

FINANCIAL INCLUSION THROUGH: PRADHAN MANTRI JAN- DHAN YOJANA (PMJDY).

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Abstract

As India is a developing country having low per capita Income, poverty, unemployment etc, Financial inclusion plays a very vital Role to financially aware the people of Rural area and promote their saving as well as boost their saving habits of rural area and To make the people of rural area financially literate. **Objective** This paper has an attempt to find out the awareness level of the people of Rural area of Odisha, district Sambalpur and to know how far the Benefits under this scheme Reaches to the people. **Tools & tech** Questionnaire and survey method is used to collect the data of 37 Respondent and chi square test is used to Analysis the data under the hypothesis that there is no significant Relationship between demographic segment and awareness level of people. The **conclusion** drawn under this study is demographic segment and awareness level is not significant. Further **improvement** in future on this topic can be made by taking into account the different aspects of this scheme.

Key Word

Financial inclusion, Literacy, PMJDY, overdraft, demographic.

1. INTRODUCTION

Financial inclusion is the process of ensuring access to financial product and services and to make them financially literate. Financial inclusion programme may leads to promote saving and boost the economic Growth. In India financial inclusion has always given emphasis since 1969 when bank were nationalised, the strategy for addressing the banking needs of the poor has been biased toward providing Credit, neglecting other aspect, such as building a deposit base, providing Credit, neglecting other aspect such a culture of saving or extend a payment network. However over a period of time Indian Govt is very much conscious about the financial inclusion programme. PMJDY is one of such programme initiated by our honourable P.M. Narendra Modi in 28 August 2014 to eradicate Financial literacy and developed a culture of saving among the large segment of the society. The scheme has been started with a target to provide universal access to banking facilities starting with “Basic saving Bank account with an over draft upto 5000 subject to satisfactory operation in the account for six month and Rupay Debit card with inbuilt accident insurance cover Rs 1,00,000.

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.

1.1 Research Problems:-

The Research problems is to know whether the people of Rural area are Really Financially aware or not and the Benefits of the scheme are properly Reaches to them or not .

1.2 Objective Of The Study:-

- To know the impact of Jan Dhan Yojana scheme on financial inclusion.
- To know the awareness of the scheme among the people of Rural area.
- To know whether the Benefits under this scheme Reaches to the Rural people or not .

1.3 Relevance Of The Study:-

- This study enables us to know the concept of PMJDY scheme and his different properties.
- Also highlights the Benefits of the scheme which is given to the accounts holder.
- This study through out the idea about the knowledge and awareness of people Relating to this scheme.

1.4 Research Methodology:-

The following methodology have been adopted for this study,

1.4.1sources Of Data

Only Primary data is collected through questionnaire and survey among the people to find out the awareness level among them.

1.4.2 Sample Size:-

The primary data is collected from 37 respondent of Kataipali Village of Maneswar Block District Sambalpur, Odisha

1.4.3 Statistical Tolls (Methodology)

Chi-square test is used to analysis and interpret the data relating to DemoGraphic segment of the Respondent and awareness of jhandhanYojana.

1.4.4 Research Hypothesis

H0: There is no significant relationship between Demographic segment of the respondent & awareness of Jhan Dhan Yojana scheme.

