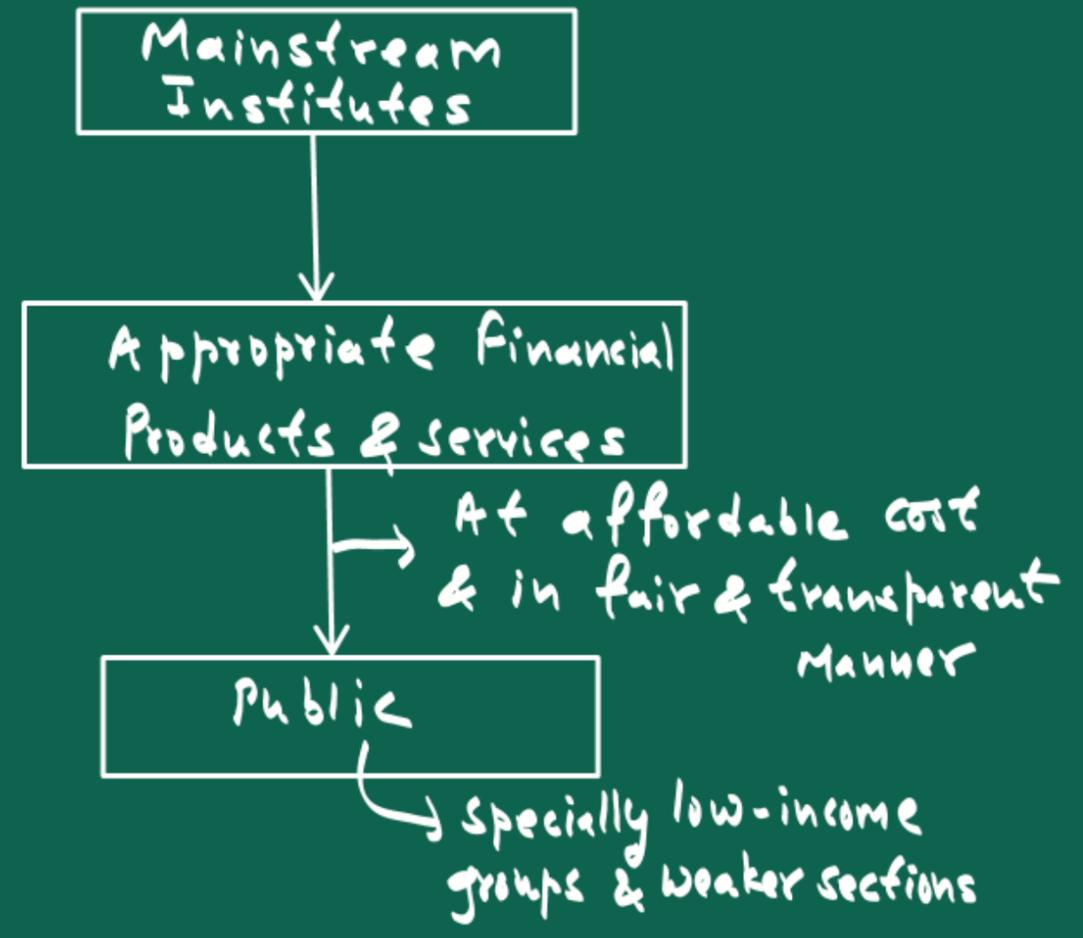


Financial Inclusion

(i) Meaning



∫

(ii) Important Steps for Financial Inclusion -

(a) Microfinance — Banking for the Poor.

(i) Meaning -

Providing various financial services of low value to the lower income people.

Value — ↓ lower

Target group — Poor people

(b) (BC) Model of Banking — 2006

↳ Business Correspondent

(Bank Mitra)

↓
Various banking services

↓
In less populated villages

Note - cost effective model as compared to the Brick & Mortar Model.

(c)

Niche Banks



The Machiket Mor Comm. (Suggested)



banks catering to the needs of a specific group.



