 and 2022, there was a progressive increase in the number of commercial bank branches per 1,000 km², from 35.88 to 50.96. This pattern indicates that the geographic distribution of commercial bank branches has increased, indicating that access to banking services has improved over time.

While comparing both the data ATM are installed more than branches and public The number of ATMs and commercial bank branches per 1,000 km² has increased, with ATMs experiencing a higher rate of

CAHIERS MAGELLANES-NS
Volume 06 Issue 2
2024

ISSN:1624-1940
DOI 10.6084/m9.figshare.2632574
http://magellanes.com/

increase. The increased rate of ATM development might be a sign of a move toward automated and digital banking services, which give users more convenient ways to do transactions.

4.2.2 Bank Branches per 100,000 Adults

Table -4

Year	Number of commercial bank branches per 100,000 adults	Number of ATMs per 100,000 adults
2013	11.74046	12.74894
2014	12.75005	17.62093
2015	13.42872	19.50473
2016	14.09505	20.99911
2017	14.34668	21.78005
2018	14.29924	21.40442
2019	14.42479	20.69327
2020	14.56698	21.23047
2021	14.41872	21.20613
2022	14.31313	24.64463

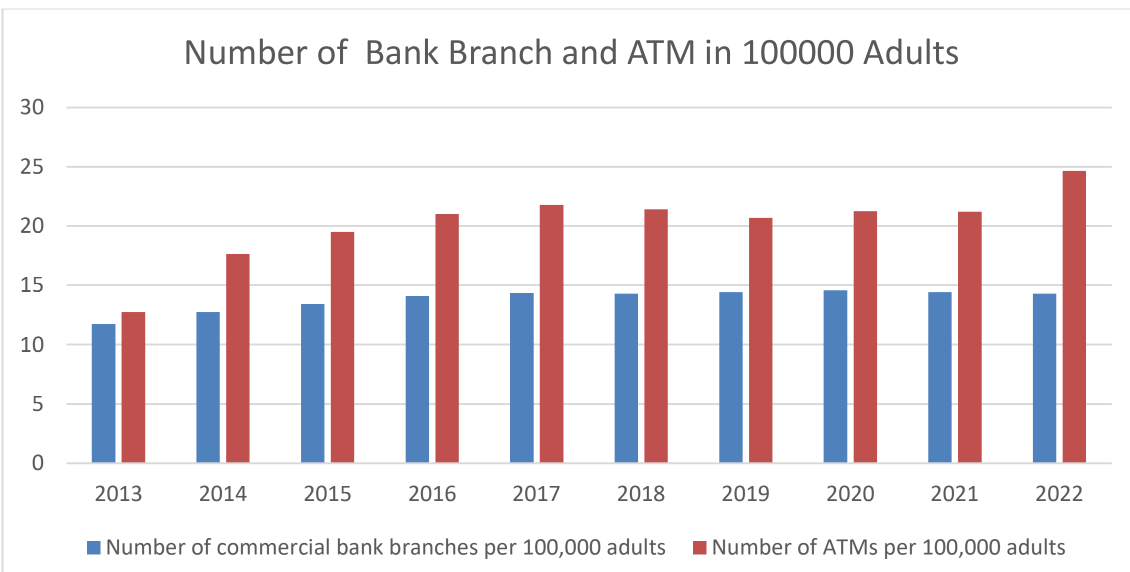


Figure 4-Bank Branches and ATM per 1,00,000 Adult

Interpretation- During 2013 and 2022, there were 11.74 and 14.31 commercial bank branches per 100,000 adults, respectively. This increase was moderate. In relation to the adult population, this shows a good trend in growing the physical presence of commercial bank branches, indicating better accessibility to banking services.

There have been steadily increasing ATMs per 100,000 adults, from 12.75 in 2013 to 24.64 in 2022.A focus on offering more self-service choices is indicated by the noteworthy increase in ATMs per 100,000 adults, which may be a reflection of consumers' growing demand for digital and automated banking services.

