

PRADHAN MANTRI JAN DHAN YOJANA- ITS ROLE IN BRINGING FINANCIAL INCLUSION IN INDIA

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Abstract

The paper makes an in depth on financial inclusion and the most remarkable step taken towards financial inclusion in India - the launch of the Pradhan ,Mantri Jan Dhan Yojana. Starting with the history of financial inclusion, the paper envisages its needs and importance and throws light on all the financial inclusion schemes such as relaxation of KYC (Know Your Customer) norms, BSBD (Basic Savings Bank Deposit) accounts, ITC(Information Communications Technology) based accounts etc, prior to the launch of the PMJDY. The paper points out the difference between the other financial inclusion schemes and the PMJDY to find out the newness and effectiveness of the PMJDY. The role of PMJDY in the accomplishment of financial inclusion goals of the country has also been stated with the help of a progress report presented by the GOI. Lastly, to further take a deep dive in the concept, a case study has been made in the Buromal district of Jharsuguda regarding the implementation of the PMJDY scheme. The paper concludes that the PMJDY is undeniably a strategic and strong step taken towards financial inclusion in India but it does lack smooth implementation.

Keywords: *financial inclusion, Pradhan Mantri Jan Dhan Yojana, financial inclusion schemes, KYC norms, BSBD accounts, ICT*

INTRODUCTION

Financial inclusion is the delivery of banking services at an affordable cost ('no frills' accounts,) to each and every section of the society targeting mainly upon the disadvantaged and low income group. Unrestricted access to public goods and services is the most important feature of an efficient society. Mr. K C Chakraborty, Chairman, Indian Bank was the first person to introduce the concept of financial inclusion in 2005, in India. As financial inclusion initiative RBI had made many efforts such as the relaxation of the KYC norms and introduction of various schemes schemes like expansion of bank branches, Sector wise lending, Establishment of RRB's, SHG's etc. Despite of these initiatives, RBI did not reach the expected level of inclusions.

According to a nation-wide survey conducted by the Financial Inclusion Insights program on financial behavior, India has the highest account dormancy rate and the majority of Indians borrow money from family and friends and other informal sources and not from financial institutions.

Financial inclusion is a powerful concept which enables the techniques to promote the banking habits amongst the vast sections of the society and also acts as enabler in reducing the poverty. The launch of Pradhan Mantri Jan DhanYojana (PMJDY) by Government of India is in that direction. The PMJDY is considered to be the strongest initiative taken towards financial inclusion in India by far. The research work tries to assess the progress of the Pradhan Mantri Jan DhanYojna scheme in bringing financial inclusion in the country.

LITERATURE REVIEW

Following are the studies made on financial inclusion and PMJDY, which have been reviewed before making the present research work.

SonamKumari Gupta (2015)- highlighted on **Performance of the Pradhan Mantri Jan DhanYojana (PMJDY) and latest trends being implemented for financial inclusion by PMJDY**. It concluded that out of the accounts opened at public sector banks under thePMJDY, 71% are zero balance as against 64% for private banks released by the ministry but out of those only 28% of the accounts opened under the scheme are active, and about Rs.9, 000 crores deposited in these.

Patnaik (2015)- in his study on **PMJDY in Bhubaneswar** concluded that, out of the total respondents, only 13.8% of the respondent have access to bank accounts and those who do not have bank account due to various reasons are not aware of PMJDY scheme. Amongst males 78.9% and in 95.08% were not aware of the scheme. The study suggested that, the banks should aggressively campaign for such scheme and make more effort in creating awareness on zero balance account.

Diveyesh Kumar (2014)- in his research work on the **overview of financial inclusion using PMJDY in India** revealed that, the greatest step ever taken to eradicate poverty in the context of financial inclusion is through PMJDY. It concluded that, for the success of this scheme constant review and regular check is very much crucial.

Mr. Nanjibhai D. Ranparia- pointed out various aspects of the PMJDY scheme in his Research Paper on, **“Financial Inclusion in Gujarat: A Study on Banker’s Initiatives”** It includes study of different financial inclusion aspects and evaluates its progress and states the current status of financial inclusion of the state.

PR and HN TAJ (2015)-In Hassan district more than 50 per cent respondent were aware about this scheme through media advertisement and just 44 per cent were satisfied regarding this scheme.

Singh (2015)- The researcher found that majority of respondent have two bank account in their household and 59 respondent opened an account in order to receive govt payment under NREGA scheme. The study showed that just one per cent respondent were not aware about this scheme.

Jayshreevenkateshan(2015)- The study revealed that respondent, employees and business correspondent in Tamilnadu were not aware about banking and its features. Infact after the PMJDY was launched among the household surveyed there was only a four per cent increase in account and 8 percent had no account and did not even know about the programme.

Goel and Goel(2015)- Under this scheme share of rural area in term of a number of accounts under public and private sector bank was higher as compared with RRBs. The share of a number of rural debit card was maximum in public sector bank followed by RRBs and private sector bank.

Dr Kaur & Singh, (2015)- Surprisingly have positioned financial inclusion as a business opportunity to banks and have concluded that the launch of PMJDY has strengthened the resolve that when coordination, dedication, perseverance and continuity is provided by all constituents and stakeholders, a frame work of concrete construct is created which acts as a dominant force for accomplishment of the mission.

like opening of banking outlets, deploying BCs, opening of BSBD accounts, grant of credit through KCCs and GCCs. Detailed trends are furnished in the following charts.

Number of Branches Opened (including Aishwarya Sigh, Manoj Sharma & MukhesSadana, (Feb, 2015)- have concluded that assuming few teething problems, PMJDY is well positioned for success. Also, access to accounts alone will not generate a full fledged impact in the lives of the poor- it is account usage that is important.

OBJECTIVES OF THE STUDY

- 1- To understand the meaning, concept and need of financial inclusion
- 2- To study the rationale of the PMJDY compared to the existing schemes meant for financial inclusion in the country.
- 3- To review the implementation of the PMJDY scheme ever since its inception at the all India level. (State wise and Bank wise)
- 4- To assess the impact of the PMJDY in accomplishing financial inclusion goals in India.

SCOPE OF THE STUDY

The research work has tried to envisage various aspects of the PMJDY scheme in financial inclusion context. An in depth study has been made on financial inclusion and the PMJDY scheme. The work also consists of a minor survey case study whereby the progress of the scheme has been assessed. Following are the scope of the researchwork undertaken-

- The research work consists of an analysis about financial inclusion, its relevance and role in Indian context.
- The study primarily focuses upon PMJDY scheme and its role in bringing financial inclusion in the country for a period starting from **August 2014 to November 2017**.
- The research work does not incorporate the role and effect of demonetization on the PMJDY scheme.

PRACTICAL RELEVANCE OF THE STUDY

The thrust area of the work revolves around the Pradhan Mantri Jan DhanYojana and its role in bringing financial inclusion in India. The study underlines the meaning, role and importance of financial inclusion and how far has PMJDY been successful in accomplishing financial inclusion objectives. The research work highlights the following relevant facts and points-

- 1- The position of financial inclusion in India before and after the inception of the PMJDY.
- 2- The importance of accessibility to banking services for every individual.
- 3- The benefits and privileges of being a bank account holder.
- 4- The role of financial inclusion in establishing transparency in financial transactions.
- 5- The features, benefits and importance of the PMJDY scheme.
- 6- The progress and role of PMJDY in bringing financial inclusion in the country.

FINANCIAL INCLUSION- EVOLUTION, MEANING AND DEFINITIONS

The concept of financial inclusion was evolved with the initialization of Co-operative movement in India during 1904. It got momentum in 1969 when 14 major commercial banks of the country were nationalized and Lead Bank Scheme was introduced shortly thereafter in mid 1970's. Large numbers of bank branches were opened across the country even in those areas which were neglected earlier. Despite of various measures, a huge segment of the population of the country was excluded from the formal banking system (Chattopadhyay, 2011). In 2005, RBI promulgated a drive for financial inclusion whereby formal financial system promotes the participation of every household at the district level via. saving accounts for the 'unbanked' (Ramji, 2009 and Ramasubbian & Duraiswamy, 2012). Under the chairmanship of Rangarajan, 'Committee on Financial Inclusion' was formulated by the Govt. of India and it defines financial inclusion as 'the mechanism of ensuring access to financial services and timely & adequate credit whenever needed by the vulnerable groups i.e, the weaker sections of the society at low and affordable costs.

