



Financial Inclusion of Pradhan Mantri Jan Dhan Yojana (PMJDY)

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ABSTRACT

Financial inclusion is widely recognized as a necessary condition for equitable growth. The PMJDY, launched by the Government of India in 2014, aimed to bring every household into the formal banking system, providing a zero-balance account, RuPay debit card, and basic insurance/pension access. Over a decade after its launch, PMJDY is considered one of the largest financial-inclusion initiatives globally. This paper documents PMJDY's measurable progress 2015-16 to 2024-25, examines outcomes and limitations, and draws lessons for policy and future research.

Key Words: Banking Outreach, Financial Inclusion, Financial Literacy, Socio-economic Development, and Women's Empowerment

INTRODUCTION

Pradhan Mantri Jan Dhan Yojana (PMJDY), launched on 28 August 2014, is India's flagship financial inclusion programme designed to provide universal access to banking facilities, basic savings-deposit accounts, and financial services such as remittances, credit, insurance and pension. This paper evaluates PMJDY's progress through 2024–2025, using official programme data, government press releases, and academic and media analyses. Key outcome measures considered include number of accounts opened, deposit balances, RuPay cards issued, gender and rural/urban coverage, account operability, and role in direct benefit transfers (DBT). The analysis finds that PMJDY has substantially expanded account ownership, increased deposits and improved women's financial access, while operational challenges remain principally account dormancy, limited average balances, and uneven depth of use across states. Policy recommendations focus on increasing account activity, integrating digital payments and credit linkage, strengthening financial literacy, and applying targeted state-level strategies to reduce regional disparities (Government of India, 2025; Ministry of Finance, 2025; Singh, 2024).

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 (Government of India, 2025; Reserve Bank of India, 2016).

Financial Inclusion of Pradhan Mantri Jan Dhan Yojana (PMJDY)

With a view to increase banking penetration, promote financial inclusion and to provide at least one bank account per household across the country, a National Mission on Financial Inclusion (FI), known as Pradhan Mantri Jan Dhan Yojana (PMJDY) was announced on 15th August, 2014. The Scheme was formally launched on 28th August, 2014 at National level by the Hon'ble Prime Minister. Comprehensive financial inclusion of the excluded sections was proposed to be achieved by 14th August, 2018 in 2 Phases as under:

Phase I (15th August, 2014 - 14th August, 2015)

Universal access to banking facilities in all areas, except those with infrastructural and connectivity constraints and providing basic banking accounts and RuPay Debit card with inbuilt accident insurance cover of Rs. 1 lakh and organizing Financial Literacy Programmes.

Phase II (15th August, 2015 - 14th August, 2018)

Overdraft (OD) facility upto Rs.5,000 to be given after six months of satisfactory operation/history. Creation of Credit Guarantee Fund for coverage of defaults in overdraft accounts and unorganized sector pension schemes like Swavlamban.

Extension of PMJDY

PMJDY was extended beyond 14.8.2018 with the focus on opening of accounts shifting from "every household" to "every unbanked adult" while making the scheme more attractive with upward revision in: -

- a. OD limit from Rs.5,000 to Rs.10,000;
- b. accident insurance cover on RuPay card holders from Rs.1 lakh to Rs.2 lakh;
- c. age limit for availing OD facility revised from 18- 60 years to 18-65 years; and

SCHEME FEATURES

Pradhan Mantri Jan-Dhan Yojana (PMJDY) is National Mission for Financial Inclusion to ensure access to financial services, namely, a basic savings & deposit accounts, remittance, credit, insurance, pension in an affordable manner. Under the scheme, a basic savings bank deposit (BSBD) account can be opened in any bank branch or Business Correspondent (Bank Mitra) outlet, by persons not having any other account.

BENEFITS UNDER PMJDY

- One basic savings bank account is opened for unbanked person.
- There is no requirement to maintain any minimum balance in PMJDY accounts.
- Interest is earned on the deposit in PMJDY accounts.
- Rupay Debit card is provided to PMJDY account holder.
- 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.
- An overdraft (OD) facility up to Rs. 10,000 to eligible account holders is available.
- 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 (Government of India, 2025; Kumar & Singh, 2021; Narain, 2019).

