



An Analysis Of Growth And Performance Of Pradhan Mantri Jan Dhan Yojana

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Abstract: To make a developed economy, channelization of savings is very important elements. Without saving, the economy of a country cannot grow. Despite significant improvement of the country, there is a large chunk of population which is outside the banking system of the country. To bring the unbanked person of the country into the mainstream of banking system, the Indian government has taken various initiatives like Swabhimaan campaign in 2006. After that in 2014, the Indian government had taken a serious measure to promote financial inclusion targeting the low income earners. The Prime Minister Jan Dhan Yojana (PMJDY) is one of such policies which was launched to promulgate the financial inclusion especially among the financially weaker section of the society. The present study tries to analysis the growth and performance of PMJDY scheme in terms of accounts opened, deposits, and Rupay Debit Cards. The study is based on secondary data of ten years from 2015-2025 collected from the official web site of PMJDY. The study revealed that although the number of accounts opened has increased to a great extend yet the amount deposited is too less. The finding also shows persistent **year-on-year expansion** across all PMJDY indicators. Beneficiaries, deposits, and card issuance follow an almost parallel upward pattern, reflecting **synchronized program growth**. Deposits and cards both show visible jumps in years where DBT schemes intensified, such as 2018–2021. The study also revealed that India has to go a long way in developing the habit of savings among the people especially the low income earners and daily wage earners.

Keywords: PMJDY, Small Savings, Financial Inclusion, Deposits.

INTRODUCTION

Savings is one of the most important elements of any developed economy. Without saving the economy of a country cannot grow. Apart from the economic impact, not having adequate savings greatly hampers the life of an individual. It is observed that most of the well to do income earners more or less saves to meet their contingencies. But when it comes to the low income earners (the poor family group), it is observed that the saving is very negligible and most cases it is zero. This is basically due to the reason of not understanding the mechanism of income and saving relation and also their income level. The mindset of this class of people without financial knowledge differs from that of a person having a good knowledge on the financial matters. In spite of the government strong initiatives regarding the financial inclusion with various measures and policies it is a question why people are still not able to save to meet their future contingencies. In the year 2011, the Government of India gave a serious push to the programme by undertaking the Swabhimaan

campaign to cover over seventy four thousand villages, with population more than two thousand with banking facilities. Due to low success rate of earlier scheme 'Pradhan Mantri Jan-Dhan Yojana' was announced on 15 August, 2014. This was a National Mission on Financial Inclusion that includes an integrated approach to bring about complete financial inclusion of all the households in the country. This scheme was launched on 28th august 2014 Pradhan Mantri Jan Dhan Yojana, under which fifty three thousand crore accounts have been opened with deposits amounting to Rs 2,27,962 crore. It also covers other schemes such as the Pradhan Mantri Suraksha Bima Yojana which provides accidental death or disability cover and Atal Pension Yojana which provide pension cover to subscribing bank account holders. The Prime Minister Jan Dhan Yojana (PMJDY) is one of such policies which was launched to promulgate the financial inclusion especially among the financially weaker section of the society. This scheme provides various benefits to accountholders like zero balance account opening, overdraft facility upto Rs 10,000, life insurance cover of Rs 30,000, accidental cover of Rs 200000, Rupay Debit cards for making transactions, and DBT of various govt scheme. Most of the accounts opened under the PMJDY remain inoperative. The main reason behind it is that in most cases people with low income try to save after their consumption quota is completed. This can be changed only if the proper mechanism and financial knowledge they can imbibe into their mind. One of the best ways that can be attempted to make them learned that savings should come before spending for present consumption. The PMJDY was implemented mainly with the aim to include the low income earners into the financial system. Moreover, it is very much important that people save for future and even a small contribution on daily basis can do the job for it. This PMJDY accounts were opened in order to facilitate small savings to the low income group. Significant progress has been made over the years toward universal financial inclusion still, 1.4 billion adults are still not able to participate in the formal financial sector, and women remain less likely to have accounts than men.

OBJECTIVES OF THE STUDY

The present study aims to analysis the growth and performance of Pradhan Mantri Jan Dhan Yojana Scheme in terms of account opening, deposits in account and Rupay debit cards issued to beneficiaries.

