

**IMPACT OF PRADHAN MANTRI JAN DHAN  
YOJNA IN VARANASI DISTRICT OF UTTAR  
PRADESH**

काशी हिन्दू  
विश्वविद्यालय



BANARAS HINDU  
UNIVERSITY

**Project Report**

SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS  
FOR THE AWARD OF DEGREE OF

**Master of Agri-Business Management**

**Submitted by**

Niharika Parul

**Under the Supervision of**

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UTTAR PRADESH, INDIA

**I.D. No. – 20412ABM-014**

**2022**

**Enrolment- 433296**

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**CERTIFICATE**

To,  
The Registrar (Academic)  
Banaras Hindu University  
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Through: The Head, Department of Agricultural Economics, Institute of  
Agricultural Sciences, BHU, Varanasi – 221005, INDIA

Dear Sir,

This is to certify that the project report entitled “**Impact of Pradhan Mantri Jan Dhan Yojna in Varanasi District of Uttar Pradesh**” submitted for partial fulfillment of the requirements for the degree of **Master of Agri-Business Management** in the Department of Agricultural Economics, Institute of Agricultural Sciences, Banaras Hindu University, is a record of bonafide research carried out by **Ms. Niharika Parul, ID. No. 20412ABM 014**, under my supervision and no part of the Project Report has been submitted by any other degree or diploma.

The assistance and help received during the course of this investigation and sources of literature have been duly acknowledged.

Thanking you.

Yours faithfully,

Forwarded by

**(Coordinator)**

**(HEAD)**

**Prof. H.P Singh**

Chairman of Advisory Committee

IMPACT OF PRADHAN MANTRI JAN DHAN YOJANA IN VARANASI  
DISTRICT, UTTAR PRADESH

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**BANARAS HINDU UNIVERSITY**

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## **ACKNOWLEDGEMENT**

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Being a student at this prestigious institution first, the researcher folds her hands before the lotus of **Mahamana Pandit Madan Mohan Malaviya Ji**, the man who established the Banaras Hindu University and whose unwavering purpose was to help people.

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Date:

Place: B.H.U, Varanasi

**Niharika Parul**

Master of Agribusiness Management  
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## **LIST OF ABBREVIATIONS**

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BHU	Banaras Hindu University
IAS	Institute of Agricultural Sciences
Et. al.	And other people
PMJDY	Pradhan Mantri Jan Dhan Yojna
UNCDF	United Nations Capital Development Fund
CGD	Centre for Global Development
PCOs	Public Call Officers
TRAI	Telecom Regulatory Authority of India
KYC	Know Your Customer
RBI	Reserve Bank of India
BC	Business Correspondents
MGNREGA	Mahatma Gandhi National Rural Employment Guarantee Act
APBS	Aadhar Payment Bridge System
SSA	Sub Service Area

SD	Strongly disagree
DA	Disagree
NT	Neutral
AG	Agree
SA	Strongly Agree
NABARD	National Bank for Agriculture and Rural Development

# **INTRODUCTION**

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The **Pradhan Mantri Jan Dhan Yojana (PMJDY)** financial inclusion programme is designed to bring financial services to the economically disadvantaged and weaker segments of society. Basic bank accounts, credit, remittance capabilities, insurance pensions, etc. are included; the cost is reasonable and technology is used well.

In his address commemorating India's independence on August 15, 2014, the honourable prime minister introduced the "Pradhan Mantri Jan Dhan Yojana," a national initiative for financial inclusion. The mission is to provide all families in the nation with access to banking services and a bank account in order to integrate them into the mainstream of the financial system. On August 28, 2014, PMJDY was formally introduced in Delhi, with parallel initiatives taking place at the state and district levels. It is based on the "**SabKa Saath SabKa Vikas**" development ideology. Lenders of money are unofficial sources of credit. Every home would have access to banking and credit facilities thanks to this system, which permits bank accounts. It will allow one to free themselves from the control of lenders. The low-income segment is being taken advantage of by their interest rate and other terms. Each account user first receives a RuPay Debit card with a Rs. 100000 accident insurance benefit. One will also be protected by pension and insurance goods.

It is well known that while some Indians have access to a wide range of financial services, others struggle to create a basic bank account or meet their little banking and credit needs. Even after 70 years of independence, a majority of the population is still struggling to meet basic needs. Uneven wealth and opportunity distribution is a major issue in employment and economic development. Financial exclusion is one of the factors contributing to India's lack of progress. People do not have access to financial services at an affordable price, therefore they are left out of the financial system and face unemployment, health, education, and other financial issues. Financial inclusion is critical for job possibilities, economic development, and living standards, among other things. The population is also the primary cause of the country's lack of progress, as it causes demand and supply imbalances.

### **1.1 Overview of Indian Economy**

The country's economic growth is determined by how it employs its economic resources. The four factors of production are land, labour, capital, and entrepreneur. Every factor participates in the manufacturing process and is compensated in the form of rent, wages, interest, and profit. These variables are sensibly utilized by developed countries for economic growth. Those that are unable to do so efficiently are considered undeveloped.

India took a number of steps toward economic development after independence, and while it is now the world's sixth largest economy, there is still room for progress, as a substantial segment of the population remains undeveloped. Financial Inclusion and Economic Development are mutually beneficial; if we concentrate on financial inclusion, we will accomplish economic development.

India's economy was generally backward on the eve of independence. Traditional agriculture, insufficient technological and scientific capabilities, limited industrialisation, underdeveloped transportation and communication infrastructure, inadequate health and education facilities, and the lack of social security are only a few of the features of the Indian economy.

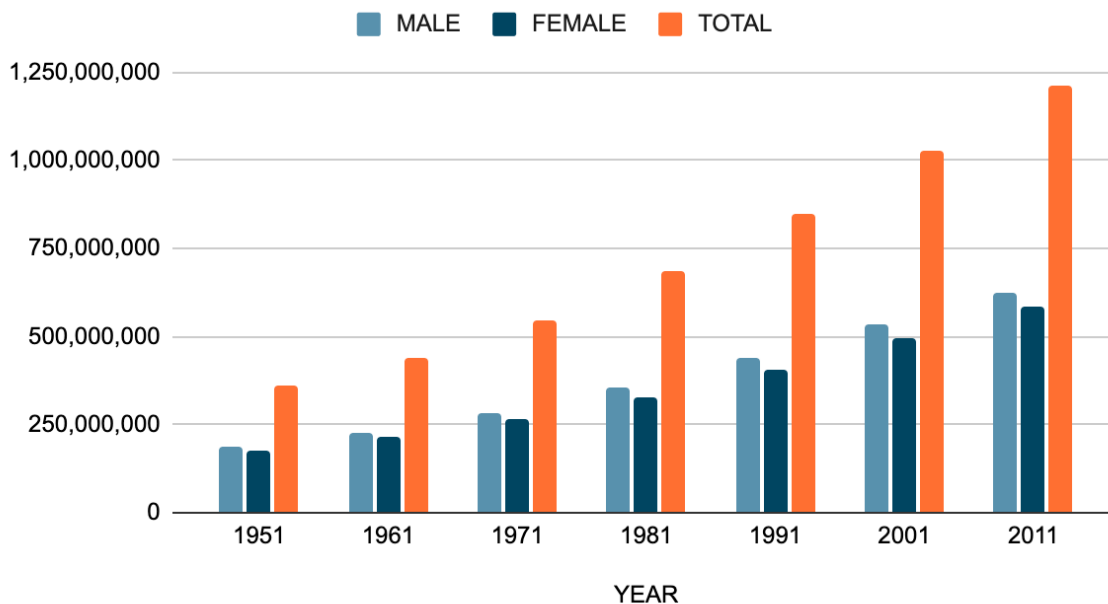
**Table 1.1: Population of India after independence.**

<b>YEAR</b>	<b>MALE</b>	<b>FEMALE</b>	<b>TOTAL</b>
1951	185,528,462	175,559,628	361,088,090
1961	226,293,201	212,941,570	439,234,771
1971	284,049,276	264,110,376	548,159,652
1981	353,374,460	329,954,637	683,329,097

1991	439,358,440	407,062,599	846,421,039
2001	532,223,090	496,514,346	1,028,737,436
2011	623,724,248	586,469,174	1,210,193,422

Source: Selected Socioeconomic Statistics India October 2011 Page No 23

### MALE and FEMALE



If we look at the data above, we can see that the Indian population is rapidly increasing. The Indian population increased from 36.11 crore in 1951 to 121.02 crore in 2011. As the population grows, so does the demand for products and services. If the supply side does not expand in proportion to the demand, the price will rise. It throws the economy into disarray. As a result, the Indian economy's population has both beneficial and negative effects on the economy.

### 1.2 Financial Inclusion and financial inclusion measures in India

The country's financial inclusion and economic progress are realised.

If given the opportunity, people from all walks of life will contribute. India's economy is one of the world's largest, and it is growing quickly. The majority of people are economically disadvantaged. To meet their financial demands, financial inclusion is essential. Banks are legally obligated to establish bank accounts for anybody who approaches them in a few international nations, such as Sweden and France. A similar provision for financial inclusion was introduced in certain other nations. Branchless and cashless banking are possible because of modern information technology.

United Nations Capital Development Fund (UNCDF) highlights the major aims as the broad frameworks and boundaries of inclusive finance, as well as access to a variety of financial services. According to the UNCDF, the major aims of inclusive finance are:

- A. Providing all families and businesses with fair access to a variety of financial services for which they are bankable.
- B. Good institutions were necessary, directed by a suitable internal management system, industry performance standards, market monitoring performance, and sound prudential regulation.
- C. Long-term financial and institutional viability as a method of increasing access to financial services.
- D. Multiple financial service providers, if possible, should give clients with a cost-effective and diverse range of options.

The Task-Force on Access to Financial Services of the Centre for Global Development (CGD) outlined the basic policy principles for increasing financial access, as well as the assessment system.

The G-20 Toronto Summit also outlined the "**Principles for Innovative Financial Inclusion**," which serve as a guide for policy and regulatory approaches aimed at forecasting safe and sound adoption of innovative, adequate, low-cost financial delivery models, as well as assisting in the creation of conditions for fair competition and a framework of incentives for various banks, insurance, and non-bankable actors in the delivery of financial services.

Financial exclusion is an issue that not only underdeveloped countries, but even affluent countries, face. They continue to be unable to obtain banking services.

The type, degree, and magnitude, on the other hand, are all distinct. As a result, emphasis is placed on providing financial services at a reasonable cost. The United Nations General Assembly declared 2005 the International Year of Microcredit to provide a significant chance to provide microcredit initiatives throughout the world a boost. To fulfil the Millennium Development Goals, we must build inclusive financial sectors.

### **1.2.1 Advantages of Financial Inclusion**

The advantages of financial inclusion is to extend financial services to the large population of the country to unlock its growth potential.

- A. Contribution in the country's economic progress.
- B. To safeguard individuals from economic shocks.
- C. To promote productivity and entrepreneurship.
- D. To boost your savings.
- E. To a loan opportunity for low-income and low-income households, as well as micro and small businesses.
- F. To reduce risk by obtaining insurance coverage.
- G. In order to increase output.
- H. For the sake of social security.
- I. To increase the efficiency of the intermediation process between savings and investments.
- J. Banks will have a more solid retail deposit base.
- K. To make it easier for diverse parts of the economy to participate in the formal financial system.
- L. To transition from a cash to a cashless economy.
- M. To strengthen financial stability through improving the health of small businesses' household sector.
- N. Improving access to capital, as well as the social quality and affordability of services, is a critical determinant in business mobility and profitability.

Financial inclusion has become more important as a result of the global financial crises. Financial inclusion is linked to economic development in a beneficial way. Increased economic activity and job prospects would result from increased access to financial services. The benefits of financial inclusion are well known in the majority of developing nations. To attain the aim of financial inclusion, new policies and methods are created and implemented.

### **1.2.2 Disadvantages of Financial Exclusion**

It's simple to describe the downsides of financial exclusion if we comprehend the benefits of financial inclusion. In India, a huge portion of the population is not part of the financial system. Financial exclusion refers to persons who do not have access to inexpensive financial services. The cost covers the minimum amount required to create an account, the interest rate, insurance premiums, and pension fund contributions, among other things.

The following are some of the drawbacks of financial exclusion.

- A. Economic progress is slowed.
- B. People are incapable of managing risk, whether it is financial or life-threatening.
- C. There will be no new entrepreneurs.
- D. Due to a lack of savings, the financial market will stagnate.
- E. Reduced output.
- F. There is a social issue.
- G. In a cash economy, there will be black money.
- H. Instability in the financial markets
- I. Improving access to capital, as well as the social quality and affordability of services, is a major component in business mobility and profitability.

