



**PROGRESS OF PRADHAN MANTRI JAN-DHAN YOJANA (PMJDY)
IN INDIA -AN ANALYSIS"****Dr. D. C. Kurnal****Assistant Professor, Department of Economics,
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Karnataka.****ABSTRACT :**

Financial inclusion means providing financial products and services to people at very low cost or providing financial services to that section of society, which do not have basic banking facilities, such as saving accounts or deposit and payment facility.¹ For effective growth of economy, it is necessary to involve those people in banking sector who are not having access to banking sector, so that they can avail benefits of banking services and facilities, and develop habits of small savings. is paper describes that what is the status and progress report of Pradhan Mantri Jan Dhan Yojna and what are various challenges in the way of financial inclusion in India is paper is descriptive in nature and simple trend analysis is used to describe progress of (PMJDY), paper also described various challenges faced by financial inclusion in India as well various steps taken by authorities to promote financial inclusion in India. Study suggest that private and public sector banks along with Government and RBI has to play much active role in creation of awareness among deprived section of society, and to design more innovative products for the poor section to promote financial inclusion in India.

**KEYWORDS :** Jan-Dhan Yojana , financial , growth of economy , society , trend analysis**INTRODUCTION:**

In his first Independence Day address as the Prime Minister of India, Narendra Modi announced that his government would ensure that all the citizens of India have access to bank accounts and debit cards. In keeping with this ambition, on August 28, 2014, Modi formally launched the Pradhan Mantri Jan Dhan Yojana the scheme that should end 'financial untouchability' of the poor masses in the country. The project has been modelled to fulfil his vision of financial inclusion by providing economic benefits for all sections of Indian society. The Pradhan Mantri Jan Dhan Yojana (PMJDY) is a scheme that aims to provide all the citizens of India especially the poor masses a bank account, credit facility, insurance cover and debit card. The aim of this scheme is highlighted by its slogan "Mera Khata – Bhagya Vidhata". In the long run, the scheme will also allow the poorer sections to avail themselves of subsidies and overdraft facilities through their bank accounts, which are intended to eliminate money-lenders, commission agents and corruption.

OBJECTIVES OF THE STUDY

1. To identify the determinants of financial literacy and education.
2. To study about Role of Pradhan Mantri Jan Dhan Yojana (PMJDY) in India.

Objective of "**Pradhan Mantri Jan-Dhan Yojana (PMJDY)**" is ensuring access to various financial services like availability of basic savings bank account, access to need based credit, remittances facility, insurance and pension to the excluded sections i.e. weaker sections & low income groups. This deep penetration at affordable cost is possible only with effective use of technology.

PMJDY is a National Mission on Financial Inclusion encompassing an integrated approach to bring about comprehensive financial inclusion of all the households in the country. The plan envisages universal access to banking facilities with at least one basic banking account for every household, financial literacy, access to credit, insurance and pension facility. In addition, the beneficiaries would get RuPay Debit card having inbuilt accident insurance cover of ₹ 1 lakh. The plan also envisages channeling all Government benefits (from Centre / State / Local Body) to the beneficiaries accounts and pushing the Direct Benefits Transfer (DBT) scheme of the Union Government. The technological issues like poor connectivity, on-line transactions will be addressed. Mobile transactions through telecom operators and their established centres as Cash Out Points are also planned to be used for Financial Inclusion under the Scheme. Also an effort is being made to reach out to the youth of this country to participate in this Mission Mode Programme.

BENEFITS UNDER PMJDY

1. One basic savings bank account is opened for unbanked person.
2. There is no requirement to maintain any minimum balance in PMJDY accounts.
3. Interest is earned on the deposit in PMJDY accounts.
4. RuPay Debit card is provided to PMJDY account holder.
5. Accident Insurance Cover of Rs.1 lakh (enhanced to Rs. 2 lakh to new PMJDY accounts opened after 28.8.2018) is available with RuPay card issued to the PMJDY account holders.
6. An overdraft (OD) facility up to Rs. 10,000 to eligible account holders is available.
7. PMJDY accounts are eligible for Direct Benefit Transfer (DBT), Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), Pradhan Mantri Suraksha Bima Yojana (PMSBY), Atal Pension Yojana (APY), Micro Units Development & Refinance Agency Bank (MUDRA) scheme.

