Ministry of Finance Schemes

Pradhan Mantri Jan Dhan Yojana

- It is a flagship financial inclusion scheme launched in 2014 for 4 years and was later approved to continue beyond.
- The scheme facilitates the opening of bank accounts with zero balance for every household to ensure access to financial services in an affordable manner.
- There are some special benefits like free accident insurance cover, over draft facility for the Jan Dhan account holders.
- The first phase of the scheme focused on opening basic bank accounts and RuPay debit card with inbuilt accident insurance cover of Rs 1 lakh.
- The 2nd phase (2015-2018) planned to provide micro-insurance to the people and pension schemes to unorganised sector workers through Business Correspondents.
- Union Finance Ministry has recently announced more incentives.
- It has decided to provide the facility of opening zero balance account from every household to every adult.
- The accident insurance cover and overdraft facility have also been increased.
- The free accident insurance cover for those opening Jan Dhan accounts has been doubled to Rs 2 lakh.
- There will be no conditions attached for over-draft of up to Rs 2,000.
- Also, the upper age limit for availing the facility has been hiked to 65 from the earlier 60 years.

Aam Admi Bima Yojana

- AABY is a Government of India Social Security Scheme administered through LIC.
- It provides Death and Disability cover to persons between the age group of 18 yrs to 59 yrs.
- It is a group insurance scheme providing insurance cover for a sum of Rs 30,000/- on natural death, Rs. 75,000/- on death or total permanent disability due to accident, Rs. 37,500/- for partial permanent disability due to accident.
- The total annual premium under the scheme is Rs. 200/- per beneficiary, of which 50% is contributed from the Social Security Fund created by the Central Government and maintained by LIC. The balance is contributed by the State Government / Nodal Agency / Individuals.

Pradhan Mantri Suraksha Bima Yojana

- PMSBY is aimed at providing accidental insurance cover at a very affordable premium of Rs.12/year.
- The coverage available will be Rs.2 lakh for accidental death or permanent total disability and Rs.1 lakh for permanent partial disability.
- The Scheme will be available to people in the age group 18 to 70 years with a savings bank account who give their consent to join and enable auto-debit on an annual renewal basis.

- It is offered by Public Sector General Insurance Companies or any other General Insurance Company who are willing to offer the product on similar terms.
- Individuals can exit and re-join the scheme subjecting to conditions.
- It serves the goal of financial inclusion by achieving penetration of insurance down to the weaker sections of the society.

Pradhan Mantri Jeevan Jyoti Bima Yojana

- PMJJBY offers coverage for death due to any reason and is available to people in the age group of 18 to 50 years (life cover upto age 55) having a savings bank account who gives their consent to join and enable auto- debit.
- A life cover of Rs. 2 lakhs is available for a one year period at a premium of Rs.330/- per annum per member and is renewable every year.
- It is administered through LIC and other Indian private Life Insurance companies.
- A person can join PMJJBY with one Insurance company with one bank account only.
- Eligible persons can join the scheme without giving self-certification of good health.
- A death certificate and simple claim form is required to submit and the claim amount will be transferred to the nominee‘s account.

Varishtha Pension Bima Yojana

- It is a pension scheme for the benefit of citizens aged 60 years and above.
- Under the Scheme the subscribers on payment of a lump sum amount get pension at a guaranteed rate of 9% per annum (payable monthly).
- Any gap in the guaranteed return over the return generated by the LIC on the fund is compensated by Government of India by way of subsidy payment in the scheme.
- The scheme allows withdrawals of deposit amount by the annuitant after 15 years of purchase of the policy.
- The scheme is administered through LIC.

Atal Pension Yojana

- The coverage under the then existing Swavalamban Scheme was inadequate due to non-clarity of benefits at the age of 60 years.
- To address this concern, the Government announced a new initiative called Atal Pension Yojana (APY) in the Budget for 2015-16.
- With this introduction, the enrolment under Swavalamban has been closed and the eligible subscribers were automatically migrated to the APY unless they opt out.
- Under the APY, the subscribers would receive the fixed pension ranging from Rs. 1000 - Rs. 5000 per month, at the age of 60 years, depending on their contributions.
- It focuses on all citizens in the unorganised sector, who join the National Pension System (NPS) administered by the Pension Fund Regulatory and Development Authority (PFRDA).
- It is open to all bank account holders who are not members of any statutory social security scheme.

- It mainly targets on unorganised sector workers.
- The age of joining APY is 18 years to 40 years. Therefore, minimum period of contribution by the subscriber under APY would be 20 years or more.
- The Central Government would also co-contribute 50% of the subscriber's contribution or Rs. 1000 per annum, whichever is lower for a period of 5 years upto 2020.
- The same pension would be paid to the spouse of the subscriber and on the demise of both the subscriber and spouse, the accumulated pension wealth is returned to the nominee.
- The scheme follows the same investment pattern as applicable to the NPS contribution of Central Govt employees.
- APY can be opened through banks, Postal department and also through eNPS platform.