Evolution of financial inclusion since 1960's

1960's -1970's

- Focus on increasing credit to the neglected economy sectors and weaker sections of society.
- Nationalization of banks.
- Development of the rural banking ecosystem including Regional Rural Banks.
- Lead Bank Scheme launched for rural lending.

1980's -1990's

- Establishment of National Bank for Agriculture and Rural Development (NABARD) to provide finance and refinance to banks providing credit to agriculture.
- SHG bank linkage program launched by NABARD.

2000's

- The term 'Financial inclusion' introduced for the first time in RBI's Annual Policy Statement 2005-06.

- Banks asked to offer 'no frills account'.
- Know Your Customer (KYC) norms simplified.
- Banking Correspondent and Banking Facilitator concept introduced.
- 100 percent financial inclusion drive launched.
- Electronic Bank Transfer Scheme introduced to transfer social benefits electronically to bank account of beneficiary.
- Introduction of Pradhan Mantri Jan DhanYojana.

Financial Inclusion- Meaning

“The test of our progress is not whether we add more to the abundance of those who have much; it is whether we provide enough for those who have too little.” - Franklin D. Roosevelt

Financial inclusion is aimed towards the accessibility of banking services at an affordable/low cost ('no frills' accounts,) to the vast sections of the society, especially, the disadvantaged and low income group. Unrestrained and easy access to public goods and services is the sine qua non of an efficient society. To understand it further, let us take a look at the definitions provided by various experts on financial inclusion.

Definitions

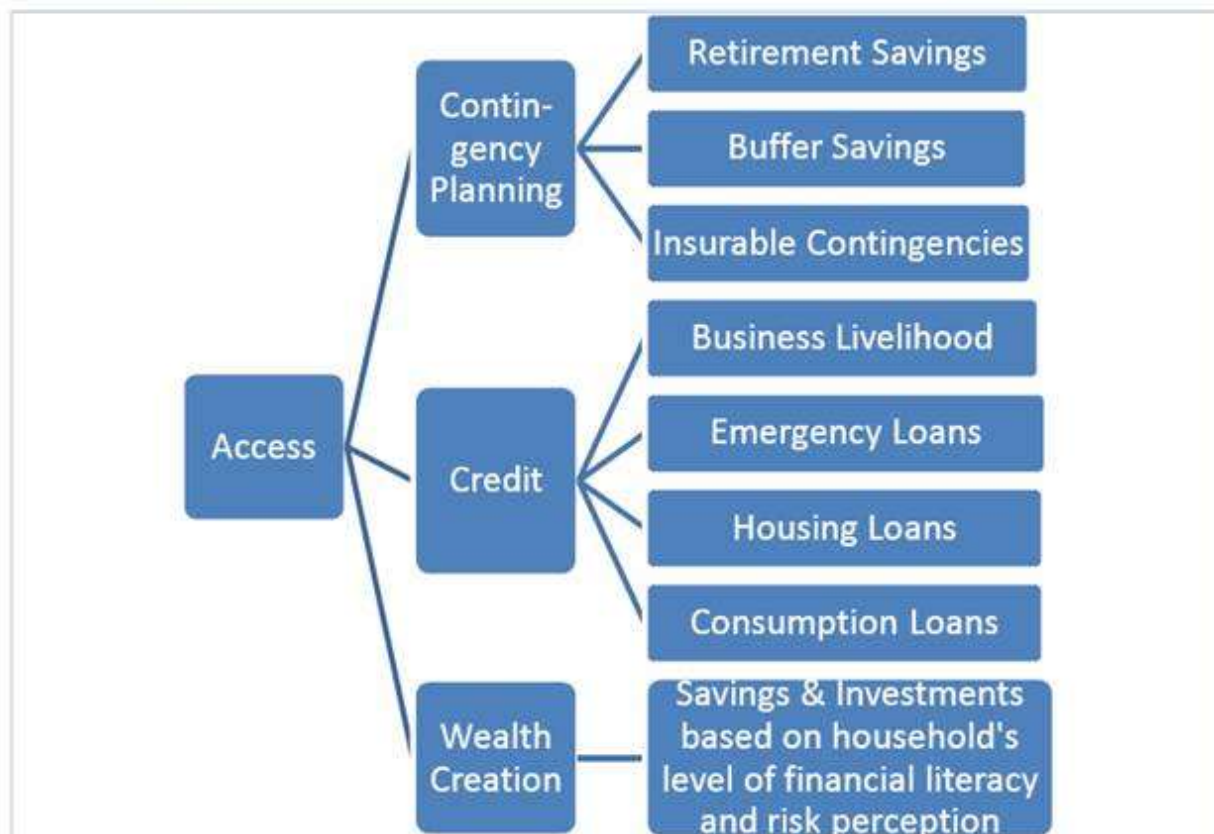
1- *“Financial inclusion may be defined as the process of ensuring access to financial services and timely and adequate credit where needed by vulnerable groups such as weaker sections and low income groups at an affordable cost.”The Committee on Financial Inclusion, Chairman: Dr. C. Rangarajan*

2- *“Financial Inclusion, broadly defined, refers to universal access to a wide range of financial services at a reasonable cost. These include not only banking products but also other financial services such as insurance and equity products.”The Committee on Financial Sector Reforms, Chairman: Dr.Raghuram G. Rajan*

3- *“Provision of a broad range of financial services such as deposits, loans, payment services, money transfers and insurance to poor and low-income households and their micro-enterprises.”ADB 2000*

4- *“Financial exclusion is lack of access by certain consumers to appropriate low cost, fair and safe financial products and services from mainstream providers. Financial exclusion becomes a concern in the community when it applies to lower income consumers and/or those in financial hardship.”Chant Link and Associates, Australia 2004*

5- *“A financial sector that provides ‘access’ to credit for all ‘bankable’ people and firms, to insurance for all insurable people and firms and to savings and payments services for everyone. Inclusive finance does not require that everyone who is eligible use each of the services, but they should be able to choose to use them if desired.”United Nations 2006*

Figure I: Household Access to Financial Services

Source: A Hundred Small Steps - Report of the Committee on Financial Sector Reforms (Chairman : Dr. RaghuramRajan),

NEED FOR FINANCIAL INCLUSION IN INDIA

In majority of the developing countries, access to finance is demanded more for the bottom up pyramid community and considered as a public good, which is as important and basic as access to safe water, primary education, etc. The most significant effect of financial inclusion is that the entire national financial system is benefitted by greater inclusion, especially when promoted in the wider context of economic inclusion. Financial inclusion, along with broadening the resource base of the financial system by developing a culture of savings among large segment of rural population, plays its own role in the process of economic development. Further, by bringing low income groups within the coverage of formal banking sector; financial inclusion protects their financial wealth and other resources in extreme circumstances. Financial inclusion also checks the exploitation of vulnerable sections by the usurious money lenders by facilitating easy accessibility to the formal credit system. Without access to a bank, savings account, debit card, insurance, or line of credit, for example, the weaker sections of the society have to rely upon informal sources for borrowing and saving money and sometimes these choices are insufficient, risky, expensive, and unpredictable.