Payment Banks

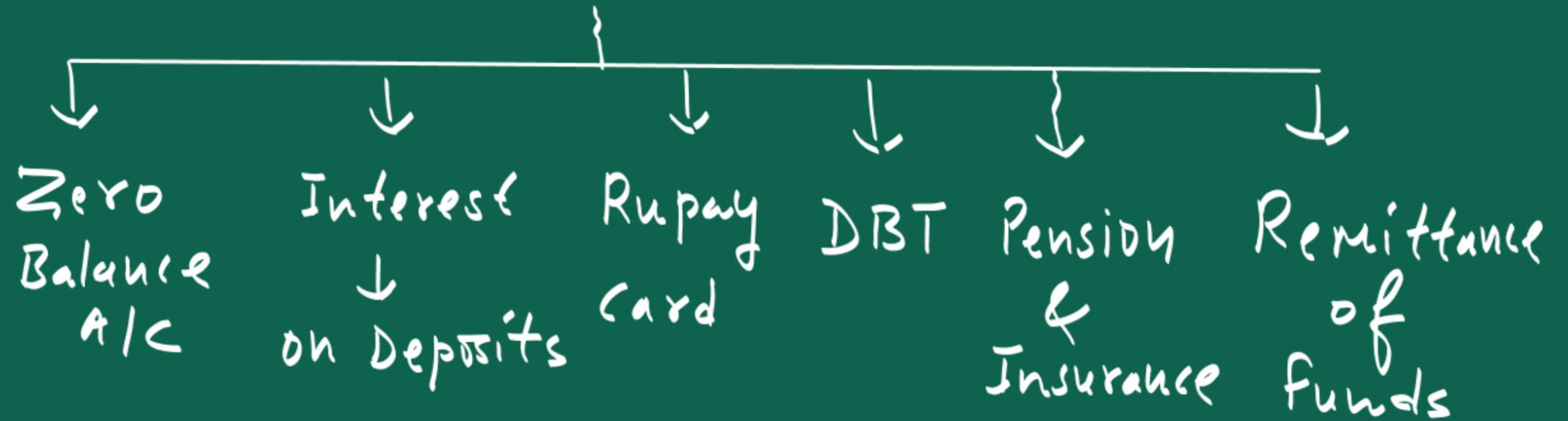
Small Financial Banks



- (i) Small business units
- (ii) Marginal & small farmers
- (iii) Micro & small Enterprises
- (iv) Unorganised sector units

(d) Pradhanmantri Jan Dhan Yojna } - 2014
↓
Financial Inclusion Mission

↓
Basic Saving Bank A/c is opened
under this scheme.

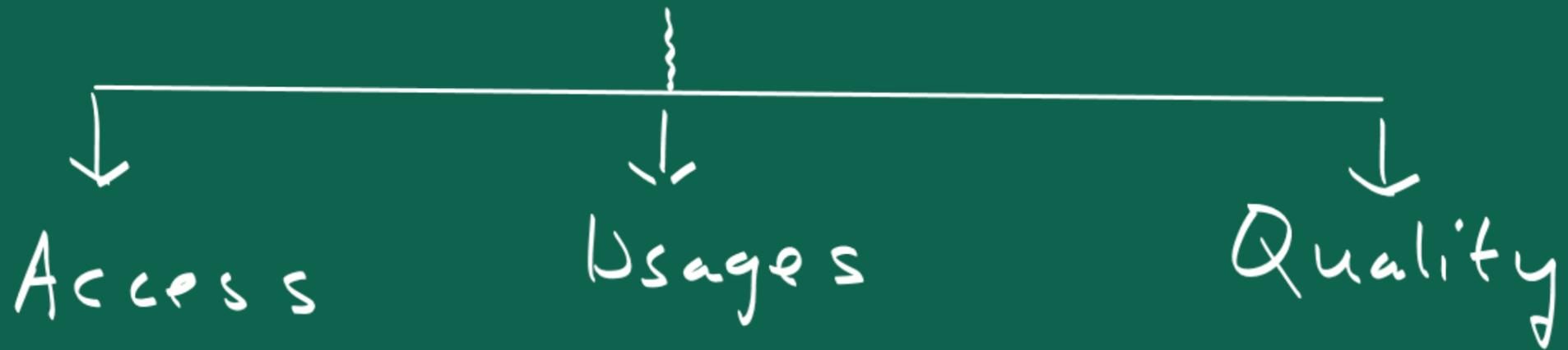


- +
↳ Overdraft facility → ₹ 10,000.
- ↳ Accidental Insurance → ₹ 2 lac.

