

## **Government will propose fixed deposit scheme during Rakshabandhan to deepen financial inclusion**

The government will use the upcoming Rakshabandhan festival to propose a fixed deposit scheme which will deepen financial inclusion, and will top it up with freebies to make it attractive for depositors.

The finance ministry has suggested a fixed deposit (FD) scheme to banks in which brothers can open an FD of at least Rs 5,000 for their sisters. The government will add free life and accident insurance schemes to these deposits to make them more appealing.

A senior banker aware of the developments told ET that the scheme, which may be christened 'Uphaar Yojana' or 'Raksha Bandhan Yojana', will be available for a minimum fixed deposit of Rs 5,000. The government's idea is to keep the Jan Dhan accounts active through these schemes and also encourage financial savings in the so far unbanked segments.

"The new scheme will also help banks to get more lowcost deposits and further help promote the cause of financial inclusion," said another banker in the know of things. Jeevan Jyoti Bima Yojana offers a renewable one-year life cover of Rs 2 lakh to all savings bank account holders in the 18-50 age group, covering death due to any reason for an annual premium of Rs 330. Already 2.66 crore people have enrolled for the scheme.

Suraksha Bima Yojana offers a renewable one-year, accidental, death-cum-disability cover of Rs 2 lakh for partial, permanent disability to all savings bank account holders in the 18-70 age group for an annual premium of Rs 12.

The government has launched three social security programmes -- the Pradhan Mantri Suraksha Bima Yojana (PMSBY), the Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) and the Atal Pension Yojana (APY) --to bring the excluded under the fold of formal financial services. The drive is billed as 'Jandhan to Jansuraksha'.

So far, about 10 crore people have been covered under these three schemes. State bank of India, country's largest bank, has offered these three schemes to over 2 crore people, followed by Punjab National Bank which has covered 79 lakh people. "If even half of them buy a Rs 5,000 fixed deposit, one can imagine how much money will flow into the formal banking sector," said the above quoted bank official.

*(Economic Times)*