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IMPACT OF PMJDY SCHEME AMONG THE PEOPLE OF DIFFERENT SOCIO-ECONOMIC STATUS

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ABSTRACT
The PMJDY plan is a crucial step in bringing the populace into the formal system. In light of the debate, the researcher has decided to analyse the PradhanMantri Jan DhanYojana Banking for All to End Financial Untouchability banking system, which will also work to transform the Indian economy into a paperless and digitally sound economy, for the study project. As a result, the study's findings were used to develop recommendations for further improving the programme, which were then used to map the scheme's development. India also suffers from a lack of infrastructure and human development, similar to other low- and middle-income nations. The program's success, meanwhile, partly hinges on how well it is carried out and on other governance concerns. Launched to promote financial inclusion in India, the PMJDY initiative. However, no significant research has been done to evaluate the impact of the PMJDY plan, which promotes financial inclusion, on India's economic development.
KEYWORDS: PMJDY Scheme, Socio-Economic Status, banking system, Indian economy, human development, economic development.

INTRODUCTION
Financial institutions are required by law to conduct stringent identity checks before enabling a customer to open an account. Due to these regulations, occasionally valid customers are turned away. All Indian financial institutions must adhere to regulations set forth by the country's central bank, the Reserve Bank of India (RBI). Poor people's access to and satisfaction with financial services is constrained by weak regulatory frameworks. Again, this hinders the ability of banks to serve rural areas by extending basic banking services like debit cards and cheque books to its citizens. In the present regulatory climate, business correspondents are incentivized to settle cash at bank branches within 24 hours after transactions; however, this may not always be feasible due to the large distance between the firm and the bank. Finally, a plan to increase financial inclusion has been developed by federal and global policymakers and regulators. Others have worked to increase financial literacy while some have focused on reaching numerical inclusion requirements. Important roles have been played by regulatory bodies in many different nations. For instance, the Reserve Bank of India has relaxed rules for opening bank accounts, proposed the introduction of accounts with minimal features, and pushed banks to expand into more physical locations. Numerous Latin American countries, such as Brazil, Colombia, and Peru, have enacted agent banking laws to promote "branchless banking," or the provision of financial services at locations other than typical bank branches. International standard-setting organizations that have addressed regulatory and supervisory issues include the Basel Committee on Banking Supervision and the Committee on Payments and Market Infrastructures, to name a few. For instance, new methods of handling finances have emerged as a result of increased financial inclusion. The national level has finally committed to prioritizing financial inclusion. Central banks and other public-sector entities from over 60 countries make up the membership of the Alliance for Financial Inclusion (AFI), a peer-learning network that promotes financial inclusion. Many people have pledged their support for the Maya Declaration in

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exchange for concrete results. In particular, by 2020, the Central Bank of Nigeria hopes to have cut in half the number of people (now at 46%) who lack access to financial services. Similar targets have also been established for other critical services.

Financial Inclusion 1.0

To distribute bank credit to the most crucial economic sectors, a committee known as the National Credit Council (NCC) was formed in December 1967. Dr. D. R. Gadgil will head a team investigating the effectiveness of the NCC's current structure in meeting social aims. In order to promote economic growth in disadvantaged areas, the study group recommended banks to adopt a "Area Approach." A committee headed by Mr. F.K.F. Nariman was constituted by RBI in 1969. To streamline banking services, the committee recommended a plan dubbed the Lead Bank Scheme (LBS), whose basic premise is designating a single bank in each district as the "lead bank" for all of the constituents there. When it comes to providing banking and credit services to specific locations, the major bank plays a vital role. A single front may benefit everyone involved, from local governments to other financial institutions to cooperative banks to commercial banks to the main bank itself.

The LBS has lapsed into inactivity as a result of policy shifts, rising complexity, and poor communication between district planning agencies and local banks. The RBI's studies on the effectiveness of lending in increasing rural output, productivity, and income have shown a number of caveats. Research on the impact of credit on rural economies has revealed its limitations in terms of its ability to increase output, productivity, and income (RBI, 2009). The Reserve Bank of India (RBI) designated "Service Areas" (SAA) for bank branches in rural and semi-urban areas to improve service to clients. In response to recommendations made by the Dr. P. D. Ojha committee, RBI implemented SAA for rural lending on April 1, 1989.

