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## Awareness & Benefits of PMJDY: An Empirical Study of Yamuna Nagar District Administration of State of Haryana



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### Abstract

Financial inclusion plays a big role in eradicating the poverty in the country. The process for achieving sustainable development and inclusive growth is primarily known as financial inclusion. To provide financial literacy and financial inclusion, the financial stability and development council under the ministry of finance, Government of India is committed and all the financial institutes like RBI, Scheduled commercial banks, financial sector regulators are directed to achieve this objective and the launch of Pradhan Mantri Jan Dhan Yojana (PMJDY) by Government of India is in that direction. This scheme is not confined to opening of bank account but has other advantages blended with it such as Zero Balance bank account with RuPay debit card, Accidental Insurance cover of Rs 1 lakh, Life Insurance cover of Rs 30,000, etc.

**Keywords:** Financial Inclusion, PMJDY, Budgetary Administration, Financial Services, Debit Card, Banking Sector

### Introduction

Among business analysts, the general accord is that financial improvement goes about as a promoter in the general financial development and advancement. Besides, researches show that advancement of a solid, sound money related framework adds to monetary development. Accordingly, most developing nations are advancing monetary consideration as a strategy objective, particularly for the individuals who are disregarded by formal area foundations. In India, financial inclusion has always been a priority, since 1969, when banks were nationalized, the strategy for addressing the banking needs of the poor has been biased toward providing credit, neglecting other aspects, such as building a deposit base, promoting a savings culture, or extending the payment network.

However, over the last decade, India's financial inclusion agenda has seen a strategic shift from an emphasis on credit to a more comprehensive approach toward financial services, particularly opening bank accounts and offering basic financial products such as insurance. This shift has been partly driven by the need to achieve other public policy goals, such as replacing product subsidies with cash transfers, which requires beneficiaries to have bank accounts for advancing the transfers.

The as of late propelled Pradhan Mantri Jan-Dhan Yojana (PMJDY) seems to address the majority of the worries identified with a more concrete and generous commitment with the poor as a component of a money related incorporation procedure to be embraced in a mission mode. The objective of PMJDY is to ensure 'access to various financial services like availability of basic savings bank account, access to need based credit, remittances facility, insurance and pension to the excluded sections, i.e., weaker sections and low income groups'.

### Pradhan Mantri Jan Dhan Yojana in India

"Pradhan Mantri Jan-Dhan Yojana (PMJDY)" was announced on 15 August, 2014 and launched on 28 August, 2014 as a National Mission for Financial Inclusion. This Mission has an ambitious objective of covering all households in the country with banking facilities and having a bank account for each household. PMJDY works with the philosophy of "Sab Ka Sath Sab Ka Vikas". Comprehensive financial inclusion (FI) under the

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mission is based on six pillars. These are proposed to be achieved in two phases as under:

**Phase I (15 August 2014–14 August 2015)**

1. Universal access to banking facilities.
2. Providing Basic Banking Accounts with overdraft facility and RuPay Debit card to all households.
3. Financial Literacy Program

**Phase II (15 August 2015–15 August 2018)**

1. Creation of Credit Guarantee Fund.
2. Micro-Insurance.
3. Unorganized sector Pension schemes like Swavalamban

**Objectives of the Study**

1. To study the awareness levels of people about the PMJDY scheme
2. To study the perceptions of the people about PMJDY scheme.

**Review of Literature**

In opinion of Patel A. , the Government with the association of NABARD (National Bank for Agriculture and Rural Development) has to undertake a pilot project in each State to understand the bank account holder’s perception and bank’s capability to serve these new clients in the light of the concept of the PMJDY.

According to Dasgupta & Anklesaria, the key challenges which could hinder the success of PMJDY which are infrastructural issues pertaining within India, ability to keep the accounts ‘live’, lack of financial and technological literacy amongst the masses, duplication of accounts, managing the ecosystem of business correspondents and the economic burden on stakeholders of keeping these accounts active. They have identified that with the development of PMJDY scheme stakeholders like RBI, central and state government, banks, local bodies, and other government agencies like NABARD, NPCI etc. will have to build a sustainable eco-system to keep these accounts active.

According to Bhatia & Singh, have attempted to study the initiatives of central Government towards financial inclusion, steps taken by the bank with respect financial inclusion, strategies adopted by RBI and Government of India for strengthening financial inclusion and challenges faced to achieve financial inclusion as a part of sustainable growth. They concluded that India is at moderate level of financial inclusion and the need of efficient and effective implementation of policies to achieve the target of banking facilities being felt.

