E-ISSN: 2708-4523
P-ISSN: 2708-4515
Impact Factor (RJIF): 5.61
AJMC 2026; 7(1): 21-25

www.allcommercejournal.com
Received: 10-10-2025
Accepted: 15-11-2025

Dr. Rajani B Bhat
Assistant Professor, P G & Research, Department of Commerce, The Cochin College, Kochi, Kerala, India

Corresponding Author:
Dr. Rajani B Bhat
Assistant Professor, P G & Research, Department of Commerce, The Cochin College, Kochi, Kerala, India

Banking the nation: A 2025 Snapshot of PMJDY's impact and inoperative in Kerala

Rajani B Bhat

DOI: https://www.doi.org/10.22271/27084515.2026.v7.i1a.949

Abstract
The Pradhan Mantri Jan Dhan Yojana (PMJDY), India's flagship financial inclusion program launched in 2014, continues to evolve in 2025 to address challenges like account dormancy, enhance accessibility, and deepen integration with digital and social security ecosystems. While the core framework remains focused on zero-balance accounts, RuPay debit cards, and overdraft facilities, recent reforms emphasize operational efficiency, inclusivity, and technology-driven improvements. These updates build on the scheme's 11th anniversary milestones in August 2025, where over 56 crore accounts were opened, with deposits exceeding ₹2.68 lakh crore and 56% held by women. The present study takes a peep into the current scenario of PMJDY in terms of accounts opened, household reports etc. The article is purely based on the secondary data collected from the related official websites.

Keywords: Financial inclusion, PMJDY, zero-balance accounts

Introduction

PMJDY, national mission on financial inclusion has adopted an integrated approach to highlight the inclusive access to all kinds of formal financial channels for households in India. The scheme was launched with the aim to confirm the entree to different financial services - access to basic savings bank account and need based credit, remittance facility, insurance and pension to the otherwise excluded sections like - weaker sections and low-income groups. 17.90 crores PMJDY accounts were opened during the first year of the scheme. Accounts opened have increased around three-fold - from 14.72 crore in March 2015 to 53.13 crore in August 2024. There is no doubt that there has been increase in bank account penetration in India due to PMJDY but dormancy in these accounts is found to be very high due to factors like lack of information on operational procedures, product features and duplication of account. There are reports stating that there exists a severe competition between PMJDY- overdraft and MUDRA loan, even though there is wide difference in the sizes of loans offered under both the schemes. The only point of contact for customers happens to be business mitras, in case of PMJDY, hence protecting the account holders against fraud is more important for sustainable implementation of financial inclusion. They can be protected against any fraudulent practices through better focus on education of customers, by developing an efficient grievance redressal mechanism within the system.

Review of Literature

Agarwala N, Maity S and Sahu (2023) [1] studied the efficiency of banks to determine the way banks have functioned under PMJDY. The study concluded with the findings that performance of the public sector banks have been better than the private banks in spreading financial inclusion under PMJDY programme.
Ankit Birla (2021) [3] concluded in his study that PMJDY has done enormous efforts to promote inclusive economic growth and poverty reduction.
Dutta and Mehta (2021) [4] conducted research in their article on households below BPL in Bihar. He concluded that PMJDY programme has been successful in opening of bank accounts for the poor, especially for the illiterate and the casual labourers in Bihar.
Shafi (2016) reviewed the significance of financial inclusion of banks through PMJDY and made a comparison of the financial performance of the banks for the period pre and post implementation of PMJDY.

The study concluded with the remarks PMJDY promotes penetration of bank accounts, starting new bank accounts and role of business correspondents. Proper review of the scheme can be done only after the implementation of second phase which shows a wide coverage embracing adults, students and households.

Raval (2015) took up an initiative to study whether with government support of private efforts and involving the people in formulation of policy, could the excluded segment be more successful.

Ashish Pathak *et al* (2014) [6] studied the number of accounts which could be opened through PMJDY. The study focussed on the way PMJDY could be beneficial for weaker section especially in terms of encouraging savings. In this area, the study indicates that our banks have been playing a very significant role.

