



## Pradhan Mantri Jan Dhan Yojana (Pmjdj): A Leap Towards Financial Inclusion in India

**Mayur K Joshi**

Asst. Prof., Department of Accountancy, Udhna Citizen Commerce College, Surat.

### 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:

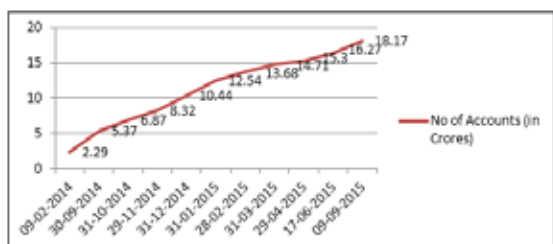
To study the changing trends in financial inclusion with special reference to Pradhan Mantri Jan Dhan Yojana.

### 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.

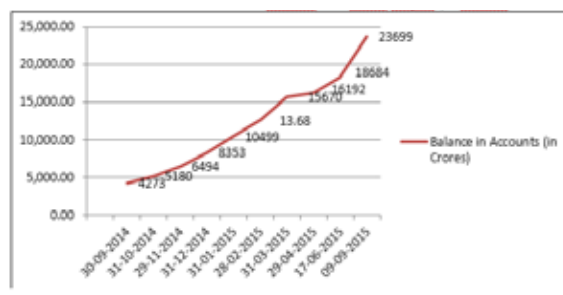
### Progress of Pradhan Mantri Jan-Dhan Yojana

Indian households have collectively opened more than 18.17 crores bank accounts as of 09<sup>th</sup> September 2015. 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 23<sup>rd</sup> to August 29<sup>th</sup>, 2014 when 18 Million new



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

Balance in Accounts under Pradhan Mantri Jan Dhan Yojna (in Crores)



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

The new bank accounts opened under PMJDY have mobilized 23699 crores in fresh deposits till 09<sup>th</sup> September 2015.

### Pradhan Mantri Jan - Dhan Yojana (Accounts Opened As on 09.09.2015)(All Figures in Crores)

S.No		No Of Accounts			No Of Rupay Debit Cards	Balance In Accounts	No of Zero Balance Accounts
		Rural	Ur-ban	Total			
1	Public Sector Banks	7.82	6.39	14.2	12.88	18626.71	6.09
2	Private Banks	2.78	0.47	3.26	2.4	3956.66	1.43
3	Regional Rural Banks	0.4	0.28	0.70	0.6	1116.47	0.30
	Total	11.02	7.15	18.17	15.90	23699.84	7.83

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

The above table shows that total of 18.17 crores accounts have been opened till 09.09.2015 from which maximum amount of contribution is of Public sectors Banks in opening accounts under PMJDY. Under Public sector Banks 7.82 crores accounts have in opened in rural areas and 6.39 crores in urban areas and total of 14.2 crores accounts have been opened by Public Sector Banks under this yojna.

Private sector banks have opened 2.78 crores accounts in rural areas and 0.47 crores in urban areas and total of 3.26 crores accounts have been opened by private sector banks under PMJDY.

Till 09.09.2015 R.R.B have opened 0.4 crores accounts in rural areas and 0.28 crores accounts in urban areas and total of 0.70 crores accounts have been opened by R.R.Bs under PMJDY.

Out of total accounts (18.17 crores) more than 60% (11.02

crores) accounts opened in rural area under PMJDY till 09/09/2015 and out of total accounts more than 78% accounts opened by public sector banks, 17.95% by Private sector bank and remaining 3.85% by regional rural banks under PMJDY till 09/09/2015. Out of total balance in Accounts more than 78% balances were in Public sector bank under PMJDY till 09/09/2015.

#### No of Accounts Opened

Particulars	April 2010 to March 2011	April 2011 to March 2012	April 2012 to March 2013	April 2013 to March 2014	PMJDY till 09.09.2015
No of Accounts opened (in Crore)	3.12	3.37	4.36	6.09	18.17

**Source: RBI Annual Report, 2011-12, 2012-13, 2013-14 &**

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

Above table shows that total Accounts opened by bank branches and Bcs were 3.12 crores between 1<sup>st</sup> April 2010 to 31<sup>st</sup> March 2011. Between 1<sup>st</sup> April 2011 to 31<sup>st</sup> March 2012 total 3.37 crores accounts opened, Between 1<sup>st</sup> April 2012 to 31<sup>st</sup> March 2013 total 4.36 crores accounts opened, between 1<sup>st</sup> April 2013 to 31<sup>st</sup> March 2014 total 6.09 crores accounts opened, but under PMJDY total 18.17 crores account opened till 09<sup>th</sup> September 2015 which is 298% more than 2013-14.

#### 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 09<sup>th</sup> September 2015 under PMJDY 60% accounts opened in rural area, out of total accounts more than 78% accounts opened by public sector banks, total 18.17 crores account opened which is more than 298% than 2013- 2014, 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."

#### 7. References:

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