2. REVIEW OF LITERATURE

- **Pillai (2016)**, Studies on “Financial inclusion and Pradhan Mantri Jhan Dhan Yojana”, In the Villages of Mushi Taluka District of Bihar. His Objective of the study was to comprehead the socio-economic status and banking habits of Farmer in the selected villages and to analyse the Responsiveness and practice of Jhan Dhan Yojana scheme executed in the first phase among the Farmers. He collected the data through structure interview, schedule and discussion and which consisting of 62 Farmers. He used chi squire test for analysis the data and His opined that “There is a Lack of Financial Literacy in Rural areas”
- **Chowhan & Pandey (2014)**, Studies “Pradhan Mantri Jhan Dhan Yojana : A Ginat Leap Towards Financial inclusion”. His study was based on the conclusion that Financial inclusion broadens the Resource base of the Financial System by developing a culture of saving among large segment of Rural Population and plays His own Role in the process of economic Development.
- **Pattnaik, and Satpathy (2015)**, “Pradhan Mantri Jan Dhan Yojana (PMJDY) A new Direction for mainstreaming the Financially excluded”. His study was focused on the Eastern Region of India and particularly Capital Region of Odisha, India .The Sample units are for this study comprises of House-hold servants, Domestie helps, migrant and Local construction Labourer, Rickshaw cart puller, Taxi Driver and other contractual Low income Staff of different private institution. It was observed from his Study that very small people is having Bank Account and they have very Little Knowledge about the scheme.
- **Guntupalli (2016)**, has studied “Explore the impact of PMJDY” in urban areas W.r.t Mumbai” His Objective of the study was to understand the Role of Govt and Banks in PMJDY scheme and to study the implementation of the scheme in rural areas. He takes close-ended questionnaire, and drawn the conclusion that All the benefits such as Financial inclusion,financial stability, Financial freedom are expected to get through PMJDY to the poor and the under privileged people in Rural and Urban areas, But he identified that Lack of Financial understanding is a barriers to financial inclusion scheme. therefore Govt Should try to start Financial Awareness programme in different Rural and Urban areas so as to make people Financially Literate.

- **Agarwal, Singhal & Swarup (2015)**, Made a Study on “prospering Indian economy through expansion of Financial inclusion scheme:- With special Reference to PMJDY”. His objective was to know the need and status of PMJDY in India, He used descriptive Research and primary data were collected for his study. He conclude that high need of Financial inclusion scheme is needed in India and his Finding was based on the Result that the number of account open in Rural area are more Than Urban Areas.
- **Kumar And Venkayterha (2014)**, “Financial Inclusion using PMJDY”. His objective was to know the negative implication of PMJDY and his study identify the problem Like Rural people is having low idea about scheme, no clarity about non-recovery of over draft and the associated cost etc and He conclude that for the success of any scheme Review and Regular check is very much essential.
- **Sangeet (2017)**, “Economic impact of PMJDY “.He found that the Growth in deposit due to PMJDY translates into capital formation when channelled us saving and investments This in effect Leads to economic Growth.
- **Ramasetu (2015)**, “PMJDY : The most intensive Financial inclusion scheme in India” His analysis was based on to know the PMJDY scheme in Indian context and to pinpoint the strategies to implement the scheme successfully. His paper was based on secondary data and the conclusion drawn were, it not only eradicate poverty but also curb corruption at the Grass Root level and the needful modification in Rupay card programme and Life cover has made the scheme more attractive.
- **Yadav And Moharia (2016)**, “ A Case study of with overview of Pradhan Mantri Jhan Dhan Yojana (Atal Pension Yojana)”. The findings of the study was existing channel of banking industry are very well utilized but due to lack of attractive Feature, Atal Pension Yojana is still not accepted by larger public and as per his view Atal Pension Yojana introduced under the providing PMJDY with the aim to provide Financial support of pension to all the citizen of India with the motto of “Jan Dhan Se Jan suraksha”
- **Kaur and Singh (2015)**, “PMJDY- A Leap towards financial inclusion in India”. The objective of the study was to Examine the progress of this scheme and study the changing trend of Financial inclusion. The study was based on secondary data available in GOVT web site, NABARD Report, IBA Bulletin etc. The conclusion of the study was financial inclusion broodens the Resource of the financial system by developing a culture of saving among Large segment of Rural population and plays His own Role in the process of Economic development It also eradicate the exploration of vulnerable section by the various money lender by facilitating easy asses to formal credit.
- **Hussan (2015)**, “PMGDY The most intensive Financial inclusion scheme in India”. The Objective of the study was to know the need of the scheme in Indian context and the pinpoint which makes the scheme more attractive. It was based on secondary data collected from GOVT publication and Research article. The finding of the study was this scheme is an integrated approach to Bring about comprehensive Financial awareness of all the household, it also attract mass population and eradicate poverty and for the success of this scheme full support needs from Govt, Bank, and other Financial institution aer needed.
- **Bhatt and Pawar**, “Pradhan Mantri Jhan Dhan Yojana- innovative initiative towards financial inclusion Review” This study was Based on the objective of development of Financial inclusion in India and to study the implication and effectiveness of the scheme, The Finding of the study was more Than 50% of the population still not aware about PMJDY and the whole study Reveals that successes of the scheme depends on the effective Regulatory and Regular monitoring of the successful implementation of the programme.
- **Agarwal Yadav & Pandey (2016)**, “PMGDY A new Route of Finacial as well as social inclusion” The objective of the study was to know the progress of PMJDY & data which was totally based on Secondary sources. The conclusion drawn was financial inclusion makes the people to enable for services which they were not able to access earlier, So they would be linked with elite section of the society which will make the people financially as well as socially strong.
- **Vshistha amd Wadhwa (2015)**, “financial inclusion and social changes”. The Objective of this study was to know the role of financial inclusion in Brining social changes and alleviating poverty, The conclusion and suggestions drawn from this study. Was more Liquidity available to Banks so that Bank can provide credit Facility to customer and this can also be possible only when RBI cut the Rates of Cash Reserve Ratio and Repo Rate, no frill accounts should be more attractive.
- **Shettar (2016)**, “Pradhanmantri Jhan Dhan Yojana:- Issue & challenges” The objective of the study was to study the present scenario of PMJDY and the overall progress of the scheme, also to make the challenges and the suggestions drawn from the study were Budgetary provision may be made bye the Govt for poverty eradication and more centres of Financial Literacy may be established to bring included people under financial inclusion.

