



THE PRADHAN MANTRI JAN DHAN YOJANA (PMDJY) - A FORWARD JOURNEY TOWARDS FINANCIAL INCLUSION

Dr. Artta Bandhu Jena*

*Senior Lecturer,
Department of Business Management,
Fakir Mohan University,
Balasore, Odisha, India.

ABSTRACT

Financial inclusion is very vital towards economic development and well structured financial system of a country. PMDJY is an ambitious financial scheme which will provide a host of benefits including a bank account, insurance and a debit card to non-bank account holders in India. Financial literacy has been accorded top priority to create the financial awareness about this yojana. Only 58 % of Indians have access to banking services. So, the PMJDY's target is to open 7.5 crore bank accounts by January, 2015. Under this programme, people will be able to open zero-balance accounts with any bank. By paying the financial benefits directly into bank accounts, the scheme would reduce waste and check corruption that inflate India's \$43 billion subsidy bill, equivalent to more than 2 % of its GDP for handouts of grain, fuel and fertilizer. By taking these factors, the Central Government under the leadership of Mr. Narendra Modi, Prime Minister, India has launched this mass empowerment banking scheme: "Pradhan Mantri Jan Dhan Yojana" on August 28, 2014 to include every Indian into the Indian banking system. Along with banking account, the person will also get other benefits such as Kisan Credit Card, health insurance and other benefits. The PMDJY provides for a free zero-balance bank account with a debit card, Rs. 1 lakh accidental insurance policy and Rs. 30,000 free medical insurance cover for those who enroll before January, 26, 2015. Depending on the performance of the accounts in the first six months, banks will later extend Rs. 5,000 overdraft facility, thereby turning the debit card into a kind of credit card. This research paper will discuss in detail the scope, benefits and developments of the PMDJY towards financial inclusion of common masses as well as towards nation building.

KEYWORDS: *PMDJY, Financial Inclusion, Kisan Credit Card, Health Insurance, Debit Card, GDP.*