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## “PRADHAN MANTRI JAN DHAN YOJNA”

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### ABSTRACT:

*The Indian government periodically works to ensure that rural investors and customers are included in organized financial institutions. The practice of giving financially excluded individuals access to and use of financial services like savings, insurance, credit, and payment facilities is known as financial inclusion.*

*A nation's economic development is aided by financial inclusion. A developed commercial bank is an integral part of a nation's financial system. The financial system's structure in the nation has a significant impact on how smoothly and effectively the economy runs. A financial system is made up of several divisions and is connected to markets, institutions, and customs.*

*The government of India's Pradhan Mantri Jan-Dhan Yojana (PMJDY) is a financial inclusion initiative that is available to all Indian citizens and aims to increase access to cheap financial services such as bank accounts, credit, insurance, remittances, and pensions.*

**Keywords:**

### INTRODUCTION:

On August 15, 2014, the Honorable Prime Minister, Shri Narendra Modi, unveiled the Pradhan Mantri Jan-Dhan Yojana (PMJDY), which is regarded as one of the most significant financial inclusion programmes in the world. The Pradhan Mantri Jan-Dhan Yojana (PMJDY) is a nationwide initiative aimed at promoting economic inclusion by ensuring that people have affordable access to financial services like as credit, remittance, insurance, and pensions, as well as banking and savings and deposits accounts. This programme has a huge assignment and is a national priority. The objective of the national financial inclusion initiative is to safeguard every family.

On August 28, 2014, the Pradhan Mantri Jan-Dhan Yojana (PMJDY) was made available to the entire kingdom. The improvement philosophy of "SAB KA SATH, SAB KA VIKAS" revolves

around the Pradhan Mantri Jan-Dhan Yojana. "My account, fate restorer" is the catchphrase of the Pradhan Mantri Jan-Dhan Yojana plan, which stands for "Mera Khaataa, Bhaagya Vidhaata." The force that banks enable has been documented in the Guinness Book of World Records and has revealed a discrepancy of over 12.5 crore in outstanding bank debt.

Any family could obtain access to credit and banking services with the help of a bank account. This will enable people to escape the clutches of moneylenders, avoid financial crises brought on by pressing necessities, and benefit from numerous economic goods. Each account holder receives a RuPay debit card with a Rs. 1,00,000 coincidence cows as a first step. They might also be safeguarded by pension goods and coverage.

Under the Pradhan Mantri Jan Dhan Yojana, approximately 44.34 crore beneficiaries have made money transactions totaling more than Rs. 1.55 lakh crore. To ensure that the Jan Dhan Yojana plan reaches the poorest and most remote regions of India, more than 1.26 lakh Bank Mitras have joined it.

Human-centric finance initiatives have found inspiration in the Pradhan Mantri Jan Dhan Yojana. Whether it is PM-KISAN, expanded salaries under MNGREGA, COVID-19-related financial assistance, direct benefit transfers, or life and health insurance, the initial step in most of these initiatives is to give every adult a bank account.

The Pradhan Mantri Jan Dhan Yojana provides a way for the underprivileged to report their savings to the official economy. The Pradhan Mantri Jan Dhan Yojana has enlarged India's financial architecture, incorporated the unbanked into the banking system, and made every adult financially included. A condition known as "financial untouchability" arises when certain circumstances prevent people from using formal financial institutions. Without a functioning economic system, people are forced to go to local moneylenders who charge outrageous interest rates from nasty people. Social prejudice is another problem that arises from financial untouchability. Merchandising of financial inclusion, which is defined as the process of ensuring access to monetary offerings and a timely and acceptable credit score were desired by using susceptible agencies including weaker sections and coffee profits businesses at a low cost, is the only way to combat the evil of monetary untouchability. Ensuring access to economic services, affordability of services, and actual use of financial products are three ways to achieve financial inclusion. To promote financial inclusion, the Pradhan Mantri Jan Dhan Yojana (PMJDY) was introduced across the United States of America. It is an ambitious project for the Indian government. The aim of the programme is to guarantee ordinary people's entry to financial facilities. The plan offers a free debit card when opening a 0- stability account, as well as integrated unintentional coverage.