### **1.2.3 Barriers to Financial Inclusion**

Financial inclusion entails offering low-cost financial services to those who require them. Cost is not an exclusionary factor when it comes to financial exclusion. Financial inclusion is hampered by a variety of factors. Other factors include literacy, awareness, product, and income. These factors make it difficult for consumers to obtain financial services. Finance is the lifeblood of a company's day-to-day operations. Every economic activity need financing; if individuals can

obtain timely funds at a reasonable rate, their standard of living will increase. Barriers on both the demand and supply sides can be classified as follows.

### **1.2.3.a. Barriers on the Demand Side**

- A. A low literacy rate.
- B. A lack of awareness of financial services, as well as knowledge and comprehension of them.
- C. Unpredictable revenue.
- D. Microtransactions on a regular basis.
- E. Lack of faith in traditional financial institutions.
- F. Cultural stumbling blocks (i.e. Gender and cultural values)

### **1.2.3.b. Barriers on the supply side include**

- A. Outreach (Low-density locations and low-income populations are not desirable for financial services offering and are not financially viable under standard banking business models.
- B. Rules and regulations (framework is not adopted in local contexts)
- C. Service providers (limited number and types of financial service providers) with business models (primarily with high fixed costs)
- D. Services (non-adjusted products and services for low-income people and the black market)
- E. Age factor (Most financial service providers target the centre of the economically active population, disregarding the creation of products that are acceptable for older or younger potential clients.)
- F. Bank fees (usually based on minimum balance, however there are a variety of fees that disproportionately affect low-income persons.)

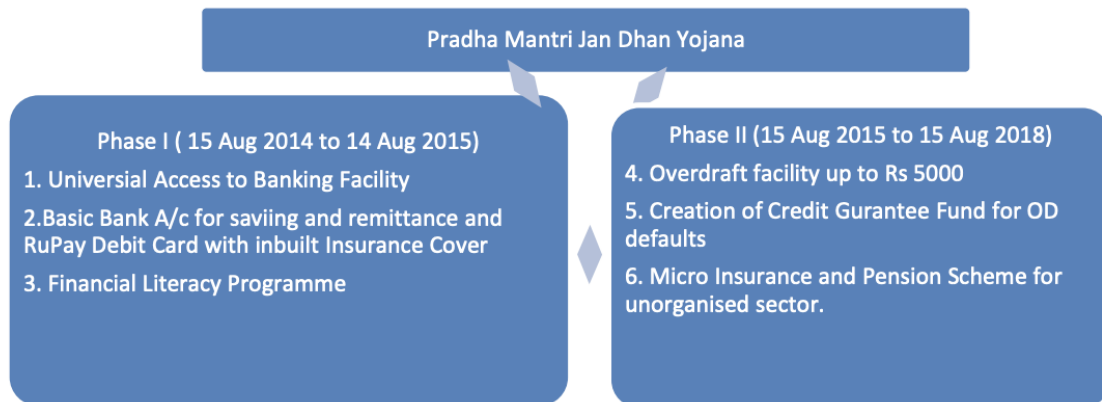
### **1.3 Recent Important Financial Inclusion Guidelines**

- A. In January 2006, banks were given permission to employ non-profit Bank Mitra (Business Correspondents (BC) as agents for the supply of financial services, operating as last mile infrastructure.

- B. In April of 2008, it was decided that BC should be no more than 15 kilometres away from the nearest bank branch for sufficient oversight.
- C. In 2008, the RBI released operative guidelines for mobile banking, which were later changed in December 2009 to relax transaction limitations and security requirements.
- D. Kirana shops, petrol stations, and public call officers (PCOs) were authorised to engage in BCs on April 4, 2009, and BCs were also allowed to operate up to 30 kilometres from nearest banks.
- E. In 2009, banks were given permission to levy appropriate service costs on clients in order to maintain the BC model's survival, as well as to pay a fair commission fee to BC to motivate them.
- F. In June 2010, the RBI and the Telecom Regulatory Authority of India (TRAI) reached an initial agreement on the introduction of mobile banking, with RAI handling all connectivity concerns and RBI handling banking features such as Know Your Customer (KYC), checks, transaction limitations, and so on.
- G. With the exception of non-banking financial businesses, all companies listed under the Companies Function (1956) were permitted to act as BCs in September, 2010.
- H. Based on a judgement by the State Level Bankers Committee, the same directive concluded that the distance requirement might be relaxed in certain circumstances.
- I. In January, 2011, the Telecom Regulatory Authority of India (TRAI) declared its intention to regulate mobile pricing for financial services in comparison to current market prices in order to ensure affordability.
- J. In 2001, the Reserve Bank of India (RBI) published rules for creating Adhar-enabled bank accounts and routing MGNREGA earnings and other social benefits to beneficiaries' accounts.
- K. In 2012, the Reserve Bank of India (RBI) approved the use of the Aadhar Card as confirmation of both identification and address when opening a bank account.
- L. The Government of India implemented the Sub Service Area (SSA) method for creating banking outlets and Direct Cash Transfer in 2012.
- M. Aadhar Payment Bridge System (APBS) was established in 2012, for centralised credit of social benefits.
- N. Use e-KYC for a simple bank account establishing procedure in 2013.

- O. The Reserve Bank of India (RBI) has issued recommendations for expanding the Business Correspondent approach on 2014

### 1.4 current strategy for financial inclusion



This programme was a thorough financial inclusion strategy. Based on prior experience, this plan was specifically created to target. It was broken up into two phases, as the following graphic makes abundantly evident.

#### 1.4.1 First Phase: 15 Aug, 2014 - 14 Aug, 2015

##### I. Availability of financial services to all people

The term "banking facilities" refers to things like bank accounts, credit facilities, and transactions involving the deposit and withdrawal of money. The first stage emphasised providing these amenities to all people. Unbanked households will have the chance to contact or visit a bank for financial services. Banks with physical locations, branchless banking, mobile banking, bank Mitra, and business correspondents were the key methods for ensuring that all people had access to financial services.

##### II. Basic Offering RuPay Debit Cards with built-in accident insurance coverage of "1 lakh" and Basic Banking Accounts for Saving and Remittance.

Financial services and related financial inclusion are accessed through bank accounts. A significant portion of the populace struggles to open a basic bank account. The second phase of this

programme concentrated on basic bank accounts for use with RuPay Debit cards, which come with built-in insurance coverage of Rs 1 lakh. RuPay Debit cards will be used for financial transactions after everyone has universal access to banking services and a basic bank account.

### **III. Financial Education Initiative**

Financial services include financial leasing, credit cards, banking, securities and foreign exchange, asset management, consulting, the provision and transfer of information, and data processing. The basics of financial services were unknown to households without bank accounts. Essentially, the third phase's goal was to teach literate individuals how to use financial services. They have the financial management skills necessary to effectively handle investments, insurance, pensions, and personal finances.

For this scheme's first phase to be implemented, the dates from August 15, 2014, to August 14, 2015, were used. A good plan and prompt implementation are essential for success.

#### **1.4.2 Second Phase: 15 Aug, 2015 - 15 Aug, 2018**

##### **I. A maximum overdraft limit of 5000/-**

People who have opened bank accounts and had successful transactions are eligible for up to Rs. 5000 in overdraft credit. Unbanked individuals were using an expensive informal source of credit prior to this arrangement. In order to fulfil the needs for short credit, this technique was devised. The overdraft loan limit is equal to four times the average monthly balance or, if less, 50% of the credit summation for the previous month of Rs. 5000. The maximum amount of an overdraft facility will be set by the banking system.

##### **II. Establishing a Fund for Credit Guarantees**

Overdraft defaulters will be covered by a credit guarantee fund. This fund is utilised to provide holders of PMJDY Accounts with an overdraft guarantee. To ensure that the greatest number of account holders benefit from this provision, the government will assume responsibility for these accounts.

### **III. Unorganised sector pension plans and microinsurance**

Unknown risks are covered by insurance. to provide unorganised sector pensions and complete microinsurance through PMJDY with the lowest possible contribution.

#### **1.5 Goals for the Mission (6 Pillars)**

The aims/ goals of the Pradhan Mantri Jan Dhan Yojana are as follows (PMJDY).

- To make financial services accessible to everyone:
- Offering all families basic banking accounts with overdraft protection and RuPay debit cards.
- To promote financial inclusion by offering financial literacy.
- Establishment of a Credit Guarantee Fund
- Offer miniature insurance.
- Pension schemes and other social security options for the unorganised sector.

#### **1.6 Scope of the study**

The Pradhan Mantri Jan Dhan Yojana (PMJDY), which was introduced in 2014, intends to give every family (later refocused on every unbanked adult) in the nation access to the banking system. The major goal of the programme is to assist citizens in obtaining banking services including credit, pensions, and insurance at a fair price. Scope of the study is mentioned below.

- Addition of more dimensions such as, insurance, pension, mobile banking and internet banking could add up to the widening of the scheme .
- Comparison of similar data among developing economies can be easily made.
- Simplified government to consumer fund transfer by eliminating redundancies such as multiple transaction requirements, ID validation and time delays.

#### **1.7 Need of the study**

The fundamental issue facing the nation is financial exclusion, which is only solved by financial inclusion. People who were economically excluded did not have access to sources of income. Access to financial services is through a simple bank account. The fundamental problems with financial inclusion are easy access to banks, formal education, and financial literacy. A sizable

portion of the population is financially excluded, and other treatments haven't yielded better results yet. Therefore, it is important to research if the PMJDY plan was successful in providing financial services to those who were financially excluded.

### **1.8 Objectives for the research**

- To determine the socioeconomic and demographic characteristics of the beneficiaries.
- To analyse the level of beneficiary awareness of the different service advantages provided by the PMJDY plan.
- To examine the impact of Pradhan Mantri Jan Dhan Yojna.
- To examine the constraints in beneficiaries adaptation of the PMJDY programme benefits.

### **1.9 Limitations of the research**

- This study has been carried out based on the data collected from Sonarpura region of Varanasi district, Uttar Pradesh and that the findings may vary if the study will be taken as a whole of Varanasi.
- Interview method is used to collect the primary data hence, there is a chance of error as beneficiaries hesitate in giving correct data.

### **REVIEW OF LITERATURE**

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A review of the literature is a high-level overview of prior studies. Gaining a better understanding of the study subject and identifying it is beneficial. The examination of literature will most likely provide you a bird's eye view of the research you've done on the issue. A review of the literature aids in getting basic knowledge of the study topic and recognising the many challenges that it raises. It lays the groundwork for the study proposal to be justified in this way. Both economic growth theory and economic inequality serve as a beginning point for comprehending the significance of a new route of economic growth strategies to keep nations afloat.

Despite the fact that a vast number of research on financial inclusion have been conducted in India, several gaps remain. Credit, poverty, and indebtedness are still issues that need to be addressed. The problem can't be solved alone by opening a bank account. Financial literacy is necessary for achieving the goal of financial inclusion in its entirety. The purpose of this research is to learn more about India's geographical disparities, indebtedness, and financial inclusion status.

Several transects in India are still suffering from poverty after more than 75 years of freedom and planned development. Inspired by planners' goal to seek equitable growth, the country has long faced significant geographical disparities between urban and rural areas. Poverty, which is a result of underdevelopment, has been a topic of contention since independence, along with rural debt. Safe, simple, and inexpensive credit, as well as other financial services for the poor and vulnerable groups, disadvantaged areas, and lagging sectors, are seen as prerequisites for accelerating growth and eliminating income gaps and poverty.

In India, financial inclusion is a ten-year-old notion. FI initiatives began in earnest in 2005-2006, and the current government renamed the programme Pradhan Mantri Jan Dhan Yojana (PMJDY), which has evolved to become the world's largest financial inclusion project. The Reserve Bank of India (RBI) has taken a number of steps to address the issue of social exclusion, concentrating on removing barriers on both the supply and demand sides. During the previous decade, the journey of inclusion has been both intriguing and exhilarating. Since then, many research publications have been produced, focusing on various aspects of financial inclusion, and many new insights have

been discovered, pointing the way for future study. The researcher has done significant investigation into the numerous literatures on the subject that are available in print and digital formats. Issues that arose from those reviews were explored in order to formulate research gaps and study objectives. To compile a review report on relevant literatures available on financial inclusion in general and PMJDY in particular, references were made to various articles, books, committee reports, working papers, theses and dissertations, survey reports, speeches, media reports, websites, and yearly reports.

