

THE ROLE OF PRADHAN MANTRI JAN-DHAN YOJANA (PMJDY) IN ADVANCING FINANCIAL INCLUSION IN INDIA: PROGRESS, IMPACT AND CHALLENGES

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Received: 10th June, 2026 Accepted: 8th July, 2026 Published: 28th September, 2026 https://doi.org/10.5281/zenodo.23016462	Abstract Pradhan Mantri Jan-Dhan Yojana (PMJDY) is one of the key pillars of the financial inclusion strategy in India and was launched in August 2014. This paper aims to find the changes PMJDY is undergoing, the extent of its reach and the challenges it is faced with using secondary research from the Department of Financial Services, Ministry of Finance, Government of India, Press Information Bureau and peer-reviewed research. Strong positive numbers show formal banking access growing significantly with PMJDY beneficiaries standing at 59.15 crore, 45.99 crore accounts at rural/semi-urban centres, 13.16 crore at urban/metro centres, 32.96 crore female beneficiaries and 41.34 crore RuPay cards issued as of 26 August 2026. Deposits stood at INR 3,15,482.03 crore. The paper provides an argument that PMJDY has shifted the focus of financial inclusion from merely creating an account to a holistic environment of DBT, insurance, pensions, credit and digital payment. Simultaneously, financial education, availability of stable digital services and easy access to paired products and last mile assistance will be the next policy hurdles to associate access to usage. The paper concludes with a conceptual framework and policy recommendations to advance inclusive finance. Keywords PMJDY; financial inclusion; Jan Dhan accounts; RuPay; Direct Benefit Transfer; financial literacy; digital financial inclusion; women's financial inclusion; India
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1. Introduction

Financial inclusion is the access and availability of appropriate financial services to individuals and households. There has been a gradual policy process change from promotion of physical banking accessibility to facilitating more participation in savings, payments, credit, insurance, and pensions in India. The National Mission for Financial Inclusion named PMJDY was launched on 28 August 2014. The scheme started out with a focus on universal access to a basic bank account and then moved away from every home and focussed on individual access by the unbanked adult. The official scheme design provides a basic savings bank deposit account without a minimum-balance requirement, a RuPay debit card, accident insurance coverage, eligible overdraft access and linkages with DBT and social-security schemes.

The scale of the programme is significant. As per official data from the PMJDY, the total beneficiaries under the scheme as of 26 August 2026 are 59.15 crore, total deposits of INR 3,15,482.03 crore and RuPay cards of 41.34 crore have been issued under the PMJDY. The number of female beneficiaries was 32.96 crore and 45.99 crore beneficiaries was related to rural/semi urban centre branches. While these are representative of the magnitude of the programme, by itself, account ownership is insufficient for financial inclusion. Quality of inclusion needs to be assessed through accounts being active, access to appropriate products, and ability of households to utilize formal finance for risk management, consumption smoothing and livelihood.

2. Objectives of the Study

To discuss the development and the present volume of PMJDY in India.

To examine the impact of PMJDY towards access-centric financial inclusion.

To incorporate analysis of the rural, urban and gender aspects of PMJDY.

To determine key account ownership to meaningful financial use challenges.

To suggest policy interventions toward greater financial inclusion for the poor through PMJDY.

3. Review of Literature

Using a multidimensional financial inclusion index, Singh (2021) studied the association between financial inclusion for the promotion of PMJDY towards economic performance in the Indian states. The study presents the evidence and says that financial inclusion (of PMJDY) is relevant to larger issues of economics. In 2022, a study on gaps in financial inclusion came up with a way of assessing PMJDY state-wise and union territory-wise by taking into account the Demographic Penetration, RuPay coverage and average balances; with a particular focus on geography and socioeconomic factors. Later studies have looked into PMJDY from the perspective of Marginalised Populations, Financial Literacy, Digital Banking and Socioeconomic development.