Determinants Of Financial Literacy And Education

Financial education is "the process by which financial consumers/investors improve their understanding of financial products and concepts and, through information, instruction and/or objective advice, develop the skills and confidence to become more aware of financial risks and opportunities, to make informed choices, to know where to go for help, and to take other effective actions to improve their financial well-being." e financial literacy level majorly depends upon the education and income of the individuals; the social factors such like family size, family background, age, regions nature of employment have a little impact on this.

(a) Gender: Financial literacy is affected by gender as women's literacy in India is matter of debate since past, hear as women's are saving rate among women's is high not in formal ways as there are several biasness only the matters of education among them .in the present periods India has improving status of women's in terms of educations as well as employment level.

(b) Age: Financial literacy follows an inverted-U shape with respect the age. Financial literacy increases among the youths is high as soon as the age increases it decline this is may be due to time as soon as time varies a lot of changes took place in the financial market and youth is make effort to update and accept the changes.

(c) Education & Income: Financial literacy is associated with higher educational attainment and income. As soon as the education levels of individuals increases their understanding about the financial terms and clarity about their financial needs and goals in order to protect their finance they increases

the effort toward the accessing the information ,which ultimately enhances their knowledge of present financial services and products.

(d) Geographical region & Employment : Financial literacy is associated with more sophisticated investment. Financial literacy is independent of geography and religions of the individuals. While it is dependent upon the nature of employment the privet employees have better levels in comparison of government employees.

Pradhan Mantri Jan Dhan Yojana (PMJDY)

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 (Bank Mitra) outlet. Accounts opened under PMJDY 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. Pradhan Mantri Jan Dhan Yojana (PMJDY), one of the biggest financial inclusion initiatives in the world, was announced by Prime Minister, Shri Narendra Modi on 15th August 2014 from the ramparts of the Red Fort. While launching the programme on 28th August, the Prime Minister had described the occasion as a festival to celebrate the liberation of the poor from a vicious cycle. Shri Narendra Modi had referred to the ancient Sanskrit verse: Sukhasya Moolam Dharma, Dharmasya Moolam Artha, Arthasya Moolam Rajyam – which puts the onus on the state to involve people in economic activity. "This Government has accepted this responsibility," the Prime Minister said & the Government has fulfilled its promise in record time.

Against the original target of opening bank accounts for 7.5 crore uncovered households in the country by 26th January, 2015, banks have already opened 12.54 crore accounts as on 31st January 2015 after conducting survey of 21.06 crore households with deposits exceeding Rs 10,000 crores. The target was set after conducting a survey of 21.02 crore households in the country. Today, a coverage of almost 100% has been achieved. Out of the accounts opened, 60% are in rural areas and 40% are in urban areas. Share of female account holders is about 51%.

Pradhan Mantri Jan Dhan Yojana provides a platform for universal access to banking facilities with at least one basic banking account for every household, financial literacy, and access to credit, insurance and pension facility. It covers both urban and rural areas and those who open account would get indigenous Debit Card (RuPay card). Account can be opened in any bank branch or Business Correspondent (Bank Mitra) outlet at zero balance. Every bank account is on Core Banking System (CBS) of banks. Mobile banking using USSD facility available on even basic feature phones is also being supported. A facility of call centre and toll free number is available nationwide.

PMJDY brings about the objective of financial inclusion for all by providing basic banking accounts with a debit card with inbuilt accident insurance. The main features of PMJDY include Rs. 5,000 overdraft facility for Aadhar-linked accounts and a RuPay debit card with inbuilt Rs. 1 lakh accident insurance cover. In addition, for accounts opened between 15th August 2014 and 26th January 2015, a Life Insurance cover of Rupees 30,000 is available to the eligible beneficiaries. One of the salient features of Pradhan Mantri Jan Dhan Yojana is that after remaining active for 6 months, the account holder will become eligible for an overdraft of up to Rs 5,000.

Under the scheme, financial literacy programme which aims to take financial literacy upto village level is provided for better understanding of the whole mechanism. The Mission also envisages extension of Direct Benefit Transfer (DBT) under various Government Schemes through bank accounts of the recipients. The Kisan Credit Cards (KCC) are also being linked with RuPay platform. Micro insurance to the people, and unorganised sector Pension schemes like Swavalamban through the Business Correspondents have also been included for the second phase of the programme.

