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**News:** Tenth year of the Pradhan Mantri Jan-Dhan Yojana (PMJDY)

- The year 2024 marks the tenth year of the Pradhan Mantri Jan-Dhan Yojana.

## **Pradhan Manthri Jan Dhan Yojana – PMJDY**

- Pradhan Manthri Jan Dhan Yojana is the flagship program of Ministry of Finance for financial inclusion launched in 2014 with the slogan “Mera Khatha, Bhagya Vidhatha”.
- 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.
- The accounts pay a 4 % annual interest with no minimum balance requirements.
- It aims to make affordable access to the bank services.
- Free Rupay Debit card is provided to PMJDY account holders.
- However, there is no mandatory free cheque book facility with a PMJDY account. Banks can issue cheque books on PMJDY accounts which may/may not be priced.

- Accident Insurance Cover of Rs.1 lakh (enhanced to Rs. 2 lakh to new PMJDY accounts opened since 2018 is available with RuPay card issued to the PMJDY account holders.
- Recent study says that around 59% of bank accounts opened round the globe in the accounting year 2018-19 were in India.
- In 2019, Gov. decided to make PMJDY open-ended, which means PMJDY ends never.
- Overdrafts up to ₹10,000/- under Pradhan Mantri Jan-Dhan Yojana (PMJDY) accounts qualify under Priority Sector Lending (PSL) norms, provided the borrower's household annual income does not exceed ₹ 100,000/- for rural areas and ₹1,60,000/- for non-rural areas.

### **10<sup>th</sup> year of PMJDY - statistics**

- PMJDY has moved from the modest beginning with 147 million accounts opened in March 2015 to a mammoth 520 million accounts in March 2024.
- The deposit mobilisation was Rs 15,600 crore in March 2015 which increased to Rs 2.32 trillion in March 2024.
- The deposit mobilisation grew at a compound average growth rate of 30% over the last 10 years.

- Average balance increased from Rs 1,065 in March 2015 to Rs 4,476 in March 2024, nearly quadrupling in the last decade.
- Over 1.3 million banking touch points have been mapped on the Jan Dhan Darshak (JDD) App.
- A total of 601,000 villages are mapped on the JDD app as of July 2023. Out of these, 599,468 (99.7%) of total mapped villages are covered with banking outlets (bank branch, banking corner, or Indian Post Payment Banks within 5 km radius).
- The Jan Dhan Darshak App is a mobile application that helps citizens locate banking touchpoints like branches, ATMs, Banking Correspondents (BCs), IPPBs etc.
- As per Ministry of Finance, PMJDY achieved a milestone of a total of 53.13 crores PMJDY accounts out of which 55.6% (29.56 crores) Jan-Dhan account holders are women and 66.6% (35.37 crores) Jan Dhan accounts are in rural and semi-urban areas.
- The total number of UPI financial transactions has increased from 920 million in Financial Year (FY) 2018 to 131.2 billion in FY 2024.
- Similarly, total number of RuPay card transactions at point of sale (PoS) and e-commerce have increased from 670 million in FY 2018 to 1.26 billion in FY 2023.

- PMJDY transferred about USD 361 billion directly to beneficiaries from 53 central government ministries through 312 key schemes.
- During Covid-19, the PMJDY accounts were instrumental in one-time ex gratia payment of Rs 500 per month for three months (April, May and June 2020) under Pradhan Mantri Garib Kalyan Yojana (PMGKY), benefiting 206.4 million women account holders.
- As of March 2024, a total of 1, 17,701 overdraft facility have been opened with a sanctioned amount of Rs 190 crore to such PMJDY account holders. The limit utilisation stands at 80.5%.
- It has ensured access to credit from the formal financial system for the poorest of the poor.
- Although zero balance accounts are permitted under PMJDY and maintenance of minimum balance is not mandatory, only 8.4% accounts have zero balance.
- As per the World Bank, India has achieved as much in just six years what would have taken about five decades.
- The Jan Dhan-Aadhaar-Mobile (JAM) trinity has propelled the financial inclusion rate to 80% of adults from 25% in 2008, a journey shortened by up to 47 years and made possible due to Digital Public Infrastructure (DPI).