REDVET - Revista electrónica de Veterinaria - ISSN 1695-7504
Vol 24, No. 2 (2023)
http://www.veterinaria.org
Article Received: Revised: Accepted:

An Empirical analysis and Social security under Pradhan Mantri Jan Dhan Yojana (PMJDY)

Dr. Sandip Vitthal Tile*

*Assistant Professor, MVP Samaj's KRT Arts, BH Commerce and AM Science (K.T.H.M.) College, Nashik, Maharashtra, India, dr.sandiptile@gmail.com

Abstract:
Pradhan Mantri Jan Dhan Yojana (PMJDY) was launched by the Hon'ble Prime Minister of India on August 28, 2014. It is the national mission on financial inclusion and adopts an integrated approach to bring about comprehensive access to formal financial channels for all households in the country. The objective of PMJDY is to ensure access to various financial services, such as availability of basic savings bank account, access to need-based credit, remittance facility, insurance, and pension to the otherwise excluded sections, i.e., weaker sections and low-income groups. Financial inclusion or the provision of universal access to financial services viz. banking savings and deposit accounts, remittance, credit, insurance and pension in an affordable manner to the poor and needy sections of the population is the focus area of the Jan Dhan and Jan Suraksha schemes. This paper seeks to analyze the growth and the performance of Jan Dhan from inception. By analyzing enrollment trends, distribution patterns, deposits and claims, this paper tries to understand the full potential of these schemes in ensuring empowerment and security to this segment of the population.

Keywords: PMJDY, Social security, Public Sector Banks, Private Sector Banks

1. Introduction:

The PMJDY, a national mission for financial inclusion, is an initiative to enable all households, urban and rural, to gain easy and universal access to financial services, by facilitating the opening of zero deposit bank accounts by any bank branch, or Business correspondent (Bank Mitr), and also get Rupay debit cards. The PMJDY envisages access to various financial services like savings bank account, access to need based credit, facility for remittances, insurance and pension for the excluded sections i.e. weaker sections and low income groups, thereby ensuring deep penetration at an affordable cost through effective use of technology. The mission targeted 7.5 crore households for opening of Jan Dhan accounts. The outreach was planned through a strong Bank network (approximately 1, 55,000 outlets). As on 31st August 2016, 14.79 crore rural and 9.31 crore urban, i.e. a total of 24.10 crore accounts have been opened, all over India.
According to the Indian Census 2011, it was estimated that, out of 24.67 crore households in the country, 14.48 crore (58.7%) households have access to banking services. Of the 16.78 crore rural households, 9.14 crore (54.5%) were availing banking services. Of the 7.89 crore urban households, 5.34 crore (67.7%) households were availing banking services. Further, it is estimated that 6 crore households in rural and 1.5 crore in urban were not covered.

Table No.1 Major Financial Inclusion Initiatives in India and correspondent authorities

Sr. No	Important initiatives	Initiated by	Year of launching
1	Lead banking scheme (LBS)- for promoting banking services and financial literacy	RBI	1969
2	No frills account (NFA)	RBI	2005
3	Business Correspondence	RBI	2006
4	Swabhiman (To bridge economic gap between rural and urban India)	Finance Ministry and IBA	2011
5	SHG Bank Linkage Programs	NABARD	1992
6	Simplifications of Know your customer (KYC) norms	RBI	2002
7	PMJDY	Ministry of Finance, GOI	2014
8	Kisan Credit Card	NABARD	1998
9	National Rural Livelihood Misson (NRLM) by restructuring the Swarnajayanti Gram Swarozgar Yojna (SGSY)	Ministry of Rural development, Government of India	2010
10	Pension Fund Regulatory and Development Authority (PFRDA) Bill (for old age income security)	Ministry of Law and Justice & PFRDA	2013
11	Basic Savings Bank Deposit Account (BSBDA)	RBI	2012
12	Project Financial Literacy	RBI	2007

Source: Consolidated from Ministry of Finance, Govt of India.

REDVET - Revista electrónica de Veterinaria - ISSN 1695-7504
Vol 24, No. 2 (2023)
http://www.veterinaria.org
Article Received: Revised: Accepted:

2. Empirical evidences of PMJDY:

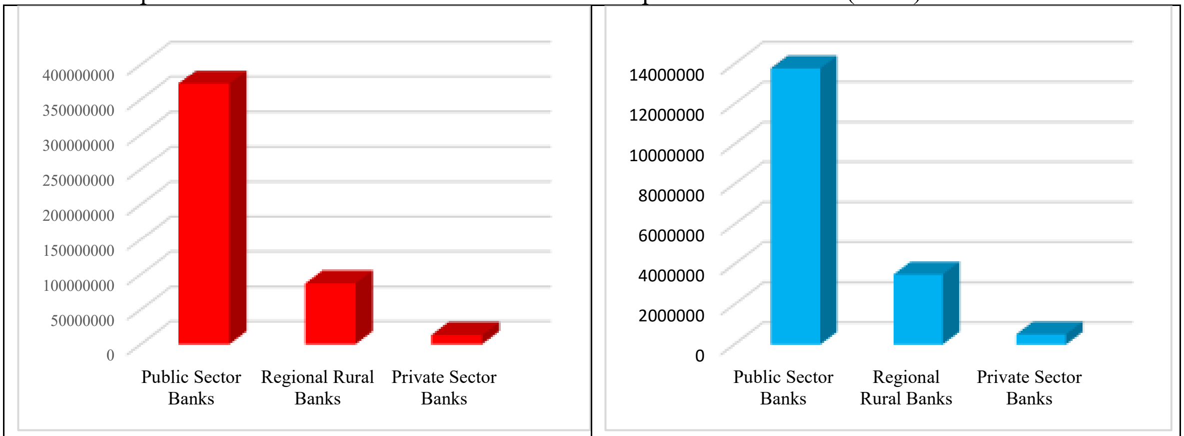
Total accounts opened under PM Jan Dhan Yojana (PMJDY) touched 462.5 million in eight years since the launch of financial inclusion initiative, taking the deposits in these accounts to Rs 1.73 trillion as on August 10, 2022. PMJDY accounts opened till August 2021 stood at 430.4 million. The scheme was launched on August 28, 2014 with the motive of 'banking the unbanked', with 179 million accounts being opened in its first year. The scheme has expanded its coverage to 67 per cent rural or semi-urban areas, and has 56 per cent of women accountholders. However, operative accounts as a percentage of the total number Jan Dhan accounts declined in August 2022. Out of a total of 462.5 million PMJDY accounts in August 2022, 375.7 million or 81.2 per cent were operative. This compares with 368.6 million operative accounts or 85.6 per cent of the total number of Jan Dhan accounts in August 2021. Average deposits per Jan Dhan account rose to Rs 3,761 in August 2022 from Rs 3,398 a year ago. The average deposit per account was up over 2.9 times from Rs 1,279 in August 2015. The increase in the average deposit is an indication of increased usage of accounts and the inculcation of the saving habit among accountholders, the Ministry of Finance said in a statement.

Table No: 2 Progress of Jan Dhan accounts (in Lakhs) as on 30th October 2017

Bank Name / Type	Number of Beneficiaries at rural/semi urban center bank branches	Number of Total Beneficiaries	Deposits in Accounts (In lac)	Number of Ru pay Debit Cards issued to beneficiaries
Public Sector Banks	233244432	372615138	13792994.65	277584548
Regional Rural Banks	75143002	87066963	3500395.25	34164654
Private Sector Banks	7046703	13120843	504982.72	11078084
Grand Total	315434137	472802944	17798372.62	322827286

Source: https://pmjdy.gov.in/Archive

Graph No.1 Total Number of Beneficiaries and Deposits in Accounts (in lac) under PMJDY



Bank wise number of Total Beneficiaries under PMJDY	Bank wise Deposits in Accounts (in lac) under PMJDY

The above table shows that the public sector banks have played a significant role in Jan Dhan enrollments, followed by regional rural banks. The private sector banks have done enrollment on a much lesser scale, however they have shown consistent enrollments over the period.

Table No: 2 Performance of Public sector bank in the light of PMJDY (as on 26/10/2022)

Bank Name	**Number of Beneficiaries at rural/ semi urban Centre bank branches**	**Number of Total Beneficiaries**	**Deposits in Accounts (In lac)**	**Number of Ru pay Debit Cards issued to beneficiaries**
State Bank of India	56375355	135848568	4473341.31	125104848
Bank of Baroda	40629967	57192654	2393578.08	49174512
Punjab National Bank	36951466	44296208	1735179.71	27008819
Bank of India	22488209	27680254	1145643.25	22124341
Union Bank of India	20847267	28368747	812452.25	12769862
Indian Bank	15621987	19398239	807709.65	11152181
Central Bank of India	13453414	15470181	517014.51	8616872

REDVET - Revista electrónica de Veterinaria - ISSN 1695-7504
Vol 24, No. 2 (2023)
http://www.veterinaria.org
Article Received: Revised: Accepted:

Canara Bank	12047249	16893815	778109.29	7485675
UCO Bank	6800011	11981464	499433.35	4364285
Bank of Maharashtra	5338446	7274853	259139.81	3545026
Indian Overseas Bank	1582833	6414060	331991.77	4973696
Punjab & Sind Bank	1108228	1796095	39401.67	1264431
Pub Sec. Banks Total	233244432	372615138	13792994.65	277584548

Source: https://pmjdy.gov.in/BankwiseLatest

The above table shows that 80% of the total enrollments have been done by 10 public sector banks as shown in above table. Out of which, 35% enrollments have been done by State Bank of India (SBI), whereas Bank of Baroda (BOB), Punjab National Bank (PNB) and Bank of India have enrolled near 8% each respectively. In rural areas, Central Bank of India is the third highest contributor to the total enrollments.

