

Press note for the Press Briefing of Finance Minister , Shri Arun Jaitley on PRADHAN MANTRI JAN-DHAN YOJANA dated 20th January,2015.

Financial Inclusion is one of the top most priorities of the government. Exclusion of a large number of people from any access to financial services inhibits the growth of our country.

Pradhan Mantri Jan Dhan Yojana (PMJDY) the biggest financial inclusion initiative in the world was announced by the Hon'ble Prime Minister on 15th August 2014 from the ramparts of the Red Fort and launched by him on 28th August 2014 across the country. While launching the Yojana, the Prime Minister had described the occasion as a festival to celebrate the liberation of the poor from a vicious cycle. Prime Minister had referred to the ancient Sanskrit verse: Sukhasya Moolam Dharma, Dharmasya Moolam Artha, Arthasya Moolam Rajyam – which puts the onus on the state to involve people in economic activity. “This Government has accepted this responsibility,” the Prime Minister had said. The Prime Minister had also sent email to an estimated 7.25 lakh bank employees, exhorting them to help reach the target of 7.5 crore bank accounts, and bring freedom from financial untouchability.

Finance Minister Shri Arun Jaitley in a press conference on 20 January 2015 listed out the achievements made under PMJDY. Against the estimated target of opening bank accounts for 7.5 crore uncovered households in the country, as on date (17th January 2015) Banks have opened 11.50 Crore accounts after conducting survey of 21.02 Crore households in the country. Coverage of 99.74% of the surveyed households has been achieved. The survey was conducted in about 2.27 Lakh Sub Service Areas (SSAs) in rural areas and wards in urban areas in a record time of 4 months. Out of the accounts opened, 60% are in rural areas and 40% are in urban areas. Share of female account holders is about 51%.

Rupay cards have been issued to more than 10 Crore beneficiaries who will get a benefit of personal accidental insurance of Rs. 1.00 Lac under the Yojana. In addition there is a life insurance cover of Rs.30,000/- for eligible beneficiaries. A deposit of Rs. 9188 Crore has been mobilized in the accounts opened under PMJDY.

The earlier campaign on financial inclusion started in 2011 had a limited objective. The focus was on the coverage of villages with population of 2000 or more with banking services. The major shift in PMJDY is that households were targeted instead of only villages as targeted earlier. Moreover both rural and urban areas are covered this time as against only rural areas targeted earlier. The present plan pursued digital financial inclusion with special emphasis on monitoring by a Mission headed by the Finance Minister. A mission office comprising of bankers, IT professionals and data analytic was set up for coordination, collation and follow up with various state governments, Banks and other stakeholders. There was weekly monitoring of the efforts made by the Banks in PMJDY. Banks organized account opening camps on every

Saturday with a mega camp on last Saturday of the month from 8.00 A.M. to 8.00 P.M. in coordination with District Authorities for opening of bank accounts. Financial literacy camps with a counter for Aadhar enrolment and insurance companies were also part of camps organized by the Banks.

PMJDY is a game changer for the economy as it has provided the platform for Direct Benefits transfer which will help in plugging leakages in subsidies and thereby provide savings to the exchequer. Under the PAHAL scheme which is the Direct benefits Transfer in LPG subsidy, an amount of Rs. 1757 crore has been transferred to the beneficiary accounts through the banking network since 15th November, 2014. So far 19 schemes out of 35 DBT schemes have been rolled out across the country, including MGNREGS in 300 districts. State Governments have also been requested to transfer cash/benefits directly in the bank accounts of beneficiaries thereby cutting layers in the delivery process.

Finance Minister informed that to provide universal access to banking facilities for all households across the country through a bank branch or a fixed point Business Correspondent (BC) called Bank Mitra , 1.23 Lacs Bank Mitra have been set up in the country. He said that steps are being taken to ensure that the Bank Mitra are provided with device capable of on line interoperable transactions using Rupay cards and Aadhaar enabled payment system. Use of Rupay cards at other access points will help in reduction in cash transactions and making them digital which will move the economy towards a less cash society.