



The Role of Public and Private Sectors Bank with Special Reference to Pradhan Mantri Jan Dhan Yojana

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Abstract:

Banking system plays a leading role in the development and growth process of the economy though our banking sector had not realized expected growth before the launching of the scheme Pradhan Mantri Jan Dhan Yojana. Especially in rural areas people were not more interested in opening the account even in urban area the approach of banking was comparatively slow. Banking sectors specifically public sectors were not showing much interest in the opening of saving bank account whereby people can cultivate saving habits by deposit small lot and can generate some savings. But with the introduction of the above scheme number of accounts has been opened. The public sector banks are cooperating in the scheme while private banks are not contributing much in the same is the limitation part.

Keywords: Pradhan Mantri Jan Dhan Yojana, Public sector banks, Private sector banks

1. Introduction

The scheme was launched by Prime Minister Narendra Modi on August 28 to financially empower the poor by providing them access to formal banking. The scheme initially had a target of opening 7.5 crore bank accounts by January 26, 2015, which was later raised to 10 crore bank accounts. The data also reveals that just a third of all accounts were seeded with Aadhaar numbers. That number stood at 3.12 crore bank accounts as on December 17. The government has not made Aadhaar mandatory for DBT and it is optional to link it in the bank account. The present study is conducted to know the effects the Pradhan Mantri Jan Dhan Yojana as well as the present trends in private as well as public sector bank regarding Pradhan Mantri Jan Dhan Yojana.

However, banks have been instructed by the finance ministry to try to seed Aadhaar numbers in bank accounts to help with DBT. Meanwhile, trying to expand the scope of the scheme, the finance ministry has also asked banks to open accounts for dairy farmers. "Dairy farmers constitute a big basket of potential account holders, many of whom could be outside the banking fold. There are 15.4 million dairy farmers registered with various cooperatives in the country. They receive cash payment from milk cooperatives once in seven to 10 days," said a recent missive by the finance ministry, directing banks to bring them within the banking framework so that they can receive their payments in their accounts. Earlier, the chairman of the National Dairy Development Board too had written to public sector banks on the issue.

2. Object of the Study

- To know the details of Pradhan Mantri Jan Dhan Yojana.
- To check the present trends in the scheme.
- To find the effects of the scheme.
- To critically analyse the present position.
- To find the role/performance of public and private sector banks.

3. Research Methodology

It includes research design, sampling framework, methods of data collection, framework of analysis and limitations

4. Data Collection

In the present study secondary data are used for the research purpose.

5. Limitation of the Study

1. Only secondary data are used
2. Primary data from bankers as well as from customers are not collected
3. Impact of the project cannot be availed because of time constraint

6. Analysis of the Data

Table 1: Public Sector Bank wise Account Opened Detail Report as on 28.02.2015

Name of bank	Rural	Urban	Accounts	Rupay debit cards	Balance in accounts	No of accounts with zero balance
Allahabad Bank	18.21	7.53	25.74	25.19	8621.66	17.99
Andhra Bank	11.39	6.65	18.05	17.94	8238.72	11.99
Bank of Baroda	30.47	42.69	73.16	71.16	80349	36.21
Bank of India	26.79	37.61	64.39	62.57	35299	40.84
Bank of Maharashtra	12.09	5.62	17.71	17.22	16783.15	11.39
Bhartiya Mahila Bank	0	0.6	0.6	0.6	660.08	0.2
Canara Bank	41.74	19.83	61.57	61.57	72626.25	24.02
Central bank of India	42.6	12.34	54.95	48.34	25421.74	37.43
Corporation Bank	9.94	10.13	20.07	19	33423.81	6.8
Dena Bank	16.7	8.24	24.94	24.16	16806	16.01
IDBI Bank Ltd	4.73	4.24	8.97	8.68	3272.07	6.53
Indian bank	15.98	9.24	25.21	24.57	14313.97	14.88
Indian Overseas Bank	9.87	19.25	29.11	28.08	18933.49	14.72
Oriental Bank of Commerce	13.19	9.3	22.48	22.07	107142.67	7.69
Punjab & Sind Bank	7.97	4.24	12.21	11.72	46001.35	5.77
Punjab National Bank	64.67	15.26	79.93	73.06	77711.95	59.36

State Bank of Bikaner and Jaipur	10.44	12.79	23.23	20	53144.48	12.12
State Bank of Hyderabad	8.92	16.31	25.23	24.93	12411.13	17.56
State Bank of India	121.46	175.88	297.34	265.89	104534	220.25
State Bank of Mysore	5.91	2.01	7.93	7.47	3303.18	4.98
State Bank of Patiala	3.9	7.27	11.16	10.71	23251	7.78
State Bank of Travancore	0.36	2.97	3.34	2.79	10429	1.59
Syndicate Bank	22.29	11.39	33.68	31.79	38459.45	20.64
Uco Bank	20.36	21.31	41.67	37.49	50290.18	20.35
Union Bank Of India	32.79	10.3	43.09	41.66	27880	27.65
United Bank Of India	20.19	15.06	35.25	30.3	99264.79	11.96
Vijaya Bank	7.09	4.87	11.95	11.95	5148.86	6.94
Total	580.05	492.93	1072.96	1000.91	993720.98	663.65

