

# Pradhan Mantri Jan Dhan Yojana: A Decade of Digital Transformation and Financial Inclusion

Radheshyam Kalawat, Shivani Abrol, Ritu Sapra



**Abstract:** Financial inclusion is a crucial catalyst for economic growth, guaranteeing equitable access to financial services across all societal groups. The Pradhan Mantri Jan Dhan Yojana (PMJDY), initiated in 2014, is a principal program of the Government of India designed to provide banking services to the unbanked populace, especially in rural and marginalised areas. This paper analyses the aims of PMJDY and its effects on financial accessibility, banking penetration, and socio-economic development. The investigation, which utilises secondary data from governmental sources and financial reports, highlights significant advancements in financial inclusion, including increased account ownership and digital transactions. Nonetheless, obstacles remain, including numerous inactive accounts, inadequate financial literacy, and service provision deficiencies. The results highlight the necessity for ongoing policy improvements and focused financial literacy initiatives to optimise the advantages of financial inclusion.

**Keywords:** Financial Inclusion, PMJDY, Economic Growth, Bank, Digital Payments

## Abbreviations:

PMJDY: Pradhan Mantri Jan Dhan Yojana  
RBI: Reserve Bank of India  
UPI: Unified Payments Interface  
DBT: Direct Benefit Transfers  
SHGs: Self-Help Groups  
RRBs: Regional Rural Banks  
NPCI: National Payments Corporation of India

## I. INTRODUCTION

The financial inclusion process involves providing essential financial services, including banking, credit, insurance, and payment systems, to all individuals and businesses at a reasonable cost, with a particular emphasis on marginalised and underserved communities.

As per the **Reserve Bank of India (RBI)**, “Financial inclusion is the process of ensuring access to appropriate financial products and services needed by vulnerable groups such as weaker sections and low-income groups at an

Affordable cost, fairly and transparently, by mainstream institutions. players.” According to the World Bank, “Financial inclusion means that individuals and businesses have access to useful and affordable financial products and services that meet their needs – transactions, payments, savings, credit, and insurance – delivered responsibly and sustainably.”

As per **NABARD- India**, “Financial inclusion is the provision of financial services at affordable costs to the disadvantaged and low-income segments of society.”

From the above discussion, it can be stated that the primary components of financial inclusion include-

- Access to fundamental banking services.
- Access to loans and microfinance for small enterprises.
- Insurance and pension programs for social security.
- Advancement of digital and cashless transactions.
- Financial literacy to enable individuals in financial management.

Financial inclusion plays a crucial role in economic growth, enabling individuals to participate in the formal economy. The Pradhan Mantri Jan Dhan Yojana (PMJDY) is a nationwide financial inclusion initiative launched by the Government of India on August 28, 2014, aimed at ensuring universal access to banking services, particularly for the unbanked population. It is among the major global financial inclusion projects. Before PMJDY, millions of Indians lacked access to basic banking services, resulting in economic marginalization. Recognizing this gap, the Government of India launched PMJDY in August 2014 to ensure universal access to banking facilities, credit, insurance, and pension schemes.

This article analyses the influence of the Pradhan Mantri Jan Dhan Yojana (PMJDY) on financial inclusion, specifically within rural and marginalised populations. It examines how the initiative has expanded banking access by enabling millions of previously unbanked individuals to establish accounts and participate in formal financial systems. The paper further discusses the contribution of PMJDY in facilitating digital payments, encompassing the utilisation of RuPay debit cards, mobile banking, and UPI transactions. The initiative has aided India's shift to a paperless economy by enabling secure and direct financial transactions, particularly for government subsidies and welfare benefits. Despite its effectiveness, PMJDY faces challenges such as dormant accounts, inadequate financial literacy, and inadequate banking infrastructure in remote regions. This paper assesses the scheme's achievements and shortcomings to provide insights into its

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effectiveness and propose strategies for enhancing financial inclusion in India.

## II. OBJECTIVES OF THE STUDY

This study employs an exploratory research methodology, collecting secondary data from government reports, academic literature, and research articles to evaluate the effectiveness of PMJDY. It aims to provide a comprehensive analysis of financial inclusion in India, highlighting both the successes and limitations of PMJDY. The research objectives of the article are-

- A. To study the overview and importance of financial inclusion in India.
- B. To analyze the successes and shortcomings of PMJDY.
- C. To evaluate the impact of PMJDY on banking access, particularly in rural and marginalized communities.
- D. To assess the role of PMJDY in promoting digital transactions and its contribution to India's cashless economy.

## III. LITERATURE REVIEW

Financial inclusion is crucial for alleviating poverty, stimulating economic growth, and advancing social fairness. The *World Bank (2018) [1]* asserts that financial inclusion guarantees individuals access to essential financial services, including savings accounts, credit, insurance, and digital payment systems, which are crucial for economic stability. Research by *Beck, Demirgüç-Kunt, and Levine (2007)* indicates that economies exhibiting elevated financial inclusion demonstrate enhanced economic resilience and reduced income inequality. The *Rangarajan Committee (2008)* in India underscored the significance of universal banking access to bolster financial stability, diminish cash reliance, and foster economic progress. *Chakrabarty (2011)* recognised financial exclusion as a significant obstacle to economic empowerment, especially for rural and marginalised populations. The government's initiation of PMJDY in 2014 addressed concerns of financial exclusion, seeking to connect formal banking with disadvantaged people.

The efficacy of PMJDY is demonstrated by its substantial account openings, government subsidy disbursements, and enhanced access to financial services. As per *RBI (2021) [5]*, more than 500 million PMJDY accounts have been established, with over 67% located in rural and semi-urban regions. The initiative has facilitated direct subsidy transfers, minimising inefficiencies in social welfare programs (*Ministry of Finance, 2022*) [6]. Nonetheless, obstacles persist. Research conducted by *Mukhopadhyay (2016)* and *Mehrotra & Yetman (2015)* reveals that numerous PMJDY accounts are inactive, as users do not participate in banking activities. *Bhanot et al. (2012)* discovered that inadequate financial literacy impedes account usage, but others contend that rural communities continue to face challenges related to banking infrastructure, internet access, and confidence in digital transactions. The *World Bank (2018) [1]* and the

*Reserve Bank of India (2020) [9]* emphasise the success of PMJDY in broadening banking networks, however they acknowledge the problem of inactive accounts. *Banerjee and Duflo (2019) [9]* assert that financial literacy is essential for maintaining inclusivity. Comparative analyses of initiatives like Janashree Bima Yojana and Atal Pension Yojana demonstrate that PMJDY's direct benefit transfer mechanism has enhanced the effectiveness of subsidy distribution.

Studies by *Chattopadhyay (2011)* indicate that enhanced banking access diminishes reliance on informal credit sources, averting financial exploitation. A *NABARD (2021-22) [8]*. It indicated that PMJDY facilitated a rise in bank deposits among rural households, hence enhancing savings and the use of formal credit. Few researchers contend that, despite the establishment of accounts, the use of banking services remains minimal, with several beneficiaries uninformed about overdraft options and insurance benefits under PMJDY.

PMJDY has played a pivotal role in India's digital payments transformation. The implementation of RuPay debit cards, UPI (Unified Payments Interface), and mobile banking has promoted cashless transactions, particularly among government recipients (*NPCI, 2023*) [7]. The *OECD (2020) [4]* asserts that digital financial inclusion enhances transparency and efficiency in monetary transactions. Research by *Ghosh (2024) [3]* identifies difficulties including cybersecurity concerns, digital illiteracy, and a lack of trust in online banking. Research conducted by *Ozili & Syed (2024) [2]* demonstrates that although urban populations have swiftly embraced digital transactions, rural adoption remains sluggish due to inadequate infrastructure and connectivity challenges.