CAHIERS MAGELLANES-NS
Volume 06 Issue 2
2024

ISSN:1624-1940
DOI 10.6084/m9.figshare.2632574
http://magellanes.com/

4.2.3- Reach of Cards

Table -5

Year	Number of credit cards per 1,000 adults	Number of debit cards per 1,000 adults
2013	22	364
2014	21	426
2015	22	586
2016	25	688
2017	30	787
2018	38	863
2019	46	892
2020	56	803
2021	59	859
2022	70	867

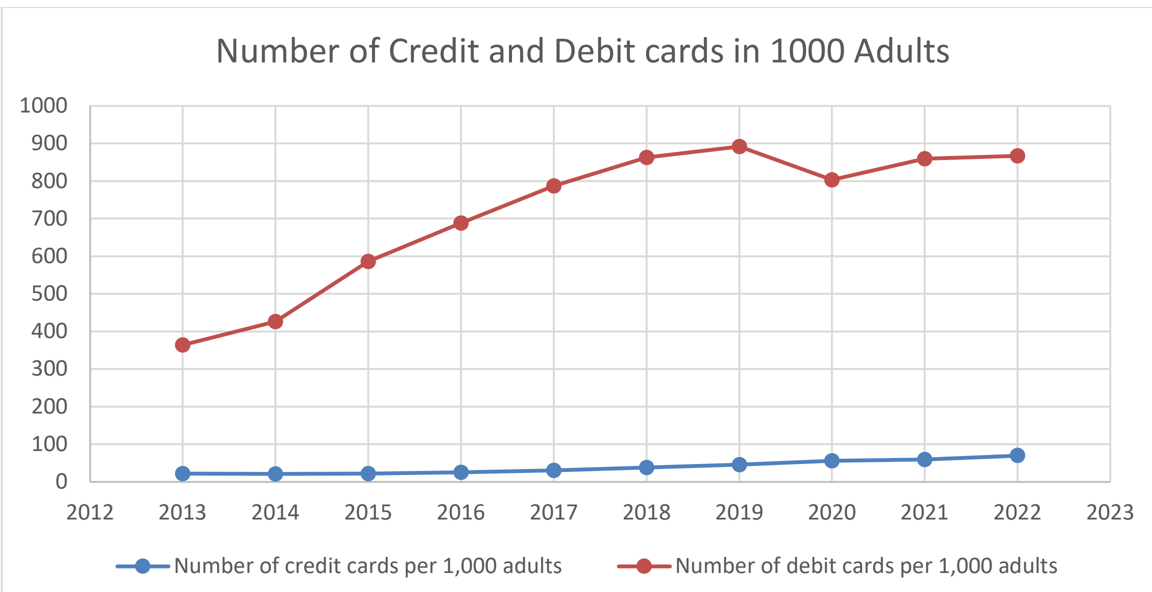


Figure 5- Number of Credit and Debit cards in 1000 Adults

Interpretation-From 22 in 2013 to 70 in 2022, the number of credit cards per 1,000 adults has demonstrated a steady increase trend. This considerable increase suggests that the use of credit cards has expanded significantly, maybe as a result of increasing consumer confidence, marketing campaigns, and the accessibility of credit products. Debit card usage per 1,000 adults has similarly grown over time, with 867 cards per 1,000 adults in 2022.Debit cards are widely accepted for everyday purchases, as evidenced by the fact that there are typically more debit cards per 1,000 adults than credit cards. On the other hand, the growth rate of credit cards is more noticeable, indicating a growing reliance on credit as a tool for finance.

4.2.4- Social Security Insurance Reach

CAHIERS MAGELLANES-NS
Volume 06 Issue 2
2024

ISSN:1624-1940
DOI 10.6084/m9.figshare.2632574
http://magellanes.com/

Table- 6

Year	Number of life insurance policies per 1,000 adults	Number of Non-life insurance policies per 1,000 adults
2013	370	118
2014	361	111
2015	346	125
2016	340	131
2017	335	162
2018	332	177
2019	328	188
2020	323	234
2021	317	236
2022	311	251