Being included in the formal financial system helps people:

1. Make day-to-day transactions, including sending and receiving money;
2. Safeguard savings, which can help households manage cash flow spikes, smooth consumption and build working capital;
3. Finance small businesses or microenterprises, helping owners invest in assets and grow their businesses;
4. Plan and pay for recurring expenses, such as school fees;
5. Mitigate shocks and manage expenses related to unexpected events such as medical emergencies, a death in the family, theft, or natural disasters; and

6. Improve their overall welfare.
7. Financial inclusion not only helps individuals and families, but collectively it develops entire communities and can help **drive economic growth**.
8. Financial inclusion is about enabling and empowering people and communities:
9. **Enabling** people to have the ability and tools to manage and save their money.
10. **Empowering** people with the skills and knowledge to make the right financial decisions.
11. Participation within the financial system leads to all kinds of **individual benefits**, including:
 - Ability and means to start and grow a business, which gives people an opportunity through micro-financing schemes.
 - The ability to handle uncertainties that require unexpected payments.
12. Financial inclusion through access to an account, savings and a payment system (whatever that maybe) **empowers men, women and whole communities**. This in turn promotes:
 - Investment within the community, provides jobs and employment boosts status, income and ones outlook on life. Collectively this helps to boost economies.
 - Equality within the communities as well as families.

Financial inclusion is very crucial for a country's social and economic growth and is also helpful in reducing extreme poverty within a country. Recent research indicates that financial inclusion is positively correlated with growth and employment.

INDIA AND FINANCIAL INCLUSION

RBI's concerted efforts since 2005, resulted in an increase in the number of branches of Scheduled Commercial Banks increased manifold from 68,681 in March 2006 to 1,02,343 in March 2013. (Chart 4)

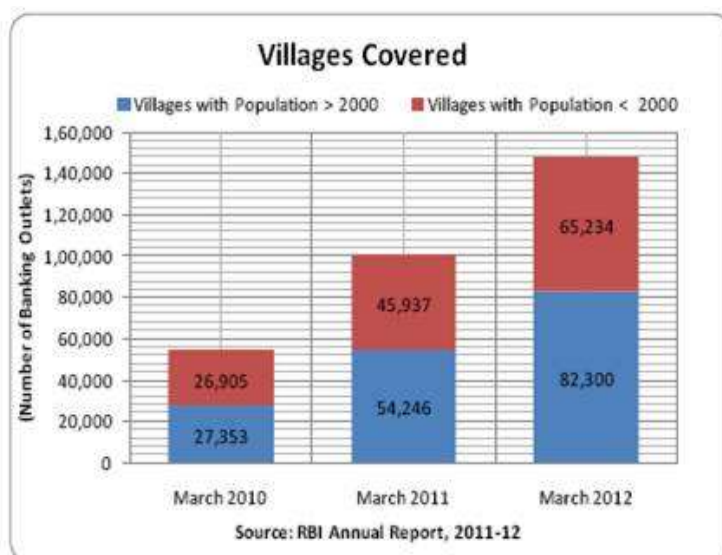
Along with that, the number of branches increased from 30,572 to 37,953 during March 2006 to March 2013 in rural areas. In comparison to rural areas, number of branches in semi-urban areas increased more rapidly.

Chart 4: Branches of Scheduled Commercial Banks



Villages covered

Since March 2000, the number of banking outlets in villages with population more than 2000 as well



as less than 2000 increased consistently (Chart 5).

Total Bank Outlets (including RRBs)

Total number of banking outlets in villages increased around 4 times during the period of three years. Of total branches, banking outlets through BCs increased from 34,174 to 2,21,341 i.e, 6.5 times during the same period.

BSBD Accounts Opened (Chart 6)



RBI had advised banks to provide small overdrafts in BSBD accounts under which, 3.95 million BSBD accounts were availed up to March 2013.

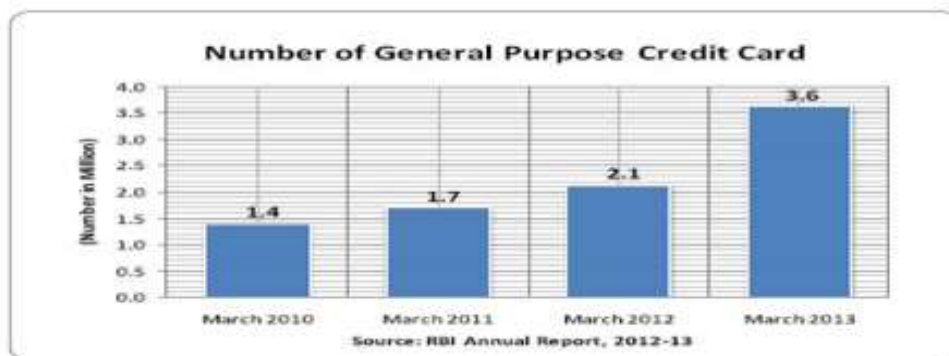
Kisan Credit Cards (KCC) Issued: (Chart 7)



General Credit Cards (GCC) Issued:

Banks had been advised to introduce General Credit Card facility up to Rs. 25,000/- at their rural and semi-urban branches under which up to March 2013, banks had provided credit aggregating to Rs.76.34 billion in 3.63 million GCC accounts (Chart 8)

Chart 8: Number of KCCs

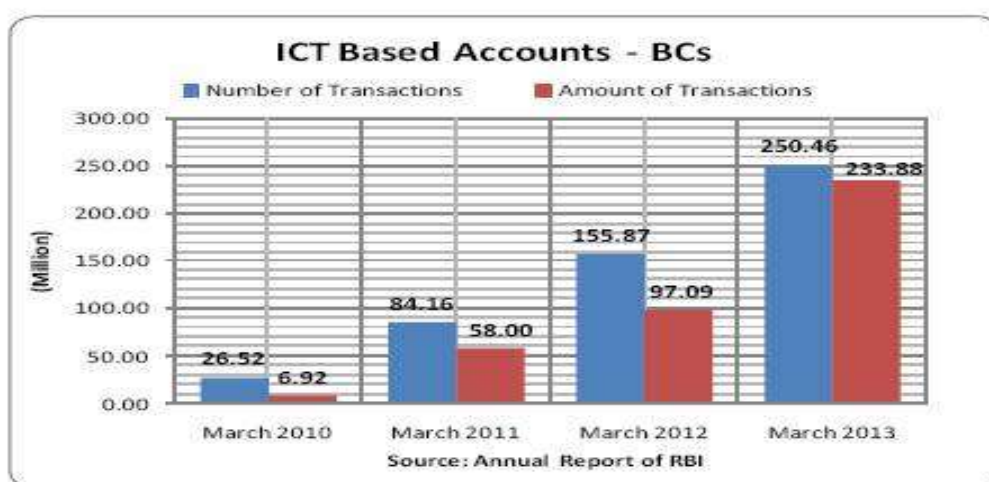


ICT Based Accounts - through BCs-

RBI directed commercial banks to provide ICT based banking services – through BCs, in order to provide efficient and cost-effective banking services in the un-banked and remote corners of the country. These ICT enabled banking services have CBS connectivity providing all banking services in the financially excluded regions.

Under this, the number of ICT-based transactions through BCs increased from 26.52 million in March 2010 to 250.46 million in March 2013, and transactions amount increased steadily from Rs.6.92 billion to Rs.233.88billion during the same period.

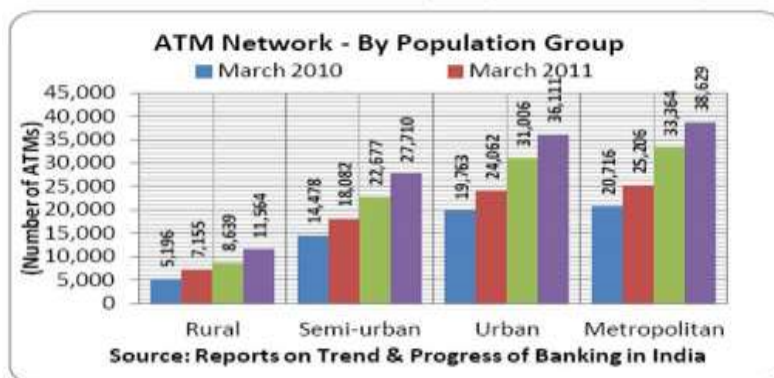
Chart 9: ICT Based Accounts - BCs



Expansion of ATM network-

The total number of ATMs in rural India showed an increase of CAGR of 30.6% during March 2010 to March 2013 along with the number of rural ATMs increasing to 11,564 in March 2013 from 5,196 in March 2010. (Chart 10)

Chart 10: ATM Network – By Population Group



Growth of MFIs:

Though RBI has adopted the bank-led model for achieving financial inclusion, certain NBFCs which were taking financial inclusion efforts at the ground level, especially in micro credit had been recognized as a separate category of NBFCs as NBFC-MFIs under which around 30 MFIs have been approved by RBI. Their asset size has increased to reach Rs. 19,000 crore as of Sept 2013.

