



Performance of Pradhan Mantri Jan-Dhan Yojana

KEYWORDS

Financial Inclusion, Business Correspondent Agents, Direct Benefit Transfer, Financial Literacy.

Mr. Shiddaramappa I. Malligar

Research Scholar P. G. Department of Studies & Research in Commerce Karnatak University Dharwad - 580 003 Karnataka State

Mr. Bangarappa Bankapur

Research Scholar P. G. Department of Studies & Research in Commerce Karnatak University Dharwad - 580 003 Karnataka State

ABSTRACT

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, Pension in an affordable manner. Account can be opened in any bank branch or Business Correspondent outlet. PMJDY accounts are being opened with Zero balance. However, if the account-holder wishes to get cheque book, he/she will have to fulfill minimum balance criteria. Financial inclusion is an innovative concept which enables the alternative techniques to promote the banking habits and acts as enabler in reducing the poverty and the launch of Pradhan Mantri Jan Dhan Yojana (PMJDY) by Government of India is in that direction. India's prime minister Narendra Modi announced the launch of this scheme at the historic Red Fort on the occasion of India's Independence Day. The scheme is not only limited to opening of a bank account but has other benefits with it viz. zero balance bank account with RuPay debit card, in addition to accidental insurance cover of 1 lakh, those who open accounts by January 26, 2015 over and above the 1 lakh accident, they will be given life insurance cover of 30,000, etc. This paper is an attempt to discuss the overview of PMJDY, main features and pillar of PMJDY, analyze the performance and progress PMJDY Scheme till November 25, 2015.

It is found that 19.34 crores bank accounts were opened out of which 35 per cent accounts were zero balance. The performance of Public Sector Banks (PSBs) is at the top with 78.26 contribution in PMJDY followed by Regional Rural Banks (RRBs) and Private Banks (PBs) with 17.97 per cent and 3.77 per cent respectively towards financial inclusion. It is also found that the highest and lowest accounts opened, deposits collected, zero balance accounts opened and RuPay debit card issued in Uttar Pradesh state and Lakshadweep state respectively.

Introduction:

The Prime Minister launched the National Mission on financial inclusion known as Pradhan Mantri Jan Dhan Yojana on August 28, 2014. The prime objective of the PMJDY is to ensure financial inclusion of the poor and rural population giving them dignity, financial freedom and financial stability. This scheme is a national mission on financial inclusion. It has the objective of covering all households in the country having a bank account and other banking facilities. This scheme is a landmark initiative to bring the poor people into economic mainstream through linking the hitherto neglected poor strata with the banking system. Under this scheme, every household with a bank account gets access to banking and credit facilities. This scheme will help the poor to come out of the grip of moneylenders, manage emerging financial needs, and get benefits from a range of financial services. Initially, every account holder gets a RuPay Debit Card with a 1 lakh accident insurance cover.

India's prime minister Narendra Modi announced the launch of this scheme at the historic Red Fort on the occasion of India's Independence Day. The name "Jan Dhan" was chosen through an online competition on the MyGov Platform and received more than 6000 suggestions from Indian citizens. After evaluation, the jury shortlisted "Jan Dhan" which was suggested by 7 individuals. The slogan for the Pradhanmantri Jan Dhan mission is "Mera Khat-Bhagya Vidhaata" which when translated into English means "My Bank Account- The Creator of the Good Fortune."

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, Pension in an affordable manner. This financial inclusion campaign was launched by the Prime Minister Narendra Modi on 28 August 2014. He had announced this scheme on his first Independence Day speech on 15 August 2014.

Run by Department of Financial Services, Ministry of Finance, on the inauguration day, 1.5 Crores (15 million) bank accounts were opened under this scheme. Guinness World Records Recognises the Achievements made under PMJDY, Guinness World Records Certificate says "The most bank accounts opened in 1 week as a part of financial inclusion campaign is 18,096,130 and was achieved by Banks in India from 23 to 29 August 2014". By 25 November 2015, 19.34 crores bank accounts were opened, with 26,956.45 lakhs were deposited under the scheme.

The two crores accounts opened on the first day of the launch of the PMJDY includes accounts in urban areas and accounts for even the financially included. But the rising number of accounts in India might put more pressure on its banking infrastructure. Figures 2 and 3 compare the banking infrastructure (branches and ATMs) in India to that of the rest of the world. The PMJDY plans to issue debit cards, so the ATM network assumes greater significance.

Review of Literature:

Harpreet Kaur & Kawal Nain Singh (2015), studied the recent trends in financial inclusion in India with special reference to Pradhan Mantri Jan Dhan Yojana (PMJDY), highlighting its key areas and suggests strategies to ensure maximum financial inclusion for the underprivileged and

unbanked areas.

