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Pillars of Pradhan Mantri Jan Dhan Yojana

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Abstract

Pradhan Mantri Jan Dhan Yojana is a national mission for financial inclusion. This Yojana is one of the world greatest financial efforts. The aim of this scheme is to provide inexpensive access to financial services. It is a process to insure access to financial services at a minimum cost with timely and proper credit whenever valuable group required it. In the previous chapter a view of Pradhan Mantri Jan Dhan Yojana (PMJDY) have been defected.

Keywords: Account, ATM, Bank, pillars, services

Introduction

In India the Pradhan Mantri Jan Dhan Yojana is termed one of the world's largest financial inclusion efforts which launched on August 28th 2014 by Hon'ble Indian prime Minister Shri Narendra Modi is National Mission for Financial Inclusion, which object is to provide inexpensive access to financial services to the citizens.

1. Pradhan Mantri Jan Dhan Yojana is a National Mission on Financial Inclusion which takes an integrated strategy to ensure that every households in the country have access to financial services.
2. The PMJDY envisions universal banking access, with all household having minimum one basic banking account.
3. It also ensures financial literacy, insurance, accesses to credit, and a pension plan apart from this each beneficiary will receive a RuPay Debit card with (built-in) 1 lac accidental insurance coverage.
4. This scheme asks for the transfer of government money to beneficiaries' accounts and to promote the central government Direct Benefits Transfer scheme.
5. Poor connectivity and on-line trnnsactions can be treated as technological drawback
6. This Yojana intends to use moble transactions through telecome operators as cash out Points for financial inclusion.
7. Proper attempt is also being made to recruit the national youth to engage in the Mission.
8. The PMJDY ensure that the excluded sections, like weaker sections and low-income group have access to various financial services as basic savings, loans, remittances, insurance, and pension.

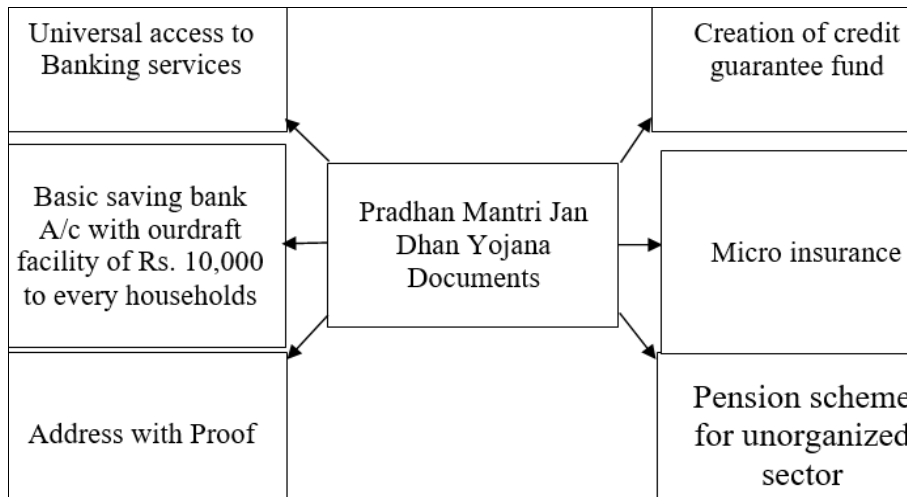
PMJDY Scheme

The PMJDY Scheme assures that the Indian impoverished and marginalized citizens have poor access to financial services namely savings and deposit accounts, credit, insurance, and pensions. A long felt-need Pradhan Mantri Jan Dhan Yojana is National Mission on Financial inclusion committed itself for an integrated approach to bring about comprehensive financial inclusion of all the households in the when enabling especially low income group people cultivate the habit of saving, and most importantly, benefit form string of financial products and services offered by banking system in the country.

