



## Pradhan Mantri Jan-Dhan yojna for weaker section-An Evaluation

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### 1. Abstract

*In his maiden Independence address from Red Fort, Prime Minister, Shri Narendra Modi had announced the Pradhan Mantri Jan Dhan Yojana which is scheduled to be launched on Thursday (August 28). Many government owned banking entities have also geared up to ensure that the targets set by the government are achieved within the stipulated time. With the slogan "Mera Khata - Bhagya Vidhaata" the scheme is a financial inclusion scheme covering all households in the country with banking facilities, ensuring a bank account for each household. 'Jan Dhan Yojana', declaring that it was aimed at eradicating financial untouchability by providing bank accounts to the poor. on the inaugural day, a record 1.5 crore bank accounts were opened across the country, the largest such exercise on a single day possibly anywhere in the world. Unveiling the scheme within 100 days of forming the new government, Modi said, it will cover 7.5 crore people by January 26, 2015, who will be provided zero-balance bank account with RuPay debit card, life insurance cover of Rs 30,000 in addition to accidental insurance cover of Rs 1 lakh. Later the account holders will be provided an overdraft facility of up to Rs 5,000.*

### What is PM Jan Dhan Yojana ?

The Pradhan Mantri Jan Dhan Yojana is an ambitious scheme that will provide a host of benefits including a bank account, insurance and a debit card for all. It is a mega financial inclusion plan under which bank accounts and RuPay debit cards with inbuilt insurance cover of Rs 1 lakh will be provided to crores of persons with no access to formal banking facilities. The ambitious scheme aims to bring poor people into the ambit of the Government's financial programme. It will cover both urban and rural areas and those who open account would get Domestic Debit Card (Ru-pay card). The long term vision of the Jan Dhan Yojana is to lay the foundation of a cashless economy and is complementary to Narendra Modi's Digital India Scheme. Aim of the Jan Dhan Yojana:

The scheme intends to accomplish the objective of housing for all by providing basic banking accounts with a debit card with inbuilt accident insurance. The government aims to open as many as 1 crore bank accounts on the first day itself. The main features of the PMJDY scheme include Rs 5,000 overdraft facility for Aadhar-linked accounts. RuPay Debit Card with inbuilt Rs 1 lakh accident insurance cover. One of the salient features of this scheme is that after remaining active for 6 months the account holder will become eligible for an overdraft of up to Rs 2,500. This will further be enhanced by the bank to Rs 5000 over time. The PMJDY has set an ambitious target of bringing in more than 7.5 crore un-banked families into India's banking system by opening more than 15 Crore bank accounts (two bank accounts per household). The



Pradhan Mantri Jan Dhan Yojana will be launched nationally in the capital by the Prime Minister himself. The major cities where the functions will be held on August 28 for the launch of the scheme include Dehradun, Port Blair, Guwahati, Patna, Muzaffarpur, Vizag, Panjim, Mumbai, Gandhinagar, Surat, Bharuch, Bilaspur and Raipur. As many as 76 functions will be held across the country. Besides this, over 60,000 enrolment camps in rural areas will also be set up with a view to make people aware of the importance of bank accounts. Two phases of the scheme The first phase of the mission, starting this month, would end in August next year. Phase-1 of PMJDY begins on the August 28, 2014 and will last until August 14, 2015. The first phase will be focused on opening a bank account and providing credit facilities to those who are outside the banking system in urban and rural India. The second phase will start from 2015 till 2018. It will cover aspects such as micro insurance and pension schemes like 'Swavalamban'. Why this Yojana? "We want to integrate the poorest of the poor with bank accounts with Pradhan Mantri Jan Dhan Yojana. Today, there are crores of families which have mobile phones but no bank accounts. We have to change this. The economic development must benefit poor and it should start from here." Under the Jan Dhan Yojana, he said, "The person who opens a bank account will get a debit card and the family will get Rs 1 lakh insurance cover. This will help the family to deal with any unforeseen eventuality."

## Literature Review

The scheme was simultaneously launched at multiple places by 20 chief ministers, several Union ministers, including information minister Prakash Javadekar at Pune, law minister Ravi Shankar Prasad at Chennai, external affairs minister Sushma Swaraj at Bhopal, home minister Rajnath Singh at Lucknow and HRD minister Smriti Irani at Surat. There were in all 600 programmes and 77,852 camps on the

opening day to open bank accounts. Modi said history has been created in the banking system with opening of over 1.5 crore account in a day. Besides, a record has been created by providing 1.5 crore accidental insurance covers of Rs 1 lakh. Banks have assured me they will do this work before January 26. Those who open accounts by January 26, 2015 over and above the the Rs 1 lakh accident, they will be given life insurance cover of Rs 30,000. This will help the poor family," he said these account holders would also be provided micro-pension facility.