Description of the chapter is done under the following sub- headings:

- To determine the socioeconomic and demographic characteristics of the beneficiaries.
- To analyse the level of beneficiary awareness of the different service advantages provided by the PMJDY plan.
- To examine the impact of Pradhan Mantri Jan Dhan Yojna.
- To examine the constraints in beneficiaries adaptation of the PMJDY programme benefits.

**Bagli and Dutta (2012)** there is a low mean large discrepancy in the states of India's financial inclusion. The study found a significant and favourable correlation between the states of India's human development and their financial inclusion. To achieve financial inclusion, there must be widespread financial literacy and awareness among the disadvantaged groups of individuals. Alongside this, a financial institution will need to be approachable and socially responsible in order to attain full financial inclusion.

**Gandhi (2013)** one of the issues facing the Indian economy is financial exclusion, which requires immediate action if fair and sustainable growth is to be achieved. In addition, he came to the conclusion that banks may eventually be in charge of the work. He stressed the idea that higher savings rates enable individuals to take more risks, which in turn drives investment and, ultimately, the creation of new business prospects.

**Sharma and Kukreja (2013)** For developing countries, argue that financial inclusion is essential to achieving inclusive growth. Delivering financial services at reasonable prices to underprivileged and low-income groups within society is known as financial inclusion or inclusive financing. There have been numerous significant obstacles to financial inclusion, including bridging the gap between the economically marginalised groups in society and the official financial system,

promoting financial literacy, and improving credit delivery systems to improve financial economic growth. When a country's weaker segments become financially independent, the entire country may advance economically and socially. The essential components of financial inclusion are highlighted, along with their importance to the social and economic advancement of society. The study focuses on how India's economic position might be improved in respect to other nations' economies by promoting financial inclusion. Data for the study was gathered from secondary sources, such as the NABARD report, the RBI report, books on financial inclusion, and other publications authored by renowned writers, in order to analyse such facts. Financial inclusion is clearly playing a catalytic role for the economic and social growth of society, but there is still a long way to go. This is the conclusion that can be drawn after examining the data and facts.

**Khuntia (2014)** there are 100 million families in India that do not have bank accounts. The government has developed the "Pradhan Mantri Jan Dhan Yojana" as an action plan to lessen the degree of "financial untouchability." He came to the conclusion that this programme is a massive financial inclusion effort with the goal of successfully providing banking services to every home in the nation.

**Kumari (2014)** In order to determine the advantages, drawbacks, difficulties, and efficacy of PMJDY, performed a study. She stated that the people, banks, and government would all profit from this programme, which will also help the economy grow and create jobs. She came to the conclusion that serious efforts are needed for PMJDY to be implemented and successful. She claimed that consumers lack instruction in using debit cards and fail to pay overdraft fees and interest, which causes the bank to take those amounts from the subsidies in their accounts. The banks' goodwill will be lost, and they may once more fall into the hands of moneylenders. Thus, creating an account would undoubtedly reduce corruption and break the intermediary chain, but in order to end poverty on a local level, individuals will be able to keep up with their accounts, and India will progress toward true growth and development.

**Hussain (2015)** argued that the implications of financial exclusion are crucial when the exclusion mass is caught in the hydra-headed cycles of poverty. This leads to increased social isolation, which is extremely harmful to a nation's ability to expand fairly. The programme has been reinforced and made more responsible by necessary modifications to the RuPay cards programme and life insurance. To achieve the intended social goals, which exclusively depend on the ability

of the government to carry out, a transparent organisational framework for executing PMJDY will be necessary.

**Kumar and Singh (2015)** Understanding the PMJDY and its effects was one of the goals of study. They came to the conclusion that PMJDY was the most effective measure done to end poverty and that it has enabled many individuals to participate in society and the economy while also lowering financial untouchability. They went on to say that successful execution of this plan requires ongoing evaluation and routine inspection.

**Patnaik and Supkar (2015)** concentrated on the eastern half of India, especially the capital city of Odisha, India. Household servants, domestic helpers, migrant and local construction workers, rickshaw/cart pullers, taxi drivers, and other low-wage contract employees at various private institutions are all included in the research. Low-income groups such urban workers, city slum residents, and socially excluded populations make up the majority of the financially excluded urban population. Lack of money or inconsistent income, low levels of education, a lack of financial literacy, and access to financial services are all causes of poverty. Additional factors make it challenging for service providers to offer financial services, which are the main causes of financial exclusion.

**Watts (2015)** concentrated on the current state of rural and urban families' access to financial services, the role of banks and the government in this regard, and the key variables influencing the implementation of PMJDY. In his opinion, poverty and illiteracy are making it difficult to carry out this plan as intended. The majority of Indians are unable to handle debit cards, and the country's poorest citizens lack the resources to do so.

**Deb and Das (2016)** The study looked at the reasons why respondents from Latuatila village in the Baikhora region of the Santirbazar sub-division of Tripura South, India, opened bank accounts under the PMJDY and why they preferred nationalised banks. A total of 125 respondents were utilised as the sample size, and they were selected using a variety of non-probability sampling procedures. Data were collected in three phases utilising an interview schedule with 37 questions, which was then processed using IBM SPSS-20. To assess the validity of the questions, a protocol interview with 10 experts and a pilot survey with 30 participants were conducted. Additionally, a test for reliability and sample adequacy was run. Four important variables were retrieved by factor

analysis. To evaluate the hypotheses, a variety of statistical tests including the Independent Cross-tabulation, Sample t-test, and Regression analysis were performed. The empirical findings have identified the key motivators, such as demographic traits, service excellence, and programme advantages. The respondents' interest in nationalised banks has been stoked by policy shortcomings and misconceptions regarding commercial banks. In order to draw in new clients and to compete with the nascent private competitors in PMJDY, the public sector banks may incorporate the findings into the formation of their strategic policies. The paper identifies the research agenda for the future, recognises certain limits, and provides policy implications.

**Yadav and Mohania (2016)** discovered that although the banking sector's existing channels are highly extensively used, the Atal Pension Yojana is still not well-liked by the general people because it lacks appealing features. The fundamental elements relating to pension amount, tax exemption, and claim settlement must undergo necessary modifications. For people who are ready to make small but ongoing pension fund contributions, the Atal Pension Yojana is still a good option. It is seen as a historic step by the Indian government in transforming the pension-less society into a pension society. The nearly 410 million employees in the unorganised sector who are in need of financial security in their latter years are a priority for the Union Government. To encourage unorganised sector employees to voluntarily save for their retirement and to address the hazards associated with extended existence among these individuals. With the slogan "Jan-Dhan se Jan Surakhsha," the Atal Pension Yojana was launched on June 1st, 2015, as part of the enticing Pradhan Mantri Jan-Dhan Yojana (PMJDY). Its goal is to offer financial help for pensions to all Indian citizens. The study's foundation is secondary information gathered from several sources and IRDA Journals.

**Sharma and Goyal (2017)** sought to determine the success rate of the inclusion process in the Jaipur district's rural districts. Both primary data and secondary data were gathered for the study's objectives. The association between socioeconomic backgrounds and the process of financial inclusion was determined using the correlation test. Findings indicate that factors influencing inclusion were income, financial information from multiple sources, and knowledge of PMJDY. The chance of inclusion rose with proximity to banks.

**Kapadia and Madhav (2018)** financial inclusion can encourage Indians to save more money for investments, which will enhance returns while promoting economic growth. However, India has long struggled with financial inclusion since, purportedly because of the formal character of banking, the Indian banking sector was unable to meet the requirements of the poor. It was suggested that since the concept of "business correspondents" was showing promise, the banking sector should see expenditures on financial inclusion as long-term investments rather than merely CSR (Corporate Social Responsibility) initiatives.

# RESEARCH METHODOLOGY

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Research methodology is the "how"; the process, or techniques, of conducting research. It incorporates processes for describing, interpreting, and forecasting occurrences in order to solve a problem.

The methodical manner, collecting, analysis, and reporting of information and results pertinent to a certain selling situation that a business is now confronting constitutes research methodology. Although analysis is conducted scientifically, it should be viewed as a science of research. In it, we often examine the many techniques typically used by a researcher to identify a problem with his analysis, along with the reasoning behind them. Researchers have to be skilled at creating various tests as well as using certain, applicable analysis approaches.

The goal of the current study is to evaluate the PMJDY Scheme, a brand-new initiative that our honourable prime minister Shri Narendra Modi launched on August 15 and put into effect on August 28. The Reserve Bank of India, the Indian government, and other financial institutions unveiled and put into action a number of financial inclusion-related programmes and initiatives. The current study was divided into two time periods: 2014 to 2015 and 2015 to 2018. The issue statement and the study's research goals are outlined in this chapter. According to the specified objectives, data are taken under the following headlines: .

**3.1** The research area's description

**3.2** The methods and information sources for sampling.

**3.3** Methods and instruments for analysis.

**3.1 The research area's description**

**3.1.1 Selection of district**

Varanasi district of Uttar Pradesh state was selected purposely for the study to examine the impact of the PMJDY scheme because of the ease in data collection. The total geographical area of

Varanasi district is 1535 sq. km. The climate in Varanasi is humid subtropical. The weather can be as hot as 45° C and humid too during summer while in winters the temperature can be as low as 7°C. The primary source of livelihood in the Varanasi district is agriculture and the majority of farmers are having small and marginal land holdings. The main crops of the district are sugarcane, rice and wheat which occupy a major portion of the gross area sown. Maize and sorghum are also grown in this region. Other than the main crop, marigold is widely grown in this region. There are 8 blocks in Varanasi district such as Arajiline, Baragaon, Chiraigaon, Cholapur, Harahua, Kashi Vidyapeeth, Pindra, and Sevapuri.

### **3.2 The methods and information sources for sampling.**

Both **primary and secondary** data were taken into account for the study; the primary data were obtained directly from the researcher, while the secondary data were gathered from a variety of research publications by eminent writers, journals, websites, and course materials.

#### **3.2.1 Primary Data**

Primary information gathered by observation, interviewing with Union Bank of India's employees and beneficiaries of PMJDY.

#### **3.2.2 Secondary Data**

Secondary data are gathered from policy papers, websites, and other official records created in response to requests from different agencies, such as the PMJDY, the RBI, Union bank of India, the Government of India, etc.

### **3.3 Methods and instruments of analysis**

#### **3.3.1 Descriptive Statistics**

Descriptive statistics are brief informational coefficients that summarise a given data set, which can be either a representation of the entire population or a sample of a population

Frequencies show how many respondents fall into each group in a given set of data. A researcher can determine the number of respondents with the use of frequency analysis, compute percentages, and further extrapolate descriptive statistical techniques from it.

The researcher can depict the data using charts and graphs thanks to frequency analysis, which makes it possible.

### **3.3.2 Percentage Analysis**

To compare the replies that were gathered, the percentage approach was applied.

$$P = X/N * 100$$

Where P = percentage and X = frequency and N = total respondents.

### **3.3.3 Weighted Mean**

When a variable that assumes weight or relevance for its corresponding values is present in the data, the mean is weighted. In these situations, weights are applied to the scale used in the questionnaire's 5 point Likert scale questions. Strongly disagree, disagree, neutral, agree, and strongly agree are the five points mentioned. Here, strongly disagree assumes 1 as the age group with the lowest weight, followed by 2 for disagree and 3 for neutral, while agree and strongly agree assume higher weights of 4 and 5, respectively.

Weighted mean overcomes the shortcoming of simple mean, which causes the average to be skewed by extreme numbers. The researcher can obtain a correct average by calculating the mean in this case as the weighted score divided by the total of weights, which gets around the limitation of the simple mean.

### **3.3.4 Individual Financial Inclusion Score**

The following factors are utilised to determine the financial inclusion status of each person in the sample, and the results are used to create an individual financial inclusion score for each and everyone.

Before and after the launch of PMJDY, the individual financial inclusion score is calculated.

**Table 3.1: Utilised variables and corresponding parameters**

<b>PARAMETER</b>	<b>VARIABLE</b>	<b>YES</b>	<b>NO</b>
The availability of formal financial services	Did you have a bank account prior to joining PMJDY?	20	0
The scope of financial services	How frequently do you go into a bank branch?	20	0
Saving	Did you save? before pmjdy	20	0
Formal Credit	Before PMJDY, did you obtain a bank loan or formal credit?	20	0
Financial Services Utilisation	Before PMJDY, did you have any insurance?	10	0
Financial Services Utilization	Before PMJDY, did you have a debit or ATM card?	10	0
Total		100	

**The index varies between “0 and 100”.**

**Value “100” implies full Financial Inclusion** of the households and

Value “0” implies **complete Financial Exclusion** of the household.

