

## A study on the effectiveness of Pradhan mantri Jan dhan yojana on the growth of economically weaker sections of the society

Punam Ahlawat<sup>1</sup>, Jagbir Ahlawat<sup>2</sup>

<sup>1-2</sup> Faculty, Maharaja Surajmal Institute, Janakpuri, New Delhi, Delhi, India

### Abstract

The Government initiated the National Mission for Financial Inclusion (NMFI), namely, Pradhan Mantri Jan Dhan Yojana (PMJDY) in August, 2014 to provide universal banking services for every unbaked household, based on the guiding principles of banking the unbanked, securing the unsecured, funding the unfunded and serving unserved and underserved areas. Financial Inclusion is an important priority of the Government. The objective of Financial Inclusion is to extend financial services to the large hitherto un-served population of the country to unlock its growth potential. The scheme has seen tremendous enthusiasm among customers from both rural and urban areas. The Jan Dhan Yojana aims at revolutionizing the way banking is done in the country and it aims to help the economically weaker sections of the society to become financially confident. Pradhan Mantri Jan Dhan Yojana was launched at a huge scale to bring under the purview of banking all citizens of the country; irrespective of their financial status or regional location. The scheme is a social policy aimed at providing banking facilities to even those who do not have the money to pay for the minimum account balance at the time of account opening. The scheme is run by the Ministry of Finance and holds the Guinness World Record for the highest number of accounts opened in a week anywhere in the world.

**Keywords:** Pradhan mantri jan dhan yojana (pmjdy), financial inclusion, financial services, banking facilities, social policy

### 1. Introduction

**Pradhan Mantri Jan Dhan Yojana (PMJDY)** is a financial inclusion program of the Government of India that aims to ensure access to financial services, namely, Banking/ Savings & Deposit Accounts, Remittance, Credit, Insurance, Pension in an affordable manner. This financial inclusion campaign was launched by the Hon'ble Prime Minister of India Shri Narendra Modi on 28 August 2014. He had announced this scheme on 15<sup>th</sup> August 2014. The scheme aims to tie every Indian in the rural or urban sector to the mainstream banking system. This will help the financial status of the account holders as well as foster social security goals of the central government.

Account can be opened in any bank branch or Business Correspondent (Bank Mitra) channel. Accounts opened under Pradhan Mantri Jan Dhan Yojana are being opened with Zero balance to Indian citizens. However, if the account-holder wishes to get cheque book, he/she will have to fulfill minimum balance criteria.

The scheme is run by the Ministry of Finance and holds the Guinness World Record for the highest number of accounts opened in a week anywhere in the world. Over 1, 80, 96, 130 accounts were opened by individuals during the first week of launch of the scheme.

#### Document required to open an account under Pradhan Mantri Jan-Dhan Yojana

According to Reserve Bank of India (RBI) has further clarified that those persons who do not have any of the 'officially valid documents can open "Small Accounts" with banks on dated 26.08.2014. Under the Jan Dhan scheme, any individual who is older than 10 years of age and does not possess a bank account can open one in his or her name

with an opening deposit of zero. A "Small Account" can be opened on the basis of a self-attested photograph and putting his/her signatures or thumb. These accounts have limitations regarding the aggregate credits (not more than Rupees one lakh in a year), balance in the accounts (not more than Rupees fifty thousand at any point of time) and aggregate withdrawals (nor more than Rupees ten thousand in a month).

An account can be opened by presenting an officially valid document.

1. the Permanent Account Number (PAN) Card,
2. the passport,
3. the driving license,
4. the Voter's Identity Card issued by Election Commission of India,
5. the letter issued by the Unique Identification Authority of India containing details of name, address and Aadhaar number, or
6. job card issued by NREGA duly signed by an officer of the State Government,
7. any other document as notified by the Central Government in consultation with the Regulator: Provided that where simplified measures are applied for verifying the identity of the clients the following documents shall be deemed to be officially valid documents
  - a. letter issued by a Gazetted officer, with a duly attested photograph of the person.
  - b. identity card with applicant's Photograph issued by Central/State Government Departments, Statutory/Regulatory Authorities, Public Sector

Undertakings, Scheduled Commercial Banks, and Public Financial Institutions;

Accounts under this scheme can be opened with any registered bank or with Business Correspondent Outlet (Bank Mitra) designed specially to facilitate account opening under the Jan Dhan Scheme. These accounts would be valid normally for a period of twelve months. Afterward, such accounts would be allowed to continue for an additional period of twelve more months, if the account-holder provides a document showing that he/she has applied for any of the Officially Valid Document, within 12 months of opening the small account.

