



Aadhaar Card: A Tool for Financial Inclusion with special reference to State Bank of India in Patna

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Abstract : Aadhaar has become the most important factor for financial inclusion. For giving impetus to financial inclusion, the government of India relaxed certain KYC (Know Your Customer) norms and took initiative by allowing the use of Aadhaar Card, both as an identity proof and proof of residence to open the bank account. Aadhaar is a 12-digit UID (Unique Identification Number) issued by the Government of India to every resident of India. It is the world's biggest biometric ID programme. As on July 28, 2016, 1.03 billion of Indian

residents have been issued Aadhaar card. UIDAI (Unique Identification Authority of India) plays a very vital role in making financial inclusion real and impactful. Aadhaar, is a universal, digital, secure verification, which can be used as a financial address, and provides multiple applications like e-KYC, Subsidies, Pensions etc. Aadhaar number will help its owner to provide access to services like banking, mobile phone connections, Passport, Driving License and other Government and Non-Government services. Aadhaar owners can avail the entitled benefits throughout his or her life across the country. It suggests strategies to ensure maximum financial inclusion for the underprivileged and unbanked areas. More importantly, financial inclusion is inevitable in creating economic opportunities to the poor, and sustaining it and continues to participate, so that they become successful economic agents to the growth process of the country. It is in fact, one of the essential conditions for reduction of poverty and socio-economic inequalities in the society. The Aadhaar card would be able to bring in bottom-most members of the society into the formal financial system by helping them set up a bank account using Aadhaar numbers. This is the reason why Aadhaar card has become so powerful a tool for financial inclusion.

Keywords: Aadhaar card, Financial Inclusion, Direct Benefit Transfer, KYC, Online Authentication, UIDAI, UID.

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