Sonam Kumari Gupta (2015), highlighted on Performance of the Pradhan Mantri Jan Dhan Yojana (PMJDY) and Latest trends being implemented for Financial Inclusion by PMJDY. It is found that, of the accounts opened at public sector banks (PSBs) under the Jan Dhan Yojana, 71 per cent are zero-balance, against 64 per cent for private banks. released by the ministry, only 28 per cent of the accounts opened under the scheme are active, with about Rs. 9,000 crores deposited in these.

Jitender Goel and Rashmi Goel (2015), found that more than 8.32 crores bank accounts were opened out of which 74.27 per cent accounts were zero balance. The performance of Public Sector Banks (PSBs) is at the top with more than 80 per cent contribution in PMJDY followed by Regional Rural Banks (RRBs) and Private Banks (PBs) with 17 per cent and per cent respectively. In order to ensure successful and effective implementation of the scheme, it is suggested that the government should give due focus on motivation and counselling to PBs and RRBs, establishment of adequate number of Financial Literacy Centres (FLC), measures to control the duplication of accounts, and improving connectivity and infrastructure. It is also suggested that life insurance cover, accidental cover and credit facilities should be given to all account holders without any exclusion.

Rajanikanta Khuntia (2014), highlighted on the recent trends in financial inclusions in India with special reference to PMJDY.

Brij Mohan (2014), analyzed the performance, benefits, difficulties and future prospects of PMJDY scheme.

Gitte Madhukar R., highlighted on the need for financial inclusion, main features and pillars of the PMJDY and performance of this scheme. The study found that, about 4.18 crores bank accounts were opened, Total RuPay debit card issued under the scheme are over 11.07 crores up to September 2014. Further, total amount of deposits collected is 10.49 thousand crores. The study found that, the poor and the underprivileged people in rural, semi-urban and urban areas are expected to get all the benefits such as financial inclusion, financial stability and financial freedom through the PMJDY. The study suggested that under the PMJDY, each account holder are bound to get ₹5,000/- as overdraft loan without any collateral. If loan are not repaid then the overdraft facility of Rs. 15 crores is likely to become an economic burden on banks. It is, therefore, necessary to evolve basic guidelines for providing overdraft facility. A comprehensive pilot studies should be conducted in each district to assess the borrower's perception, the actual requirement, the use of overdraft facility and on-time payment and settlement of draft loans. It is also suggested that the overdraft facility can be granted solely at the discretion of banks.

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

Objective of the Study:

The main objective of the study is to analyze the performance and progress of Pradhan Mantri Jan-Dhan Yojan.

Research Methodology:

The study is mainly based on the secondary data. Secondary data is also collected from various sources like books, journals, reports, magazines, internet & newspapers.

Statistical Tools and techniques:

In this study data is collected from secondary sources & this collected information processed through statistical tools like tabulation, percentage, graphs and Charts.

Scope of the study:

The scope of present study is limited to the performance and progress of Pradhan Mantri Jan-Dhan Yojan.. The study also covered the features, benefits, and challenges of PMJDY .

Special Benefits under PMJDY Scheme:

1. Interest on deposit.
2. Accidental insurance cover of ₹ 1.00 lakh
3. No minimum balance required.
4. Life insurance cover of ₹30,000/-
5. Easy Transfer of money across India
6. Beneficiaries of Government Schemes will get Direct Benefit Transfer in these accounts.
7. After satisfactory operation of the account for 6 months, an overdraft facility will be permitted
8. Access to Pension, insurance products.
9. Accidental Insurance Cover, RuPay Debit Card must be used at least once in 45 days.
10. Overdraft facility upto ₹5000/- is available in only one account per household, preferably lady of the household.

Performance and Progress of PMJDY:

Table No. 1: Number of Accounts opened under PMJDY as on 25.11.2015

(All Figures in Crores)

Banks	Number of Accounts opened			No. of RuPay Debit card	Balance In Accounts (In Lakhs)	No. of Accounts With Zero Balance	Aadhaar Seeding
	Rural	Urban	Total				
Public Sector Banks	8.36	6.78	15.14	13.45	21,193.13	5.32	7.00
Regional Rural banks	2.98	0.50	3.48	2.50	4,624.98	1.15	0.97
Private Sector Banks	0.44	0.29	0.73	0.64	1,138.35	0.30	0.23
Total	11.78	7.57	19.34	16.60	26,956.45	6.77	8.19

Source: www.pmjdy.gov.in

The table 1 shows that, The total number of savings bank accounts opened in rural and urban areas under PMJDY scheme, Number of RuPay debit card issued, balance in accounts, Number of accounts opened with zero balance and Aadhaar seeding under PMJDY scheme in Public sector banks, Regional Rural banks & Private sector banks.