For Madhya Pradesh and Rajasthan, Kar et al. (2025) observed the positive relationship between time and growth of PMJDY account in their study. They found the following to be important motivational



aspects: operational improvement, facilitation, dependable service, financial empowerment and livelihood improvement and suggested targeted financial education, making overdraft and insurance more convenient, and promoting a greater focus on rural women. In a quasi-experimental 2025 study published in *Economics Letters*, PMJDY's role in enhancing financial inclusion in rural areas was suggested to have a positive impact on the stability of banks, reducing assets in NPA and liquidity risk. This combined contribution of these studies clearly indicates that PMJDY cannot be judged merely in terms of the number of accounts but the usage, capability and developmental outcomes as well.

4. Research Methodology

The research used in this study is the type of research that has exploratory and descriptive research that is carried out entirely with secondary data. The main source of quantitative data used in this study is from the official progress report of the Government of India Department of Financial Services, Ministry of Finance, Government of India, last updated as of 26 August 2026, for the country. All statements relating to the past have been based on the documents released by the Government of India/PIB and Department of Economic Affairs releases. Peer-reviewed journal articles are selected to read and to interpret the broader implications of financial-inclusion and development. Use of descriptive statistics, comparative analysis and conceptual synthesis. No primary survey is claimed and causal relationships on individual household welfare are not derived other than those presented in the literature referred to.

5. Evolution of PMJDY

In addition to its success, PMJDY had grown quickly in the wake of its introduction. Government data show 14.72 crore accounts in March 2015, 35.27 crore in March 2019 and 40.35 crore in August 2020. This had increased to 43.04 crore as of August 2021 and 46.25 crore in August 2022. The number of accounts as per the official figure from Department of Financial Services has reached 54.97 crore as on February 2025 and the number of beneficiaries stand at 59.15 crore, as on 26 August 2026. The long run extension exemplifies the role that the programme plays in enrolling many in the formal banking system.