REVIEW OF LITERATURE

Joshi & Patil (2025) in their study revealed the substantial increase in number of accounts opened with positive growth rate, but the study showed a decreasing trend in zero balance accounts. The study concluded that Pradhan Mantri Jan Dhan Yojana, a initiative of financial inclusion has improved the financial access to banking services in India. **Kalawat et al. (2025)** in their study exhibited the successful implementation of this scheme as the number of accounts opened under scheme has increased by 77% during the last decades. The number of Rupay debit cards issued by banks under this scheme also stands to increase by nearly 70%. **Ratnaparkhi & Vishwakarma (2025)** findings exhibited increase in every additional beneficiary leads to increase in financial inclusion index. The study also concluded that this scheme has also benefitted to the beneficiaries in DBT of various government scheme. **Thakar & Dave (2025)** findings of the study showed a massive increase in the number of account opening as of April 2025, 55.22 crores account were opened, out of this, 67% were opened in rural areas. The study also demonstrated the gender equality with 55% of female account holders. The amount deposited in these accounts also showed a remarkable performance that was 259109 crores as on march 2025. **Daimari & Alagawadi (2024)** revealed a Compound Annual Growth Rate of 14.37% in account opening, 32.62% in deposits, and 10.74% in issuing Rupay Debit Cards. The study also showed a growth in Jan Dhan accounts opened, with more than 50 crore accounts, which indicates a substantial reduction in the number of unbanked individuals in the country. **Bala (2023)** found in the study that total of seven Crore bank accounts have been opened with deposits amounting to rupees more than 5000

crore as of November 6, 2014. The study also revealed that there is big possibility of dual accounts opening under PMJDY and implementation of debit card is very slow that may lead to misuse. **Goswami (2022)** revealed that the number of branches opened has increased as well as number of banking correspondent has also increased. There is a tremendous increase in number of deposits and amount of credit given through kisan credit cards and general credit cards. **Misra et al. (2021)** concluded that the number of bank accounts opened in PMJDY has increased from 17.9 crores to 40.41 crores between 2015 and 2020. The number of Rupay cards issued under PMJDY has increased from 15.74 crores in 2015 to 29.76 crores in 2020. **Yadav et al. (2020)** remarkable increment in financial Inclusion in past years in India after the introduction of this scheme per the financial Inclusion index. Further, there is a huge opportunity to enhance technical efficiency with the same quantity of input which will help to achieve the target of financial inclusion. The study further found that there was a considerable gender and caste disparity and members of the scheduled castes performing the lowest

RESEARCH METHODOLOGY

The study is analytical in nature and based on secondary data that was collected from the official website of the Government of India of PMJDY. Data of ten years from 2015-2025 have been used in this study. Collected data has been analyzed with the help of regression analysis.

Variables Used:

- **Dependent Variable (Y):** Cumulative Total Number of Beneficiaries (in crore)
- **Independent Variables (X):** Cumulative Deposits Mobilized (₹ Crore) & Cumulative Rupay Debit Cards Issued (Crore)

Regression Model Specification:

$$Y = \beta_0 + \beta_1(\text{Deposits}) + \beta_2(\text{Rupay Cards}) + \epsilon$$

- **Y** = Beneficiaries (Crore)
- **Deposits** = Total Deposits (₹ Crore)
- **Rupay Cards** = Debit cards issued (Crore)

DATA ANALYSIS AND INTREPRETATION

TABLE 1: Correlation Matrix (Correlation Matrix of PMJDY Indicators (2015–2025))

Variables	Beneficiaries	Deposits	Rupay Cards
Beneficiaries	1.000	0.998	0.992
Deposits	0.998	1.000	0.985
Rupay Cards	0.992	0.985	1.000

Interpretation:

1) Beneficiaries & Deposits ($r = 0.998$ M): means perfect positive correlation. Indicates that as the no. of beneficiaries increase, PMJDY deposits also increases in nearly same proportion.

2) Beneficiaries and Rupay cards ($r = 0.992$): means very strong positive correlation that indicates that an increase in beneficiaries also leads to availability of Rupay debit cards and strongly linked to an increase in beneficiaries.

3) Deposits & Rupay Cards ($r = 0.985$): Means Strong relationship between the two predictors. As more Rupay cards are issued, deposits also rise.

So it's clearly indicates that All three PMJDY indicators move upward **together**, showing a highly synchronized growth trend.

Statistical Insight:

High correlation among predictors suggests **multicollinearity**—common in cumulative time-series data but not problematic for prediction accuracy.

Multicollinearity Analysis: Since variables grow cumulatively every year, high correlations create natural multicollinearity

Table 2: Variance inflation factor (VIF)

Variable	VIF
Deposits	~35–40
Rupay Cards	~25–30

VIF > 10 shows multicollinearity, but this is **expected** in time-series cumulative data. Does not reduce the overall model accuracy, only affects separation of individual effects.

