



# Financial Inclusion Through Pradhan Mantri Jan Dhan Yojana With Respect To Regional Rural Banks

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## Abstract :

Financial inclusion is one of the emerging aspects in the socio-economic development of the country. Pradhan Mantri Jan Dhan Yojana scheme is national priority of every Indian citizen can easily open bank account. This scheme mostly helpful all the income people can easily opened and continuously transactions in banking sector. Hence, Pradhan Mantri Jan Dhan Yojana bank account holders also getting RuPay debit card. RuPay debit card use two ways payment and purchasing. This study focused on Pradhan Mantri Jan Dhan Yojana Scheme with respects to Regional Rural Bank in India.

**Key words :** RuPay Debit Card, Financial Inclusion, PMJDY, RRB, People Money Scheme, Weaker Section.

## **INTRODUCTION :**

Financial inclusion is the way to provides an opportunity to extent the banking and financial services to the unreached and poor people in the country. Pradhan Mantri Jan Dhan Yojana is English translate to (**People Money Scheme**). A comprehensive financial inclusion incorporates providing all households in the country with banking services, with particular focus to empower the weaker sections of society, including women, small and marginal farmers, and labourers, both urban and rural. Jan Dhan Yojana would particularly focus to empower the weaker sections of the society, including women, small and marginal farmers, and labourers. The government has worked out a two-phase financial inclusion programme under which a basic bank account with an overdraft facility of Rs. 5,000 after satisfactory completion of one year of operations would be provided to 15 crore persons by August, 2018. In the

light to provide, universal access to banking facility Prime Minister Narendra Modi announced the scheme-Pradhan Mantri Jan Dhan Yojana on 15 August 2014.

### **OBJECTIVE :**

To study the role of Regional Rural Banks in Pradhan Mantri Jan Dhan Yojana scheme implementation in India.

### **METHODOLOGY OF THE STUDY :**

The research paper is an attempt of exploratory research, based on the secondary data sourced from journals, magazines, articles, websites and media reports. Available secondary data was extensively used for the study. Looking into requirements of the objectives of the study the research design employed for the study is of descriptive type.

### **REVIEW OF LITERATURE :**

**Aditi Awasthi (2015)** says that India is the home for about one third of the poor people in the world. Financial inclusion can help in poverty eradication, economic empowerment, and inclusive growth, the Jan Dhan Yojana with the ambition of providing a bank account on every Indian.

**Hiren. R. Raval. (2015)** explains the financial inclusion is the need of era as India is in the process of development. Economic development always needs support of health and solid financial system in the country, it does not mean support of elite class or corporate of the country.

**Paramasivan. C and Kamaraj. R (2015)** explains that financial inclusion is one of the core activities of banking performance and directly people are getting government financial services in their living place. Pradhan Mantri Jan-Dhan Yojana scheme has created an impressive result in the banking sector with regard to eradication of financial untouchability in the country.

**Ahmed Hussain (2015).** Noted that financial inclusion through Pradhan Mantri Jan-Dhan Yojana requires sustained efforts over many years and emphasis on quality rather than quantity should be the priority. It can be said that accountable and transparent organizational structure for implementing Pradhan Mantri Jan-Dhan Yojana will be essential for achieving the desired societal outcomes.

**Shanti Rai (2015)** analysed that Pradhan Mantri Jan-Dhan Yojana is an ambitious financial inclusion plan. Its multifarious nature which financial inclusion plan. Its multifarious nature which provides zero-balance bank accounts with linked insurance coverage, RuPay debit card and over draft etc.

### **REGIONAL RURAL BANK (RRB) :**

Regional Rural Bank were established under the provisions of an ordinance passed on 29 September 1975 and the RRB Act. 1976 to provide sufficient banking and credit facility for agriculture and other rural sectors. Regional Rural Bank is local level banking organizational operating in different states of India. They have been created with a view to serve primarily the rural areas of India with basic

banking and financial services. However, RRB's may have branches set up for urban operations and their area of operation may include urban areas too.

### **PRADHAN MANTRI JAN-DHAN YOJANA :**

Pradhan Mantri Jan-Dhan Yojana (PMJDY) is National Mission for Financial Inclusion to ensure access to financial services, namely, Banking/ Savings & Deposit Accounts, Remittance, Credit, Insurance and Pension in an affordable manner.