Bank Credit to MSME (Chart – 10)

MSME sector is considered as an engine for economic growth and promoting financial inclusion in rural areas and MSMEs primarily depend on bank credit for their operations.

Bank credit to MSME sector showed a CAGR of 31.4% during the period March 2006 to March 2012.

INDIA AND FINANCIAL EXCLUSION

To assess the position of financial inclusion in India before the launch of PMJDY, the research work makes a study on primarily on two aspects viz. **India and financial exclusion** and **India and financial inclusion**.

Extent of Financial Exclusion

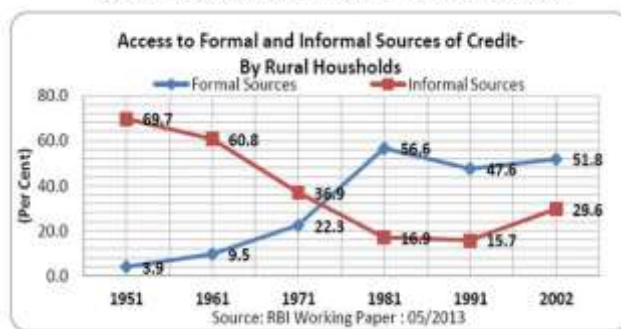
In this section, the extent of financial exclusion from different perspectives / angularities is presented based on five different data sources viz.: (*sourced from IOSR journal of business and management- Pramahender and Narender sing)

- NSSO 59th Round Survey Results,
- Government of India Population Census 2011,
- CRISIL-Inclusix
- RBI Working Paper Series Study,
- World Bank 'Financial Access Survey' Results.

NSSO 59th Round Survey Results

- 51.4% of farmer households were found out to be financially excluded from both formal and informal sources.
- Out of the total farmer households, a mere 27% had the access to formal sources of credit.
- In total, around 73% of farmer households had no access to formal sources of credit.
- Central, Eastern and North-Eastern, were found as regions having acute shortages of formal sources. These three regions together had 64% of all financially excluded farmer households in the country .Adding on, the overall indebtedness to formal sources of finance of these three regions was only 19.66%.

Chart 1: Access to Formal and Informal Sources



- However, in the last five decades five decades, access to formal sources of credit by the rural households has overall shown improvement.

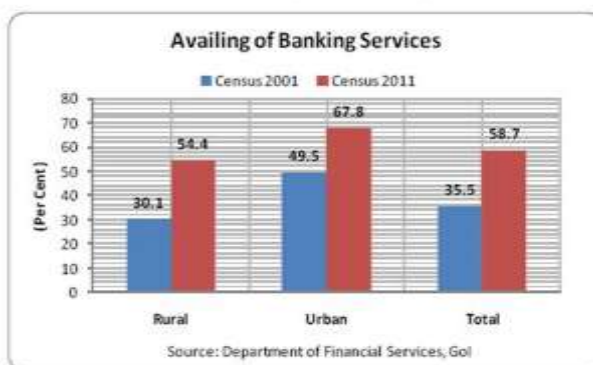
[sourced from- RBI working paper- 05/2013]

According to census 2011, only 58.7% of households availed banking services in the country.

CRISIL Financial Inclusion Index

- CRISIL first time, in June 2013, published a comprehensive financial inclusion index

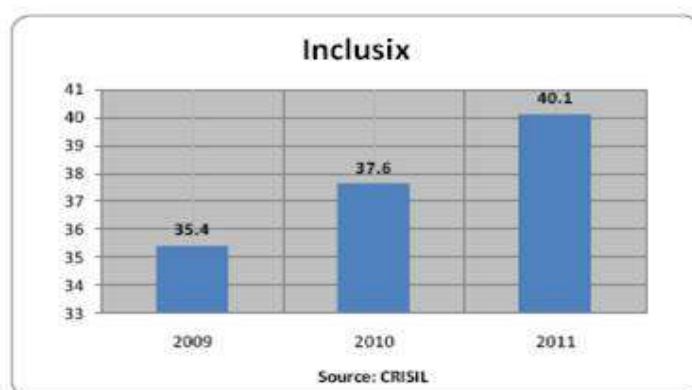
Chart 2: Availing of Banking Services



(viz.,Inclusix) identifying three critical parameters of basic banking services namely branch penetration, deposit penetration and credit penetration.

- The CRISIL Inclusix indicate that the overall financial inclusion in India has improved. (Chart 3).
- CRISIL –Inclusix increased from 35.4 out of 100 in March 2009 to 37.6 out of 100 in March 2010 and to 40.1 out of 100 in March 2011.

Chart 3: CRISIL - Inclusix



RBI Working Paper Study

Sadhan Kumar (2011) worked out an Index on financial inclusion (IFI) based on three variables namely penetration of banking services i.e, (number of adults having bank account), availability of banking services i.e, (number of bank branches per 1000 population) and usage of banking services i.e, (measured as outstanding credit and deposit). The results portray that Kerala, Maharashtra and Karnataka has achieved highest financial inclusion ($IFI > 0.5$), while Tamil Nadu, Punjab, A.P, H.P, Sikkim, and Haryana identified as a group of medium financial inclusion ($0.3 < IFI < 0.5$) and the remaining states have very poor financial inclusion.

World Bank ‘Financial Access Survey’ Results

The table below was presented by the World Bank in the year 2011 indicating in our country, financial inclusion measured in terms of bank branch density, ATM density, bank credit to GDP and bank deposits to GDP is quite low as compared with most of developing countries in the world.

Table 1: Select Indicators of Financial Inclusion, 2011

S.No	Country	Number of Bank Branches	Number of ATMs	Number of Bank Branches	Number of ATMs	Bank Deposits	Bank Credit
		Per 1000 KM		Per 0.1 Million		as % to GDP	
1	India	30.43	25.43	10.64	8.9	68.43	51.75
2	China	1428.98	2975.05	23.81	49.56	433.96	287.89
3	Brazil	7.93	20.55	46.15	119.63	53.26	40.28
4	Indonesia	8.23	15.91	8.52	16.47	43.36	34.25
5	Korea	79.07	...	18.8	...	80.82	90.65
6	Mauritius	104.93	210.84	21.29	42.78	170.7	77.82
7	Mexico	6.15	18.94	14.86	45.77	22.65	18.81
8	Philippines	16.29	35.75	8.07	17.7	41.93	21.39
9	South Africa	3.08	17.26	10.71	60.01	45.86	74.45
10	Sri Lanka	41.81	35.72	16.73	14.29	45.72	42.64
11	Thailand	12.14	83.8	11.29	77.95	78.79	95.37
12	Malaysia	6.32	33.98	10.49	56.43	130.82	104.23
13	UK	52.87	260.97	24.87	122.77	406.54	445.86
14	USA	9.58	...	35.43	...	57.78	46.83
15	Switzerland	84.53	166.48	50.97	100.39	151.82	173.26
16	France	40.22	106.22	41.58	109.8	34.77	42.85

Source: Financial Access Survey, IMF; Figures in respect of UK are as on 2010

THE PRADHAN MANTRI JAN DHAN YOJANA

There is no denying the fact that the banking system has grown tremendously over past decade but on the contrary to that it has failed to end the rule of usurious money lenders in rural areas and urban slums who still exploit the poor and illiterate section of the society. In past, Government of India and Reserve Bank of India (RBI) both had undertaken number of initiatives for inclusive growth but still they failed to create the required amount of financial inclusion and very large population and households didn't have access to formal banking services. Keeping this in mind, current Prime Minister Shri Narendra Modi announced Pradhan Mantri Jan Dhan Yojana on 15 August 2014 and launched it as a national mission for financial inclusion on August 28, 2014. At first, the scheme was launched targeting about 7.5 crore accounts to be opened but soon these targets were revised to 10 crore accounts due to record accounts opening under the scheme.