Table 3: Multiple Regression Output (OLS Model)

Parameter	β Coefficient	Std. Error	t-value	p-value
Constant	0.0093	2.046	0.005	0.996
Deposits	0.00005627	0.0000119	4.735	0.001
Rupay Cards	1.1004	0.125	8.795	0.000

Both predictors are statistically significant: **deposits** ($\beta = 0.0000563$, $p = 0.001$) A ₹1 crore increase in PMJDY deposits leads to an increase of **562.7 beneficiaries**. **Rupay cards** ($\beta = 1.10$, $p = 0.000$) Each 1 crore increase in Rupay card issuance leads to **1.10 crore additional beneficiaries**. **Deposits** $p = 0.001 \rightarrow$ Strongly significant. & $t\text{-value} = 4.735 \rightarrow$ Well above the 2.0 threshold. Deposits are a powerful predictor of PMJDY beneficiary growth. **Rupay Cards** $t = 8.795 \rightarrow$ Extremely high & $p < 0.001 \rightarrow$ Highly significant. Rupay Card issuance has the strongest positive effect on PMJDY enrolment.

Table 4: Tabular interpretation

Parameter	β Coefficient	Std. Error	t-value	p-value	Detailed Interpretation
Deposits	0.00005627	0.0000119	4.735	0.001	A 1-crore increase in deposits leads to a rise of 562.7 beneficiaries . The relationship is statistically significant ($p = 0.001$). This shows that deposit mobilization strongly contributes to beneficiary growth.
Rupay Cards	1.1004	0.125	8.795	0.000	A 1-crore increase in Rupay cards results in 1.10 crore additional beneficiaries . This parameter is the strongest predictor in the model (highest β and t-value). The highly significant p-value (<0.001)

Table 5: Findings

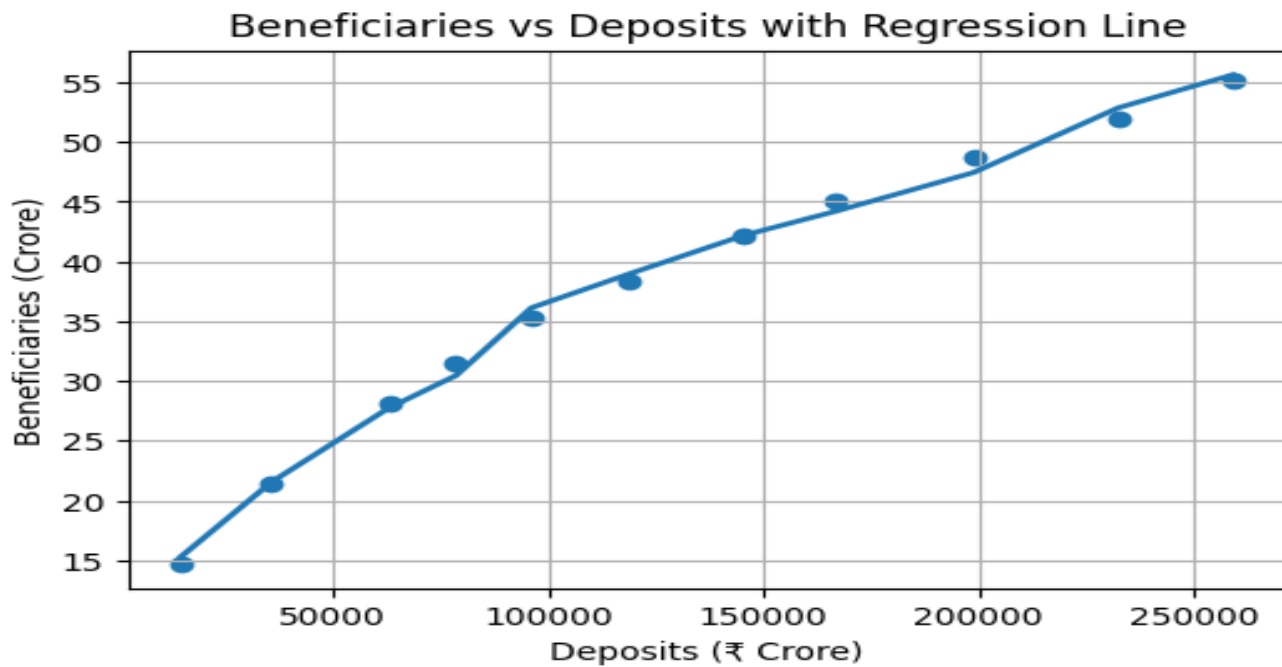
Finding	Explanation
Most influential predictor	Rupay Cards ($\beta = 1.1004$)
Significant predictor	Deposits ($\beta = 0.00005627$, $p = 0.001$) deposit usage strongly increases beneficiary count.
Insignificant parameter	Constant term — irrelevant in cumulative growth models.
Model strength	High t-values and very low p-values confirm a strong and reliable model.