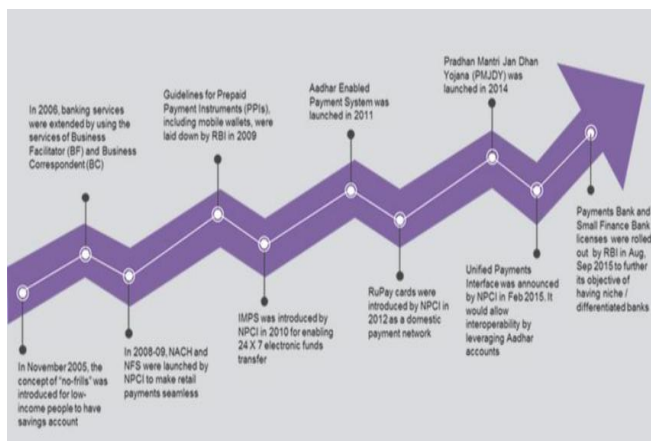
The current literature validates that PMJDY has markedly enhanced financial accessibility increased banking penetration, and promoted digital transactions. Nonetheless, obstacles such as inactive accounts, financial illiteracy, and deficiencies in rural digital infrastructure remain. This study will expand on these insights by examining recent government reports, scholarly research, and financial inclusion data to deliver a thorough evaluation of PMJDY's impact and propose strategies for enhancement.

### A. Financial Inclusion in India- An Overview

Financial inclusion is a key policy focus in India, driven by government initiatives such as the Pradhan Mantri Jan Dhan Yojana (PMJDY), Digital India, and Aadhaar-linked banking, which facilitate the expansion of financial services.

India has a substantial unbanked population, particularly in rural and semi-urban areas, where financial exclusion hinders economic participation. Financial inclusion is crucial for alleviating poverty, promoting savings, expanding investment options, and providing social security for vulnerable populations.





[Fig.1: Timeline of Major Milestones in Financial Inclusion [Error! Reference source not found.]]

Source- Datta, Divyani. (2023). *The future of financial inclusion through fintech: A conceptual study in post-pandemic India*. Sachetas. 2. 11-17. 10.55955/210002.

The World Bank's Global Findex Report (2021) indicated that over 190 million Indians were unbanked before the implementation of significant financial inclusion measures, including the Pradhan Mantri Jan Dhan Yojana (PMJDY) and the Digital India Initiative. This includes rural and semi-urban populations, women, daily wage labourers, and small-scale entrepreneurs. Before PMJDY, nearly 45% of India's adult population lacked access to banking services. Many of India's low-income population rely on informal moneylenders, who charge exorbitant interest rates. Expanding formal financial services can reduce reliance on informal credit and protect consumers from exploitation.

Low financial literacy levels and awareness deficits are significant issues in India, with only 27% of adults demonstrating financial literacy. Enhancing women's financial inclusion fosters greater economic independence, entrepreneurship, and social empowerment. Barriers to entrepreneurship and small business growth include the lack of collateral and complex lending processes. Schemes like MUDRA and Stand-Up India provide collateral-free loans to promote financial inclusion for entrepreneurs.

Financial inclusion accelerates digital adoption, enabling faster, secure, and transparent financial transactions. The success of UPI, mobile wallets, and digital banking platforms highlights the shift towards a cashless economy. Regional disparities in banking access exist, and the digital divide in financial transactions is a concern. Strengthening Direct Benefit Transfers (DBT) has reduced leakages in government subsidies, increasing transparency and efficiency.

India has implemented various policy interventions and schemes to improve financial access, including the Pradhan Mantri Jan Dhan Yojana (PMJDY) (2014), Microfinance and Self-Help Groups (SHGs), Digital financial inclusion initiatives, and licensing of Small Finance Banks and Payments Banks. These initiatives have increased banking access, particularly for women and rural populations, and led to a growth in digital payments. However, challenges persist, such as dormant accounts, limited digital awareness,

cybersecurity risks, and infrastructure constraints in remote areas.

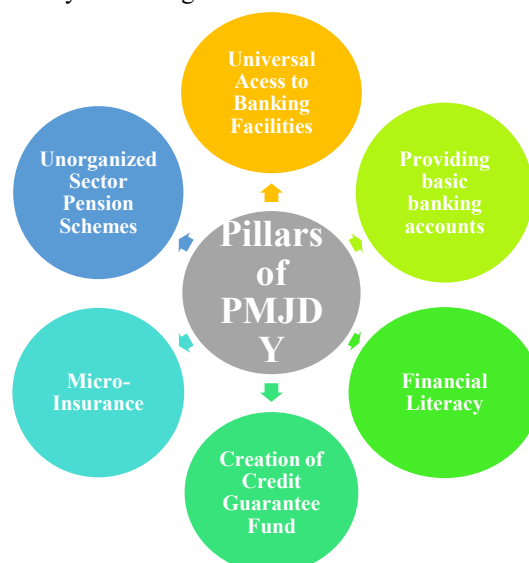
Over 30-40% of PMJDY accounts remain inactive due to a lack of financial literacy. Many rural users lack knowledge of UPI, mobile banking, and digital wallets. Cybersecurity risks include increased digital fraud and scams, as well as limited access to ATMs and banking facilities in remote areas.

Despite substantial economic expansion, a considerable portion of India's population continues to face financial exclusion, particularly in rural areas. Primary factors contributing to financial exclusion in India encompass insufficient banking infrastructure in remote and rural areas, inadequate financial literacy, reliance on informal lending sources, and gender and socio-economic obstacles hindering women and marginalised groups from obtaining financial services.

India's financial inclusion landscape evolves with FinTech innovations, digital banking, and AI-driven financial services. Strengthening financial literacy, expanding banking infrastructure, and enhancing digital security will be crucial for sustained growth. In conclusion, while India has made significant strides in financial inclusion, addressing challenges such as dormant accounts, financial literacy gaps, and cybersecurity risks will be essential for achieving comprehensive and sustainable financial inclusion.

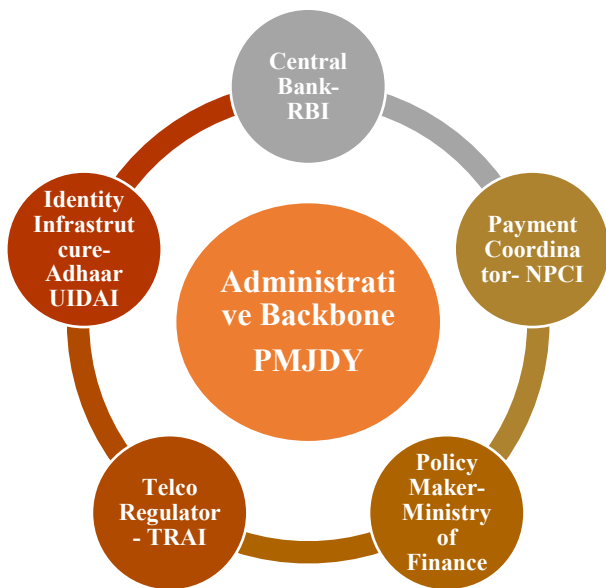
## B. PMJDY- An Overview

The Pradhan Mantri Jan Dhan Yojana (PMJDY) is India's premier financial inclusion initiative, inaugurated in 2014. It aims to ensure universal access to banking services, especially for economically disadvantaged and unbanked populations. The initiative emphasises the establishment of zero-balance bank accounts, the provision of financial literacy programmes, and the incorporation of marginalised populations into the formal financial system. As of 2023, PMJDY has established over 500 million bank accounts, considerably advancing India's financial inclusion initiative.



The objectives of PMJDY mainly comprise universal banking access, financial literacy and awareness, affordable financial

services, integration of direct benefit transfers, and enhancement of digital transactions. The principal attributes of PMJDY encompass zero-balance accounts, RuPay debit cards, overdraft provisions, accidental insurance coverage, direct benefit transfers, and mobile banking with Aadhaar integration.



The PMJDY Scheme provides distinct advantages, including interest on deposits, ₹2 lakh in accidental insurance coverage, no minimum balance requirement, and a ₹30,000 life insurance payout upon the beneficiary's demise. It facilitates uncomplicated monetary transfers throughout India, direct benefit disbursements, and an overdraft option if the account has been functioning satisfactorily for six months. The program additionally offers insurance and pension products, and each successful transaction within 90 days of the accident date qualifies for personal accidental insurance claims. Only one account per household, ideally held by the female head of the household, qualifies for an overdraft of up to Rs. 10,000.

