

PUBLIC SECTOR BANKS PERFORMANCE AND CONTRIBUTION ON PRADHAN MANTRI JAN DHAN

YOJANA IN INDIA

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ABSTRACT

Indian government and RBI are trying for so many years to bring all the people in the ambit of banking. To achieve this objective, Prime Minister Narendra Modi announced "Pradhan Mantri Jan Dhan Yojana" on the eve of 68th Independence Day to reduce financial untouchability by including millions of people in the financial mainstream and targeted to open 7.5 crore bank accounts till 26th January 2015. By joining hands with the people at the 'bottom of the pyramid', this programme will give a new height to our economy. In the due course of time the plan is to also cover these account holders with insurance and pension products. About 60% of the population in India does not have access to a bank account. The urban population of financially excluded category mainly comprises low income groups like urban labourers, slum dwellers of the cities and socially excluded communities. This paper focuses on public sector banks' performance and contribution towards in Pradhan Mantri Jan Dhan Yojana in India.

Key Words: Pradhan Mantri Jan Dhan Yojana, Reserve Bank of India, Financial Inclusion, No Frills Accounts, Inclusive Banking.

INTRODUCTION

Banking facility is one of the fundamental necessities of the people and everyone must be part of civilization. This not only helps people in becoming part of civilization but also help them in contributing towards the growth and development of the economy. Banks not only act as finance provider but also act as a friend, custodian, and financial advisor and can also play the role of mediator between government and the general public. In case of India, large number of people belongs to middle and low income groups who have tendency to spend a very small proportion of their income and to save more and more for their future need. But still, in India, millions of people are facing the problem of financial untouchability. In India, according to census 2011, around 68.68 percent of total population live in rural areas and 31.2percent live in urban areas and out of this,

only 54.4 percent households of total rural population and 67.8 percent households of total urban population have access to banking services. Hence, these figures reflect that even after 68th year of Independence and a lot of efforts from previous government and Reserve Bank of India (RBI), the problem of financial untouchability continues to persist in our economy.

OBJECTIVE

To study the Public Sector Bank's contribution and performance on Pradhan Mantri Jan Dhan Yojana in India.

RESEARCH METHODOLOGY

The study is descriptive in nature. The study for secondary data purpose only, analyzed websites, reports, various journals, and newspapers.

REVIEW OF LITERATURE

Barhate and Jagtap (2014) discovered in their study financial inclusion, strategy of PMJDY and issues related to the success of the scheme. They concluded that every new thing requires determination and attitude towards success path. Besides that to withstand the heat of economic down surge and fight poverty, the Jan Dhan Yojana is good mechanism.

Paramasivan and Ganeshkumar (2013) have revealed that branch density has significant impact on financial inclusion. It is not possible to achieve financial inclusion only by creating investment awareness, without significantly improving the investment opportunities in India.

Rajanikanta Khuntia (2014) explained that in every household within the grasp of the banking system there has been an ongoing process started a decade ago. In order to reduce the degree of "financial untouchability" the new government has come up with a big bang action plan which is popularly known as "Pradhan Mantri Jan-Dhan Yojana". It's a mega financial inclusion plan with the objective of covering all households in the country with banking facilities along with inbuilt insurance coverage. The purpose is to accelerate growth, fight poverty effectively and to empower the last man in the last row in Indian economy.

Shetty and Deokar (2014) jointly published in their findings that "Pradhan Mantri Jan Dhan Yojana" is not a new programme but there were various programmes initiated by RBI and Ministry of Finance, but due to lack of co-ordination among people, government and RBI, the objectives of all those programme have not been achieved till now. It concludes that formulation of programme is not sufficient for conversion of dreams into reality, but this requires effective and transparent implementation of that programme at the ground level with the co-ordination of government, bank and the general public.

PRADHAN MANTRI JAN DHAN YOJNA (PMJDY)

The "Pradhan Mantri Jan-Dhan Yojana (PMJDY)" is ensuring 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 & low income groups. PMJDY is a National Mission on Financial Inclusion encompassing an integrated approach to bring about comprehensive financial inclusion of all the households in the country. The plan envisages universal access to banking facilities with at least one basic bank account for every household, a strong financial literacy drive, access to credit, insurance and pension facility. In addition, the beneficiaries would get RuPay Debit card having inbuilt accident insurance cover of Rs.100000/-. The plan also envisages channelling all Government benefits (from Centre / State / Local Body) to the bank accounts of the beneficiaries and pushing the Direct Benefits Transfer (DBT) scheme of the Union Government. The technological issues like poor connectivity and on-line transactions will be addressed. Mobile transactions through telecom operators and their established centres as Cash Out Points are also planned to be used for Financial Inclusion under the Scheme.