PMJDY is a National Mission on Financial Inclusion envisaging an integrated approach to bring about comprehensive financial inclusion in the country. The plan encompasses universal access to banking facilities

with at least one basic banking account for every household, financial literacy, access to credit, insurance and pension facility. Along with this, the beneficiaries would get RuPay Debit card having an accident insurance cover of ₹ 1 lakh. The plan also covers 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 along with addressing the technological issues like poor connectivity. Under the scheme, mobile transactions through telecom operators and their established centres as Cash Out Points are also planned to be used. An effort is also being made to reach out to the youth of this country to participate in this Mission Mode Programme.

Pradhan Mantri Jan-DhanYojana (PMJDY) can be penned down as a national Mission for financial Inclusion to ensure access to financial services, namely, Banking/ Savings & Deposit Accounts, Remittance, Credit, Insurance, Pension in an affordable manner.

Under the PMJDY accounts can be opened in any bank branch or Business Correspondent (Bank Mitra) outlet with Zero balance. However, if the account-holder wants to get cheque book then he/she will have to fulfill minimum balance criteria.

The Pradhan Mantri Jan DhanYojana is a major socio - economic initiative of the National Democratic Alliance government which was announced by the Prime Minister in his Independence Day speech. India's Prime Minister Narendra Modi announced the launch of this scheme at the historic Red Fort and the slogan for the Pradhan Mantri Jan DhanYojana is "*MeraKhataBhagyaVidhaata*" "My Bank Account -The creator of the Good Fortune. PMJDY aims at providing bank account to single household above the age of 10 years who do not have bank account and which is framed to be opened with zero balance.

ACTION PLAN OF PMJDY AND BENEFITS COVERED UNDER THE SCHEME

The PMJDY will be implemented in two phases viz,

Phase One starts from 15 Aug 2014 -14 Aug 2015- Phase 1 proposes the following

1. Universal access to banking services.
2. Along with point one, it proposes to provide Basic Banking Accounts with overdraft facility of up to Rs. 5000/-.
3. Also, RuPay Debit Card with accident insurance cover of Rs. 1 lakh will be provided.
4. Financial Literacy Programme is also a crucial pillar of PMJDY.

Phase Two starts from 15 Aug 2015 -14 Aug 2018 which proposes the following:

1. Creation of Credit Guarantee Fund for coverage of defaults in overdraft accounts is proposed.
2. Micro Insurance facilities.
3. Unorganised sector Pension schemes, like Swavlamban is also proposed under PMJDY.
4. The coverage of households in hilly, tribal and difficult areas, and coverage of remaining adults in the households and students is a major part under PMJDY scheme.

MISSION MODE OBJECTIVES (6 PILLARS):

PMJDY is framed to be executed in the Mission Mode comprising the following six pillars:-

Universal access to banking facilities:

Under this, each district is mapped into Sub Service Area (SSA) catering to 1000-1500 households in a manner that every habitation has access to banking services within a reasonable distance say 5 km by 14 August, 2015 where as the coverage of parts of J&K, Himachal Pradesh, Uttarakhand, North East and

the Left Wing Extremism affected districts which have telecom connectivity and infrastructure constraints would spill over to the Phase II of the program which is 15 August, 2015 to 15 August, 2018

Providing Basic Banking Accounts with overdraft facility and RuPay Debit card to all households in the country

Under this, efforts are supposed to be to first cover all uncovered households with banking facilities by August, 2015, by opening basic bank accounts and then the account holder would be provided a RuPay Debit Card. On the other hand, the facility of an overdraft to every basic banking account holder would be considered after satisfactory operation / credit history of six months

Financial Literacy Programme:

Financial literacy plan is a crucial part of the Mission in order to let the beneficiaries make best use of the financial services being made available to them.

Creation of Credit Guarantee Fund:

Under this, Credit Guarantee Fund is supposed to be created to cover the defaults in overdraft accounts.

Micro Insurance:

It aims at providing micro- insurance to all willing and eligible persons by 14 August, 2018, and then on an ongoing basis.

Unorganized sector Pension schemes like Swavalamban:

ALL ABOUT PRADHAN MANTRI JAN DHAN YOJANA

The following questionnaire, prepared by the **Bank Of India** has been incorporated in the paper to provide detailed and complete information about each and every aspect of the PMJDY scheme.

[Sourced from- Website of Bank Of India]

Q. 1. What is Pradhan Mantri Jan-DhanYojana?

Ans. Pradhan Mantri Jan-DhanYojana (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.

Q.2. How is PMJDY different from the earlier Financial Inclusion Plan (Swabhimaan)?

Ans. PMJDY focuses on coverage of households as against the earlier plan which focused on coverage of villages. It focuses on coverage of rural as well as urban areas. Earlier plan targeted only villages above 2000 population while under PMJDY whole country is to be covered by extending banking facilities in each Sub-Service area consisting of 1000 – 1500 households such that facility is available to all within a reasonable distance, say about 5 Km.

Q.3. Whether Joint account can be opened in Pradhan Mantri Jan-DhanYojana?

Ans. Yes, joint account can be opened.

Q.4. Under this Scheme, where can one open an account?

Ans. Account can be opened in any bank branch or Business Correspondent (Bank Mitra) outlet.

Q.5. What is BSBDA Account ?

Ans. Basic Savings Bank Deposit Account (BSBDA) has been defined by RBI vide its circular dated 10.08.2012. Its salient features are:

- There is no requirement of minimum balance.
- The services available include deposit and withdrawal of cash at bank branch as well as ATMs; receipt/credit of money through electronic payment channels or by means of collection/deposit of cheques.
- Maximum of 4 withdrawals a month including ATM withdrawal. No such limit for deposits.
- Facility of ATM card or ATM-cum-Debit card.

- These facilities are to be provided without any extra cost.

Q.6. Whether there are any restrictions like age, income, amount etc. criteria for opening BSBDA by banks for individuals?

Ans. Any individual above the age of 10 years can open BSBDA Account.

Q.7. What is RuPay Debit Card?

Ans. Rupay Debit Card is an indigenous domestic debit card introduced by National Payment Corporation of India (NPCI). This card is accepted at all ATMs (for cash withdrawal) and at most of the PoS machines (for making cashless payment for purchases) in the country.

Q.8. What is PIN Number ?

Ans. Personal Identification Number (PIN) is randomly generated code for use of ATM Card at the time of withdrawal of money from ATM Machine and also at the time of making payment on PoS.

Q. 9. How to keep your RuPay Card safe?

Ans. Beneficiary of RuPay Card is required to keep the Card in safe custody. PIN should be changed at frequent intervals and should never be shared with anyone. While using the card at ATM Machine or PoS, PIN should be entered in machine very secretly so that nobody could even guess about the PIN Number. As far as possible, Card should be used at authorized places / centres only. Besides, PIN number should never be written on the Card.

Q.10. What is special advantage of RuPay Debit Card?

Ans. It provides accidental insurance cover upto Rs.1.00 lac without any charge to the customer.

Q.11. Whether illiterate customers can be issued RuPay Card?

Ans. Yes. However, Branch Manager will have to advise all the related risks to the illiterate account-holder at the time of issuance of RuPay Card.

Q.12. How to link Mobile Number with Bank Account ?

Ans. Mobile Number of an account holder is entered in customer's account in CBS System by the Bank on the basis of information given in the Account Opening Form. Also, for existing accounts, banks permit seeding through ATM, SMS from registered mobile, net-banking or on making a request in the branch (there may be variations depending on the bank).

Q.13. How to keep debit card operational ?

Ans. To get benefit of Accidental Insurance Cover, RuPay Debit Card must be used at least once in 45 days.

Q.14. How long the debit card is valid and how to get Debit Card renewed ?