(Source http://pmjdy.gov.in/Pdf/Zero_Bal_Account.pdf)

Above table indicates about No. of accounts with bank. Major player in this case is SBI, having 33.19 % portion as compared to all public sector banks and becoming first in the race of the scheme, while second No. is of PNB having 8.94% portion as compared to all public sector banks which is approx ¼ of SBI. Whereas Bharatiya Mahila Bank is at last in the scheme having only 0.02 % portion as compared to all public sector banks.

Table 2: Private Sector Bank wise Account Opened Detail Report as on 28.02.2015

Name of bank	Rural	Urban	Accounts	Rupay debit cards	Balance in accounts	No of accounts with zero balance
Axis Bank	1.02	3.56	4.59	4.39	2594.97	3.34
City Union Bank Ltd	0.13	0.6	0.73	0	569.12	0.31
Federal Bank	1.98	0.54	2.51	2.44	10179.54	1.31
HDFC Bank	2.03	9.46	11.5	11.49	37033.2	7.24
ICICI	18.07	2.99	21.07	20.52	14797.73	9.27

Indusind Bank	0.16	1.31	1.46	1.45	545.69	0.73
Jammu and Kashmir Bank	9.23	1.08	10.31	7.17	11821.55	7.13
Karur Vaisya Bank	0.09	0.92	1.01	0.97	395.84	0.65
Kotak Mahindra Bank	0.53	0.57	1.1	1.03	494.75	0.86
Lakshmi Vilas Bank	0.1	0.56	0.67	0.2	190.51	0.45
Ratnakar Bank	0.6	0.36	0.95	0.95	113.57	0.55
South Indian Bank	0.17	0.86	1.03	0.56	714.13	0.49
Yes Bank	0.06	0.04	0.1	0	41.47	0.08
Total	34.17	22.85	57.03	51.17	79492.07	32.41

(Source http://pmjdy.gov.in/Pdf/Zero_Bal_Account.pdf)

Above table indicates about No. of accounts with bank. Major player in this case is ICICI Bank, having 28.60 % portion as compared to all private sector banks and becoming first in the race of the scheme, while second No. is of HDFC, having 22.34% portion as compared to all private .. Whereas Yes Bank is at last in the scheme having only 0.25 % portion as compared to all private sector banks.

7. Criticisms of the Scheme

Though the Pradhan Mantri Jan Dhan Yojana has successfully exceeded its financial inclusion target by opening 115 million bank accounts, most of these are 'zero-balance'. According to data released by the ministry, only 28 per cent of the accounts opened under the scheme are active, with about Rs 9,000 crore deposited in these. The ministry feels it is imperative to keep accounts opened under the scheme active. It has already put in place various measures such as connecting the Direct Benefits Transfer (DBT) scheme to these accounts. So far, the DBT for liquefied petroleum gas, along with those for a few other schemes, have been linked with these accounts. The department of financial services has decided to give banks commission, to ensure these accounts are kept active. A circular to this effect has already been issued to banks. Of the accounts opened at public sector banks (PSBs) under the Jan Dhan Yojana, 71 per cent are zero-balance, against 64 per cent for private banks. Among private lenders, the percentage of 'zero-balance Jan Dhan accounts at YES bank is 89, Kotak Mahindra Bank 77 and Axis Bank 75. Among PSBs, 95 per cent of State Bank of India's Jan Dhan accounts are zero-balance; for Indian Overseas bank, it stands at 84 per cent. Of the bank accounts opened under the scheme, about 90 million were at PSBs, while private banks accounted for only 4.1 million accounts (3.6 per cent of the overall number). The rest were accounted for by regional rural banks. Five major private lenders – ICICI bank, Kotak Mahindra Bank, YES Bank, IndusInd Bank and Karur Vaisya Bank – have opened 0.9 million accounts under the scheme. Public sector banks have much greater rural penetration compared to the private sector.

8. Conclusion

Banking sector has performed and proved a big helping hand until the recent time that development is almost impossible without it. Moreover the scheme like Pradhan Mantri Jan Dhan Yojana has given

acceleration and motivation to the economy as a whole to expand the banking base of the economy more and more. It is seen above that public sectors have contributed a lot in the field while the support of private bank is not expected but we can encourage private banks to work on in the field. The scheme like that is an important tool to mobilize savings of the economy which might not have been utilized in the productive use otherwise so that capital formation in the economy can be done.

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