

## PRADHAN MANTRI JAN DHAN YOJANA - A NATION WIDE MISSION: PRESENT STATUS

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### ABSTRACT

*The current research paper intend to scrutinize the financial considerations and current state of the Pradhan Mantri Jan Dhan Yojana in India. On 2014 August 28, the Indian government aloft the Pradhan Mantri Jan Dhan Yojana with the intent of advancing the country's economy. The notion of financial inclusion is novel in that it utilizes optional techniques to strengthen banking customs and serves as a motivating factor in reducing poverty. This initiative has succeeded in delivering millions with regard to finances administrations since it was unveiled in 2014. To achieve the monetary insertion of mass and make progress toward comprehensive development, the government has to enact this crucial strategy. When carrying out this strategy, total 520,123,406 (in crore) bank accounts were activated in whole India under urban, peri- urban and provincial central bank branches. As on 10 April 2024 around 353,949,282 (in crore) Ru Pay cards were distributed and funds in recipients accounts (in crore) is 234,357.94.*

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**Keywords:** PMJDY, Inclusive Development, Financial Inclusion, Economy, Banking Sectors.

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### Introduction

Within a few years of independence for India, the federal and state governments launched a variety of initiatives to address the issue of poverty and unemployment; banks and other financial institutions were essential to all of these initiatives. All of these initiatives, nevertheless, will be deemed successful if they are able to assist families in need. Over time, the banking industry in India has expanded quickly. The quantity of bank outlets rose in tandem with numerous banking sector improvements.

The Ministry of Finance took the decision with a view to facilitate financial inclusion and support to deprived section of the country. As financial inclusion is the engine of growth, it is the government's foremost decision. This is noteworthy because it empowers the impoverished to break free from the constraints of lenders transferring money to their family in rural regions and integrate their savings into the mainstream financial system. Among the biggest investment plans in the world, the Pradhan Mantri Jan Dhan Yojana (PMJDY), is a significant endeavour in relation to this potential.

In India, the prospect of financial inclusion is not new. For the better part of 53 years, this notion has been the norm in India. The government has constantly taken this step: after commercial banks were nationalized in 1969 and 1980, regional rural banks began operations in 1975 and continued into 1991. Furthermore, measures were taken to modernize the banking industry. These three significant regulatory changes caused the number of commercial bank branches to climb from 8,826 in December 1969 to 162,904 in 2023.

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Financial inclusion encompasses loans, insurance, pensions, and other financial services alongside to bank accounts. To put it another way, financial inclusion refers to delivering simple and straightforward reach of financial services and commodity for individuals who were oblivious of them.

According to Chakraborty (2011), "financial inclusion is the process of ensuring access to appropriate financial products and services needed by all sections of society including vulnerable groups such as weaker sections and low income groups at an affordable cost in a fair and transparent manner by mainstream institutional players".

Aiming at accomplishing financial empowerment, Prime Minister Narendra Modi unveiled the "Pradhan Mantri Jan Dhan Yojana on 15 August 2014. The inaugural date of this scheme was August 28, 2014. The JAM trinity—Jan Dhan Yojana, Aadhaar Number, and Mobile Banking—is the name of this initiative. The prime minister referred to this day as a celebration honouring the impoverished people's release from the cycle of poverty.

The main ground of this program is that every citizen of India should have a bank account which opens with zero balance. The assignment was completed on August 28, 2014, the day the plan was launched, with about 60,000 camps set up by all Indian banks. As a consequence, 1.5 crore bank accounts were created on the first day of the campaign.

Till, October 2, 2014, 5.29 million accounts including 3.12 million in rural areas and 2.17 million in urban areas have been opened under the PMJDY scheme, Rupay cards have been issued on 1.78 million accounts. The Pradhan Jan Dhan Yojana has made all families part of its credo by offering banking facilities in the union territories of Puducherry, Chandigarh, Mahsana, and Porbandar districts of Gujarat.

Guinness World Records have also acknowledged the accomplishments made possible by the Pradhan Mantri Jan Dhan Yojana. According to a statement released by the Indian government's Department of Financial Services, 18,096,130 bank accounts were established during the Financial Inclusion Campaign in a single week.