### **Advantages of Pradhan Mantri Jan Dhan Yojana**

The Jan Dhan Yojana aims at revolutionizing the way banking is done in the country and it aims to help the economically weaker sections of the society to become financially confident. The scheme has seen tremendous enthusiasm among customers from both rural and urban areas. Pradhan Mantri Jan Dhan Yojana was launched at a huge scale to bring under the purview of banking all citizens of the country; irrespective of their financial status or regional location. The scheme is a social policy aimed at providing banking facilities to even those who do not have the money to pay for the minimum account balance at the time of account opening.

These are the most significant benefits that this scheme offers to the citizens of India: -

#### **1. Zero Balance Requirements**

To open a Jan Dhan account is free of cost and does not require any amount to be deposited initially. In Jan Dhan account, anyone can open this account even if they do not have money to deposit right away.

#### **2. Cheque Book Facility**

Account holders can avail a cheque book from their bank if they require. To get a cheque book, there is a minimum balance required in the account. This will be helpful in making payments without cash.

#### **3. Loan benefit against Pradhan Mantri Jan Dhan Yojana**

Individuals whose Jan Dhan account completes 6 months are eligible to obtain loans facility of up to Rs.5000. In case the overdraft/loan availed is paid back promptly, the bank may increase this limit to Rs.15,000, at its own discretion. Although the loan amount seems insignificant as compared to that offered as standard loan by various banks, but is quite substantial when we think of the economic status of individuals that this scheme is aimed at uplifting.

#### **4. Interest on Deposits**

Deposits made into the Jan Dhan accounts are eligible to earn interest at the rate declared which is subject to change from time to time. Interest rates will be similar to that offered by various banks.

#### **5. Savings for the family**

The Jan Dhan scheme provides for an account for each family. This facility ensures they have some form of financial inclusion that allows them to start saving and growing their money.

#### **6. Mobile Banking with Pradhan Mantri Jan Dhan Yojana**

Mobile banking is a very important feature of the Pradhan Mantri Jan Dhan Yojana. This step will ensure that even people from rural areas and those from the unorganized

sector have access to quick and convenient banking options. Pradhan Mantri Jan Dhan Yojana aims to make available certain basic financial transactions via ordinary mobile phones and not smart phones i.e. this facility is not designed for smartphones but rather any mobile phone. The mobile banking feature allows account holders to transfer money from their phone and also withdraw money without an ATM card. The idea behind this feature is to innovate as much as possible to ensure financial inclusion as well as financial security to as many Indians as possible.

#### **7. Life Insurance benefits under the Pradhan Mantri Jan Dhan Yojana**

The best and the most significant benefit of Pradhan Mantri Jan Dhan Yojana is the provision of life insurance. The opportunities of insurance coverage are limited in the rural areas and to most it is impossible to think of paying the premium for a policy. The scheme offers a life cover of Rs.30,000 to customers who comply with certain norms of the scheme and offers Rs.2,00,000 as insurance sum which will be payable to the beneficiary upon the death due to accident.

#### **8. Aadhaar-Linked Account**

Pradhan Mantri Jan Dhan Yojana is an aadhaar-linked scheme which helps avoid fraud related to account opening. Aadhaar-linking ensured transparency, eliminates fraud and proves to be highly beneficial for the government and the citizens. Individuals who receive various benefits under various government schemes like LPG subsidy can now receive the amount directly into their PMJDY accounts.

#### **9. Debit Card Facility**

Along with the Jan Dhan bank account, every family will get a RuPay debit card. This gives account holders easy access to their money when they need it. They can deposit the money and earn interest on it and withdraw it from an ATM when the need arises.

