

# Awareness about Pradhan Mantri Jan Dhan Yojana: With Reference to Mangalore City

Sudarshini<sup>1\*</sup>, N. Mallika<sup>2</sup>

<sup>1</sup>Lecturer, Department of Commerce, Mangalore University, Mangalore, India

<sup>2</sup>Assistant Professor, Department of Commerce, Poorna Prajna College, Udupi, India

**Abstract:** The Government of India is committed to provide financial inclusiveness and support to the marginalized and hitherto socio-economically neglected classes. Financial Inclusion is described as the method of offering banking and financial solutions and services to every individual in the society without any form of discrimination. Financial Inclusion is a national priority of the Government as it is an enabler for inclusive growth. It is important as it provides an avenue to the poor for bringing their savings into the formal financial system, an avenue to remit money to their families in villages besides taking them out of the clutches of the usurious money lenders. A key initiative towards this commitment is the Pradhan Mantri Jan Dhan Yojana (PMJDY), which is one of the biggest financial inclusion initiatives in the world. PMJDY was announced by Prime Minister, Shri Narendra Modi in his Independence Day address on 15th August 2014. An attempt has been made in this paper to study the awareness about Pradhan Mantri Jan Dhan Yojana scheme. The study is based on primary and secondary data. The primary data was gathered in the form of discussions held with respondents. The secondary data were collected from various published and non-published sources.

**Keywords:** Government, financial inclusion, PMJDY.

## 1. Introduction

Financial access facilitates day-to-day living, and helps families and businesses plan for everything from long-term goals to unexpected emergencies. As account holders, people are more likely to use other financial services, such as credit and insurance, to start and expand businesses, invest in education or health, manage risk, and weather financial shocks, which can improve the overall quality of their lives. Financial inclusion wants everybody in the society to be involved and participate in financial management judiciously. There are many poor households in India that do not have any access to financial services in the country. They are not aware of banks and their functions. Even if they are aware of banks, many of the poor people do not have the access to get services from banks. Therefore, The Government of India has introduced several exclusive schemes for the purpose of financial inclusion. These schemes intend to provide social security to the less fortunate sections of the society. After a lot of planning and research by several financial experts and policymakers, the government launched schemes keeping financial inclusion in

mind. These schemes have been launched over different years. There are several financial inclusion schemes in the country, out of which Pradhan Mantri Jan Dhan Yojana (PMJDY) is a successful financial inclusion scheme in India. The scheme was launched in August 2014, and this scheme launched by the government of India to provide easy access to financial services such as Remittance, Credit, Insurance, Pension, Savings and Deposit Accounts to poor and needy section of society

## 2. Objectives

- To study the progress of PMJDY
- To know the performance of private & public sector banks under Pradhan Mantri Jan Dhan Yojana (PMJDY).
- To know the people awareness & satisfaction towards Pradhan Mantri Jan Dhan Yojana.

## 3. Methodology of the Study

The present study is based on Primary and secondary data. A structured questionnaire was developed for the primary data collection. Secondary source of data has been collected from official websites of department of finance ministry, Pradhan Mantri Jan-Dhan Yojana ([www.pmjdy.gov.in](http://www.pmjdy.gov.in)), reputed journals, research articles and newspapers.

**Sample size:** The sample size of this study is designed as 100 respondents.

## 4. Review of Literature

Dr. Rajeshwari M. Shettar (2016), in her paper on “Pradhan Mantri Jan Dhan Yojana: Issues and Challenges” revealed that PMJDY scheme is fully helpful to rural and urban area people in getting directly the government schemes. The study concludes that, PMJDY scheme has created an impressive result in the banking sector with regard to eradication of financial untouchability in the country. Further revealed that mere opening of bank accounts may not fulfil the aim of the scheme, but there should be continuous operation of bank accounts to give the real success of the scheme. Mrunal Chetanbhai Joshi and Vikram P. Rajpurohi (2016), investigated