National Pension Scheme

- It is a pension cum investment scheme launched to provide old age security to citizens.
- Any individual citizen of India (both resident and Non-resident) in the age group of 18-65 years can join NPS.
- The scheme is regulated by Pension Fund Regulatory and Development Authority (PFRDA).
- The different sectors covered under the scheme are classified in to 2 categories.
- The employee of the various sectors contributes towards pension from monthly salary along with matching contribution from the employer (central government/state govt/corporate).
- After retirement or exit from the scheme, the corpus is made available with the mandate that some portion of the corpus must be invested into annuity to provide a monthly pension post retirement or exit from the scheme.

Pradhan Mantri Vaya Vandana Yojana

- It is a pension scheme announced exclusively for the senior citizens aged 60 years or above.
- The investment limit is Rs.15 lakh/senior citizen and provides an assured return of 8% p.a. for 10 years.
- It is exempted from Service Tax/ GST and LIC is the implementing agency.
- The ceiling of maximum pension is for a family as a whole; the family will comprise of pensioner, his/her spouse and dependants.
- Premature withdrawal from the scheme is possible in case the money is required for the treatment of terminal or critical illness of the person or spouse.
- The shortfall owing to the difference between the interest guaranteed and the actual interest earned shall be subsidized by the Government of India and reimbursed to the Corporation.

Swabhimaan

- Swabhimaan is a campaign which aims to bring banking services to large rural areas.
- This campaign is to be operated by the Ministry of Finance and the Indian Banks' Association (IBA) to bring banking within the reach of the masses of the Indian population.

Pradhan Mantri MUDRA Yojana

- The programme was launched to give access to cheap credit to poor and small fledgling business persons with the objective to provide self-employment.
- It is a scheme to extend collateral free loans by Banks, NBFCs and MFIs to Small/Micro business enterprises and individuals in the non-agricultural sector to enable their business activities and to generate self employment.
- For implementing the Scheme, government has set up a new institution named, Micro Units Development & Refinance Agency Ltd (MUDRA).
- It acts as a regulator for the micro finance sector looks after development and refinancing activities relating to micro units.
- It provides refinance to all banks and Last Mile Financiers seeking refinancing of small business loans given under PMMY.
- The scheme services whose credit needs are below Rs.10 lakh.
- Loans can be availed under three categories

1. Shishu for loans up to Rs.50,000;
2. Kishor for loans above Rs. 50,000 and up to Rs.5 lakh;
3. Tarun for loans above Rs.5 lakh and up to Rs.10 lakh.

- Mudra debit cards are issued to borrowers. Using these, they can withdraw the loan from any ATM in India, as and when they need the money.

Stand Up India Scheme

- It is to promote entrepreneurship among Scheduled Caste/Schedule Tribe and Women.
- The scheme provides for composite loans by banks between Rs. 10 lakh and upto Rs. 100 lakh for setting up a new enterprise in the non-farm sector.
- These loans would be eligible for refinance and credit guarantee cover.

Gold Monetisation Scheme

- It is a gold savings account which will earn interest for the gold that you deposit in it.
- Deposited gold can be in any physical form – jewellery, coins or bars.
- The tenure of gold deposits is likely to be for a minimum of one year.
- The long-term objective is to reduce the country's reliance on the import of gold to meet domestic demand.
- The scheme will also help in mobilizing the large amount of gold lying as an idle asset with households.

Sovereign Gold Bond Scheme

- Sovereign Gold Bonds (SGBs) are government securities denominated in grams of gold.

- The bonds are to be issued by RBI.
- They will be restricted for sale to resident Indian entities including individuals, HUFs, Trusts, Universities and Charitable Institutions.
- They will be denominated in multiples of gram(s) of gold with a basic unit of 1 gram.
- Recently, RBI has increased the maximum investment to 4 kg (from 500g) for individuals and Hindu Undivided Family (HUF) and 20 kg for Trusts, with minimum being 1g.
- The interest rate is fixed at the rate of 2.50% p.a with tenor period of 8 years with exit option from 5th year.
- The interest on Gold Bonds shall be taxable.
- Only the capital gains tax arising to an individual on redemption of SGB has been exempted.
- Bonds can be used as collateral for loans and are eligible for Statutory Liquidity Ratio purposes in Banks.
- They are tradable on stock exchanges.
- The redemption price will be in INR based on previous week‘s simple average of closing price of gold.

Project Shaksham

- The project is for creation of a New Indirect Tax Network (System Integration) of the Central Board of Excise and Customs.
- The project will help in

1. Implementation of Goods and Services Tax (GST),
2. Extension of the Indian Customs Single Window Interface for Facilitating Trade (SWIFT) and
3. Other taxpayer-friendly initiatives under Digital India and Ease of Doing Business of Central Board of Excise and Customs.

- It is to ensure readiness of CBEC's IT systems by April, 1, 2017, when GST is to be introduced.

Tejaswini

- It is the scheme for the socio-economic empowerment of Adolescent Girls and Young women.
- It seeks to empower the adolescent girls with basic life skills and thereafter provide further opportunities to acquire market driven skill training or completion of secondary education.
- It has 3 main components - (i) Expanding social, educational and economic opportunities (ii) improve livelihood opportunities by developing participants' skills (iii) Strengthens womens participation in local governance.
- Recently, India signed financing agreement with World Bank for funding of this scheme.