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# Paradigm Shift in Financial Inclusion : PradhanMantri Jan-DhanYojana

## A Study to asses the progress report of PMJDY

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### **ABSTRACT:**

Financial Inclusion, defined as making financial services accessible to all individuals and business. It has gained attention among policymakers & researchers worldwide (Allen et al. 2016; Fungacova and Weill 2014). Financial Inclusion is directly linked to economic growth and financial well being of a nation.

Financial inclusion is emerging as new paradigm of economic growth. It is designed to empower economically and socially excluded people by creating equal opportunities so that they could participate in and contribute to the nation building. Basic agenda is to include people from economically & social weaker segment in the ambit of Formal Financial System of the nation, which in turn leads to participation by all segments in economic development of the nation. Financial Inclusion is emerging as a new standard of Economic Growth and Development

Hon'ble Prime Minister, Sh. Narendra Modi on 15 August, 2014 announced "**PradhanMantri Jan-Dhan Yojana (PMJDY)**" which is a National Mission for Financial Inclusion.The

task is gigantic and is a National Priority. This National Mission on Financial Inclusion has an ambitious objective of covering all households in the country with banking facilities and having a bank account for each household. It has been emphasised by the Hon'ble PM that this is important for including people left-out into the mainstream of the financial system.

The present paper will assess the progress made under this scheme in achieving the target of Financial Inclusion .

### **KEY WORDS**

**PMJDY ,Rupay Card ,Accidental Insurance**

### **1.INTRODUCTION**

The Pradhan Mantri Jan-Dhan Yojana was launched on 28 August, 2014, across the nation simultaneously. It was launched formally in Delhi with parallel functions at the state level and also at district and sub-district levels. Camps were also to be organized at the branch level. The Pradhan Mantri Jan-Dhan Yojana lies at the core of development philosophy of "Sab Ka Sath Sab Ka Vikas".

With a bank account, every household would gain access to banking and credit facilities. This will enable them to come out of the grip of money lenders, manage to keep away from financial crises caused by emergent needs, and most importantly, benefit from a range of financial products. As a first step, every account holder gets a RuPay debit card with a ₹ 1,00,000/- accident cover. Further, they will be covered by insurance and pension products. There was need to enroll over 7.5 crore households and open their accounts. Earlier efforts by the Government of India includes setting up a committee on financial inclusion under the chairmanship of Dr. C. Rangarajan. The committee finalized its report in early 2008. As is evident from the preamble of the report, the committee interpreted financial inclusion as an instrumentality for social transformation.

## **2.NEED & SIGNIFICANCE OF STUDY**

To get successful financial inclusion, banking and financial services should reach vulnerable groups. To study the yojana as a financial inclusion has become more important, when 42% of the population do not have access to

formal financial institutions. These people only depend upon the local money lenders, for loans and pay high interest rate and unfair terms. With the help of study we will know how much it contribute to mobilization of saving for effectively utilization, and for social sustainable livelihood.

## **3.OBJECTIVES**

To assess the progress report of PMJDY.

## **4.RESEARCH DESIGN**

Research design is a frame work or blueprint for conducting the marketing research project. It gives the procedure necessary for obtaining the information needed to structure or solve the marketing research problem. This study has adopted descriptive research design.

## **5. SOURCES OF DATA**

Secondary Data:

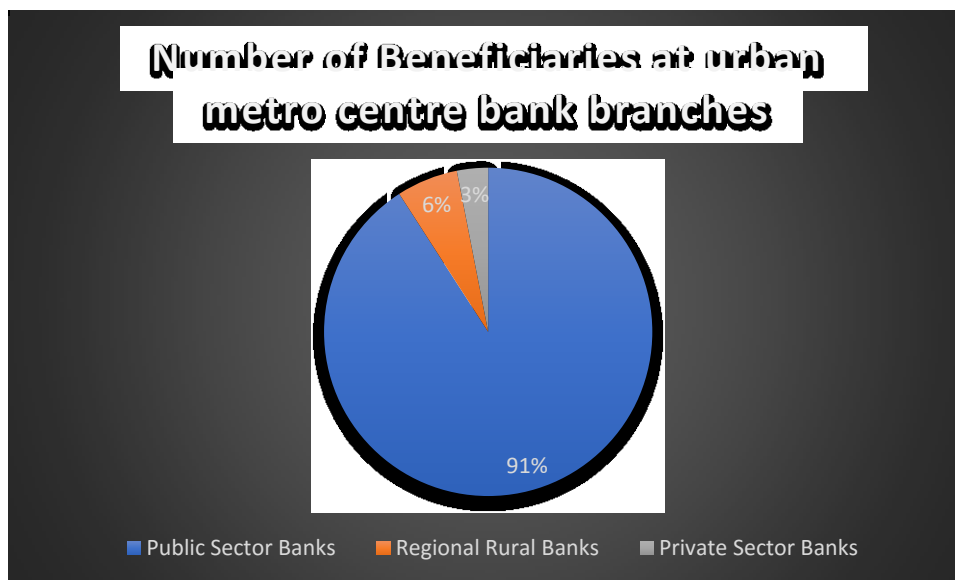
## **6. ANALYSIS & INTERPRETATION**

This study includes editing, coding, classification, tabulation and graphic presentation of data . After that Data was interpreted and analysed to get the results for conclusions and recommendations.

**Table 1: Number of Beneficiaries at urban metro centre bank branches**

Bank Name / Type	Number of Beneficiaries at urban metro centre bank branches
Public Sector Banks	115387510
Regional Rural Banks	7678547
Private Sector Banks	3890745
Grand Total	126956802

**Figure 1: Number of Beneficiaries at urban metro centre bank branches**



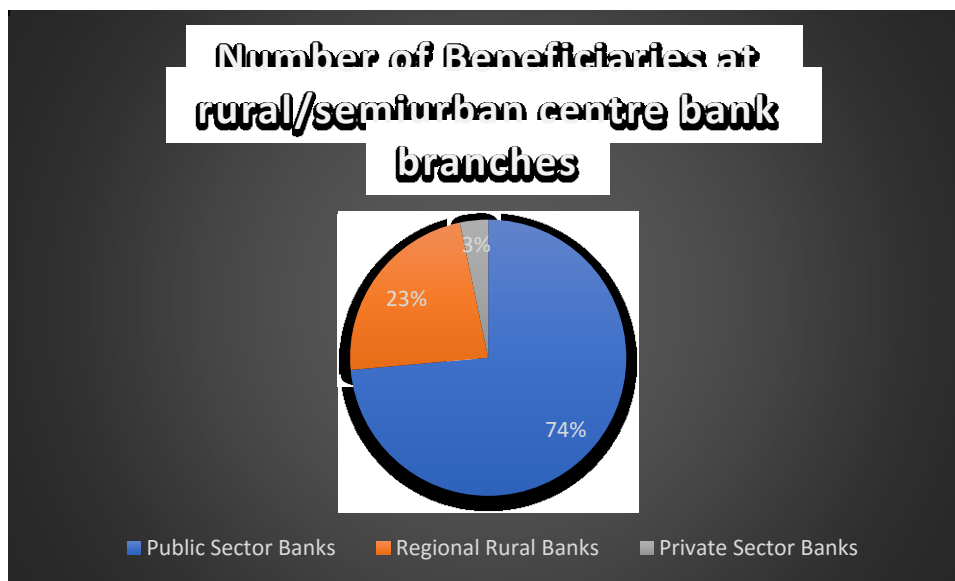
The above graph shows the Number of beneficiaries at urban metro centre bank branches of PSBs ,Private banks and RRBs respectively. As it is clear from the above graph Public Sector banks have done a great

job by opening 91 % of total accounts opened in Urban area whereas Private banks and RRBs have opened only 3 %and 6 % of total accounts opened in Urban area

**Table 2: Number of Beneficiaries at rural/semiurban centre bank branches**

Bank Name / Type	Number of Beneficiaries at rural/semiurban centre bank branches
Public Sector Banks	133527523
Regional Rural Banks	41951169
Private Sector Banks	5987093
Grand Total	181465785