\*Corresponding author: [sudarshinimayya@gmail.com](mailto:sudarshinimayya@gmail.com)

about Awareness of Financial Inclusion: An Empirical Study, and they have found that government is consistently working for the betterment of rural customer by taking initiative through various schemes. They are partially successful in increasing awareness about new financial inclusion plan PMJDY compare to old Swabhimaan. But still government is not able to affect the awareness level of rural customer about financial inclusion schemes significantly. In this study they have found that rural customers even do not have enough exposure to various banking services, on top they did not realize importance of various banking services. They also found that the major reason for the low level of awareness about financial inclusion schemes is lack of understanding about important role of banking services in financial betterment. Thus, it is suggested for better outcome of financial inclusion schemes, government need to work on making rural customer aware about importance of various banking services in improving their financial health. Dr.K. Poorna and S. Saravanan (2015), have studied about the customer perception regarding the PMJDY scheme at Coonoor Taluk of Nilgiris district since its rural area to a greater extend. And in the study, they revealed that, Financial Inclusion is one of the top most priorities of the Government. Inclusion of a large number of people from any access to financial services inhibits the growth of our country. Further they revealed in their study that, PMJDY scheme is fully covered in Tamil Nadu. In the state nearly 4445 branches have been opened under the scheme. Many people have been successfully utilized this scheme and received many benefits. Moreover, the people in the rural areas below poverty line have been able to open at least a free bank account for one household under the PMJDY scheme. Dr. Bhisham Kapoor and Ekta Tyagi (2020), investigated digital finance and its effects on financial inclusion. The study stated that digital financing (Internet banking, mobile banking, mobile wallets (apps), credit cards and debit cards) has a significant effect on financial inclusion. Digital financial inclusion is one of the most important initiatives in India, providing an easy and fast service to the needy people in the country. It has been concluded by the author that, PMJDY is one of the most important schemes connecting people who have been issued through a bank account or who are exclude from formal financial facility. As on 12/02/2020 there are 38.06 crore bank accounts were opened under PMJDY with accumulated deposits of Rs 115276.69. Although it is one of the biggest steps in poverty eradication, it is including inclusive funding through PMJDY. Further it is concluded that Digital Financial Inclusion is one of the most successful initiatives with the help of PMJDY and DBT which is linked with Aadhaar. Neha Sharma and Dr. Ruchi Goyal (2017), asserts that PMJDY is a major financial plan with the objective of covering all households in the country with banking facilities along with inbuilt insurance coverage. With this background, the study has been conducted and found out the success rate of inclusion process in rural areas of Jaipur district. It is revealed from the study that Income, financial information from various channels and awareness of PMJDY are influential factors leading to inclusion. Nearness to banks increases the likelihood of inclusion.

## 5. Financial Inclusion

Financial inclusion means that individuals and businesses have access to useful and affordable financial products and services that meet their needs – transactions, payments, savings, credit and insurance – delivered in a responsible and sustainable way.

PMJDY is a National Mission on Financial Inclusion encompassing an integrated approach to bring about comprehensive financial inclusion of all the households in the country. The plan envisages universal access to banking facilities with at least one basic banking account for every household, financial literacy, access to credit, insurance and pension facility. In addition, the beneficiaries would get RuPay Debit card having inbuilt accident insurance cover of ₹ 1 lakh. The plan also envisages channeling all Government benefits (from Centre / State / Local Body) to the beneficiary's accounts and pushing the Direct Benefits Transfer (DBT) scheme of the Union Government. The technological issues like poor connectivity, on-line transactions will be addressed. Mobile transactions through telecom operators and their established centers as Cash Out Points are also planned to be used for Financial Inclusion under the Scheme. Also, an effort is being made to reach out to the youth of this country to participate in this Mission Mode Programme.

Objective of "Pradhan Mantri Jan-Dhan Yojana (PMJDY)" is ensuring access to various financial services like availability of basic savings bank account, access to need based credit, remittances facility, insurance and pension to the excluded sections i.e., weaker sections & low-income groups. This deep penetration at affordable cost is possible only with effective use of technology.