According to Mayawati Lucknow, Aug 30: BSP supremo Mayawati claimed that the newly-launched 'Prime Minister Jan Dhan Yojna' will "not serve" much purpose, as there was a need to give direct monetary benefit to the poor and downtrodden and not merely open bank accounts for them. "By merely getting the bank accounts opened for the poor would not serve much purpose and not provide any monetary benefit to the poor. They would also not get the Rs one lakh of insurance money easily" ,Mayawati told reporters. "There is a need to provide direct monetary benefit to the poor, who cannot meet their daily requirements", she said. She claimed that in her tenure as the chief minister of the state, such benefits had been provided through the Mukhyamantri Mahamaya Arthik Madad Yojna.

Finance Minister Arun Jaitley said 7.5 crore accounts will be opened by January 25 next year and 1.5 crore of these were opened on the first day itself.

State Bank of India, the country's largest lender, said it has already opened 20 lakh basic savings accounts since August 16 and the top management is on the field supervising the account opening process.

According to business today news paper The Reserve Bank of India (RBI) on Friday warned the banks to be more careful while opening accounts under the Jan- Dhan Yojana saying that a single individual could



open multiple accounts in the lure of Rs 1 lakh insurance cover.

According to The hindu businessline Hyderabad, October 6, According to the Ministry, 5.29 crore bank accounts were opened as on October 2, 2014 and 1.78 crore RuPay cards have been issued. It had also asked all banks to set up exclusive grievance cells to provide service to the account holders.

According to Naiduniya newspaper, Business block In Pradhan mantri Jandhan yojna 5.1 crore accounts open and get more than 3600 crore deposite amount till the 26 September 2014. And they announce the target 7.5 crore account will be open till the 26 January 2015.

According to Economic Times of India article:- Finance Ministry today said 5.52 crore bank accounts have been opened till October 7 and deposit of Rs 4,268 crore have been mobilised under Pradhan Mantri Jan Dhan Yojana (PMJDY).

## Objective

- 1 Study of how many number of accounts will be open by prime minister jan-dhan yojna.
- 2 To study that how the weaker section will be benefited from this scheme.
3. To study that how people make the saving.

## Hypothesis

- 1 To study of how poor person will be benefited by these scheme.
2. To study of accident insurance of up to 1 lakh comes free with each account.
3. To study of these scheme will be reliable to all person.
4. To study of bank overdraft 5000 rs. Will be provided to all assured person by these scheme.

## Research Methodology

On the first day of the launch of Prime Minister Shri Narendra Modi's ambitious

Pradhan Mantri Jan Dhan Yojana, 1.5 crore bank accounts were opened in the country. All banks participate in this yojna for providing the benefits to poor person. some banks are provide the following data. These research is based on the secondary data, but we collect the some information by primery data.

1. State Bank of India, the country's largest lender, said it has already opened 20 lakh basic savings accounts since August 16 and the top management is on the field supervising the account opening process.
2. IDBI Bank said it opened 3.62 lakh basic bank accounts as against the target of 2 lakh under the scheme.
3. ICICI Bank, the country's largest private sector lender, said it has opened 1 lakh accounts and plans to cross 2 crore mark by the end of the fiscal.
4. Bank of Maharashtra, which has been given the lead bank status for Maharashtra, said it would open 2.9 lakh basic accounts by the end of the day today.
5. Dena Bank said it opened over three lakh basic accounts today.
6. A senior official from state-run Bank of India said it has opened 6 lakh accounts today, while another public-sector lender Union Bank has opened 5.5 lakh accounts against the target of two lakh.

All private and public sector banks are a part of Pradhan Mantri Jan Dhan Yojana (PMJDY)

## PUBLIC SECTOR BANK

### PRIVATE SECTOR BANK

1 Bank of Baroda

**1 Axis Bank**

2 Bank of India

**2 Federal Bank**

3 Canara Bank

**3 HDFC Bank**

4 Corporation Bank

**4 ICICI Bank**

5 IDBI Bank

**5 IndusInd Bank**

6 Indian Bank

**6 ING Vysya Bank**



7 Punjab National Bank

**7 Karnataka Bank**

8 Union Bank of India

**8 Kotak Mahindra Bank**

9 State Bank of India & its affiliates..

**9 YES Bank**

10 Oriental Bank of Commerce

**10 Dhanalakshmi Bank**

Benefits

1. All households across the country - both rural and urban are to be covered under the scheme. Bank accounts will be opened for 15 crore poor persons.

2 .All bank accounts opened under the scheme are to have an overdraft facility of Rs 5,000 for Aadhar-linked accounts after satisfactory operation in the account for 6 months.

3. Issuance of RuPay Debit Card with inbuilt Rs 1 lakh personal accident insurance cover provided by HDFC Ergo and a life cover of Rs 30,000 provided by LIC

4. A minimum monthly remuneration of Rs 5,000 to business correspondents who will provide the last link between the account holders and the bank.