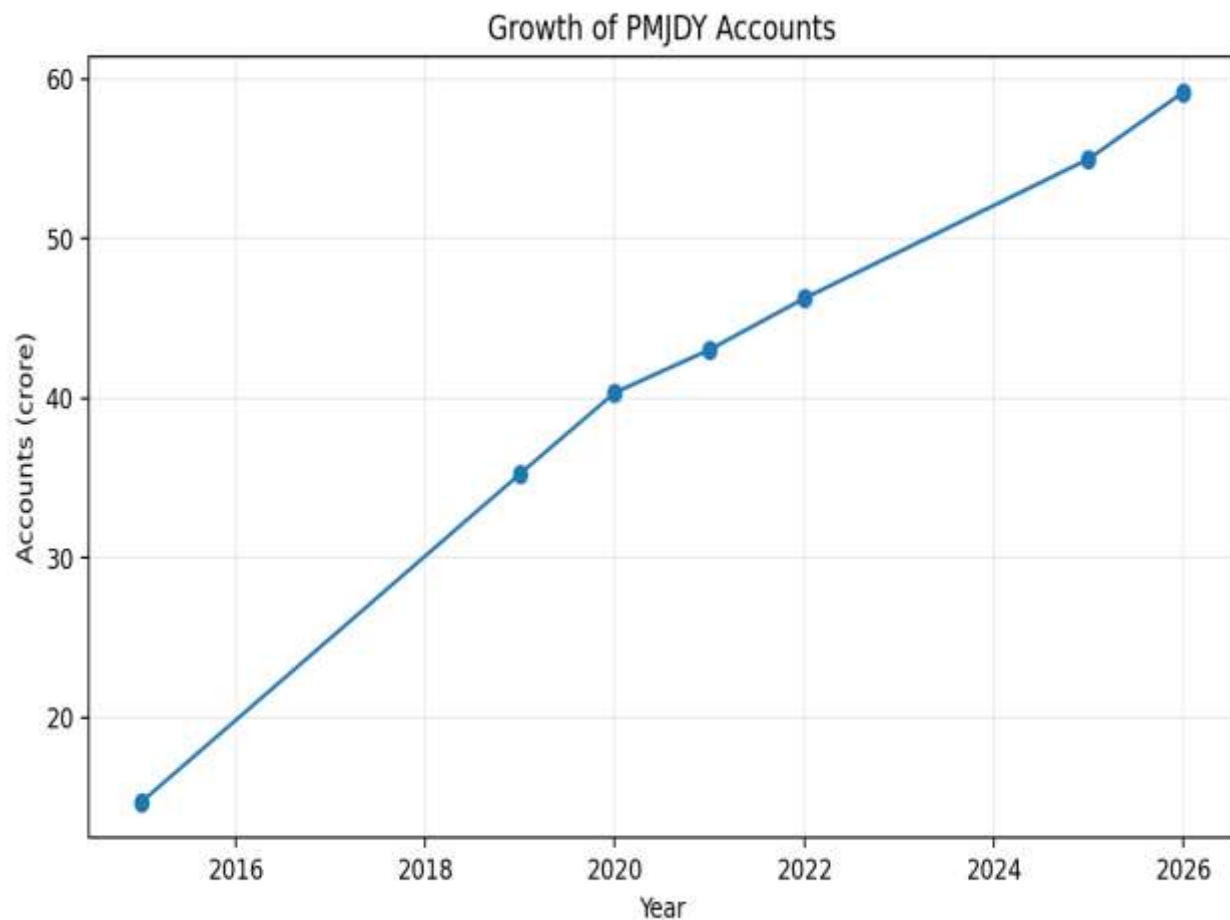


Figure 1. Growth in PMJDY accounts/beneficiaries across selected official reporting dates.

6. Current Status of PMJDY: 2026

Indicator	Value (26 Aug 2026)
Total PMJDY beneficiaries/accounts	59.15 crore
Rural/semi-urban centre beneficiaries	45.99 crore
Urban/metro centre beneficiaries	13.16 crore
Female beneficiaries	32.96 crore
Deposits	₹3,15,482.03 crore
RuPay debit cards issued	41.34 crore

