

# PRADHAN MANTRI JAN-DHAN YOJANA: TOUCH ABILITY TOWARDS FINANCIAL INCLUSION

**Author**

**Dr. Jyotish Kumar Singh**

Assistant Professor  
Department of Commerce  
Singhbhum College Chandil  
Kolhan University

## ABSTRACT

Pradhan Mantri Jan-Dhan Yojana is a financial inclusion plan started in India to give financial services to all families in the nation. The special objective of initiative is to empower the poorer parts of society, particularly women, small & marginal farmers and workers. Financial Inclusion is an important focus of the Government since it is a facilitator for inclusive development. The project's overarching goal is to provide financial security for all residents by providing each household with access to at least one basic bank account. Based on these findings, the government and private sector banks need to make significant contributions to the nation's inclusive growth. In this study, the benefits of PMJDY and the current standing of PMJDY bank accounts are discussed. An effort is made to identify the present state of PMJDY programme and trend of financial inclusion in India.

**Keyword:** PMJDY, Financial Inclusion, Growth, Trend.

## INTRODUCTION

Access to financial services and education on personal finance are two key components of financial inclusion. The economy and personal savings might benefit from a financial inclusion plan. Since the nationalisation of banks in 1969, India has made it a priority to ensure that no one in the country is excluded from access to financial services. However, the country's approach to meeting the banking needs of the poor has been skewed towards making loans rather than encouraging regular savings or expanding access to payment systems. However, the Indian government has become more aware of the importance of its financial inclusion plan over time. Our revered Prime Minister Narendra Modi launched the PM Jan Dhan Yojana (PMJDY) on August 28, 2014, to combat the widespread lack of financial education and encourage people to start saving regularly. The initiative intends to provide everyone access to financial services by starting with a "Basic Savings Bank account with an overdraft up to 5,000 subject to satisfactory operation in the account for six months and a Rupay Debit card with inbuilt accident insurance cover Rs 1,000,000."

## Special Benefits Under Pmjdya Scheme

- Deposit interest.
- One million rupees worth of accident insurance coverage
- There is no obligatory minimum balance.
- If the recipient meets the scheme's qualifying requirements, they will get a death benefit of Rs. 30,000/-.
- Simple Funds Transfer All Over India
- Direct Benefit Transfer funds will be deposited here for those who qualify for government programmes.
- An overdraft capacity will be granted when the account has been used successfully for six months.
- Pension and insurance product availability.
- Only one family checking account, preferably the woman's, is eligible for an overdraft of up to Rs.5,000.

## Benefits of PMJDY

- One bank account for every individual who does not have one.
- Accounts may be opened with no initial funds.
- The accrual of interest on savings.
- The PMJDY account holder's RuPay card comes with accidental insurance coverage of Rs.1 lakh (increased to Rs. 2 lakh for new PMJDY accounts created after 28.8.2018).
- Overdrafts are available to qualified account holders up to Rs.10,000.

## REVIEW OF LITERATURE

**Bagli (2012)** has shown a strong link between the availability of state-issued financial services in India and improved living standards. While he is optimistic that it would help governments, financial regulators, and other governing bodies in the future, he admits that the situation is not promising in the various states of India right now in terms of financial inclusion. He has also concluded that extensive financial knowledge and awareness among the underprivileged are vital for achieving financial inclusion.

**Chowhan & Pande (2014)** The authors contend that enrolling low-income people in the official banking system is essential for safeguarding their savings. By giving excluded groups more access to affordable, legal sources of credit, financial inclusion helps reduce the likelihood that they will be exploited by predatory moneylenders. The Pradhan Mantri Jan Dhan Yojna, a cornerstone of the Indian government's development philosophy of Sab Ka Saath Sab Ka Vikas, was established to assist individuals in such circumstances. They went on to say that because of the enormous success of PMJDY, bank managers would be able to learn about and take advantage of the opportunity provided by financial inclusion by taking part in government programs to reduce poverty for the most vulnerable groups, increasing their capacity to issue CASAs, expanding their deposit base through the government's direct fund transfer program, etc.

## OBJECTIVES OF THE STUDY

- To analyse the importance PMJDY in financial inclusion of Jharkhand.
- To analyse the impact of PMJDY scheme on financial inclusion.

- To analyse the awareness of the scheme among the people of Rural areas in Jharkhand.

## RESEARCH METHODOLOGY

The research work is purely based on primary as well as secondary source. A well framed questionnaire is asked to 70 rural people to understand the importance of PMJDY in the development of the people living in Jharkhand state. The idea, different reviews of literature, and significance of PMJDY in Jharkhand state were learned via the use of secondary sources including periodicals, journals, and reports produced by the state of Jharkhand, among others.

## DATA ANALYSIS AND INTERPRETATION

**Table -1** Demographic profile

Particulars		Frequency	%
Gender	Male	45	64.3
	Female	25	35.7
Monthly Income	Less than 4,000	13	18.6
	4,000-7,000	28	40.0
	7,000-10,000	19	27.1
	More than 10,000	10	14.3
Age	Below 26 years	12	17.1
	26-31 years	19	27.1
	31-36 years	24	34.3
	36-41 years	09	12.9
	Above 41 years	06	08.6
Qualification	Elementary	18	25.7
	Matriculation	27	38.6
	Intermediate	16	22.9
	Graduate	09	12.8
Source of lending	Banks	14	20.0
	NBFCs	31	44.3
	SHGs	18	25.7
	No lendings	07	10.0

Courtesy:- Primary data

**Table-2** Knowledge about PMJDY scheme

Particulars	Yes	No
Knowledge about Zero balance Account	59	11
Knowledge about Interest on Deposit	63	07
Knowledge about ₹ 1,00,000 Accidental insurance Cover	53	17
Knowledge about ₹ 30,000 Life insurance Cover	42	28
Knowledge about Over Draft facilities	37	33
Other Benefits like direct benefits transfer etc.	39	31

**Courtesy:-** Primary data

## CONCLUSION

When it comes to the government's efforts to expand access to banking services in India, PMJDY ranks high among priority initiatives. Many individuals in the state of Jharkhand have benefited from PMJDY's efforts to enhance financial literacy by connecting them with banks. However, this research suggests that even after four years of effort, many people in rural areas remain financially uneducated. Many people in rural areas set up bank accounts, but they have no money in them since they don't know about the benefits of the program. According to the Respondent, the Banks have just set up the account to serve their own ends, and no advantages are provided under this method. Therefore, it is essential that the government and banks work together to raise financial literacy among rural residents and that the government adopt a continuous Review system to ensure the PMJDY's success.

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