Value of “1-30” implies **low financial inclusion**,

Value of “31-60” implies **medium financial inclusion** and

Value of “61-80” implies **moderate to high level financial inclusion**

Value of “81-90” implies **high level of financial inclusion**

# **RESULTS AND DISCUSSION**

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The process of analysing, cleaning, converting, and modelling data is known as data analysis, and it is used to find relevant information, support inferences, and help decision-making. Data analysis has many features and methodologies, incorporating several techniques under a number of titles, and is utilised in various industries. Data mining is a specific type of data analysis that focuses on modelling and knowledge discovery for predictive and descriptive purposes. Business intelligence, on the other hand, refers to data analysis that heavily relies on aggregation and is primarily concerned with business information.

This chapter's goal is to illustrate the findings that followed data collecting. Inferences were made from the data that was analysed after being acquired via the questionnaire. The findings are presented under the following headings:

- 4.1.** To determine the socioeconomic and demographic characteristics of the beneficiaries.
- 4.2.** To analyse the level of beneficiary awareness of the different service advantages provided by the PMJDY plan.
- 4.3.** To examine the impact of Pradhan Mantri Jan Dhan Yojna.
- 4.4.** To examine the constraints in beneficiaries adaptation of the PMJDY programme benefits.

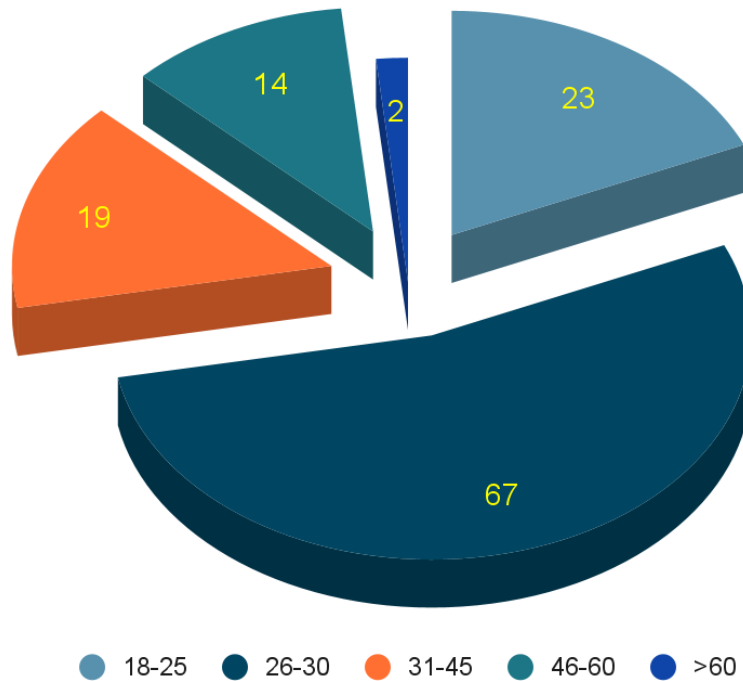
The information obtained from the respondents was shown visually and in tabular format. The **Sonarpura in Varanasi** underwent random selection of 125 respondents.

**4. 1 To determine the socioeconomic and demographic characteristics of the beneficiaries.**

**4.1.1 Age of Respondent**

**Table 4.1: Distribution of respondents under different age groups**

<b>AGE GROUP</b>	<b>NO. OF RESPONDENT</b>	<b>PERCENTAGE</b>
18-25	23	18.4%
26-30	67	53.6%
31-45	19	15.2%
46-60	14	11.2%
61 and above	2	1.6%
Total respondent	125	100%



**Fig. 4.1: Distribution of respondents under different age groups**

The chart displays statistics for various age groups of Pradhan Mantri Jan-Dhan Yojna account holders. According to the aforementioned statistics, 18.4% of the 125 respondents were in the 18–25 age range, 53.6% were in the 26–30 age range, 15.2% were in the 31–45 age range, 11.2% were in the 46–60 age range, and 1.6 percent were beyond the age of 60. As a result, the age range of the majority of Pradhan Mantri Jan-Dhan Yojna account holders were between 26 and 30.

#### 4.1.2 Gender of Respondent

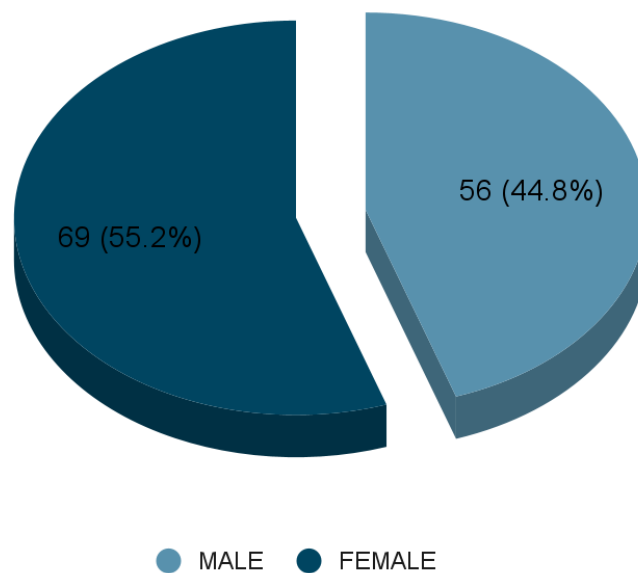
**Table 4.2: Distribution of respondents based on gender**

CATEGORY	RESPONDENTS	PERCENTAGE
MALE	56	44.8%

## *Results and discussion*

FEMALE	69	55.2%
Total respondent	125	100%

### GENDER



**Fig. 4.2: Distribution of respondents based on gender**

Based on information on the gender of Pradhan Mantri Jan-Dhan Yojna account holders, In the above chart, the gender balance of Varanasi's beneficiaries may be seen in the preceding statistics of 125 respondents, which clearly showed that 44.8% of respondents were male and 55.2% were female.

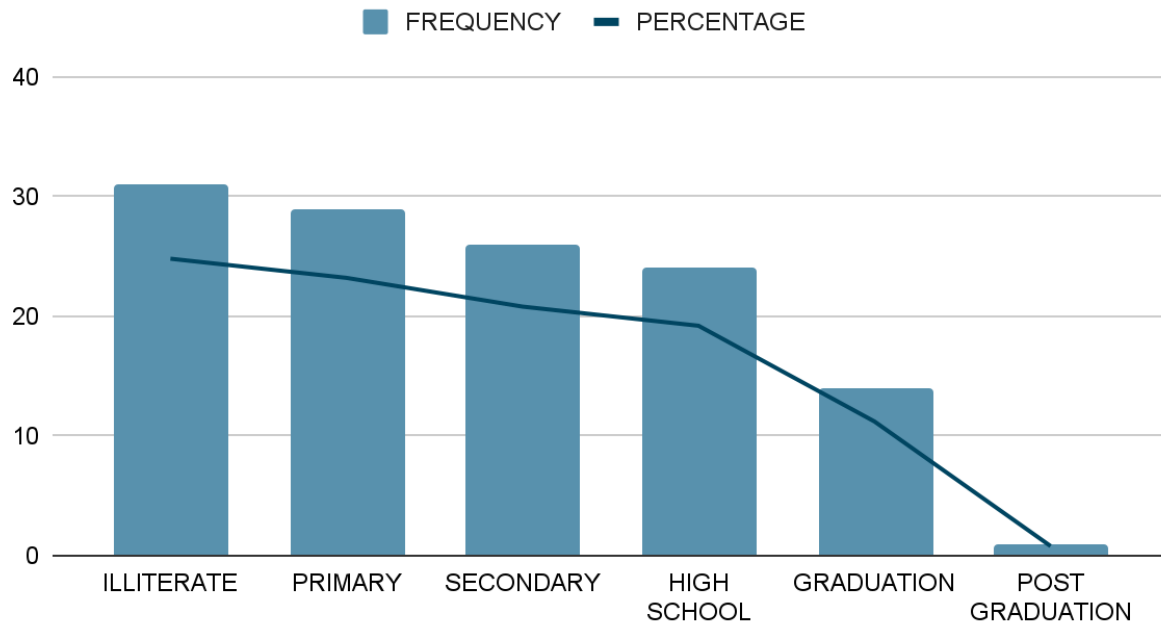
#### **4.1.3. Qualification of Respondents**

**Table 4.3: Distribution of respondents based on qualification**

## *Results and discussion*

<b>PARTICULARS</b>	<b>RESPONDENTS</b>	<b>PERCENTAGE (%)</b>
ILLITERATE	31	24.8%
PRIMARY	29	23.2%
SECONDARY	26	20.8%
HIGH SCHOOL	24	19.2%
GRADUATION	14	11.2%
POST GRADUATION	1	0.8%
TOTAL	125	100

**QUALIFICATIONS**



**Fig. 4.3: Distribution of respondents based on qualification**

The statistics on educational status for Pradhan Mantri Jan-Dhan Yojna account holders were the basis for the above figure. The result showed that 24.8% people among beneficiaries were illiterate, 23.2% had completed their primary education, 20.8% had completed their secondary education, 19.2% people had completed their high school, 11.2% had completed graduation, 0.8% had only done their post graduation. The table displayed Varanasi's strong educational and literacy rates.

**4.1.4. Profession of Respondents**

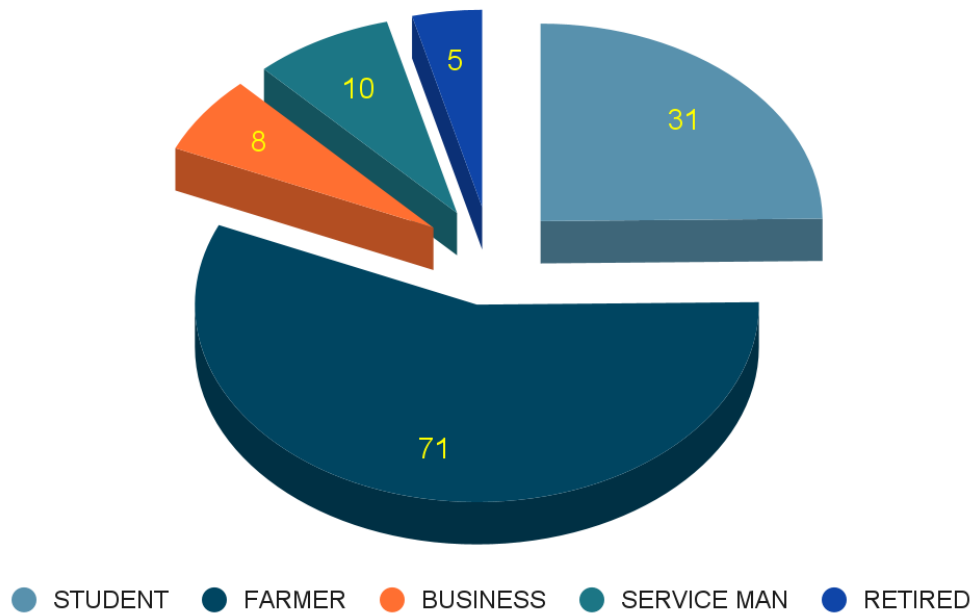
**Table 4.4: Distribution of respondents based on profession**

PROFESSION	RESPONDENTS	PERCENTAGE
STUDENT	31	24.8%

## *Results and discussion*

FARMER	71	56.8%
BUSINESS	8	6.4%
SERVICE MAN	10	8%
RETIRED	5	4%
TOTAL	125	100%

### PROFESSION



**Fig. 4.4: Distribution of respondents based on profession**

## ***Results and discussion***

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Based on information on the accounts holders of the Pradhan Mantri Jan-Dhan Yojna's professions, the above chart was created. According to the statistics, 24.8% were students, 56.8% were farmers, 6.4% were business owners, 8% were servicemen, and 4% were retired personnel. The majority were farmers, as could be seen from the data.

### **4.1.5. Annual Income of Respondents**

**Table 4.5: Distribution of respondents based on Annual Income**

<b>INCOME RANGE</b>	<b>RESPONDENTS</b>	<b>PERCENTAGE</b>
UPTO 100000	93	74.4%
100000- 600000	21	16.8%
600000 and above	11	8.8%
TOTAL	125	100%

**Fig. 4.5: Distribution of respondents based on Annual Income**

According to the above table and chart, Sonarpura residents who earned less than 1 Lac had opened 74.4% of the accounts under the Pradhan Mantri Jan-Dhan Yojna. As a result, it was clear from the facts above that the sample's population had low family income. People from low-income families were typically previously outside the financial inclusion net, making them a suitable study population for PMJDY.

