

A STUDY ON ASSESSMENT AND FUTURE ROAD MAP OF PRADHAN MANTRI JAN DHAN YOJANA IN TAMIL NADU

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Abstract: India is one of the fastest growing countries in world. Hence lot resources available, which leads to increased employment opportunities, industrial growth, and infrastructural development, human resource up gradation, poverty education, capital formulation and speedy delivery of capital flow and also increase socio economic empowerment of individual life style. Therefore saving habits is very essential of everyone living life that is reason our Indian government and RBI taken different schemes like financial inclusion, inclusive banking. Financial inclusion is one of the emerging aspects in the socio – economic development of the country but this scheme not fulfill all the areas like rural, semi-urban and urban. In 2014 Indian Honorable Prime Ministry launched new scheme of Pradhan Mantri Jan Dhan Yojana scheme. This scheme primary objective of all house hold open compulsory bank account. Pradhan Mantri Jan Dhan Yojana scheme is a national priority for every Indian citizen who can easily open a bank account. This scheme is mostly helpful for all the income group people who can easily open and continuously have transactions in banking sector. Hence, Pradhan Mantri Jan Dhan Yojana bank account holders are also getting RuPay debit card. RuPay debit card useful in two ways for payment and purchasing. In this way this research paper analyzed with assessment and future road map of Pradhan Mantri Jan Dhan Yojana in Tamil Nadu is restricted to Tiruchirappali District.

Keywords: PMJDY, Financial Inclusion, Inclusive Banking, RuPay Debit Card,

Introduction

Inclusive banking has been initiated from the early period in order to achieve the maximum coverage of the people through timely needed services. Cooperative and regional rural banks were established to extend banking services to the unreached people. Owing to globalization, technology plays a key role in delivery of banking services to the targeted people at affordable price and speedy manner. After the computerization process was initiated in banking sector, its operation has taken serious steps towards rural and unreached population in the country. Presently there are 10,12,610 branches with more than one lakh ATMs across the country. But it could cover only 65 per cent of the people and remaining 35 per cent of the people are far away from banking facilities. In this situation, RBI introduced financial inclusion in 2006 with massive effects on providing financial services at an affordable cost with the help of information technology. In this aspect Pradhan Mantri Jan Dhan Yojana is one of the innovative and modern schemes which helps attract the unbanked people in the country.

Statement of the Problem

Financial inclusion is the way to provide an opportunity to extend banking and financial services to the unreached and poor people in the country. A comprehensive financial inclusion providing all households in the country with banking services, with particular focus to empower the weaker sections of society, including women, small and marginal farmers, and labourers, both urban and rural. In order to provide, universal access to banking facility, Honourable Prime Minister Narendra Modi announced the scheme Pradhan Mantri Jan Dhan Yojana on 15 August 2014. With the help of Pradhan Mantri Jan Dhan Yojana, 31.42cr accounts were opened as on 04.04.2018. Therefore, there is a need of an evaluation study on Pradhan Mantri Jan Dhan Yojana and its impact on socio-economic empowerment of the people concerned. This study will be useful to the policy makers to identify the strength and weakness of the schemes which help in effective implementation with assessment and future road map of Pradhan Mantri Jan Dhan Yojana in Tamil Nadu is restricted to Tiruchirappali District.

Review of Literature

Vaibhav Patil and Sushil Mavale (2014) examined Pradhan Mantri Jan Dhan Yojana scheme they reveal that 35 to 40 per cent of the rural population do not have bank accounts so benefits and government schemes are not reaching them. Effective implementation of Jan-Dhan-Yojana will drastically reduce the poverty, solving most of the financial problems of people. Benefits of financial inclusion schemes should be properly communicated to all rural areas of the country. Government should first define the financial inclusion regulations/acts for the country.

Vinit Kumar and Dolly Singh (2015) focused on inclusive financing as an innovative concept which enables the alternative techniques to promote the banking habits and acts as enabler in reducing the poverty. Besides this 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 Rs 1lakh. Therefore it is taken to eradicate poverty which is inclusive financing through Pradhan Mantri Jan Dhan Yojana.

