

Pradhan Mantri Jan Dhan Yojana

Pradhan Mantri Jan Dhan Yojana (PMJDY), is financial inclusion program of Government of India which is applicable to 10 to 65 years age group, that aims to expand and make affordable access to financial services such as bank accounts, remittances, credit, insurance and pensions. This financial inclusion campaign was launched by the Prime Minister of India Narendra Modi on 28 August 2014.[1] He had announced this scheme on his first Independence Day speech on 15 August 2014.

Run by Department of Financial Services, Ministry of Finance, under this scheme 15 million bank accounts were opened on inauguration day.[2][3] The Guinness Book of World Records recognized this achievement, stating: "The most bank accounts opened in one week as a part of the financial inclusion campaign is 18,096,130 and was achieved by the Government of India from August 23 to 29, 2014".[4] By 27 June 2018, over 318 million bank accounts were opened and over ₹792 billion (US\$12 billion) were deposited under the scheme.[5]

History

The scheme was launched by PM Narendra Modi on 15 August 2014. Slogan of the Scheme is "Mera Khatha, Bhagya Vidhatha (meaning "My account brings me good fortune")"[6] The scheme was launched after the failure of previous such schemes including Swabhimaan.[7] Swabhimaan was a campaign of the Government of India which aims to bring banking services to large rural areas. It was launched by Sonia Gandhi, the Chairperson of the United Progressive Alliance party in the presence of Shri Pranab Mukherjee, the Union Finance Minister and Namo Narain Meena, the Union Minister of State for Finance on February 10, 2011.[8]

Benefits

Opening of no-frills accounts: The Bank accounts opened under PMJDY do not require minimum balance. An overdraft facility up to ₹10,000 (US\$140) is also

available after six months. Interest is on deposit. Free RuPay debit card for account.

Relaxation on know-your-customer (KYC) norms: Persons who do not have valid identification document can also open bank account. This type of account call "Small Account" , can be regularized within one year.

Engaging business correspondents (BCs): Account opening and bank transactions are through business correspondent. Business correspondents are usually appointed in remote areas where banks do not have physical branches.

Use of technology: Bio-metric based account opening and transaction are available through business correspondent. This eases banking operations for illiterate people.

Direct Benefit Transfer: The government subsidies are directly transferred to the beneficiary's account. This reduces delay and leakage to get service.

Insurance: Accidental insurance cover of ₹200,000 (US\$2,900) provides life cover of ₹30,000 (US\$430) payable on death of the beneficiary.

Performance

Due to the preparations done in the run-up, as mentioned above, on the inauguration day, 15 million bank accounts were opened.[2] The Prime Minister said on this occasion- "Let us celebrate today as the day of financial freedom." By September 2014, 30.2 million accounts were opened Bank]] with 2.024 million accounts, Canara Bank 1.621 million accounts, Central Bank of India 1.598 million accounts and Bank of Baroda with 1.422 million accounts.[9] On 20 January 2015, the scheme entered into Guinness book of world records setting new record for "The

most bank accounts opened in one week'.[10]

The balance in Jan Dhan accounts rose by more than ₹270 billion (US\$3.9 billion) between 9 November 2016 and 23 November 2016.[11] 1.9 million householders have availed the overdraft facility of ₹2.56 billion (US\$37 million) by May 2016.[12] Uttar Pradesh and West Bengal have got 29% of the total deposits under the scheme,[13] whereas Kerala and Goa became the first states in the country to provide one basic bank account to every household.[14]

The total number of account holders stood at 294.8 million, including 176.1 million account holders from rural and semi-urban branches. A total of 227 million RuPay cards have been issued by National Payments Corporation of India (NPCI) till August 2017. The amount of deposits rose to ₹656.97 billion (US\$9.5 billion) by August 2017.[6]

According to an analysis of various studies, "Beyond enabling account ownership and the use of financial services, the PMJDY also facilitated financial inclusion for a variety of demographics. While the programme has made significant headway towards genuine financial inclusion, it is clear that improving policy communication, widening and deepening progress in low-income states, and ironing out the kinks in the bank-agent model will be crucial if these hard-fought gains are to prove sustainable." [15] At least 300 million new families have got Jan Dhan accounts in which almost ₹650 billion (US\$9.4 billion) have been deposited, Prime Minister Narendra Modi said on 28 August 2017, on the eve of third anniversary of the scheme aimed at financial inclusion.

Website “www.pmjdy.gov.in”