#### **10. Easy Transfers**

Pradhan Mantri Jan Dhan account can be used to transfer money to and from various other public and private banks across the country. Account transfer for Pradhan Mantri Jan Dhan Yojana can be done from one bank in the country to another. This is easily possible as all banks are connected via the core banking solution or CBS.

#### **11. Access to Pension Schemes**

Holding a Jan Dhan account will provide easy access to pension schemes available from the government. It is important for every citizen to start saving even a small amount to ensure a dignified old age.

### **Special Benefits under PMJDY Scheme**

**Apart from the above advantages of the scheme, the Jan Dhan Yojana also offers the following macro level benefits for the entire nation**

1. No minimum balance required. The Jan Dhan Yojana account is a zero-balance account and as such account holders are not required to maintain a minimum balance in their accounts.
2. Pradhan Mantri Jan Dhan Yojana is an aadhaar linked scheme so as to avoid fraud related to account opening.
3. Each family gets a RuPay debit card along with the Jan Dhan bank account. This ensures easy withdrawal of money from ATMs.
4. Interest similar to that offered by various public and private banks on their savings accounts will apply to Pradhan Mantri Jan Dhan accounts too.

5. Pradhan mantri Jan Dhan Yojana brings under the purview of insurance. A large number of people who cannot afford insurance out of their own pocket. Insurance coverage for all means higher value being attached to lives of citizens. The scheme provides life cover of Rs. 30,000/- payable on death of the beneficiary, subject to fulfillment of the eligibility condition.
6. Accidental insurance cover of Rs. 2 lakhs.
7. An account for each family which ensures they have a savings account to put away their savings into.
8. An overdraft facility of Rs.5000 will be offered with Pradhan Mantri Jan Dhan account. In case the overdraft availed is paid back punctually, the bank may increase this limit to Rs.15, 000. However, this is solely based on the discretion of the bank.
9. Pradhan Mantri Jan Dhan Yojana might prove instrumental in reducing the dependency of farmers on local money lenders. Loan and overdraft facility linked with this account will allow farmers to avoid borrowing from small money lenders. This is one of the topmost reasons for farmers getting stuck in a vicious circle of debt.
10. The Pradhan Mantri Jan Dhan account will help enlighten a majority of the unorganized sector of the benefits of banking and being included in the financial system.
11. Easy Transfer of money across India. Pradhan Mantri Jan Dhan account can be used to transfer money to and from any banks in the country.
12. Account transfer for Pradhan Mantri Jan Dhan Yojana can be done from one bank in the country to another.
13. Beneficiaries of Government Schemes will get Direct Benefit Transfer in these accounts.
14. The Claim under Personal Accidental Insurance under PMJDY shall be payable if the Rupay Card holder have performed minimum one successful financial or non-financial customer induced transaction at any Bank Branch, Bank Mitra, ATM, POS, E-COM etc. Channel both Intra and Inter-bank (Rupay card holder/ Bank Customer transacting at same Bank channels) and off-us (Bank Customer/Rupay card holder transacting at other Bank Channels) within 90 days prior to date of accident including accident date will be included as eligible transactions under the Rupay Insurance Program 2019-2020.
15. Promotion of Aadhaar-based biometric authentication and digital payment solutions: A digital revolution is in making with more than 100 crore Indians having digital identity through Aadhaar & mobile seeding, enabling them to authenticate and carry out financial transactions. Using biometric ID, highly cost-effective payments solutions have been created both for banking services and for retail payments. There has been significant growth in digital transactions- UPI, AePS, RuPay Card.
16. A digital pipeline has been laid for the implementation of PMJDY through linking of Jan-Dhan account with mobile and Aadhaar [Jan Dhan-Aadhaar-Mobile (JAM)].

Table 1

Progress-Report						
Pradhan Mantri Jan - Dhan Yojana (All figures in Crore)						
Beneficiaries as on 17/06/2020						
Bank Name / Type	Number of Beneficiaries at rural/semi urban centre bank branches	Number of Beneficiaries at urban metro centre 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	18.33	12.92	16.98	31.24	104679.68	24.95
Regional Rural Banks	6.00	0.89	3.96	6.89	25949.21	3.30
Private Sector Banks	0.71	0.54	0.68	1.25	4104.31	1.14
Grand Total	25.03	14.35	21.61	39.39	134733.20	29.39

Source: Department of Financial Services, MOF, GOI.

