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Pradhan Mantri Jan Dhan Yojana (PMJDY) In India – A Study

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ABSTRACT

Pradhan Mantri Jan-DhanYojana (PMJDY) is a National Mission for Financial Inclusion to give guarantee access to financial services, namely, Banking/ Savings & Deposit Accounts, Remittance, Credit, Insurance, Pension in an affordable manner. The scheme was started in 2014, it has created a landmark in bringing millions to the banking services. It is a essential scheme of Government to attain financial inclusion of the mass and making a progress towards inclusive growth. This article to study the scheme about (PMJDY) in details and its development in across the country.

KEYWORDS: PMJDY, Deposit Account

INTRODUCTION

Financial inclusion is one the technique of ensuring access to financial services and timely and sufficient credit where needed groups such as weaker sections and low- income groups at reasonable cost (The Committee on Financial Inclusion, Chairman: Dr. C. Rangarajan). Financial Inclusion, broadly defined, refers to worldwide access to a wide range of financial services at a reasonable cost. These include not only banking services, and also provide other financial services like insurance scheme and equity market. The main objective of the financial inclusion is to ensure providing of financial services which include banking services to the public for savings and financial transactional purposes at low cost.

Since Independence of India, there have been taken continuous efforts towards financial inclusion of the poor and underdeveloped in rural and urban areas. The financial inclusion progress can be started during 1920s in the time of British era. From that day onwards the banking and financial services in India has to take more effort to make the banking more

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inclusive and the service more affordable to the poor and unbanked. The steps to be taken for tne banking services like priority sector lending, lead bank scheme, service area approach, a creation of National Bank for Agriculture and Rural development, the introduction of regional rural banks/ local area banks, Microfinance, Kisan credit cards, business correspondence. The aim of All these steps at bringing banking and financial services closer to the people. The National Mission on Financial Inclusion about an integrated move toward to bring about the wide-ranging financial inclusion of all the households in the country. This is a financial inclusion scheme which was officially launched on 15 August 2014 by Prime Minister Narendra Modi. Easy financial access to everyone to the national level it is the main purpose for the launch of this program. All bank branch or Business Correspondent outlet can be opened PMJDY Account with Zero balance. However, if the account-holder wishes to get cheque book, he/she will have to fulfill minimum balance criteria. Pradhan Mantri Jan DhanYojana it is one of the current scheme is comprehensive, flexible and innovative. It aimed at providing financial services to meet the needs of the end user.

OBJECTIVE OF THE STUDY

The Objective of the report is to look at the Financial Inclusion journey covered so far, with the main focus on the ground level implementation of Jan Dhan Yojana.

- To study the progress of financial inclusion in the country.
- To know the extent of PMJDY in achieving financial exclusion/inclusion in the country.
- To evaluate the challenges faced in the process of financial inclusion in the country.

METHODOLOGY

The project report aims at analyzing the journey of Financial Inclusion in India. The study requires the analysis of secondary research data from sources like,

• Financial Inclusion Reports published by RBI and Government of India Committees international institutions like the International Monetary Fund and World Bank

• Scholarly research books, journals, and articles.

The financial inclusion reports have developed a sound theoretical foundation for this report. The analysis and review have provided us with core valuable insights.

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BASIC FEATURES OF PRADHAN MANTRI JAN DHAN YOJANA (PMJDY)

- Account holders will be provided bank accounts with no minimum balance.
- Accidental insurance cover of Rs. 1 lac
- Interest on deposit.
- The scheme provides life cover of Rs. 30,000/- payable on the death of the beneficiary, subject to fulfillment of the eligibility condition.
- Easy Transfer of money across India
- Beneficiaries of Government Schemes will get Direct Benefit Transfer in these accounts.
- After the satisfactory operation of the account for 6 months, an overdraft facility will be permitted
- Access to Pension, insurance products.
- The Claim under Personal Accidental Insurance under PMJDY shall be payable if the Rupay Cardholder has performed minimum one successful financial or non-financial customer induced transaction at any Bank Branch, Bank Mitra, ATM, POS, E-COM etc.
- Overdraft facility of Rs.5000/- is available, preferably for the women members of a house.