Ans. Debit Card expiry date is mentioned on the Card itself. Account-holder is advised to get issued new card well before expiry date of his/her existing card by giving fresh application to the concerned bank. Q.15. If someone has two or more accounts and two or more RuPay Debit Cards, whether accidental insurance cover is available in each account / each card?

Ans. Accidental insurance cover is available only in one account.

Q.16. What is PoSMachine ?

Ans. PoS stands for Point of Sale. PoS Machine is a small device installed at almost all Business Centres to facilitate cashless purchases to their customers.

Q.17. Does a person already having a Bank account in any bank needs to open another account under Pradhan Mantri Jan-DhanYojna (PMJDY) to get the Accidental Benefit/Life Insurance Benefit under the Scheme?

Ans. A person who is already having a bank account with any bank NEED NOT to open a separate account under PMJDY. He/she will just have to get issued a RuPay Card in his existing account to get benefit of insurance. Credit facility can be extended in the existing account if it is being operated satisfactorily.

Q.18. What is the concept of overdraft of Rs.5000/- in PMJDY Account and for whom this facility is available?

Ans. Overdraft facility upto Rs.5000/- will be available to one account holder of PMJDY per household after 6 months of satisfactory conduct of the account. To avoid duplication Aadhaar number will also be required. If Aadhaar number is not available then Bank will do additional due diligence and also seek declaration from the beneficiary.

Q. 19. Whether Overdraft facility can be availed in more than one account?

Ans. Overdraft facility upto Rs.5000/- is available in only one account per household, preferably lady of the household.

Q.20. What is Accidental Insurance Cover? Who will pay the premium ?

Ans. Accidental Insurance Cover is Rs.1.00 lac and no premium is charged to the beneficiary -- NPCI will pay the premium. At present the premium is Rs.0.47 per Card.

Q.21. If both husband and wife who are opening accounts under PMJDY are eligible for Accidental Insurance Cover of Rs.1.00 lac and Life Insurance cover of Rs.30,000/- and overdraft facility of Rs.5000/- in both the accounts separately?

Ans. Accidental Insurance cover of Rs.1.00 lac and Life Insurance Cover of Rs.30000/- will be available to all account-holders. However, overdraft facility upto Rs.5000/- will be available to only one person in the family (preferably lady of the house).

Q.22. What documents are required to open an account under Pradhan Mantri Jan-DhanYojana?

Ans. (i) If Aadhaar Card/Aadhaar Number is available then no other documents is required. If address has changed, then a self certification of current address is sufficient.

(ii) If Aadhaar Card is not available, then any one of the following Officially Valid Documents (OVD) is required: Voter ID Card, Driving Licence, PAN Card, Passport & NREGA Card. If these documents also contain your address, it can serve both as "Proof of Identity and Address".

(iii) If a person does not have any of the "officially valid documents" mentioned above, but it is categorized as 'low risk' by the banks, then he/she can open a bank account by submitting any one of the following documents: a) Identity Card with applicant's photograph issued by Central/State Government Departments, Statutory/Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial Banks and Public Financial Institutions; b) Letter issued by a gazette officer, with a duly attested photograph of the person. Reserve Bank of India (RBI) vide its Press Release dated 26.08.2014 has clarified as under: "Those persons who do not have any of the 'officially valid documents' can open "Small Accounts" with banks. A "Small Account" can be opened on the basis of a self-attested photograph and putting his/her signatures or thumb print in the presence of an officials of the bank. Such accounts have limitations regarding the aggregate credits (not more than Rupees one lac in a year), aggregate withdrawals (nor more than Rupees ten thousand in a month) and balance in the accounts (not more than Rupees fifty thousand at any point of time). These accounts would be valid normally for a period of twelve months. Thereafter, such accounts would be allowed to continue for a further period of twelve more months, if the account-holder provides a document showing that he/she has applied for any of the Officially Valid Document, within 12 months of opening the small account.

Q.23. If the present address is different than that of printed on Aadhaar Card, can the account still be opened under Pradhan Mantri Jan DhanYojana on the basis of Aadhaar Card?

Ans. If address has changed, then a self certification of current address is sufficient.

Q.24. What is meant by Insurance cover of Rs.30,000/- announced by Prime Minister in his speech of 28.08.2014?

Ans. Modalities of this Scheme announced by the Prime Minister on 28.08.2014 are being worked out expeditiously and will be disseminated to General Public very soon

. Q.25. Whether Cheque Book will be issued in accounts opened under PMJDY?

Ans. In 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, if any, of the bank.

Q.26. What are the direct / special benefits attached to PMJDY?

Ans. Special benefits attached to the scheme are: i. Interest on deposit. ii. Accidental insurance cover of Rs.1.00 lac iii. No minimum balance required. However, for withdrawal of money from any ATM with Rupay Card, some balance is advised to be kept in account. iv. Life insurance cover of Rs.30,000/- v. Easy Transfer of money across India vi. Beneficiaries of Government Schemes will get Direct Benefit Transfer in these accounts. vii. After satisfactory operation of the account for 6 months, an overdraft facility will be permitted viii. Access to Pension, insurance products.

Q.27. I have no official valid document for opening an account. Can I still open an account with bank?

Ans. Reserve Bank of India (RBI) vide its Press Release dated 26.08.2014 has clarified as under: “Those persons who do not have any of the ‘officially valid documents’ can open “Small Accounts” with banks. A “Small Account” can be opened on the basis of a self-attested photograph and putting his/her signatures or thumb print in the presence of an officials of the bank. Such accounts have limitations regarding the aggregate credits (not more than Rupees one lac in a year), aggregate withdrawals (nor more than Rupees ten thousand in a month) and balance in the accounts (not more than Rupees fifty thousand at any point of time). These accounts would be valid normally for a period of twelve months. Thereafter, such accounts would be allowed to continue for a further period of twelve more months, if the account-holder provides a document showing that he/she has applied for any of the Officially Valid Document, within 12 months of opening the small account.

Q.28. How much interest savings would earn in PMJDY Account?

Ans. Interest rate applicable for Saving Bank Accounts (presently @ 4 % in most of the banks) shall be admissible to accounts opened under PMJDY Scheme.

Q.29. How much interest will be charged by bank on overdraft facility in PMJDY?

Ans. Base Rate + 2 % or 12 %, whichever is lower. At present it will be 12 %

Q.30. Whether banks will be organizing Account Opening Camps in future also?

Ans. Yes. Nationalised banks have been asked to organize camps on all Saturdays from 8.00 AM to 8.00 PM. Banks can hold additional camps on other days also.

Q.31. If I have required papers for issuance of Aadhaar Card, can I get Aadhaar Card in Bank and open my account under PMJDY simultaneously?

Ans. Aadhaar Registration may be got done in Camps organized by UIDAI. In account opening camps also, endeavor is to make Aadhaar Registration Counter available.

Q.32. Do you have to pay some fee to open a Bank account under PMJDY?

Ans. No. There is absolutely no charge / fee for opening an account under PMJDY.

Q.33. Can a minor (below 18 years of age) can open an account under PMJDY?

Ans. A minor of above the age of 10 years can open his / her Savings Bank account in any bank.

Q.34. Who is Business Correspondent Agent / Bank Mitra and what is their role in PMJDY?

Ans. Business Correspondent Agents (Bank Mitras) are retail agents engaged by banks for providing banking services at locations where opening of a brick and mortar branch / ATM is not viable. Scope of activities of Business Correspondents / Bank Mitra are as under: a) Creating Awareness about savings and other products and education and advice on managing money and debt counseling. b) Identification of potential customers. c) Collection and preliminary processing of various forms for deposits including verification of primary information /data. d) Filling of applications / account opening forms e) Collection and payment of small value deposits and withdrawals. f) Receipt and delivery of small value remittances / other payment instructions. g) Furnishing of mini account statements and other account information. h) Any other service on behalf of the Bank, duly authorized by the appropriate authority etc.

Q.35. How Bank Mitra helps us to use Banking Services?