Table 2

Progress-Report of PMJDY (State wise)						
State wise account opening Report as on 17/06/2020						
S.No	State Name	Beneficiaries at rural/semi-urban centre bank branches	Beneficiaries at urban/metro centre bank branches	Total Beneficiaries	Balance in beneficiary accounts (in crore)	No. of RuPay cards issued to beneficiaries
1	Andaman & Nicobar Islands	31,949	16,531	48,480	30.44	40,432
2	Andhra Pradesh	53,61,476	53,45,979	1,07,07,455	3,338.32	84,56,398
3	Arunachal Pradesh	2,07,034	1,29,036	3,36,070	189.21	2,93,160
4	Assam	1,28,36,608	38,13,787	1,66,50,395	4,644.95	1,03,42,058
5	Bihar	3,08,86,309	1,46,70,141	4,55,56,450	13,917.15	3,62,43,663
6	Chandigarh	41,297	2,13,533	2,54,830	123.52	1,85,169
7	Chhattisgarh	99,77,320	48,31,558	1,48,08,878	4,508.68	1,04,35,871
8	Dadra & Nagar Haveli	1,24,230	14,693	1,38,923	70.37	93,864
9	Daman & Diu	35,804	21,106	56,910	28.62	43,907
10	Delhi	2,99,192	42,67,216	45,66,408	1,974.83	38,42,380
11	Goa	1,27,026	37,420	1,64,446	109.59	1,23,585
12	Gujarat	91,37,797	59,84,466	1,51,22,263	5,950.20	1,21,91,263
13	Haryana	38,58,589	36,65,811	75,24,400	3,896.10	58,74,688

14	Himachal Pradesh	12,05,636	1,25,485	13,31,121	829.27	10,50,209
15	Jammu & Kashmir	19,04,468	3,42,755	22,47,223	1,268.48	17,53,556
16	Jharkhand	1,09,31,216	33,59,479	1,42,90,695	4,555.40	1,04,25,343
17	Karnataka	87,98,630	60,06,389	1,48,05,019	5,050.14	95,06,676
18	Kerala	21,98,943	21,47,855	43,46,798	1,861.72	27,40,812
19	Ladakh	17,412	2,037	19,449	20.21	18,765
20	Lakshadweep	4,415	1,177	5,592	10.3	4,679
21	Madhya Pradesh	1,77,02,527	1,55,84,169	3,32,86,696	7,540.34	2,51,96,956
22	Maharashtra	1,42,44,205	1,30,60,921	2,73,05,126	8,978.01	1,93,52,008
23	Manipur	4,35,954	5,35,149	9,71,103	239.94	6,91,335
24	Meghalaya	4,74,279	67,164	5,41,443	292.17	3,62,333
25	Mizoram	1,65,479	1,42,589	3,08,068	148.5	97,588
26	Nagaland	1,30,547	1,79,993	3,10,540	90.67	2,65,284
27	Odisha	1,23,52,844	37,25,931	1,60,78,775	6,326.88	1,29,54,909
28	Puducherry	73,616	85,939	1,59,555	59.62	1,19,786
29	Punjab	40,75,702	29,42,162	70,17,864	2,733.37	57,52,765
30	Rajasthan	1,78,99,627	94,89,587	2,73,89,214	10,419.39	2,19,68,952
31	Sikkim	60,763	27,817	88,580	44.97	68,288
32	Tamil Nadu	52,64,085	54,15,344	1,06,79,429	2,859.01	88,25,083
33	Telangana	52,80,071	47,43,010	1,00,23,081	2,915.23	82,03,207
34	Tripura	6,12,140	2,51,483	8,63,623	647.59	4,50,684
35	Uttar Pradesh	4,53,12,787	2,01,30,209	6,54,42,996	23,997.07	4,94,95,135
36	Uttarakhand	17,26,767	8,71,353	25,98,120	1,344.35	20,74,936
37	West Bengal	2,65,27,958	1,12,91,263	3,78,19,221	13,718.59	2,43,87,012
38	Total	25,03,24,702	14,35,40,537	39,38,65,239	1,34,733.20	29,39,32,739

Source: Department of Financial Services, MOF, GOI.

