

**PRESS INFORMATION BUREAU  
GOVERNMENT OF INDIA**

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**PRADHAN MANTRI JAN-DHAN YOJANA: NO BURDEN ON BANKS RATHER  
MAKES A REASONABLE BUSINESS CASE FOR THEM**

**New Delhi, August 30, 2014**  
**Bhadrapada 8, 1936**

Pradhan Mantri Jan-Dhan Yojna (PMJDY), an ambitious programme on Financial Inclusion to cover about 7.5 crore unbanked households in the country was launched here by the Prime Minister a day before yesterday i.e. 28<sup>th</sup> August, 2014 from Vigyan Bhawan. On that occasion, the Prime Minister asked the banks that the target of opening 7.5 crore bank accounts is to be completed now by 26<sup>th</sup> January, 2015 instead of 14<sup>th</sup> August, 2015.

Any apprehension that this scheme may cause financial burden on the banks does not hold any ground as PMJDY makes a reasonable business case for the banks and there are enough safeguards inbuilt as explained here under:

- Experience of certain banks was looked at and it was found that financial inclusion makes a reasonable business case for the banks due to CASA deposits from such accounts.
- Over and above this, Pradhan Mantri Jan-Dhan Yojana (PMJDY) makes the infrastructure ready for Direct Benefit Transfer (DBT) schemes to be rolled-out quickly. This will improve governance and plug leakages. In principle approval of 2% commission to be paid for DBT Scheme has already been granted.
- At present accidental insurance scheme is part of the RuPay Debit Card. National Payments Corporation of India (NPCI) pays the premium out of the revenue generated from card transactions. There is no burden on the banks.
- Guidelines for the life insurance cover announced by the Prime Minister will be issued shortly. There will be no burden on the Banks on this account.
- Rs.5000/- overdraft limit will be given after satisfactory operation of the account for 6 months. As such banks have already given similar limits in 35 lakh Basic Savings Bank Deposit Accounts and the experience of the banks is good. Further, Credit Guarantee Fund for defaults in such accounts is also envisaged under the Scheme.

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