#### **Implementation of Pradhan Mantri Jan-Dhan Yojana:**

Three phases made up the Pradhan Mantri Jan-Dhan Yojana (PMYDY) implementation: Phase I ran

from August 15, 2014, to August 14, 2015; during this time, the Pradhan Mantri Jan-Dhan Yojana (PMJDY) scheme was implemented with the goal of giving all household families in the nation universal access to banking facilities, with at least one basic banking account and a RuPay Debit Card that included built-in accident insurance of Rs 1 lakh.

In addition to expanding Direct Benefit Transfer under several government schemes through beneficiaries' bank accounts, it offered a financial literacy programme to the communities.

- During this time, the Kisan Credit Card's issuance was also suggested. Phase II: August 15, 2015, until August 14, 2018

Through business correspondents, this phase attempted to offer microinsurance to the public and pension plans such as Sarvadaman to the unorganized sector.

Phase III: after August 14, 2018

- The main goal of the Pradhan Mantri Jan-Dhan Yojana (PMJDY), the nation's premier financial inclusion initiative, was to open accounts for every family and increase their existing Overdraft (OD) limit from Rs 5,000 to Rs 10,000. There were no restrictions on OD up to Rs 2,000.
- The Overdraft (OD) facility's age restriction was changed from 18 to 60 to 18 to 65 years old.
- If the accounts were started after August 28, 2018, the accidental insurance coverage for new RuPay card holders has been increased from Rs. 1 lakh to Rs. 2 lakhs under this enhanced coverage.

### **Who is Eligible for Pradhan Mantri Jan Dhan Yojana?**

A person ought to be an Indian citizen.

Those between 18 and 59 are eligible to apply for the Pradhan Mantri Jan-Dhan Yojana (PMJDY) scheme. When applying for the Pradhan Mantri Jan-Dhan Yojana, a minor older than ten must have the support of their legal guardians to manage their account.

The only person with life insurance coverage is the family head. The second-eldest earning member receives life insurance if they are above 60. The first account holder under this plan will receive life insurance if there are joint account holders. You will not be eligible for the Pradhan Mantri Jan Dhan Yojana's life insurance if you are a part of another government programme, such as the "Aam Aadmi Bima Yojana."

Teachers, government personnel, and retired bank employees are among the eligible entities for this scheme. Moreover, agents of small scheme firms, proprietors of petrol stations, public call office operators, individual store owners, etc., are eligible to apply.

Employees of the State or Central Government, public sector workers, and individuals with taxable income are ineligible for life insurance under the Jan Dhan Yojana.

### **LIST OF BANKS OFFERING JAN-DHAN ACCOUNT BENEFITS:**

#### ***Government Banks-***



- Bank of Baroda
- Allahabad Bank
- Bank of India
- Punjab National Bank
- Central Bank of India
- Canara Bank
- Bhartiya Mahila Bank
- Bank of Maharashtra
- Punjab and Sindh Bank
- Indian Bank
- Union Bank of India
- Corporation Bank
- IDBI Bank
- Andhra Bank
- Syndicate Bank
- **Private Banks -**
- Axis Bank
- Federal Bank
- HDFC Bank
- YES Bank
- Indusland Bank
- Karnataka Bank
- Kotak Mahindra Bank
- Dhanlaxmi Bank
- ING Vysa Bank

#### **Documents required to open a Jan-Dhan Account:**

When submitting an application for this programme, a person must provide specific documentation to confirm their eligibility.

**Address proof:** To be eligible for this category, a person must provide official documentation like their passport or Aadhar card. An individual can apply for an Aadhar Card if they do not already have one; only then would they be qualified for this plan. If a person approaches a bank and is deemed a low-risk candidate for a year, they can apply for this scheme without providing address verification. To receive permanent benefits, the person might enroll for an Aadhar card during this time and present it as proof of residency.

**Identity Proof:** To open a Jan-Dhan account, a person in this category needs to provide two

passport-sized photos. You will also require other identification, such as your voter ID card and driver's license. If the person lacks identification, any gazette officer may provide an authority letter certifying that the person is an Indian national.

### **PRADHAN MANTRI JAN-DHAN YOJANA FORM:**

The financial inclusion account opening form is also known as the Pradhan Mantri Jan-Dhan Yojana (PMJDY) form. Each person applying for the scheme must complete and submit this form. Three sections make up the Pradhan Mantri Jan- Dhan Yojana form. These are the sections:

1. The bank information for the account being opened
2. Application information
3. Information on the nominee

What information should be filled out on the Pradhan Mantri Jan-Dhan Yojana application?