Divyesh Kumar (2014) [5] focussed on the theme of financial inclusion and PMJDY. The study mainly came up with the demerits of implementation of PMJDY.

Bagli (2012) [2] found out that a strong positive association between the development of human and financial inclusion of states in India. The study remarked that it would be beneficial for the governments or financial regulators or t=other bodies of policy makers in near future to improve financial inclusion.

Research Design of the Study

The objective of the study is to assess the present scenario of PMJDY in India as on 31.03.2025. For this purpose, the study collects secondary data from the official websites of Pradhan Manthri Jan Dhan Yojana and Reserve bank of India.

Results & Discussion

Table 1: Current Status of PMJDY (in Crores)

Bank Name/ Type	No. of Beneficiaries at Rural/ Semi Urban Centre Bank Branches	No. of Beneficiaries at Urban Metro Centre Bank Branches	No. of Rural - Urban Female Beneficiaries	No. of Total Beneficiaries	Deposits in Accounts (In Crores)	No. of Rupay Debit cards issued to Beneficiaries
Public Sector Banks	27.27	16.04	23.89	43.30	204881.08	33.17
Regional Rural Banks	9.03	1.48	6.11	10.51	50416.98	3.82
Private Sector Banks	0.78	1.05	1.02	1.83	7766.83	1.48
Rural Cooperative Banks	0.19	0.00	0.10	0.19	0.01	0.00
Grand Total	37.26	18.57	31.13	55.83	263064.90	38.48

Source: https://www.pmjdy.gov.in/account

The table provides data on the distribution of beneficiaries, deposits, and RuPay debit cards issued across different types of banks in India, with a focus on rural/semi-urban and urban/metro areas. Rs 55.83 crore (558.3 million) beneficiaries are served across all bank types. Rs. 37.26 crore (66.7% of total beneficiaries) are at rural/semi-urban branches, indicating a strong focus on financial inclusion in less urbanized areas. Rs. 18.57 crore (33.3%) are at urban/metro branches, showing significant urban outreach but less dominance compared to rural areas. As regards the female beneficiaries, Rs. 31.13 crore (55.8% of total beneficiaries) are female, highlighting a strong emphasis on gender-inclusive banking, particularly in rural-urban areas.

PSBs serve the highest number of beneficiaries (43.30 crore, 77.6% of total), with 27.27 crore in rural/semi-urban and 16.04 crore in urban/metro areas. Rs. 23.89 crore (55.2% of PSB beneficiaries) are female, aligning with the overall trend of gender inclusion. PSBs hold the largest share of deposits at 204,881.08 crores (77.9% of total deposits), reflecting their extensive reach and trust among customers. Rs. 33.17 crore cards issued (86.2% of total), indicating widespread adoption of digital payment tools among PSB beneficiaries.

RRBs serve 10.51 crore beneficiaries, with 9.03 crore (85.9%) in rural/semi-urban areas, underscoring their role in rural financial inclusion. Rs. 6.11 crore (58.1% of RRB beneficiaries) are female, slightly higher than the overall average. Rs.50,416.98 crores (19.2% of total), significant but much lower than PSBs due to their smaller scale. Rs. 3.82 crore cards issued (9.9% of total), reflecting moderate digital penetration in rural areas.

Private sector banks serve only 1.83 crore beneficiaries (3.3% of total), with a slight urban bias (1.05 crore in urban/metro vs. 0.78 crore in rural/semi-urban). Rs. 1.02 crore (55.7%), consistent with the overall gender distribution. Rs. 7,766.83 crores (3% of total), indicating a smaller role in deposit mobilization. Rs. 1.48 crore cards issued (3.8%), showing limited but growing digital engagement.

Rural Cooperative banks serve only 0.19 crore beneficiaries (0.3% of total), entirely in rural/semi-urban areas. Rs. 0.10 crore (52.6%), slightly below the overall female beneficiary proportion. Deposits are negligible at 0.01 crore, reflecting their limited scale. No Rupay debit cards are issued, indicating a lack of digital payment infrastructure.