Table 3

Progress-Report of PMJDY (Bank wise)					
Bank Category wise Report as on 03/06/2020					
Bank Name / Type	Number of Beneficiaries at rural/semi urban centre bank branches	Number of Beneficiaries at urban metro centre bank branches	Number of Total Beneficiaries	Deposits in Accounts (In lac)	Number of Rupay Debit Cards issued to beneficiaries
Public Sector Banks	181435378	128607654	310043032	10238743.88	248352767
Regional Rural Banks	57662033	10205195	67867228	2494234.90	32905294
Private Sector Banks	7083206	5426439	12509645	400980.26	11421736
Grand Total	246180617	144239288	390419905	13133959.04	292679797

Source: Department of Financial Services, MOF, GOI.

Table 4

(A) Public Sector Banks					
Report as on 03/06/2020					
Bank Name / Type	Number of Beneficiaries at rural/semi urban centre bank branches	Number of Beneficiaries at urban metro centre bank branches	Number of Total Beneficiaries	Deposits in Accounts (In lac)	Number of Rupay Debit Cards issued to beneficiaries
Bank of Baroda	31791890	11817784	43609674	1525872.64	38091225
Bank of India	11479932	12090106	23570038	850068.81	19970902
Bank of Maharashtra	4770684	1436703	6207387	220566.11	1945236
Canara Bank	9196211	3925327	13121538	561869.43	6740477
Central Bank of India	10993641	1845937	12839578	352588.05	7601637
Indian Bank	13393928	3200058	16593986	589579.87	9909531
Indian Overseas Bank	1149999	3962539	5112538	161262.83	4705034
Punjab & Sind Bank	857852	436055	1293907	60869.17	1165006
Punjab National Bank	28773170	9520199	38293369	1706078.18	27975169
State Bank of India	50722435	71496583	122219018	3315175.43	114275353
UCO Bank	4873593	3768186	8641779	327420.92	4181454
Union Bank of India	13432043	5108177	18540220	567392.44	11791743
Public Sector Banks Sub Total	181435378	128607654	310043032	10238743.88	248352767

Source: Department of Financial Services, MOF, GOI.

Table 4

<b>(B) Regional Rural Bank</b>					
<b>Report as on 03/06/2020</b>					
<b>Bank Name / Type</b>	<b>Number of Beneficiaries at rural/semi urban centre bank branches</b>	<b>Number of Beneficiaries at urban metro centre bank branches</b>	<b>Number of Total Beneficiaries</b>	<b>Deposits in Accounts (In lac)</b>	<b>Number of Rupay Debit Cards issued to beneficiaries</b>
Bank of Baroda	10464083	2671477	13135560	481579.31	7657211
Bank of India	5478362	2006585	7484947	197557.09	4932514
Bank of Maharashtra	1759974	145342	1905316	69496.47	938956
Canara Bank	4958492	1052816	6011308	259660.30	2813998
Central Bank of India	3203542	452264	3655806	116406.37	2944767
Indian Bank	668409	200176	868585	19675.81	596753
Indian Overseas Bank	1143930	91880	1235810	56632.09	594815
Jammu & Kashmir Bank Ltd	146100	26124	172224	9137.09	43976
Punjab National Bank	16078597	1114104	17192701	711857.85	6349506
State Bank of India	12868456	2309999	15178455	540942.24	5732836
UCO Bank	724435	116986	841421	25835.88	197281
Union Bank of India	167653	17442	185095	5454.41	102681
<b>Regional Rural Banks Sub Total</b>	<b>57662033</b>	<b>10205195</b>	<b>67867228</b>	<b>2494234.90</b>	<b>32905294</b>

Source: Department of Financial Services, MOF, GOI.