Ans. Bank Mitra represent the bank concerned and enable a bank to expand its outreach and offer limited range of banking services at low cost, particularly where setting up a brick and mortar branch is not viable. Bank Mitras, as agent of the Bank, thus are an integral part of the business strategy for achieving greater financial inclusion.

Q.36. Who can be Bank Mitra ?

Ans. Banks have been permitted to engage individuals / entities as Business Correspondent (Bank Mitras) like (i) Retired Bank Employees (ii) Retired Teachers (iii) Retired Govt. Employees (iv) Ex-Servicemen (v) Individual owners of kirana / medical/ fair price shops, individual Public Call Office (PCO) operators, Agents of Small Savings Scheme of Government of India / Insurance Companies, 'for profit' companies registered under the Indian Companies Act. Since 24.06.2014, RBI has permitted Non Deposit taking NBFCs as BCs in addition to above.

Q.37. Can I get my PMJDY account transferred to other City / State upon my transfer posting to other States?

Ans. All banks participating in PMJDY are on CBS (Core Banking Solution) platform and the account can easily be transferred to any branch of the bank in any city/town as per the request of the account-holder.

Q.38. What is USSD based transaction and how to use it?

Ans. USSD is abbreviated form of "Unstructured Supplementary Service Data". USSD based Mobile Banking offers basic Banking facilities like Money Transfer, Bill Payments, Balance Enquiries, Merchant Payments etc. on a simple GSM based Mobile Phone, without the need to download application on a Phone as required at present in the Immediate Payment Service (IMPS) based Mobile Banking. Transactions can be performed on basic phone handsets. The user needs to approach his bank and get his mobile number registered. The bank will issue an MPIN (Mobile PIN) to the user. The user thereafter needs to dial *99# and the menu for using USSD opens. Thereafter customer has to follow selections on the menu to complete the transaction. Charges as applicable by the Telecom Operator (not more than Rs.1.50 per transaction as mandated by TRAI) may be applicable.

[Note- This complete questionnaire has been sourced from the official website of the Bank Of India]

Why PMJDY? – Other schemes v/s PMJDY (Points of difference)

- The major shift in the PMJDY as compared to the previous financial inclusion efforts of the erstwhile UPA Government is *that households are being targeted instead of villages as targeted earlier.*
- Moreover, *both rural and urban areas are being covered under PMJDY as against only rural areas targeted earlier.*
- The PMJDY will pursue digital financial inclusion with special emphasis on monitoring by a mission headed by Finance Minister.
- *Another major point of difference between PMJDY and other financial inclusion schemes is that PMJDY scheme's primarily focuses on coverage of households as against the earlier plan which focused on coverage of villages.* PMJDY focuses on coverage of rural as well as urban areas unlike other schemes which mainly focused upon a targeted population. Earlier plan targeted only villages above 2000 population whereas under PMJDY the whole country .
- *The "Pradhan Mantri Jan DhanYojana" (PMJDY) is not only about opening basic bank accounts to unbanked families but also about Government expanding the current direct benefit transfer (DBT) programme so as to transfer the subsidies of various welfare schemes directly to the PMJDY beneficiaries' bank accounts.*

- It is expected that flow of such subsidy payments to the basic bank accounts' of the unbanked families will in due course encourage bankers' to focus energies on these accounts and even provide overdraft and other facilities.
- The new financial inclusion mission also envisages expansion of Direct Benefit Transfer under various Government schemes through bank accounts of the beneficiaries of PMJDY.

Hence, the superiority of the PMJDY over previously launched financial inclusion schemes is undeniable. Therefore, to cover the pitfalls of the previously launched scheme, PMJDY, the biggest financial inclusion drive was launched.

PROGRESS OF THE SCHEME –

The following tables depict the progress of the scheme on the basis of number of accounts opened, amount of money deposited and number of rupay card issued under the Pradhan Mantri Jan DhanYojana as on 22/11/2017. *The data has been taken from the official website of the scheme.*

STATE WISE PROGRESS OF THE SCHEME

S.No	State Name	Beneficiaries at rural/semi-urban centre bank branches	Beneficiaries at urban/metro centre bank branches	Total Beneficiaries	Balance beneficiary accounts (in crore)	No. of RuPay cards issued to beneficiaries
1	Andaman & nicobar islands	36,846	14,582	51,428	19.41	39,482
2	Andhra Pradesh	4,438,029	4,536,178	8,974,207	1,291.87	7,631,432
3	Arunachal Pradesh	150,509	102,832	253,341	68.18	197,355
4	Assam	9,479,917	3,032,301	12,512,218	2,703.83	9,519,834
5	Bihar	20,125,275	12,162,637	32,287,912	6,223.37	22,239,758
6	Chandigarh	38,036	206,635	244,671	91.68	188,529
7	Chhattisgarh	8,201,830	4,598,631	12,800,461	1,958.08	8,674,736
8	Dadra & nagarhaveli	74,200	13,613	87,813	31.03	53,262
9	Daman & diu	20,420	20,647	41,067	13.32	27,472
10	Delhi	470,303	3,460,212	3,930,515	1,457.65	3,161,087
11	Goa	107,470	42,786	150,256	75.44	122,361
12	Gujarat	6,048,413	5,548,809	11,597,222	2,851.84	9,260,646
13	Haryana	3,404,231	3,031,461	6,435,692	2,326.51	5,434,558
14	Himachal Pradesh	850,443	127,382	977,825	422.83	776,912
15	Jammu & Kashmir	1,672,825	264,911	1,937,736	703.51	1,469,117
16	Jharkhand	7,823,669	3,094,206	10,917,875	2,151.68	7,950,601
17	Karnataka	6,525,958	5,020,095	11,546,053	2,414.46	9,267,439
18	Kerala	1,534,646	1,943,682	3,478,328	861.09	2,416,969
19	Lakshadweep	4,520	642	5,162	6.32	4,111
20	Madhya Pradesh	12,786,839	13,832,233	26,619,072	3,058.38	19,054,162

21	Maharashtra	10,397,185	11,263,090	21,660,275	3,875.28	15,086,509
22	Manipur	353,965	422,694	776,659	187.87	673,973
23	Meghalaya	346,318	66,588	412,906	186.4	241,015
24	Mizoram	98,093	166,454	264,547	44.03	90,342
25	Nagaland	101,162	115,242	216,404	34.95	174,233
26	Odisha	8,831,441	3,355,810	12,187,251	3,088.59	9,517,399
27	Puducherry	68,660	90,450	159,110	33.58	120,829
28	Punjab	3,381,808	2,628,777	6,010,585	2,110.76	4,931,455
29	Rajasthan	14,325,053	9,563,352	23,888,405	4,876.69	16,756,480
30	Sikkim	73,359	20,957	94,316	29.37	69,848
31	Tamil nadu	4,074,771	4,819,727	8,894,498	1,371.04	7,442,320
32	Telangana	4,576,922	4,368,056	8,944,978	1,171.97	7,517,562
33	Tripura	579,947	230,656	810,603	687.63	702,125
34	Uttar Pradesh	27,721,077	18,528,980	46,250,057	11,327.99	35,938,838
35	Uttarakhand	1,331,792	796,503	2,128,295	775.94	1,744,639
36	West Bengal	20,280,000	9,086,276	29,366,276	10,644.34	22,274,418
	Total	180,335,932	126,578,087	306,914,019	69,176.91	230,771,808

BANK WISE PROGRESS OF THE SCHEME

Bank Name / Type	Number of Beneficiaries at rural/semiurban centre bank branches	Number of Beneficiaries at urban metro bank branches	Number of Total Beneficiaries	Deposits in Accounts(In lac)	Number of Rupay Debit Cards issued to beneficiaries
Public Sector Banks	1.32E+08	114582975	246505292	5458004	184184482
Regional Rural Banks	41721641	7640715	49362356	1192831	36302658
Private Sector Banks	5972023	3849541	9821564	209796.8	9162330
Grand Total	1.8E+08	126073231	305689212	6860632	229649470
(A) Public Sector Banks					