Table No: 3 Performance of Private sector bank in the light of PMJDY (as on 26/10/2022)

Bank Name / Type	**Number of Beneficiaries at rural / semi urban Centre bank branches**	**Number of Total Beneficiaries**	**Deposits in Accounts (In lac)**	**Number of Ru pay Debit Cards issued to beneficiaries**
ICICI Bank Ltd	3551971	4454450	57724.46	4454450
Jammu & Kashmir Bank Ltd	1632771	1860061	127004.48	1429284
Federal Bank Ltd	527013	640162	33664.76	350686
HDFC Bank Ltd	427439	2641897	169764.18	2641233
Axis Bank Ltd	214199	1318685	53585.64	681837
IDBI Bank Ltd.	199211	853399	36422.55	648646
Lakshmi Vilas Bank Ltd	133955	174139	2667.29	145406
Karur Vysya Bank	115507	184645	2797.6	182922
Kotak Mahindra Bank Ltd	102733	156865	3084.83	54818
RBL Bank Ltd	65106	104772	1345.21	104772
Indus Ind Bank Ltd	31641	418974	7613.58	172544
South Indian Bank Ltd	29022	216001	7342.16	122294
City Union Bank Ltd	9553	85026	1723.4	77792
Yes Bank Ltd	6582	11767	242.58	11400
Major Private Banks Sub Total	7046703	13120843	504982.72	1107808

Source: https://pmjdy.gov.in / BankwiseLatest

The above shows the 80% of the total enrollments have been done by 4 private sector banks as shown in above table. Out of which 36% enrollments have been done by ICICI, Jammu & Kashmir Bank 20%, Federal Bank 16% and HDFC Bank 8% respectively. In urban areas, ICICI has done the maximum enrollments followed by Axis Bank and HDFC Bank respectively.

3. Social Security under PMJDY:

Under Pradhan Mantri Jan-Dhan Yojana (PMJDY), a free RuPay debit card is provided to the PMJDY account holders with inbuilt accident insurance cover of Rs. 1 lakh. This coverage amount has since been raised from Rs. 1 lakh to Rs. 2 lakh to PMJDY accounts opened after 28.08.2018. This was stated by Shri Anurag Singh Thakur, Union Minister of State for Finance & Corporate Affairs in a written reply to a question in Rajya Sabha today. The Minister of Finance said that all eligible and willing PMJDY account-holders can enroll under Pradhan Mantri Suraksha Bima Yojana (PMSBY) and Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY). (Posted On: 20 SEP 2020 2:10PM by PIB Delhi). Under PMSBY, accident insurance coverage of Rs. 2 lakh is provided to enrolled beneficiaries in the age group of 18 years to 70 years with an annual premium of Rs. 12 only through auto-debit from bank account with express consent of the account holder. Under PMJJBY, life insurance coverage of Rs. 2 lakh is provided to enrolled beneficiaries in the age group of 18 years to 50 years for an annual premium of Rs. 330/- through auto debit from bank account with express consent of the account holder.

4. Life Cover under Pradhan Mantri Jan Dhan Yojana:

The Prime Minister founded a scheme called Pradhan Mantri Jan Dhan Yojana to include families of the deprived classes into financial organizations. The aim of this scheme was to provide a bank account to every family that did not have one up until now. To avail financial services to the weaker class was the main purpose of introducing this scheme. This scheme consists of an accident insurance cover of Rs. 1 lakh and a Ru pay card. On 28th August 2014, Prime Minister Narendra Modi announced a life cover of Rs. 30,000 for account holders under this scheme. This insurance cover provides coverage for the account holder's life. It offers coverage to the family of the account holder, in case he/she dies. The premium for the life cover is sustained by the government of India. Pradhan Mantri Jan Dhan Yojana makes it possible for deprived persons to have a life insurance. Accounts opened after 28.8.18 will get accidental cover of Rs 2 lakh.

5. Conclusion:

As on December 2022 the total number of Jan Dhan accounts stands at 30.76 Cr. with a deposit base of 71232.93 Cr. and The objective of covering 7.5 Cr. households under Jan Dhan scheme has been far exceeded and stands at 20.06 Cr. with coverage ranging between 99% to 100% for all districts and states in India *(PMJDY web site)*. However, when studying the gross distribution of enrollments across the country it can be clearly seen the distribution is not uniform and additional enrollments are possible from states. Though per day average enrollment has shown a decreasing trend, as compared to the initial opening of the scheme, it is clearly observed that the average per day deposits are increasing. This may indicate that a significant number of accounts are operational and that the deposit base is increasing continuously. This can be studied by both the issuing banks and the government of India for rolling out various schemes and initiatives.

References:

1. https://pib.gov.in/PressReleasePage.aspx?PRID=1656928
2. Reddy M. Malla, Pradhan Mantri Jan-Dhan Yojana: Current Status, International Journal of Research in Finance and Marketing, Volume 6, Issue 2, February, 2016)
3. http://www.thehindu.com/business/Industry/175-million-new-bank-ac-in-india-inthree- years-world-bank/article7109166.ece
4. http://financialservices.gov.in