The penetration of Rupay Debit cards are at Rs. 38.48 crore, covering 68.9% of total beneficiaries. When bank wise penetration is looked into, it can be seen that - it is the public sector banks that have the highest, reflecting robust digital adoption amounting to 76.6%, followed by regional rural banks with 36.3% indicating moderate penetration, likely due to rural infrastructure challenges.

Table 2: Opening Report of Kerala as on 09/07/2025

State	Beneficiaries at Rural - semi urban centre Bank Branches	Beneficiaries at Urban Metro centre Bank Branches	Total Beneficiaries	Balance in Beneficiaries Account (in Crores)	No. of Rupay Debit cards to Beneficiaries
Kerala	4,251,596	2,790,868	7,040,464	3,376.21	3,814,517

Source: https://www.pmjdy.gov.in/account

Table 2 pertains to State wise, particularly Kerala details of PMJDY, a flagship financial inclusion program in India aimed at providing universal access to banking services, particularly for unbanked and underbanked populations. Kerala, known for its high literacy rates and robust banking infrastructure, offers a unique case study for analysing the effectiveness of such initiatives in a relatively developed state.
Kerala’s PMJDY data as of 09/07/2025 highlights significant progress in financial inclusion, with 7.04 million beneficiaries and ₹3,376.21 crore in deposits. The state’s strong rural focus (60.4% of beneficiaries) reflects effective outreach, likely driven by PSBs and RRBs like Kerala Gramin Bank. However, the modest average account balance (₹4,796) and lower-than-national RuPay card penetration (54.2%) suggest challenges in active account usage and digital adoption. These findings helps the researcher to arrive at the conclusion that Kerala state has very high financial literacy, digital infrastructure, and tailored banking products to deepen the current status of financial inclusion in the State.
4,251,596 (60.4% of total beneficiaries) indicates a strong focus on rural and semi-urban areas, aligning with PMJDY’s objective of reaching underserved populations. Kerala’s high rural banking penetration, supported by Regional Rural Banks (RRBs) like Kerala Gramin Bank and cooperative banks, likely contributes to this figure. Rs. 2,790,868 (39.6%) reflects significant urban outreach, likely driven by Public Sector Banks (PSBs) and Private Sector Banks with a strong presence in cities like Thiruvananthapuram, Kochi, and Kozhikode. It implies that the rural-urban split suggests effective penetration across both geographies, but the higher rural share underscores Kerala’s success in extending banking services to less urbanized areas, possibly due to its dense network of bank branches and high financial literacy.
7,040,464 represents a substantial portion of Kerala’s population (approximately 3.46 crore as per 2011 Census projections). Assuming a population of approximately, 3.5-3.6 crore in 2025, this implies that nearly 20% of Kerala’s population is covered under this scheme, a significant achievement in financial inclusion.
Rs. 3,376.21 crores across 7,040,464 accounts translates to an average balance of nearly Rs 4,796 per account. This is relatively low, suggesting that many accounts are used for basic savings or government benefit transfers rather than active transactional purposes. 3,814,517 RuPay debit cards cover 54.2% of beneficiaries. This is lower than the national average of 68.9% (as per the provided national data: 38.48 crore cards ÷ 55.83 crore beneficiaries).

Table 3: Household Report of Kerala as on 09/07/2025

State	Alloted Wards - SSAs	Wards - SSAs Survey done	Wards - SSAs Survey pending	Total Household	Covered Household	Household Coverage
Kerala	5582	5582	0	4585375	4585375	100.00%

