

# PRADHAN MANTRI JAN DHAN YOJANA (PMJDY): A LEAP TOWARDS FINANCIAL INCLUSION IN INDIA

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**Key words:** Financial Inclusion, Pradhan Mantri Jan Dhan Yojana.

## **Abstract:**

Hon'ble Prime Minister, Sh. Narendra Modi on 15 August, 2014 announced "**Pradhan Mantri Jan-Dhan Yojana (PMJDY)**" which is a National Mission for Financial Inclusion. The task is gigantic and is a National Priority. This National Mission on Financial Inclusion has an ambitious objective of covering all households in the country with banking facilities and having a bank account for each household. Amid this background, the present paper endeavours to study the recent trends in financial inclusions in India with special reference to PMJDY.

## **1. Introduction**

Hon'ble Prime Minister, Sh. Narendra Modi on 15 August, 2014 announced "**Pradhan Mantri Jan-Dhan Yojana (PMJDY)**" which is a National Mission for Financial Inclusion. The task is gigantic and is a National Priority. This National Mission on Financial Inclusion has an ambitious objective of covering all households in the country with banking facilities and having a bank account for each household. It has been emphasised by the Hon'ble PM that this is important for including people left-out into the mainstream of the financial system. Right now, most Indian households rely on money-lenders for credit and their savings needs. Bank accounts for all may solve this problem. Easy access to the banking system (and freedom from scam-artists and moneylenders) can materially lift India's economic prosperity. Financial accessibility as promised by the PMJDY would certainly help generate higher saving. Amid this background, the present paper endeavours to study the recent trends in financial inclusions in India with special reference to PMJDY.

## **2. Objectives of the study:**

To study the changing trends in financial inclusion with special reference to Pradhan Mantri Jan Dhan Yojana.

## **3. Pradhan Mantri Jan Dhan Yojana**

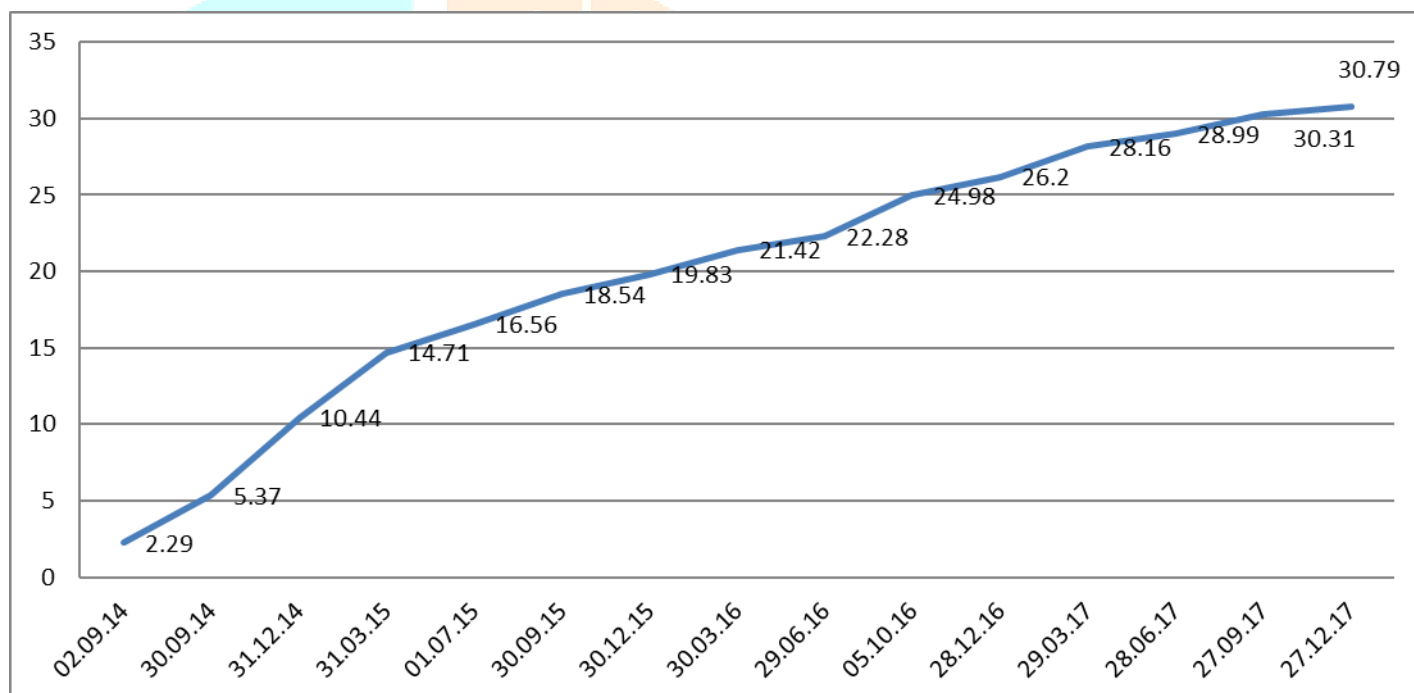
The scheme aims to provide at least one bank account to each household across the country, with a target of covering 75 million households by 26 January 2015. Targeted at those who have never had a bank account in

