

# NABARD SCHEME HANDOUTS

TOPIC – Pradhan Mantri Jan Dhan Yojana (PMJDY)

## PM-JANDHAN

Completes SIX Successful Years



- Upper age limit for Over Draft - 65 years
- Over Draft - 10000/-
- Over draft without conditions - 2000/-



- Urban Account Holders - 36.4%
- Rural Account holders - 63.6%



- 6 Successful years
- Total Account - 40.35 crores



- Women - 500 / month for 3 months -GKY
- Women Account holder - 55%

Telegram: [https://t.me/NABARD2020\\_21](https://t.me/NABARD2020_21)

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## 1 Importance:

Pradhan Mantri Jan Dhan Yojana (**PMJDY**) is a very important scheme for the most examinations. Students can expect the questions from this scheme as it is very much in news and relevant for the most exams these days. One need to thoroughly study and understand it as we can expect questions from all three phases of exams, especially NABARD. Hence, it is very important to have clear understanding of the scheme. This handout will give you the necessary information regarding the scheme and to solve questions in exam with clarity.

## 2 Introduction:

Pradhan Mantri Jan Dhan Yojana (**PMJDY**, transl. **Prime Minister's People's Wealth Scheme**) is **National Mission for Financial Inclusion** program of the Government of India open to Indian citizens (minors of age 10 and older can also open an account with a guardian to manage it), that aims to expand 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. He had announced this scheme on his first Independence Day speech on **15 August 2014**. The scheme was launched after the failure of previous government schemes, including **Swaabhimaan (2011)**

Run by Department of Financial Services, Ministry of Finance, under this scheme **15 million** bank accounts were opened on inauguration day. The Guinness Book of World Records recognized this achievement.

Accounts opened under PMJDY are being opened with **Zero balance**. However, if the account-holder wishes to get cheque book, he/she will have to fulfill minimum balance criteria

## 3 About the scheme:

### 3.1 Launched:

**28 August 2014**

### 3.2 Motto:

Mera Khata Bhagya Vidhata (**My account, fate restorer**)


### 3.3 Ministry:

**Ministry of Finance**


### 3.4 Objective:

Objective of PMJDY is ensuring access to various financial services like availability of basic savings bank account, access to need based credit, remittances facility, insurance & pension to the excluded sections i.e., weaker sections & low-income groups.

The plan also envisages channeling all Government benefits (from Centre / State / Local Body) to the beneficiaries' accounts and pushing the Direct Benefits Transfer (DBT) scheme of the Union Government.



# Pradhan Mantri Jan Dhan Yojana



## Before

Financial exclusion

Leakages in subsidies, benefits not reaching the targeted population due to beneficiaries not having own authentic savings bank accounts


## What's New ?

New ambition, higher achievement

Universal access to banking facilities with atleast one basic banking account for every household, financial literacy, access to credit, insurance and pension facility

## Key Features

#TransformingIndia



### 3.5 PMJDY Eligibility:

- ✓ Must be citizen of India
- ✓ Should be at least **10 years** of age
- ✓ Should not have a bank account

### 3.6 Basic tenets:

- ✓ Banking the unbanked
- ✓ Securing the unsecured
- ✓ Funding the unfunded



## BASIC TENETS OF THE SCHEME

01

Banking the Unbanked

02

Securing the unsecured

03

Funding the unfunded

## OBJECTIVES



Ensure access of financial products & services at an affordable cost



Use of technology to lower cost & widen reach

### 3.7 Six Pillars of PMJDY:

- 1) **Universal Access** to Banking Services (Every Household to Every Unbanked Adult)
- 2) Basic Savings Bank Accounts with OverDraft (OD) Facility of **Rs. 10,000/-** to every household
- 3) **Financial Literacy** Program (Promoting savings, use of ATMs, using basic mobile phones for banking, etc.)
- 4) Creation of Credit Guarantee Fund
- 5) **Insurance** (Free accidental insurance cover on RuPay cards increased from **Rs. 1 lakh** to **Rs. 2 lakhs** for PMJDY accounts opened after **August 2018**)
- 6) **Pension** Scheme for the Unorganized sector