Patnaik, Satpathy, & Supkar, analyzed that only 13.8% of the responded in Bhubaneswar have access to bank accounts and out of the total responded who do not have bank account due to various reason are alarmingly are not aware of PMJDY scheme. Amongst males 78.9% and in 95.08% were not aware of the scheme. The study concluded that the banks should make more effort in creating awareness on zero balance account and should aggressively campaign for such scheme.

According to Verma, financial inclusion can be achieved by ensuring access to financial services, affordability of services, and actual utilization of

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financial services. In order to promote financial inclusion, the Pradhan Mantri Jan Dhan Yojana (PMJDY) was launched across the country. It is a mission mode project of the Government of India. The scheme aims to ensure universal access to banking facilities in each and every household of the country.

**Research Methodology**

Present study is based on primary data which is collected through a questionnaire to study the awareness about scheme and its benefits of PMJDY. A sample of 640 respondents from Yamuna Nagar District of State of Haryana was taken using the non- random sampling. The sample consists of labourers, farmers, government employees, private sector employees, Self-employed, and unemployed people. The data collected is analyses using the Percentage method.

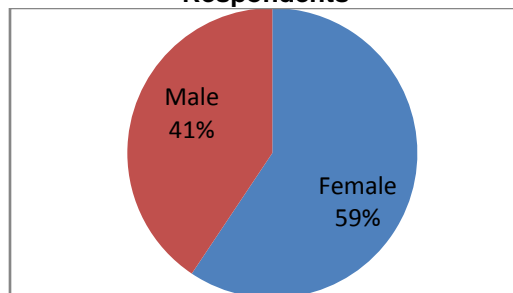
**Data Analysis and Interpretation**

**Gender-wise Distribution of the Respondents**

**Table 1: Gender-wise Distribution of Respondents**

Gender	No. of Respondents
Female	380
Male	260
Total	640

**Figure 1: Gender-wise distribution of Respondents**

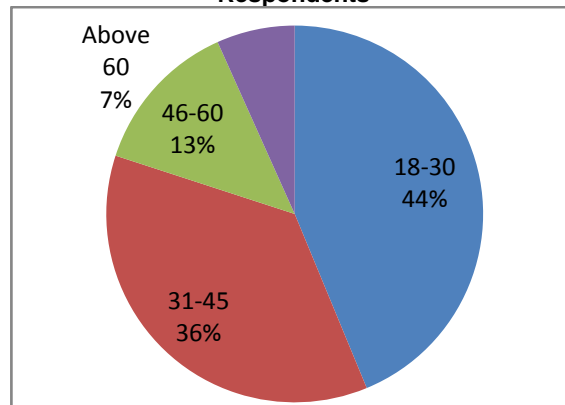


**Age-wise Distribution of the Respondents**

**Table 2: Age-wise Distribution of the Respondents**

Age (in years)	No. of Respondents
18-30	280
31-45	232
46-60	85
Above 60	43

**Figure 2: Age-wise Distribution of the Respondents**



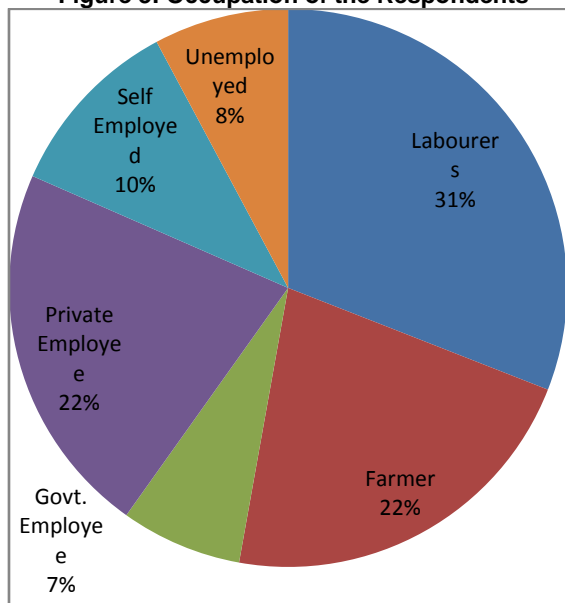
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## Occupation of the Respondents

**Table 3: Occupation of the Respondents**

Occupation	No. of Respondents
Labourers	198
Farmer	140
Govt. Employee	45
Private Employee	139
Self Employed	68
Unemployed	50