Pillars of PMJDY

The Six Pillars of PMJDY which providing bank accounts, credit, insurance, pension, financial literacy, and increasing the penetration of banking agents are designed to address the prior challenges and to accelerate financial inclusion in the country

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Banks can consider such customer having very good credit history for more than a year are eligible for higher credit limits. The present PMJDY proposes to generate a credit guarantee fund with Rs. 1,000 crore to start with, to provide guarantee of defaults in overdrafts in basic banking accounts. According to estimates there are 18.3 crore basic banking accounts and is estimated that by the end of the plan additional 7.4 crore accounts would be started. Out of about 26 crore households, 11 crore are KCC holders. Hence for remaining 14 crore households, an overdraft of amount Rs. 42,000 crore. By practicing 1: 11 leverage ratio India's will need Rs. 4400 crore over a period of time. Therefore to start. It is proposed to begin with a corpus of Rs. 1000 crores. This would be budget neutral for India and this will be funded by the Financial Inclusion.

Micro credit

To provide hassle free credit limit for Rs. 10,000/- after completion of proper operation of completion of proper operation of accounts for 6 months to low income group and underprivileged people to meet their need without security. Card holders has been raised from Rs. 1 lac to Rs. 2 Lac for new Pradhan Mantri Jan Dhan Yojana started after August 2018. It is concerned with fifth pillar of PMJDY. Coming to the overdraft facility factor, it needs to be mentioned that initially, when the opening of the bank accounts, it has been mentioned that this facility meant the government should provide Rs. 10,000/- in the newly opened bank accounts as a subsidy

Micro Insurance

The financial inclusion is a system by which a society access various financial services. It is the fifth pillar of the financial inclusion plan is to provide proper micro insurance to the people of the country. IRDA Insurance Regulatory and Development Authority has created a category of insurance coverage among economically poor income group and valuable group of the nation. It is important to undust and that micro insurance policy can be general/life insurance policy with a sum assured up to Rs. 50,000. This process is to be attended by August 14th 2018 and on ongoing basic

New Initiatives of PMJDY

Further being able to have access the transaction account is a first step for broader financial inclusion from a transaction account allows people to store money, send and receive

payments. A transaction account open the door to another financial services, it is ensuring that people throughout the globe have access to transaction account continues to be an area of focus for the World Band Group. It was the focus of the World Bank Group's Universal Financial access 2021 initiative. PMJDY is a National Mission for financial inclusion completes its eight years of grand and successful implementation near about 46.25 crore beneficiaries banked under PMJDY till date amounting to Rs. 1,73,964 crores financial inclusion is big for inclusive growth which ensures overall economic growth and development of marginalized sections the country PMJDY has become the foundation stone for the government's people-oriented initiation for financial inclusion.

PMJDY with New Features

RuPay Card Insurance

Free accidental insurance coverage on RuPay cards increased from Rs. 1 lac to Rs. 2 lac for PMJDY accounts August 2018

Enabling Interoperability

Through RuPay debit card and Aadhaar enabled Payment System has been made

Enhancement in overdraft facilities

Overdraft limit doubled from D10,000/- OD upto D2,000/- Increased upper age limit for OD from 60 to 65 years.

Jan Dhan Darshak App has been launched to provide a people centric platform for locating banking touch points like bank branches, ATM, Bank Mitras, Post offices, in the society.

Increased financial inclusion

Within 10 days of nationwide lockdown due to Covid-19, more than about 20 crore women PMJDY accounts were credited with ex-gratia.

DBT transactions:

The close monitoring to avoid DBT failures in consultation with DBT Mission, National Payments Corporation of India and banks and various other authorities ensures that the eligible beneficiaries get their DBT in time

Conclusion

The Pradhan Mantri Jan Dhan Yojana is a grates mission of the nation for financial inclusion. This scheme is the greatest global financial efforts which aim to provide inexpensive access to financial services at the minimum cost to the gives focus on set up of sub services area under which at least one or two thousand households will be covered.

This scheme targets minimum one bank account for each unbanked household so that they can develop cultural of saving of their hard money in bank further yojana gives focus on education related to financial literacy so that people can use ATM cards properly.

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