### 3.8 Benefits under PMJDY:

- ✓ One basic savings bank account is opened for **unbanked person**.
- ✓ There is no requirement to maintain any minimum balance in PMJDY accounts.
- ✓ Interest is earned on the deposit in PMJDY accounts.
- ✓ **Rupay Debit** card is provided to PMJDY account holder.
- ✓ Accident Insurance Cover of **Rs.1 lakh** (enhanced to **Rs. 2 lakhs** to new PMJDY accounts opened after **28.8.2018**) is available with RuPay card issued to the PMJDY account holders.
- ✓ An overdraft (OD) facility up to **Rs. 10,000** to eligible account holders is available.
- ✓ For accounts that are opened between **15th August 2014** and **26th January 2015**, a Life Insurance cover of **Rs. 30,000** is provided to the eligible beneficiaries.
- ✓ PMJDY accounts are eligible for Direct Benefit Transfer (DBT), Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), Pradhan Mantri Suraksha Bima Yojana (PMSBY), Atal Pension Yojana (APY), Micro Units Development & Refinance Agency Bank (MUDRA) scheme.

### 3.9 Rate of interest under PMJDY:

Based on the savings account interest rate offered by the bank.

### 3.10 Extension of PMJDY:

The Government has decided to continue **National Mission for Financial Inclusion-PMJDY** with the following modifications beyond **14.8.2018**:

- ✓ Focus shift from '**Every Household**' to '**Every Unbanked Adult**'
- ✓ Overdraft limit doubled from **Rs 5,000** to **Rs 10,000**
- ✓ Overdraft up to **Rs 2,000** without conditions
- ✓ Age limit for availing OD facility to be revised from **18-60** years to **18-65** years
- ✓ Under the expanded coverage, accidental insurance cover for new RuPay card holders to be raised from **Rs 1 lakh** to **Rs 2 lakh** to new PMJDY accounts opened after **28.8.2018**

## 4 Impact of PMJDY:

- ✓ Increased Financial Inclusion
- ✓ Formalisation of Financial System
- ✓ Prevention of Leakage

## 5 Challenges:

### 1) Connectivity:

- ✓ Lack of physical and digital connectivity is posing a major hurdle in achieving financial inclusion for rural India

### 2) Technological Issue:

- ✓ The technological issues affecting banks from poor connectivity, networking and bandwidth problems to managing costs of maintaining infrastructure especially in rural areas

### 3) Procedure not clear:

- ✓ Most of the people are aware but still so many are not turned around as they are not understanding the proper procedure of opening an account and required documents at a time

## 6 Way Forward:

- There must be an endeavour to ensure coverage of PMJDY account holders under micro insurance schemes
- Promotion of digital payments including RuPay debit card usage amongst PMJDY account holders through creation of acceptance infrastructure across India

## 7 Recent News:

- ✓ **45.60 Crore** beneficiaries banked as on **April, 2022**
- ✓ Around **55%** Jan Dhan account holders are **women**, around **67%** holders are in rural & semi-urban areas and **86%** are operative
- ✓ According to the finance ministry, the deposits in bank accounts opened under the **PMJDY** scheme is **₹1.68 lakh Crore** mark as of **April, 2022**.
- ✓ Average deposit per account **Rs 3,723**, up nearly three times since 2015
- ✓ Total RuPay cards issued to PMJDY account holders is **31.64 Crore** as on **April, 2022**
- ✓ **1.26 lakh** Bank Mitras delivering branchless banking services in Sub-Service Areas
- ✓ **Jan Dhan Darshak** App is being used for identifying villages which are not served by banking touchpoints within **5 km**.
- ✓ About 5 crore PMJDY account holders receive Direct Benefit Transfer (DBT) from the Government under various schemes.