PUBLIC SECTOR BANKS IN INDIA

Public Sector Banks (PSBs) are banks where a majority stake (i.e. more than 50%) is held by a government. The shares of these banks are listed on stock exchanges. There are a total of 27 PSBs in India [19 Nationalised banks + 6 State bank group (SBI + 5 associates) + 1 IDBI bank (Other Public Sector-Indian Bank) = 26 PSBs + 1 recent Bhartiya Mahila Bank]. The Central Government entered the banking business with the nationalization of the Imperial Bank of India in 1955. A 60% stake was taken by the Reserve Bank of India and the new bank was named as the State Bank of India. The seven other state banks became the subsidiaries of the new bank when nationalized on 19 July 1960. The next major nationalization of banks took place in 1969 when the government of India, under Prime Minister Indira Gandhi, nationalised an additional 14 major banks. The total deposits in the banks nationalised in 1969 amounted to 50 crores. This move increased the presence of nationalised banks in India, with 84% of the total branches coming under government control. The next round of nationalisation took place in April 1980. The government nationalised six banks. The total deposits of these banks amounted to around 200 crores. This move led to a further increase in the number of branches in the market, increasing to 91% of the total branch network of the country.

Table No: 1

Total number of account holders under PMJDY by Public Sector Banks

S. No	Month	Rural	%	Urban	%	Total
1	Sep 14	23673628	53.85	20281041	46.14	43954669
2.	Oct 14	29999614	54.10	25447724	45.89	55447338
3.	Nov 14	36342450	54.37	30489057	45.62	66831507
4.	Dec 14	45119636	54.30	37971425	45.69	83091061
5.	Jan 15	53300249	54.14	45147276	45.85	98447525
6.	Feb 15	58005517	54.06	49292126	45.93	107297643
7.	Mar 15	62535017	54.16	52909928	45.83	115444945

Source: www.pmjdy.gov.in

Table no: 1 shows total no. of accounts holders to open under PMJDY by public sector banks, in the month of September 2014. 43954669 accounts were opened under the PMJDY, of which 53.85 per cent of accounts (23673628) were opened in rural areas, and 46.14 per cent of accounts (20281041) were opened in urban places. In the month of October 2014, 55447338 accounts were opened under the PMJDY, of which 54.10 per cent of accounts (29999614) were opened in rural areas, and 45.89 per cent of accounts (25447724) were opened in urban places. In the month of November 2014, 66831507 accounts were opened under the PMJDY, of which 54.37 per cent of accounts (36342450) were opened in rural areas, and 45.62 per cent of accounts (25447724) were opened in urban places. In the month of December 2014, 83091061 accounts were opened under the PMJDY, of which 54.30 per cent of accounts (45119636) were opened in rural areas and 45.69 per cent of accounts (37971425) were opened in urban places. In the month of January 2015, 98447525 accounts were opened under the PMJDY, of which 54.14 per cent of accounts (53300249) were opened in rural areas and 45.85 per cent of accounts (45147276) were opened in urban places. In the month of February 2015, 107297643 accounts were opened under the PMJDY, of which 54.06 per cent of accounts (58005517) were opened in rural areas and 45.93 per cent of accounts (49292126) were opened in urban places. In the month of March 2015, 115444945 accounts were opened under the PMJDY, of which 54.16 per cent of accounts (62535017) were opened in rural areas and 45.83 per cent of accounts (52909928) were opened in urban places.

On the whole, a maximum of accounts (53.85% to 54.37%) were opened in rural places during the period from September 2014 to March 2015.

RUPAY DEBIT CARD

RuPay is an Indian domestic card scheme conceived and launched by the National Payments Corporation of India (NPCI). It was created to fulfil the Reserve Bank of India's desire to have a domestic, open loop, and multilateral system of payments in India. RuPay facilitates electronic payment at all Indian banks and financial institutions, and competes with MasterCard and Visa in

India. NPCI maintains ties with Discover Financial to enable the card scheme to gain international acceptance.

Table No: 2

Public Sector Banks Provided RuPay Debit Card under PMJDY

S. No	Month	No. of RuPay Debit Card	%
1	Sep 14	18098246	3.82
2.	Oct 14	33722980	7.12
3.	Nov 14	49216661	10.39
4.	Dec 14	73130361	15.44
5.	Jan 15	91232024	19.26
6.	Feb 15	100092148	21.13
7.	Mar 15	108110088	22.82

Source: www.pmjdy.gov.in

Table no: 2 above Public Sector Banks Provided RuPay Debit Card under PMJDY, in the month of September 2014; 3.82 per cent of accounts (18098246) were provided with RuPay Debit Card by public sector banks. In the month of October 2014, 7.12 per cent of accounts (33722980) were provided with RuPay Debit Card by public sector banks. In the month of November 2014, 10.39 per cent of accounts (49216661) were provided with RuPay Debit Card by public sector banks. In the month of December 2014, 15.44 per cent of accounts (73130361) were provided with RuPay Debit Card by public sector banks. In the month of January 2015, 19.26 per cent of accounts (91232024) were provided with RuPay Debit Card by public sector banks. The month of February 2015, 21.13 per cent of accounts (100092148) were provided RuPay Debit Card by public sector banks. In the month of March 2015, 22.82 per cent of accounts (108110088) were provided with RuPay Debit Card by public sector banks.

On the whole, a maximum of RuPay Debit Card were provided (3.82% to 22.82%) by Public Sector Banks during the period from September 2014 to March 2015.