Some of PMJDY's significant accomplishments include advancing financial inclusion, increasing rural outreach, empowering women, and promoting the adoption of digital payments. Nevertheless, issues such as inactive accounts,

inadequate financial literacy, infrastructural deficiencies, and financial fraud must be resolved to ensure ongoing financial engagement. Enhancing digital banking, financial literacy, and microcredit services can augment the impact of PMJDY, rendering financial inclusion more comprehensive and durable over time.

PMJDY has significantly transformed India's financial inclusion by broadening banking access for millions. Nonetheless, issues such as inactive accounts, inadequate financial literacy, and deficiencies in rural banking infrastructure must be resolved to ensure ongoing financial engagement. Enhancing digital banking, financial literacy, and microcredit services can augment the impact of PMJDY, rendering financial inclusion more comprehensive and durable over time.

## C. PMJDY: A Decade of Progress in Financial Inclusion

The comparative analysis derived from the PMJDY data for the years 2015-2025 is presented in [Table I](#). The Table I indicates that the total number of beneficiaries under PMJDY has increased by 77.08% during the past ten years, encompassing beneficiaries from Public Sector Banks, Regional Rural Banks, Private Banks, and Rural Cooperative Banks. As shown in Table I, in 2015, there were no beneficiaries in Rural Cooperative Banks; however, an increase is noted. The Rural Cooperative Banks account for 0.6% of the total beneficiaries across all four types of banks in rural areas. The number of deposits has experienced substantial growth of 95.72%, while the issuance of Ru-Pay cards has increased by 70.38% over the past decade. The cooperative bank has contributed 5% to the increase in deposits, while its contribution to the issuing of RuPay cards is 0%. The maximum increase can be seen in public sector banks, specifically in the number of beneficiaries in rural areas and the issuance of RuPay cards, at 80.10% and 71.75%, respectively. Regional Rural Banks showed maximum growth in the total number of beneficiaries and deposits, with an increase of 78.65% and 96.66%, respectively. Private banks experienced the maximum growth in the number of beneficiaries in urban areas, with a percentage increase of 79.30%.

**Table-I: Comparative Statement of No. of Accounts Opened, Deposits in Accounts and Rupay Cards Issued Under PMJDY**

| Bank Name / Type        | Number of Beneficiaries at rural/semiurban centre bank branches |           |          | Number of Beneficiaries at urban metro centre bank branches |           |          | Number of Total Beneficiaries |           |          | Deposits in Accounts(In lac) |             |          | Number of Rupay Debit Cards issued to beneficiaries |           |          |
|-------------------------|-----------------------------------------------------------------|-----------|----------|-------------------------------------------------------------|-----------|----------|-------------------------------|-----------|----------|------------------------------|-------------|----------|-----------------------------------------------------|-----------|----------|
|                         | 2015                                                            | 2025      | % change | 2015                                                        | 2025      | % change | 2015                          | 2025      | % change | 2015                         | 2025        | % change | 2015                                                | 2025      | % change |
| Public Sector Banks     | 53300249                                                        | 267779198 | 80.10    | 45147276                                                    | 158498137 | 71.52    | 98447525                      | 426277335 | 76.91    | 817463.04                    | 19035220.07 | 95.71    | 91232024                                            | 322989899 | 71.75    |
| Regional Rural Banks    | 18489448                                                        | 87227593  | 78.80    | 3297833                                                     | 14817449  | 77.74    | 21787281                      | 102045042 | 78.65    | 159948.08                    | 4789643.68  | 96.66    | 14967614                                            | 37112179  | 59.67    |
| Private Sector Banks    | 3226397                                                         | 7435309   | 56.61    | 2012086                                                     | 9718044   | 79.30    | 5238483                       | 17153353  | 69.46    | 72551.5                      | 707873.77   | 89.75    | 4593161                                             | 14003303  | 67.20    |
| Rural Cooperative Banks | NA                                                              | 1884036   | NA       | NA                                                          | 0         | NA       | NA                            | 1884036   | NA       | NA                           | 1.25        | NA       | NA                                                  | 0         | NA       |
| Grand Total             | 75016094                                                        | 364326136 | 79.41    | 50457195                                                    | 183033630 | 72.43    | 125473289                     | 547359766 | 77.08    | 1049962.6                    | 24532738.77 | 95.72    | 110792799                                           | 374105381 | 70.38    |

Source- Data taken from <https://pmjdy.gov.in/> and Data compiled and analysed by the Author

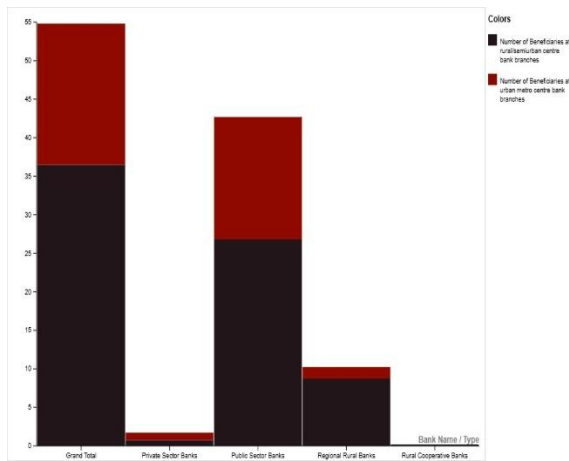


**Fig.2: Total Number of Beneficiaries, Rural vs Urban**

Source- Data taken from <https://pmjdy.gov.in/> and Data compiled and analysed by the Author

It can be inferred from Figure 2, which shows the increase in beneficiaries in rural versus urban areas, that the financial inclusion of the marginalised segment has been successful because the number of beneficiaries in rural areas has increased more than in urban areas.

From Table II, the rise in Public sector banks is evident, and the bank with the most significant percentage growth in

beneficiaries in rural regions is the Bank of Baroda, at 93.81%. The bank with the least growth over the last 10 years is Indian Overseas Bank, with a growth rate of just 60.96%. Furthermore, it can be observed that the bank with the most significant percentage growth in beneficiaries in urban areas is the Union Bank of India, at 87.66%. The bank with the least growth rate is the Bank of India, with a growth rate of just 33.34% in the preceding 10 years. Table II demonstrates that Indian Bank achieved the most significant percentage gain in total beneficiaries, at 89.70%. Punjab & Sindh Bank recorded the lowest growth rate of just 54.37% over the past decade. It can be noted from Table II that all the banks have seen a decline in the number of Ru-Pay Cards issued; the bank that had the most significant percentage decline in the number of Ru-Pay Cards issued is Punjab & Sindh Bank, which is at (2003.29%). The bank with the least drop in reported rates is the Bank of Baroda, with a rate of 92.7%. Virtually all banks have experienced an average rise of 99% in the number of deposits in bank accounts under the PMJDY Scheme over the past 10 years. Interestingly, PMJDY did not disclose the data from 15 of the 27 banks initially providing data in 2015. Thus, the comparative analysis could be done only for 12 banks.