**Figure 3: Occupation of the Respondents**

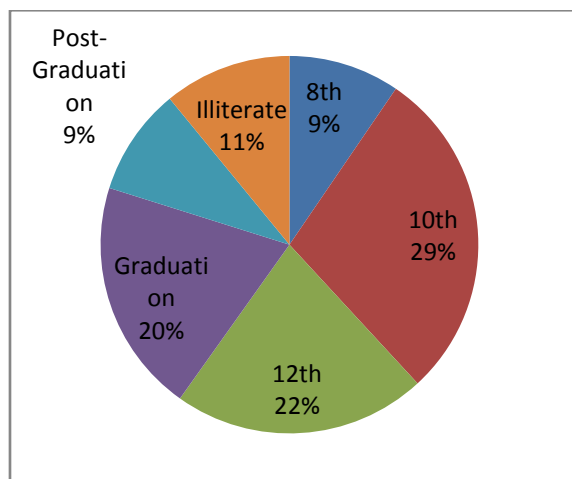


## Education of the Respondents

**Table 4: Education of the Respondents**

Occupation	No. of Respondents
8 <sup>th</sup>	61
10 <sup>th</sup>	183
12 <sup>th</sup>	139
Graduation	128
Post-Graduation	59
Illiterate	70

**Figure 4: Education of the Respondents**



## Awareness of the PMJDY

**Table 5: Awareness of the PMJDY among the respondents**

Aware of PMJDY	No of Respondents
Yes	619
No	21

**Figure 5: Awareness of the PMJDY among the respondents**

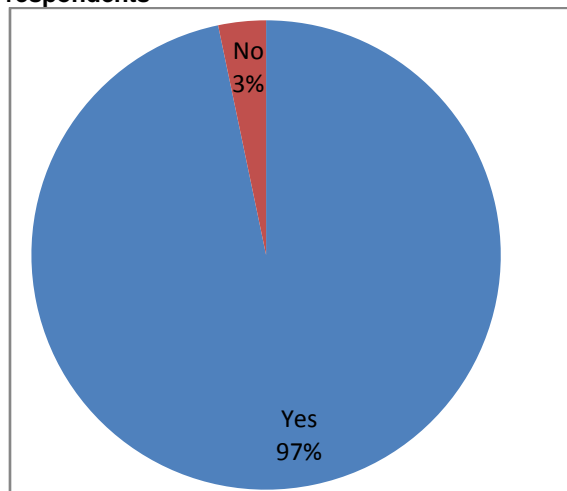


Figure 5 shows that only 3% respondents are not aware of PMJDY scheme. 97% respondents are aware of the scheme.

## Source of Awareness

**Table 6: Source of Awareness of the PMJDY among the Respondents**

Aware of PMJDY through	No of Respondents
Bank Mitr	223
Media	139
Local Administration	108
Friends & Relatives	59
Newspapers	90

**Figure 6: Source of Awareness**

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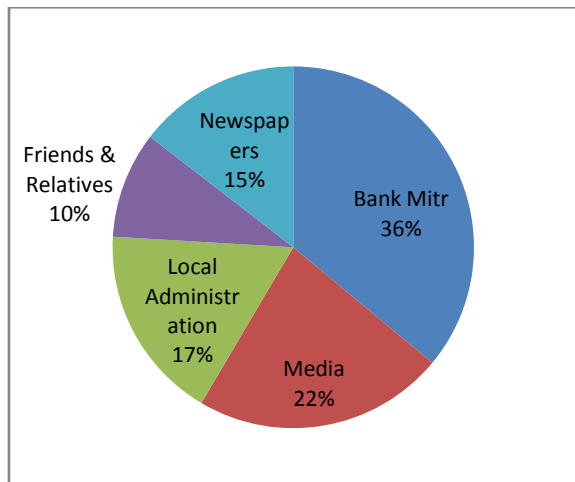


Figure 6 provides information about the scheme is known through. 36% of the respondents are aware of the scheme through bank mitr followed by 22%through media. 17% are aware of the scheme through Administration 15% are through newspapers and 10% respondents are aware through friends & relatives.

