

"Pradhan Mantri Jan-Dhan Yojana (PMJDY)"

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“Economic resources of the country should be utilised for the well-being of the poor. The change will commence from this point”

Hon. Prime minister of India

INTRODUCTION

Reducing financial untouchability is a need of hour as the development of the unbanked people is necessary for the development of our country. India has a well developed financial system and it is one of the finest financial system in the world. But the fruits of these well developed financial and banking system does not reach in each and every corner of our country. The more a country is financialised the more people is there, who have no access to financial products. People still find it difficult to manage their hard earned money in a proper manner. This means that despite of the various efforts of govt., the motive of complete financial inclusion could not be achieved even now

"Pradhan Mantri Jan-Dhan Yojana (PMJDY)" is a national mission Financial Inclusion encompassing an integrated approach to bring about comprehensive financial inclusion of all the households in the country. The plan envisages universal access to banking facilities with at least one basic banking account for every household, financial literacy, access to credit, insurance and pension facility. In addition, the beneficiaries would get RuPay Debit card having inbuilt accident insurance cover of ₹ 1 lakh. The plan also envisages channeling all Government benefits (from Centre / State / Local Body) to the beneficiaries accounts and pushing the Direct Benefits Transfer (DBT) scheme of the Union Government. This revolutionary financial inclusion programme was announced by the Hon. Prime Minister of India Shri Narendra Modi on his first independence speech on 15th Aug 2014 and a large campaign was also launched by him on 28th Aug. 2014.

The objective of PMJDY is ensuring access to various financial services like availability of basic savings bank account, access to need based credit, remittances facility, insurance and pension to the excluded sections i.e. weaker sections & low income groups. This deep penetration at affordable cost is possible only with effective use of technology.

Special Benefits under PMJDY Scheme

- Interest on deposit.
- Accidental insurance cover of Rs. 1 lac
- No minimum balance required.
- The scheme provide life cover of Rs. 30,000/- payable on 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 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 Card holder have performed minimum one successful financial or non-financial customer induced transaction at any Bank Branch, Bank Mitra, ATM, POS, E-COM etc. Channel both Intra and Inter-bank i.e. on-us (Bank Customer/rupay card holder transacting at same Bank channels) and off-us (Bank Customer/Rupay card holder transacting at other Bank Channels) within 90 days prior to date of accident including accident date will be included as eligible transactions under the Rupay Insurance Program 2016-2017.

- Overdraft facility upto Rs.5000/- is available in only one account per household, preferably lady of the household.

REVIEW OF LITERATURE

Dasgupta (2009) pointed out that financial inclusion should not only serve the purpose of providing credit but it should also ensure services like saving, insurance and other facilities. This all can be made possible either by proper advice by bank officials or by promoting literacy. In a similar study, Kamath (2007) also pointed out the need to include forgotten sector of the society.

Dev (2006) addressed different issues and challenges to financial inclusion. Researcher focused on requirement of holistic approach which should address both demand and supply side issue of financial inclusion. Kumar and Mishra (2015) also focused on importance of focusing demand side factor along with supply side factor to implement financial inclusion. The reason for non-usage of banking facilities and types of banking interfaces at uses are discussed with the help of a primary study in selected area of Lucknow city.

Chavan (2007) discussed financial inclusion in reference to dalit rural households. Study is primarily based on All India Debt and Investment Survey (AIDIS) conducted by National Sample Survey Organisation (NSSO). Study throws light on credit facility given by banks to dalits in different time span. Further, Rao (2007) analyzed the pattern of debt of rural and urban household with the help of AIDIS. The paper discussed inclusion of commercial banks in past decades with reference of three different time phases.

Shahid and Singh (2015) investigated the status of the PMJDY in India. The results revealed that the contribution of rural sector in terms of accounts opened under PMJDY was relatively higher than the urban sector in all the banking sectors namely, public sector banks, regional rural banks and private banks. The results further revealed that more than 70 percent of the accounts opened under PMJDY were opened with zero balance depicting the weakness in the implementation strategy of the plan regarding easy access to banking system. The state-wise scenario of PMJDY shows that the highest numbers of accounts were opened in Uttar Pradesh including both rural and urban sectors due to its highest population rate. Furthermore, Punjab has become the third state after Kerala and Madhya Pradesh where all households have a bank account.