Government policy and programmes should prioritise reducing rural poverty, creating jobs, and providing infrastructure and essential services to meet their needs. In order to provide financial opportunities for people living in rural areas, the Government of India (GOI) established the Integrated Rural Development Programme (IRDP) in 1978–1979. On October 2, 1980, IRDP was extended to all 5011 development blocks, having previously only applied to 2,300. The basic objectives of the programme are to increase the purchasing power of the poor in rural areas by providing them with access to assets, income-generating assets to the selected poor in the form of a government subsidy and bank credit at a reasonable interest rate. Numerous issues contributed to the program's failure, such as inadequate facilities for delivering benefit schemes, a lack of involvement from or reliance on banks, low loan payback, interest rate, participation from State Governments, a lack of coordination between authorities, and so on.

Financial Inclusion 2.0

The Reserve Bank of India (RBI) formed a committee, headed by Shri B. Sivaraman, to assess the condition of institutional financing for agricultural and rural development. The committee has determined that a new framework is necessary in order to integrate rural development at the national level by bringing together loan activities. In 1979, RBI proposed the establishment of NABARD as a means to promote agricultural and rural development. Through the provision of funding for agriculture, small-scale industries, handicrafts, and other related economic activities, NABARD was founded on July 12, 1982, with the objective of supporting rural economic growth and development. In February of that year, NABARD launched its Self-Help Group - Bank Linkage Programme as a pilot (SHG-BLP). For the impoverished, this programme was a game-changer in banking. Microfinance initiatives were first tried out by the Small Industries Development Bank of India (SIDBI) in 1994. To make this programme possible, the Small Industries Development Bank of India (SIDBI) provided NGOs with small credit lines that they in turn used to provide loans to their constituents. For the purpose of making inexpensive and timely financing available to farmers, the National Association of Rural and Community Development Banks (NABARD), a consortium of commercial banks, and the Reserve Bank of India (RBI) established the Kisan Financing Card programme in August 1998. For the purpose of providing microfinance services to the underserved, especially women, the SIDBI Foundation for Micro Credit (SFMC) was founded in 1999.

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In order to improve the number of individuals who can use banks' services, the Reserve Bank of India has been pressuring them to standardise their methods to customer care. The Reserve Bank of India (RBI) urged all State and District Cooperative banks to provide a "basic bank account" in 2005, with a low or zero minimum deposit. Large populations now have easier access to financial services thanks to the 'no-frills' banking account. A lot of people, especially in urban and rural areas, don't have the identification papers they need to open a bank account. The Know Your Customer (KYC) Norms were relaxed in 2005 by the Reserve Bank of India for clients with annual credit card and bank account transactions of less than Rs. 1,00,000.

Through its Business Facilitator and Correspondent models, the Reserve Bank of India (RBI) has authorised NGOs/SHGs, MFIs, and other CSOs to operate as intermediaries in the delivery of financial and banking services since 2006. Doing so helps more people gain access to banking services and boosts financial inclusion.

In addition to acting as a Business Facilitator or Business Correspondent, a registered NBFC (Non-Banking Financial Corporation) that does not accept public deposits may engage in the supply of financial services.

Banks were widely seen as trustworthy institutions in India because of how widely they distributed funds. India Post's network of around 0.154 million branches is far greater than that of commercial banks in India. Despite its massive reach, India Post only reached a small fraction of the country's population. Neither the company's technology nor its main emphasis have been modernised in recent years, and this has led to stagnation. However, in 2010, a committee of experts led by Shri. Ajay Shah examined India Post's role in facilitating greater access to banking services. According to the data, India Post should provide a savings account with a simple banking platform, an extensive payments network, and a competitive method to provide micro loans to the needy through the use of technology.