It is found that, 19.34 crores accounts were opened under the scheme, amongst Public sector banks had opened 15.14 crores accounts, Regional Rural banks had opened 3.48 crores accounts & Private sector banks had opened 0.73 crores accounts as on November 25, 2015 .

Furthermore, it is found that, the total 11.78 crores accounts were opened under the scheme in rural areas, amongst Public sector banks had opened 8.36 crores ac-

counts, Regional Rural banks had opened 2.98 crores accounts & Private sector banks had opened 0.44 crores accounts. Total 7.57 crores accounts were opened under the scheme in rural areas, amongst Public sector banks had opened 6.78 crores accounts, Regional Rural banks had opened 0.50 crores accounts & Private sector banks had opened 0.29 crores accounts.

It revealed that, total of 16.60 Crores RuPay debit card issued by banks under PMJDY as of November 25, 2015. Out of 16.60 crores, 13.45 Crores RuPay debit card issued by Public Sector banks, 13.45 Crores RuPay debit card issued by Regional Rural banks, & 13.45 Crores RuPay debit card issued by Private Sector banks.

It is found that, total of 19.34 Crores bank accounts have been opened with deposits totalling ₹. 26,956.45 lakhs as of November 25, 2015. Out of which, Balance in Public sector banks ₹ 21,193.13 lakhs, Balance in Private sector banks ₹ 4,624.98 lakhs, & Balance in Regional Rural banks ₹ 1,138.35 lakhs.

It is found that, 6.77 crores accounts were opened with zero balance under the PMJDY scheme, amongst Public sector banks had opened 5.32 crores accounts with zero balance, Regional Rural banks had opened 1.15 crores accounts with zero balance & Private sector banks had opened 0.30 crores accounts with zero balance. It concludes that, 35 per cent zero balance accounts were opened under PMJDY scheme out of the total accounts opened under this scheme.

Table 2: Number of Accounts opened under PMJDY as on 25.11.2015

Banks	Number of accounts opened	Percentage
Public Sector Banks	15,13,86,532	78.26
Regional Rural banks	3,47,62,369	17.97
Private Sector Banks	72,88,273	3.77
Total	19,34,37,174	100

Source: www.pmjdy.gov.in

Table 2 shows that the contribution of Public Sector Banks, Regional Rural banks and Private Sector Banks towards the financial inclusion under PMJDY scheme as on 25.11.2015.

It is found that, 78.26 per cent contribution made by the public sector banks, 17.97 per cent contribution made by the regional rural banks and 3.77 per cent made by the private sectors banks towards financial inclusion under PMJDY scheme.

It concludes that, the performance of the public sector banks is more than the RRB's and private sectors banks under PMJDY scheme.

Table 3: State wise Accounts Opening in Rural & Urban Areas, Deposits, Zero balance Accounts opened & RuPay card issued as on 25.11.2015

State Name	Accounts			Deposit (in Crore)	Aadhaar seeded	Zero Balance Accounts	Rupay Card Issued
	Rural	Urban	Total				
Andaman & Nicobar	37295	15031	52326	14.19	16257	21438	46744
Andhra Pradesh	4077734	3012630	7090364	582.16	5360114	2415163	6383124
Arunachal Pradesh	86938	31975	118913	23.18	12144	44497	105287

Assam	4734632	1606373	6341005	1053.37	305523	2071649	5012073
Bihar	10510211	4254751	14764962	2041.92	2288309	5281143	13395141
Chandigarh	42680	166818	209498	49.03	160979	40294	204298
Chhattisgarh	5895617	2892115	8787732	748.85	2190482	4257507	6753615
Dadra & Nagar Haveli	44157	8911	53068	15.63	32496	17081	47937
Daman & Diu	14891	7880	22771	6.12	11644	6575	19488
Goa	92212	31793	124005	41.98	83703	24756	128381
Gujarat	3906296	3416737	7323033	1108.80	2724772	2353814	6596671
Haryana	2881763	2102656	4984419	1136.95	3376194	1344032	4220551
Himachal Pradesh	725345	101413	826758	221.51	616322	178440	742109
Jammu & Kashmir	1400686	246726	1647412	315.44	110695	782630	1098503
Jharkhand	3677644	1521157	5198801	443.98	3732535	2428558	4141440
Karnataka	5420923	3428623	8849546	1088.56	5260874	2858638	8197107
Kerala	1299424	1138430	2437854	544.29	1762422	715882	2187898
Lakshadweep	4524	568	5092	4.05	3369	1679	4081
Madhya Pradesh	8406277	8437342	16843619	1084.51	7323177	7115015	13971155
Maharashtra	5796680	6469428	12266108	1519.00	8040888	4888114	11220306
Manipur	250426	308003	558429	75.76	151594	163758	486563
Meghalaya	178499	56165	234664	52.95	3882	74934	184106
Mizoram	55728	70656	126384	9.46	2567	61560	84392
Nagaland	86625	67659	154284	15.80	34806	65692	136074
Delhi	351845	2536325	2888170	690.08	1953763	916646	2583926
Orissa	5566305	1882226	7448531	1091.79	2470260	2408242	5959864
Puducherry	55035	54392	109427	17.07	77645	31607	94735
Punjab	2748908	1842185	4591093	1294.72	3497987	1046424	4290878
Rajasthan	9821282	5423815	15245097	2203.34	8463269	5068637	13101520
Sikkim	61177	10901	72078	14.69	55833	23757	61742
Tamil Nadu	4177969	3461023	7638992	851.82	2623790	2598221	6988965
Telangana	4503749	3169985	7673734	648.89	5056732	2854148	6157544
Tripura	447650	188069	635719	222.06	500345	119956	450691
Uttar Pradesh	17810107	11822439	29632546	4077.69	7924481	10261312	27042820
Uttarakhand	1176687	534039	1710726	359.76	462122	474591	1473492
West Bengal	11402608	5367406	16770014	3286.86	5211059	4654385	12444231