Yogesh Verma and Priyanka Garg (2016) studied PMJDY: A step towards eradicating financial untouchability. They concluded that the basic knowledge about PMJDY has reached among people and lack of money and financial literacy are the primary reason for financial exclusion. They recommended that govt. needs to ensure proper delivery of financial literacy programme.

OBJECTIVES

1. To analyse the contribution of different types of banks towards PMJDY
2. To analyse the reach of PMJDY in rural and urban area
3. To know the progress of PMJDY with respect to number of accounts opened so far
4. To know how PMJDY has succeeded in reducing financial untouchability through issue of Rupay debit card
5. To evaluate the progress of PMJDY in increasing the savings of the people (balance in PMJDY accounts)

METHODOLOGY

The present study is based purely on the secondary data which is collected mainly from govt. of India's website www.pmjdy.gov.in.

SIGNIFICANCE OF THE STUDY

Reaching not so privileged is a major aim of financial inclusion. Despite of the various efforts taken by the government, the motive of complete financial inclusion could not be achieved so far. Realizing this fact Govt. of India has introduced PMJDY as a national mission to ensure universal access to financial services and to empower

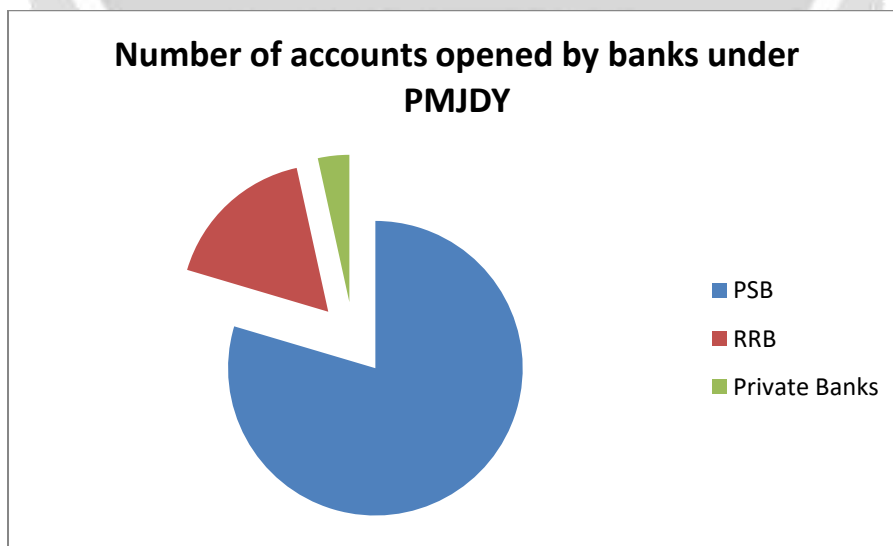
the poor and small by offering them choice and opportunity. From the very beginning of this programme, it shows a positive movement and has touched the lives of poor and low income group by inculcating them the habit of savings and providing them the access to modern banking benefits unlike other financial inclusion initiatives. In such a situation the present study is a need of hour