Bank Name / Type	Number of Beneficiaries at rural/semiurban centre bank branches	Number of Beneficiaries at urban metro bank branches	Number of Total Beneficiaries	Deposits in Accounts(In lac)	Number of Rupay Debit Cards issued to beneficiaries
Allahabad Bank	5706794	1458647	7165441	163554	5241508
Andhra Bank	1497194	881883	2379077	29126.51	1929704
Bank of Baroda	8495851	13607197	22103048	543153.7	20567912
Bank of India	8870181	9789113	18659294	383151.2	17457919
Bank of Maharashtra	3877551	1163902	5041453	97957.91	998774
Canara Bank	4611558	2142092	6753650	181158.7	4277679
Central Bank of India	8467196	2106793	10573989	181723.2	7992330
Corporation Bank	1366326	1344165	2710491	101422.6	2570324
Dena Bank	3420825	925977	4346802	85069.81	2555139
IDBI Bank Ltd.	461475	361940	823415	19370.17	667266
Indian Bank	2197230	1094830	3292060	45348.43	3269219
Indian Overseas Bank	975818	3398972	4374790	73126.04	4129588
Oriental Bank of Commerce	2364082	1809133	4173215	415054.4	3763107
Punjab National Bank	15032915	2756584	17789499	324088.3	14106992

State Bank of India	44390289	60655094	105045383	1449201	70314980
Syndicate Bank	3049848	1384107	4433955	123236.2	3857794
UCO Bank	3275294	2743377	6018671	143691.8	3980656
Union Bank of India	5828396	1606168	7434564	132598.6	4830249
United Bank of India	7204379	4715092	11919471	946838.3	10206645
Vijaya Bank	829115	637909	1467024	19133.45	1466697
Public Sector Banks Sub Total	1.32E+08	114582975	246505292	5458004	184184482

(B) Regional Rural Bank

Bank Name / Type	Number of Beneficiaries at rural/semiurban centre bank branches	Number of Beneficiaries at urban metro bank branches	Number of Total Beneficiaries	Deposits in Accounts(In lac)	Number of Rupay Debit Cards issued to beneficiaries
Allahabad Bank	920123	169159	1089282	25532.88	768124
Andhra Bank	166133	17259	183392	2441.17	100829
Bank of Baroda	4554553	1267710	5822263	145543.5	4843593
Bank of India	2993863	982524	3976387	75179.82	3690229
Bank of Maharashtra	793417	125751	919168	20564.27	798373
Canara Bank	644942	439973	1084915	52030.76	1056911

Central Bank of India	3422665	778040	4200705	111899.5	3797676
Dena Bank	408127	13704	421831	12435.48	289136
Indian Bank	420445	129587	550032	6716.61	488129
Indian Overseas Bank	1006321	47506	1053827	27813.65	616138
Jammu & Kashmir Bank Ltd	88636	15956	104592	4817.24	20940
Punjab National Bank	3121091	452665	3573756	111271.8	3111084
State Bank of India	10587115	2159141	12746256	263405.5	6291238
Syndicate Bank	2035484	545836	2581320	88149.71	2469730
UCO Bank	1380952	49365	1430317	26679.47	559346
Union Bank of India	1009200	339958	1349158	30696.62	754382
United Bank of India	8168574	106581	8275155	187652.8	6646800
Regional Rural Banks Sub Total	41721641	7640715	49362356	1192831	36302658

(C) Major Private Banks

Bank Name / Type	Number of Beneficiaries at rural/semiurban centre bank branches	Number of Beneficiaries at urban metro bank branches	Number of Total Beneficiaries	Deposits in Accounts(In lac)	Number of Rupay Debit Cards issued to beneficiaries
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Axis Bank Ltd	114505	653420	767925	19492.87	681151
Federal Bank Ltd	395952	81216	477168	18408.3	418554
HDFC Bank Ltd	331481	1439381	1770862	85611.28	1770184
ICICI Bank Ltd	3448141	552445	4000586	20061.8	4000586
IndusInd Bank Ltd	42115	403664	445779	2908.52	420999
Jammu & Kashmir Bank Ltd	1357601	136818	1494419	53701.89	1173601
KarurVysya Bank	25015	160269	185284	1524.99	182948
Kotak Mahindra Bank Ltd	107763	71952	179715	1811.85	132377
Lakshmi Vilas Bank Ltd	50556	130627	181183	1623.51	179904
RBL Bank Ltd	59787	35520	95307	229.63	94548
South Indian Bank Ltd	30634	178054	208688	4205.17	94535
Yes Bank Ltd	8473	6175	14648	217	12943
Major Private Banks Sub Total	5972023	3849541	9821564	209796.8	9162330

LIMITATIONS OF PMJDY

Though the PMJDY is considered to be the strongest financial inclusion drive, it is not free from lacunas. There are points which need attention and action. Despite, rigorous efforts to make the scheme flawless, discrepancies and loopholes have crept in. Following are few of the limitations of the PMJDY scheme

- Cases of opening of more than one account in various banks have been detected.
- Overdraft facility is not properly regulated, as the same is the discretionary in the hands of the banks and as such many banks decline to extend the overdraft facility therefore defeating the purpose.
- Business correspondents sometimes seem to misuse the authority and thereby making the life of people under below poverty line miserable.
- KYC norms are not insisted under this scheme, therefore duplication is difficult to avoid.

- Bank mitras appointed need to be properly trained with accurate knowledge, skill and attitude and a failure to train them adequately is a major lacuna of the scheme.

CONCLUSION

The research work comprises of an in depth study about financial inclusion and the role of PMJDY scheme in bringing financial inclusion in the country. The work starts with a basic study on financial inclusion, its meaning, and importance. The study also depicts the position of financial inclusion in India before and after the advent of the PMJDY scheme. The work discusses the point that when there were already a plethora of financial inclusion schemes, then why there arose a need to launch the PMJDY scheme. After assessing the position of financial inclusion before the inception of the PMJDY scheme the work moves on further, on discussing everything about the PMJDY scheme and how is it superior to every other previously launched financial inclusion schemes. The primary objectives of PMJDY and the strategies adopted to achieve those objectives had also been portrayed. The research work explains the implementation phase and process and discusses about various literacy and education programs provided under the scheme. The limitations of the scheme along with some suggestions to improve its implementation have also been mentioned.

FINDINGS

After scrutinizing deeply about financial inclusion and the PMJDY, we are in a position to assess the extent to which the PMJDY scheme has been able to bring financial inclusion in the country. The study revealed the following points-

- 1- Financial inclusion is one of the crucial factors in determining the economic and social development of India. The position of financial inclusion before the inception of PMJDY, was inadequate and the schemes launched before the PMJDY, were not at par with the need for financial inclusion in the country.
- 2- The PMJDY scheme has been framed very strategically keeping in view every sections of the society. As far as other financial inclusion schemes are concerned, the PMJDY has proved to be superior to all as the scheme is broader, stronger and simpler.
- 3- The progress of the scheme in terms of coverage and amount is undeniably commendable. The scheme has accumulated a decent amount and has covered a large area of the population.
- 4- Where on one hand, the scheme has proven to show a decent progress, but on the other hand the scheme lacks a smooth implementation. Mere opening of accounts is not going to serve the primary purpose of the scheme. Making use of those accounts and having a clarity about the importance of being financially included is still not induced in the lifestyle of the rural masses.
- 5- In a nutshell, the PMJDY has shown a decent progress but there are still few roadblocks which need due attention. There are few limitations attached to the scheme and also the scheme requires a rigorous campaigning for providing education and training about the scheme and financial inclusion.

SUGGESTIONS

Following are few suggestions to be made after undergoing the complete research work, for the smooth implementation of the PMJDY scheme.

- 1- The education and training programs under the scheme should be implemented in a more rigorous manner.
- 2- Launching of education and training centers alone is ineffective, hence, creating **awareness and enthusiasm** amongst the mass to attend these campaigns, is equally important. Therefore, efforts should be made on driving and motivating people to avail the education provided under the scheme.
- 3- Rural, illiterate masses should be made aware about the importance of being financially included in the form of street plays, short film and road shows so as to create enthusiasm amongst them.

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