Table 5

<b>(C) Major Private Banks</b>					
<b>Report as on 03/06/2020</b>					
<b>Bank Name / Type</b>	<b>Number of Beneficiaries at rural/semi urban centre bank branches</b>	<b>Number of Beneficiaries at urban metro centre bank branches</b>	<b>Number of Total Beneficiaries</b>	<b>Deposits in Accounts (In lac)</b>	<b>Number of Rupay Debit Cards issued to beneficiaries</b>
Axis Bank Ltd	145631	697412	843043	29505.75	704806
City Union Bank Ltd	9420	74228	83648	1754.84	66773
Federal Bank Ltd	466193	107417	573610	29334.29	329525
HDFC Bank Ltd	409897	2079688	2489585	139583.60	2488921
ICICI Bank Ltd	3686219	1041558	4727777	48396.36	4727777
IDBI Bank Ltd.	475106	368185	843291	32295.10	706996
IndusInd Bank Ltd	35118	398653	433771	4577.66	400300
Jammu & Kashmir Bank Ltd	1478728	193387	1672115	98915.00	1431370
Karur Vysya Bank	114081	68321	182402	3054.62	180370
Kotak Mahindra Bank Ltd	117135	44271	161406	1905.16	15197
Lakshmi Vilas Bank Ltd	48166	133791	181957	2870.95	151061
RBL Bank Ltd	63318	41816	105134	1304.11	105134
South Indian Bank Ltd	27716	172321	200037	7262.25	101964
Yes Bank Ltd	6478	5391	11869	220.55	11542
<b>Major Private Banks Sub Total</b>	<b>7083206</b>	<b>5426439</b>	<b>12509645</b>	<b>400980.26</b>	<b>11421736</b>

Disclaimer: Information is based upon the data as submitted by Public Sector Banks, Regional Rural Banks and Major Private Sector Banks.

Source: Department of Financial Services, MOF, GOI.

### Updates: Steps taken by the Government of India during the Covid-19 pandemic.

#### Steps taken by the Government of India to help the economic challenges faced by the poor / weaker-section people due to the Covid-19 pandemic.

The Pradhan Mantri Garib Kalyan Yojana scheme, amounting to Rs.1.7 lakh crore, was launched by the Government of India to ease the economic challenges faced by the poor due to the slowdown caused by the Covid-19 pandemic. As part of this scheme, over 8 crore beneficiaries of the Pradhan Mantri Ujjwala Yojana will be provided a total of 3 LPG gas cylinders between the months of April to June 2020. These 14.2 kg LPG cylinders will be provided totally free of cost. The cost of this to the government will be Rs.13,000 crore. Five kilograms of wheat or rice and one kilogram of preferred pulses will be provided for free every month to poor families for the next three months.

Women account holders under the Pradhan Mantri Jan Dhan Yojana will get Rs 500 per month between April and June,

and poor families will be given three free gas cylinders over the next three months.

According to Finance Ministry of Govt. of India, in April 2020, as many as 20.05 crore women Jan Dhan account holders received Rs 500 each in their accounts as the first installment. The total disbursement under the head was Rs 10,025 crore as on April 22, 2020. The remittance under the recently announced Pradhan Mantri Garib Kalyan Yojana.

According to the MOF, "This money is being deposited into the bank accounts, the beneficiaries can be drawn money at their convenience". Beneficiaries are encouraged to use the neighbourhood ATMs with RuPay cards, Bank Mitras, CSPs as much as possible to avoid crowding at the branches. According to the Indian Banks' Association (IBA), "There will be no charges for withdrawing money from other bank ATMs, at present, as per the government directives.

At last, according to an analysis of various studies, Pradhan Mantri Jan-Dhan Yojana is National Mission for Financial

Inclusion to ensure access to financial services, namely, Savings & Deposit Banking Accounts, Remittance, Credit, Insurance, Pension in an affordable manner. The scheme aims to tie every Indian in the rural or urban sector to the mainstream banking system. This will aid the financial status of the account holders as well as foster social security goals of the central government.

Beyond enabling the use of financial services, the PMJDY also facilitated financial inclusion for a variety of demographics. It is clear that improving policy communication, widening and deepening progress in low-income states. The scheme has made significant headway towards genuine financial inclusion.