**Table-II: Public Sector Banks in Detail**

| Name of Bank                     | Rural    |           |          | Urban    |           |          | No of Accounts |           |          | No of RuPay Debit Card |             |          | Balance In Accounts(In Lacs) |           |          |
|----------------------------------|----------|-----------|----------|----------|-----------|----------|----------------|-----------|----------|------------------------|-------------|----------|------------------------------|-----------|----------|
| Year                             | 2015     | 2025      | % change | 2015     | 2025      | % change | 2015           | 2025      | % change | 2015                   | 2025        | % change | 2015                         | 2025      | % change |
| Allahabad Bank                   | 1681711  | NA        | NA       | 729178   | NA        | NA       | 2410889        | NA        | NA       | 2355982                | NA          | NA       | 6514.51                      | NA        | NA       |
| Andhra Bank                      | 1058278  | NA        | NA       | 654631   | NA        | NA       | 1712909        | NA        | NA       | 1693396                | NA          | NA       | 6594.67                      | NA        | NA       |
| Bank of Baroda                   | 2758221  | 44552228  | 93.81    | 3892748  | 19401092  | 79.94    | 6650969        | 63953320  | 89.60    | 6451726                | 3346480.37  | -92.79   | 64108                        | 58773877  | 99.89    |
| Bank Of India                    | 2381179  | 23175726  | 89.73    | 3397545  | 5097118   | 33.34    | 5778724        | 28272844  | 79.56    | 5629093                | 1452301.97  | -287.60  | 27557                        | 25313018  | 99.89    |
| Bank of Maharashtra              | 1204469  | 5627456   | 78.60    | 560162   | 2463617   | 77.26    | 1764631        | 8091073   | 78.19    | 1715822                | 413087.69   | -315.37  | 18422.14                     | 4455305   | 99.89    |
| Bhartiya Mahila Bank             | 0        | NA        | NA       | 59005    | NA        | NA       | 59005          | NA        | NA       | 58673                  | NA          | NA       | 509.83                       | NA        | NA       |
| Canara Bank                      | 4080440  | 15169417  | 73.10    | 1957778  | 6206415   | 68.46    | 6038218        | 21375832  | 71.75    | 6038218                | 1296431.43  | -365.76  | 73829.88                     | 13264570  | 99.44    |
| Central bank of India            | 4026778  | 16098048  | 74.99    | 1196754  | 2415118   | 80.45    | 5223532        | 18513166  | 71.78    | 4650252                | 749350.13   | -620.67  | 20192.63                     | 11085805  | 99.82    |
| Corporation Bank                 | 927855   | NA        | NA       | 937279   | NA        | NA       | 1865134        | NA        | NA       | 1744562                | NA          | NA       | 27924.71                     | NA        | NA       |
| Dena Bank                        | 1545308  | NA        | NA       | 779270   | NA        | NA       | 2324578        | NA        | NA       | 2218013                | NA          | NA       | 13949                        | NA        | NA       |
| IDBI                             | 449169   | NA        | NA       | 408783   | NA        | NA       | 857952         | NA        | NA       | 833998                 | NA          | NA       | 2502.37                      | NA        | NA       |
| Indian bank                      | 1531955  | 18729436  | 91.82    | 900625   | 4896228   | 81.61    | 2432580        | 23625664  | 89.70    | 2313385                | 1116030.68  | -107.29  | 11755.32                     | 13438180  | 99.91    |
| Indian Overseas Bank             | 975500   | 2498841   | 60.96    | 1869084  | 6162141   | 69.67    | 2844584        | 8660982   | 67.16    | 2684973                | 380666.22   | -605.34  | 1256.61                      | 7599651   | 99.98    |
| Oriental Bank of Commerce        | 1222988  | NA        | NA       | 867277   | NA        | NA       | 2090265        | NA        | NA       | 1998466                | NA          | NA       | 88539.18                     | NA        | NA       |
| Punjab & Sindh Bank              | 776448   | 1564732   | 50.38    | 417560   | 1052107   | 60.31    | 1194008        | 2616839   | 54.37    | 1109094                | 52731.49    | -2003.29 | 41747.97                     | 1694169   | 97.54    |
| Punjab National Bank             | 5796077  | 45133280  | 87.16    | 1377242  | 8589813   | 83.97    | 7173319        | 53723093  | 86.65    | 6271190                | 2306711.46  | -171.87  | 77694.62                     | 36690274  | 99.79    |
| State Bank of Bikaner and Jaipur | 986016   | NA        | NA       | 1228905  | NA        | NA       | 2214921        | NA        | NA       | 1878895                | NA          | NA       | 46903.2                      | NA        | NA       |
| State Bank of Hyderabad          | 831379   | NA        | NA       | 1542802  | NA        | NA       | 2374181        | NA        | NA       | 2220312                | NA          | NA       | 10201.91                     | NA        | NA       |
| State Bank of India              | 10513694 | 62819892  | 83.26    | 15319484 | 88027926  | 82.60    | 25833178       | 150847818 | 82.87    | 22915287               | 6093173.27  | -276.08  | 73827                        | 131810165 | 99.94    |
| State Bank of Mysore             | 572051   | NA        | NA       | 195259   | NA        | NA       | 767310         | NA        | NA       | 722754                 | NA          | NA       | 336.64                       | NA        | NA       |
| State Bank of Patiala            | 378027   | NA        | NA       | 706633   | NA        | NA       | 1084660        | NA        | NA       | 1040423                | NA          | NA       | 23234                        | NA        | NA       |
| State Bank of Travancore         | 34198    | NA        | NA       | 290714   | NA        | NA       | 324912         | NA        | NA       | 271918                 | NA          | NA       | 12417                        | NA        | NA       |
| Syndicate Bank                   | 2122186  | NA        | NA       | 1095633  | NA        | NA       | 3217819        | NA        | NA       | 3063610                | NA          | NA       | 26966.12                     | NA        | NA       |
| Uco Bank                         | 1866462  | 8559383   | 78.19    | 1947493  | 6257315   | 68.88    | 3813955        | 14816698  | 74.26    | 3410006                | 633226.23   | -438.61  | 39918                        | 5395041   | 99.26    |
| Union Bank Of India              | 3070881  | 23850759  | 87.12    | 978609   | 7929247   | 87.66    | 4049490        | 31780006  | 87.26    | 3834264                | 1195029.12  | -220.88  | 22291.35                     | 13469844  | 99.83    |
| United Bank Of India             | 1828906  | NA        | NA       | 1366031  | NA        | NA       | 3194937        | NA        | NA       | 2969269                | NA          | NA       | 74343.38                     | NA        | NA       |
| Vijaya Bank                      | 680073   | NA        | NA       | 470792   | NA        | NA       | 1150865        | NA        | NA       | 1138443                | NA          | NA       | 3926.01                      | NA        | NA       |
| Sub Total                        | 53300249 | 267779198 | 80.10    | 45147276 | 158498137 | 71.52    | 98447525       | 426277335 | 76.91    | 91232024               | 19035220.07 | -379.28  | 817463.04                    | 322989899 | 99.75    |

Source- Data taken from <https://pmjdy.gov.in/> and Data compiled and analysed by the Author

Table III illustrates the increase in Regional Rural Banks, with Canara Bank exhibiting the most significant percentage gain in beneficiaries in rural areas at 93.50%. Union Bank of India has experienced a negative growth rate of 79.96% during the past decade. Additionally, it is seen that Indian Overseas Bank and UCO Bank experienced percentage growths of 94.63% and 94.57% in beneficiaries inside urban areas, respectively. Union Bank of India has experienced a negative growth of 254.79% over the past decade. Table III

illustrates that the average rise in total beneficiaries is 91% for Bank of Baroda, Canara Bank, and Punjab National Bank; however, Union Bank of India exhibited a negative growth rate of 99.54% over the decade. Again, the data in the table indicates a mixed outcome for the banks, with some experiencing a decline in the issuance of Ru-Pay Cards. In contrast, others have achieved significant increases in

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percentages. Union Bank of India experienced the most substantial decline in the issuance of Ru-Pay Cards, with a decrease of 3914.61%. Indian Overseas Bank achieved the highest growth rate at 94.31%. Nearly all banks have witnessed an average increase of 99% in the number of

deposits in accounts under the PMJDY Scheme during the past decade. PMJDY did not reveal the data from 10 of the 22 banks that initially submitted information in 2015. Consequently, the comparative investigation was limited to 12 banks.

