



A STUDY ON THE PERFORMANCE OF PRADHAN MANTRI JAN DHAN YOJANA (PMJDY) IN INDIA

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Abstract

Financial inclusion refers to a process that ensures the ease of access, availability, and use of the formal financial system for all members of an economy. Financial inclusion is a national priority of the Government, as it is an innovative concept that enables alternative techniques to promote banking habits and acts as an enabler in reducing poverty.

To Promote financial inclusion, Pradhan Mantri Jan Dhan Yojana (PMJDY) was launched across the country by the Hon'ble Prime Minister Shri Narendra Modi on August 28, 2014. It is a mission-mode project of the Indian Government with the Reserve Bank of India (RBI). The PMJDY scheme aims to ensure universal access to banking facilities in every household in the country. The scheme has the provision to open a zero- balance with a free debit card and in-built accidental insurance up to Rs. 1 lakh. It also includes a financial literacy program, the Creation of a Credit Guarantee Fund, and Micro-Insurance and Pension schemes like Swavalamban.

This Paper is an attempt to Discuss the Overview of Pradhan Mantri Jan Dhan Yojana (PMJDY), its Objectives, Advantages, and Pillars of PMJDY, and Analyze the Progress & Performance of the PMJDY scheme. For analyzing such facts secondary sources of data have been collected.

Keywords: Financial Inclusion, PMJDY, Progress, Bank Accounts, Rural, Urban

Introduction

Pradhan Mantri Jan Dhan Yojana (PMJDY) is one of the biggest financial inclusion initiatives that was announced by the Honorable Prime Minister Shri Narendra Modi on August 15, 2014, from the ramparts of the Red Fort. While launching the Scheme on 28th August 2014, the Prime Minister described the occasion as a festival to celebrate the liberation of the poor



from a vicious cycle. Pradhan Mantri Jan Dhan Yojana is a National Mission on Financial inclusion which has an included technique to bring approximately complete financial inclusion and provides banking services to all households in the country. The motto of Pradhan Mantri Jan Dhan Yojana is – “**Mera Khata Bhagya Vidhata**”. The scheme ensures access to a range of financial services like the availability of a basic savings bank account for every household, access to need-based credit, financial literacy, remittances facility, insurance, and pension facility.

PMJDY was introduced by the government of India on 28th August 2014 to ensure comprehensive financial inclusion of all households in the country. PMJDY envisions universal access to banking services and products with at least one bank account for every household in the country. This scheme came into the picture to provide comprehensive and inclusive growth. PMJDY is a scheme that came with additional features compared to earlier financial inclusion schemes like minimum age above 10 years can open the account, a Rupay debit card issued for the account holder to withdrawal, deposits and payment purposes, accidental insurance of Rs.1,00,000 & life insurance of Rs. 30,000 provided without premium, after 6 months of satisfactory transaction of the account household can avail Rs. 5,000 overdraft facility and interest will be charged base plus 2% or 12% whichever is lower account can be transformed in case of customer relocated.

In COVID-19 times, we've witnessed the awesome swiftness and seamlessness with which Direct Benefit Transfers (DBTs) have empowered and supplied financial security to the vulnerable sections of society. An important aspect is that the DBTs via PM Jan Dhan accounts have ensured every rupee reaches its intended beneficiary and systematic leakage.

Objectives of Pradhan Mantri Jan Dhan Yojana

PMJDY To be executed in the Mission Mode, envisages the provision of affordable financial services to all citizens within a reasonable disturbance. It comprises the following 5 pillars: -

- a) To Study the Universal access to banking facilities.
- b) To Provide Basic Banking Accounts with overdraft facility and Rupay Debit Card to all families.

- c) To Study the Financial Literacy.
- d) To Study the Creation of Credit Guarantee Fund.
- e) To Provide Micro-Insurance to all willing and eligible persons by 14th August 2018, and then on an ongoing basis.