### Possession of an Account under PMJDY

**Table 7: Possession of an account under PMJDY**

Have a PMJDY Account	No of Respondents
Yes	603
No	37

**Figure 7: Possession of an account under PMJDY**

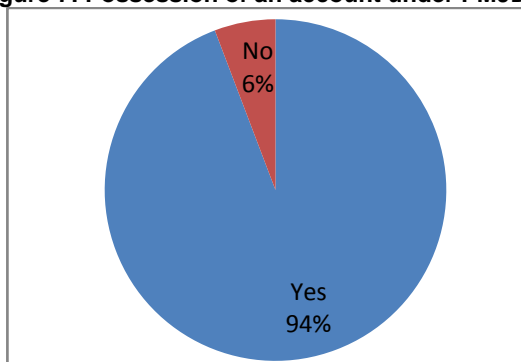


Figure 7 show that 94% of the total respondents are having an account under PMJDY. 6% of the respondents are not having an account under the PMJDY scheme.

### Reason for Opening an Account

**Table 8: Reason for Opening an Account under PMJDY**

Reason for Opening of an Account	No of Respondents
Savings	237
Insurance Facility	79
Overdraft Facility	12
Govt. Subsidiaries & other schemes benefits	275
Total	603

**Figure 8: Reason for opening an account under PMJDY**

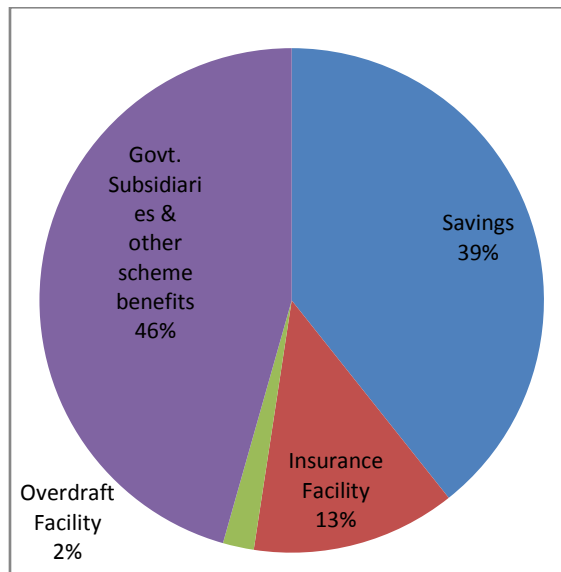


Figure 8 shows the reasons for opening an account under PMJDY scheme. 39% of the respondents have opened the account for saving purpose. 13% have opened the account for utilizing the insurance facility followed by 2% for availing the overdraft facility. There are 46% of the respondents who have opened the account for availing subsidiary and other benefits.

### Benefits Received on Time

**Table 9: Are timely benefits received by the respondents?**

Benefits Provided	No of Respondents
Yes	437
No	166
Total	603

**Figure 9: Benefits Received on Time by Respondents**

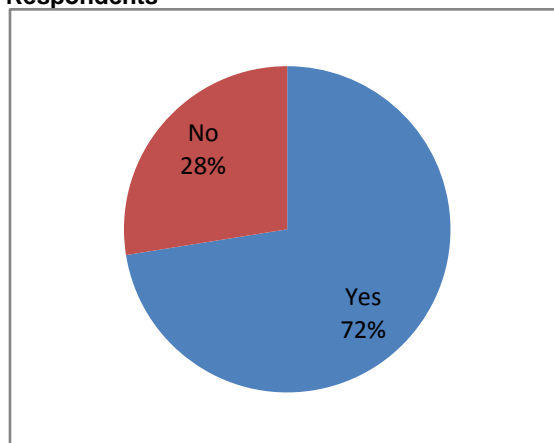


Figure 9 show that 72% of the respondents feel that they received timely benefits. 28% of the respondents feel that timely benefits are not received by them.

**Awareness about Rs.1 Lakh Accidental Insurance, Rs.5000/- Overdraft& Rs.30000/- Life Insurance Facility**

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**Table no.10: Are you aware of Rs.1 Lakh Accidental Insurance, Rs.5000/- Overdraft & Rs.30000/- Life Insurance Facility provided under the scheme?**

Response	No. of Respondents
Yes	408
No	195
Total	603

**Figure 10: Awareness about Accidental Insurance, Overdraft & Life Insurance Facility provided under the scheme**

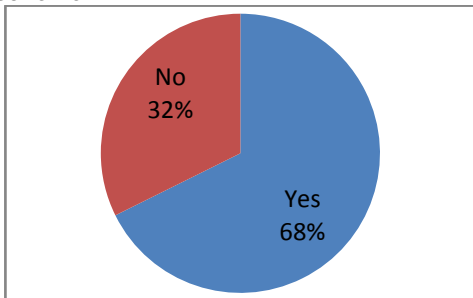


Figure 10 show the awareness of respondents Accidental Insurance, Overdraft & Life Insurance Facility provided under the scheme. 68% of respondents are aware about these provisions, though 32% respondents are not aware about it.

