

Financial Inclusion in India: A Special Reference to PMJDY Scheme

Dr.V. Masulamani

Lecturer in Commerce, Govt. Degree College, Pakala, Tirupati DT

Abstract—Financial inclusion is the provision of financial services at a reasonable cost to a large number of disadvantaged and low-income individuals. Because banking services are a public benefit, it is critical that the primary goal of public policy is to provide banking and payment services to the entire population without prejudice.

Financial inclusion needed for equal opportunities to all sections of people in country for inclusive growth, economic development, social development and business opportunity. Because of the vast opportunities for growth in the Indian banking system, India's national vision for 2020 includes the goal of opening nearly 600 million new bank accounts and services through a variety of channels such as microfinance, micro insurance, regional rural banks, NABARD, self-help groups, new bank branches in unbanked areas, and so on.

On August 15, 2014, Prime Minister Narendra Modi inaugurated the Pradhan Mantri Jan Dhan Yojana (PMJDY), one of the world's largest financial inclusion projects, from the ramparts of the Red Fort. When the programme was launched on August 28th, the Prime Minister hailed it as a festival celebrating the poor's escape from a vicious cycle. This puts the onus on the state to engage citizens in economic activity. This article highlights to financial inclusion through PMJDY in India

Index Terms—PMJDY, Financial Inclusion, Bank, Financial services

1.INTRODUCTION

Financial inclusion describes how all societal groups, especially those who have historically been shut out of the official financial system, can access and utilize financial services. Low-income people, rural residents, women, and small business owners are all included in this. The goal of financial inclusion is to give these groups the resources and tools they need to

manage their money, save for the future, and make investments in their communities and companies.

One of the biggest financial inclusion programs in the world, PMJDY was introduced on August 28, 2014. As of mid-August 2025, more than 56.16 crore bank accounts had been opened under the Pradhan Mantri Jan Dhan Yojana (PMJDY), with a total deposit of ₹2.67 lakh crore. Women own 56% of Jan Dhan accounts, demonstrating the program's contribution to advancing gender parity in financial access.

Furthermore, the government is advocating for the exclusive digital availability of all official receipts. Clients may anticipate digital receipts for their payments since many governmental procedures are now computerized. But not every part of the nation has found success with this. To encourage more and more individuals to use digital payment methods, the government is making every effort to remove or reduce the service fee that businesses charge for electronic transactions.

II. OBJECTIVES

The main objectives of the study are:

1. To know the scheme of Pradhan Mantri Jan Dhan Yojana
2. To analysis the opportunities and issues of PMJDY

III. RESEARCH METHODOLOGY

1. Data Analysis:

Data can be analysed with the help of statistical tools trend analysis, diagram etc.

2.Limitations of the Study:

The study is based on secondary data and finding of the study depends entirely on the accuracy of such data.

IV. REVIEW OF LITERATURE

Kamath et al 2010 empirically showed that correlation between supply of institutional finance and demand for the same is low in India. Therefore, there is a need to study financial inclusion both from supply side and demand side to reflect ground situation on access and use of financial services (Beck et al 2009)

CRISIL (2015) also develops similar index called Inclusix (for 2013) for India. It is a composite index consists of the indicators that measures the progress of financial inclusion in India, these include bank penetration, deposit penetration and credit penetration which are all combined together in one single metric. The CRISIL Inclusix indicate that there is an overall improvement in the financial inclusion in India

Sarma (2012) had constructed a multidimensional index of financial inclusion. This index is constructed similarly to that used by UNDP for constructing well known human development index (HDI), Human poverty index (HPI), Gender development index (GDI), etc.

Gupta Kamini, (2023), Pradhan Mantri Jan Dhan Yojana (PMJDY) One of the vital instruments for driving financial inclusion in India has been Pradhan Mantri Jan Dhan Yojana (PMJDY). This is how millions of people, unbanked and underprivileged started getting linked with a formal financial system as well. The massive number of accounts opened under PMJDY indicates its success.