Under the Mission, the first three pillars would be given thrust in the first year.

Documents Required for Opening a Pradhan Mantri Jan Dhan Yojana Account

The required documents for starting a Pradhan Mantri Jan Dhan Yojana account are indexed below:

- An eligible person desires to have legitimate everlasting or modern evidence of coping consisting of an Aadhar card, passport, and so forth. An Aadhar card is crucial identification evidence. Individuals who have not yet obtained their Aadhaar cards need to verify their details on the card online.
- An eligible person needs to produce his or her two passport-size photographs.
- In case a person shifts or changes his or her residence. He or she should submit a valid identity proof issued by the government.
- In case a person no longer has any residential proof, he or she should submit a valid identity proof issued by the government.
- Eligible people can accumulate an authority letter from any gazetted officer in the country as proof that he or she is an Indian countrywide or a resident of India.
- In the event of a person's failure to put up any of the aforementioned documents as proof, the concerned bank considers the individual for one year. However, the individual must submit the required documents to convert the temporary account into a permanent account within one year of association with the concerned bank.

Advantages of Pradhan Mantri Jan Dhan Yojana

- Account holders will be provided a zero-balance bank account with a Rupay debit card and accidental insurance cover of Rs. 1 Lakh.
- Those who open accounts by January 2015 over and above the Rs. 1 lakh accident, will be given life insurance cover of Rs. 30,000.
- After six months of opening the bank account, holders can avail of Rs. 5,000 loans from the bank.

- With the introduction of new technology introduced by the National Payments Corporation of India (NPCI), a person can transfer funds and check balances through a normal phone, which was previously limited only to smartphones.
- Mobile banking for the terrible could be available through the National Unified USSDC cellular businesses have come together.
- Account holders receive a cheque-book, literature on financial literacy, and a passbook in a Kit.
- The account holder will have a debit card that can be used for E-Commerce transactions. In addition, all loans of Rs. 15,000 will be sanctioned to the account holder in case the repayment of each loan is made on time. The mobile banking facility would also be extended.
- Account holders would be offered an attractive rate of interest on deposits, besides availing a pension facility provided by the insurance company.

Review Of Literature

Diveyesh Kumar (2014) mentioned the overview of financial inclusion using PMJDY in India. It is revealed that it is the greatest step ever taken to eradicate poverty through financial inclusion through PMJDY. It is suggested that constant review and regular check is essential to the success of this scheme.

Ahmed Hussain (2015) studied the most intensive financial inclusion schemes in India: PMJDY focuses on the equitable growth in the country and poverty alleviation that happens at a faster rate as a result of the implementation of PMJDY. The main objective of the study was to detect and list the pinpoints making PMJDY a much more attractive and successful scheme. This paper suggests modifications needed in the Rupay Card program in order to make it more transparent and accountable to society at large.

Sonam Kumari Gupta (2015) highlights the Performance of the Pradhan Mantri Jan Dhan Yojana (PMJDY) and the latest trends implemented for financial inclusion by PMJDY. It is discovered that, of the accounts opened at public sector banks under the Jan Dhan Yojana, 71 % are zero balance, against 64 % for private banks, as released by the ministry, and only 28 % of the accounts opened under the scheme are active, with approximately Rs. 9,000 crores deposited here.

Singh (2016) studied the role and progress of PMJDY and the challenges of financial inclusion in India. The study also focused on the details of household coverages of various states under financial inclusion. The study concluded that the involvement of people in the financial system and the formal banking sector is necessary for the development of the country.

Shettar (2016) studied Pradhan Mantri Jan Dhan Yojana – “Issue and Challenges”. The objective of the study was to study the present scenario of PMJDY and the overall progress of the scheme, also to identify the challenges and the suggestions drawn from the study, where Budgetary provisions may be made by the govt. For poverty eradication, more Financial Literacy centers may be established to bring people under financial inclusion.