The scheme has been criticized by some experts, that has created unnecessary work-burden on the public-sector banks. According to the experts, many individuals who already have bank accounts may have had accounts created for themselves, offers like zero balance and lured by the free insurance covers and overdraft facilities.

Furthermore, while the Indian Government was enthusiastically attempting to promote financial inclusion through this scheme, the RBI of India, permitted banks to charge customers for conducting ATM transactions beyond a certain number of times per month. This step prevented people from easily accessing their own savings and discouraged them from using formal banking systems.

### Conclusion

Pradhan Mantri Jan Dhan Yojana is one of the biggest financial inclusion initiatives in the whole world. Under scheme aspirants can access banking facilities with at least one basic banking account for every household, financial literacy, access to credit, insurance and pension. The goal of the PMJDY is to bring all Indians within the formal banking system. Historically, most people were left outside the formal banking system. The worst-affected are typically from the most poverty and lack of access to identity cards, etc. has excluded them from the benefits of the formal credit system. With bank accounts, government can also provide access to cheaper credit and insurance. The progress report of PMJDY shows large numbers of beneficiaries, a significant step toward financial inclusion.

The major limitation of the JDY has been that while it has managed to get many people to open bank accounts, there is no proportionate increase in the use of these accounts, availability of formal credit, or savings in financial institutions, especially among the country's marginalised and poorer sections. Daily wage labourers in the informal sectors need financial inclusion quite desperately, but have little use for a bank account. To make the scheme more beneficial, this need to be corrected so that the targeted segment of society reaps optimum benefits from the scheme. To conclude, the available evidence presented to-date does not suggest that the dicey conditions of indebtedness that poor people of India find themselves in has seen any signs of abating as a result of the JDY.

### Reference

1. <https://finmin.nic.in/>. (Accessed on 22.6.2020).
2. Pradhan Mantri Jan-Dhan Yojana (PMJDY). <https://pmjdy.gov.in/scheme> (Accessed on 22.6.2020).
3. Prime Minister to Launch Pradhan Mantri Jan Dhan Yojana Tomorrow, Press Information Bureau, Govt. of India, 2014. (Accessed on 22.6.2020).

4. BankBazaar.com. Pradhan Mantri Jan Dhan Yojana Beneficial. <https://www.bankbazaar.com/saving-schemes/how-is-pradhan-mantri-jan-dhan-yojana-beneficial.html>. (Accessed on 22.6.2020).
5. <https://www.thehindu.com> (Accessed on 22.6.2020).
6. [https://en.wikipedia.org/wiki/Pradhan\\_Mantri\\_Jan\\_Dhan\\_Yojana](https://en.wikipedia.org/wiki/Pradhan_Mantri_Jan_Dhan_Yojana). (Accessed on 22.6.2020).
7. Saksham Khosla. Live Mint. "The admirable success of the Jan Dhan Yojana". <https://www.livemint.com/Opinion/wferfnZlyGRtmGiyGnJLrI/The-admirable-success-of-the-JanDhan-Yojana.html>. Retrieved, 2020.
8. Shetty Mayur. "Vague RBI guidelines see banks cap PM's Jan Dhan Yojana accounts". The Economic Times. Retrieved on, 2020.
9. "Making ATM transactions expensive: Is RBI contradicting its own stance? - Firstpost". www. first post. com. Retrieved on, 2020.
10. The Economic Times. <https://economictimes.indiatimes.com/news/economy/policy/finance-ministry-urges-jan-dhan-beneficiaries-to-follow-schedule-for-withdrawal-avoid-rush-to-banks/articleshow/74967572.cms?from=mdr>. Retrieved on 25.6.2020.
11. Dipa Sinha, Rohit Azad, the Hindu (MAY 29, 2018). The Jan-Dhan Yojana, four years later. <https://www.thehindu.com/opinion/op-ed/the-jan-dhan-yojana-four-years-later/article24017333.ece>. (Retrieved on 25.6.2020).
12. Shruti Rajagopalan. Live Mint. <https://www.livemint.com/Opinion/qFGHgjiH3SbDxkN54KwdaN/India-needs-Jan-Dhan-and-not-just-Jan-Dhan-accounts.html>, 2018. (Retrieved on 25.6.2020).