*Scheme Details:* Pradhan Mantri Jan-Dhan Yojana (PMJDY) is National Mission for Financial Inclusion to ensure access to financial services, namely, a basic savings & deposit accounts, remittance, credit, insurance, pension in an affordable manner. Under the scheme, a basic savings bank deposit (BSBD) account can be opened in any bank branch or Business Correspondent (Bank Mitra) outlet, by persons not having any other account.

### A. 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.
- PMJDY accounts are eligible for Direct Benefit Transfer (DBT), Pradhan Mantri Jeevan Jyoti Bhima

Yojana (PMJJBY), Pradhan Mantri Suraksha Bhima Yojana (PMSBY), Atal Pension Yojana (APY), and Micro Units Development & Refinance Agency Bank (MUDRA) scheme.

Pradhan Mantri Jan - Dhan Yojana (All figures in Crore)  
Beneficiaries as on 14/07/2021

beneficiaries from Regional Rural Banks and 1.26 Crore beneficiaries from Private Sector Banks.

- Total deposit in PMJDY accounts amounted to Rs.144284.45Crore of which Rs.112060.93 Crore in Public Sector Banks, Rs.27878.39 Crore in Regional Rural Banks and Rs.4345.12 Crore in Private Banks.

Table 1  
PMJDY Progress Report

Bank Name / Type	Number of Beneficiaries at rural/semiurban centre bank branches	Number of Beneficiaries at urban metro center bank branches	No Of Rural-Urban Female Beneficiaries	Number of Total Beneficiaries	Deposits in Accounts (In Crore)	Number of Rupay Debit Cards issued to beneficiaries
Public Sector Banks	21.02	12.74	18.52	33.76	112060.93	26.59
Regional Rural Banks	6.73	0.96	4.45	7.69	27878.39	3.35
Private Sector Banks	0.69	0.57	0.69	1.26	4345.12	1.11
Grand Total	28.44	14.27	23.66	42.71	144284.45	31.05

Table 2  
The Awareness about the PMJDY

S. no	Awareness level	No of respondents	Percentage
1.	Fully aware	30	30
2.	Somewhat aware	46	46
3.	Not at all aware	24	24
	Total	100	100

Table 3  
Source of information to take up PMJDY

S.no	Source of information	No of respondents	Percentage
1.	Friends and relatives	20	20
2.	Media & advertisement	30	30
3.	Bank and financial institutions	28	28
4.	Other source	22	22
	Total	100	100

Table 4  
Benefits of the scheme preferred by beneficiaries of PMJDY

S. no	Utility	No of respondents	Percentage
1.	Saving facility	10	15
2.	Overdraft facility	20	31
3.	Life insurance facility	22	36
4.	Accidental insurance facility	12	18
	Total	64	100

Table 5  
The respondent's satisfaction towards PMJDY

S. no	Satisfaction level	No of respondents	Percentage
1.	Highly satisfied	31	31
2.	Satisfied	49	49
3.	Neutrally satisfied	20	20
	Total	100	100

- Above table and charts indicates that PMJDY beneficiaries as on 14th July 2021 with respect to number of beneficiaries at rural semi urban, urban center bank branches and deposits in accounts, Total beneficiaries, under PMJDY.
- Total amounted to 42.71 Crore of which 33.76 Crore beneficiaries from Public Sector Banks, 7.69 Crore beneficiaries from Regional Rural Banks and 1.26 Crore beneficiaries from Private Sector Banks.
- Total number of Rupay debit card issued to the beneficiaries amounted to 31.05 of which cards 26.59 issued by public sector banks, 3.35 cards issued by Regional Rural Banks 1.11 cards issued by private Banks as on 14.07.2021.
- It is clear from the above data that public sector banks are performing well compare to private sector and

regional rural banks in terms of beneficiaries at rural/semi urban center bank branches, beneficiaries at urban metro center bank branches, rural-urban female beneficiaries, deposits in accounts & Rupay Debit Cards issue.