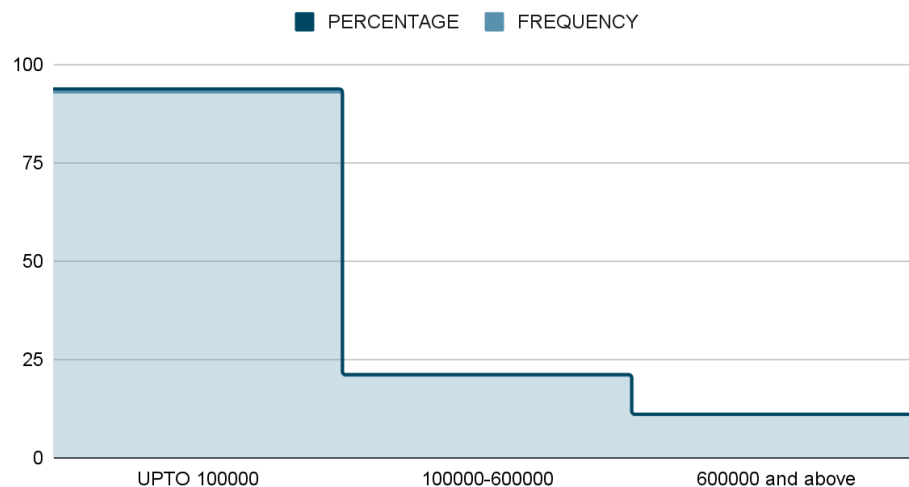
**4.2. To analyse the level of beneficiary awareness of the different service advantages provided by the PMJDY plan.**

### 4.2.1 Awareness of PMJDY

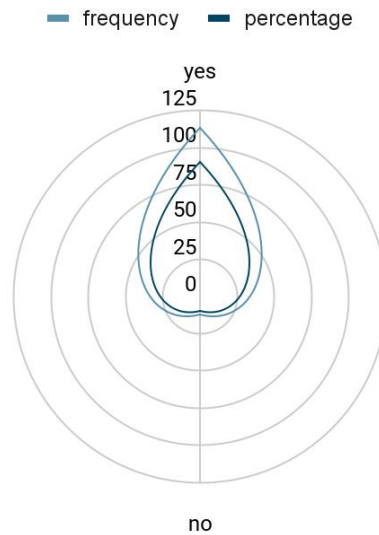
**Table 4.6: Distribution of respondents based on their awareness of PMJDY**

PARTICULARS	RESPONDENTS	PERCENTAGE
YES	113	90.4%

### ANNUAL INCOME



**AWARENESS**



NO	12	9.6%
TOTAL	125	100%

**Fig. 4.6: Distribution of respondents based on their awareness of PMJDY**

Above table displayed the proportion of people who were aware of the accounts for the Pradhan Mantri Jan-Dhan Yojna. It could be seen that this number was 90.4%. ( percent ). Therefore, it could be inferred from the facts provided above that the Pradhan Mantri Jan-Dhan Yojna was extensively known among the Sonarpura population.

**4.2.2 Awareness on Account with zero balance**

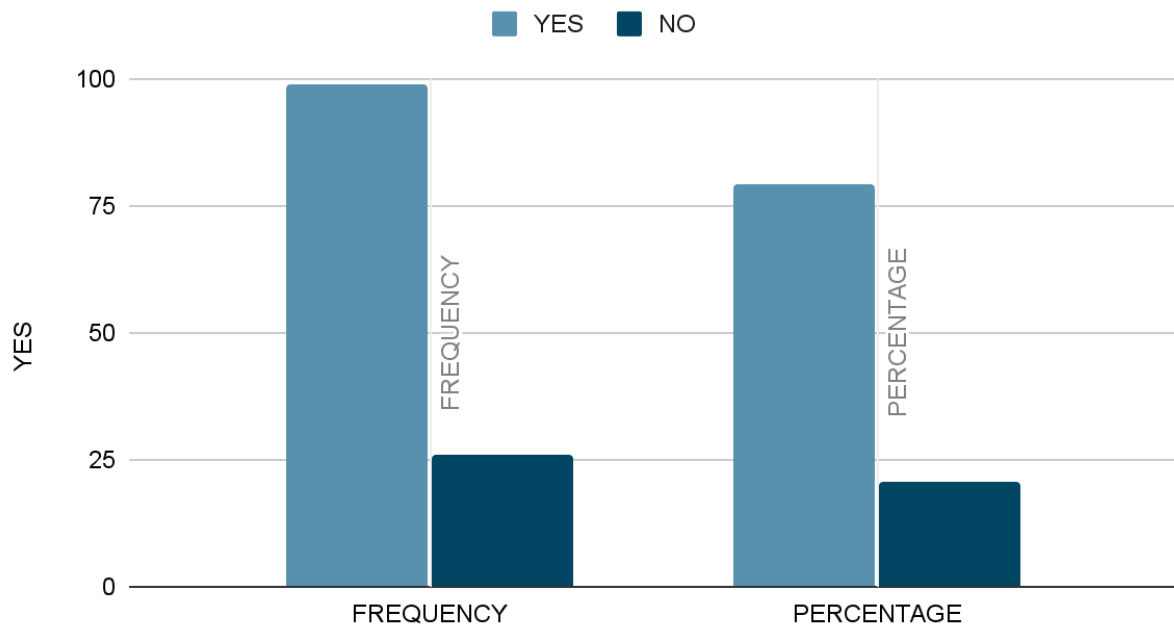
**Table 4.7: Distribution of respondents based on their awareness on account with zero balance**

PARTICULARS	RESPONDENTS	PERCENTAGE
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## Results and discussion

YES	99	79.2
NO	26	20.8
TOTAL	125	100

### YES vs. NO



**Fig. 4.7: Distribution of respondents based on their awareness on account with zero balance**

Above table showed the knowledge level of the zero balance service offered by the Pradhan Mantri Jan-Dhan Yojna. Based on the survey, it could be seen that this awareness level was 79.2% (percent). As a result, it was clear from the information above that those who hold accounts under the Pradhan Mantri Jan-Dhan Yojna were well aware of the zero balance option.

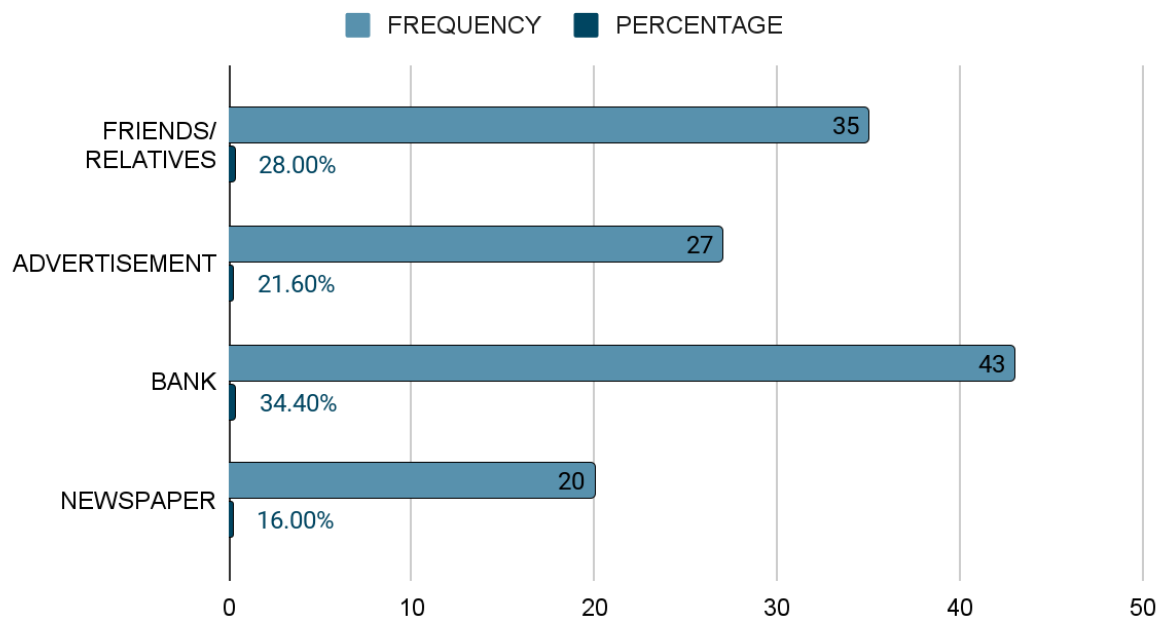
### 4.2.3 Informational Source

## *Results and discussion*

**Table 4.8: Distribution of respondents based on their informational source**

Source	RESPONDENTS	Percentage
Friends/relatives	35	28%
Advertisements	27	21.6%
Bank	43	34.4%
News paper	20	16%
Total	125	100

### Points scored



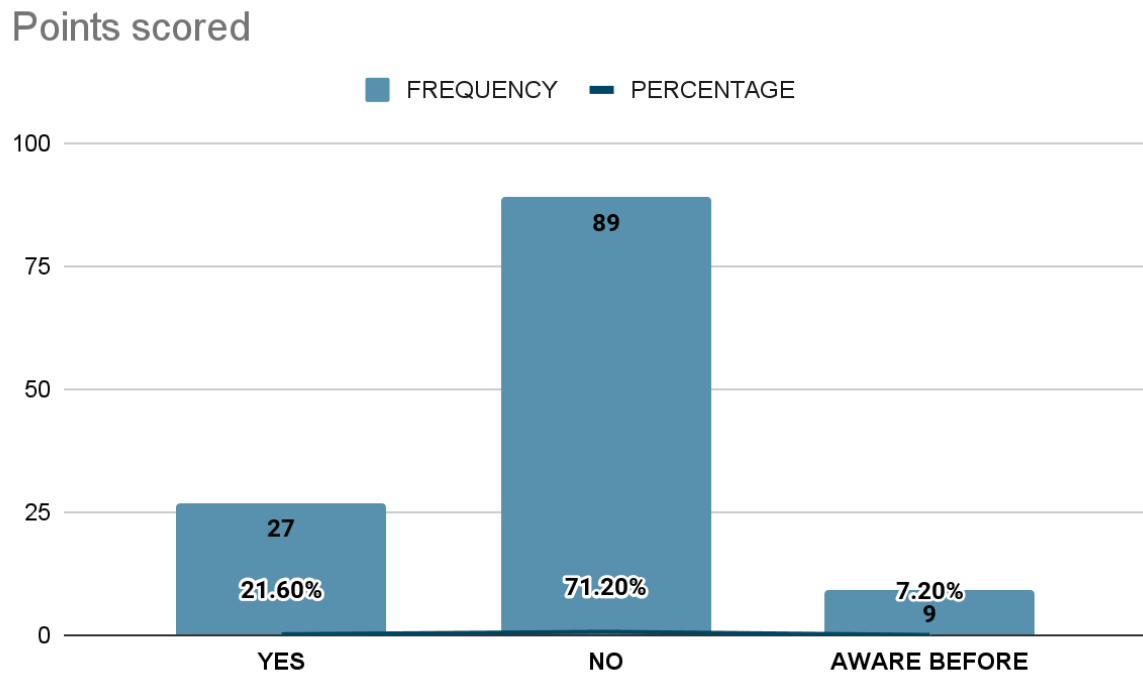
**Fig. 4.8: Distribution of respondents based on their informational source**

The source from which the public learns about the PMJDY plan was depicted. From the chart, it could be seen that 34.4% of people learnt from financial institutions and banks, whereas 21.6% of people learnt about PMJDY through media advertisements, 28% from friends and relatives, 16% from newspapers. As a result, it was clear from the information above that banks and other financial organisations were a major source of information for consumers.

#### **4.2.4 Awareness of insurance coverage**

**Table 4.9: Distribution of respondents based on their awareness of insurance coverage**

<b>Awareness</b>	<b>RESPONDENTS</b>	<b>PERCENTAGE</b>
YES	27	21.6%
NO	89	71.2%
AWARE BEFORE	9	7.2%
TOTAL	125	100%



**Fig. 4.9: Distribution of respondents based on their awareness of insurance coverage**

Data on insurance coverage awareness under the Pradhan Mantri Jan-Dhan Yojna were shown in the above chart. According to the chart, 21.6% of account holders were aware that they were covered by insurance under the Pradhan Mantri Jan-Dhan programme, While 7.2% of account holders were previously aware of this feature under the Pradhan Mantri Jan-Dhan Yojna, 71.2% of account holders were unaware of it.