Paramasivan C and Kamaraj R (2015) determined that Pradhan Mantri Jan Dhan Yojana scheme has been implemented successfully with the help of commercial banks particularly public sector banks. Hence, Regional Rural Banks are playing a major role in rural and agriculture development with the support of National Bank for Agricultural and Rural Development and other central and state government institutions.

Sangeeta Shinde (2015) observed that through Pradhan Mantri Jan- Dhan Yojana, there is a Guinness world record in opening a number of accounts but opening the account is not the real purpose of the scheme. Besides there is an increasing financial literacy and it improves the quality of life of common people that is the main intention. And also bank sector growth has to be considered.

Kamaraj R (2018) concluded that Pradhan Mantri Jan Dhan Yojana scheme influenced their social and economic status in a positive aspect. Banking practice of the respondents and their operational performance have improved with respect to visiting of banks, savings, loan facilities etc. inclusive banking and its impact on family aspects, community aspects, financial aspects and investment aspects have improved in a remarkable manner.

OBJECTIVES

1. To know the overview of Pradhan Mantri Jan Dhan Yojana scheme in India.
2. To study the details of Pradhan Mantri Jan Dhan Yojana bank accounts maintained by the respondents in Tiruchirappalli District.
3. To assess the performance of Pradhan Mantri Jan Dhan Yojana with respect to the amount of balance maintained in the accounts.
4. To offer valuable suggestions to future roadmap of Pradhan Mantri Jan Dhan Yojana in Tamil Nadu.

SCOPE OF RESEARCH WORK

The present research work is one of fact finding with respect to the performance and its impact of Pradhan Mantri Jan Dhan Yojana in the study area. This study is restricted to the Pradhan Mantri Jan Dhan Yojana and its beneficiaries in the Tiruchirappalli District (Tamil Nadu). Operational performance of Pradhan Mantri Jan Dhan Yojana and its impact on socio – economic development of the account holders are analysed with the help of interview schedules distributed to collect the data. This study is restricted to the account holder's opinion towards the Pradhan Mantri Jan Dhan Yojana and did not consider the banker's aspects.

RESEARCH METHODOLOGY

a) Type of Research

The proposed research study is descriptive in nature using both primary and secondary data.

b) Sources of Data

Primary data will be collected with the help of structured interview schedule and secondary data will be collected from various published and unpublished sources.

c) Sampling Techniques

Study area is restricted to Tiruchirappalli District in Tamil Nadu. Stratified random sampling method will be applied to find out the sample respondents. Study area will be only one districts of Tamil Nadu, divided into urban and rural part. Proposed study will consider rural and urban areas like there are four aspects family aspects, community aspects, financial aspects and investment aspect which aspect highly useful PMJDY scheme.

d) Statistical Tools

The researched used advanced and appropriate statistical tools will be applied to analyze the data like t-test, correlation, multiple regression and Structural Equation Model.

Table No. 1
Bank Wise Pradhan Mantri Jan Dhan Yojana Account Holders In
Tiruchirappalli District

S. No	Name of the Bank	PMJDY A/c Holders	%
1.	Allahabad Bank	926	0.68
2.	Andhra Bank	1239	0.91
3.	Axis Bank	17	0.01
4.	Bank of Baroda	700	0.52
5.	Bank of India	6212	4.58
6.	Bank of Maharashtra	19	0.01
7.	Canara Bank	35525	26.17
8.	Catholic Syrian Bank	260	0.19
9.	Central Bank Of India	12811	9.44
10.	City Union Bank	1092	0.80
11.	Corporation Bank	1755	1.29
12.	Dena Bank	1100	0.81
13.	Dhanalakshmi Bank	70	0.05
14.	Federal Bank	10	0.01
15.	HDFC Bank	1273	0.94
16.	ICIC Bank	3423	2.52
17.	IDBI Bank	750	0.55
18.	Indian Bank	27318	20.12
19.	Indian Overseas Bank	16323	12.02
20.	Indusland Bank	35	0.03
21.	ING Vysya Bank	0	0.00
22.	Karnataka Bank	36	0.03
23.	Karur Vysya Bank	3644	2.68
24.	Lakshmi Vilas Bank	174	0.13
25.	Oriental Bank of Commerce	807	0.59
26.	Pandian Grama Bank	28	0.02
27.	Punjab and Syndicate Bank	470	0.35

