



## India's First Floating Financial Literacy Camp

**For Prelims:** Niveshak Didi Initiative, India Post Payments Bank, Floating Financial Literacy Camp

**For Mains:** Financial Inclusion, Initiatives for Financial Inclusion, India Post Payments Bank

### Why in News?

Recently, [India Post Payments Bank \(IPPB\)](#) conducted India's First Floating **Financial Literacy Camp** with an initiative called '**Niveshak Didi**' to promote [Financial Literacy](#) '**By the women, for the women**', in Srinagar, J&K.

### What is the Niveshak Didi Initiative?

- **About:**
  - It is based on the ideology of **women for women**, as rural area women feel more comfortable to share their queries with a female herself.
- **Implementing Agency:**
  - It is launched by IPPB, in collaboration with **Investor Education and Protection Fund Authority (IEPFA)** under the aegis of **Ministry of Corporate Affairs (MCA)**.
- **Floating Financial Literacy Camp:**
  - The session covered topics ranging from **banking and financial products**, importance of **joining the mainstream financial services** offered by regulated entities & **protection against various types of risks** involved with investments and measures of fraud prevention.

### What are India's other Initiatives for Financial Literacy?

- **Pradhan Mantri Jan-Dhan Yojana:**
  - [Pradhan Mantri Jan Dhan Yojana \(PMJDY\)](#) is the **National Mission for Financial Inclusion**.
  - **It ensures access to financial services**, namely, Banking/ Savings & Deposit Accounts, Remittance, Credit, Insurance, Pension in an affordable manner.
  - PMJDY has been the **foundation stone for people-centric economic initiatives**. Whether it is [Direct Benefit Transfer \(DBT\)](#), [Covid-19](#) financial assistance, [PM-KISAN](#), increased wages under [Mahatma Gandhi National Rural Employment Guarantee Scheme \(MGNREGA\)](#), life and health insurance cover, the first step of all these initiatives is to provide every adult with a bank account, which PMJDY has nearly completed.
- **Pradhan Mantri Jeevan Jyoti Bima Yojana:**
  - [Pradhan Mantri Jeevan Jyoti Bima Yojana](#) provide for life insurance and accident insurance respectively to the migrants and labourers.
- **Pradhan Mantri Kisan Maan Dhan Yojana:**
  - [PMKMDY](#) was started to provide **social security to all landholding Small and Marginal Farmers** (farmers whose land holdings are less than two hectares of land in the country).

- It is a **voluntary and contribution-based** pension scheme.
- Pension **will be paid to the farmers** from a Pension Fund managed by the Life Insurance Corporation of India.
- Farmers will have to contribute an amount between Rs.55 to Rs.200 per month in the Pension Fund till they reach the retirement date i.e., the age of 60 years.
- **Pradhan Mantri Mudra Yojana:**
  - The **PMMY** is a scheme launched in 2015 for providing loans up to 10 lakh to the non-corporate, non-farm small/micro enterprises.
  - These loans are classified as MUDRA loans under PMMY.
  - These loans are given by Commercial Banks, RRBs, Small Finance Banks, Cooperative Banks, MFIs and NBFCs.

## What is India Post Payments Bank (IPPB)?

### ▪ About:

- **It has been established under the Department of Posts, Ministry of Communication with 100% equity owned by the Government of India.**

### ▪ Objective:

- **The bank has been set up with the vision to build the most accessible, affordable and trusted bank for the common man in India.**
- **The fundamental mandate of IPPB is to remove barriers for the unbanked and under-banked and reach the last mile leveraging a network comprising 160,000 post offices (145,000 in rural areas) and 400,000 postal employees.**
- **IPPB's reach and its operating model is built on the key pillars of India Stack - enabling Paperless, Cashless and Presence-less banking in a simple and secure manner at the customers' doorstep, through a CBS-integrated smartphone and biometric device.**
- **IPPB is committed to provide a fillip to a less cash economy and contribute to the vision of Digital India.**

## UPSC Civil Services Examination Previous Year Question:

### Prelims

#### Q. Pradhan Mantri MUDRA Yojana is aimed at (2016)

- (a) bringing the small entrepreneurs into formal financial system
- (b) providing loans to poor farmers for cultivating particular crops
- (c) providing pensions to old and destitute persons
- (d) funding the voluntary organizations involved in the promotion of skill development and employment generation

**Ans: (a)**

**Exp:**

- Pradhan Mantri MUDRA Yojana (PMMY) is a scheme launched by the GoI in 2015 for providing loans upto `10 lakh to the non-corporate, non-farm small/micro enterprises.
- These loans are given by Commercial Banks, Regional Rural Banks (RRBs), Small Finance Banks,

Cooperative Banks, Micro Finance Institutions (MFIs) and Non Banking Financial Companies (NBFCs). Thus, it aims at bringing small entrepreneurs into the formal financial system.

- Under the aegis of PMMY, MUDRA has created three products, namely 'Shishu', 'Kishore' and 'Tarun' to signify the stage of growth/development and funding needs of the beneficiary micro unit/entrepreneur and also provide a reference point for the next phase of graduation/growth.
  - Shishu: loans upto 50,000;
  - Kishore: loans above 50,000 and upto 5 lakh;
  - Tarun: loans above 5 lakh and upto 10 lakh.
- The funding support from MUDRA are of four types:
  - Micro Credit Scheme (MCS) for loans upto 1 lakh finance through MFIs;
  - Refinance Scheme for Commercial Banks/ Regional Rural Banks (RRBs)/Scheduled Cooperative Banks;
  - Women Enterprise programme;
  - Securitization of loan portfolio.
- **Therefore, option (a) is the correct answer.**

## Mains

**Q.** Pradhan Mantri Jan Dhan Yojana (PMJDY) is necessary for bringing unbanked to the institutional finance fold. Do you agree with this for financial inclusion of the poorer section of the Indian society? Give arguments to justify your opinion. **(2016)**

**Q.** Is inclusive growth possible under market economy? State the significance of financial inclusion in achieving economic growth in India. **(2022)**

**Source: PIB**

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