(e)

Financial Inclusion Index

↓
Prepared by RBI (Since 2021)



Total Marks - 100

Non Banking Financial Companies

↓
NBFCs

↓
Shadow Banks

(i) Meaning -

(a) They are the companies registered under -

↓
Indian Company Act

(b) more than 50% of their income & assets.

↓
financial

(ii) Difference between a bank
& an NBFC



(a) NBFCs can not accept demand deposits while banks can do so.

(b) NBFCs can not issue cheque books while banks can do so.

(c) Deposits of NBFCs are not covered under the guarantee of RBI while bank deposits are protected by that guarantee.

(iii) Types of NBFCs :

(a) Functionwise like -

- ↳ NBFC - IFC
↳ Infra finance Company
 - ↳ NBFC - MFI
↳ Microfinance Inst.
 - ↳ NBFC - MGC
↳ Mortgage Guarantee Comp.
- ↓

(b) Depositwise -

↳ NBFC - (D)

↓
Depositing

↓
which can accept deposits

↳ NBFC - (ND)

↓
non Depositing

↳ NBFC - ND - (SI)

↓
Systematically Import.

(iv) New types of NBFCs



(a) NBFC - AA



Account Aggregator

(b) NBFC - P2P



Peer to Peer

FinTech



Finance

+

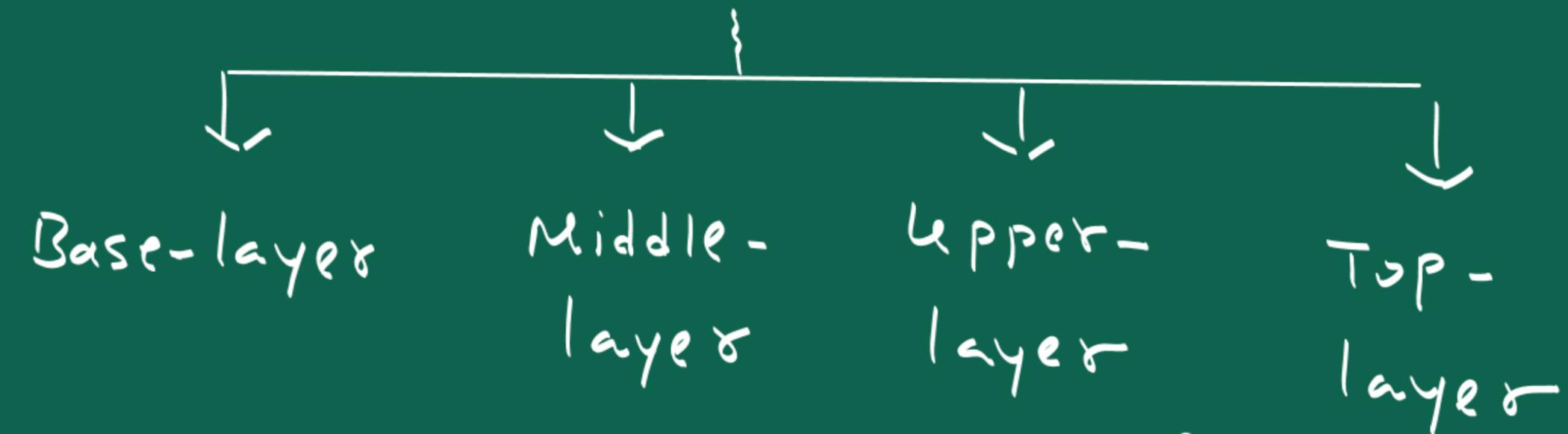
Technology

(IT)

(v) SBR = Scale Based Regulation

by RBI

↓
NBFCs



(vi) Regulation — except few

by RBI

Deposit Insurance in India

(i) Started in — 1961

(ii) Max. amount of bank deposits insured — ₹ 5 lakh

(iii) Guarantee provided by

DICGC

↓
a 100% subsidiary company of RBI

Deposit Insurance &

Credit

Guarantee Corporation

Tokenisation : Optional & Free



Various details of debit/credit
Cards



concealed by



An alternative number called token

Development Banks



Provide long term finance for the development of some specific areas.



Also called - **FIs** - Financial Inst.



