

## Review Article

### **Financial Inclusion : Pradhan Mantri Jan- Dhan Yojana ( PMJDY)**

#### **ABSTRACT**

Pradhan Mantri Jan –Dhan Yojana was launched on 28 august 2014 in India, as a concept of Financial Inclusion. Main objective is to connect maximum people to banks and to provide them financial literacy to get maximum benefit out of small savings. This schemes was considered as new foundation stone for financial inclusion. This scheme was launched with a aim to include financial excluded people into the development mainstream. This scheme was a huge success in rural areas also it was mostly dependent on public sector banks as they are having good reach in rural areas. This paper is presenting the benefits of PMJDY and the progress of PMJDY from starting till 2021.

**KEY WORDS:** Pradhan Mantri Jan-Dhan Yojana, India, Financial inclusion, financial literacy.

#### **INTRODUCTION**

After a few years of independence in India, various schemes were worked on by the Central and state Governments to deal with the problem of poverty and unemployment, and banks and financial institutions played an important role in all this. But all these efforts can be considered successful when they can reach the needy families. The banking industry in India grew rapidly in a few decades. The branches of banks increased as well as there were many reforms in the banking system.

Financial inclusion is not limited bank account instead it extends to other financial services like pension, insurance and loan. In other words ,financial inclusion means ensuring convenient and easy access to people who were not know about financial services and products.

According to the Planning Commission (2009), Financial inclusion refers to universal access to a wide range of financial services at a reasonable cost. These include not only banking products but also other financial services such as insurance and equity products.

According to Chakraborty (2011), Financial inclusion is the process of ensuring access to appropriate financial products and services needed by all sections of society including vulnerable groups such as weaker sections and low income groups at an affordable cost in a fair and transparent manner by mainstream institutional players.

Financial inclusion means and includes delivery of financial services at an affordable cost to the vast sections of the disadvantaged and low-income groups in a given society. Access to finance by the poor and vulnerable groups is a prerequisite for achieving inclusive growth in any given economic system.

On 15<sup>th</sup> august 2014 PM narendra modi announced pradhanmantri jan dhan yojna which was considered as a way to financial inclusion. On 28<sup>th</sup> august 2014 this scheme was initiated. This programme is known as jam trinity.

Jam trinity means – “jan dhan yojna , adhar number and mobile banking”

The main motive of this programme, every citizen of India had to open an account in the bank which is going to open with zero balance. About 60,000 camps were organized simultaneously by all the banks across India on the day of the inauguration of the scheme on 28 August 2014. As a result 1.5 crore bank accounts were opened on the very first day of the scheme.

Till October 2, 2014, 5.29 crore accounts were opened under this scheme, including 3.12 crore in rural areas and 2.17 crore in urban areas, RuPay card issued in 1.78 crore accounts. With the provision of banking facilities in the union territories of Puducherry, Chandigarh, Mahasana and Porbandar district of Gujarat, all the families have been included in the Pradhan Mantri Jan Dhan Yojana.

### **Benefits of PMJDY**

- One basic savings bank account is opened for unbanked person.
- There is no requirement to maintain any minimum balance in PMJDY accounts.
- Interest is earned on the deposit in PMJDY accounts.
- RuPay Debit card is provided to PMJDY account holder.
- Accident insurance cover of Rs.1 lakh (enhanced to Rs.2 lakh to new PMJDY accounts opened after 28.8.2018) is available with RuPay card issued to the PMJDY account holders.
- Accident Insurance Cover of Rs. 2 lakhs and Rs.30,000 respectively.
- Over facility up to Rs. 10000
- PMJDY accounts are eligible for Direct Benefit Transfer (DBT), Pradhan Mantri Jeevan Jyoti Beema Yojna (PMJJBY), Pradhan Mantra Suraksha Beema Yojna (PMSBY), Atal Pension Yojna (APY), Micro Units Development & Refinance Agency Bank (MUDRA) scheme.

(Source-[www.pmjdy.gov.in](http://www.pmjdy.gov.in))

### **Objectives of research paper**

- To study the benefits of PMJDY.
- To study the progress of PMJDY from starting till 2021.

### **Research Methodology**

- In this paper we have used secondary data. For the collection of secondary data the newspaper and magazines and related official websites have been studied.

### **Review of literature**

Sonu(2019) PMJDY scheme is a great scheme and in short period of time it became so much popular. PMJDY has the potential for bringing financial inclusion to every disadvantaged home in emerging India. Most of the states have achieved their target under this scheme.

Ramasethu(2015) It has not only alleviated poverty but also reduced corruption at the grass-root level. RuPay Debit card scheme and life insurance policy increased the attraction to scheme.

Singh. R. For the development of the country it is very much required that most of the population is involved in financial system and formal banking.

