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## Action plan for Pradhan Mantri Jan Dhan Yojana

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### Abstract

Pradhan Mantri Jan Dhan Yojana (PMJDY) is a social upliftment Yojana aims to bring huge population of excluded Indian people in the main financial stream by financial inclusion. Indian Prime Minister Sri Narendra Damodar Das Modi announced for the launch of most intensive financial inclusion mission, PMJDY.

**Keywords:** Aadhaar, account, inclusion, mission, national

### Introduction

In India the Department of Finance, through its financial inclusion led interventions, is committed to provide financial inclusiveness and support to the poor, marginalized socio-economically neglected groups. Through Financial inclusion (FI) the country can achieve equitable and inclusive and growth of the nation. Financial development and inclusion stands for delivery of proper financial services at easy and affordable cost, on timely basis to vulnerable groups like low-income groups and weaker and poor section, lack access to even the most basic banking services and support. Further it is significant as it provides a way to the poor for keeping their savings in the formal financial system. A prime initiative towards the commitment is the Pradhan Mantri Jan Dhan. Which is the greatest financial inclusion initiatives at global level. PMJDY was announced by Prime Minister, Shri Narendra Modi in his Independence Day address on 15<sup>th</sup> August 2014.

### Need for PMJDY

The main reason for this scheme is that every resident of India should must have proper and easy access to open saving accounts and the advantages of this scheme like RuPay debit and credit cards, zero (Nil) balance accounts and a simple loan option. The scheme gives them trust for a brighter tomorrow. Further, the main underlying principle for launching PMJDY is that as per the 2011 census, of the 255 million households in the country, only about 150 million, or about three-fifths of the total had access to basic banking services. Hence about two-fifths of the households 110 million do not have access even to basic banking services. In spite different measures for financial inclusion, poverty and exclusion continue to dominate socio-economic and political discourse in the country seven decades of post economic independence era. Total financial inclusion is still a dream project. The prime objective of financial inclusion in India is the access and availability of banking and payments services to the total population at the reasonable cost and without any discrimination.

### Action Plan for Implementing PMJDY

In India government has decided to extend the proper Pradhan Mantri Jan Dhan Yojana Scheme beyond August 28<sup>th</sup> 2018 with modification. In the scheme further focus has been shifted from every household to accidental insurance cover on RuPay card. The prime focus of the extinction of this scheme has been

- To ensure access to financial products and services at proper and affordable cost to the holders
- To utilize techno driven system at account with very few paper work easy KYC, EKYC, zero balance along with zero charge.
- To issue Indian Bank Card for Cash payment and with drawals with free accidental insurance covering of rupees 2 lac.
- To provide the financial products namely our draft, micro insurance, micro credit

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and micro pension.

Zero (Nil) minimum balance is required for opening an account under this PMJDY scheme. The beneficiary may open accounts in any bank (branch) or Business Correspondent outlet at nil balance.

#### **Phase I: August 15<sup>th</sup> 2014 to August 14<sup>th</sup> 2015**

Broadly speaking Pradhan Mantri Jan Dhan Yojana scheme has been implemented during this period with an objective to provide an universal access to banking facilities for all the households families across the nation with minimum one basic bank account with RuPay Debit card having an inbuilt accident insurance coverage of rupees 1lac. Further it provides a financially literacy programme to the villages. Again this phase proposed to issue Kishan Credit Card (KCC) during this time period. Further this phase has given emphasis on the objectives of attentive financial inclusion of poor and weaker strata of the nation and the society. It is significant that Honible Prime Minister of India Sri Narendra Damodar Das Modi announced a very important new scheme Pradhan Mantri Jan Dhan Yojana on 15<sup>th</sup> Augus, national mission for financial inclusion. This scheme has been the land mark initiatives to ensure financial inclusion for poor and weaker section of society and nation for providing banking pension and insurance to mitigate the negative effect of former schemes. Which provide financial support for freedom and stability. It the important to know that on the inaugural day itself near about 1.5 crore accounts were opened in various banks, under the scheme, throughout the nation.

#### **Phase II: August 15<sup>th</sup> 2015 to August 14<sup>th</sup> 2018**

The Pradhan Mantri Jan Dhan Yojana gives focus on societal outcome. This scheme is an ambitions yojana for comprehensive financial inclusion. As per RBI report PMJDY is a financial inclusion process. Which insures timely as well as proper availability of credit to the weaker strata and vulnerable group and low income groups at minimum and affordable cost. Actually PMJDY is a social upliftment scheme which want to bring millions of excluded people of India in a main financial stream through financial inclusion. Micro insurance policy has been provided under the yojana in this phase for covering economically vulnerable group of the society and the nation.

#### **Phase III: After August 14<sup>th</sup> 2018**

This mega Scheme of financial inclusion has attracted the awareness of mass population in the country because this Yojana proves to the bundle of financial products and services starting with universal banking support facilities of micro finance and pension provision at proper and affordable rate. In this phase the action plan for implementing Pradhan Mantri Jan Dhan Yojana.

#### **Extension of PMJDY Scheme**

The government has decided to inlarge PMJDY programme beyond 8.2018 with the change in focus on opening bank account from each household to each adult. PMJDY after passes of time has modifying it to ensure operational flexibility and viability of the Bank Mitr. Technological innovations such as RuPy card and mobile banking may made use of further the bank will use the RBI scheme for subsidy on rural ATMs and UIDAi scheme for subsidy on

micro ATM to available their resources at the level of village. Again the convergence with the National Rural Livelihood Mission (Rural areas) and National Urban Livelihood Mission in urban areas can be seen for in covering each household with bank accounts. The expansion plans of the telecom department to provide telecom connectivity in various areas would be effectively utilized for the provision of banking facilities in these areas. In this regard Department of Telecom has been requested to ensure that problems of poor and no connectivity should resolved on priority basis.

#### **Conclusion**

Presently Pradhan Mantri Jan Dhan Yojana is a national mission for financial inclusion. Which has completed nine years successfully. Near about 46.37 crore beneficiaries have banked under this PMJDY Scheme Since inception amounting to near about rupees 1, 73, 963 crores. To provide micro insurance to every digible pension by August 14<sup>th</sup> 2018 and after that ongoing basis. Again unorganized sector pension schemes like Swavalamban has been given into consideration by August 14<sup>th</sup> 2018. Under the scheme first three pillars has been given thrust in the first year. Further in order to cover default in overdraft accounts focus has been given on creation of credit guarantee fund. Again focus has been given of financial literacy in order to let the account holders to make best use of the financial services. Access to banking services has been significant pillar of PMJDY. Further PMJDY envisages provision of affordable financial services to all people within a proper and reasonable distance. PMJDY a long felt-need of National Mission of Financial inclusion committed itself for an integrated approach to bring about comprehensive financial inclusion for all the households in the country enabling especially low income group people to get free from Moneylenders, cultivate the habit of saving and most significances form string of financial product and services offered by banking system.

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