#### **Literature Reviews**

*Sharma, N., & Goyal, R. (2017). Pradhan Mantri Jan Dhan yojana (pmjdy)-a conceptual study.* The results of this study show that the respondents' high income and well-educated profile logically lead to their financial inclusion status. It is made abundantly evident how crucial PMJDY understanding is in facilitating the poor's access to regular financial institutions. The closer respondents are to the bank, the more likely it is that they are financially included. The dissemination of financial information has been aided by a variety of sources, including newspapers, bank Mitra, television, friends, and the like. As a result, banks and legislators ought to collaborate closely to disseminate financial information because doing so is, thought to have an immediate effect on their operations. Banks' attempts at disseminating financial information have not been successful, as evidenced by the fact that just one respondent mentioned getting financial information from the bank.

*Watts, H. K. (2015). Implications of Pradhan Mantri Jan Dhan Yojana on Financial Inclusion and Inclusive Growth.* The aforementioned analysis demonstrates that the Pradhan Mantri Yojana, known as PMJDY, is a significant milestone in the history of financial inclusion and will support the growth of the nation and contribute to its inclusive progress. Banks nationwide are striving to make this program successful, but much more work need to be done to ensure that the yojana is fully effective. This is because the country's population lacks financial literacy, which prevents them from accessing banking services. Even the majority of individuals in the nation are not familiar with using debit cards. Furthermore, the majority of the nation's citizens earn so little money that they even lack the means to maintain or replenish their bank accounts due to their extreme poverty. While opening a new account is not difficult, growing transaction volume is a difficult task.

*Khamkar, M. G., & Suryavanshi, S. S. PERFORMANCE OF PRADHAN MANTRI JAN DHAN YOJANA IN INDIA.* The Pradhan Mantri Jan Dhan Yojana, one of the ground-breaking financial inclusion programs commenced by Prime Minister Narendra Modi. The first step towards financial inclusion is the PMJDY. The existence of savings accounts will herald the start of the expansion and deepening of financial services. However, using a savings account is more significant than opening one as a sign of financial inclusion. The usage of bank accounts will correlate with an increase in the use of other financial services. The program will undoubtedly help raise financial literacy and increase the financial inclusion of lower income households.

*Kumar, P., Singh, V., & Singh, R. K. (2022). STATUS REVIEW OF PRADHAN MANTRI JAN DHAN YOJANA (WITH SPECIAL REFERENCE TO THE STATE OF UTTAR PRADESH).* Under this paper the researcher explained that the Indian government was successful in providing financial assistance to those who were still unable to use government services. The majority of those covered by this program were from rural areas. The number of accounts in the program was 2,94,07,273 in the first year. However, in the years 2021 and 2022, the number of accounts increased to 7,10,02,480 and 7,85,21,294—roughly 2.5 times higher than what we could see in the first year of 2015. But, after 2015, it was discovered that the volume of deposits was declining. This suggests that people's low incomes are the cause of their lack of savings. Moreover, the low employment rate is the cause of people's poor incomes.

The nation and its citizens have also been financially impacted by the coronavirus. "Finally, with this program, the government has not been able to include all of the rural population in the financial inclusion program." Due to a dearth of bank branches and a high rate of financial illiteracy, people living in extremely distant places are still unable to obtain financial services.

*Maurya, P. K., & Kumar, S. (2021). "STATUS OF PRADHAN MANTRI JAN DHAN YOJANA".* According to this study, Under the PMJDY program, 41.65 core accounts were opened nationwide till January 13, 2021, with 65.78% of them being located in bank branches in rural and semi-urban areas and 34.22% in metro centres. Public Sector Banks have executed the PMJDY really well. Data of current study reveals that Regional Rural Banks have outperformed other financial institutions in rural and semi-urban areas and the performance of private sector banks has improved in urban metro areas.

*Gupta, K. (2023). Pradhan Mantri Jan Dhan Yojana: History and Present Impact.* According to researcher, this study the Pradhan Mantri Jan Dhan Yojana has shown function as valuable instrument for financial inclusion. This initiative additionally serve as a developing step toward ending poverty in India. The fact that financial inclusion has trended upward consequently of PMJDY is noteworthy. The large number of accounts opened under PMJDY is proof that this plan is effective. An approach to integrate the underprivileged and unbanked segment of society into the monetary system is disclosed by PMJDY.