The Pradhan Mantri Jan Dhan Yojana has a structured monitoring mechanism from Central to District level. At the Centre, Finance Minister is the Mission head along with a Steering Committee and a Mission Director. The programme is monitored at State level by a State Implementation Committee and in the districts by a District Implementation Committee. Thus, Pradhan Mantri Jan Dhan Yojana not only

serves as an important example of Governance in Mission Mode but also demonstrates what a Government can achieve if it is committed to the welfare of the people.

Benefits of the PMJDY scheme

Given below are the main benefits of PMJDY scheme:

- Interest is offered on the deposits that are made towards the savings account opened under the scheme.
- Individuals need not maintain a minimum balance under the scheme. However, in case they wish to avail cheque facilities, a minimum balance must be maintained.
- In case individuals maintain the account in a good manner for 6 months, an overdraft facility is provided.
- Individuals receive Accidental Insurance cover of Rs.1 lakh under the RuPay scheme.
- In case the account was opened between 20 August 2014 and 31 January 2015, life cover of Rs.30,000 is provided in case the beneficiary passes away.
- Under the scheme, insurance products and pension access are provided.
- In case individuals are beneficiaries of government schemes, Direct Benefit Transfer option is provided.
- An overdraft facility of Rs.5,000 is provided to one account in the household. The facility is usually provided to the lady in the house.
- The Personal Accident cover can be claimed only after the RuPay Card holder has made a successful non-financial or financial transaction. Transactions made within 90 days of the accident are considered to be PMJDY eligible transactions under the scheme. However, the transaction must be made at an E-COM, POS, ATM, Bank Mitra, bank branch, etc.
- Account holders can check their balance using the mobile banking facility.

Government of India lays special emphasis on financial inclusion of citizens as it is crucial to poverty reduction. Exclusion of a large number of people from any access to financial services prevents the growth of our country. A scheme to empower citizens financially was highly needed so that everyone can reap the benefits of growth and development.

Pradhan Mantri Jan Dhan Yojana (PMJDY), the biggest financial inclusion initiative in the world, was announced by the Hon'ble Prime Minister Shri Narendra Modi on 15th August 2014 from the ramparts of the Red Fort and launched by him on 28th August 2014 across the country. While launching the Yojana, the Prime Minister had described the occasion as a festival to celebrate the liberation of the poor from a vicious cycle.

Prime Minister had referred to the ancient Sanskrit verse: Sukhasya Moolam Dharma, Dharmasya Moolam Artha, Arthasya Moolam Rajyam - which puts the onus on the state to involve people in economic activity. "This Government has accepted this responsibility," the Prime Minister had said. The Prime Minister had also sent email to an estimated 7.25 lakh bank employees, exhorting them to help reach the target of 7.5 crore bank accounts, and bring freedom from financial untouchability.

Pradhan Mantri Jan Dhan Yojana (PMJDY)

The Hon'ble Prime Minister in his Independence Day Speech announced a comprehensive program of Financial Inclusion targeting a large number of people who are currently deprived of even rudimentary financial services. In this direction, the Pradhan Mantri Jan Dhan Yojana (PMJDY) sets out to provide a basic Bank account to every family who till now had no account. The bank account comes with a RuPay debit card with a built-in accidental insurance cover of Rs. 1 lakh. During the launch on 28.08.14 in New Delhi, Hon'ble Prime Minister also announced a life cover of Rs. 30,000/- for those subscribing to a bank account with a RuPay debit card before 26th January, 2015 to complement the Rs. 1 lakh accident insurance cover. This life insurance cover of Rs. 30,000/- under Pradhan Mantri Jan Dhan Yojana, gives life insurance cover on death of the life assured, due to any reason, to the deceased's family. The scheme aims to provide security to families from economically weaker sections who cannot

afford direct purchase of such insurance. The premium subscription for the life cover under PMJDY is borne by the Government of India.

CONCLUSION

We have concluded from study that due to PMJDY additional 17.57 crore account has opened in India, through various bank viz. Public Sector Bank, Private Bank and Regional Rural Bank. It signifies that due to launch of PMJDY financial inclusion has headed towards positive direction. As PMJDY is a National Mission on Financial Inclusion encompassing an integrated approach to bring about comprehensive financial inclusion of all the households in the country it has approached effectively by achieving massive number of account opened under scheme, not account opened electronic card (Rupay) also issued and availing Zero Balance Account, which make more effective to this scheme, around 45.56% of total account opened under this scheme are zero balance account.

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