Modi & Baral (2021) have analyzed the data of PMJDY. This report aims to provide a summary and analysis of the PMJDY data. The Government of India is Scattering Since the primary intention of this study was to decide what 'Financial inclusion in India has been advanced by PMJDY'. Through this program, millions of people have been able to get access to banking and financial servers by providing bank accounts, especially for poor or underprivileged sections

V. FINANCIAL INCLUSION IN INDIA

Pradhan Mantri Jan Dhan Yojana (PMJDY)

With a view to increase banking penetration, promote financial inclusion and to provide at least one bank account per household across the country, a National Mission on Financial Inclusion (FI), known as Pradhan Mantri Jan Dhan Yojana (PMJDY) was announced on 15th August, 2014. The Scheme was formally launched on 28th August, 2014 at National level by the Hon'ble Prime Minister. Comprehensive financial inclusion of the excluded sections was proposed to be achieved by 14th August, 2018

Phases as under:

Phase I (15th August, 2014 - 14th August, 2015) Universal access to banking facilities in all areas, except those with infrastructural and connectivity constraints and providing basic banking accounts and RuPay Debit card with inbuilt accident insurance cover of Rs. 1 lakh and organizing Financial Literacy Programmes.

Phase II (15th August, 2015 - 14th August, 2018) Overdraft (OD) facility upto Rs.5,000 to be given after six months of satisfactory operation/history. Creation of Credit Guarantee Fund for coverage of defaults in overdraft accounts and unorganized sector pension schemes like Swavlamban.

Extension of PMJDY

PMJDY was extended beyond 14.8.2018 with the focus on opening of accounts shifting from "every household" to "every unbanked adult" while making the scheme more attractive with upward revision in: -

- a. OD limit from Rs.5,000 to Rs.10,000;
- b. accident insurance cover on RuPay card holders from Rs.1 lakh to Rs.2 lakh;
- c. age limit for availing OD facility revised from 18-60 years to 18-65 years; and
- d. no conditions attached for OD up to Rs. 2000.

5.1 Performance of PMJDY

Table-1 Major achievements of PMJDY are as under: (Number in crores)

As on	PMJDY Accounts (in Crore)	No. of PMJDY Accounts (Male)	No. of PMJDY Accounts (Female)	No. of PMJDY Accounts (Rural/Semi Urban)	No. of PMJDY Accounts (Urban/Metro)	Deposits in PMJDY Accounts (in Rs. Crores)
March-2015	14.72	7.15	7.39	8.68	5.86	14,641
March-2016	21.43	10.37	11.05	13.17	8.26	35,672
March-2017	28.17	13.67	14.49	16.87	11.30	62,972
March-2018	31.44	14.85	16.60	18.52	12.92	78,494
March-2019	35.27	16.53	18.74	20.90	14.37	96,107
March-2020	38.33	17.85	20.48	22.63	15.70	1,18,434
March-2021	42.20	18.82	23.38	27.85	14.35	1,45,551
March-2022	45.06	19.98	25.08	30.07	14.99	1,66,459
March-2023	48.65	21.60	27.05	32.45	16.20	1,98,844
March-2024	51.95	23.05	28.90	34.58	17.36	2,32,502
As on 08-01--2025	54.50	24.17	30.33	36.28	18.22	2,44,381

Source: Annual Report of Dept. of Financial services-2024-25

Table-2 shows that Major achievements of PMJDY are as under: (Number in crores) A total of 54.50 crore Jan-Dhan accounts have been opened till 08.01.2025 under PMJDY, with a deposit balance of Rs.2,44,381 crores. The average deposit balance is approx. Rs.4,484 per PMJDY account balance There are 30.33 crore (55.7%) women Jan-Dhan account holders, with about 36.28 crore (66.6%) accounts opened in rural and semi-urban areas.