**Table-III: Regional Rural Bank**

| Name of Bank                     | Rural    |          |          | Urban   |          |          | No Of Accounts |           |          | No Of Rupay Debit Card |         |          | Balance In Accounts(In Lacs) |          |          |
|----------------------------------|----------|----------|----------|---------|----------|----------|----------------|-----------|----------|------------------------|---------|----------|------------------------------|----------|----------|
|                                  | 2015     | 2025     | % change | 2015    | 2025     | % change | 2015           | 2025      | % change | 2015                   | 2025    | % change | 2015                         | 2025     | % change |
| Allahabad Bank                   | 522114   | NA       | NA       | 110582  | NA       | NA       | 632696         | NA        | NA       | 615691                 | NA      | NA       | 1476                         | NA       | NA       |
| Andhra Bank                      | 121846   | NA       | NA       | 9238    | NA       | NA       | 131084         | NA        | NA       | 121559                 | NA      | NA       | 466                          | NA       | NA       |
| Bank of Baroda                   | 1458839  | 16910933 | 91.37    | 450440  | 4614470  | 90.24    | 1909279        | 21525403  | 91.13    | 1719981                | 1204704 | -42.77   | 12407                        | 10481939 | 99.88    |
| Bank Of India                    | 1323171  | 9932381  | 86.68    | 374247  | 529346   | 29.30    | 1697418        | 10461727  | 83.77    | 1645813                | 368178  | -347.02  | 1809                         | 5077062  | 99.96    |
| Bank of Maharashtra              | 321483   | 2850167  | 88.72    | 54357   | 102952   | 47.20    | 375840         | 2953119   | 87.27    | 375840                 | 163991  | -129.18  | 135                          | 1142027  | 99.99    |
| Canara Bank                      | 448258   | 6896083  | 93.50    | 289947  | 2224004  | 86.96    | 738205         | 9120087   | 91.91    | 718220                 | 501847  | -43.12   | 11523                        | 3612659  | 99.68    |
| Central bank of India            | 2135860  | 4313507  | 50.48    | 400935  | 201742   | -98.74   | 2536795        | 4515249   | 43.82    | 2360185                | 154106  | -1431.53 | 27564                        | 2664313  | 98.97    |
| Dena Bank                        | 171292   | NA       | NA       | 9242    | NA       | NA       | 180534         | NA        | NA       | 166940                 | NA      | NA       | 1741                         | NA       | NA       |
| Indian bank                      | 281485   | 1220754  | 76.94    | 38919   | 392051   | 90.07    | 320404         | 1612805   | 80.13    | 150348                 | 31863   | -371.86  | 1275                         | 424591   | 99.70    |
| Indian Overseas Bank             | 480905   | 1722701  | 72.08    | 9129    | 170029   | 94.63    | 490034         | 1892730   | 74.11    | 5898                   | 103666  | 94.31    | 3864                         | 776595   | 99.50    |
| Jammu and Kashmir Bank           | 44031    | 241362   | 81.76    | 8667    | 60562    | 85.69    | 52698          | 301924    | 82.55    | 0                      | 17647   | 100.00   | 377                          | 198736   | 99.81    |
| Punjab & Sind Bank               | 9380     | NA       | NA       | 2008    | NA       | NA       | 11388          | NA        | NA       | 11270                  | NA      | NA       | 95                           | v        | NA       |
| Punjab National Bank             | 1748628  | 21544893 | 91.88    | 302061  | 2874763  | 89.49    | 2050689        | 24419656  | 91.60    | 561224                 | 1083826 | 48.22    | 27346                        | 6141876  | 99.55    |
| State Bank of Bikaner and Jaipur | 774768   | NA       | NA       | 23654   | NA       | NA       | 798422         | NA        | NA       | 719316                 | NA      | NA       | 7124                         | NA       | NA       |
| State Bank of Hyderabad          | 446572   | NA       | NA       | 76128   | NA       | NA       | 522700         | NA        | NA       | 229533                 | NA      | NA       | 945                          | NA       | NA       |
| State Bank of India              | 3551915  | 20193222 | 82.41    | 607698  | 3444757  | 82.36    | 4159613        | 23637979  | 82.40    | 1534857                | 1089990 | -40.81   | 21669                        | 6430573  | 99.66    |
| State Bank of Mysore             | 265729   | NA       | NA       | 77856   | NA       | NA       | 343585         | NA        | NA       | 300645                 | NA      | NA       | 1227                         | NA       | NA       |
| State Bank of Patiala            | 36405    | NA       | NA       | 629     | NA       | NA       | 37034          | NA        | NA       | 34286                  | NA      | NA       | 455                          | NA       | NA       |
| Syndicate Bank                   | 972399   | NA       | NA       | 287440  | NA       | NA       | 1259839        | NA        | NA       | 1132184                | NA      | NA       | 12980                        | NA       | NA       |
| Uco Bank                         | 451099   | 1155381  | 60.96    | 9324    | 171730   | 94.57    | 460423         | 1327111   | 65.31    | 358799                 | 62375   | -475.23  | 4516                         | 37310    | 87.90    |
| Union Bank Of India              | 443084   | 246209   | -79.96   | 110139  | 31043    | -254.79  | 553223         | 277252    | -99.54   | 299058                 | 7449    | -3914.61 | 3196                         | 124498   | 97.43    |
| United Bank Of India             | 2480185  | NA       | NA       | 45193   | NA       | NA       | 2525378        | NA        | NA       | 1905967                | NA      | NA       | 17757                        | NA       | NA       |
| Sub Total                        | 18489448 | 87227593 | 78.80    | 3297833 | 14817449 | 77.74    | 21787281       | 102045042 | 78.65    | 14967614               | 4789644 | -212.50  | 159948                       | 37112179 | 99.57    |

Source- Data taken from <https://pmjdy.gov.in/> and Data compiled and analysed by the Author

Due to the unavailability of data concerning Private Banks for the year 2015 from PMJDY, a comparative analysis was infeasible. However, data released in 2025, as shown in Table IV, indicates that ICICI Bank Ltd. is the predominant

contributor to the number of beneficiaries in rural areas, accounting for 48.53%, while HDFC Ltd. leads in urban regions with 42.14%. Both banks collectively provided an average of 26% of the beneficiaries. HDFC Ltd.

**Table-IV: Major Private Banks**

| Bank Name / Type              | Number of Beneficiaries at rural/semi-urban centre bank branches | Number of Beneficiaries at urban metro centre bank branches | Number of Total Beneficiaries | Deposits in Accounts (In lac) | Number of Rupay Debit Cards issued to beneficiaries |
|-------------------------------|------------------------------------------------------------------|-------------------------------------------------------------|-------------------------------|-------------------------------|-----------------------------------------------------|
| Axis Bank Ltd                 | 201886                                                           | 1172586                                                     | 1374472                       | 79222.32                      | 890580                                              |
| City Union Bank Ltd           | 8570                                                             | 67857                                                       | 76427                         | 1698.55                       | 70505                                               |
| Federal Bank Ltd              | 577074                                                           | 138217                                                      | 715291                        | 37099.35                      | 204559                                              |
| HDFC Bank Ltd                 | 644694                                                           | 4095420                                                     | 4740114                       | 273741.32                     | 4739464                                             |
| ICICI Bank Ltd                | 3608335                                                          | 994213                                                      | 4602548                       | 90587.37                      | 4471928                                             |
| IDBI Bank Ltd.                | 270535                                                           | 1648425                                                     | 1918960                       | 62714.47                      | 868720                                              |
| IndusInd Bank Ltd             | 32771                                                            | 400976                                                      | 433747                        | 10605.93                      | 50054                                               |
| Jammu & Kashmir Bank Ltd      | 1251796                                                          | 186294                                                      | 1438090                       | 118918.33                     | 1321744                                             |
| Karur Vysya Bank              | 111896                                                           | 63303                                                       | 175199                        | 2885.38                       | 172461                                              |
| Kotak Mahindra Bank Ltd       | 429159                                                           | 585069                                                      | 1014228                       | 14660.87                      | 676990                                              |
| RBL Bank Ltd                  | 56467                                                            | 46858                                                       | 103325                        | 1610                          | 103325                                              |
| South Indian Bank Ltd         | 37188                                                            | 276763                                                      | 313951                        | 10641.87                      | 185972                                              |
| Yes Bank Ltd                  | 204938                                                           | 42063                                                       | 247001                        | 3488                          | 247001                                              |
| Major Private Banks Sub-Total | 7435309                                                          | 9718044                                                     | 17153353                      | 707873.77                     | 14003303                                            |

Source- Data taken from <https://pmjdy.gov.in/>

Accounts for 38.67% of the total deposits made. HDFC and ICICI Ltd accounted for around 30% of debit card issuance in private banks, as illustrated in Table IV.

**Table-V: Year-wise Detail of Rupay Card Linked Accidental Insurance Claims Settled under Pradhan Mantri Jan Dhan Yojana (PMJDY) from 2019-20 to 2023-24**

| Financial Year               | Number of Claims Settled |
|------------------------------|--------------------------|
| 2019-2020                    | 1853                     |
| 2020-2021                    | 177                      |
| 2021-2022                    | 185                      |
| 2022-2023                    | 188                      |
| 2023-2024 (up to 14-07-2023) | 13                       |

Source- Data taken from - <https://www.data.gov.in>

According to Table V, the data from the Government of India indicates that the number of RuPay-connected Accidental Insurance claims settled under PMJDY has significantly decreased from 1,853 to 188, reflecting a negative rate of 90%. When analysed in conjunction with Tables II. and III, the substantial decrease in issuing Ru-Pay cards may elucidate the observed phenomenon.