*Gupta, S., & Thakur, K. S. (2020). Performance evaluation of financial inclusion in India: with special reference to Pradhan Mantri Jan Dhan Yojana (PMJDY).* The work addresses financial inclusion in both the past and the present along with the numerous initiatives the government, RBI, and other financial institutions have done to achieve comprehensive financial inclusion in India. Throughout the past couple of decades, these campaigns involving ATMs, debit cards, and mobile banking have showed some encouraging outcomes. The mass majority in semi-urban and rural regions is becoming more financially included. Following the implementation of PMJDY, a significant surge within total accounts had been noted. This is likely attributable to a variety of program benefits, including interest on deposits, accident and life insurance, no minimum balance requirements, easy money transfers within India, and overdraft capabilities. However, a substantial part of the population remains financially excluded owing to low awareness, low education, poverty, a lack of bank branches, or greater transaction costs.

*Kapoor, G. T. PRADHAN MANTRI JAN-DHAN YOJANA (PMJDY): GROWTH AND PERFORMANCE.* The above study shows that the Prime Minister's plan is, in fact, a watershed moment in history. Both the nation's development and its inclusive growth would benefit from financial inclusion. In addition, banks all throughout the nation are working to see this strategy through to perfection. Despite this, a large portion of the populace lacks access to banking services due to widespread financial illiteracy. There are issues with carrying out this idea. It is the largest obstacle, then. Increase the amount of transactions in recently opened accounts Mantri Pradhan Jan Dhan Yojana is a historic initiative to increase India's financial inclusion. It is necessary to close the gap between the plan's facts and the widely held falsehoods. The Prime Minister's plan is, in fact, a watershed moment in history.

*Singh, B. P., Kumari, A., Sharma, T., & Malhotra, A. (2021).* The outcome of this study demonstrates that the majority of Indian states participate in the financial system at a low to medium level. The research results of the dynamic panel reveal a substantial link between financial inclusion and state-level economic expansion in India. Moreover, the findings indicate that while the PMJDY program did succeed in accelerating economic boom, it was unable to raise state-by-state economic well-being levels. The main reasons for the PMJDY scheme's failure are the underutilization of financial offerings and rise in quantity of dormant accounts following its introduction.

### Objectives of the Research Study

- To assess the progress consequences of the PMJDY
- To study the achievements of the PMJDY

### Research Methodology

This descriptive research relied on secondary data to achieve its aims. The secondary data were obtained from [www.pmjdy.gov.in](http://www.pmjdy.gov.in). Secondary data from PMJDY's official website ([www.pmjdy.gov.in](http://www.pmjdy.gov.in)) includes the number of accounts opened by public sector banks, RRBs, private banks and rural cooperatives banks in rural, semi rural and urban areas of India along with female beneficiaries, as well as the amount deposited and numbers of Rupay debit cards issued to the beneficiaries.

### Basics Principles of the PMJDY

- **Banking the Unbanked:** Open a basic savings bank account with minimal paperwork, e-KYC, flexible KYC, camp style account creation, zero balance, and zero costs.
- **Protecting the Insecure:** Native debit cards are issued for cash withdrawals and payments at commercial places, with free accident insurance of Rs. 2 lacs.
- **Financing of the Underfinanced:** Other financial products, such as micro insurance, special checks for consumption, micro-pensions and microcredit.

### A Crucial Strategy Implemented in Pmjdy Based on Prior Experience

- In lieu of opening accounts offline while remaining locked onto a vendor's technology, accounts are now opened via online banks' core banking platforms.
- Synchronization via the Aadhaar-enabled Payment System (AePS) or RuPay debit card
- Fixed-point Business
- e-KYC streamline /KYC: Elimination of burdensome KYC formalities

### Modification of PMJDY

The Indian government decided to upgrade or modify the base PMJDY scheme on August 28, 2018, with certain additional features/modifications these are given below:

- The focus of the campaign has shifted from "Every Household" to "Every Unbanked Adult."
- RuPay Card Insurance: For PMJDY accounts generated after August 28, 2018, the free accidental coverage provided by insurance on RuPay cards has been raised to Rs. 2 lakhs.
- Modifications to Overdraft (OD) facilities:
  - Raising the OD upper age restriction from 60 to 65 years old
  - OD without restrictions up to Rs. 2000
  - Two fold increase in OD limit, from Rs 5,000 to Rs 10,000