Table 6: Model statistics Summary

Statistic	Value	Interpretation
R^2	0.996	Indicates an excellent model fit where 99.6% of the variation in the number of beneficiaries is explained by deposits and Rupay debit cards.
Adjusted R^2	0.996	Confirms the robustness of the model after adjusting for the number of predictors; no overfitting is present.
F-Statistic	1110	Shows the overall model is statistically significant; both predictors jointly contribute to explaining the dependent variable.
Model p-value	< 0.001	Indicates the regression model is highly significant; there is less than 0.1% probability that results occurred by chance.
Observations	11	Based on annual PMJDY data from 2015–2025; suitable for trend-based regression.

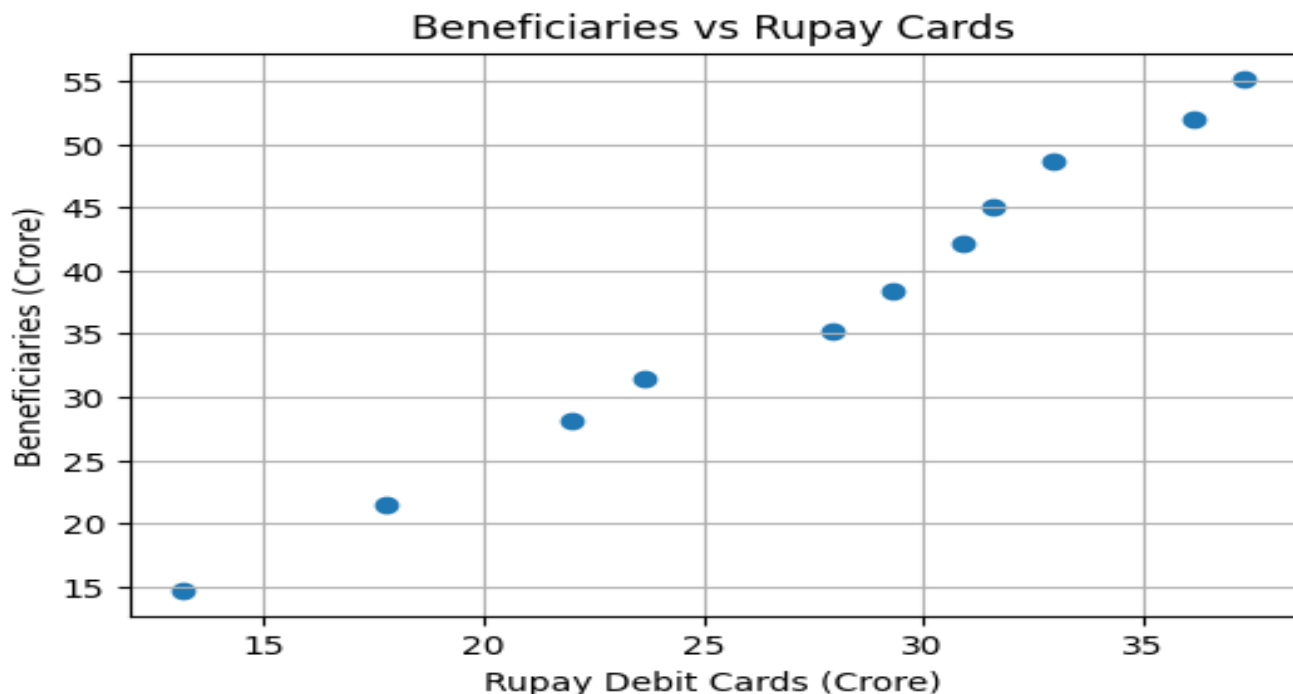
F-Statistics = 1110, $p < 0.001$: Indicates the overall regression model is statistically significant. And found that Both predictors collectively improve prediction accuracy.