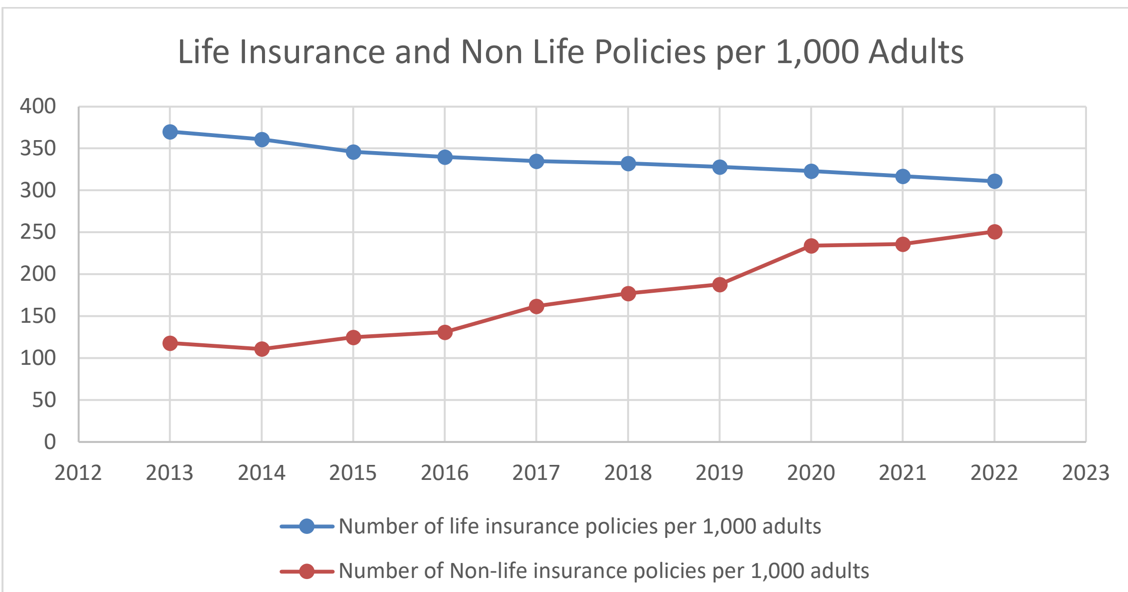


Figure 6 – Number of Life and Non Life Insurance Policies per 1,000 adults

Interpretation- Since 370 in 2013 to 311 in 2022, the proportion of life insurance policies per 1,000 adults has consistently decreased. This drop can be an indication of shifting customer preferences, changes in the insurance market, or changes in economic conditions.
There are now 251 non-life (general) insurance policies per 1,000 adults in 2022, up from 118 in 2013. This number has generally increased over time.

4.2.5 Interface of Mobile Money

ISSN:1624-1940
DOI 10.6084/m9.figshare.2632574
http://magellanes.com/

Table 7

Year	Number of active mobile money accounts	Number of registered mobile money accounts	Number of mobile money transactions (during the reference year)
2013		3994843	32700000
2014		12200000	108000000
2015		68700000	255000000
2016		212000000	604000000
2017		431000000	1630000000
2018		535000000	3030000000
2019	840000000	1270000000	4140000000
2020	1190000000	1700000000	4240000000
2021	1230000000	2010000000	4000000000
2022	360000000	1220000000	5300000000