28.	Punjab National Bank	5142	3.79
29.	South Indian Bank	180	0.13
30.	State Bank of Hyderabad	500	0.37
31.	State Bank of India	5203	3.83
32.	State Bank of Mysore	178	0.13
33.	State Bank of Travancore	560	0.41
34.	Syndicate Bank	4214	3.10
35.	Tamil Nadu Mercantile Bank	501	0.37
36.	TDCC Bank	84	0.06
37.	UCO Bank	1727	1.27
38.	Union Bank of India	151	0.11
39.	United Bank of India	389	0.29
40.	Vijaya Bank	900	0.66
	Total	135746	100.00

Source: trichy lead bank job

Table No.1 indicates the bank wise Pradhan Mantri Jan Dhan Yojana account holders in Tiruchirappalli district. 1,35,746 accounts were opened under Pradhan Mantri Jan Dhan Yojana scheme as on 30.03.2018, of which Canara bank has more than 35525 account holders (26.17%), Indian Bank with moderate 27318 account holders (20.12%) and low level of Dhanalakshmi Bank with 70 (0.05%),

Table No.2

Pradhan Mantri Jan Dhan Yojana Account Holder Beneficiaries as on 04/04/2018.

(Rs.cr.)

Bank Name	Number of Beneficiaries at rural/semi urban centre bank branches	Number of Beneficiaries at urban metro centre bank branches	No Of Rural-Urban Female Beneficiaries	Number of Total Beneficiaries	Deposits in Accounts(In Crore)	Number of Rupay Debit Cards issued to beneficiaries
PSB	13.65	11.74	13.31	25.39	63287.05	19.07
RRB	4.26	0.79	2.76	5.04	13506.29	3.67
PB	0.60	0.39	0.52	0.99	2218.76	0.92
Grand Total	18.50	12.92	16.59	31.42	79012.10	23.66

Source: pmjdy.gov.in

Table No: 2 from the about table explains that Pradhan Mantra Jan Dhan Yojana Account Holders Beneficiaries. In the month April 2018 31.42cr, account holders, total deposits in accounts 79012.10cr and RuPay Debit Cards issued to 23.66cr account holders.

Table No:3

Independent Samples Test of Two Groups of Gender

Factor	Independent Samples Test				H ₀
	F	Sig	t	p-Value	
Inclusive Banking Practices	1.633	0.202	0.485	0.001**	Reject
Operational Performance	0.511	0.475	1.594	0.005*	Reject
Family Aspects	1.475	0.225	1.398	0.001**	Reject
Community Aspects	0.494	0.483	1.496	0.001**	Reject
Financial Aspects	1.568	0.211	0.604	0.001*	Reject
Investment Aspects	6.839	0.009	1.875	0.005*	Reject

Note: *Significant at the 0.05 level. ** Significant at the 0.01 level.

Table No3 indicates that the Levene's test for equality of variances, inclusive banking practices is greater than 0.05(F=1.633, p>0.05). It can be assumed that variances are relatively equal. Therefore, we use the t-value and two tail (p-value) significance for the equal variance estimates to determine whether differences on inclusive banking practices exist between the two-group genders. The two-tail significance for the gender indicates p<0.01 and, therefore, it is significant. The null hypothesis is rejected and the alternative hypothesis is accepted. It can be concluded that there is a significant difference in inclusive banking practices as a customer perception factor between the two groups of gender.