**Table-VI: Year-wise Details of Accidental Insurance Cover Claims under PMJDY During 2021-2022 and 2022-23**

| Financial Year | Number of Claims Received | Number of Claims Settled | Number of Claims Rejected | Claims under Process |
|----------------|---------------------------|--------------------------|---------------------------|----------------------|
| 2021-2022      | 347                       | 185                      | 49                        | 113                  |
| 2022-2023      | 390                       | 188                      | 15                        | 187                  |

Source- Data taken from - <https://www.data.gov.in>

Table VI indicates that, notwithstanding the sluggish pace of claim settlements, there is an upward trend in the volume of accident insurance cover claims under PMJDY for the years 2021–22 and 2022–23. The number of claims received in 2021-22 was 347, compared to 390 in 2022-23.

**Table-VII: Scheme-wise Details of PMJDY Account Holders who Have Not Made a Single Transaction from 2018 to 2023**

| Sl. No. | Scheme                                                                                                         | PMJDY Account Holders (Number in Crore) |
|---------|----------------------------------------------------------------------------------------------------------------|-----------------------------------------|
| 1       | Total No. of PMJDY Accounts                                                                                    | 49.48                                   |
| 2       | Zero Balance PMJDY Accounts                                                                                    | 4.12                                    |
| 3       | Number of PMJDY Accounts out of the Total in which there are no Customer Induced Transactions since 01-01-2018 | 6.01                                    |

Source- Data taken from - <https://www.data.gov.in>

According to data from the Government of India's website, it can be inferred that despite a significant increase in the number of bank accounts opened under the PMJDY scheme, a substantial number of inactive bank accounts remain, with no transactions occurring. This is evident from the statistics

shown in Table VII. According to Table VII, in 2023, there were 49.48 crore PMJDY accounts, of which 4.12 crore were zero-balance accounts, or 8.27% of the total accounts. Calculated as a percentage, 12.15% of the total accounts have not recorded any customer-induced transactions since 2018.

**Table-VIII: State/UT-wise Number of Accounts Including Inoperative Accounts and Total Amount of Funds Lying in Inoperative Accounts under Pradhan Mantri Jan Dhan Yojana (PMJDY) as on 20-11-2024**

| Sl. No. | State/UT                                 | Total Number of PMJDY Accounts (in lakhs) | Number of Inoperative PMJDY Accounts (in lakhs) | Balances in Inoperative Accounts (in Rs. crore) |
|---------|------------------------------------------|-------------------------------------------|-------------------------------------------------|-------------------------------------------------|
| 1       | Andaman and Nicobar Islands              | 0.6                                       | 0.12                                            | 2.08                                            |
| 2       | Andhra Pradesh                           | 151.98                                    | 35.96                                           | 369.97                                          |
| 3       | Arunachal Pradesh                        | 4.59                                      | 0.88                                            | 12.1                                            |
| 4       | Assam                                    | 244.98                                    | 45.57                                           | 448.03                                          |
| 5       | Bihar                                    | 614.61                                    | 119.98                                          | 2007.66                                         |
| 6       | Chandigarh                               | 3.33                                      | 0.98                                            | 14.37                                           |
| 7       | Chhattisgarh                             | 180.22                                    | 31.08                                           | 477.06                                          |
| 8       | Dadra and Nagar Haveli and Daman and Diu | 2.37                                      | 0.86                                            | 10.38                                           |
| 9       | Delhi                                    | 65.32                                     | 17.96                                           | 278.62                                          |
| 10      | Goa                                      | 2.11                                      | 0.85                                            | 14.96                                           |
| 11      | Gujarat                                  | 189.86                                    | 46.98                                           | 643.16                                          |
| 12      | Haryana                                  | 102.83                                    | 26.79                                           | 482.71                                          |
| 13      | Himachal Pradesh                         | 19.54                                     | 2.68                                            | 47.19                                           |
| 14      | Jammu and Kashmir                        | 24.46                                     | 7.26                                            | 96.95                                           |
| 15      | Jharkhand                                | 192.07                                    | 44.03                                           | 813.86                                          |
| 16      | Karnataka                                | 197.77                                    | 47.14                                           | 578.53                                          |
| 17      | Kerala                                   | 65.32                                     | 17.83                                           | 221.04                                          |
| 18      | Ladakh                                   | 0.2                                       | 0.07                                            | 1.07                                            |
| 19      | Lakshadweep                              | 0.1                                       | 0.01                                            | 0.46                                            |
| 20      | Madhya Pradesh                           | 443.75                                    | 92.15                                           | 1079.75                                         |
| 21      | Maharashtra                              | 360.75                                    | 70.76                                           | 883.02                                          |
| 22      | Manipur                                  | 11.12                                     | 3.68                                            | 34.09                                           |
| 23      | Meghalaya                                | 8.18                                      | 1.73                                            | 39.58                                           |
| 24      | Mizoram                                  | 4.03                                      | 0.54                                            | 6.9                                             |
| 25      | Nagaland                                 | 4.04                                      | 0.77                                            | 10.22                                           |
| 26      | Odisha                                   | 224.88                                    | 35.92                                           | 442.49                                          |
| 27      | Puducherry                               | 2.33                                      | 0.35                                            | 5.22                                            |
| 28      | Punjab                                   | 93.39                                     | 23.42                                           | 275.22                                          |
| 29      | Rajasthan                                | 362.68                                    | 67.89                                           | 993.25                                          |
| 30      | Sikkim                                   | 0.93                                      | 0.3                                             | 4.32                                            |
| 31      | Tamil Nadu                               | 164.6                                     | 35.61                                           | 412.81                                          |
| 32      | Telangana                                | 121.81                                    | 26.75                                           | 312.94                                          |
| 33      | Tripura                                  | 10.92                                     | 1.55                                            | 21.77                                           |
| 34      | Uttar Pradesh                            | 963.95                                    | 234.72                                          | 2763.69                                         |
| 35      | Uttarakhand                              | 37.51                                     | 9.08                                            | 117.05                                          |
| 36      | West Bengal                              | 525.98                                    | 78.5                                            | 827.73                                          |
| Total   | Total                                    | 5403.12                                   | 1130.73                                         | 14750.27                                        |

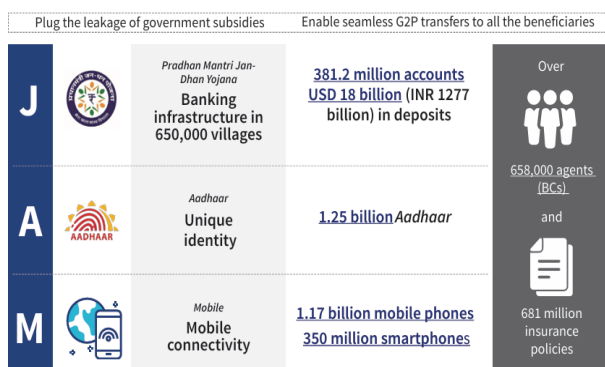
Source- Data taken from - <https://www.data.gov.in>

[Table VIII.](#) indicates that the States/UTs contributing over 10% of PMJDY accounts are Uttar Pradesh and Bihar, with contributions of 17.84% and 11.38%, respectively. The states and union territories that contributed more than 5% but less than 10% are West Bengal, Madhya Pradesh, Maharashtra, and Rajasthan. The states with the most significant PMJDY accounts also have the highest proportion of inactive accounts. The highest number of inoperative accounts is in Uttar Pradesh, followed by Bihar, Madhya Pradesh, West Bengal, Maharashtra, and Rajasthan, with percentages of 20.76%, 10.61%, 8.15%, 6.94%, 6.26%, and 6%, respectively. The aggregate sum in the dormant accounts of these states is Rs. 8555.1 crore, constituting about 58% of the total balance in dormant accounts. Compared to data released by PMJDY in 2025, it can be extrapolated that 6% of the total deposits in PMJDY accounts originate from inoperative accounts.