Despite so many effort by government there are still challenges in achieving financial inclusion targets. PMJDY proved itself a huge success in financial inclusion. Its providing low cost banking Facilities to mass population. Still there is need to educate people about the benefit of banking system and financial system. Banks need to expand its network to rural and remote areas by opening branches and ATMs. Also they also need to come up with beneficial scheme for the poor and financially excluded people.

Singh.H. & Singh . N.K. To make financial inclusion successful government initiated PMJDY has been a huge success. It promotes financial inclusion and contributes in nation's inclusive growth. Use of RuPay card was very remarkable. This scheme is really successful in providing Direct Benefit Transfer from the government and both rural and urban areas. According to the present report of PMJDY, this program has performed admirable and has aided in achieving the aim of complete financial inclusion.

**Table No. 1.1**  
**Pradhan Mantri Jan - Dhan Yojana**  
**(All figures in Crore)**  
**Beneficiaries as on 23/02/2022**

Bank Name / Type	Number of Beneficiaries at rural/semiurban centre bank branches	Number of Beneficiaries at urban metro centre bank branches	No Of Rural-Urban Female Beneficiaries	Number of Total Beneficiaries	Deposits in Accounts(In Crore)	Number of Rupay Debit Cards issued to beneficiaries
Public Sector Banks	22.03	13.23	19.46	35.26	123170.79	26.96
Regional Rural Banks	7.14	1.06	4.74	8.2	32096.46	3.39
Private Sector Banks	0.7	0.59	0.71	1.3	4666.36	1.1
<b>Grand Total</b>	<b>29.88</b>	<b>14.88</b>	<b>24.91</b>	<b>44.76</b>	<b>159933.62</b>	<b>31.45</b>

<https://pib.gov.in/>

In the above mentioned table the beneficiaries of Pradhan Mantri Jan – Dhan Yojana ( PMJDY) has been listed. It is clear that Public Sector Banks have implemented this scheme far better compared to Private Banks .

As on 23/ 02/ 2023 total amount deposited in PMJDY was 159933.62 crore . Out of that deposit 123170.79 crore was deposited in Public Sector banks only.

31.45 crore rupay card were issued out of total 44.76 crore beneficiaries til 23/02/2023. 26.96 crore rupay card were issued by public sector banks only.

**Table No. 1.2**  
**Statewise account opening Report as on 23/02/2022**

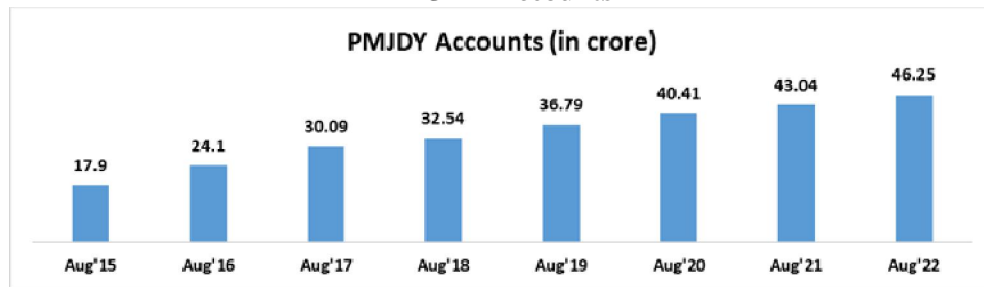
S.No	State Name	Beneficiaries at rural/semi-urban centre bank branches	Beneficiaries at urban/metro centre bank branches	Total Beneficiaries	Balance in beneficiary accounts (in crore)	No. of RuPay cards issued to beneficiaries
1	Andaman & Nicobar Islands	29,908	16,406	46,314	30.2	37,962
2	Andhra Pradesh	63,97,020	53,14,890	1,17,11,910	3,405.60	90,72,563