PILLARS OF PRADHAN MANTRI JAN DHAN YOJNA SCHEME

The mission mode objective of the PMJDY consists of 6 pillars

Phase I (15 August, 2014- 14 August, 2015

1)Universal access to banking facilities

2)Financial literacy Programme and

3)Endowing basic banking accounts after satisfactory operation for six months, with an overdraft facility of Rs. 5000 at a rate of interest of 12% per annum, RuPay Debit card with inbuilt accident insurance cover of Rs 1 lakh and issuance of Kisan Credit Card (KCC) as RuPay Kisan Card, will be implemented.

To get benefit of Accidental Insurance Cover of Rs. 1 lakh, RuPay Debit Card must be used at least once in 90 days (used to be 45 days uptill 25 Nov 2015) and this is available to

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beneficiaries in the age group of 18-70. Electronic Transfer of subsidies (direct benefit transfer) under various schemes of Government would also be enabled.

Phase II (15 August 2015 - 15 August, 2018)

1)Creation of Credit Guarantee Fund for coverage of defaults in overdraft A/Cs

2)Micro insurance and

3)Unorganized sector Pension schemes like Swavlamban. In addition, in this phase coverage of households in hilly, tribal and difficult areas would be carried out. This is the phase where the hitherto uncovered areas comes in. Moreover, this phase would focus on coverage of remaining adults in the households and students.

RESULTS AND FINDINGS

Since the launch of the scheme in 2014, the number of accounts opened under PMJDY has increased manifold. The number of PMJDY accounts opened rises year on year basis in countrywide basis is shown in the Table - 1

TABLE 1 NO OF ACCOUNTS OPENED THROUGH PMJDY SCHEME RURAL AND URBAN

S.no	As on	Rural	% in total	Urban	% in total	total
1	26/10/2016	155342684	61.4	97821583	38.6	253164267
2	25/10/2017	182014642	59.6	123191043	40.4	305205685
3	31/10/2018	196167991	59.2	135341042	40.8	331509033
4	30/10/2019	217613826	58.2	155986644	41.8	373600470

Source: Ministry of Finance, Govt of India, www.mof.gov.in

From the above table clearly exhibit that in the year 2016,253164267 account opened out of which 61.4 percent account opened by Rural banks, 38.6 percent by Urban Banks. in the year 2017,305205685 account opened out of which 59.6 percent account opened by Rural banks,40.4 percent by Urban Banks. in the year 2018,331509033 account opened out of which 59.2 percent account opened by Rural banks, remaining 40.8 percent by Urban Banks. And in the year 2019,373600470 account opened out of which 58.2 percent account opened by Rural banks, remaining 41.8 percent by Urban Banks.

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TABLE 2 NO. OF ACCOUNTS OPENED IN PUBLIC SECTOR, REGIONAL RURAL BANKS AND PRIVATE BANKS UNDER PMJDY SCHEME

As on	Public sector Banks	% in total	Regional rural Banks	% in total	Private sector Banks	% in total	Total
26/10/2016	201684052	79.7	42853806	16.9	8626409	3.4	253164267
25/10/2017	246361532	80.7	49085763	16.1	9758390	3.2	305205685
31/10/2018	267240449	80.6	54094259	16.3	10174325	3.1	331509033
30/10/2019	297289515	79.6	63806549	17.1	12504406	3.3	373600470

Source: Ministry of Finance, Govt of India, www.mof.gov.in

From the above table clearly exhibit that in the year 2016,253164267 account opened out of which 79.7 percent account opened by Public sector banks, 16.9 percent by Regional rural Banks,3.4 percent account opened by Private sector Banks. in the year 2017, 305205685 account opened out of which 80.7 percent account opened by Public sector banks, 16.1 percent by Regional rural Banks,3.2 percent account opened by Private sector Banks. in the year 2018, 331509033 account opened out of which 80.6 percent account opened by Public sector banks, 16.3 percent by Regional rural Banks,3.3 percent account opened by Private sector Banks. and in the year 2019, 373600470 account opened out of which 79.6 percent account opened by Public sector banks, 17.1 percent by Regional rural Banks,3.3 percent account opened by Private sector Banks.