their lives, the scheme has simplified the whole process of opening an account. The KYC (know-your customer) rules to open a bank account have been simplified; the only document required is either Aadhar card, voter's identity card, driving license, PAN card, or card issue under MGNREGA. Even if the address mentioned in the document is different from the current residence of the applicant, a self-declaration will suffice. For those who do not have any of above mentioned identity proofs, a small account could be opened with a self-attested photograph alongwith signature or thumb impression in the presence of the bank official.

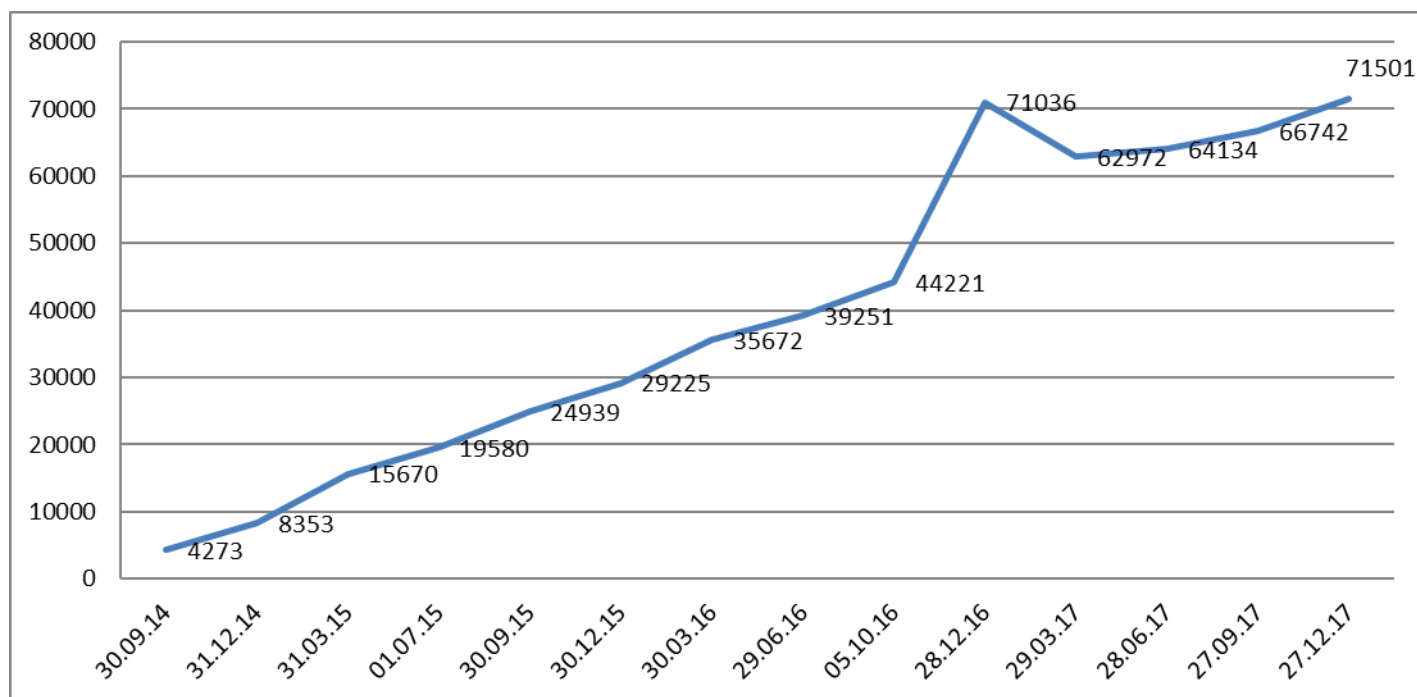
### Progress of Pradhan Mantri Jan-Dhan Yojana