## D. PMJDY- Growth in Digital Transactions and Financial Inclusion Index

The Pradhan Mantri Jan Dhan Yojana (PMJDY) has significantly facilitated India's shift to a digital economy by enhancing access to formal banking and encouraging cashless transactions. The government has facilitated smooth digital transactions, especially for Direct Benefit Transfers (DBT), subsidies, and welfare payments, by combining Jan Dhan accounts with Aadhaar and mobile banking (JAM Trinity). The National Payments Corporation of India (NPCI, 2023) reports that more than 50 crore PMJDY accounts have been established, with many account users actively utilising RuPay debit cards and UPI-based transactions. The Reserve Bank of India (RBI, 2022) indicates that UPI transactions have surged dramatically, exceeding ₹15 trillion (\$180 billion) per month, primarily due to enhanced bank account penetration under the Pradhan Mantri Jan Dhan Yojana (PMJDY). NITI Aayog (2021) notes that digital financial literacy and mobile banking use in rural India have advanced thanks to PMJDY initiatives; yet, issues such as cybersecurity risks and inactive accounts remain. Although PMJDY has considerably increased digital transactions, improving financial literacy and digital infrastructure in rural regions is crucial to fully realising its benefits.

PMJDY accounts formed one of the critical pillars of the JAM trinity to digitize G2P payments and reduce leakages

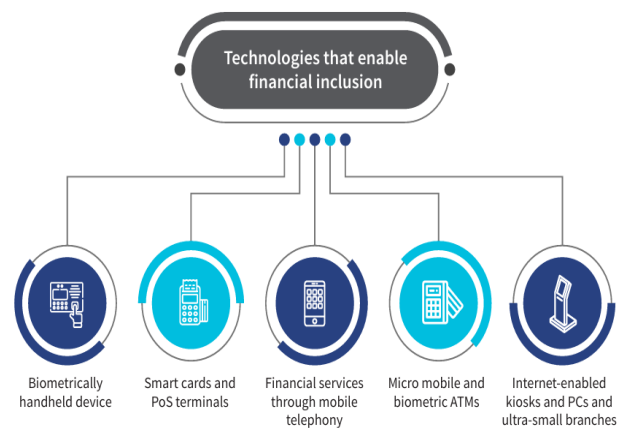


[Fig.3: PMJDY - JAM Trinity]

Source- MicroSave Consulting (MSC) Report, 2020 (<https://www.microsave.net/wp-content/uploads/2020/05/PMJDY-1.pdf>)

Figures 3 and 4 illustrate how PMJDY has served as the principal and most resilient component of the JAM Trinity, demonstrating that incorporating this digital technology has ultimately led to increased financial inclusion. The adoption of PMJDY has granted millions of previously unbanked citizens access to fundamental financial services, including savings accounts, insurance, and credit. This has enhanced their financial stability and facilitated their integration into the formal banking system.

The technology was optimally used to simplify customer-facing processes and to create an interoperable and robust backbone



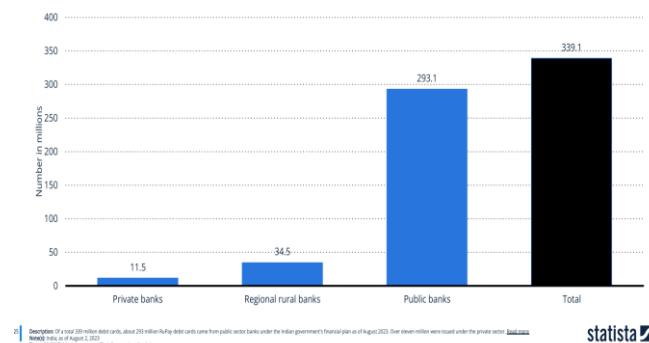
[Fig.4: PMJDY Linking Technology That Enables Financial Inclusion]

Source- MicroSave Consulting (MSC) Report, 2020 (<https://www.microsave.net/wp-content/uploads/2020/05/PMJDY-1.pdf>)

Figure 5 indicates that Public Banks are the primary contributors to issuing Ru-Pay debit cards, followed by Regional Rural Banks and Private Banks. The statistics presented in the tables above clearly indicate a substantial decrease in the number of RuPay cards issued.

Number of Pradhan Mantri Jan-Dhan Yojana RuPay debit cards issued in India as of August 2023, by sector (in millions)

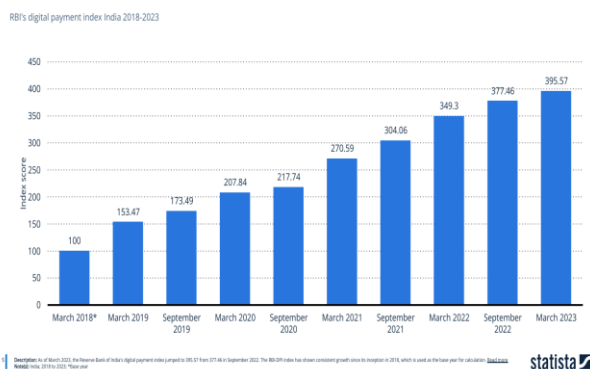
Number of RuPay debit cards issued under PMJDY in India 2023, by sector



[Fig.5: Total Number of Ru-Pay Cards Issued]

Source- <https://www.statista.com/>

Reserve Bank of India's digital payment index from March 2018 to March 2023

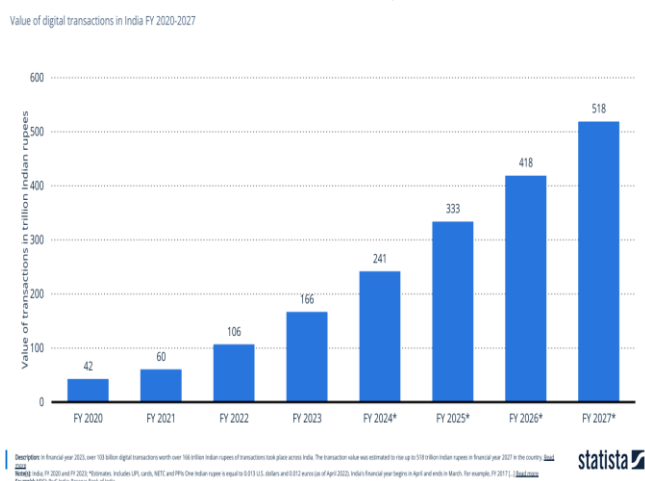


[Fig.6: India' Digital Payment Index (2018-2023)]

Source- <https://www.statista.com/>

Figures 6 and 7 illustrate the increase in the Digital Payment Index and the value of digital transactions conducted throughout India. The provided data demonstrates that since 2018, the payment index has risen, reflecting a significant reliance on digital transactions. When compared to the value of digital transactions, it can be determined that there is an increase of over 90% in the value of digital transactions. The substantial increase in the Digital Payment Index and the value of digital transactions underscores the swift transition to digital payment systems in India. This tendency is likely influenced by ease, security, and the growing accessibility of digital payment methods. The significant gains in both metrics indicate that digital transactions are becoming more prominent in the national economy. As technology advances and digital infrastructure improves, this trend is expected to persist in the years to come.

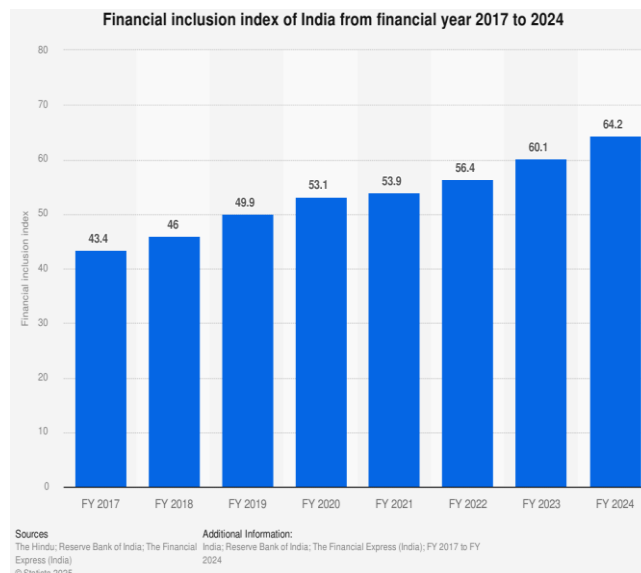
Value of digital transactions across India in financial year 2020 and 2023, with estimates until 2027 (in trillion Indian rupees)



[Fig.7: Value of Digital Transactions Across India]

Source- <https://www.statista.com/>

Figure 8 illustrates a substantial rise in the Financial Inclusion Index published by the RBI. The index rose from 43.4 in 2017 to 64.2 in 2024, indicating a favourable advancement in financial inclusion.