### Footprints of PMJDY

- The cornerstone of people-centric economic initiatives is now PMJDY. The initial phase in all of these endeavours, be it Direct Benefit Transfer, COVID-19 monetary assistance for PM farmers, salary hikes under MGNREGA, or life and health insurance, is to give every adult a bank account, which PMJDY has almost completed.
- The PMJDY accounts were formed with every second account between March 2014 and March 2020. More than 20 million women with PMJDY accounts received monetary assistance through DBT within ten days amid a countrywide shutdown. For three months, the aid was Rs. 500 per month.
- The Pradhan Mantri Jan Dhan Yojana gives the impoverished a way to escape the grasp of usurious capitalists by allowing them to send money to their families in rural areas and channel their savings into the official financial system. PMJDY broadened the accessibility of the banking system to include the unbanked. India's financial infrastructure and made financial inclusion available to almost every adult.
- India saw first-hand during the epidemic the amazing speed and smoothness with which vulnerable segments of society have been empowered and given financial security through

Direct Benefit Transfer (DBT). One crucial point is that DBTs via PM Jan Dhan accounts have assisted to halt structured leakage and ensured that every rupee gets to the intended recipient.

### Achievements of PMJDY

#### PMJDY Bank Accounts

##### Beneficiaries as on 03/04/2024

Bank Name / Type	Number of Beneficiaries at rural/semi-urban centre bank branches ( in crore )	Number of Beneficiaries at urban metro centre bank branches (in crore)	No Of Rural-Urban Female Beneficiaries (in crore)	Number of Total Beneficiaries (in crore)
Public Sector Banks	25.35	15.13	22.32	40.49
Regional Rural Banks	8.30	1.37	5.63	9.68
Private Sector Banks	0.74	0.86	0.85	1.60
Rural Cooperative Banks	0.19	0.00	0.10	0.19
<b>Grand Total</b>	<b>34.58</b>	<b>17.37</b>	<b>28.90</b>	<b>51.95</b>

Sources: Pradhan Mantri Jan-Dhan Yojana Department of Financial Services Ministry of Finance

Disclaimer: Information is based upon the data as submitted by different banks

#### Deposits under "PMJDY" Accounts

Bank Name / Type	Deposits in Accounts (In Crore) as on 03/04/2024
Public Sector Banks	182280.03
Regional Rural Banks	45638.49
Private Sector Banks	7077.99
Rural Cooperative Banks	0.01
<b>Total</b>	<b>234996.52</b>

Sources: Pradhan Mantri Jan-Dhan Yojana Department of Financial Services Ministry of Finance

#### Rupay Card Issued to PMJDY Beneficiaries

"Bank Name / Type	Number of Rupay Debit Cards issued to beneficiaries as on 03/04/2024 (in crore)
Public Sector Banks	30.62
Regional Rural Banks	3.46
Private Sector Banks	1.30
Rural Cooperative Banks	0.00
<b>Grand Total</b>	<b>35.37</b>

Sources: Pradhan Mantri Jan-Dhan Yojana \_ Department of Financial Services \_ Ministry of Finance

#### Jan Dhan Darshak App

The Ministry of Finance, the Department of Financial Services (DFS), and the National Informatics Centre (NIC) have established Jan Dhan Darshak App.

This government software for mobile devices helps users find a financial service. This software give citizens a platform to locate banking touch points across the nation—such as bank branches, ATMs, Bank Mitras, post offices, etc.—a mobile application "JAN DHAN DARSHAK APP" was introduced.

More than 13 lakh banking touch points are planned under the Jan Dhan Darshak programme. The Jan Dhan Darshak program's amenities can be used as needed and at the convenience of the beneficiary. The settlements that are not within five kilometres of a banking touchpoint are also found using this app. The concerned State Level Bankers' Committees (SLBCs) subsequently assign these identified villages to different banks so that they can open banking locations. The number of undiscovered settlements has significantly decreased as a result of the initiatives. As of July 2023, 6.01 lakh villages have been mapped on the JDD app. Among them, banking establishments (bank branches, banking corners, or Indian Post Payment Banks (IPPB) within a 5-kilometer radius) encompass 5,99,468 (99.7%) of all the plotted villages contribution on "Pradhan Mantri Jan Dhan Yojana in India.