- Further, the above data reveals that PMJDY is successful in rural /semi urban area than in urban area. Because banks performance under this scheme is high in rural /semi urban area than in urban area.
- Out of 42.71 crores of total beneficiaries of PMJDY, 23.66 crores of beneficiaries are female beneficiaries, it shows females are showing more interest towards scheme & utilizing this scheme efficiently.
- The above table and chart show that, 30% of the respondents are fully aware about Pradhan Mantri Jan Dhan Yojana, 46% of the respondents are somewhat aware about Pradhan Mantri Jan Dhan Yojana, 24% of the respondents are not at all aware about Pradhan Mantri Jan Dhan Yojana. Therefore, in this study majority of the respondents somewhat aware about Pradhan Mantri Jan Dhan yojana.

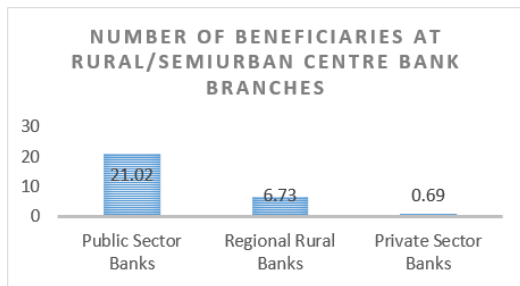


Fig. 1. No. of beneficiaries at rural/semi urban centre bank branches

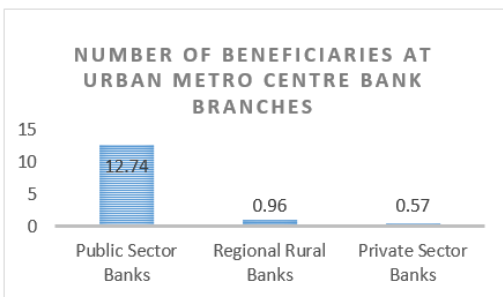


Fig. 2. No. of beneficiaries at urban metro centre bank branches

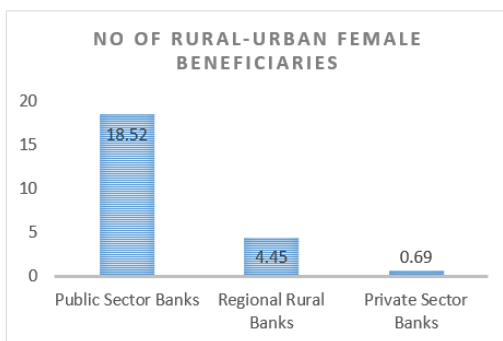


Fig. 3. No. of rural urban female beneficiaries

- The above table and chart reveals that 20% of the respondents are considered friends and relatives are influencing factor for the selection of PMJDY scheme, 30% of the respondents consider media and advertisement as a source which influence their choice of scheme, 28% of the respondents consider bank and financial institutions influence their choice of scheme, 22% of the respondents are influenced by other source like colleagues, books/journals etc. so we can say majority of the respondents in this study are influenced by media and advertisement.
- 15% of the respondents prefer this scheme because of saving facility provided under PMJDY, 31% of the respondents prefer this scheme because of overdraft facility, 36% and 18% of the respondents preferred PMJDY because of life insurance facility and accidental insurance facility respectively. Here, majority of the respondents prefer scheme due to life insurance facility provided under PMJDY.
- 31% of the respondents are highly satisfied with the PMJDY, 49% of the respondents are satisfied with the PMJDY, 20% of the respondents are neutrally satisfied towards PMJDY. From this study we can say that majority of the respondents are satisfied with the PMJDY.