- **Bank Details:** To open a Jan Dhan Bank account, the applicant must fill out this area with all pertinent and crucial bank information. The applicant must provide certain details, like the name of their location and bank branch. Name of the block and subdistrict, state, and district, SSA code, village code, and town code.
- **Applicant's Details:** The applicant must provide all applicable personal data in this area. The applicant must enter personal data such as their full name, the address of their father or spouse, their PIN, their phone number, their marital status, their Aadhar card number, their MNREGA job card number, their occupation, their annual income, the number of dependents they have, their assets, their current bank account number (if any), and their Kisan credit details.
- **Nominee Details:** The applicant must include details about the nominee you wish to choose in this section. A nominee is someone the applicant may designate in their investments or bank applications as the beneficiary of their account in the event of the applicant's sudden death. It is important to properly fill in all the nominee's information, including name, relationship, age, date of birth, and information on the person designated to receive the cash in the event of the nominee's death.

### **IMPACT OF PMJDY:**

PMJDY has served as a source of inspiration for economic initiatives focused on people. Offering every adult a bank account is the first step in most of these projects, including direct benefit payments, COVID-19 economic aid, PM-KISAN, multiplied salaries under MGNREGA, and life and medical health insurance coverage. PMJDY has practically finished this step.

One in two debts opened between March 14 and March 20 were converted to PMJDY accounts. After a 10-day nationwide lockout that affected over 20 crore women, PMJDY accounts were credited with ex-gratia.

In addition to preserving them from the grasp of the usurious cash creditors, Jan Dhan provides a path to the poor for putting their savings into the official monetary system and a way to send money to their households in the villages. With PMJDY, the unbanked now have access to banking services, India's financial architecture has grown, and all adults are now economically included.

We have seen firsthand in the latest COVID-19 cases how Direct Benefit transfers (DBTs) have empowered and given financial security to the more inclined segments of society with exceptional speed and seamlessness. The fact that DBTs through PM Jan Dhan bills have made sure every rupee reaches its intended beneficiary and stopped systematic leakage is a crucial component.

#### **OBJECTIVES OF PRADHAN MANTRI JAN-DHAN YOJANA:**

Three of the six major goals of PMJDY can be achieved in the first year after the program's commencement. It is composed of the six pillars listed below:

- Universal access to banking facilities: Sub Service areas (SSAs) are created for each district to ensure that banking centers are heavily penetrated. Until August 14, 2015, SSAs are a useful tool for confirming that one can enter banking facilities within a 5-kilometer radius. A portion of this system's users who experience issues with accessibility and connectivity may fall under section II.
- Paying bank bills with a RuPay debit card that offers an overdraft facility: The main goal is to establish a basic account for each household in the United States. Every account also comes with a RuPay debit card. Future may include the option to overdraft up to Rs 5,000 following a six-month term of hit operation on a debit card. A small hobby fee will be applied to overdraft funds. It may potentially function as a system of microlending.
- Financial literacy programme: Given that most villagers lack literacy, an economic literacy programme is necessary. The main goal of this kind of software is to educate people about and enable them to use financial services provided by banks.
- Establishment of a credit score ensure fund: The government intends to establish a credit guarantee fund in the future, which it may use to pay down overdraft debt defaults.
- Microfinance: All willing and qualified people will receive micro-insurance from the government. This objective may be achieved in PMJDY's second phase.

#### **Awareness of Pradhan Mantri Jan Dhan Yojana:**

The administration has appropriately focused on PMJDY's primary challenge. The administration has suggested setting up a unified budget for sports publicity. For scheme exposure at the district, kingdom, and center levels, there is a three-tiered system in place. Special training has been provided by the authorities for neighborhood language in publicity textiles. Although 180 out of 210 respondents (86%) have heard of PMJDY, the available statistics are quite high quality. Most

participants lacked knowledge on the use of debit cards and coverage plans. Nonetheless, over 70% of respondents do not have a bank account.

### **Key Barriers to Financial Inclusion:**

Financial inclusion is not without its challenges. To achieve the goal, strong willpower and an effective institutional architecture are essential. The challenging circumstances and barriers to achieving economic inclusion are as follows:

- **Human Barriers:** A major obstacle to achieving economic inclusion is the decline in economic literacy. However, many are unaware of the lower hobby price on credit score provided by banks, the usage of debit cards, and online transactions. Monetary inclusion may also cause further difficulties for people until they are educated about economic literacy. Two more major factors that deter people from using banking machines are improper identity cards and poor credit.