REVIEW OF LITERATURE ON PMJDY

Pradhan Mantri Jan Dhan Yojana (PMJDY), launched in 2014, is a flagship financial inclusion scheme by the Government of India aimed at providing universal access to banking facilities. Several studies have examined its impact on financial inclusion, socio-economic development, and the banking sector. According to Kumar and Mohanty (2018), PMJDY has significantly expanded banking outreach to the unbanked population, particularly in rural areas. Their analysis highlighted that over 30 crore accounts were opened within the first three years, demonstrating the scheme's success in promoting financial inclusion. Further, Singh and Sharma (2019) emphasized the role of PMJDY in empowering marginalized groups, including women and low-income households. They noted that the scheme not only provided access to savings accounts but also introduced benefits such as overdraft facilities and insurance coverage, which contributed to financial security. However, challenges remain regarding the utilization of these accounts. Jain and Gupta (2020) pointed out that while account opening rates were impressive, actual transactions and account activity were relatively low, suggesting limited financial literacy and awareness among beneficiaries. Moreover, a study by Patel and

Desai (2021) explored the impact of PMJDY on reducing dependency on informal credit sources. They found that access to formal banking through PMJDY had led to a decrease in informal borrowing, thereby reducing the cost of credit for rural households. Reddy and Rao (2017) analyzed the initial phase of PMJDY implementation and found that the scheme effectively reduced the exclusion of vulnerable populations from formal banking. Their study revealed that PMJDY facilitated easier access to banking for rural and semi-urban households, who traditionally faced barriers due to lack of documentation and banking infrastructure. The role of technology in PMJDY's success has also been highlighted. According to Das and Mukherjee (2018), the integration of mobile banking and biometric authentication under PMJDY helped overcome geographical and infrastructural challenges, making banking services more accessible and secure for remote populations. Despite the positive outcomes, some researchers have pointed out issues related to the financial literacy of PMJDY account holders. Sharma and Verma (2020) emphasized that many beneficiaries were unaware of the full range of services offered under PMJDY, leading to underutilization of accounts. They recommended targeted financial education programs to enhance the effectiveness of the scheme. In addition, Gupta and Singh (2021) studied the socio-economic impact of PMJDY on women's empowerment. Their findings suggested that access to individual bank accounts under PMJDY increased women's financial autonomy and participation in economic activities, contributing to broader gender equality goals. A recent evaluation by Banerjee and Chatterjee (2022) assessed the long-term sustainability of PMJDY. They argued that while the scheme has successfully expanded the banking network, continuous monitoring and policy adjustments are essential to ensure customers' active engagement and to address challenges like dormant accounts and low credit uptake.

OBJECTIVES

- To track the growth and demographic distribution (gender and rural/urban) of PMJDY accounts over time, highlighting financial inclusion progress.
- To evaluate the total deposits and banking penetration across different bank types, reflecting the depth of financial engagement.
- To assess the issuance of Rupay debit cards, indicating the promotion of digital banking and cashless transactions among beneficiaries.

Methodology

The analysis is based on quantitative data collected from official banking records and government reports on the Pradhan Mantri Jan Dhan Yojana (PMJDY). The data includes the number of accounts opened, gender-wise and rural-urban segmentation, deposits in accounts, and the distribution of Rupay debit cards. The study uses year-wise and bank-type-wise compilation to assess trends and coverage, enabling a comprehensive evaluation of financial inclusion progress. Comparative analysis over the years helps track growth and outreach effectiveness.

Data Source and Collection:

The study utilizes secondary data sourced from official records of the Pradhan Mantri Jan Dhan Yojana (PMJDY) as maintained by the Ministry of Finance and participating banks. Data is collected annually, covering account numbers, deposits, and beneficiary details up to the fiscal years 2015-16 through 2024-25, and a snapshot as of November 2025.

Quantitative Analysis:

Numerical data such as account counts, deposits, and card issuance are analyzed using descriptive statistics to identify trends, growth rates, and distribution patterns over time. The data is segmented by gender, geography (rural/urban), and bank type to enable focused insights.

Categorical Segmentation:

The accounts and beneficiaries are categorized by gender (male/female), location (rural/semi-urban vs. urban/metro), and bank type (public sector, regional rural, private sector, rural cooperative). This segmentation helps analyze inclusion across different demographic and institutional categories.

Comparative Year-wise Study:

The analysis compares year-on-year data to assess the pace of account openings, deposit growth, and card issuance. This longitudinal approach helps in understanding how financial inclusion has evolved since PMJDY's inception.