Table No:4

Inter Correlation among the Factors of Socio Economic Empowerment

Factors	Customer's Satisfaction	Family Aspect	Community Aspects	Financial Aspects	Investment Aspects
Customer's Satisfaction	1				
Family Aspects	0.724**	1			
Community Aspects	0.658**	0.402**	1		
Financial	0.610**	0.359**	0.502**	1	

Aspects					
Investment Aspects	0.707**	0.442**	0.454**	0.535**	1
Total No of Respondents	504	504	504	504	504

Note: ** Correlation is significant at the 0.001 level.

The above table number 4 indicates that the correlation was undertaken among the factors of the socio economic empowerment. The output confirms that a significant positive relationship exists between the various forms of customer satisfaction and family aspects, family aspects, and customer satisfaction, community aspects, family aspects and customer satisfaction, financial aspects, community aspects, family aspects and customer satisfaction, and investment aspects, financial aspects, community aspects, and family aspects.

Table No.:5
Customer’s Satisfaction in the Multiple Regression Analysis

Dimension	Un standardized Coefficients		Standardized Coefficients	t	p-value
	B	Std. Error			
Constant	23.067	1.224		18.843	0.000**
Family Aspects	2.086	0.115	0.421	18.143	0.000**
Community Aspects	1.232	0.113	0.268	10.914	0.000**
Financial Aspects	0.743	0.121	0.156	6.158	0.000**
Investment Aspects	1.318	0.106	0.316	12.424	0.000**
Multiple R- value				0.894	
R square value				0.799	
F- value				497.402**	
p- value				0.000**	

Note: ** Denotes significant at 1 % level. * Denotes significant at 5 % level.

The co-efficient of Determination R-Square

The co-efficient of Determination R-Square measures the goodness –of-fit of the estimated regression in terms of the proportion of the variation in the dependent variables explained by the fitted sample regression equation. Thus, the value of R square is 0.799. It simply means that about 79% of the variation in customers satisfaction is explained by the estimated SRP that uses family aspects (X₁), community aspects (X₂), financial aspects(X₃), investment aspects (X₄), as the independent variables and R-square value is significant at 1 % level. (F = 497.402; p<0.01)