Financial Inclusion 3.0

The government of India appointed Dr.C. Rangarajan to head a commission in 2006 to devise a strategy to expand access to formal financial services throughout India. In a report that was submitted in January 2008, 180 recommendations were made, including the following: expanding the number of resource centers and forming a federation of SHGs; recognizing Microfinance-Non Banking Finance Corporations (MF-NBFCs) as BCs; introspecting SHG-BLP to meet non-financial requirements; adopting the Joint Liability Group (JLG); and acknowledging that the potential for savings can be tapped by designing a variety of savings products offered S For promotional reasons, banks should establish the Financial Inclusion Promotion and Development Fund and the Financial Inclusion Technology Fund in collaboration with NABARD, and the three organizations should work together to develop a multi-tiered national plan for financial inclusion.

Financial Inclusion 4.0

India's Prime Minister, or PradhanMantri This ambitious programme, known as the PradhanMantri Jan-DhanYojana (PMJDY), was launched on August 28, 2014, with the intention of bringing about financial inclusion in the rural and urban regions (refer box). With the launch of the campaign on a missionary basis, the target number of new bank accounts is set at 7.5 billion by January 26, 2015. As part of this plan, a website and local monitoring committee will be set up, with the minister of finance in charge of the latter. As of the end of 2014, 1026.75 million bank accounts had been opened as a direct result of this programme, and 821.07 million Rupay debit cards had been distributed (refer table). With the lowest coverage rates (in terms of percentage of households served) found in Mizoram and Manipur, twelve of the thirteen states in the program's initial rollout achieved complete financial inclusion.

To increase access to financial services, the banking industry, the government, and financial regulators have all taken action. Since 2005, the Reserve Bank of India (RBI) has made many measures to increase the availability of banking services across India. The Reserve Bank of India (RBI) has implemented the following measures to increase the country's population's ease of access to banking services.

Recognizing the traditional importance of the banking sector, the Reserve Bank of India (RBI) required all banks to provide a portfolio of products comprising savings, payments, and loans.

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I appreciate your work to provide banking services and products that are competitive, sustainable, and cost-effective. The Financial Inclusion Advisory Committee (FIAC) was established by the Reserve Bank of India (RBI) to solicit advice and recommendations from the public, non-governmental organisations (NGOs), and experts in the financial sector.

The Reserve Bank of India (RBI) set up Financial Literacy Centres (FLCs) and mandated that all scheduled commercial banks give at least one outdoor financial literacy session each year to help individuals adopt good money habits.

A National Centre for Financial Education (NSFE) and a website devoted to financial literacy are in the works, according to the National Society for Financial Education (NSFE).

So that Financial Inclusion Plans (FIPs) may become normal operating procedure, advise all commercial banks to submit them for board approval.

With the establishment of "The payment system Vision Document 2012-2015," RBI pushed for the widespread use of electronic payment systems so that banking services may be accessed whenever and wherever they were needed.

These standards can be used to choose reliable Business Correspondents in places where physical locations are impractical (BCs). To expand rural residents' access to banking services, the BC model was recommended.

In an effort to increase financial inclusion, retailers and sub-agents in British Columbia have been given the option of using interoperable payment systems.

Impact Assessment of PradhanMantri Jan-DhanYojana

Economists' curiosity about the factors that foster growth spiked in the latter part of the 20th century. Despite its often-overlooked importance, Schumpeter (1911) recognised the role money played in growth. Furthermore, the results of the empirical study conducted by Singh and Mishra corroborated this (2014; 2015). And yet, Robinson (1952) contends that "where entrepreneurship leads finance follows," or that the growth of the financial sector is a natural result of the growth of the economy. Lucas (1988) debunked a thesis that held that a country's economic growth was directly tied to its monetary and banking systems.

Providing accessible and equitable services to the underprivileged community is referred to as financial inclusion. Rangarajan (2008) defines financial inclusion as "the practise of assuring access to banking services and timely and adequate credit when necessary by vulnerable groups such as weaker sections and low-income groups at a reasonable cost." In addition, a well-functioning society requires easily accessible, low-cost financial institutions. It is a shared belief that a financially engaged citizenry is essential to a country's economic success, which is why governments everywhere work to expand financial inclusion programmes.