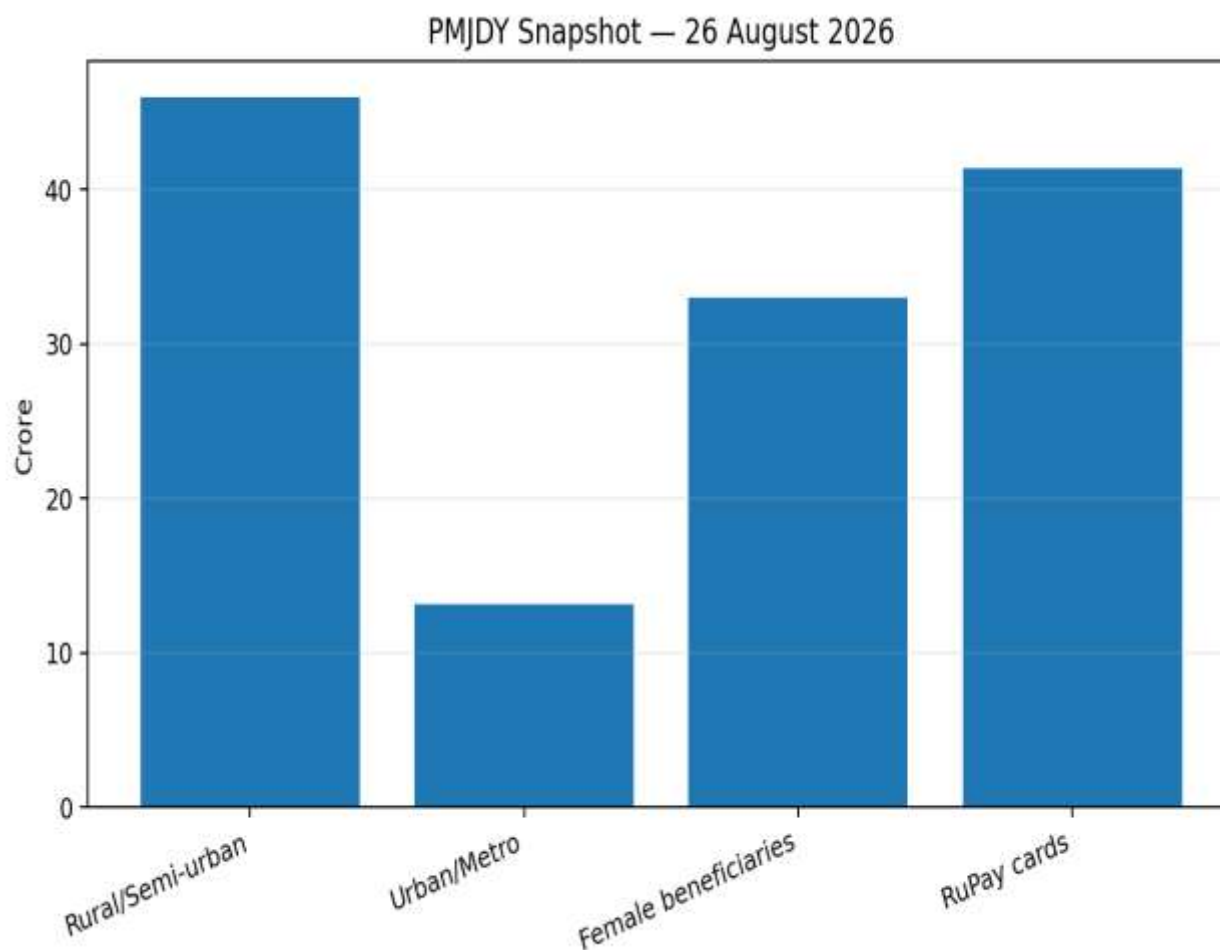


Figure 2. Selected dimensions of PMJDY's national reach in 2026.

The rural and gender dimension is high as per the 2026 snapshot. Approximately 77.7% of the total beneficiaries are rural/semi-urban beneficiaries, and approximately 55.7 are female beneficiaries. These figures show that PMJDY is not just a city-based banking-access initiative, but a significant one that has become a valuable conduit of formal finance to rural citizens and women. The deposit base also shows that PMJDY accounts have both financial worth, besides their symbolic values as access points to banking.

7. PMJDY and the Architecture of Financial Inclusion

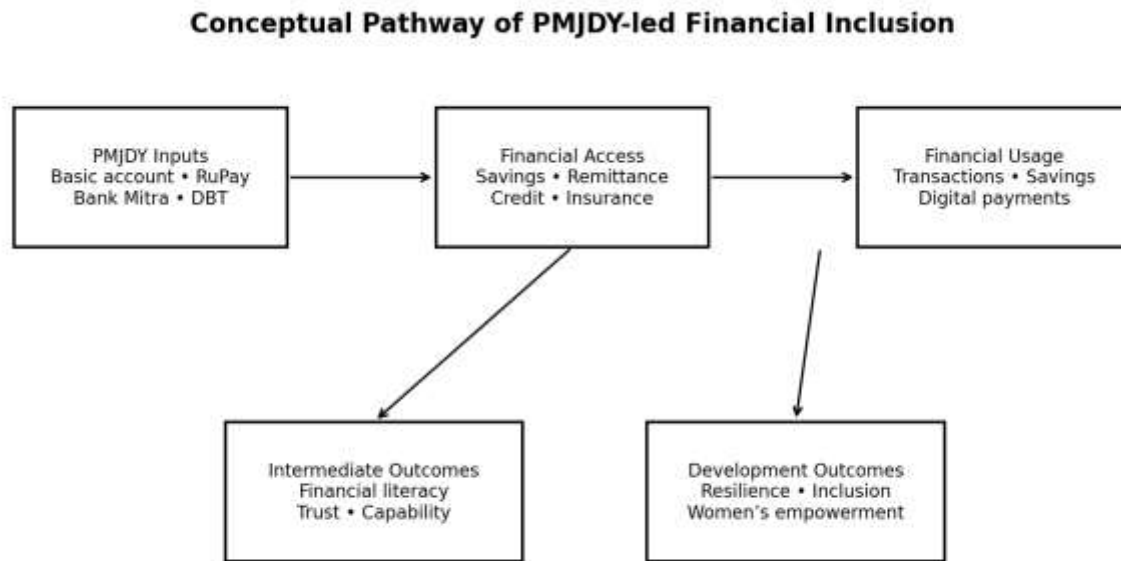


Figure 3. Conceptual framework linking PMJDY access with financial usage and development outcomes.

