

PG Department of Geography, Patna University

Paper – Regional Geography

Unit- V

Niharika Narayan

Assistant Professor (Guest)

Email Id- [narayanniharika@gmail.com](mailto:narayanniharika@gmail.com)

## **Phases of Jan Dhan Yojana and its Impact**

**Introduction-** Pradhan Mantri Jan Dhan Yojana (PMJDY) or National Mission for Financial Inclusion was launched on 28 August 2014 to ensure affordable access to financial services viz. Bank accounts, remittance, credit, insurance and pension.

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

The implementation of Pradhan Mantri Jan Dhan Yojana (PMJDY) occurred in three phases:

#### **Phase I: 15 August 2014 – 14 August 2015**

- PMJDY scheme was implemented during this period with an aim to provide universal access to banking facilities for all the household families across the country with at least one basic banking account with RuPay Debit Card which had an inbuilt accident insurance cover of Rs 1 lakh.
- It provided a financial literacy programme to the villages.
- Issuing of the Kisan Credit Card was also proposed during this period.

#### **Phase II – 15 August 2015 – 14 August 2018**

It aimed at providing microinsurance to the people and pension schemes like Swavalamban to the unorganised sector through the Business Correspondents.

### Phase III – after 14 August 2018

- PMJDY focused on opening accounts for every household with an existing Overdraft (OD) limit of Rs 5,000 to be raised to Rs 10,000. No conditions were attached for OD up to Rs 2,000.
- The age limit for availing the OD facility was revised from 18-60 years to 18-65 years.
- Under this expanded coverage, an accidental insurance cover for new RuPay card holders has raised from Rs. 1 lakh to Rs. 2 lakh if the accounts were opened after 28.8.18.



### Impact of Jan Dhan Yojana

- **For Common Man**
  1. Anyone who does not have an account will get an account in bank.
  2. Common man will get direct benefit of government subsidies.
  3. Common man will also have a financial and credit history on government records.

4. It will be easy to get loan directly from financial institutions instead of other modes that charge heavy interest rate.

- **For Business**

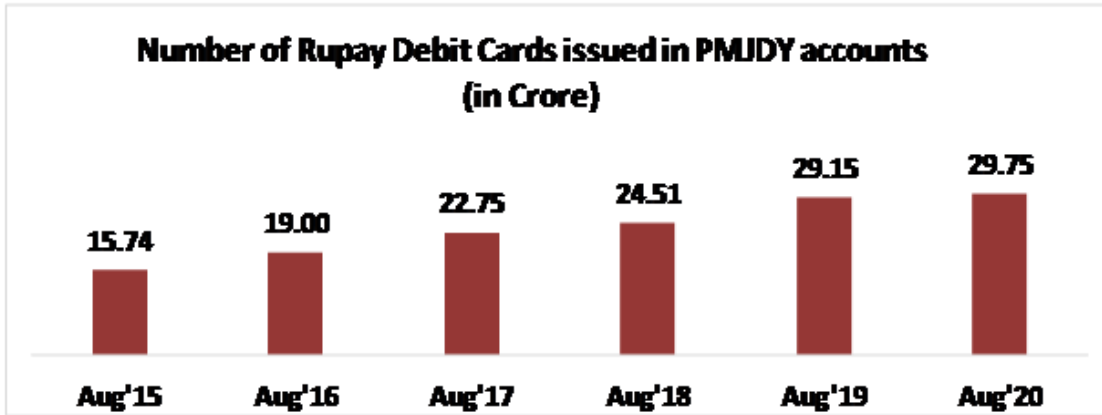
1. More and more people will be doing shopping via debit cards reducing time, manpower and risk involved in managing cash transactions.
2. More relevant data will be available to perform various analyses to create marketing plans.

- **For Government**

1. It will be a great milestone achieved after linking with Aadhaar card to make direct financial transactions, subsidies transfer and lot more.
2. It will be easy to monitor transactions and collect financial data as more people will be using recorded mode of payments.

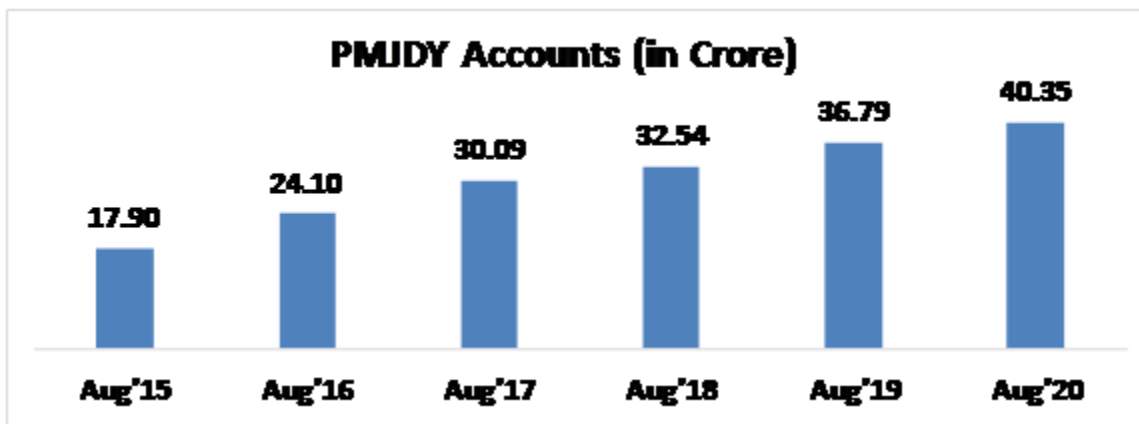
- **For Banking Institutions**

1. Banks will get new customers that directly mean more money inflow.
2. These customers may result in potential clients for other banking services like loans.
3. Further, PMJDY promotes differential banking, allowing new entrants to innovate without the legacy constraints older banks might face. It was envisioned that PMJDY would account for social-security errors, alleviate the problem of asymmetric information via cashless payments, and tackle black money.



∅ Total RuPay cards issued to PMJDY accountholders: 29.75 Crore

∅ Number of RuPay cards & their usage has increased over time



As on 19<sup>th</sup> Aug'20 Number of Total PMJDY Accounts: 40.35 Crore; Rural PMJDY accounts: 63.6%, Women PMJDY accounts: 55.2%

∅ During first year of scheme 17.90 crore PMJDY accounts were opened

∅ Continuous increase in no of accounts under PMJDY