Bank-wise Distribution Analysis:

The study examines how different types of banks contribute to financial inclusion by analyzing the number of beneficiaries, deposits, and debit card issuance in public sector banks, regional rural banks, private banks, and cooperative banks.

Geographical Outreach Assessment:

Using rural/semi-urban and urban/metro breakdowns, the research evaluates the geographical spread of PMJDY accounts and beneficiaries, highlighting the reach into underserved rural areas versus urban centers.

Digital Financial Inclusion Measurement:

The issuance of Rupay debit cards is used as a proxy indicator to measure digital financial inclusion and the penetration of cashless transaction facilities among account holders.

Data Validation and Reliability:

The data presented is assumed to be validated by the respective government agencies and banks, ensuring reliability and accuracy for analysis.

Analysis and interpretation

Table 1: Pradhan Mantri Jan Dhan Yojana (PMJDY)

Major achievements of PMJDY are as under: (Numbers in Crore)						
Year	PMJDY Accounts (in crore)	No of PMJDY Accounts (Male)	No of PMJDY Accounts (Female)	No of PMJDY accounts (rural/ Semi-urban)	No of PMJDY Accounts (Urban/Metro)	Deposits in PMJDY Accounts (in Rs. crores)
2015-16	14.72	7.15	7.39	8.68	5.86	14,641
2016-17	21.43	10.37	11.05	13.17	8.26	35,672
2017-18	28.17	13.67	14.49	16.87	11.30	62,972
2018-19	31.44	14.85	16.60	18.52	12.92	78,494
2019-20	35.27	16.53	18.74	20.90	14.37	96,107
2020-21	38.33	17.85	20.48	22.63	15.70	1,18,434
2021-22	42.20	18.82	23.38	27.85	14.35	1,45,551
2022-23	45.06	19.98	25.08	30.07	14.99	1,66,459
2023-24	48.65	21.60	27.05	32.45	16.20	1,98,844
2024-25	51.95	23.05	28.90	34.58	17.36	2,32,502

Sources: Data retrieved from <https://www.pmjdy.gov.in>

Table 1 showed the PMJDY (Pradhan Mantri Jan Dhan Yojana) scheme has demonstrated significant success in enhancing financial inclusion across India, as evidenced by the substantial increase in account numbers from 14.72 crore in 2015-16 to 48.65 crore in 2023-24, marking a threefold rise over eight years. This trend underscores the initiative's effective outreach and adoption, particularly among female account holders, who rose from 7.39 crore to 27.05 crore, compared to male account holders, which increased from 7.15 crore to 21.60 crore. This progress highlights concerted efforts to empower women economically and promote gender equality in financial access.

Geographically, accounts in rural and semi-urban areas surpassed those in urban regions, with numbers increasing from 8.68 crore in 2015-16 to 32.45 crore by 2023-24, compared to urban accounts, which increased from 5.86 crore to 16.20 crore. This indicates a focused effort to bring banking services to less developed areas, facilitating broader access to financial resources.

The financial activity within these accounts has also risen sharply, with deposits escalating from Rs. 14,641 crores in 2015-16 to an impressive Rs. 1,98,844 crores by 2023-24. This growth not only illustrates increased trust in the banking system but also reflects active use of these accounts for savings and transactions, signaling greater economic empowerment and financial stability.

In brief, the PMJDY scheme has effectively integrated millions into the formal banking system, advanced gender equality in financial services, focused on rural financial inclusion, and fostered increased financial literacy, contributing to overall economic development and poverty alleviation in India.

Table 2: Pradhan Mantri Jan Dhan Yojana Progress Beneficiaries

(Numbers in Crore)

Bank Name / Type	Number of Beneficiaries at rural/semi-urban centre bank Branches	Number of Beneficiaries at urban metro 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
Public Sector Banks	34.25	9.84	24.32	44.10	212487.53	33.84
Regional Rural Banks	9.30	1.45	6.26	10.75	50758.24	3.89
Private Sector Banks	0.79	1.10	1.07	1.89	8279.58	1.53
Rural Cooperative Banks	0.19	0.00	0.10	0.19	0.01	0.00
Grand Total	44.53	12.39	31.75	56.93	271525.36	39.26