Source: www.pmjdy.gov.in

Table 3 shows that, the state wise accounts opened in rural and urban areas, RuPay Card issued, Zero balance accounts opened, deposits in accounts & Aadhaar seeded in India.

It is found that, the highest accounts opened in Uttar Pradesh state i.e., 29632546 and Lowest accounts opened in Lakshadweep state i.e., 5092. Furthermore, highest rural accounts opened in Uttar Pradesh state i.e., 17810107 and lowest rural accounts opened in Lakshadweep state i.e., 4524 and highest urban accounts opened in Uttar Pradesh state i.e., 11822439 and lowest urban accounts opened in Lakshadweep state i.e., 568 as on 25.11.2015

Furthermore, it is found that, the highest deposits received under PMJDY scheme by Uttar Pradesh state i.e., ₹ 4077.69 crores and lowest deposits received by the Lakshadweep state i.e., ₹ 4.05 crores as on 25.11.2015. The highest Aadhaar seeded in Rajasthan state under PMJDY scheme i.e., 8463269 and lowest Aadhaar seeded in Mizoram state i.e., 2567 under PMJDY scheme.

It is also found that, the highest accounts opened with zero balance under the PMJDY scheme in Uttar Pradesh state i.e., 10261312 and lowest accounts opened with zero balance under the PMJDY scheme in Lakshadweep state

i.e., 1679 as on 25.11.2015. The highest RuPay debit card issued in Uttar Pradesh state i.e., 27042820 under the PMJDY scheme and lowest RuPay debit card issued in Lakshadweep state i.e., 4081 under the PMJDY scheme as on 25.11.2015.

Table 4: Report on OVERDRAFT (Sanctioned/Disbursed) under PMJDY as on 13.11.2015

Total Number of Accounts Offered For OD	4598053
Total Number of Accounts OD Sanctioned	2359023
Total Number of Accounts OD Availed	885884
Total Amount of OD Availed (In Lakhs)	□ 12494.67

Source: www.pmjdy.gov.in

The table 4 shows that, overdraft sanctioned/dispensed under PMJDY scheme. It is found that, 45,98,053 accounts offered for Overdraft, out of which, 23,59,023 accounts Overdraft were sanctioned, 885884 accounts availed Overdraft & □ 12494.67 lakhs overdraft availed under PMJDY scheme.

Conclusion:

The PMJDY is superior financial inclusion programme because it had focus on individual households. Further, there was no emphasis given on financial inclusion in rural, semi-urban and urban areas. Overall, the PMJDY is a big step towards financial inclusion. The provision of basic accounts with linked insurance coverage, debit card facilities, overdraft facility, zero account facilities etc., to the poor households' welfare, economic activity, stability, and the ability to absorb shocks. The PMJDY scheme can meet the challenges, improving banking infrastructure (bank branches, ATMs, good and reliable BCs) and overall monitoring for effective final inclusion. The

The mission of the PMJDY is to eradicate poverty through the financial inclusion programme. The poor and the underprivileged people in rural, semi-urban and urban areas are expected to get all the benefits such as financial inclusion, financial stability and financial freedom through the PMJDY scheme. It concludes that, the performance of the Public sector banks are good as compared to the Regional rural banks and Private sector banks to carry PMJDY scheme. It found that, total 19.34 crores accounts were opened with total deposits of □26,956.45 lakhs, out of which, 35 per cent accounts were opened with zero balance. This scheme ensured access to financial services, namely, Banking/ Savings & Deposit Accounts, Remittance, Credit, Insurance, Pension in an affordable manner to poor people in rural, semi-urban and urban areas.

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