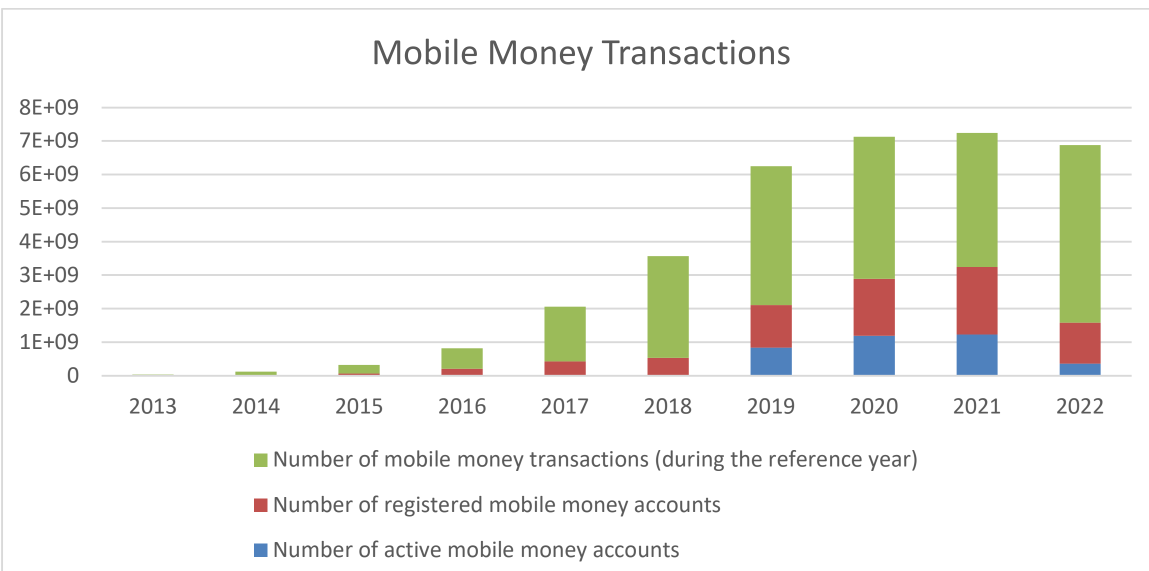


Figure- 7 Interface of Mobile Money

Interpretation- The number of active mobile money accounts fell significantly in 2022, from This decrease points to a notable shift in user uptake or engagement that year. Number of registered mobile money accounts and number of active mobile money accounts is increased. In comparison with prior years, the data for 2022 indicates a significant reduction in active accounts coupled with a rise in transactions.

The significant drop in active accounts in 2022 needs to be looked into because it might have been caused by alterations in user behaviour, market dynamics, or outside events.

Evaluation of Impact

a. PMJDY Account-

ISSN:1624-1940
DOI 10.6084/m9.figshare.2632574
http://magellanes.com/

Pradhan Mantri Jan Dhan Yojana is the pioneer scheme for financial inclusion. The below mention table represents the milestone achieved by the scheme (Rs. In crore)

Table 8

Bank name Type	Number of beneficiary at Rural/ semi urban central bank branches	Number of beneficiary at urban metro central bank branches	Number of total beneficiary	Deposits in account in crores	Number of Rupay debit card issued in beneficiary
Public Sector Bank	25.72	15.31	41.03	178139.18	30.89
Reginal Rural Bank	8.41	1.40	5.71	44982.89	3.49
Private sector Bank	.73	.89	1.62	6978.12	1.33
Rural Cooperative Bank	.19	00	.19	.01	0.00
Total	35.05	17.60	52.64	230100.3	35.70

Source – Official website of PMJDY https://pmjdy.gov.in/account

Interpretation -

The above data shows disparity in distribution in the ownership of the bank. Public sector bank is having more PMJDY accounts. Reach of RRB is showing inclusion of rural population is increased towards banking services. Their significant role in deposit and card issuance in rural areas highlight the effectiveness in reaching underserved populations by RRB. The data shows less Participation by private sector bank and rural cooperative banks.

Progress of PMJDY

Number of total PMJDY accounts as of August 9, 23: 50.09 crore; 55.6% (27.82 crore) Women make up 66.7% of Jan-Dhan. account holders ($34.45crore).

ISSN:1624-1940
DOI 10.6084/m9.figshare.2632574
http://magellanes.com/

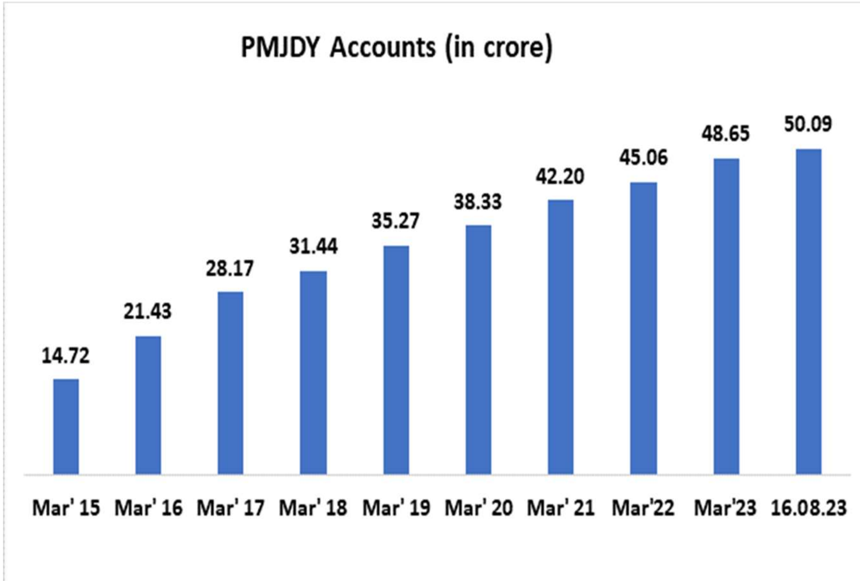


Figure 8- https://pmjdy.gov.in/account

Interpretation- Since the launch of scheme, the number of PMJDY accounts has steadily increased annually. Over a decade number of insurance is increased by three time.