Financing is notoriously hard to come by for the poor and the underprivileged in rural areas of developing countries like India. Borrowers are stuck in a never-ending cycle of debt due to the excessive interest rates charged by informal moneylenders and their incapacity to repay the debts they have taken out. Problems arise from a lack of access to financial institutions and a general lack of financial literacy in rural communities. A growing credit market made possible by a secure financial system that raises people's standards of living will be good for both the growth of capital assets and economic development.

With the intention of giving every citizen of India access to basic banking services, the PradhanMantri Jan DhanYojna (PMJDY) was launched in 2014 as part of India's National Mission for Financial Inclusion. A Basic Savings Bank Deposit (BSBD) account in addition to life and accident insurance is available under the PMJDY programme. The government's direct benefit transfer (DBT) initiatives would not be possible without these accounts being associated with Aadhar.

Various studies have examined the current level of financial inclusion in India. Additionally, we suggest additional metrics for measuring FII, such as the density of commercial bank branches per square kilometre, the ratio of agricultural credit accounts to the whole population, and the ratio of non-agricultural credit accounts to the total population. In this study, we construct a financial inclusion index (FII) for each of India's 27 states across all of their individual districts. Researchers found that between 2011 and 2018, the FII indicator level roughly corresponded to a little increase in financial inclusion. In general, the center, eastern, and north-eastern parts of the country have lower levels of financial inclusion.

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In addition, PMJDY has not substantially boosted financial inclusion in low- and middle-income communities.

Digital Impact of The Banking Related PradhanMantri Jan DhanYojana

Every one of the 1.5 crore people who have bank accounts received a RuPay debit card, Rs. 1 lakh in accident insurance, and Rs. 30,000 in life insurance as part of PMJDY. Any account holder who enrols by January 26, 2015 will automatically be covered by a free life insurance policy. The Indian government's goal for the PMJDY initiative is to have 15 crore families with bank accounts by January 26, 2017.

National Payments Corporation of India's platform reportedly connects all of India's banks and telecoms (NPCI). Twenty-six banks with government ties and three without are now employing this service. Any banking institution's customers must be able to access their accounts using a basic phone. They'll be able to do things like check their balance or move money around in their accounts using banking services. Bank Mitras, acting as the banks' permanent points of contact or business correspondents, will also benefit from the ease with which they may make cash deposits and withdrawals thanks to the technology at their disposal.

Many people will have access to the convenience of using debit cards issued by RuPay to make purchases at retail outlets. Consequently, this should lead to a rise in the amount of trade that takes place on virtual markets. If the financial literacy programme is really put into place, it is expected that online transactions would see an even greater increase. Internet purchasing is becoming increasingly common in India, yet some residents are still wary to utilise it.

The NPCI platform will be a huge help to mobile banking if it performs as planned. While 18.42 million smartphones were sold in India during Q2 2014, feature phones still account for 71% of the country's overall mobile phone shipments, per a report by IDC. In addition to being able to check their balances and add funds, users will also be able to use their ordinary phones for a variety of other platform-related tasks. Bank Mitras will also be permitted to manage their financial transactions. However, there is a caveat. Users will be charged a fee of 1.50 every transaction, according to this story from The Economic Times.

CONCLUSION

A condition known as financial untouchability develops when people are unable to enter the official financial system. People are compelled to go to local money lenders who demand high interest rates from the impoverished since there is no official banking system. Social discrimination is an issue that is also caused by financial untouchability. The practise of ensuring vulnerable groups, such as weaker parts and low income groups, have affordable access to financial services and timely and enough financing when needed is known as financial inclusion, and it is the only way to combat the evil of financial untouchability. By ensuring that financial services are accessible, affordable, and really used, financial inclusion may be accomplished. PradhanMantri Jan DhanYojana (PMJDY) has been introduced all throughout the nation to encourage financial inclusion. The Indian government is working on it in mission mode. The programme intends to provide every home in the nation with access to financial services. The programme offers a free debit card with no minimum balance requirement as well as built-in accidental insurance. It also has an insurance facility, access to credit, and financial literacy programme. The current study has attempted to examine the efficacy of PMJDY by determining the efficacy of financial literacy programmes and knowledge of PMJDY.

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