The theoretical flow suggested in this paper differentiates between access and outcomes. PMJDY offers institutional access points-basic accounts, ruPay cards, Bank mitras and DBT. These inputs may be used to support savings, remittances, credit, insurance and digital transactions. Financial literacy mediates their developmental impacts, trust, reliability of the services and the ability of the users to transact. Accordingly, the main thesis is that the effectiveness of PMJDY is more determined over the long-term by the active usage instead of account-opening figures.



8. Major Contributions of PMJDY

8.1 Universal access

PMJDY has increased the number of people who own a formal account significantly and provided a single point of access to a banking system.

8.2 Rural inclusion

Bank branches, Business Correspondents and last-mile banking channels are vital due to the large rural/semi-urban component.

8.3 Women's financial inclusion

The most recent national data shows that women beneficiaries are over half of all beneficiaries, which enhances the direct touch of women with formal finance.

8.4 Direct Benefit Transfer

PMJDY accounts are a part of the JAM architecture and helps in transparent disbursement of government benefits.

8.5 Social-security linkages

The accounts enable access to insurance and pension schemes like PMJJBY, PMSBY and APY.

8.6 Digital financial inclusion

RuPay cards and the Indian digital-payment ecosystem offer avenues between account ownership and electronic transactions.

9. Challenges and Research Issues

- Dormancy and low use: the opening of an account does not ensure frequent use and frequent savings actions.
- Financial literacy: users might have accounts without full knowledge on insurance, overdraft, pension, digital-security products, credit products.
- Digital divide: The positive impact of digital finance could be restricted by connecting, accessing devices, digital skills and cyber-security issues.
- Quality of last-mile services: consistency of the Business Correspondents and banking infrastructure is still valuable, especially in the remote locations.
- Product awareness and appropriateness: customers should have easy to understand information on associated products and conditions of eligibility.
- Gender and social obstacles: women might be restricted in terms of movement, computer access, paperwork, family determination and financial resource management.
- Measurement issue: measurements should be able to differentiate between access, active use, quality, consumer protection, and actual socioeconomic results in the future.



10. Policy Recommendations

- Change the policy index between number of accounts opened to number of active accounts, frequency of transactions, savings, uptake of insurance/pension and use of responsible credit.
- Enhance women, rural users, and the aged users and first-time digital-finance users targeted financial-literacy programmes.
- Enhance the dependability, training and responsibility of Business Correspondents and other last-mile agents.
- Make communication and application process simple to qualified overdraft, insurance and pension products.
- Encourage safe digital-finance, such as fraud awareness, redressal of grievances and assisted digital transactions.
- Use data at the district level to define areas that have high account ownership and low utilisation and implement interventions in those areas.
- Promote the studies involving combining PMJDY administrative data with household level data to quantify income stability, savings, resilience and women economic agency.

11. Conclusion

PMJDY is one of the most significant institutional interventions in the financial-inclusion context of India. It is scaled based on its 59.15 crore beneficiaries, INR 3.15 lakh crore deposits and 41.34 crore Rupay cards as of 26 August 2026. The programme especially has good rural and female coverage and has been interlinked with DBT, insurance, pensions, credit and digital payments. The further step of financial inclusion is, however, a transition to meaningful usage. Whether the bank account will become a source of long term economic empowerment will be dependent on financial literacy, digital ability, service dependability and product appropriateness. Future studies must thus assess PMJDY using multidimensional indicators that can record access, usage, quality and developmental outcomes as opposed to just focusing on the number of accounts opened.

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