Deposits under PMJDY accounts

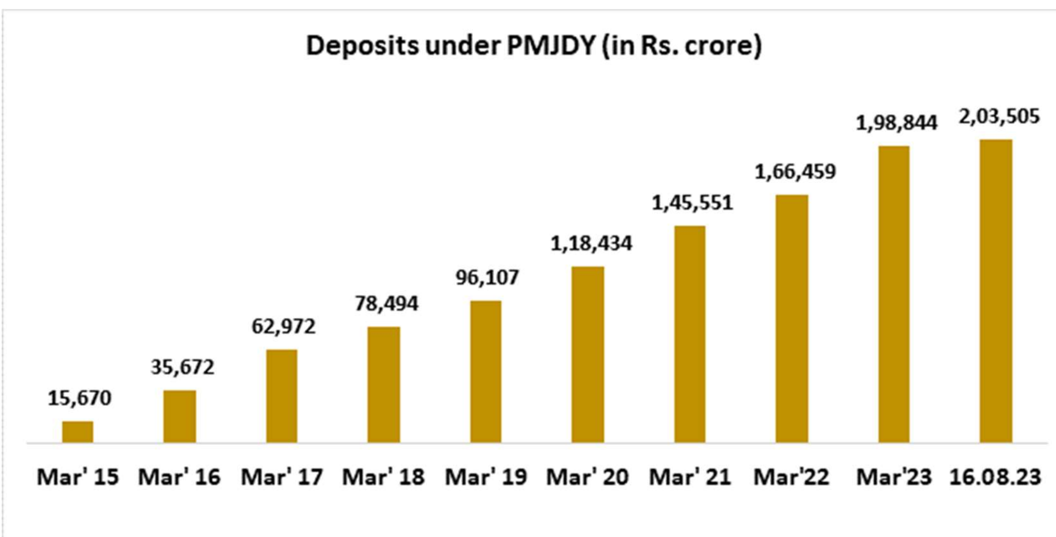


Figure -9 https://pmjdy.gov.in/account

Interpretation - Total deposit balances under PMJDY Accounts stand at Rs. 2,03,505 crore. The scheme's initial success and tremendous registration effort were reflected in the deposits, which more than doubled from Rs. 15,670 crore to Rs. 35,672 crore between March 15 and 16. Consistent Growth (March 16–March 21): Deposits showed a strong annual growth pattern, with significant additions made each year.
Trends from March 21 to August 23: Deposits grew at a robust rate, reaching a total of Rs. 2,03,505 crore by August 2023 from Rs. 1,45,551 crore in March 2021.

