

## Jan Dhan Account: A Door to Happiness

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Date of Submission: 01-10-2020

Date of Acceptance: 19-10-2020

**ABSTRACT:-** Bringing every household within the grasp of the banking system there has been an ongoing process started a decade ago. However the present Indian government has packaged it in to a mission mode and made it an achievable target. In order to reduce the degree of “financial untouchability” the new government has come up with a big bang action plan which is popularly known as “Pradhan Mantri Jan-Dhan Yojana”. It's a mega financial inclusion plan with the objective of covering all households in the country with banking facilities along with inbuilt insurance coverage. The purpose is to accelerate growth, fight poverty effectively and to empower the last man in the last row in Indian economy. This study focused that PM Jhan dhan account helps people to live with less problem better life.

**Key word:-** Financial Inclusion, Financial untouchability, Financial Literacy, Poverty, Urban Poor, Pradhan Mantri , Jan Dhan yojana

### I. INTRODUCTION:-

Pradhan Mantri Jan Dhan Yojana is an ambitious scheme for comprehensive financial inclusion launched by the Honorable Prime Minister of India, Shri Narendra Modi on 28 th August, 2014. He had announced this scheme on his first Independence Day speech on 15 th August, 2014. In a run up to the formal launch of this scheme, the Prime Minister personally mailed to CEOs of all banks to gear up for the gigantic task of enrolling over 6 crore (75 Million) households and to open their accounts. In this email he categorically declared that a bank account for each household was a "national priority".

PMJDY is an ambitious program with a target of covering 7.5 crore unbanked households in the country by January 26, 2015. Accounts can be opened in any bank branch or Business Correspondent (BC) (Bank Mitra) outlet. PMJDY accounts are being opened with zero balance. However, if the accountholder wishes to get a check book, he/she will have to fulfill minimum balance criteria.

The Yojana's main focus areas are creating awareness regarding account opening among all households in rural and urban areas; and financial literacy.

The Yojana will be implemented in two phases:

Phase I (from 15 Aug 2014 -14 Aug 2015) proposes the following:

1. Universal access to banking facilities.
2. Providing Basic Banking Accounts with overdraft facility of up to Rs. 5000/-.
3. RuPay Debit Card with inbuilt accident insurance cover of Rs. 1 lakh.
4. Financial Literacy Programme.

Phase II (from 15 Aug 2015 -14 Aug 2018) proposes the following:

1. Creation of Credit Guarantee Fund for coverage of defaults in overdraft accounts.
2. Micro Insurance.
3. Unorganized sector Pension schemes, like Swavlamban.
4. Coverage of households in hilly, tribal and difficult areas, and coverage of remaining adults in the households and students.
5. Perhaps, financial inclusion through PMJDY will now commence the next revolution of growth and prosperity

A Door to happiness:

How PMJDY account helps to give happiness to every household is clearly understand with the benefits of the scheme and this flowchart of life cycle needs.

Benefits of the scheme:-

- a. One basic savings bank account is opened for unbanked person.
- b. There is no requirement to maintain any minimum balance in PMJDY accounts.
- c. Interest is earned on the deposit in PMJDY accounts.
- d. Rupay Debit card is provided to PMJDY account holder.
- e. Accident Insurance Cover of Rs.1 lakh (enhanced to Rs. 2 lakh to new PMJDY accounts opened after 28.8.2018) is available

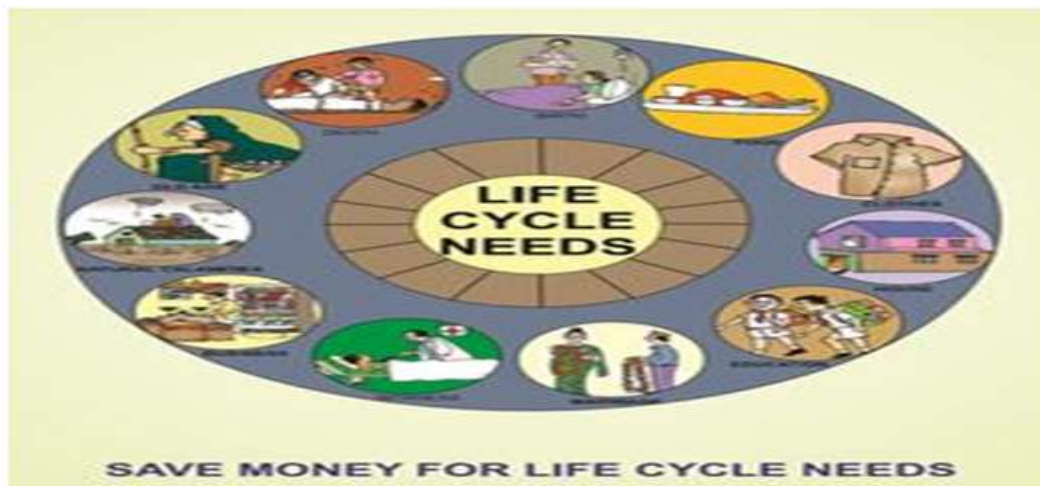
- with RuPay card issued to the PMJDY account holders.
- f. Life Insurance Cover of Rs. 30,000 to eligible PMJDY account holders who opened their account for the first time between 15.8.2014 to 31.1.2015 is available.
- g. An overdraft (OD) facility up to Rs. 10,000 to eligible account holders is available.
- h. 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.

**Pradhan Mantri Jan - Dhan Yojana  
 All figures in Crore)**

Beneficiaries as on 30/09/2020

Bank Name / Type	Number of Beneficiaries at rural/semiurban 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	19.86	12.56	17.75	32.42	100188.33	25.63
Regional Rural Banks	6.30	0.92	4.17	7.22	25462.33	3.24
Private Sector Banks	0.70	0.57	0.68	1.27	3939.84	1.15
<b>Grand Total</b>	<b>26.86</b>	<b>14.05</b>	<b>22.60</b>	<b>40.91</b>	<b>129590.50</b>	<b>30.01</b>

Disclaimer: Information is based upon the data as submitted by different banks



These data shown that how this jhan dhan account affected not only the financial inclusion but also the welfare schemes that helps poor people to live their fruitful life. The main aim of this programme is to encourage the poor to save and tap

the potential of the concept of Self Help Group to bring banking services to the poor, especially the women. It includes SHGs introducing voluntary savings in groups or banks encouraging SHG members to open individual bank accounts for

depositing their surpluses. Cheap refinance at 6.5 percent interest rate is provided to support financial institutions for lending to SHGs at the SHGs' level a large number of members are trained to equip them with skills to handle SHG management in a better way. Special assistance has been given to select RRBs and NGOs to come up as Self-Help Promoting Institutions (SHPIs).] It has led to a reduced poverty by increasing income, reduced dependency on informal money lenders and other non institutional sources, empowered women, enabled households to spend more on education, helped reduce child mortality and improve maternal health through better nutrition and housing .During this covid- 19 situation this account is really prove their relevance and utility.

## II. CONCLUSION:-

The purpose of this policy is financial inclusion but unrealistic targets and hasty numbers are making this scheme lose its purpose. Financial inclusion is a slow process it cannot happen within a few months. It requires dedicated efforts to spread financial literacy. If financial literacy will increase automatically the demand for financial products will increase. There is no single and clear solution for the problem as financial inclusion in a vast country like India. Banking is a habit and any habit formation requires times therefore a change in mindset with focus on achieving the policy intent rather than target numbers.

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