



PRADHAN MANTRI JAN-DHAN YOJANA - A STUDY ON ITS STATUS AND PROGRESS IN ANDHRA PRADESH

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Abstract

Financial inclusion is essential prerequisite for the economic development of the country. Without Financial Inclusion one can't think of economic development because a large chunk of total population remains outside the growth process. Though our country's economy is growing at a one digit, still the growth is not inclusive with the economic condition of the people in rural areas worsening further. One of the typical reasons for poverty is being financially excluded. 'Pradhan Mantri Jan-Dhan Yojana' was announced by Honorable Prime Minister, 'Mr. Narendra Modi', in his first Independence Day address on 15 August, 2014. This is a National Mission on Financial Inclusion includes inte -grated approach to bring about complete financial inclusion of all the households in the country. This scheme is launched on 28th August 2014. In this paper an attempt is made to assess the progress of Pradhan Mantri Jan-Dhan Yojana in Andhra Pradesh since the inception of the scheme.

Key Words: *No-frills Account, Sub-Service Areas, Households, business correspondent.*

Introduction

Inclusiveness in the present time is one of the challenging issues for India. It is one of the biggest challenges before our nation today to ensure inclusive growth. The planning commission in the approach paper for the Eleventh and Twelfth five year plan specifically emphasized on the "inclusive growth" due to multidimensional aspect of growth. For the country to achieve inclusive growth target, inclusiveness must be translated into poverty reduction through providing livelihood opportunities. India fixed the target for the growth of 9.0 to 9.5 percent for the Twelfth plan, but it should be inclusive. Poverty, therefore, must be addressed at priority basis, because growth has no meaning without reducing misery and hunger to the large sections of the

Society. In India, more than 70 percent people live in rural areas and among rural population marginalized sections of the society are more vulnerable. India already achieved a very impressive growth rate of more than 8 per cent in the Eleventh plan, but the country is still facing the problem of mass poverty, especially in the rural areas and urban slums.

Financial Inclusion Initiatives and Plans of SCBs In Recent Years In India

In an effort by RBI to achieve sustained, planned and structured financial inclusion, in January 2010, all public and private sector banks were advised to put in place a Board approved three year Financial Inclusion Plan (FIP) and submit the same to the Reserve Bank by March 2010. These banks prepared and submitted their FIPs containing targets for March 2011, 2012 and 2013. These plans broadly include self-determined targets in respect of rural brick and mortar branches to be opened; business correspondents (BC) to be employed; coverage of unbanked villages with population above 2000 as also other unbanked villages with population below 2000 through branches/BCs/other modes; no-frill accounts opened including through BC-ICT; Kisan Credit Cards



(KCC) and General Credit Cards (GCC); and other specific products designed by them to cater to the financially excluded segments. Major attempts to provide financial access to the population have been summarized in Table.1

Table 1, Major Milestones of Financial Inclusion in India

Year	Major Milestones
1969	Nationalization of Banks
1971	Establishment of priority Sector Lending Banks
1975	Establishment of Regional Rural Banks
1982	Establishment of NABARD
1992	Launching of the Self Help Groups bank Linkage Programme
1998	NABARD sets a goal for linkage one million SHGs by 2008
2000	Establishment of SIDBI foundation for Micro Credit
2005	One million SHG linkage target achieved three years ahead of date
2006	Committee on Financial Inclusion
2007	Proposed Bill on Micro Finance Regulation introduced in parliament
2008	Committee submitted its final report on Financial Inclusion to Union Finance Minister in January
2013	Unique Identification Number (AADHAR) and the Direct Benefit Transfer(DBT) Scheme
2014	Introduction of the scheme of Pradhan Mantri Jan-Dhan Yojana

Source: Basic Statistical Returns of Commercial Banks in India, 2001-2014 RBI.

Banks were advised to integrate Board approved FIPs with their business plans and to include the criteria on financial inclusion as a parameter in the performance evaluation of their staff. The implementation of these plans is being closely monitored by the Reserve Bank.

Banks have, up to June 2011, opened banking outlets in 1.07 lakh villages up from just 54,258 as on March 2010. Out of these, 22,870 villages have been covered through brick & mortar branches, 84,274 through BC outlets and 460 through other modes like mobile vans, etc.

Opening of No-frills accounts

Basic banking 'no-frills' account, with 'nil' or very low minimum balance requirement as well as no charges for not maintaining such minimum balance, were introduced as per RBI directive in 2005. As on June 2011, 7.91 crore No-frills accounts have been opened by banks with outstanding balance of Rs.5, 944.73 crore. These figures, respectively, were 4.93 crore and Rs 4257.07 crore in March 2010.

Small Overdrafts in No-frills accounts

Banks have been advised to provide small ODs in such accounts. Up to June 2011, banks had provided

9.34 lakh ODs amounting to Rs.37.42 crore. The figures, respectively, were 1.31 lakh and Rs 8.34 crore in March 2010.