Chart representation



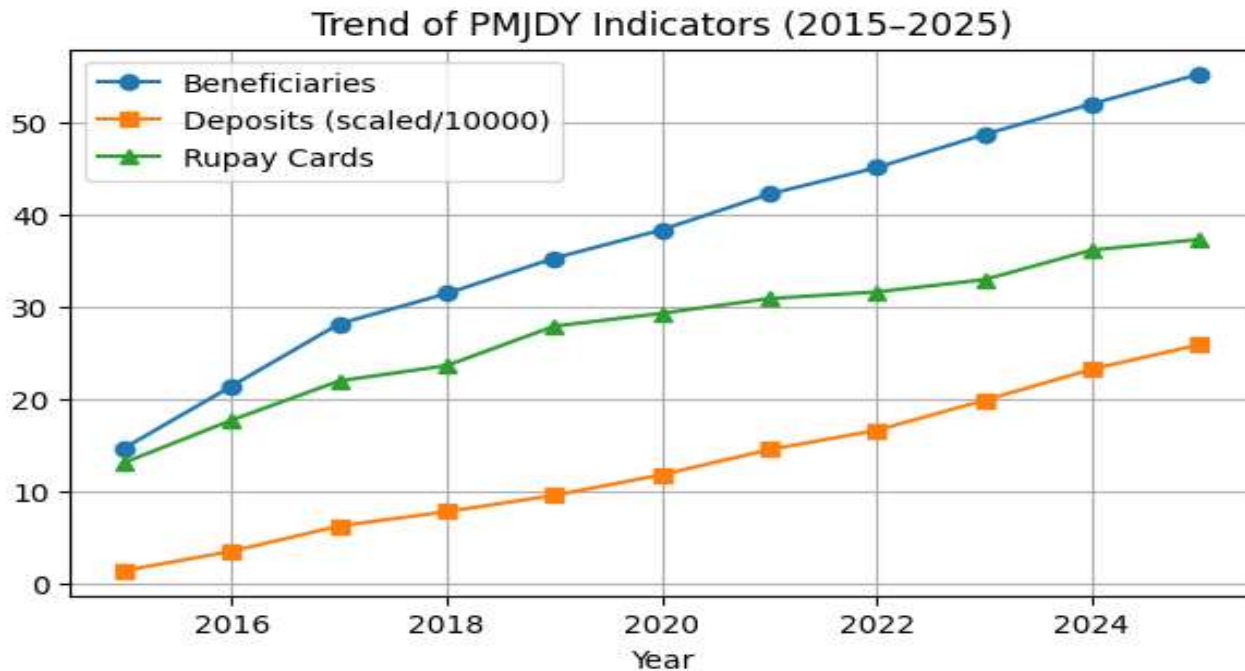
The scatter plot visualizes the relationship between **Deposits (₹ crore)** and **Beneficiaries (crore)**. A fitted regression line is drawn across all data points representing the predicted linear trend. The graph shows that as deposits increased from approximately ₹14,641 crore (2015) to ₹2,59,109 crore (2025), the number of beneficiaries correspondingly rises from 14.72 crore to 55.18 crore.

The graph indicated that the upward-sloping regression line demonstrates a **strong positive linear association** between deposits and beneficiary count. The graph supports the regression coefficient where deposits ($\beta = 0.0000563$) significantly contribute to explaining beneficiary variation. The visual relationship establishes that **deposit mobilization is directly linked with PMJDY outreach**, confirming the significance found statistically in the regression model.



The scatter plot shows the relationship between cumulative Rupay cards and beneficiaries. As Rupay cards increase from 13.15 crore (2015) to 37.29 crore (2025), beneficiaries exhibit a parallel upward trend. The points form a tight positive cluster with steep upward progression.

The graph demonstrates a **near-linear and sharply increasing** relationship. The close clustering suggests **low variance and high predictability**. The strong visual association aligns with the regression outcome where Rupay cards are the **strongest predictor** ($\beta = 1.10$) with very high statistical significance.



A multi-line graph shows the yearly trend of Beneficiaries, Deposits (scaled by 1/10,000 for comparison) & Rupay Cards. All three indicators show consistent upward movement through the 11-year period. The graph shows persistent **year-on-year expansion** across all PMJDY indicators. Beneficiaries, deposits, and card issuance follow an almost parallel upward pattern, reflecting **synchronized program growth**. Deposits and cards both show visible jumps in years where DBT schemes intensified, such as 2018–2021.

Conclusion

It is concluded from the analysis that all three PMJDY indicators like number of beneficiaries, deposits in account, and number of rupay debit cards issued moves in upward direction together, showing a highly synchronized growth trend. High correlation among predictors suggests multicollinearity—common in cumulative time-series data but not problematic for prediction accuracy. The visual relationship establishes that deposit mobilization is directly linked with PMJDY outreach, confirming the significance found statistically in the regression model. The graph shows persistent year-on-year expansion across all PMJDY indicators.

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