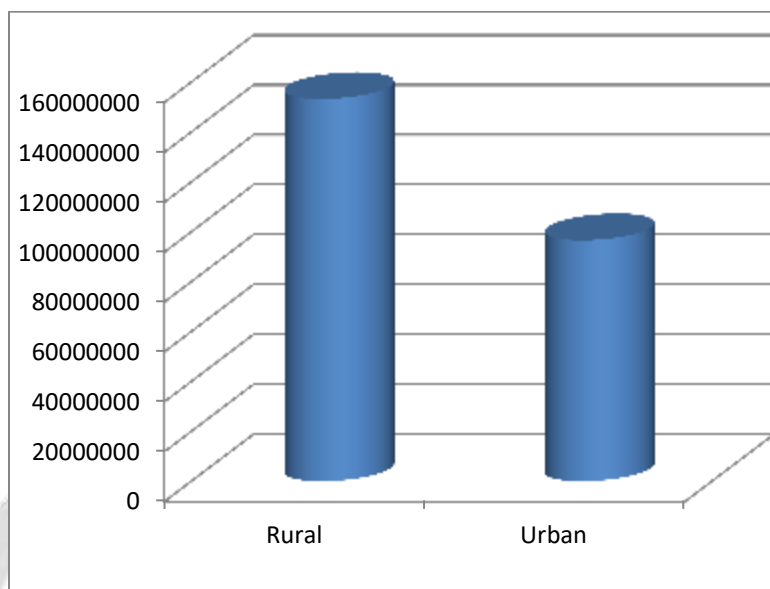
ANALYSIS AND INTERPRETATION

**Table No:1
Number of accounts opened by banks under PMJDY**

Banks	Number of accounts		Total	Percentage
	Rural	Urban		
PSB	111552789	87290056	198842845	80
RRB	36471785	5917304	42389089	17
Private Banks	5232529	3374324	8606853	3
Total	153257103	96581684	249838787	100
Percentage	61	39	100	

**Chart
No:1**



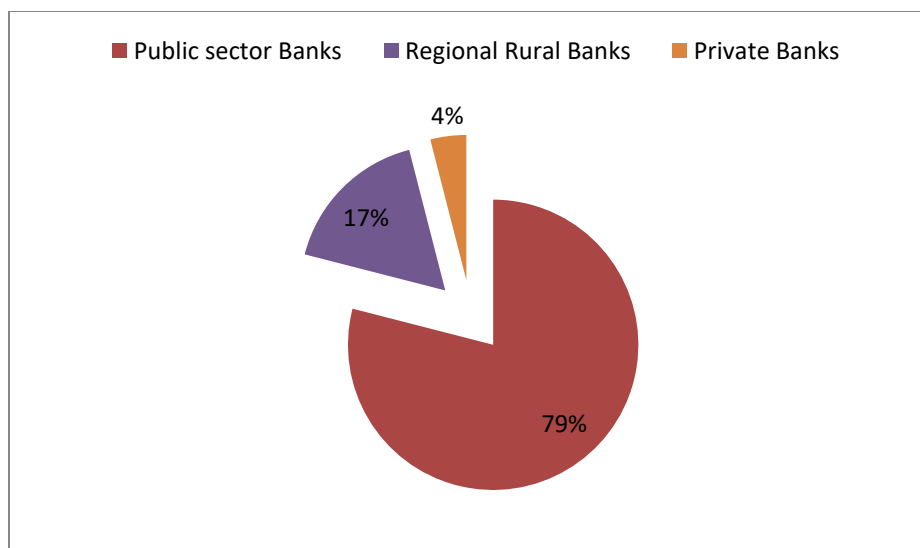
Graph No:1**Reach of PMJDY in rural and urban area**

From the above charts it can be inferred that 70% of total accounts opened under PMJDY were contributed by Public Sector Banks and RRBs opened 17% of total accounts and 13% by private banks. Also PMJDY has reached more in rural area than urban area.

Table No:2**Number of rupay cards issued and balance in accounts under PMJDY**

Banks	No of Rupay cards	Balance in accounts (in lakhs)	Percentage of account balances
Public sector Banks	155444521	3513779.24	79
Regional Rural Banks	28485016	747906.21	17
Private Banks	7984774	160441.49	4
Grand Total	191914311	4422126.95	100

Chart No:2**Percentage of account balances**



- From the above table it is clear that more than 155 crore rupay cards are issued by the public sector banks and RRB & private banks also shows a remarkable progress in issuing rupay cards.
- Public sector banks accounts for 79% of total account balances maintained under PMJDY and 17% is by RRBs and private banks contribute only 4 percentage

FINDINGS

1. Public Sector Banks has a greater contribution towards PMJDY when compared with other banks.
2. PMJDY has succeeded in reducing financial untouchability in rural area than in urban area
3. Data on number of bank accounts opened by various banks indicates that , PMJDY is a great attempt in bringing financial inclusion
4. More than 191 crore rupay cards with inbuilt accidental insurance of Rs.1 lakh were issued under PMJDY.
5. PMJDY has proved to be a good programme for increasing the savings of the poor people.

CONCLUSION

With an objective of providing one basic saving account per household, Pradhan Mantri Jan Dhan Yojana has proved to be a big success in serving the unbanked poor by enabling them to reap the fruits of well developed banking system. It has become a platform for universal access to banking facility. Public sector banks have played a great role on bringing this achievement. The current progress of the PMJDY shows that, it will go a long way in achieving the goal of complete financial inclusion across the country especially in rural area.

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