[Fig.8: Financial Inclusion Index (2017 to 2024)]

Source- <https://www.statista.com/>

The data above suggests that PMJDY positively correlates with the advancement of digital technology and financial inclusion.

#### IV. KEY FINDINGS

The subsequent conclusions thoroughly evaluate PMJDY's advancements and obstacles throughout the past ten years. his has been derived from the prior debate:

- The number of PMJDY accounts has increased by around 77% over the past decade, indicating the successful implementation of the PMJDY Scheme.
- The aggregate issue of Ru-Pay Debit Cards has increased by nearly 70%; however, most banks have a negative trend individually. This may be attributed to an increased reliance on UPI payments.
- The contribution of recipients from rural areas is around 66%, which exceeds that of urban areas. The percentage increase in recipients from rural regions surpasses that of metropolitan areas over the past 10 years. It can be inferred that the PMJDY has made a favourable contribution to financial inclusion in India.
- There has been a significant rise in the value of digital transactions, accompanied by notable growth in the digital payment index, reflecting people's high reliance on digital technology. It can be inferred that PMJDY has made a favourable contribution to India's digitisation.
- The Financial Inclusion Index released by the RBI has experienced a significant increase. The index increased from 43.4 in 2017 to 64.2 in 2024, which signifies a positive progression in financial inclusion. It can be concluded that PMJDY is favourably connected with the advancement of financial inclusion and contributes positively to its successful implementation.
- There is an increase in dormant accounts. As of

2023, there are 49.48 crore PMJDY accounts, with 4.12 crore classified as zero-balance accounts, constituting 8.27%. As a percentage, 12.15% of the total accounts have not documented any customer-initiated transactions since 2018.

- The states and union territories with the most significant number of PMJDY accounts also own the greatest quantity of inactive accounts. It consists of six states: Uttar Pradesh, Bihar, Madhya Pradesh, West Bengal, Maharashtra, and Rajasthan. The entire amount in the inactive accounts of these states is Rs. 8555.1 crore, representing approximately 58% of the overall value in dormant accounts. In comparison to data published by PMJDY in 2025, it can be inferred that 6% of the total deposits in PMJDY accounts derive from inactive accounts.
  - A fall in RuPay-connected accidental insurance claims settled under PMJDY is seen, decreasing from 1853 to 188, indicating a negative rate of 89%. The number of accident insurance cover claims under PMJDY for 2021–22 and 2022–23 was 347 and 390, respectively.
  - ICICI Bank Ltd. primarily contributes to the number of beneficiaries in rural areas among private banks, whilst HDFC Ltd. leads in urban areas. Both banks lead in total beneficiaries, deposits, and debit card issuance.
  - Among Public sector banks, all institutions, save for those issuing Ru-Pay cards exhibit an increasing tendency among beneficiaries in both rural and urban regions, as well as in total deposits within PMJDY accounts.
  - Among Regional Rural Banks, the situation is varied, as Union Bank of India has encountered numerous setbacks across all dimensions. Other banks exhibit an upward trend in the number of beneficiaries in both rural and urban areas, as well as in total deposits in PMJDY accounts; nevertheless, a slow trend is observed in the issuance of Ru-Pay Cards.
  - PMJDY did not reveal data from 15 of the 27 Public Sector Banks and 10 of the 22 Regional Rural Banks that initially provided information in 2015.
- Thus, the comparison analysis was confined to 12 public and regional rural banks (RRBs).

The Pradhan Mantri Jan Dhan Yojana (PMJDY) has markedly enhanced financial inclusion in India, resulting in a 77% rise in account openings, with 66% originating from rural regions. Nonetheless, obstacles such as inactive accounts, insufficient utilisation of RuPay debit cards, and regional inequalities continue to exist. Addressing these challenges through financial education, improvements in digital infrastructure, and engagement initiatives is essential for the long-term viability of PMJDY.

## V. RECOMMENDATIONS

To further strengthen PMJDY and address existing challenges, the following policy recommendations are proposed:

- **Enhancing Financial Literacy and Awareness—It is essential to launch targeted programmes to educate account holders about the benefits of overdrafts, insurance claims, and the use of RuPay cards.** The government must promote digital financial education programmes in regional languages for rural populations.
- **Promoting Active Account Engagement - To achieve this, reward-based incentives (such as cashback or interest benefits) may be employed for frequent transactions to reduce the number of dormant accounts.** Banks might implement automated alerts for financial transfers to encourage regular deposits and withdrawals.
- **Enhancing Digital Infrastructure—Expanding the availability of banking correspondents (BCs) and micro-ATMs in underprivileged regions is imperative.** The government must improve internet and mobile banking accessibility in rural areas to foster digital adoption.
- **Revitalising the RuPay Card System—In response to the significant fall in the RuPay card system, banks may offer transaction discounts and cashback incentives to promote the use of RuPay cards. Banks must also improve awareness of RuPay's accidental insurance benefits, ensuring easy access to claim disbursements.**
- It is necessary to conduct an annual assessment of dormant accounts and facilitate automatic financial transfers to active accounts. Financial institutions should execute focused outreach programmes to engage dormant account holders.
- **Enhancing public-private collaboration** to cultivate links among fintech companies, banking institutions, and governmental organisations to optimise digital financial services. To facilitate the integration of regional rural banks (RRBs) with UPI systems to improve accessibility in remote areas.
- To accurately assess the scheme's actual progress, more **thorough data collection is required.**

These ideas will optimise PMJDY's efficacy, guaranteeing enduring financial inclusion, digital integration, and effective use of banking services throughout India.

## VI. CONCLUSION

The Pradhan Mantri Jan Dhan Yojana (PMJDY) represents a significant achievement in India's efforts to achieve financial inclusion, integrating millions of previously unbanked citizens into the formal banking system. Over the last ten years, the programme has undergone significant expansion, as evidenced by a 77% increase in account openings and 66% of

beneficiaries residing in rural areas, highlighting its effectiveness in serving underprivileged communities. Furthermore, PMJDY has promoted digital financial services, markedly enhancing UPI transactions, mobile banking use, and the comprehensive transition to a cashless economy. Despite these accomplishments, enduring issues linger, including inactive accounts (8.27%), diminishing RuPay card usage, and inconsistent regional engagement. Moreover, cybersecurity issues, insufficient financial literacy, and deficiencies in digital infrastructure obstruct the scheme's complete potential.

A multifaceted strategy is essential for long-term sustainability and efficacy. Enhancing financial literacy programmes, instituting incentives for active account utilisation, and broadening digital banking infrastructure—especially in distant areas—will be essential. Moreover, rejuvenating the RuPay ecosystem through fintech advancements and cultivating strategic public-private collaborations will substantially improve financial inclusion outcomes. Through substantial policy enhancements, sustained governmental dedication, and proactive stakeholder cooperation, PMJDY can transform into a comprehensive, self-sustaining financial system. By mitigating its shortcomings and leveraging its advantages, the initiative can transform India's economic framework, ensuring universal access to banking services and establishing the nation as a global leader in digital financial empowerment.

## DECLARATION STATEMENT

After aggregating input from all authors, I must verify the accuracy of the following information as the article's author.

- **Conflicts of Interest/ Competing Interests:** Based
- On my understanding, this article has no conflicts of interest.
- **Funding Support:** This article has not been funded by any organisations or agencies. This independence ensures that the research is conducted with objectivity and without any external influence.
- **Ethical Approval and Consent to Participate:** The content of this article does not necessitate ethical approval or consent to participate with supporting documentation.
- **Data Access Statement and Material Availability:** The adequate resources of this article are publicly accessible.
- **Author's Contributions:** The authorship of this article is contributed equally to all participating individuals.

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