Source: https://www.pmjdy.gov.in/account

Table 3 provides a snapshot of the household coverage under the Pradhan Mantri Jan Dhan Yojana (PMJDY) in Kerala as of July 9, 2025. The data, sourced from the official PMJDY websitepmjdy.gov.in, details the progress of the financial inclusion initiative in terms of ward-level surveys and household coverage. The fact that all 5,582 allotted wards/SSAs have completed their surveys (with zero pending) highlights the efficiency and thoroughness of the PMJDY implementation in Kerala. This suggests robust coordination between the Department of Financial Services, banks, and local authorities, ensuring that no geographical area was overlooked. The absence of pending surveys underscores Kerala's strong administrative framework and commitment to the PMJDY's objectives. Achieving 100% household coverage (4,585,375 households covered out of 4,585,375 identified) is a significant milestone. This places Kerala among the leading states in India for financial inclusion under the PMJDY, aligning with its historical performance as one of the first states to achieve complete household banking coverage, as noted in earlier reports (e.g., The Economic Times, 2014, stating Kerala as one of the first states to achieve this alongside Punjab and Madhya Pradesh).
The 100% coverage indicates that every household in Kerala has access to at least one basic banking account, fulfilling a core objective of the PMJDY to provide universal access to banking services, including savings accounts, remittances, credit, insurance, and pension facilities.
Kerala's success can be attributed to its high literacy rates, well-developed banking infrastructure, and proactive state-level implementation committees, which are part of the PMJDY’s structured monitoring mechanism. The state’s performance contrasts with national trends where some states and union territories report coverage slightly below 100% (e.g., 99% in eight states/UTs as of September 2024). Historical data from 2011 Census, as cited in The Hindu (2014), indicated that only 144 million households (about 300 million individuals) had access to banking services nationally, with Kerala performing above the national average. The 2025 data show a significant leap, reflecting the PMJDY’s impact in closing the financial inclusion gap.
The growth from 14.72 crore accounts in 2015 to 53.13 crore accounts in 2024 demonstrates the PMJDY’s success in onboarding a significant portion of India’s unbanked population. With India’s population at approximately 140 crores in 2024, and an average household size of 4.8 (per 2011 Census), the 53.13 crore accounts cover roughly 80-90% of households, approaching universal coverage. The early years (2015-2017) saw rapid account openings, likely driven by the program’s initial momentum, government campaigns, and the JAM trinity (Jan Dhan, Aadhaar, Mobile). The slower growth in recent years suggests the program is reaching saturation, with most eligible households already covered. The 1,375% increase in deposits (from ₹15,670 crores to ₹2,31,236 crores) highlights the program’s role in mobilizing savings among low-income and previously unbanked populations. This aligns with PMJDY’s objective of fostering a savings culture and integrating marginalized groups into the formal economy. The deposit per account growth (from ₹1,065 to ₹4,352) indicates increasing account activity and trust in the banking system. However, the average balance remains modest, reflecting the program’s focus on low-income

households. The slight decline in deposits and per-account balance in August 2024 may reflect seasonal spending, economic slowdown, or withdrawals for emergencies, which requires further analysis.

Table 4: Status of PMJDY from Various Perspectives

Month & Year	PMJDY Accounts (in Crores)	Deposits (in Crores)	Deposit Per account (in Rs)	Rupay Debit cards issued in PMJDY (in Crores)
March 2015	14.72	15,670	1065	13.15
March 2016	21.43	35,672	1665	17.75
March 2017	28.17	62,972	2235	21.99
March 2018	31.44	78,494	2497	23.65
March 2019	35.27	96,107	2725	27.91
March 2020	38.33	1,18,434	3090	29.30
March 2021	42.20	1,45,551	3449	30.90
March 2022	45.06	1,66,459	3694	31.62
March 2023	48.65	1,98,844	4087	32.94
March 2024	51.95	2,32,502	4476	35.35
August 14, 2024	53.13	2,31,236	4352	36.14

Source: https://www.pmjdy.gov.in/account

The issuance of 36.14 crore RuPay debit cards by August 2024 underscores the program's emphasis on digital financial inclusion. RuPay cards enable access to ATMs, online transactions, and government benefits like accident insurance (₹2 lakh for post-2018 accounts). However, the gap between accounts (53.13 crores) and cards (36.14 crores) suggests that 32% of account holders lack RuPay cards, potentially limiting their access to digital transactions. The slower growth in card issuance compared to accounts (CAGR of 11.9% vs. 15.3%) may indicate logistical challenges, such as delays in card distribution or low demand in rural areas with limited ATM/PoS infrastructure.