#### **4.2.5 Awareness about Rupay card, cheque book, passbook**

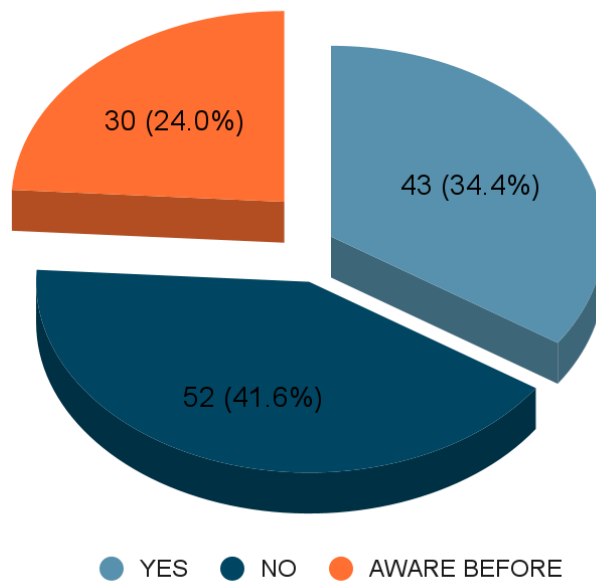
**Table 4.10: Distribution of respondents based on their awareness about Rupay card, cheque book, passbook**

<b>PARTICULARS</b>	<b>RESPONDENTS</b>	<b>PERCENTAGE</b>
YES	43	34.4%

## Results and discussion

NO	52	41.6%
AWARE BEFORE	30	24%
TOTAL	125	100%

Points scored



**Fig. 4.10: Distribution of respondents based on their awareness about Rupay card, cheque book, passbook**

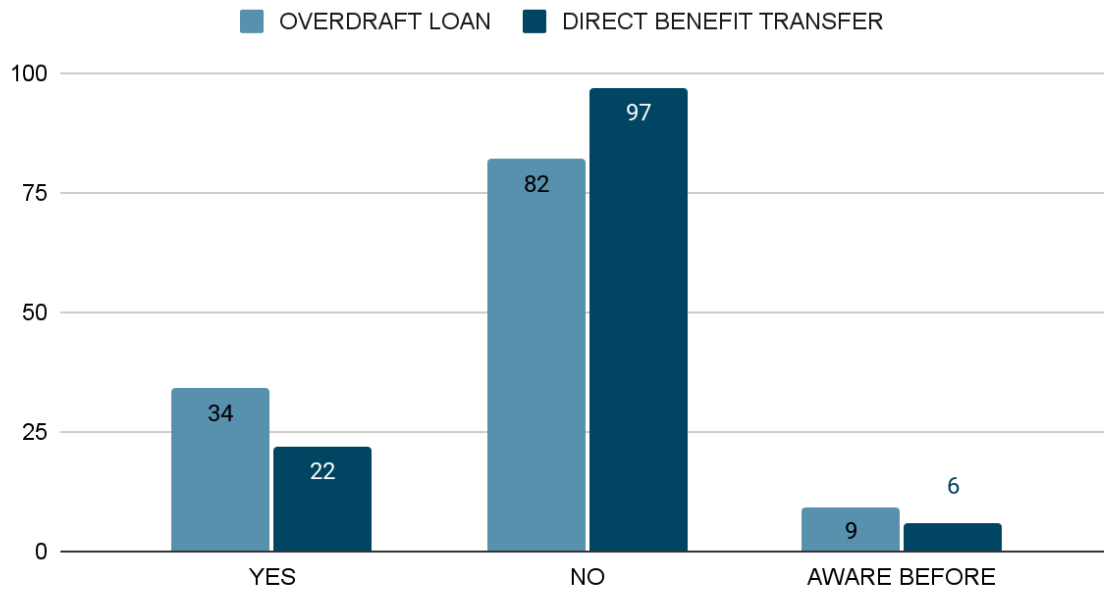
The facts on awareness of the RuPay card, passbook, cheque book offered by the Pradhan Mantri Jan-Dhan Yojna were shown in the above chart. From the data, it could be seen that 34.4% of account holders were aware of the benefits offered by Pradhan Mantri Jan-Dhan Yojna, whereas 41.6% of account holders were unaware of this service under Pradhan Mantri Jan-Dhan Yojna and 24% of the account holders were aware earlier.

**4.2.6 Awareness about overdraft loan and direct benefit transfer**

**Table 4.11: Distribution of respondents based on their awareness about overdraft loan and direct benefit transfer**

<b>PARTICULARS</b>	<b>OVERDRAFT LOAN</b>	<b>DIRECT BENEFIT TRANSFER</b>
YES	34 (27.2%)	22 (17.6%)
NO	82 (65.6%)	97 (77.6%)
AWARE BEFORE	9 (7.2%)	6 (4.8%)
TOTAL	125	125

OVERDRAFT LOAN and DIRECT BENEFIT TRANSFER



**Fig. 4.11: Distribution of respondents based on their awareness about overdraft loan and direct benefit transfer**

The data on awareness of the overdraft loan facility offered under the Pradhan Mantri Jan-Dhan Yojna were shown in above table, it could be seen that while 65.6% of account holders were unaware of this facility under Pradhan Mantri Jan-Dhan Yojna and 7.2% of the account holders were previously aware, just 27.2% of account holders had become aware of the overdraft/loan granted under this programme.

Data on awareness of the Direct Benefit Transfer (DBT) facility offered by the Pradhan Mantri Jan-Dhan Yojna were shown in the above table. From the table, it could be seen that 17.6% of account holders then knew about the Direct Benefit Transfer (DBT) feature offered by the Pradhan Mantri Jan-Dhan Yojna, compared to 77.6% of account holders who were unaware of this feature and 4.8% of account holders who were aware earlier.

**4.2.7 Awareness on banking services under PMJDY**

**Table 4.12 Distribution of respondents on their awareness on banking services under PMJDY**

## *Results and discussion*

<b>PARTICULARS</b>	<b>FIXED DEPOSITS</b>	<b>RECURRING DEPOSITS</b>	<b>ONLINE BANKING</b>	<b>DEBIT CARD</b>	<b>CREDIT CARD</b>
YES	60 (48%)	45 (36%)	57 (45.6%)	74 (59.2%)	51 (40.8%)
NO	58 (46.4%)	69 (55.2%)	55 (44%)	49 (39.2)	68 (54.4%)
AWARE BEFORE	7 (5.6%)	11 (8.8%)	13 (10.4%)	2 (1.6%)	6 (4.8%)
TOTAL	125	125	125	125	125

Data on Fixed Deposit (FD) facility awareness were shown in the above table. From the table, it could be seen that only 48% (percent) of account holders were then aware of the Fixed Deposit (FD) facility, compared to 46.4% (percent) of account holders who were unaware and 5.6% (percent) of account holders who were previously aware.

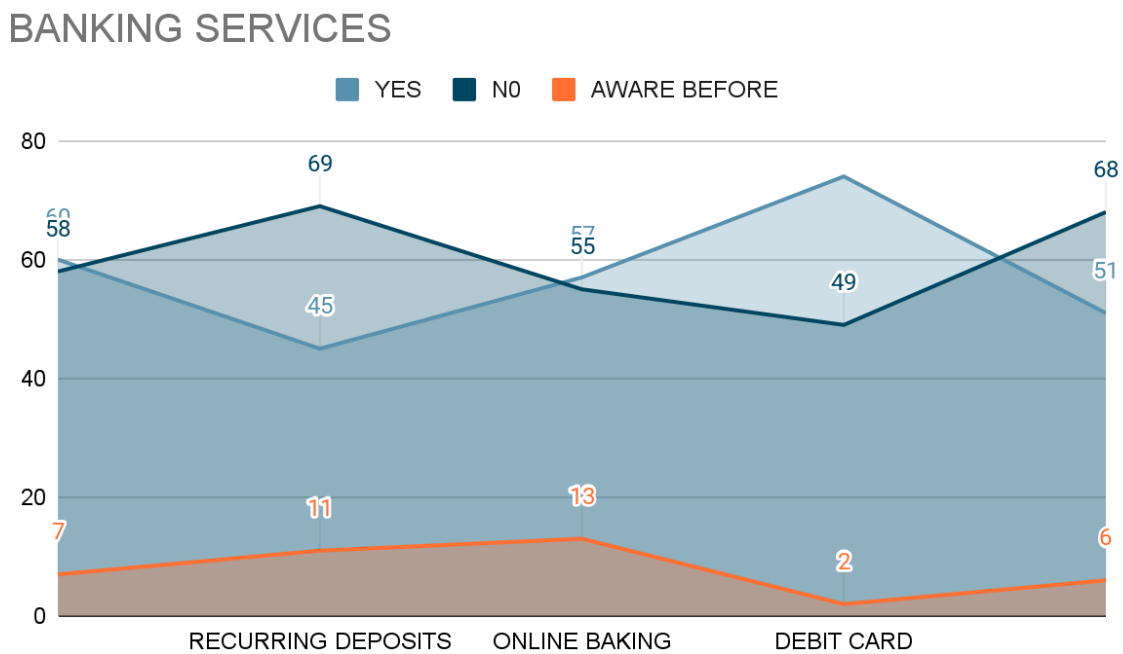
The statistics on knowledge of the Recurring Deposit (RD) facility were shown in the above table. From the table, it could be seen that 36% (percent) of account holders learnt about the recurring deposit (RD) facility, compared to the 55.2% (percent) account holders who were unaware of it and the 8.8% (percent) of account holders who were aware earlier.

From the above table, it could be computed to be about 45.% of beneficiaries were aware of online banking facilities, 44% were not aware of this service, and about 10.4% of the people were previously aware.

The data on knowledge of debit cards offered as part of banking services were shown in the above table. According to the report, just 2% percent of account holders were previously aware of the debit card capability, however 59.2% percent of account holders then knew about it, compared to

39.2% (percent) of account holders who remain unaware. This also illustrated how tech-savvy the younger generation was.

The data on knowledge of credit cards offered as part of banking services were shown in the above table. According to the survey, just 4.8% percent of account holders were previously aware of the credit card facility, compared to 54.4% percent of account holders who were unaware of it. This means that 40.8% of account holders then knew about the credit card facility. This finding was comparable to that regarding knowledge of debit cards.



**Fig. 4.12 Distribution of respondents on their awareness on banking services under PMJDY**

**4.2.8 Awareness on Accounts, Min balance**

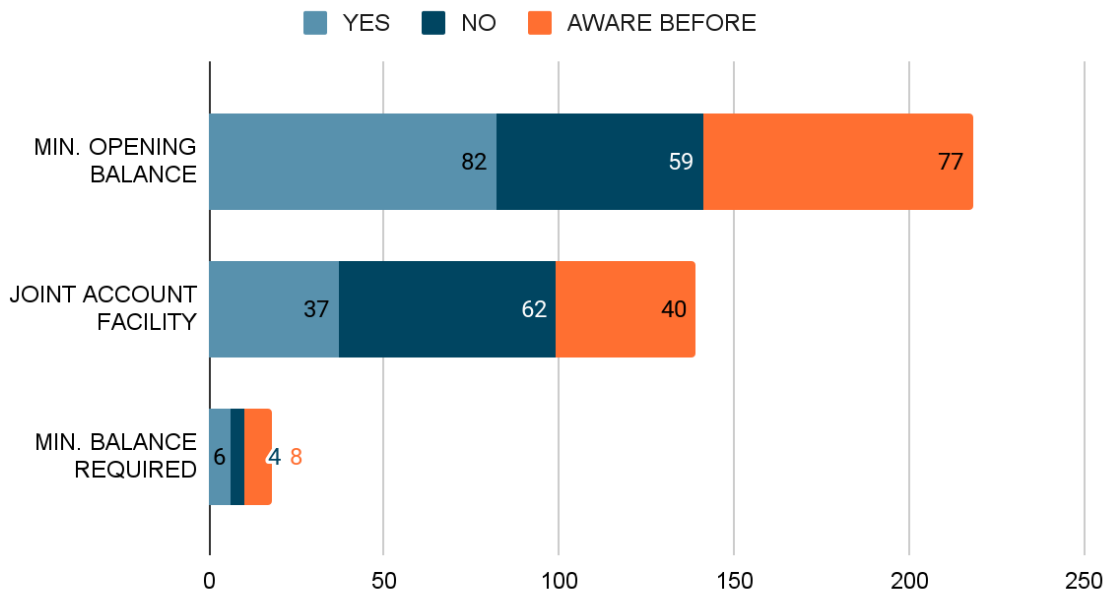
**Table 4.13: Distribution of respondents on their awareness on accounts, minimum balance**

PARTICULARS	MIN. OPENING BALANCE	JOINT ACCOUNT FACILITY	MIN. BALANCE REQUIRED

## *Results and discussion*

YES	82 (65.6%)	59 (47.2%)	77 (61.6%)
NO	37 (29.6%)	62 (49.6%)	40 (32%)
AWARE BEFORE	6 (4.8%)	4 (3.2%)	8 (6.4%)
TOTAL	125	125	125

### BALANCE/ACCOUNT DETAILS



**Fig. 4.13: Distribution of respondents on their awareness on accounts, minimum balance**

Data on knowledge of the **minimal opening balance** facility offered as part of banking services were shown in the above table. According to the data, 65.6% percent of account holders knew about the minimum opening balance option, compared to 29.6% percent who were unaware and 4.8% who were previously aware. Perhaps the existence of Pradhan Mantri had brought about this knowledge.