### **Salient features of the App**

- **Locator for Banking Services:** The app helps users locate banking services such as ATMs, banks, post offices, and banking correspondents (BCs) near their current location. This function is especially valuable for residents in remote regions who may not have easy access to such services.
- **Search Functionality:** Users can search for specific banking services based on criteria such as location, bank name, and type of service (ATM, branch, etc.). This makes it easier for individuals to find the services they need quickly and efficiently.
- **Financial Literacy:** The app provides information and resources to improve financial literacy among users. This includes information on various banking products and services, as well as tips for managing finances effectively.
- **Language Support:** To cater to a diverse population, the app supports multiple languages, allowing users to access information in their preferred language.
- **Accessibility Features:** The app is designed to be user-friendly and accessible to people with disabilities. It may include features such as voice guidance and screen reader compatibility to ensure that all users can benefit from its functionalities.
- **Real-Time Updates:** The app may give real-time information on the availability of banking services, as well as changes in the location and status of ATMs, branches, or BCs.

### **Pradhan Mantri Garib Kalyan Package (PMGKP) for Pmjdy Women Beneficiaries**

The "Pradhan Mantri Garib Kalyan Package (PMGKP)", Insurance Scheme for Healthcare Professionals Fighting Covid-19' has been extended for another 180 days commencing April 19, 2022. It was recently agreed to prolong the program in order to keep offering the safety net to the relatives of healthcare professionals who are responsible for treating COVID-19 patients.

On March 30, 2020, PMGKP was introduced to offer 22.12 lakh healthcare providers, including professionals and Comprehensive personal accident protection of Rs. 50 lakh is provided to private health team members who may have had direct contact with and cared for COVID-19 patients or who may be at danger of being impacted.

Under the PM Garib Kalyan Yojana, women who grasped accounts under PMJDY were provided with Rs. 500 each month for three months (April 2020 to June 2020). During the COVID closure, women with PMJDY accounts had an entire amount of Rs. 30,945 crores allocated to their accounts.

### **Digital Transactions**

The overall number of digital transactions increased from 978 crores in FY 2016–17 to 11,394 crores in FY 2022–23 as a result of the issuance of over 33.98 crore RuPay debit cards under PMJDY, the installation of 79.61 lakh PoS/mPoS machines, and the launch of mobile-based payment systems like UPI. Between FY 2017–18 and FY 2022–2023: UPI financial transactions climbed from 92 crore to 8,371 crore. In a similar vein, there were 126 crore RuPay card transactions at PoS and E-commerce in FY 2022–2023 as opposed to 28.28 crore in FY 2016–17.

### **A Map of Road Ahead of this Scheme**

- Make an effort to guarantee that PMJDY account holders are covered by micro insurance programs. We will look for eligible PMJDY accountholders to be covered by PMJJBY and PMSBY. Banks have already received correspondence over this.
- Encouraging the use of Ru Pay debit cards and other digital payments among PMJDY account holders by building acceptance infrastructure throughout India
- Enhancing the availability of microcredit and micro investment options for PMJDY account holders, such as flexible recurring deposits.

### **Conclusion of the Study**

This research paper after examining the "present status of Pradhan Mantri Jan Dhan Yojana" from various angles concluded that the Indian government was successful in providing financial support to those who were still unable to use government services. The majority of those covered by this program were from rural areas. During the program's first year, 2,94,07,273 accounts were opened, while in the present, in all, 520,123,406 (in crore) accounts were opened at central bank branches in urban, semi-urban, and rural areas of India, this is almost 17.70 times greater than what was visible in the first year

(2015) of the scheme. Around 353,949,282 (in crore) RuPay cards had been issued as of April 10, 2024, as well as the entire sum of recipients bank accounts (in crore) was 234,357.94. With the increasing number of accounts of beneficiaries and their deposits in banks, Pradhan Mantri Jan Dhan Scheme also provide “Jan Dhan Darshak App”, “Pradhan Mantri Garib Kalyan Package (PMGKP)” for PMJDY women beneficiaries, and “digital transaction”. Finally, with this strategy, the administration is unable to include every rural resident in the financial inclusion program but it gives a milestone for its achievement. Due to easy access and bank Mitra with digital transaction, this achieve is another breakthrough in its success.

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