5.2. Major Trends under PMJDY

Table-2

Year	PMJDY Accounts (In Crores)	Number of Rupay Debit Cards issued in PMJDY Accounts (In Crores)
Mar 15	14.72	13.15
Mar 16	21.43	17.75
Mar 17	28.17	21.99
Mar 18	31.44	23.65
Mar 19	35.27	27.91
Mar 20	38.33	29.3
Mar 21	42.20	30.9
Mar 22	45.06	31.62
Mar 23	48.65	32.94
Mar 24	51.95	35.35
08.01.25	54.50	37.23

Source: Annual Report of Dept. of Financial services-2024-25

Table -2 Shows Major Trends under PMJDY, A total of 54.50 crore Jan-Dhan accounts have been opened till 08.01.2025 under PMJDY and 37.25 crore Debit cards were issued as on 08-01-2025 in PMJDY Accounts. Debit Cards were gradually increased from 2015 to 2025

5.3. Major Trends under PMJDY

Table-3

Year	Deposits under PMJDY (In Rs. Crores)	Deposits per A/c In Rs.
Mar 15	15,670	1,065
Mar 16	35,672	1,665
Mar 17	62,972	2,235
Mar 18	78,494	2,497
Mar 19	96,107	2,725
Mar 20	1,18,434	3,090
Mar 21	1,45,551	3,449
Mar 22	1,66,459	3,694
Mar 23	1,98,844	4,087
Mar 24	2,32,502	4,476
08.01.25	2,44,381	4,484

Source: Annual Report of Dept. of Financial services-2024-25

Table -3 Shows Major Trends under PMJDY, Under PMJDY Accounts with a deposit balance of Rs.2,44,381 crores as on 08-01-2025 and the average deposit balance is approx. Rs.4,484 per PMJDY

account balance. Deposits were gradually increase except in corona period

5.4. Number of bank branches of Scheduled Commercial Banks

Table-4

	RURAL	SEMI URBAN	URBAN	METROPOLITAN	TOTAL
Mar-17	49,860	38,931	25,103	26,530	1,40,424
Mar-18	50,860	39,616	25,458	26,536	1,42,470
Mar-19	51,609	41,031	26,399	27,157	1,46,196
Mar-20	52,382	42,213	27,318	28,133	1,50,046
Mar-21	52,651	42,441	27,446	28,055	1,50,593
Mar-22	53,204	42,443	27,433	28,181	1,51,261
Mar-23	54,244	43,745	28,021	29,057	1,55,067
Mar-24	55,213	45,101	29,083	30,319	1,59,716
Sep-24	55,532	45,557	29,455	30,737	1,61,281

Source: Annual Report of Dept. of Financial services-2024-25

1,01,950 to 1,27,929 totally 2,50,708 ATMs as on 30-09-2024.

Table -3 Shows that Number of bank branches of Scheduled Commercial Banks in Rural area there is 5,532 branches, semiurban 45,57 branches Urban area 29,455 branches Metro Politan 30,737 branches totally 1,61,281 branches working for PMJDY schemes as on Sep-2024 in India

5.6. Year wise sanction amount

Table-6

Year	No of Loans Sanctioned (In Cr.)	Amount Sanctioned (Rs. Lakh crore)
2015-16	3.49	1.37
2016-17	3.97	1.80
2017-18	4.81	2.54
2018-19	5.98	3.22
2019-20	6.22	3.37
2020-21	5.07	3.22
2021-22	5.38	3.39
2022-23	6.23	4.56
2023-24	6.67	5.41
2024-25 (as on 10.01.2025)	3.56	3.47
Total	51.41	32.36

5.5 Number of ATM'S from various banks

Table-5

As On	Off-site ATM's	On-site ATM's	Total ATM's
31.03.2016	1,10,111	1,01,950	2,12,061
31.03.2017	1,12,666	1,09,809	2,22,475
31.03.2018	1,15,471	1,06,776	2,22,247
31.03.2019	1,15,323	1,06,380	2,21,703
31.03.2020	1,21,086	1,13,271	2,34,357
31.03.2021	1,22,983	1,15,605	2,38,588
30.09.2021	1,25,220	1,15,762	2,40,982
31.03.2022	1,29,766	1,16,794	2,46,560
31.03.2023	1,31,684	1,23,613	2,55,297
31.03.2024	1,27,301	1,26,116	2,53,417
30.09.2024	1,22,779	1,27,929	2,50,708