CAHIERS MAGELLANES-NS
Volume 06 Issue 2
2024

ISSN:1624-1940
DOI 10.6084/m9.figshare.2632574
http://magellanes.com/

Average Deposit per PMJDY account

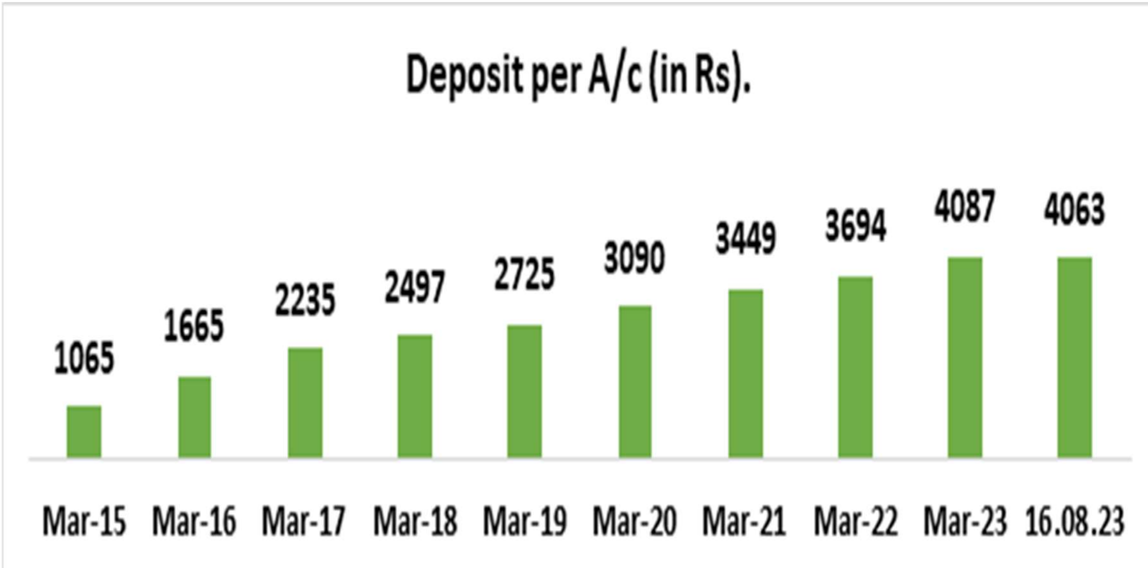


Figure -10 https://pmjdy.gov.in/account

Interpretation- Average deposit per account is Rs. 4,063 as on 16.08.2023. Early Years 2015–16 Due to an early rise in deposits, the average deposit per account climbed dramatically from Rs. 1,065 to Rs. 1,665.
Consistent Growth (March 16–20): A continued build-up of savings is indicated by a consistent increase in deposits per account from Rs. 1,665 to Rs. 3,090.
In the most recent years (March 20–August 23), the average deposit per account increased from Rs. 3,090 to Rs. 4,063, demonstrating consistent account holders' savings behaviour.

RuPay Card issued to PMJDY account holders

ISSN:1624-1940
DOI 10.6084/m9.figshare.2632574
http://magellanes.com/

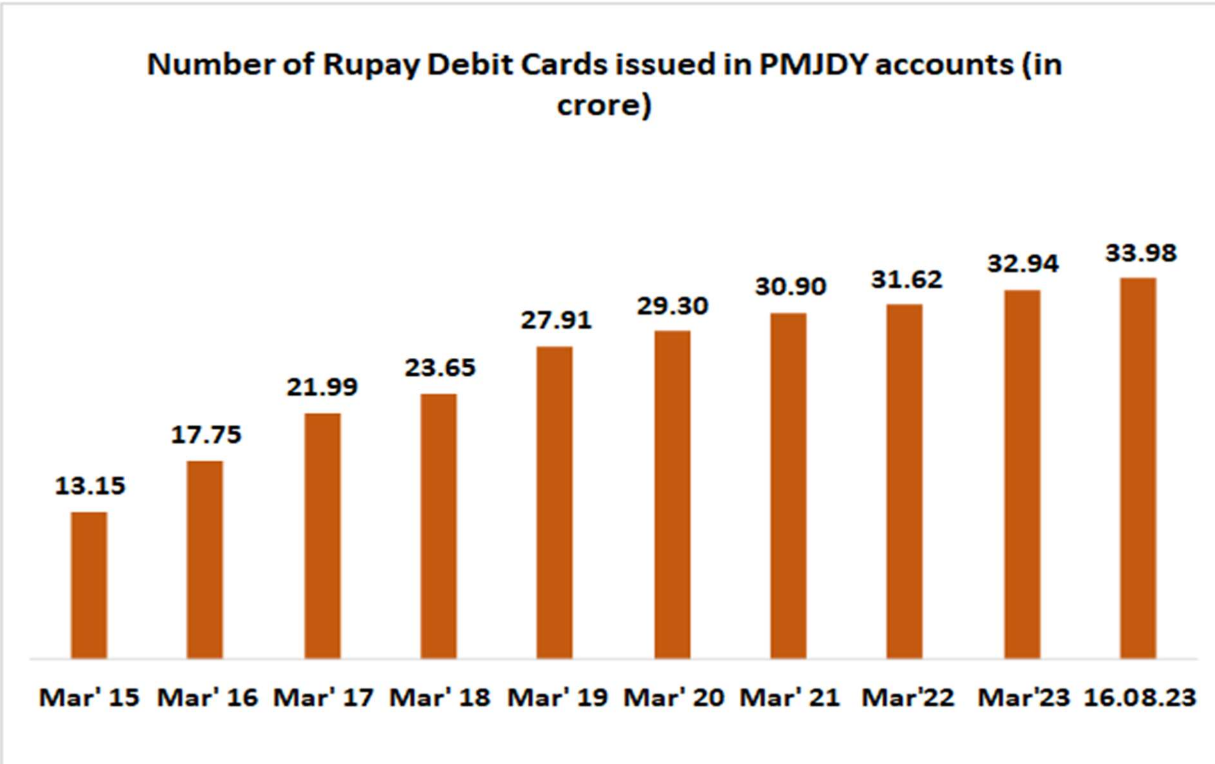


Figure -11 https://pmjdy.gov.in/account

Interpretation- Total RuPay cards issued to PMJDY accountholders is 33.98 crore. Number of RuPay cards & their usage has increased over time it shows the preference of the cash less money is demanding.

b. Atal pension Yojana-

The APY has made significant milestone since inception. The total subscribers is 401.27 lakhs. . Subscriber enrolment has expanded over sixteen- in times six years

Subscriber enrolment's have multiplied in 6 Years.