Indian households have collectively opened more than 30.79 crores bank accounts as 27<sup>th</sup> December 2017. The PMJDY has now been recognized by the Guinness Book of World Records as the title holder for "Most Bank Accounts Opened in a Single Week" record which was achieved during the period of August 23rd to August 29th, 2014 when 18 Million new bank accounts were opened. This unique achievement has been recorded in the name of "The Department of Financial Services, Government of India".

**Chart-1 No of Accounts opening under Pradhan Mantri Jan Dhan Yojna (in crores)**



Source: <http://pmjdy.gov.in/account-statistics-country.aspx>

**Chart-2 Balance in Accounts (in crores)**

Source: <http://www.pmjdy.gov.in/Archive>

The new bank accounts opened under PMJDY have mobilized 71501 crores in fresh deposits till 27<sup>th</sup> December 2017.

**Table-1 Pradhan Mantri Jan - Dhan Yojana (Accounts Opened As on 27.12.2017)(All Figures in Crores)**

S.No		No Of Accounts			No Of Rupay Debit Cards	Balance In Accounts
		Rural	Urban	Total		
1	Public Sector Banks	13.33	11.52	24.85	18.66	57089.64
2	Private Banks	4.19	0.76	4.95	3.64	12271.46
3	Regional Rural Banks	0.59	0.39	0.98	0.92	2140.05
	<b>Total</b>	<b>18.11</b>	<b>12.67</b>	<b>30.79</b>	<b>23.22</b>	<b>71501.16</b>

Source: <http://www.pmjdy.gov.in/Archive>

The above table shows that total of 30.79 crores accounts have been opened till 27.12.2017 from which maximum amount of contribution is of Public sectors Banks in opening accounts under PMJDY. Public sector Banks opened 13.33 crores accounts in rural areas and 11.52 crores in urban areas and total of 24.85 crores accounts have been opened under this yojna.

Private sector banks have opened 4.19 crores accounts in rural areas and 0.76 crores in urban areas and total of 4.95 crores accounts have been opened under PMJDY.

Till 27.12.2017 R.R.B have opened 0.59 crores accounts in rural areas and 0.39 crores accounts in urban areas and total of 0.98 crores accounts have been opened by R.R.Bs under PMJDY.

Out of total accounts (30.79 crores) more than 58% (18.11 crores) accounts opened in rural area under PMJDY till 27.12.2017 and out of total accounts more than 80% accounts opened by public sector banks, 16.07% by Private sector bank and remaining 3.18% by regional rural banks under PMJDY till 27.12.2017. Out of total balance in Accounts more than 79% balances were in Public sector bank under PMJDY till 27.12.2017.

## 6. Conclusion:

The above study shows that the yojna launched by Pradhan Mantri under the name PMJDY is really mile stone in the history of Financial Inclusion and will help in development of the country and help in inclusive growth of the nation. And Banks all over the country are making efforts to make this scheme successful. Above study shows that till 27.12.2017 under PMJDY 58% accounts opened in rural area, out of total accounts more than 80% accounts opened by public sector banks, total 30.79 crores account opened till 27.12.2017, but still lot of efforts have to be done to made this yojana completely effective. The scheme can be a “waste” if it leads to duplication of accounts, if no transaction happens on the new accounts and if the new users get bad experiences. In Prime Minister’s own words “this Pradhan Mantri Jan-Dhan Yojana lies at the core of this government’s development philosophy of Sab Ka Sath Sab Ka Vikas.”

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