Source: Annual Report of Dept. of Financial services-2024-25

Source: Annual Report of Dept. of Financial services-2024-25

Table -3 Shows Number of ATM'S of Scheduled Commercial Banks (SCB'S), Small Finance Banks (SFB'S), Payment Banks (PBs) and White Label ATM Operators. Off time ATMs gradually increased 1,10,111 to 1,22,779 and on-site ATMs increased

Table – shows that Year wise sanction amount Targets have been consistently met since inception. Year wise sanction amount is as follows: - Of the Scheme, except for FY 2020-21 due to COVID-19 Pandemic. Under the PMJDY scheme loans were sanctioned from 2015 3.49 crore to increased 3.56 and totally 51.41 crore in India.

VI. OPPORTUNITIES

1. A basic savings bank account is opened for each unbanked person.

2. There is no requirement to maintain a minimum balance with PMJDY accounts.
3. Interest is earned on deposits in PMJDY accounts.
4. A Rupay Debit card is supplied to PMJDY account holders.
5. Accident insurance coverage of Rs.1 lakh (up to Rs.2 lakh for new PMJDY accounts registered after August 28, 2018) is included with the RuPay card issued to PMJDY account holders.
6. Eligible account holders can obtain an overdraft (OD) of up to Rs 10,000.
7. 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), and the Micro Units Development and Refinance Agency Bank (MUDRA) program.

VII. ISSUES

1. Approximately 20% of PMJDY accounts are idle, limiting scheme efficacy.
2. The push for inclusion raises concerns about excessive borrowing by the poor.
3. Rural recipients struggle to get services due to a lack of awareness.
4. Several accounts have little activity, indicating poor participation.
5. Remote places have restricted access to banking services.
6. The absence of specialized financial solutions limits long-term security.

VIII. CONCLUSION

The Pradhan Mantri Jan Dhan Yojana is definitely a cornerstone in India's road toward universal financial inclusion. With its far-reaching benefits and rapid growth, it has paved the way for a more egalitarian financial future for everyone. As the project grows, it will provide more than simply financial services; it will also provide financial freedom.

REFERENCES

- [1] "Press Release," *Press Information Bureau, Government of India*. [Online]. Available: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2049231®=3&lang=2>

- [2] S. Modi and S. Kumar Baral, "Role of Pradhan Mantri Jan Dhan Yojana (PMJDY) in Promoting Financial Inclusion in India: An Assessment," *Mekal Insights*, no. 2, 2021. [Online]. Available: <https://www.igntu.ac.in/MekalInsight/Vol5-Issue1-2-year-2021/10.pdf>
- [3] K. Gupta, "Articles," *Scientific Research Publishing*, 2014. [Online]. Available: <https://www.scirp.org/journal/articles?searchcode=Kamini+Gupta&searchfield=authors&page=1>
- [4] "Pradhan Mantri Jan Dhan Yojana: Real welfare or tokenism," *The India Forum*. [Online]. Available: <https://www.theindiaforum.in/public-policy/pradhan-mantri-jan-dhan-yojana-real-welfare-or-tokenism>
- [5] "PM Jan Dhan Yojana," *PMF IAS*. [Online]. Available: <https://www.pmfias.com/pm-jan-dhan-yojana/>
- [6] "Pradhan Mantri Jan Dhan Yojana (PMJDY)," *KPMG India*, 2017. [Online]. Available: <https://assets.kpmg.com/content/dam/kpmg/in/pdf/2017/10/PMJDY.pdf>
- [7] S. I. Malligar and B. Bankapur, "Performance of Pradhan Mantri Jan-Dhan Yojana," *Indian Journal of Applied Research*, Jan. 2016.
- [8] C. Balasubramanian, "Predicting regular saving behavior of the poor using decision trees – An important input to financial inclusion to India," *Scholedge International Journal of Management & Development*, vol. 2, no. 8, pp. 16–30, 2015.