

Pradhan Mantri Jan Dhan Yojana: A Decade of Transformative Financial Inclusion


Over 53 Crore Indians through the World's Largest Financial Inclusion Initiative

(Ministry of Finance)

August 28, 2024

Introduction

As India commemorates the 10th anniversary of the Pradhan Mantri Jan Dhan Yojana (PMJDY) on 28th August 2024, the country reflects on a decade of transformative progress in financial inclusion. Launched in August 2014 by the Prime Minister Modi as a National Mission for Financial Inclusion (NMFII), PMJDY aimed to bring the vast unbanked population into the formal financial system, ensuring that every citizen has the opportunity to manage their financial activities effectively. The scheme, guided by the principles of "banking the unbanked, securing the unsecured, funding the unfunded, and serving the underserved," has made significant strides in providing universal banking services to every unbanked household across the nation.



PM JAN DHAN YOJANA
Banking the Unbanked

Over
53 Crore

Bank accounts opened for
previously unbanked individuals

The infographic features a yellow background with a white dashed border. On the right, there is a photograph of a hand placing a coin on top of a stack of coins on a wooden surface. The PIB Research Unit logo is visible in the top right corner of the infographic.

Over the past decade, PMJDY has been instrumental in increasing banking penetration and promoting financial inclusion across the country. The scheme has ensured access to a wide range of financial services, including basic savings bank accounts, need-based credit, remittance facilities, insurance, and pension schemes, particularly targeting the excluded sections of society, such as weaker sections and low-income groups. By empowering these communities, PMJDY has played a pivotal role in integrating them into the mainstream economy.

In 2018, recognizing the need to further strengthen financial inclusion, the government extended the PMJDY scheme beyond its initial term, shifting its focus from "every household" to "every unbanked adult." This shift marked a renewed commitment to reaching the most

marginalized sections of society, ensuring that the benefits of economic growth are accessible to all. As we mark this milestone, it is essential to assess the impact of PMJDY on India's socio-economic landscape and explore the path ahead in achieving complete financial inclusion.

Basic Tenets of the Scheme

- **Banking the unbanked** - Opening of Basic Savings Bank Account with minimal paperwork, relaxed KYC, e-KYC, account opening in camp mode, zero balance and zero charges
- **Securing the unsecured** - Issuance of indigenous debit cards for cash withdrawals and payments at merchant locations, with free accident insurance coverage of Rs. 2.0 lakh
- **Funding the unfunded** - Other financial products like micro-insurance, overdraft for consumption, micro-pension & micro-credit

Scheme Benefits

PMJDY offers a range of benefits that cater to the diverse needs of individuals, ensuring financial security and empowerment. From no-minimum-balance accounts and RuPay debit cards with inbuilt insurance to overdraft facilities and Business Correspondents (BCs) providing services in remote areas, PMJDY is a comprehensive solution aimed at fostering economic growth and social equity. Additionally, account holders under this scheme become eligible for various other government schemes, enhancing their overall financial well-being.



Basic Savings Bank Deposit Account (BSBDA)

Any Indian citizen eligible to open a regular bank account can open a Basic Savings Bank Deposit Account (BSBDA) under the PMJDY scheme. This account does not require any minimum balance maintenance, making it accessible to everyone. Account holders can use

bank branches, ATMs, and Banking Correspondents (BCs) to deposit and withdraw cash. However, there is a restriction on cash withdrawals, limited to four times a month.

Small Account/Chota Khata

The Jan Dhan Yojana allows individuals to open small bank accounts, known as Small Accounts or Chota Khata, without needing to present legal documents. These accounts are typically valid for a period of twelve months. If the account holder provides proof of applying for any Officially Valid Document within these twelve months, the account can be extended for an additional twelve months, ensuring continued access to banking services.

RuPay Debit Card with Inbuilt Accident Insurance

Under PMJDY, beneficiaries are issued a free RuPay debit card, which comes with an inbuilt accident insurance cover of Rs. 2 lakhs (Rs. 1 lakh for accounts opened before 28th August 2018). This card enables account holders to engage in cashless transactions, while also offering financial protection in the event of an accident.

Overdraft Facility

Beneficiaries of PMJDY can avail themselves of an overdraft (OD) facility up to Rs. 10,000/- , providing them with emergency access to funds. This facility is especially beneficial for individuals who may need short-term credit to manage unforeseen expenses.

Business Correspondents (BCs)/Bank Mitras

Business Correspondents (BCs), also known as Bank Mitras, are retail agents engaged by banks to provide banking services in locations where bank branches or ATMs are not easily accessible, particularly in rural areas. BCs/Bank Mitras play a crucial role in connecting residents with banking solutions such as savings accounts, deposits, payments, and withdrawals, as well as providing mini account statements. Through their strong network, banks ensure that customers in remote and rural areas receive hassle-free banking services.