3	Arunachal Pradesh	2,42,299	1,33,469	3,75,768	183.69	3,09,572
4	Assam	1,58,61,868	43,52,770	2,02,14,638	4,607.61	1,07,82,342
5	Bihar	3,59,28,147	1,47,44,748	5,06,72,895	16,644.80	3,80,93,163
6	Chandigarh	40,538	2,40,057	2,80,595	134.41	1,79,342
7	Chhattisgarh	1,10,87,212	48,29,046	1,59,16,258	4,757.54	1,02,57,345
8	Dadra & Nagar Haveli	1,38,194	10,610	1,48,804	88.29	93,444
9	Daman & Diu	48,401	13,643	62,044	30.9	46,517
10	Delhi	4,06,569	48,36,193	52,42,762	2,112.36	40,27,726
11	Goa	1,52,927	17,024	1,69,951	128.01	1,14,638
12	Gujarat	1,04,11,550	63,41,818	1,67,53,368	7,243.18	1,27,44,361
13	Haryana	43,73,636	40,73,558	84,47,194	4,511.35	56,86,415
14	Himachal Pradesh	14,61,598	1,24,833	15,86,431	1,101.92	11,15,257
15	Jammu & Kashmir	21,70,812	4,02,256	25,73,068	1,541.30	18,23,082
16	Jharkhand	1,33,60,518	27,70,932	1,61,31,450	5,736.59	1,12,20,600
17	Karnataka	93,32,990	63,66,681	1,56,99,671	6,043.39	96,38,851
18	Kerala	27,01,381	21,92,103	48,93,484	2,102.92	28,92,313
19	Ladakh	16,359	4,460	20,819	24.59	18,438
20	Lakshadweep	4,696	1,566	6,262	11.39	4,794
21	Madhya Pradesh	2,20,86,702	1,49,38,435	3,70,25,137	8,610.97	2,89,60,177
22	Maharashtra	1,75,90,728	1,36,45,747	3,12,36,475	10,565.36	2,16,95,891
23	Manipur	6,41,769	3,78,507	10,20,276	193.83	6,68,759
24	Meghalaya	5,47,250	67,286	6,14,536	322.43	4,15,075
25	Mizoram	1,83,896	1,31,358	3,15,254	143.71	1,17,084
26	Nagaland	1,54,965	1,89,264	3,44,229	86.88	2,83,593
27	Odisha	1,46,05,900	38,46,750	1,84,52,650	7,108.80	1,39,54,199
28	Puducherry	83,447	84,034	1,67,481	68.66	1,23,061
29	Punjab	44,39,383	32,13,787	76,53,170	3,258.41	55,55,245
30	Rajasthan	2,05,09,471	1,06,75,552	3,11,85,023	12,885.23	2,36,14,524
31	Sikkim	57,977	27,219	85,196	45.69	60,455
32	Tamil Nadu	59,19,251	55,85,768	1,15,05,019	3,164.19	90,97,195
33	Telangana	56,80,292	47,41,162	1,04,21,454	2,983.32	83,68,142
34	Tripura	6,71,013	1,81,784	8,52,797	402.67	3,09,835
35	Uttar Pradesh	5,66,85,160	2,18,36,134	7,85,21,294	32,892.96	5,33,50,876
36	Uttarakhand	19,11,980	9,74,706	28,86,686	1,567.47	20,23,393
37	West Bengal	3,28,47,005	1,15,33,590	4,43,80,595	15,193.01	2,77,37,720
38	Total	29,87,82,812	14,88,38,146	44,76,20,958	1,59,933.62	31,44,93,949

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in Table 1.2 state wise Pradhan Mantri Jan Dhan Yojna beneficiaries has been enlisted. maximum number of beneficiaries were from Uttar Pradesh (Highlighted with yellow color). the second most numbers of beneficiaries are from Bihar ( also highlighted with yellow).

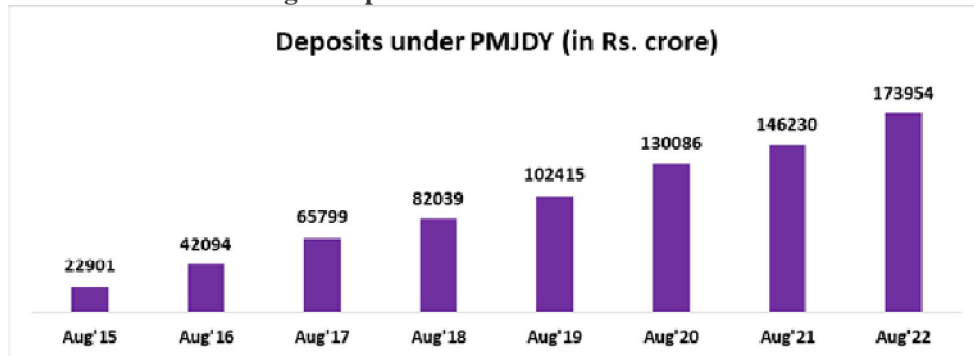
**Fig 1. Achievements under PMJDY- As on 10th August'22:**  
**PMJDY Accounts**



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In the first year 2015 17.90 crore account were opened. increasing every year it has reached till 46.25 crore till August 2022. it is the most successful Financial Inclusion Programme.

**Fig 2. Deposits under PMJDY accounts**



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The First year deposit was 22,901 crore. it is reached till 1,73,954 crore. Deposits have increased 7.60 times until 2022.

**Conclusion:** - Pradhan Mantri Jan Dhan Yojna is also a emerging step for remove poverty in India.this programme is a important tool of Financial Inclusion. Connecting people to bank has been successful task under PMJDY. On the other side is has also been criticized Mittal, K., has mentioned in his research paper that people has been dispassionate about the scheme. Government needs to advertise more and also educate public.

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