Documents required for account opening

1 Address proof either current or permanent. If address changes then person needs to submit fresh address proof to the bank. You can read more about the recent know your customer.

2 For persons with no valid documents, the account can still be opened by providing self attested photographs, signature/thumb print in front of bank official. Such account is called Small Account. However this small account would be valid only for 1 year post that person will have to provide official valid documents which include: Passport, Driving License, PAN card, Voter ID card, Aadhar card, Ration card.

2 passport size photographs

Scope of the Study

1. PM Jan Dhan Yojna – Bank Account opening now easy, With the launch of the

Pradhan Mantri Jan Dhan Yojna (PMJDY), banks around the country have started rolling out the red carpet and have begun conducting enrollment camps for the opening of new Savings Bank Accounts (SB Accounts) around the country.

2. Pradhan mantri jandhan yojna give the more effective benefits to all weaker person. **“Pradhan Mantri Jan Dhan Yojana”** initiative may change all that. The ambitious plan includes offering every household with a basic bank account apart from benefits like debit cards, kisan credit card and free insurance.

3. the PMs Jan Dhan Yojana a fight against poverty, The plan aims at connecting every household, be it in urban or rural sector and wrap them with the financial cover. This is definitely a step to encourage every citizen to start thinking wisely and plan the finances for the future. A properly planned future w.r.t. the finances would be a big step towards eradicating poverty.

4. This mega financial inclusion programme is a way to teach the financial discipline to all sections of the society. The economic status of the country will have a sound hand with the rise of the poor sections and their joining hands in the financial loops to share the economic burden.

5. The insurance cover is free for the account holders which imply that the poor class can have the insurance cover and secure the future of their family members and kids.

Disadvantage

1. This also varies from bank to bank , some banks have announced that a limited number of people will get cheque books and pass books.

2. The majority of the accounts will have limited features and may not be eligible for these facilities..

3. Additional facilities Cheque Book, Pass Book and Overdraft facilities will be provided over time by the bank if they are satisfied with how you maintain your bank account.



4. Maintaining a high bank balance and carrying out regular transactions by depositing money and withdrawing it from ATM's through your Rupay Debit Cards will make you eligible for these facilities quickly.

#### Conclusion

Hon'ble Prime Minister of India Shri Narendra Modi mentioned about this Scheme in his address to the nation from the ramparts of the Red Fort on Independence Day Celebrations on 15th August. The Scheme is formally being launched today from Delhi Vigyan Bhavan by the Hon'ble Prime Minister. He said that I am happy to launch the Scheme in the state of Tamil Nadu and present the district account opening kits to the beneficiaries and participants in the function along with Shri. Ravi Shankar Prasad, Hon'ble Union Minister for Law & Justice, Communications & IT. We feel proud that we are one of the largest democracies in World. Our economy is the tenth-largest in the world by nominal GDP and the third -largest by purchasing power parity. We are a nation with 1.20 Billion people and our country is on a fast - track towards achieving excellence in all spheres. What is worrying is that statistics reveal that 22% of the population is still below poverty level. Thanks to the farsighted vision and dynamism of Hon'ble Prime Minister of India, Shri Narendra Modi which has set the wheels in motion for improving the economic status of the poor. It is nice that the "Pradhan Mantri Jan - Dhan Yojana" aims to account with a debit card facility covering an insurance of Rupees one Lakh in case of crisis and risks in life. This would not only accord safe and security to them but also to the entire family. Mahatma Gandhiji said, "Give the Villagers, Village arithmetic, Village geography, Village history and the literary knowledge that they must use daily, i.e., reading and writing letters etc.," This project "Pradhan Mantri Jan – Dhan Yojana" is going a step forward to ensure the poorest citizens and their families

a safe and secured life. The drawing board is well thought out and laid out. It now depends on the implementing agencies to implement the same in the field. For this, banks including Reserve Bank of India, NABARD, etc. Insurance Companies need to be involved with a passion for the Mission. 2 In the State of Tamil Nadu the coverage of the population with bank accounts should be very high. Thanks to the Tamil Nadu State Government's initiative to shift all disbursements of social benefits be it old age pension, NREGA payments, maternity support, student scholarships etc through bank accounts. I am pleased to learn that all the banks under the Leadership of State Level Bankers Committee Tamil Nadu, with Indian Overseas Bank as it's convener, had taken the lead and has conducted a household survey in all the areas both rural and urban to identify households who still do not maintain a bank account. Banks have been playing a pivotal role in enriching the economic and social life of the nation. Banks should be instrument of economic changes to maximize social good. It should serve as a platform and a stepping stone to raise the level of economic activity. The Hon'ble Prime Minister of India has given a great social responsibility to the banking sector. They should be customer friendly, informative, provide assistance and help to the customers. They should view them as a friend, a relative and as their Kith & Kin. A kind word & assistance will help to bridge the economic gap and ensure the poorest citizens of our nation and his family a new lease of life. Make this scheme a great success.

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