3. ANALYSIS AND INTERPRETATION

3.1 Profile Of The Farmer:-

- Occupation- The occupation of whole of my respondent are of farmer or labourer category.
- Their Bank-Most of the Farmer open their bank account either in state Bank of India (SBI) or Punjab National Bank (PNB) situated in Maneswaer block
- Gender- Out of the total sample Respondent 48.65% of them belong to male and involves 18 male and 51.55% belongs to female and involve 19 female.
- Income - From the analysis 35.14% of the respondent earned income on an average Rs.1000-Rs.20,000 per year, and 62.16% of the Respondent earned income on an average Rs.21,000-Rs.40,000 and a very lowest % that is 2.70% of the Respondent belongs to the Income Group of Rs.41,000-Rs.60,000 .
- Age- out of the total Respondent 72.07% belong to the age Group of 20-40 Years, 24.33% belongs to the age Group of 41-60 and very less % that is 2.70% belong to age Group of 60 above.
- Marital Status- All of my Respondent are married and none of them are unmarried.
- Educational Qualification - Out of the total Respondent 35.14% are have not seen school and literate, only 10.31% pass 10th Class and 24.32% are upto 5th class and 29.73% are from 6th class 9th class.
- **Sources of borrowing-** The Barrowing of the people of this area are from self-help Group (SHG) and from Micro finance called SKS and Jahnaxmi.

Table -1 Profile Of The Farmer In Selected Village

| Sl No | Characterctics | No Of Respondent | % of Total |
|-------|----------------------------------|------------------|------------|
| 1 | Gender | | |
| | Male | 18 | 48.65 |
| | Female | 19 | 51.35 |
| 2 | Income in Thousand | | |
| | Rs.1000- Rs.20,000 | 13 | 35.14 |
| | Rs.21,000- Rs.40,000 | 23 | 62.16 |
| | Rs.41000- Rs.60000 | 1 | 2.70 |
| 3 | Age | | |
| | 20-40 | 27 | 72.97 |
| | 41-60 | 9 | 24.33 |
| | 60Above | 1 | 2.70 |
| 4 | Educational Qualification | | |
| | Upto 5 th | 9 | 24.32 |
| | Upto 9 th | 11 | 29.73% |
| | 10 th | 4 | 10.81% |
| | No schooling | 13 | 35.14% |
| 5 | Marital Status | | |
| | married | 37 | 100% |
| 6 | Sources of Borrowings | | |
| | SHG& Microfinance | 12 | 32.43 |
| | No Borrowing | 25 | 67.57 |