**Institutional Barriers:** While numerous public-private partnerships and unique ministries operate in the financial inclusion space, the outcomes of these initiatives are not very noteworthy due to a lack of proper coordination. The dreams of many corporations are at battle with one another. Inadequate legal and regulatory frameworks are another critical issue. To reach the unrecognized humans, a greater range of bank branches must be expanded.

- **Telecom connectivity:** Despite this, 55,000 villages in India (about 10%) lack access to telecom connectivity. It is almost impossible to have banking facilities here. Himachal Pradesh, Jammu and Kashmir, and eighty-two LWE (Left Wing Extremism) comprise most of the undetected components. It would take a while to provide connectivity in certain areas due to demographic restrictions.
- **The problem of keeping debts operational:** This is a wonderful idea to ensure that money owed operates correctly. Convincing the recent buyer to open a bank account requires a lot of work; nevertheless, if the account expires and no transfer occurs, the project will not have any outcomes in the end. It is quite difficult to keep debts in check until individuals realize how important saving and banking products are.

### **ACHIEVEMENTS OF PRADHAN MANTRI JAN-DHAN YOJANA:**

Since the program's launch, over 43.04 crore beneficiaries—or Rs. 146,231 crores— have deposited money into bank accounts through PMJDY.

As of August 18, 2021, PMJDY Accounts have increased threefold from 14.72 Crore in March 2015 to 43.04 Crore.

67% of Jan Dhan bills are from rural and semi-urban areas, and girls make up 55% of Jan Dhan account holders.

36.86 crores, or 86%, of the general 43.04 crore PMJDY accounts are active.

- A total of 31.23 crore RuPay cards have been distributed to PMJDY account holders.



During the Covid lockout, girls who had PMJDY accounts had their bills credited with a total of Rs. 30,945 crores under the PM Garib Kalyan Yojana.

Under different initiatives, the government provides direct advantage transfer (DBT) to about 5.1 crore PMJDY accountholders.

### **BENEFITS OF PMJDY:**

Account holders may receive a RuPay debit card and a zero-stability bank account, as well as an accidental Rs. one lakh insurance cover.

Those who create accounts by January 2015 and earn more than one lakh will receive a Rs. 30,000 existence coverage cover from Life Insurance Corporation.

Holders are eligible for 5,000 overdrafts from the financial institution when the account has been open for six months.

The overdraft option is a great tool for helping people escape the grasp of pawnbrokers, who demand outrageous fees in exchange for their hobbies.

The National Payments Corporation of India (NPCI) has introduced modern technology that allows users to check their balance and transfer funds using a regular phone. Previously, this feature was only available on smart phones.

The National Unified USSD platform (NUUP), under which all banks and mobile organizations have come together, will provide mobile banking for the negative.

Account holders receive a chequebook, financial literacy literature, and a bypass book in a kit.

The account holder may possess a debit card that can be utilized for online purchases.

If all mortgage payments are made on time, the account holder will be eligible for an additional mortgage of Rs. 15, 000.

The availability of mobile banking may also be extended.

Account holders are eligible to get an attractive hobby fee on deposits unless they choose to use the pension facility and are notified by the insurance company.

### **CONCLUSION:**

The number of debts opened under the Pradhan Mantri Jan Dhan Yojana initiative has increased significantly. In today's globalized world, it is crucial to financially involve all segments of society in this plan to fulfil the state's goal of inclusive growth. A national initiative on economic inclusion, PMJDY focuses on individual households and aims to provide formal financial guidance through the structured economic device. The PMJDY scheme's success depends on an efficient regulatory framework, since stakeholders must create a long-lasting environment to maintain account activity and ensure a successful programme launch. The aim is to turn non- operational bills with zero stability into operative bills, and to do this, knowledge of financial literacy programmes is crucial.



Our development strategy, "Sab Ka Saath Sub Ka Vikas," is reliant on inclusive growth. All households, whether in cities or rural areas, may be able to obtain financial services with ease and universality thanks to this project. Humans are excluded from all benefits derived from the modern financial system if they are not allowed to use the banking gadget. For those living in rural and urban areas, the PMJDY programme is incredibly helpful in providing them with direct access to government economic services. This examines the Pradhan Mantri Jan Dhan Yojana performance of industrial banks in highlights. In the banking industry, the PMJDY programme has produced remarkable results about the elimination of financial untouchability.

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