TABLE 3 NO OF RUPAY CARD ISSUED BY IN PUBLIC SECTOR BANKS, REGIONAL RURAL BANKS AND PRIVATE SECTOR BANKS UNDER PMJDY SCHEME

As on	Public sector Banks	% in total	Regional rural Banks	% in total	Private sector Banks	% in total	Total
26/10/2016	156488190	80.7	29396013	15.2	8010755	4.1	193894958
25/10/2017	184292393	80.3	36126418	15.7	9089657	4.0	229508468
31/10/2018	214293021	82.1	37383607	14.3	9449984	3.6	261126612
30/10/2019	245876244	83.0	38619107	13.0	11608567	3.9	296103918

Source: Ministry of Finance, Govt of India, www.mof.gov.in

From the above table clearly exhibit that in the year 2016, 193894958 rupay card was issued out of which 80.7 percent card issued by public sector banks, 15.2 rupay card issued by RRB and remaining 4.1 percent card issued by private sector banks. In the year 2017,229508468 rupay card was issued out of which 80.3 percent card issued by public sector banks, 15.7 rupay card issued by RRB and remaining 4 percent card issued by private sector banks. In the year 2018, 261126612 rupay card was issued out of which 82.1 percent card issued by public sector banks, 14.3 percent rupay card issued by RRB and remaining 3.5 percent card issued by private sector banks. And the year 2019,296103918 rupay card was issued out of which 83.0 percent card

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issued by public sector banks, 13.0 percent rupay card issued by RRB and remaining 3.9 percent card issued by private sector banks.

TABLE 4 DEPOSIT IN PUBLIC SECTOR, REGIONAL RUAL AND PRIVATE SECTOR BANKS UNDER PMJDY SCHEME **(In lac)**

As on	Public sector Banks **(In lac)**	% in total	Regional rural Banks **(In lac)**	% in total	Private sector Banks **(In lac)**	% in total	Total **(In lac)**
26/10/2016	3575441.60	79.7	754197.60	16.8	157088.58	3.5	4486727.78
25/10/2017	5317236.88	79.3	1187082.00	17.7	204250.82	3.0	6708569.70
31/10/2018	6637820.05	78.5	1591446.54	18.8	225307.92	2.7	8454574.51
30/10/2019	8435008.05	79.0	1945720.64	18.2	302935.93	2.8	10683664.62

Source: Ministry of Finance, Govt of India, www.mof.gov.in

From the above table clearly exhibit that in the year 2016, 4486727.78 amounts deposited in out of which 79.7 percent deposit accepted by public sector banks, 16.8 percent by RRB and remaining 4.1 percent by private sector banks. In the year 2017, 6708569.70 amounts deposited in out of which 79.3 percent deposit accepted by public sector banks, 17.7 percent by RRB and remaining 3.0 percent by private sector banks. In the year 2018,8454574.51 amounts deposited in out of which 78.5 percent deposit accepted by public sector banks, 18.8 percent by RRB and remaining 2.7 percent by private sector banks. and In the year 2019, 10683664.62 amounts deposited in out of which 79.0 percent deposit accepted by public sector banks, 18.2 percent by RRB and remaining 2.8 percent by private sector banks.

FINDINGS OF THE STUDY

1. Majority of the PMJDY accounts were opened in rural areas. 2. During the study period, majority of the PMJDY account holders were open their bank account with public sector banks followed by RRB and private sector banks. 3. During the study period majority of the Rupay card issued by public sector banks followed by RRB and private sector banks. 4. During the study period highest amount of PMJDY account balance maintained with Public sector followed by Regional Rural Banks and Private sector Banks. 6. Annual growth rate of No of Rupay debit card issued by banks and amount of PMJDY account balance maintained by banks is increased trend.

CONCLUSION The main purpose of PMJDY scheme is for attractive financial inclusion. The main objectives of the scheme of PMJDY have been to provide access to banking facilities for all household through a bank branch. The present study tried to investigate the current position of the PMJDY in India. The results exposed that the performance of the public sector banks are good as compare to the regional rural banks and private sector banks to carry on the PMJDY scheme. The majority of the account holders are continuous operation of bank accounts to give the real success of the scheme. In this progress of the scheme will attract remaining population

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those who are not having bank account in our country, defiantly PMJDY scheme may become a foundation of our economic growth, development and progress of our economy.

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