Table- 8

Category of Bank	31.03.2016	31.03.2017	31.03.2018	31.03.2019	31.03.2020	31.03.2021	31.03.2022
PSB	16.93	30.47	65.53	107.20	156.75	212.52	282.61
Private Banks	2.18	4.97	8.74	11.45	15.63	19.86	25.08
Small Finance	-	-	-	0.09	0.16	0.35	0.86
Payment Bank	-	-	-	0.48	3.44	8.19	12.88
RRB	4.76	11.15	19.87	31.71	43.30	57.11	75.28
DCCB	0.21	0.30	0.34	0.39	0.49	0.55	0.63
SC B	0.00	0.01	0.01	0.01	0.05	0.05	0.06
UCB	0.00	0.04	0.11	0.14	0.17	0.20	0.24
DOP	0.75	1.90	2.45	2.70	3.03	3.32	3.62
TOTAL	**24.85**	**48.84**	**97.05**	**154.18**	**223.02**	**302.16**	**401.27**

Source:https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1751093 & Economic Times (April, 21 2022)

CAHIERS MAGELLANES-NS
Volume 06 Issue 2
2024

ISSN:1624-1940
DOI 10.6084/m9.figshare.2632574
http://magellanes.com/

Interpretation -Above table shows a remarkable growth in the overall by all type of service provider. The contribution towards success is remarkable by all type of financial service provider. The number of beneficiary is reached to 401.27 in 2022 from 24.85 in 2016 .

c. PMJJBY

Table-9

Year	Gross Enrolment(Rs. In crore)	No. of claim received	No. claims disbursed	% of claim settlement
19-20	5.99	148276	137298	92.59624
20-21	7.08	194025	180848	93.20861
21-22	10.32	256523	239605	93.40488
22-23	12.77	604889	576121	95.24409
23-24	16	690509	660383	95.63713
24-25	20.07	818161	785803	96.04503

Analysis of the data- Table show year wise gross enrolment, no of claim received and no of claims disbursed and percentage of claim settlement from 2019-20 to 2024-25. Table shows enrolment increased by approx. 4 times of the initial years. Percentage of claim settlement is also increased by year on year.

d. PMSBY

Table-10

S. No.	Duration	Gross Enrollments - Cumulative (Crore)	No. of Claims Received - Cumulative (No.)	No. of Claims Disbursed - Cumulative (No.)	% of claim settlement
1	2019-20	15.74	41601	32904	79.09425
2	2020-21	18.76	51111	39995	78.25126
3	2021-22	23.36	58967	45674	77.45688
4	2022-23	28.37	122082	97227	79.64073
5	2023-24	33.78	146717	115294	78.58258
6	2024-25	44.09	177659	135780	76.42731

Source -https://financialservices.gov.in/

Analysis and Interpretation-The shows the performance of PMSBY, the enrolment ration is increased by year on year by 15.74 to 44.09. The percentage of claim settlement is fluctuating and it shows the need of improvement.

CAHIERS MAGELLANES-NS
Volume 06 Issue 2
2024
ISSN:1624-1940
DOI 10.6084/m9.figshare.2632574
http://magellanes.com/

e. Pradhan Mantri Mudra Yojana

Table-11

S. No.	Duration	Number of Accounts - Cumulative (No.)	Amount Sanctioned - Cumulative (Rs. Crore)	Amount Disbursed - Cumulative (Rs. Crore)	Percentage of Disbursement
1	2018-19	18,25,82,882	8,93,377.70	8,66,515.64	96.9932
2	2019-20	24,48,20,863	12,30,842.83	11,96,200.27	97.18546
3	2020-21	29,55,55,909	15,52,602.08	15,07,954.74	97.12435
4	2021-22	34,93,61,060	18,91,742.83	18,39,387.34	97.23242
5	2022-23	41,16,71,658	23,48,280.80	22,89,810.99	97.5101
-6	2023-24	47,84,39,046	28,89,263.27	28,22,138.95	97.67677