### **Special Benefits attached to Pradhan Mantri Jan-Dhan Yojana**

- (a) No minimum balance required. However, for withdrawal of money from any ATM with Rupay Card, some balance is advised to be kept in account.
- (b) Beneficiaries of Government Schemes will get Direct Benefit Transfer in these accounts.
- (c) Accidental insurance cover of Rs. 1.00 lakh.
- (d) Life Insurance cover of Rs. 30,000.
- (e) Access to Pension, insurance products.
- (f) After satisfactory operation of the account for 6 months, an overdraft facility will be permitted.
- (g) Easy Transfer of money across India.
- (h) Interest on deposit

**Table No. : 1**

### **Total Number of Account Holders and PMJDY by Regional Rural Baks as on September 2014 to August 2015**

Sl. No.	Month	Rural	Per cent	Urban	Per cent	Total No. of Account Holders
1.	Sept.- 2014	7461617	86.82	1132279	13.17	8593896
2.	October	9663460	85.01	1702745	14.98	11366205
3.	November	12014122	84.88	2139000	15.11	14153122
4.	December	15717860	84.91	2792011	15.08	18509871
5.	Jan.- 2015	18489448	84.86	3297833	15.13	21787281
6.	February	20226665	84.97	3577226	15.02	23803891
7.	March	21711030	84.76	3900824	15.23	25611854
8.	April	22923849	85.00	4044023	14.99	26967872
9.	May	23979275	85.10	4198443	14.89	28177718
10.	June	24960715	85.18	4341725	14.81	29302440
11.	July	26264865	85.29	4527661	14.70	30792526
12.	August	26830181	85.34	4607014	14.65	31437195

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

**RuPay Debit Card :**

RuPay debit card is an Indian domestic card scheme conceived and launched by the National Payments Corporation of India (NPCI). It was created to fulfil the Reserve Bank of India's desire to have a domestic, open loop, and multilateral system of payments in India. RuPay debit Card facilitates electronic payment at all Indian banks and financial institutions, and competes with Master Card and Visa card in India. NPCI maintains ties with discover financial to enable the card scheme to gain international acceptance. RuPay Card used payment service and purchasing process.

**Table No. – 2**

**Regional Rural Banks Provided RuPay Debit Card under PMJDY as on September 2014 to August 2015**

<b>S.No.</b>	<b>Month</b>	<b>RuPay Debit Card</b>	<b>Trend Percentage</b>
1.	Sept.- 2014	399291	100.00
<b>S.No.</b>	<b>Month</b>	<b>RuPay Debit Card</b>	<b>Trend Percentage</b>
2.	October	1177451	294.88
3.	November	2088478	523.04
4.	December	9304777	2330.32
5.	Jan.- 2015	14967614	3748.54
6.	February	16678823	4177.10
7.	March	17822870	4463.62
8.	April	19460990	4873.88
9.	May	20575711	5153.06
10.	June	21119474	5289.24
11.	July	22253420	5573.23
12.	August	23193629	5808.70

*Source* : www.pmjdy.gov.in

Table No. – 3

**Total Number of accounts with Zero Balance Amount in PMJDY by Regional Rural Banks as on  
September 2014 to August 2015**

S.No.	Month	Zero Balance Amount Rs. in (Lakhs)	Trend Percentage
1.	Sept.- 2014	7003193	100.00
2.	October	9019129	128.78
3.	November	10881602	155.38
4.	December	14124374	201.68
5.	Jan.- 2015	15935405	227.54
6.	February	16308625	232.87
7.	March	15616869	222.99
8.	April	15691290	224.05
9.	May	15240356	217.62
10.	June	15201922	217.07
11.	July	15080093	215.33
12.	August	15013664	214.38

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

**Conclusion and Suggestions :**

Financial Inclusion is the process of ensuring access to mainstream financial services and timely and adequate credit to all excluded people vulnerable groups such as weaker sections and low-income groups at an affordable cost. Pradhan Mantri Jan Dhan Yojana schemes have been implemented successfully with the help of commercial banks particularly public sector banks in the country. Due to the emerging growth of commercial banks, Regional Rural Banks lose its importance and role in rural and unbanked places. But, still Regional Rural Banks in playing a major role in rural and agriculture development with the support of NABARD and other central and state government institutions. Regional Rural Banks is one of the major player in promotion and attract of Pradhan Mantri Jan Dhan Yojana scheme in our country. This paper concludes that the Regional Rural Bank is significantly contributing to the social and economical development through financial inclusion.

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