Objectives of the Study

- To Examine the financial inclusion for economic & social development in India.
- To Check the Steps taken by the government for social development in India.
- To Analyze the Performance of PMJDY schemes in India.
- To Make Suggestions for the smooth functioning of the scheme.

Research Methodology

The Present Study is based totally on Secondary Sources of data. The Information and data for the research have been collected from Government Publications, Journals, Newspapers, Books, and Official Websites of Pradhan Mantri Jan Dhan Yojana (PMJDY).

Limitations of the Study

- Time constraints while collecting the data.
- Data cannot be generalized.

Results and Discussion

Table No. 1

No. of Accounts Opened under Pradhan Mantri Jan Dhan Yojana (PMJDY) Scheme as on 31. 01.2015 (All Figures in Crore)

Sl. No.	Banks	No. of Accounts			No. of Rupay Debit Cards	Balance in Accounts
		Rural	Urban	Total		

1.	Public Sector Banks	5.33	4.51	9.84	9.12	8174.63
2.	Regional Rural Banks	1.85	0.33	2.18	1.50	1599.48
3.	Private Sector Banks	0.32	0.02	0.52	0.46	725.52
Grand Total		7.50	5.05	12.55	11.08	10499.63

Source - <https://pmjdy.gov.in>

Table 1 shows the new accounts opened under the PMJDY scheme, targeting 12.55 crore new accounts as of 31.01.2015. The collected information is based on the data submitted by different banks / SLBCs.

Table No. 2

No. of Accounts Opened under Pradhan Manti Jan Dhan Yojana (PMJDY) Scheme as on 07.01.2026 (All Figures in Crore)

Sl. No.	Banks	No. of Accounts			No. of Rupay Debit Cards	Balance in Accounts
		Rural	Urban	Total		
1.	Public Sector Banks	34.51	9.91	44.42	34.16	221801.92
2.	Regional Rural Banks	9.35	1.48	10.82	3.91	52970.45
3.	Private Sector Banks	0.84	1.11	1.94	1.56	8428.83
4.	Rural Cooperative Banks	0.19	0.00	0.19	0.00	0.01
Grand Total		44.88	12.50	57.37	39.63	283201.21

Source- <https://pmjdy.gov.in>

Table 2 shows the new accounts opened under the PMJDY scheme, crossing the target of 57.37 crores of new accounts as of 07.01.2026. The collected information is based on the data submitted by different banks /SLBCs.

Major Findings

1. PMJDY scheme achieved more than 57 crores of account holders in the different public sector and Private sector Banks in India.
2. Public sector banks play an important role in the PMJDY Scheme as a maximum of bank accounts were opened and deposits in public sector banks.
3. In rural areas new bank account opening was increased from 7.5 crores to 44.88 crores.
4. The total deposits increased from 10499.62 Crores on 31.01.2015 to 283201.21 Crores in 07.01. 2026. This shows awareness about the scheme among the people in India.

Policy Implications

1. To Create Awareness among the below-poverty people in India to start the PMJDY scheme.
2. Lack of financial literacy and education in the poor section of the population, improper infrastructure, and internet connectivity have been other issues to be addressed.
3. It gives tax reduction benefits to the PMJDY account holders to encourage them.

Conclusion

Pradhan Mantri Jan Dhan Yojana (PMJDY) is a National Mission for Financial Inclusion to ensure access to financial services, namely Banking / Savings & Deposit Accounts, remittances, Credit, Insurance, and Pension in an affordable manner. PMJDY focuses on coverage of rural as well as urban areas. In PMJDY accounts are opened with a Zero balance, which has attracted the masses to connect with banks. The Pradhan Mantri Jan Dhan Yojana moves forward with the mantra **Sab Ka Saath Sab Ka Vikas** by transporting the financial gain team inside the perimeter of the formal banking sector and protecting their monetary wealth and alternative resources. The PMJDY scheme is useful to rural and urban people in getting direct government financial services.

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