NABARD



EXIM
Bank



SIDBI

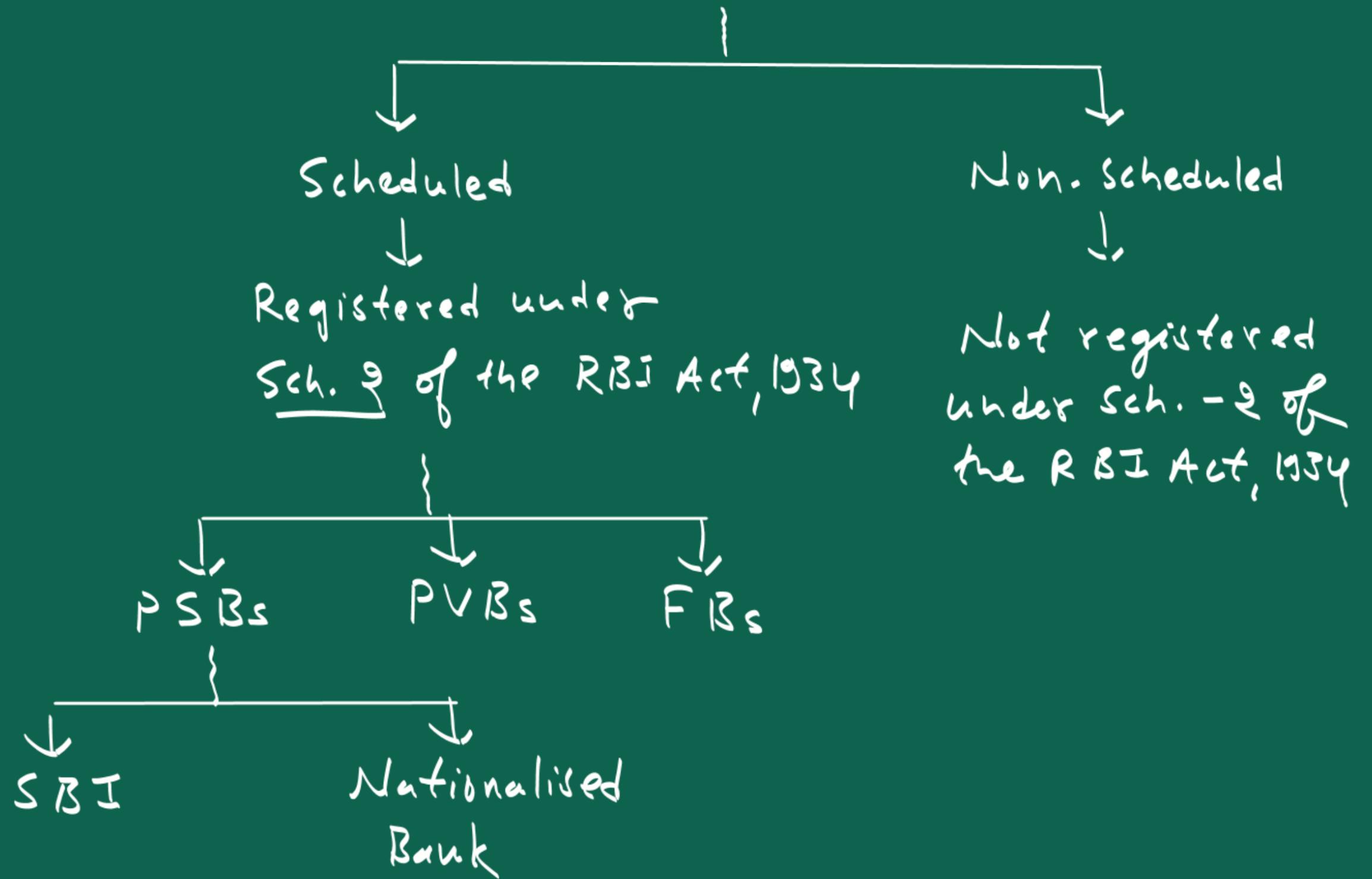


NHB



NABFID

Structure of Comm. Banks



(ii) Coverage of microfinance in India

↓
L credit

L Pension & Insurance

L Remittance of funds

L collection of thrift.

↓
tendency of spending less.

↓
Savings

low value

Poors

(iii) Regulation —

by RBI

(iv) Development —

by NABARD

Note : Microfinance in India was started in 1992 when the NABARD started SBLP.