**Figure 2: Number of Beneficiaries at rural/semiurban centre bank branches**



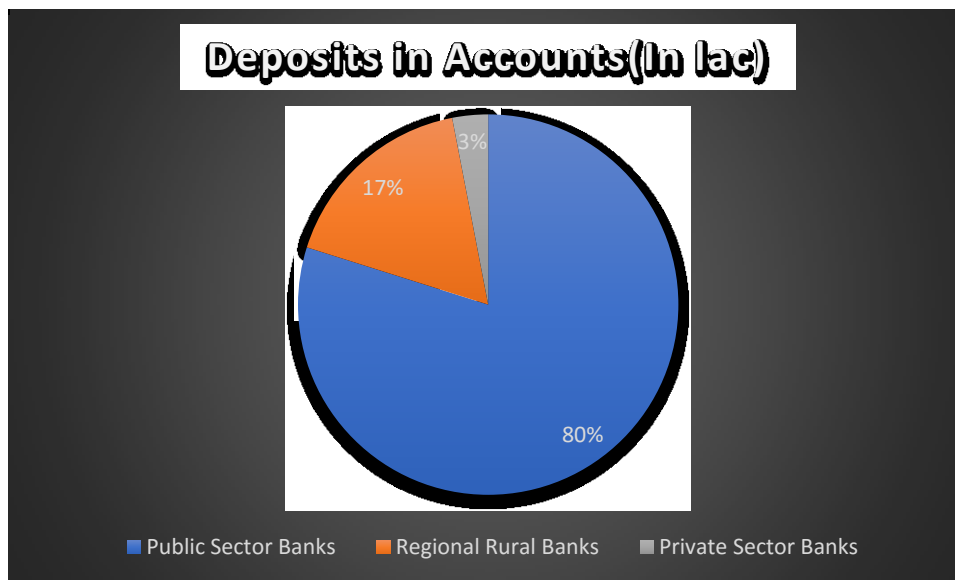
The above graph shows the Number of beneficiaries at rural /semiurban bank branches of PSBs ,Private banks and RRBs respectively. PSBs have outperformed RRBs

and Private banks by opening 74 % of total accounts opened in Rural areas while Private banks and RRBs have opened 3% and 23% of total accounts opened in Rural area .

**Table 3:Deposits in Accounts(In lacs)**

Bank Name / Type	Deposits in Accounts(In lac)
Public Sector Banks	5771810
Regional Rural Banks	1235349
Private Sector Banks	219535.3
Grand Total	7226694

**Figure 3:Deposits in Accounts(In lacs)**



As shown by above graph public sector banks have maximum amount in their accounts i.e. 80

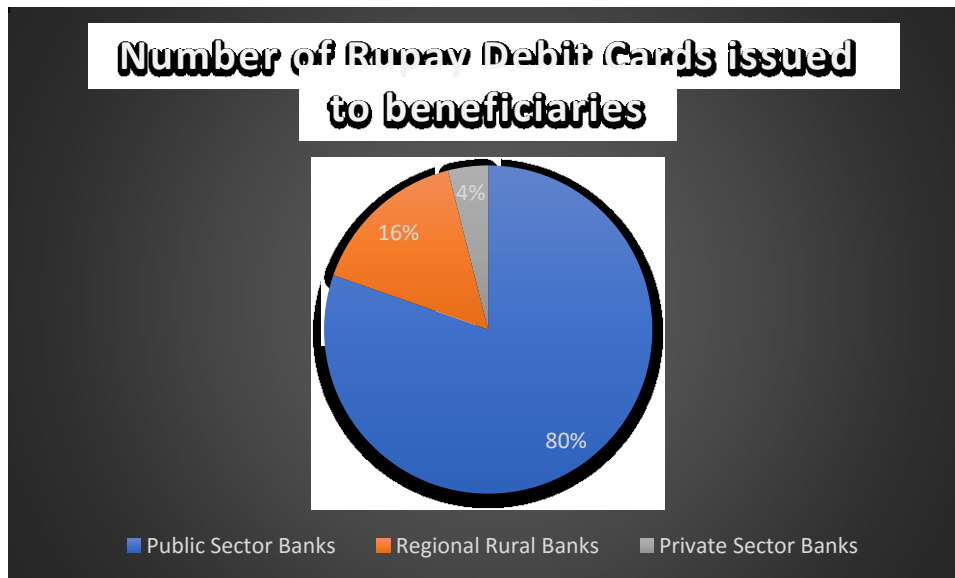
% Whereas RRBs and Private Banks have only 17 % and 3% only.

**Table 4:Number of Rupay Debit Cards issued to beneficiaries**

Bank Name / Type	Number of Rupay Debit Cards issued to beneficiaries
Public Sector Banks	187100549
Regional Rural Banks	36435980
Private Sector Banks	9203253

Grand Total	232739782
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Figure 4: Number of Rupay Debit Cards issued to beneficiaries



As indicated from the above graph maximum number of Rupay Cards are issued by the Public Sector Banks whereas RRBs and Private Banks have issued 16% and 4% Rupay Cards respectively.

## 7. CONCLUSIONS

Pradhan Mantri Jan Dhan Yojana (PMJDY) implemented in large scale requires determination and attitude towards success path. One of the greatest steps ever taken to eradicate poverty is inclusive financing through PMJDY. For the success of any scheme constant review and regular check is very much essential. Successful implementation would not only reduce poverty but also puts a check on corruption. A bold first step by NDA Government indeed helped

many to come into the main stream of economy and reduce financial untouchability. Financial inclusion is an innovative concept which enables the alternative techniques to promote the banking habits and the launch of PMJDY by Government of India is in that direction.

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