Historical critiques (e.g., 2021 data showing 14% of accounts as inoperative) suggest that not all PMJDY accounts are actively used. The increasing deposit per account is encouraging, but further research is needed to assess transaction frequency and dormancy rates. The deposit growth aligns with India's economic expansion and increasing digital payments (e.g., UPI transactions). However, the slight decline in deposits in August 2024 may reflect macroeconomic factors like inflation or reduced disposable income among low-income households. The success of PMJDY depends on continuous financial literacy efforts to ensure account holders utilize accounts for savings, credit, and insurance. The modest deposit per account suggests that many account holders are from economically vulnerable groups, necessitating targeted education.

Compared to global financial inclusion efforts, PMJDY's scale is remarkable. For instance, the World Bank's 2017 Global Findex reported that 80% of Indian adults had bank accounts, up from 53% in 2014, largely due to PMJDY. By 2024, PMJDY's 53.13 crore accounts likely push India's financial inclusion rate closer to 90-95%. Within India, PMJDY's growth contrasts with pre-2014 banking penetration (e.g., 144 million households with accounts per 2011 Census). The program's success in mobilizing ₹2.31 lakh crores in deposits highlights its role in formalizing savings among rural (66.6% of accounts) and women (55.6%) account holders.

Conclusion

There is strong evidence to the fact that financial inclusion is the best tool for driving inclusive growth towards sustainable development. But in actual scenario, the image was anything but positive. Though the share of people who didn't have any access to formal banking routes was unbelievably elevated prior to September 2014, the original figure happens to be much higher than anyone can imagine. Prior to September 2014, access to official financial channels was absurdly high, but the real number, as determined by any assessment, is significantly larger than anyone could have predicted. In this regard, the Reserve Bank of India required banks to open "no-frills" accounts by the rural branches before the execution of the Jan Dhan Yojana. Even if they were reluctant, certain banks had pursued their goals of enlisting the masses that were still present in this sphere.

Findings of the study reveal that while account opening has been successful, active usage for savings or investments may be limited. This aligns with broader PMJDY studies, which note that many accounts remain dormant or have minimal balances. A very moderate figure of Rs 3,376.21 crore in deposits contributes to Kerala's banking sector liquidity, enabling credit creation for local economies. However, the low per-account balance suggests a need for research into barriers to active account usage, such as limited income, lack of financial products tailored to low-income groups, or insufficient awareness of banking benefits.

The Household Report for Kerala as of July 9, 2025, underscores the state's exemplary performance in achieving 100% household coverage under the PMJDY, with all 4,585,375 households integrated into the banking system across 5,582 surveyed wards/SSAs. This milestone reflects Kerala's robust administrative and banking infrastructure, aligning with the PMJDY's goal of universal financial inclusion. However, to sustain this success, attention must shift toward ensuring account activity, preventing duplication, and enhancing financial literacy. Hence, it can be concluded that Kerala's achievement serves as a benchmark for other states and highlights the transformative potential of mission-mode governance in addressing financial exclusion.

References

1. Agarwala N, Maity S, Sahu TN. Measuring the efficiency of banks under PMJDY: a study on financial inclusion performance. J Bank Financ Serv. 2023;47(3):123-135.

2. Bagli S. Financial inclusion and human development: a state-level analysis in India. Indian J Econ Dev. 2012;8(4):45-56.
3. Birla A. PMJDY: a catalyst for inclusive economic growth and poverty reduction. Econ Polit Rev. 2021;56(2):89-97.
4. Dutta P, Mehta R. Impact of PMJDY on poor households: evidence from Bihar. J Rural Dev. 2021;40(1):67-82.
5. Kumar D. Financial inclusion and PMJDY: opportunities and challenges. Indian J Finance. 2014;8(10):34-42.
6. Pathak A, Sharma R, Gupta S. PMJDY and its impact on the weaker sections: a study on savings and account penetration. Bank Finance Rev. 2014;6(2):15-27.
7. Pradhan Mantri Jan-Dhan Yojana (PMJDY). Account statistics. Government of India. Available from: https://www.pmjdy.gov.in/account