Figure No.:1
STRUCTURAL EQUATION MODEL ON IMPACT OF PMJDY SCHEME

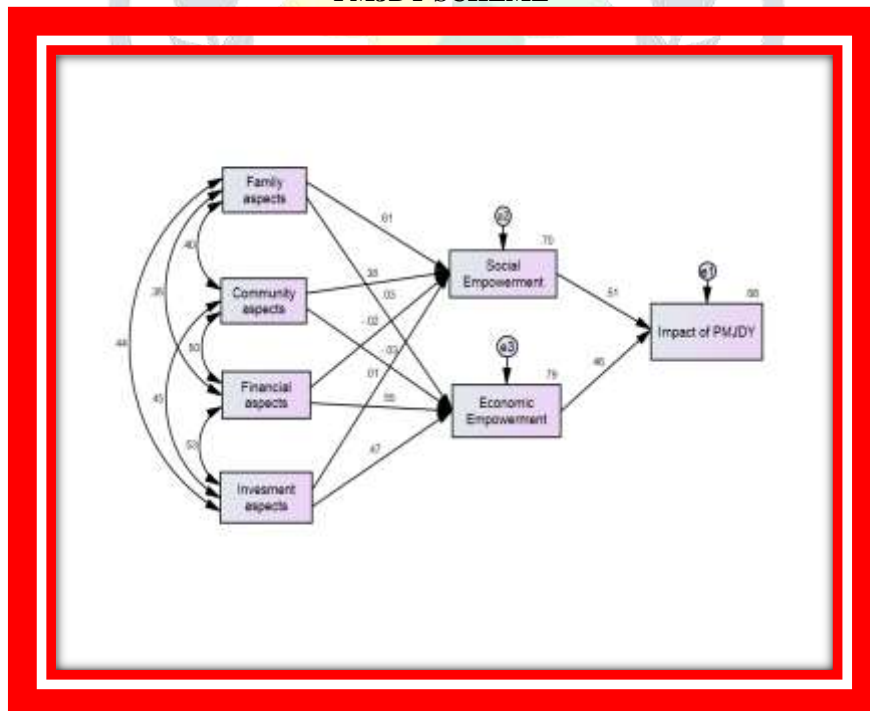


Table No:6
Variables in the Structural Equation Model Analysis

Variables			Estimate	S.E.	C.R.	p-value
Economic Empowerment	←	Financial Aspects	0.592	0.028	21.215	0.000**
Economic Empowerment	←	Family Aspects	0.032	0.027	1.205	0.002**
Economic Empowerment	←	Community Aspects	0.034	0.026	1.293	0.019*
Economic Empowerment	←	Investment Aspects	0.446	0.025	18.162	0.001**
Social Empowerment	←	Family Aspects	0.572	0.026	21.752	0.008**
Social Empowerment	←	Community Aspects	0.327	0.026	12.662	0.002**
Social Empowerment	←	Financial Aspects	0.015	0.028	0.559	0.001**
Social Empowerment	←	Investment Aspects	0.011	0.024	0.461	0.045*
Impact	←	Social Empowerment	0.733	0.149	18.381	0.001**
Impact	←	Economic Empowerment	0.324	0.123	16.443	0.002**

Note: ** Denotes significant at 1% level. * Denotes significant at 5% level

Here the unstandardized coefficient of 0.592 represents the partial effect of financial aspects towards economic empowerment, holding family aspects, community aspects and investment aspects as constant. The estimated positive sign implies that such effect is positive that economic empowerment would increase by 0.592 for every unit increase in financial aspects and this coefficient value is significant at 1% level.

Table No:7
Model fit summary

S. No	Variables	Value
1.	Chi-square value	2.182
2.	p- value	0.000**
3.	GFI	0.902
4.	AGFI	0.950
5.	CFI	0.912
6.	RMR	0.018
7.	RMSEA	0.017

From the above table number 7 it is found that the calculated p - value is 0.000 which is less than 0.01 which indicates perfectly fit. Here GFI (Goodness of Fit Index) value and AGFI (Adjusted Goodness of Fit Index) value is greater than 0.9 which represents that it is a good fit. The calculated CFI (Comparative Fit Index) value is approximately 1 which means that it is a perfectly fit and also it is found that RMR (Root Mean Square Residuals) and RMSEA (Root Mean Square Error of Approximation) value is 0.018 and 0.017 respectively which is less than 0.10.

Suggestions

Financial inclusion is one of the emerging areas in the modern economic development of the country which consists of socio-economic empowerment of the people. When the concept of financial inclusion was initiated in the year 2006, the purpose was restricted to include the unbanked rural population. Since, there it has been extended as no frill accounts, business correspondence and technology enabled banking, and now became Pradhan Mantri Jan Dhan Yojana. Therefore, there is a need for continuous follow up of financial inclusion with the latest technology to foster the financial inclusion throughout the country to achieve inclusive growth in socio-economic and improve life style.

Conclusion

The earlier government had taken steps to promote financial inclusion in the name of no frills accounts and the National Democracy Alliance government has renamed it as Pradhan Mantri Jan Dhan Yojana. It is one of the very successful and most effective financial inclusion drives with respect to opening of accounts with zero balance. It has reached as a viral effect and linked with all kinds of socio-economic assistance from the government; Pradhan Mantri Jan Dhan Yojana in Tiruchirappalli district has significantly contributed sufficient number of zero balance accounts and commercial banks have significantly contributed to open the bank accounts under the Pradhan Mantri Jan Dhan Yojana. Banking practice of the respondents and their operational performance have improved with respect to visiting of banks, savings, loan facilities etc. inclusive banking and its impact on family aspects, community aspects, financial aspects and investment aspects have improved in a remarkable manner. Therefore, this study concluded, that the socio-economic empowerment of the respondents has improved with respect to Pradhan Mantri Jan Dhan Yojana scheme and influenced their social and economic status in a positive aspect.

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WEBSITE

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