Eligibility for Additional Government Schemes

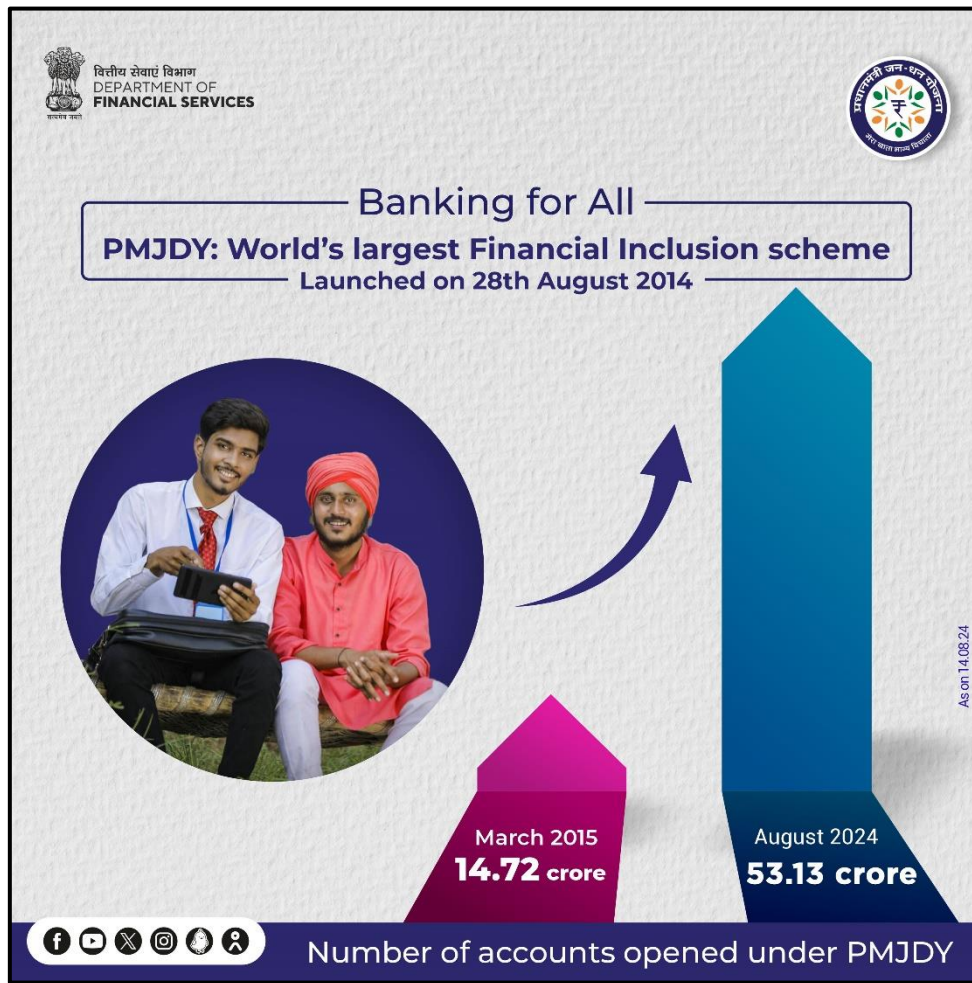
PMJDY accounts are eligible for Direct Benefit Transfer (DBT), Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), Pradhan Mantri Suraksha Bima Yojana (PMSBY), Atal Pension Yojana (APY), Micro Units Development & Refinance Agency Bank (MUDRA) scheme.

Achievements under PMJDY (as of August 14, 2024)

Over the past decade, the Pradhan Mantri Jan Dhan Yojana (PMJDY) has made remarkable strides in advancing financial inclusion across India. As of August 14, 2024, the scheme has achieved the following milestones:

Total Accounts

PMJDY has successfully opened 53.13 crore bank accounts, bringing millions of previously unbanked individuals into the formal financial system.



Female Beneficiaries

Out of the total accounts, 29.56 crore accounts have been opened by female beneficiaries, reflecting the scheme's significant impact on empowering women and promoting gender equality in financial access.


 वितीय सेवाएं विभाग
 DEPARTMENT OF
 FINANCIAL SERVICES




**Empowering Nari Shakti to build
 an Atmanirbhar Bharat**


Over 55.6%
 of Jan Dhan account
 holders are women

Follow us on


Deposits in Accounts

The total deposits in PMJDY accounts have reached an impressive Rs. 2,31,236 crore, showcasing the growing trust of beneficiaries in the formal banking system and their active participation in financial activities.


 वितीय सेवाएं विभाग
 DEPARTMENT OF
 FINANCIAL SERVICES




**Banking
 the Unbanked**
 Deposits under **PMJDY**

Rs. 2,31,236
 crore

15,607
 crore

March 2015 **August 2024**

Follow us on


AS on 14.08.24

Number of RuPay Debit Cards Issued

A total of 36.14 crore RuPay debit cards have been issued to PMJDY account holders, facilitating cashless transactions and providing access to the inbuilt accident insurance cover.



Conclusion

As India celebrates a decade of the Pradhan Mantri Jan Dhan Yojana (PMJDY), it is clear that the scheme has profoundly reshaped the nation's financial landscape. From its inception in 2014, PMJDY has not only fulfilled its promise of banking the unbanked but has also laid a strong foundation for inclusive economic growth. With over 53 crore accounts opened, nearly 30 crore female beneficiaries, substantial deposits, and widespread issuance of RuPay debit cards, the scheme has reached every corner of the country, empowering millions of individuals, especially from marginalized communities. The integration of PMJDY accounts with various government schemes has further strengthened financial inclusion, ensuring that the benefits of welfare programs are directly accessible to the people. As the country moves forward, the achievements of PMJDY provide a robust platform to build upon, driving towards the ultimate

goal of complete financial inclusion for all. The next phase will focus on deepening these gains and ensuring that every citizen can fully participate in and contribute to India's economic success.

References:

- <https://www.myscheme.gov.in/schemes/pmjdy#benefits>
- <https://pib.gov.in/PressReleaseDetailm.aspx?PRID=1952793>
- <https://pmjdy.gov.in/about>
- <https://pmjdy.gov.in/account>
- <https://pib.gov.in/PressReleaseIframePage.aspx?PRID=2041903>
- <https://static.pib.gov.in/WriteReadData/specificdocs/documents/2023/aug/doc2023828246001.pdf>

Santosh Kumar/ Sarla Meena/ Saurabh Kalia