Sources: Data retrieved from <https://www.pmjdy.gov.in>

The table 2 presents the progress of the Pradhan Mantri Jan Dhan Yojana (PMJDY) as of November 5, 2025, showcasing the distribution of beneficiaries and financial metrics across different types of banks. Public Sector Banks dominate the scheme with a total of 44.10 crore beneficiaries, primarily spread across rural and semiurban centers (34.25 crore) and urban/metro branches (9.84 crore). Regional Rural Banks follow with 10.75 crore beneficiaries, mostly concentrated in rural and semiurban areas. Private Sector Banks have a smaller but balanced presence with 1.89 crore beneficiaries, while Rural Cooperative Banks have the least outreach with 0.19 crore beneficiaries, almost exclusively in rural/semiurban locations.

Female beneficiaries form a significant portion of the total account holders, numbering 31.75 crore across all banks. Public Sector Banks lead in this regard, with 24.32 crore female beneficiaries, highlighting their strong focus on women's financial inclusion. Regional Rural Banks and Private Sector Banks also contribute notably to female account ownership, with 6.26 crore and 1.07 crore women beneficiaries, respectively, while Rural Cooperative Banks have a relatively small number of female account holders.

In terms of financial deposits, the total amount held in PMJDY accounts across all banks stands at Rs. 2,71,525.36 crore. Public Sector Banks hold the lion's share of deposits at Rs. 2,12,487.53 crore, reflecting their extensive beneficiary base. Regional Rural Banks maintain deposits of Rs. 50,758.24 crore, and Private Sector Banks hold Rs. 8,279.58 crore. Deposits in Rural Cooperative Banks are negligible, at Rs. 0.01 crore. Regarding Rupay debit cards issued, a total of 39.26 crore cards have been distributed to beneficiaries, with Public Sector Banks issuing the majority at 33.84 crore cards. Regional Rural Banks and Private Sector Banks have issued 3.89 crore and 1.53 crore cards, respectively, while Rural Cooperative Banks have not issued any cards.

Overall, the data reflects the dominant role of Public Sector Banks in driving the PMJDY scheme, particularly

in rural and semiurban areas. The scheme has made significant strides in promoting financial inclusion among women, with a substantial number of female beneficiaries. Regional Rural Banks and Private Sector Banks also play important roles, catering to rural and urban populations respectively, while Rural Cooperative Banks currently have a limited footprint. The progress shown in deposits and debit card issuance further demonstrates the effectiveness of the PMJDY in expanding access to banking services across diverse banking segments in India.

FINDING

The Pradhan Mantri Jan Dhan Yojana (PMJDY) has shown steady growth, with the number of accounts reaching 56.93 crore and deposits totaling Rs. 2,71,525.36 crore by 2025. Public Sector Banks play a dominant role, holding the largest share of beneficiaries at 44.10 crore, along with the majority of deposits and Rupay debit card issuance. Female beneficiaries constitute a significant portion, with 31.75 crore accounts, reflecting the scheme's strong focus on women's financial inclusion. The majority of beneficiaries are located in rural and semiurban areas, totaling 44.53 crore, underscoring the scheme's emphasis on expanding banking access in underserved regions. Regional Rural Banks and Private Sector Banks also make notable contributions, while Rural Cooperative Banks have a limited presence. Additionally, urban centers account for 12.39 crore beneficiaries, demonstrating the scheme's wide geographic reach. Overall, PMJDY has made significant progress in promoting inclusive banking across India, particularly among rural populations and women.

RECOMMENDATION

To further enhance the impact of the PMJDY, it is recommended to strengthen the outreach and service capabilities of Regional Rural Banks and Private Sector Banks, enabling them to complement the dominant role of Public Sector Banks effectively. Efforts should be intensified to increase the participation of Rural Cooperative Banks, which currently have a minimal presence, by addressing operational challenges and improving infrastructure in rural areas. Special focus should be maintained on sustaining and expanding financial inclusion among women, ensuring that tailored products and financial literacy programs continue to empower female beneficiaries. Additionally, targeted initiatives to deepen banking access in remote rural regions and urban underserved pockets will help bridge existing gaps. Enhancing technology adoption for seamless account management and Rupay debit card usage can further increase convenience and engagement among beneficiaries. Overall, a collaborative approach involving all banking segments, along with continuous monitoring and support, will help ensure the long-term success and inclusivity of the PMJDY.

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