Source - https://financialservices.gov.in/

Analysis and Interpretation- Above table shows the increase the number of accounts and its growth from last six years. The table shows the success of the scheme on year-on-year bases. Average percentage of the disbursement is 97.28%.

f. Stand up India Scheme-

Table-12

S. No.	Duration	Number of Accounts - Cumulative (No.)	Amount Sanctioned - Cumulative (Rs. Crore)
1	2018-19	86,251	19,026
2	2019-20	1,03,457	23,145.78
3	2020-21	1,15,366	25,984.37
4	2021-22	1,34,978	30,375.06
5	2022-23	1,70,029	38,351.09
6	2023-24	2,25,544	50,862.25

Source - https://financialservices.gov.in/

Analysis and Interpretation- The above table shows popularity among the beneficiary. There is increase in the number of accountholder and also increased in amount sanctioned from 2018-19 to 2023-24 .number of account is increased by 225544 to 86251.

Identification of Bottleneck

The process of identifying bottlenecks in financial inclusion include identifying the impediments or constraints that hinder the efficient provision and utilization of financial services, particularly for marginalized or underserved populations. While attempting to pinpoint financial inclusion obstacles, it is typical to look into the following areas:

4.3.1 Geographical Spread- Due to some regional spread of financial inclusion schemes some region are still having less inclusion.

ISSN:1624-1940
DOI 10.6084/m9.figshare.2632574
http://magellanes.com/

4.3.2 Digital financial Literacy - Due to advancement of banking services in digital mode some are not able to avail it properly.
4.3.3 Product Design and Affordability - Designing of product should be cost effective, user centric and risk adjusted products.
4.3.4 Less awareness about the product – Some of the flagship schemes of financial inclusion are not well introduced to the marginalised part of the society. Awareness about PMJJY, PMSBY is less.

Conclusion

India's experience demonstrates how combining financial inclusion statistics with socioeconomic and demographic data can yield a number of informative conclusions. The assessment of financial inclusion and the PMJDY response will vary according to the region, age, income, occupation, and level of education of each demographic group. For instance, different strategies may be used to combat financial exclusion in rural areas with lower population densities vs heavily populated cities. Furthermore, the effects of financial exclusion on the destitute and the need for a legislative response may vary depending on the socioeconomic composition of the population. This indicates that even while this information has not yet been verified, the monitoring of financial inclusion policies should nevertheless be done at a sufficiently micro level, indicating at the level of specific financial transactions and/or products, or even at the level of individual consumers. In conclusion, a precise analytical framework is essential to guaranteeing that financial inclusion initiatives are successful. This paradigm can be used to pinpoint specific instances of financial exclusion, evaluate the contributions made by different sources of financial services, as well as create and evaluate the policy reactions. Two important dimensions should be accurately captured by the framework, one of which should be cross-sectional (that is, occurring throughout the population at a particular point in time).

Reference

1. Bhuvana M.(2017). Effectiveness of Financial Inclusion on Banking Services through information and Communication Technology, thesis submitted to VEls University Pallaram, Chennai.
2. Urvi Jain (2021) An Analysis of Financial inclusion in slum pockets (special referecnce of Mumbai),thesis submitted to Tikal Maharashtra Vidhyapeeth Pune.
3. Dr. Bhavik Panchasara (2017) Financial Inclusion and Lower Income Minorities: A Study of Banaskantha District of Gujarat
4. Subbarao, D. (2009). Financial inclusion: Challenges and opportunities. Reserve Bank of India’s BankersClub, Kolkata, December, 9.
5. Ms. Richa Aggarwal Financial Inclusion in India: Challenges and Opportunities International Journal of Research (IJR) Vol-1, Issue-4, May 2014
6. Akhil Damodaran Financial Inclusion: Issues and Challenges, December 2013
7. George Varghese, Lakshmi Viswanathan Financial Inclusion: Opportunities, Issues and Challenges August 2018
8. Mbiti, Isaac M. and Weil, David Nathan, Mobile Banking: The Impact of M-Pesa in Kenya (June 2011). NBER Working Paper No. w17129, Available at SSRN: https://ssrn.com/abstract=1866089
9. SOARES, FABIO V. "Brazil's Bolsa FamíLia: A Review on JSTOR." Economic and Political Weekly, (2011): 55. Accessed February 1, 2024. https://doi.org/23017226