General Credit Cards

Banks have been asked to consider introduction of a General Purpose Credit Card (GCC) facility up to Rs. 25,000/- at their rural and semi-urban braches. The credit facility is in the nature of revolving credit entitling the holder to withdraw up to the limit sanctioned. Based on assessment of household cash flows, the limits are sanctioned without insistence on security or purpose. Interest rate on the facility is completely deregulated. As on June 2011, banks had provided credit aggregating Rs.2, 356.25 crore in 10.70 lakh General Credit Card (GCC) accounts.

Kisan Credit Cards

Kisan Credit Cards to small time farmers have been issued by banks. As on June 30, 2011, the total number of KCCs issued has been reported as 202.89 lakh with a total amount outstanding to the tune of 1, 36,122.32 crore.

Pradhan Mantri Jan-Dhan Yojana in Andhra Pradesh

Andhra Pradesh is one of the pioneering in uplifting the poor through various financial inclusion programmes. With the introduction of Pradhan Mantri Jan-Dhan Yojana the efforts of financial inclusion further strengthened. The progress made under the scheme since inception to 22nd April 2020 is given in table 2.

Table 2, PMJDY Account Opening Status in Andhra Pradesh as on 22nd April 2020

S. No	Particulars	Branches/beneficiaries
1	Beneficiaries at rural/semi-urban centre bank branches	5,187,372
2	Beneficiaries at urban/metro centre bank branches	5,274,838
3	Total Beneficiaries	10,462,210
4	Balance in beneficiary accounts (in crores)	2,849.49
5	No. of RuPay cards issued to beneficiaries	8,423,068

Source: <https://pmjdy.gov.in/statewise-statistics>

It is evident from table 2 that in the State of Andhra Pradesh 10,462, 210 beneficiaries opened PMJDY accounts in various bank branches in the district. Among the total accounts 50.42 accounts were opened in urban areas and the remaining 49.58 per cent opened accounts in rural/semi-urban areas. For the 80.51 per cent of PMJDY account holders Rupay cards were issued as on 22nd April 2020. The total amount in the PMJDY accounts in the state is Rs. 2, 849.49 cores. So the average amount in each PMJDY account in the state is Rs. 2723.13.

Household Coverage under PMJDY in Andhra Pradesh

The household coverage under PMJDY in Andhra Pradesh is presented in table 3.

Table 3, The Status of Household Coverage under PMJDY in Andhra Pradesh as on 22nd April 2020

S. No	Particulars	Number
1	Allotted Wards- SSAs	11592
2	Wards-SSAs Survey Done	11592



3	Wards-SSAs Survey Pending	0
4	Total Households	11855426
5	Covered Households	11855366
6	Household Coverage %	99.99%

Source: <https://pmjdy.gov.in/statewise-statistics>

Table 3 shows that the total wards/Sub-Service Areas (SSAs) allotted for the state for the PMJDY account opening in the state is 11, 592. In all the allotted wards/ Sub Service Area (SSAs) PMJDY accounts were opened. The total household allotted for the opening accounts under the scheme is 11,855,426. Among them 11,855,366 households constituting 99.99 per cent has opened account under the scheme. As on 22nd April 2020 only 60 households account opening was pending.

District Wise Coverage

Table 4 furnishes the details of district wise coverage of households in the State of Andhra Pradesh under PMJDY.

Table 4, District Wise Coverage of Households in Andhra Pradesh under PMJDY

S. No	District Name	Allotted Wards-SSAs	Wards-SSAs Survey Done	Household Coverage-%
1	Anantapur	974	974	100.00%
2	Chittoor	1332	1332	100.00%
3	East Godavari	1016	1016	100.00%
4	Guntur	1246	1246	100.00%
5	Krishna	892	892	100.00%
6	Kurnool	1018	1018	100.00%
7	Prakasam	816	816	100.00%
8	Sri Potti Sriramulu Nellore	791	791	100.00%
9	Srikakulam	722	722	100.00%
10	Visakhapatnam	765	765	100.00%
11	Vizianagaram	562	562	100.00%
12	West Godavari	799	799	100.00%
13	Y.S.R.	659	659	100.00%
Total		11592	11592	100.00

Source: <https://pmjdy.gov.in/statewise-statistics>

It is clear from table 3 that the highest number i.e. 1332 wards/SSAs were allotted to Chittoor district. It is followed by Guntur and Kurnool districts with 1246 and 1018 wards/SSAs in second and third places respectively. The lowest numbers of wards/SSAs were listed in Vizianagaram district (562). In all the allotted wards/SSAs the survey was completed.



Conclusion

The Indian Banking system is growing massively along with Indian economy. But the banking services are not available to large number of people in rural areas and slum areas. They are still living under the clutches of money lenders. Keeping in view of the prevailing conditions in rural and slum areas the Government of India launched several programmes for the inclusion these excluded sections. But, most of these programmes were forgotten soon after their launching. It means that most of these programmes were not implemented properly. Under these circumstances the Government of India introduced a flagship programme of financial inclusion named it as Pradhan Mantri Jan Dhan Yojana (PMJDY). This programme is also started with great fanfare like other financial inclusion programmes. Several studies on the Pradhan Mantri Jan Dhan Yojana revealed that more than three-fourth of citizens was still unaware of the programme in some rural as well as urban areas.

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