## ***Results and discussion***

The information on knowledge of the **joint account feature** offered as part of banking services was shown in the above table. According to the survey, 47.2% of account holders knew about the joint account option, compared to 49.6% of account holders who were unaware of it and 3.2% of account holders who had previously known about it.

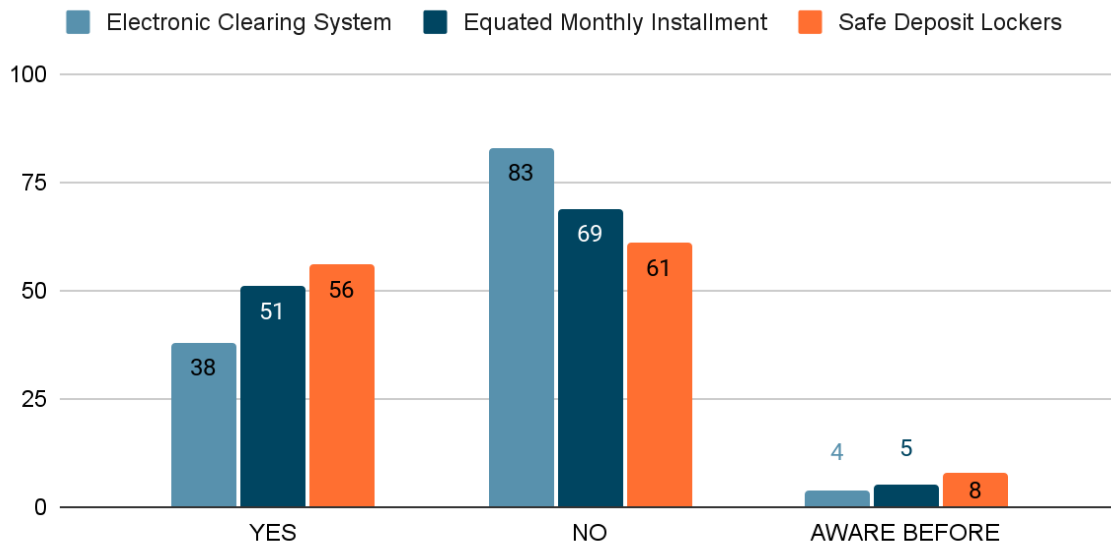
From the above table, it could also be computed that regarding **minimum balance required** 61.6% beneficiaries were already aware, for about 32% were unaware and 6.4% of them also had prior knowledge.

### **4.2.9 Awareness on some other benefits**

**Table 4.14: Distribution of respondents on their awareness on some other benefits**

<b>PARTICULARS</b>	<b>Electronic Clearing system</b>	<b>Equated Monthly Instalment</b>	<b>Safe Deposit Lockers</b>
YES	38 (30.4%)	51 (40.8%)	56 (44.8%)
NO	83 (66.4%)	69 (55.2%)	61 (48.8%)
NOT AWARE	4 (3.2%)	5 (4%)	8 (6.4%)
TOTAL	125	125	125

### Electronic Clearing System, Equated Monthly Installment and Safe Deposit Lockers



**Fig. 4.14: Distribution of respondents on their awareness on some other benefits**

Data on knowledge of the electronic clearing system feature offered as part of banking services were shown in the above chart and table. From the data, it could be inferred that only 30.4% of account holders were aware of the electronic clearing system feature, compared to 66.4% of account holders who were unaware and 3.2% of account holders who were previously aware.

The facts on awareness of the equal monthly payment facility offered under banking services were shown in the above chart and table. From the table, it could be seen that only 40.8% of account holders were aware of the equivalent monthly payment facility, while 55.2% of account holders were unaware of it and just 4% of the account holders were aware of it.

The data on knowledge of the safe deposit locker facility offered as part of banking services was shown in the above chart and table. According to the survey, only 44.8% of account holders were aware of the safe deposit lockers option, compared to 48.8% account holders who were unaware of this service and 6.4% of the account holders who were aware earlier.

### **4.3. To examine the impact of Pradhan Mantri Jan Dhan Yojna.**

#### **a. Incidence of financial inclusion and PMJDY acceptance by beneficiaries**

The primary factors of financial inclusiveness were determined by an individual's financial inclusion score, which was derived using several parameters. Sarania & Maity's (2014) factors were given the proper weights in the computation, and the sum of all of these weights results in the respondent's unique composite financial inclusion score. Utilised variables against corresponding parameter

**Table 4.15: Distribution of respondents on incidence of financial inclusion and PMJDY acceptance by beneficiaries**

<b>PARAMETER</b>	<b>VARIABLE</b>	<b>YES</b>	<b>NO</b>
The availability of formal financial services	Did you have a bank account prior to joining PMJDY?	20	0
The scope of financial services	How frequently do you go into a bank branch?	20	0
Saving	Did you save? before pmjdy	20	0
Formal credit	Before PMJDY, did you obtain a bank loan or formal credit?	20	0
Financial Services Utilisation	Before PMJDY, did you have any insurance?	10	0

## *Results and discussion*

Financial Services Utilization	Before PMJDY, did you have a debit or ATM card?	10	0
Total		100	

The index varies between “0 and 100”

**Value “100”** implies **full Financial Inclusion** of the households and

**Value “0”** implies **complete Financial Exclusion** of the household.

**Value of “1-30”** implies **low financial inclusion**,

**value of “31-60”** implies **medium financial inclusion** and

**“61-80”** implies **moderate to high level financial inclusion**

**“81-90”** implies **high level of financial inclusion**

Reference: Rahul Sarania and Dr. Shrabanti Maity, "Self Help Groups and Financial Inclusion: A Case Study in Baksa District of Assam." (2014)

International Journal of Humanities & Social Science Studies publication

[http://www.ijhsss.com/files/Rahul-Sarania\\_004r4me3.pdf](http://www.ijhsss.com/files/Rahul-Sarania_004r4me3.pdf)

### **b. Sonarpura respondents' financial inclusion score**

**Table 4.16: Distribution of respondents on sonarpura respondents' financial inclusion score**

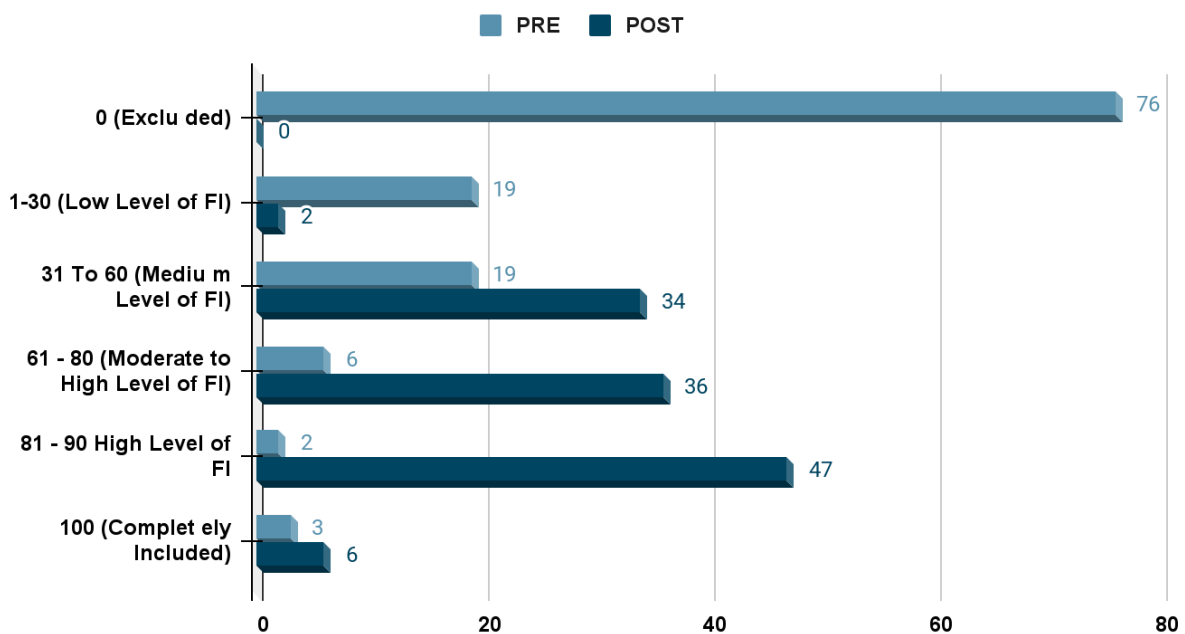
Score/ Category	0	1-30	31-60	61-80	81-90	100	Total

## *Results and discussion*

Pre	76 (60.8%)	19 (15.2%)	19 (15.2%)	6 (4.8%)	2 (1.6%)	3 (2.4%)	125
Post	0 (0%)	2 (1.6%)	34 (27.2%)	36 (28.8%)	47 (37.6%)	6 (4.8%)	125
	76	21	53	42	49	9	250

Source: compilation from excel

### PRE and POST



**Fig. 4.15: Distribution of respondents on sonarpura respondents' financial inclusion score**

From the above data, it can be inferred that:

1. Before PMJDY there were around 60.8% of people with 100% financially excluded status.
2. Post PMJDY 4.8% of people had attended 100% financially included status.

## *Results and discussion*

3. During the pre PMJDY period, around 15.2% people had low financial inclusion status and post PMJDY it went down to 1.6% low financial inclusion status.
4. During the pre PMJDY period, around 15.2% people had medium financial inclusion status and post PMJDY it went up to 27.2% medium financial inclusion status.
5. During the pre PMJDY period, around 4.8% people had moderate to high level financial inclusion status and post PMJDY it went up to 28.8% moderate to high level financial inclusion status.
6. There were around 1.6% of people who had high level of financial inclusion during pre PMJDY period and remarkably this status went upto 37.6% during post PMJDY period.
7. During pre PMJDY period only 2.4% of people were having 100% financial inclusion status and this went up to 4.8% during post PMJDY period.

The data above suggested that there was a strong correlation between respondents' financial inclusion and PMJDY. Since the launch of PMJDY the status of financially included had been increasing.

### **C. To examine the constraints in beneficiaries adaptation of the PMJDY programme benefits.**

Reasons for not having a bank account, according to demand/ beneficiaries side analysis:

**Table 4.17: Distribution of respondents on constraints in beneficiaries adaptation of the PMJDY programme benefits**

<b>FACTORS</b>	<b>SD</b>	<b>DA</b>	<b>NT</b>	<b>AG</b>	<b>SA</b>	<b>T. Score</b>	<b>Weighted Mean</b>	<b>Rank</b>
Wt.	1	2	3	4	5	15		
Illiteracy	0	5	30	57	33	493	<b>3.94</b>	<b>1</b>

## *Results and discussion*

Lower Earnings	18	40	6	59	2	362	<b>2.89</b>	<b>6</b>
Socially excluded	1	16	73	28	7	399	<b>3.19</b>	<b>4</b>
Not Enough Documents	4	27	43	38	13	404	<b>3.23</b>	<b>3</b>
Insufficient banking knowledge	0	11	21	47	36	453	<b>3.62</b>	<b>2</b>
Not Required	3	18	82	17	5	378	<b>3.02</b>	<b>5</b>

The following were the key reasons given by the respondent for not having a bank account, according to the weighted mean ranking table above:

Rank 1: Illiteracy

Rank 2: Insufficient banking knowledge

Rank 3: Not Enough Documents

Rank 4: socially excluded

Other, less important variables include:

Rank 5: You don't need to have a bank account

Rank 6: lower earnings

## ***Results and discussion***

Illiteracy and insufficient banking knowledge were the major reasons given by respondents for not having a bank account.