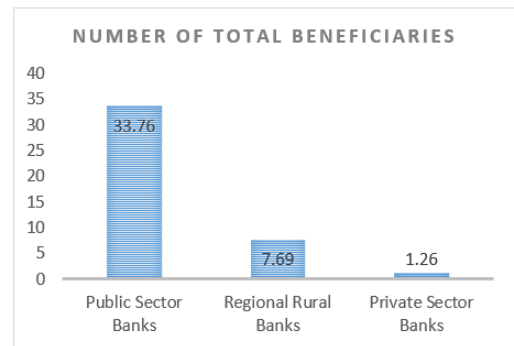


Fig. 4. No. of total beneficiaries

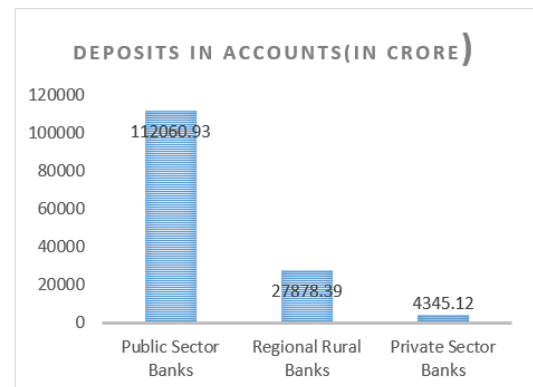


Fig. 5. Deposits in accounts

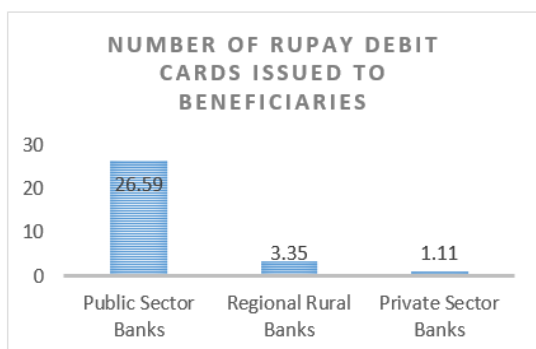


Fig. 6. No. of Rupay debit card issued

## 6. Conclusion

After conducting this study, it can be concluded in the end that Pradhan Mantri Jan Dhan Yojana is a good initiative started by the government, it is one of the most important schemes connecting people who have been issued through a bank account or who are exclude from formal financial facility. From the study, it is clear that people are aware about the scheme but government has to take some measures like educating poor people to use bank account, simplifying procedures, increasing financial activities of accounts under this schemes etc to take

this scheme to the next level. Apart from this continuous and regular monitoring of the program is necessary for an effective regulatory system and successful implementation of PMJDY towards financial inclusion in India.

## References

- [1] Sharma, N and Goyal, R. "Pradhan Mantri Jan Dhan yojana (pmjdy) - a conceptual study", *International Journal of Research -Granthaalayah*, vol. 5, no. 4, pp. 143-152, April,2017
- [2] Kapoor, B and Tyagi, E. "Role of Pradhan Mantri Jan Dhan Yojana in Digital Financial Inclusion", *International Journal of Advanced Science and Technology*, vol. 21, no.11s, pp. 2387-2392,2020
- [3] Poorna. K, and Saravanan. "A study on Pradhan Mantri Jan Dhan yojana scheme (pmjdy) with respect to coonoor taluk, the Nilgiris district: customer perception", *International Journal of Scientific Research*, vol.4, March, 2015.
- [4] Joshi M.C and Rajpurohi V.P. "Awareness of Financial Inclusion: An Empirical Study", Research review *International Journal of Multidisciplinary*, vol. 1, no. 6, pp. 1-6, February,2016.
- [5] Shettar R.M. "Pradhan Mantri Jan Dhan Yojana: Issues and Challenges", *IOSR Journal of Business and Management*, vol.18, pp.17-24, February 2016.
- [6] Sri Narendra Modi, Hon"ble Prime Minister of India. (2014). Pradhan Mantri Jan-Dhan Yojana. Ministry of Finance, Department of Financial Services. New Delhi: Government of India
- [7] <https://pmjdy.gov.in/account>
- [8] [www.rbi.org.in](http://www.rbi.org.in)