

## UPSC Civil Services Examination

### UPSC Notes [GS-III]

#### Topic: Pradhan Mantri Jan-Dhan Yojana (PMJDY)

Pradhan Mantri Jan-Dhan Yojana (PMJDY) was launched by Narendra Modi on 28th August 2014. It is a national mission with an aim to provide access to various financial services including Remittance, Credit, Insurance, Pension, Banking Savings & Deposit Accounts in an affordable manner. Prime Minister Narendra Modi first announced this scheme during his Independence Day speech on 15th August 2014.

Pradhan Mantri Jan Dhan Yojana is a financial inclusion campaign which provides universal access to banking facilities. It also ensures to provide financial literacy with at least one basic banking account for every household in India.

The highlights of this scheme has been mentioned in the table below:

<b>Name of the scheme</b>	PMJDY
<b>Full Form</b>	Pradhan Mantri Jan-Dhan Yojana
<b>Date of launch</b>	28th August 2014
<b>Government Ministry</b>	Ministry of Finance

#### What are the benefits of the PMJDY scheme?

Pradhan Mantri Jan Dhan Yojana (PMJDY) was introduced with a target of opening bank accounts for around 7.5 crore uncovered households in India by 26th of January, 2015. This scheme was successful in opening around 12.54 crore accounts by 31st January 2015 with deposits exceeding Rs. 10,000 crores. PMJDY scheme is also certified by the Guinness World Records for its achievements which states that most bank accounts opened in one week as part of the Financial Inclusion Campaign is 18,096,130 and was achieved by the Department of Financial Services, Government of India.

Some of the benefits provided under this scheme are mentioned below:

- The scheme covers both the urban as well as the rural areas and provides an indigenous Debit Card (RuPay card) to each of its account holders.

- No minimum balance is required for opening an account under this scheme. The beneficiary can open his/her account in any bank branch or Business Correspondent outlet at zero balance.
- It ensures to provide on Core Banking System (CBS) along with mobile banking using USSD facilities. A facility of call centre and toll free number is available nationwide.
- The Pradhan Mantri Jan Dhan Yojana provides each beneficiary with basic banking accounts with a debit card with inbuilt accident insurance.
- Rs. 5,000 overdraft facility for Aadhar-linked accounts as well as a RuPay debit card with inbuilt Rs. 1 lakh accident insurance cover is one of the main features provided by this scheme.
- For accounts that are opened between 15th August 2014 and 26th January 2015, a Life Insurance cover of Rupees 30,000 is provided to the eligible beneficiaries. Also after remaining active for 6 months, the beneficiary will be eligible for an overdraft of up to Rs 5,000.

## 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 upto 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 was raised from Rs. 1 lakh to Rs. 2 lakh if the accounts were opened after 28.8.18.