Table No: 3

Total Number of account holders opened under PMJDY by Public Sector Banks

S. No	Month	No. of Accounts Holders	%
1	Sep 14	43954669	7.70
2.	Oct 14	55447338	9.71
3.	Nov 14	66831507	11.71
4.	Dec 14	83091061	14.56
5.	Jan 15	98447525	17.25
6.	Feb 15	107297643	18.80
7.	Mar 15	115444945	20.23

Source: www.pmjdy.gov.in

Table no: 3 noted the total number of accounts holders opened under PMJDY by public sector banks. In the month of September 2014, 7.70 per cent of accounts (43954669) were opened under the PMJDY by public sector banks. In the month of October 2014, 9.71 per cent of accounts (55447338) were opened under the PMJDY by public sector banks. In the month of November 2014, 11.71 per cent of accounts (66831507) were opened under the PMJDY by public sector banks. In the month of December 2014, 14.56 per cent of accounts (83091061) were opened under the PMJDY by public sector banks. In the month of January 2015, 17.25 per cent of accounts (98447525) were opened under the PMJDY by public sector banks. In the month of February 2015, 18.80 per cent of accounts (107297643) were opened under the PMJDY by public sector banks. In the month of March 2015, 20.23 per cent of accounts (115444945) were opened under the PMJDY by public sector banks.

On the whole, a maximum of accounts (7.70% to 20.23%) were opened under PMJDY by public sector bank.

Table No: 4

Total amount of balance of account holders opened under PMJDY by Public Sector Banks

S. No	Month	Balance in Accounts (lakhs)
1	Sep 14	21131.88
2.	Oct 14	428777.26
3.	Nov 14	519593.09
4.	Dec 14	657866.33
5.	Jan 15	817463.04
6.	Feb 15	993720.28
7.	Mar 15	1218505.25

Source: www.pmjdy.gov.in

Table no: 4 indicates the total amount of balance of account holders opened under PMJDY by Public Sector Banks, Rs. 21131.88 lakhs as balance in the accounts in September 2014, and Rs. 428777.26 lakhs as balance in the accounts in October 2014, and Rs. 519593.09 lakhs as balance in the accounts in November 2014, and Rs. 657866.33 lakhs as balance in the accounts in December 2014, and Rs. 817463.04 lakhs as balance in the accounts in January 2015, and Rs. 993720.28 lakhs as balance in the accounts in February 2015, and Rs. 1218505.25 lakhs as balance in the accounts in March 2015.

As on whole, a maximum of amount of the accounts were recorded Rs. 1218505.25 during the period of September 2014 to march 2015.

Table No: 5

Total no. of accounts with zero balance amounts in PMJDY by Public Sector Banks

S. No	Month	No. of Accounts with Zero Balance
1	Sep 14	33414430
2.	Oct 14	41863112
3.	Nov 14	49354870
4.	Dec 14	60404902
5.	Jan 15	65541407
6.	Feb 15	66368364
7.	Mar 15	66782945

Source: www.pmjdy.gov.in

Table no: 5 explains the total no. of accounts with zero balance amount in PMJDY by Public Sector Banks. In the month of September 2014, 33414430 accounts were with zero balance, and in the month of October 2014, 41863112 accounts with zero balance, and in the month of November 2014, 49354870 accounts with zero balance, and in the month of December 2014, 60404902 accounts with zero balance, and in the month of January 2015, 65541407 accounts with zero balance, and in the month of February 2015, 66368364 accounts were with zero balance, and in the month of March 2015, 66782945 accounts with zero balance.

On the whole, a maximum of account holders with zero balance in amount were 66782945 during the period from September 2014 to March 2015

FINDINGS

1. A maximum of accounts (53.85% to 54.37%) were opened in rural places during the period from September 2014 to March 2015.
2. A maximum of RuPay Debit Cards were provided (3.82% to 22.82%) by Public Sector Banks during the period from September 2014 to March 2015.
3. A maximum of accounts holders (7.70% to 20.23%) opened accounts under PMJDY by public sector banks.
4. A maximum amount of Rs. 1218505.25 was recorded during the period from September 2014 to March 2015.
5. A maximum of account holders with zero balance in amount were 66782945 during the period from September 2014 to March 2015.

SUGGESTIONS

Reserve bank of India is one of the backbones of all the commercial banks. Besides it has been launched many more schemes in India, but a few schemes are not yielding results and people do not have awareness of those schemes and financial literacy is at very low level in rural areas. So Public Sector Banks attract at people all income level, to enrol themselves in the PMJDY scheme.

CONCLUSION

Public Sectors Banks play a major role to promote the PMJDY which was introduced by our Indian Prime Minister Narendra Modi to eradicate the financial untouchability in the country. Pradhan Mantri Jan Dhan Yojana has achieved a high target in India. Its contribution and transaction are the basic features of the banking sectors. Therefore of all income level people should easily deposit and save amount in banking sectors. Hence is concluded that PMJDYs has been more useful and people's life has improved through new banking technology.

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