**Possession of RuPay Debit Card**

**Table 11: Do you Have RuPay Debit Card?**

Response	No of Respondents
Yes	467
No	136
Total	603

**Figure 11: Possession of RuPay Debit Card**

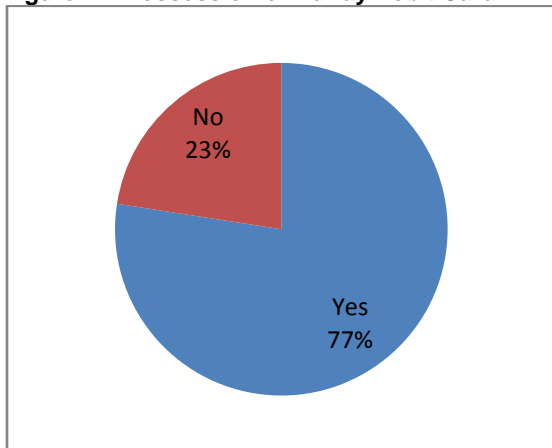


Figure 11 shows that 77% of the respondents are having RuPay debit card, though 23% of the respondents do not have debit card.

**Whether PMJDY is a Sincere Effort of Indian Government for the Poor People of the Country**

**Table 11: Do you think PMJDY isa Sincere Effort of Indian Government for the Poor People of the Country?**

Response	No of Respondents
Yes	539
No	48

Can't Say	53
Total	640

**Figure 12: Whether PMJDY is a Sincere Effort of Indian Government for the Poor People**

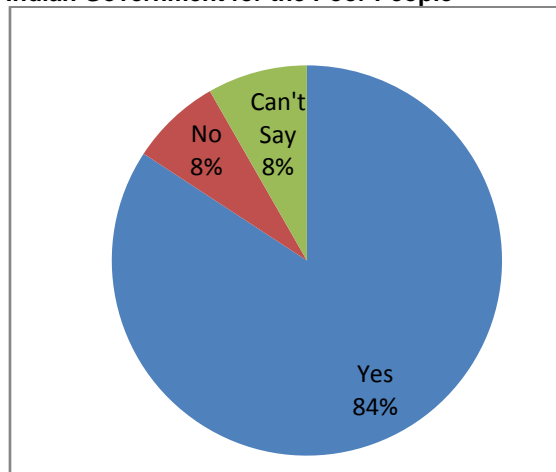


Figure 12 clearly demonstrate that 84% of the respondents gave their answer in positive for the statement. Though 8% respondents gave negative answer.Likewise, 8% of the respondents gave no opinion about the statement.

**Findings of the Study**

- 36% of the respondents are aware of the scheme through bank mitr followed by 22% through media. 17% are aware of the scheme through Administration 15% are through newspapers and 10% respondents are aware through friends & relatives.
- 94% of the total respondents are having an account under PMJDY.
- 39% of the respondents have opened the account for saving purpose. 13% have opened the account for utilizing the insurance facility followed by 2% for availing the overdraft facility. There are 46% of the respondents who have opened the account for availing subsidiary and other benefits.
- 72% of the respondents feel that they received timely benefits. 28% of the respondents feel that timely benefits are not received by them.
- 68% of respondents are aware about Accidental Insurance, Overdraft & Life Insurance Facility provided under the scheme.
- 77% of the respondents are having RuPay debit card, though 23% of the respondents do not have debit card.
- 84% of the respondents gave their answer in positive for the statement that PMJDY is a Sincere Effort of Indian Government for the Poor People of the Country. Though 8% respondents gave negative answer. Likewise, 8% of the respondents gave no opinion about the statement.

**Suggestions**

Following are some of the suggestions on the basis of study:

- Financial information from various sources like Bank Mitr, newspapers, media etc. has help to

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increase the inclusion. So, banks & policy makers should work in close coordination to spread financial information as those efforts are seen to directly impact their business.

2. There is need to spread financial information more clearly as people are not properly aware about insurance provision or overdraft facility.
3. Banks should enhance their work mechanism so that benefits may be provided to customers on time. Bank staff should be prepared all the time to help their customers.
4. There is need to create awareness among the account holders about the use and benefits of RuPay Debit card, a number of account holders do not have the debit card.
5. Banks should put more efforts to tap low-income households and rural areas because it will not only bring then business but also fulfill the aim of PMJDY.

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