Sources – Primary Data

Table-2 Awareness Of Jhan Dhan Yojana

| Sl No | Awareness of jan dhan Yojana | Yes | No |
|-------|---------------------------------------------------|-----|-----|
| 1 | No minimum balance | 37 | Nil |
| 2 | Interest on Deposit | 8 | 29 |
| 3 | Accidental insurance Cover Rs.100000 | 11 | 26 |
| 4 | Life insurance Cover Rs.30000 | 11 | 26 |
| 5 | Over Draft facilities | Nil | 37 |
| 6 | Other Benefits like direct benefits transfer ets. | 13 | 24 |

Sources – Primary Data

Table-3 Chi-Square Test Showing The Relationship Between Demographic Of The Respondent And Awareness Of Accidental Insurance Coverage 10000

| Demographic | Calculated Value | Table Value | Degree of freedom | Level of Significance | Results |
|-------------------|------------------|-------------|-------------------|-----------------------|-----------------|
| Gender | 0.663 | 3.84 | 1 | 5% | Not significant |
| Income | 0.0828 | 5.99 | 2 | 5% | Not significant |
| Age | 1.1615 | 5.99 | 2 | 5% | Not significant |
| Edu Qualification | 3.2148 | 7.81 | 3 | 5% | Not significant |

Sources – Primary Data

Table-4 Chi-Square Test Showing The Relationship Between Demographic Of The Respondent And Awareness Of Life Insurance Coverage 30000

| Demographic | Calculated Value | Table Value | Degree of freedom | Level of Significance | Results |
|-------------------|------------------|-------------|-------------------|-----------------------|-----------------|
| Gender | 1.095 | 3.84 | 1 | 5% | Not significant |
| Income | 1.1210 | 5.99 | 2 | 5% | Not significant |
| Age | 3.8376 | 5.99 | 2 | 5% | Not significant |
| Edu Qualification | 3.3673 | 7.81 | 3 | 5% | Not significant |

Source: - Primary Data

Table-5 chi-square test showing the relationship between demographic of the respondent and awareness of other benefits like direct benefit transfer etc.

| Demographic | Calculated Value | Table Value | Degree of freedom | Level of Significance | Results |
|-------------------|------------------|-------------|-------------------|-----------------------|-----------------|
| Gender | 0.663 | 3.84 | 1 | 5% | Not significant |
| Income | 0.0828 | 5.99 | 2 | 5% | Not significant |
| Age | 1.1615 | 5.99 | 2 | 5% | Not significant |
| Edu Qualification | 3.2148 | 7.81 | 3 | 5% | Not significant |

Source: - Primary Data

Comment:- From the above 3 table that is table3,4 and 5 we come to the conclusion that there is no significant difference between Demographic segment of the respondent and awareness of Jhan Dhan Yojana Scheme, hence the null hypothesis is accepted.

4. FINDING OF THE STUDY:-

- There is high level of financial illiteracy among the people
- People are not aware about the Different Benefits given under this Scheme and most of the people opened the account just as it can be open with zero balance.
- The People opened their Account with bank only and the name of the Bank is Punjab national Bank and state bank of India.
- The Borrow money either from ssg or micro Finance called Jhanlaxmi and sks.

5. CONCLUSION & SUGGESTION:-

Jhan Dhan Yojana is one of the most important scheme of Govt of India for Financial inclusion. Through this scheme must of the people are Benefited, But As per my study even it is of the four year of journey but still there is a financial illiteracy among the people of Rural area. The people of Rural area are also not aware about the different benefits under this scheme and many of them just opened the account because of zero balance. As per the view of the Respondent no benefits are given under this scheme and Bnaks are just opened the account to fulfil their target. Therefore Govt and Banks both try to create financial awareness programme among the rural people and a continuous Review mechanism should be adopt by the Govt for the success of the scheme.

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