Supply Side Evaluation- Average Ranking of the Reasons Why the Bank Doesn't Have a Bank Account (supply side)

**Table 4.18: Distribution of respondents on problems they face from bank**

<b>FACTORS</b>	<b>SD</b>	<b>DA</b>	<b>NT</b>	<b>AG</b>	<b>SA</b>	<b>T. Score</b>	<b>Weight ed Mean</b>	<b>Rank</b>
Wt.	1	2	3	4	5	15		
Distance	6	37	50	32	0	358	<b>2.86</b>	<b>4</b>
Bank hours	24	52	28	21	0	296	<b>2.36</b>	<b>7</b>
Unknown to banking activities	0	34	27	49	15	420	<b>3.36</b>	<b>1</b>
Inappropriat e banking products	5	35	28	39	18	410	<b>3.28</b>	<b>3</b>

## *Results and discussion*

Language	8	19	46	31	21	413	<b>3.30</b>	<b>2</b>
Expensive transactions	31	39	14	20	21	336	<b>2.68</b>	<b>6</b>
Bank employees' conduct	17	38	35	29	6	344	<b>2.75</b>	<b>5</b>

The following were the most important supply/banking-side reasons why a respondent didn't have a bank account, according to the WMR (weighted mean ranking) chart above:

Rank 1: Unknown to banking activities

Rank 2: A language barrier brought on by a lack of education or the inability to express the requirements and inquiries

Unfit financial goods are ranked second.

Rank 3: Inappropriate banking products

Rank 4: Distance from home or place of employment to the nearest bank branch

Rank 5: The respondents' experiences with the banking staff's behaviour

Other, less important variables include:

Rank 6: The bank's operational or transaction costs  
Conflicting times with work or employment schedules

Rank 7: Banking hours

Poor banking activities knowledge and lack of education, awareness was the major reason for not having bank accounts from the supply side.

### SUMMARY AND CONCLUSIONS

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This study's primary goal was to examine the efficacy of the Pradhan Mantri Jan Dhan Yojana, a significant financial inclusion programme (PMJDY). The study looked at people's awareness, perceptions, and utilisation of the PMJDY programme in order to discover how financially included residents of Varanasi's Sonarpura are. The impact of the PMJDY plan on recipients' financial welfare and financial literacy was also looked at in the research.

There had been many studies on financial inclusion conducted, but relatively few of them focused on the evaluation of a particular financial inclusion programme implemented by the Indian government.

Recently, UGC also urged that scholars do study in the area of public policies in order to offer insight on the efficacy and gaps in policy making, since they are important for the social welfare of the community

The study was carried out with the following objectives:

1. To determine the socioeconomic and demographic characteristics of the beneficiaries.
2. To analyse the level of beneficiary awareness of the different service advantages provided by the PMJDY plan.
3. To study the constraints in beneficiaries adaptation of the PMJDY programme benefits.
4. To examine the impact of Pradhan Mantri Jan Dhan Yojna

#### **5.1 The findings of the current study can be summarised as follows**

The primary finding of the current study was that there was a strong beneficial association between beneficiary's' financial literacy and wellbeing. Financial literacy and Jan Dhan programme use were positively correlated.

1. The age range of the majority of Pradhan Mantri Jan-Dhan Yojna account holders were between 26-30 (53.6%), while the age group 61 and above had least account holders (1.6%)

## *Summary and conclusions*

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- 2.** Most of the PMJDY account holders, around 24.8%, were illiterate. This indicated that the scheme empowered the section of the society which did not have the proper access to basic education. The result showed that 24.8% people among beneficiaries were illiterate, 23.2% had completed their primary education, 20.8% had completed their secondary education, 19.2% people had completed their high school, 11.2% had completed graduation, 0.8% had only done their post graduation.
- 3.** Majority of PMJDY account holders were farmers 56.8%.
- 4.** Majority of the account holders for say 74.4% had less than Rs.100000/- annual income. People from low-income families were typically previously outside the financial inclusion, making them a suitable study population for pmjdy.
- 5.** Majority of the beneficiaries, likely 90.4% of PMJDY were aware that these accounts were getting opened under GOI initiative and were extensively known to Sonarpura people.
- 6.** Account holders were aware of the fact that no initial deposit is required in order to open an account.
- 7.** The source from which the public learned about the PMJDY plan was as, 34.4% of people learnt from financial institutions and banks, whereas 21.6% of people learnt about PMJDY through media advertisements, 28% from friends and relatives, 16% from newspapers. As a result, it was clear from the information above that banks and other financial organisations were a major source of information for consumers.
- 8.** Majority of the beneficiaries around 71.2% were still not aware of the insurance coverage they were eligible for.
- 9.** Most of the PMJDY account holders, say 41.6% were not aware about cheque book, passbook facilities.
- 10.** On an average 71.6% of the account holders were unaware of overdraft loan and DBT facilities.
- 11.** Around 45.92% of beneficiaries were aware and 47.84% of people were unaware of the banking services under PMJDY like FD, RD, Online banking, Debit card, Credit card.

## *Summary and conclusions*

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- 12.** Before PMJDY there were around 60.8% of people with 100% financially excluded status and Post PMJDY 4.8% of people had attended 100% financially included status.
- 13.** There were around 1.6% of people who had high level of financial inclusion during pre PMJDY period and remarkably this status went upto 37.6% during post PMJDY period.
- 14.** Illiteracy and insufficient banking knowledge were the major reasons given by respondents for not having a bank account.
- 15.** Poor banking activities knowledge and lack of education, awareness is the major reason for not having bank accounts from the supply side.

### **5.2 Conclusion**

In terms of India's financial inclusion, PMJDY represented a significant turning point. The programme had many well-thought-out features, including a relaxation of KYC requirements, zero balance accounts, a Rupay debit card, an OD facility, built-in life and accidental insurance coverage, access to government pension and insurance programmes, use of the Bank Mitra model, direct benefit transfer, etc. Even though the PMJDY scheme was well thought out, there had been some issues with its execution, such as the fact that not all account holders were eligible for the OD facility, free insurance coverage, that few Bank Mitras were hired by banks because the government had not allocated funds to implement these benefits, and that the relaxation of KYC had resulted in a large number of duplicate bank accounts being opened.

Due to widespread financial ignorance, many were reluctant to use the Jan Dhan accounts, which severely restricted their use. They had neither gotten a loan, nor made any investments in government insurance or pension plans. Gas subsidies and other perks were successfully sent straight to participants' accounts through the system. In conclusion, the Pradhan Mantri Jan Dhan Yojana was a fantastic move the government had taken towards financial inclusion, and it truly marked a significant turning point in India's financial inclusion, however the programme was not handled correctly. Due to several implementation-related issues, the method was less successful.

The study found a strong correlation between slum residents' financial well-being and their level of financial literacy. However, there hasn't been any conclusive evidence linking use of the Jan Dhan system with slum inhabitants' financial security. Whether or not slum people had Jan Dhan

## *Summary and conclusions*

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accounts, their financial situation was the same. It showed that slum residents in Bangalore city have not been significantly affected by the PMJDY plan in terms of their financial well-being. However, the study discovered a substantial link between financial literacy and the use of PMJDY accounts. To fulfil the goals of the Pradhan Mantri Jan Dhan Yojana, the RBI and banks should cooperate to improve the financial literacy of slum residents

### **5.3 Suggestions**

The goal of the current study was to determine how well the Pradhan Mantri Jan Dhan Yojana helped residents in Sonarpura, Varanasi, become financially included. The study focused on recipients' financial well-being and financial literacy in Sonarpura, Varanasi. The study looked at how people perceived and used the PMJDY programme. The impact of the PMJDY planned on financial literacy and well-being among residents of Sonarpura, Varanasi, had also been studied by the researcher.

- In the current study, financial inclusion of Sonarpura residents through the PMJDY programme had been undertaken; however, there was room to conduct a similar study for other financially excluded populations, including women, elderly individuals, people with physical disabilities, and unorganised sector workers.
- The scope of the current study was limited to varanasi's urban area, but comparable studies might also be conducted in India's rural slums and other regions. Since PMJDY was a nationwide programme for financial inclusion, it was also possible to assess how well it was performing in other states or cities.
- The current study was based on primary data, however there was a wealth of secondary data on the Jan Dhan system that was readily available, and studies might be conducted using secondary sources of data.
- The study might be conducted from the standpoint of the problems and role of bank managers in the Jan Dhan scheme's implementation.
- The difficulties that the GOI and RBI encountered when implementing PMJDY could be used to analyse the scheme. It is also possible to conduct research to determine the efficacy of any further financial inclusion programmes run by the RBI and the Indian government.

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# **APPENDIX**

## **INTERVIEW SCHEDULE**

### **“IMPACT OF PRADHAN MANTRI JAN DHAN YOJNA IN VARANASI DISTRICT OF UTTAR PRADESH, INDIA”**

#### **QUESTIONNAIRE FOR BENEFICIARIES OF PMJDY**

**(The Data will be used for research purpose only)**

- 1. To determine the socioeconomic and demographic characteristics of the beneficiaries.**

#### **Age of Respondent**

- 18-25
- 25-30
- 31-45
- 45-60
- 61 and above

#### **Gender of Respondent**

- Male
- female

#### **Qualification of Respondents**

- Illiterate
- Primary
- Secondary
- Graduation
- Post graduation

#### **Profession of Respondents**

- Student
- Farmer
- Business men

- d. Service men
- e. retired

**Annual Income of Respondents**

- a. Upto 100000
- b. 100000 -600000
- c. 600000 lakh and above

**2. To analyse the level of beneficiary awareness of the different advantages provided by the PMJDY plan.**

**Awareness of PMJDY**

- a. Yes
- b. No
- c. Aware before

**Awareness on Account with zero balance**

- a. Yes
- b. No
- c. Aware before

**Informational Source**

- a. Yes
- b. No
- c. Aware before

**Awareness of insurance coverage**

- a. Yes
- b. No
- c. Aware before

**Awareness about Rupay card, cheque book, passbook**

- a. Yes

- b. No
- c. Aware before

**Awareness about overdraft loan and direct benefit transfer**

- a. Yes
- b. No
- c. Aware before

**Awareness on banking services under PMJDY**

- a. Yes
- b. No
- c. Aware before

**Awareness on Accounts, Min balance**

- a. Yes
- b. No
- c. Aware before

**Awareness on some other benefits**

- a. Yes
- b. No
- c. Aware before

**3. To examine the impact of Pradhan Mantri Jan Dhan Yojna**

- a. Incidence of financial inclusion and PMJDY acceptance by beneficiaries

Distribution of respondents on incidence of financial inclusion and PMJDY acceptance by beneficiaries

PARAMETER	VARIABLE	YES	NO
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The availability of formal financial services	Did you have a bank account prior to joining PMJDY?	20	0
The scope of financial services	How frequently do you go into a bank branch?	20	0
Saving	Did you save? before pmjdy	20	0
Formal credit	Before PMJDY, did you obtain a bank loan or formal credit?	20	0
Financial Services Utilisation	Before PMJDY, did you have any insurance?	10	0
Financial Services Utilization	Before PMJDY, did you have a debit or ATM card?	10	0
Total		100	

The index varies between “0 and 100”

**Value “100”** implies **full Financial Inclusion** of the households and

**Value “0”** implies **complete Financial Exclusion** of the household.

**Value of “1-30”** implies **low financial inclusion**,

**value of “31-60”** implies **medium financial inclusion** and

**“61-80”** implies **moderate to high level financial inclusion**

**“81-90” implies high level of financial inclusion**

Distribution of respondents on sonarpura respondents' financial inclusion score

Score/ Category	0	1-30	31-60	61-80	81-90	100	Total
Pre							125
Post							125

Source: compilation from excel

**3. To examine the constraints in beneficiaries adaptation of the PMJDY programme benefits.**

Reasons for not having a bank account, according to demand/ beneficiaries side analysis:

FACTORS	SD	DA	NT	AG	SA	T. Score	Weighted Mean	Rank
Wt.	1	2	3	4	5			
Illiteracy								
Lower Earnings Socially Excluded								
Not Enough Documents								
Insufficient banking Knowledge								
Not Required								

Supply Side Evaluation- Average Ranking of the Reasons Why the Bank Doesn't Have a Bank Account (supply side)

FACTORS	SD	DA	NT	AG	SA	T. Score	Weighted Mean	Rank
Wt.	1	2	3	4	5			
Distance								
Bank Hours								
Unknown to Banking Activities								
inappropriate Banking Products								
Language								
Expensive Transactions								
Bank employees' conduct								