

## FAQs on Prime Minister Jan Dhan Yojana

**Q. What is Financial Inclusion?**

**Ans.** Financial Inclusion is the process of ensuring access to mainstream financial services and timely and adequate credit to all excluded people vulnerable groups such as weaker sections and low income groups at an affordable cost.

**Q. Why should we have Financial Inclusion?**

**Ans.** Major sections of the Indian Economy do not have access to formal banking services. To bring them under the banking purview and provide them banking facilities. Financial inclusion initiatives were under taken since 2005-06.

Bring the excluded section of the Society within the banking purview would enable banks as financial intermediaries to contribute to economic growth through mobilization and allocation of credits towards various project financing, thereby providing households, businesses to attain their economic goal.

**Q. What are the challenges of Financial Inclusion?**

**Ans.** The challenges of Financial Inclusion -

- Poor infrastructure and telecom connectivity in rural areas
- Lack of financial literacy
- Availability of required documents for banking activities
- Limited technology adoption and know-how among the ecosystem partners
- Lack of local support for scalability of banking services

**Q. What is saving?**

**Ans.** When income is more than expenses, then we have surplus money known as savings.

**Q. Why should one save?**

**Ans.** We should save regularly so that it can be used to meet expenses / exigencies for education, marriage, purchasing farm seeds, purchasing own house, birth, illness, accident, death, natural calamity, old age, etc. During the emergencies only savings could help.

**Q. Where to Save?**

**Ans.** The money is mainly kept at home in the Gu1lak. But we would always be worried about its safety. Sometime it may get stolen or we may be tempted to use the money. Also money saved at home does not increase.

Thus the money could be saved in a bank.

**Q. Why save in a bank?**

**Ans.** Money kept in a bank is safe, secure and trusted upon.

**Q. What are the advantages of having a bank account?**

**Ans.** One can open savings, recurring / fixed deposit accounts. Banks offer loans and many other useful services. The wages / salary drawn can be directly credited to the bank account. All social benefits like MGNREGA wages, pensions, etc. can be directly credited to bank account through EBT. The money kept with the bank can be deposited or withdrawn at convenience. Banks do not charge any fee for depositing money but pays interest on the money deposited.

Besides a bank account gives us an identity which is recognized by other government agencies.

The interest charged by the bank is much less than the interest charged by the money lender (Sahukar).

**Q. What is a BSBDA Account?**

**Ans.** A BSBDA account is Basic Savings Bank Deposit Account which can be opened with simplified KYC document and also with nil balance.

**Q. What are the features of a BSBDA?**

**Ans.** Basic Savings Bank Deposit Account is opened on the basis of simplified KYC norms. Banks would not charge fee for deposit of money any number of times. In addition, banks would not charge for 4 withdrawals during a month. The customer would be provided with a Passbook and an ATM card without any fee. The account can be used for day to day needs like deposit, withdrawal, remittances, direct credit of social benefits, etc.

**Q. What is Financial Planning?**

**Ans.** Financial Planning is to help individuals to use their resources against the needs efficiently in short term and achieve their long-term financial goals through investment, asset allocation, risk management, retirement planning, etc.

**Q. How does it help the customer?**

**Ans.** It will help the customer **to manage his financial resources as well as to** know the different avenues of investments, liquidity preference, risk tolerance level vis-à-vis risk mitigation etc. to reach the financial goal.

**Q. What are the types of loans offered by the banks?**

**Ans.** Banks give various types of loans such as short term loans, long term loans, overdrafts and working capital etc. for agriculture and allied activities, business,

manufacturing units, personal loan, housing loans, education loans, business loans, etc. to meet the requirements of the customers.

**Q. Why should we repay the loan?**

**Ans.** The banks use depositors' money for lending. If the loan is not repaid, it would affect the bank's capacity to repay the depositors' money in time. This would also affect the banks capacity to lend to borrowers. In case the loans are not repaid on time bank could take possession of the security offered as guarantee for the loan and can initiate legal proceedings for recovering the loan amount along with the interest.

**Q. What is SSA?**

**Ans.** SSA is a Sub Service Area under Lead bank scheme Service Area Approach under which villages are identified and assigned to bank branches based on their proximity and contiguity. Sub Service Area is a cluster of more than one village wherein up to 1000 to 1500 households are brought under such cluster for providing banking services.

**Q. What would be the features of the accounts opened?**

**Ans.** Savings Bank accounts with zero balance would be opened and ATM / Debit (RuPay) cards would be issued to the account holder.

**Q. What are the requirements for providing Basic Banking Accounts at household level?**

**Ans.** For every uncovered household, it is required to open one account in every household fulfilling the basic KYC requirements.

**Q. What is a Business Correspondents (BC)?**

**Ans.** Business Correspondents are retail agents engaged by banks for providing banking services at locations other than a bank branch/ATM. Basically, BCs enable a bank to expand its outreach and offer limited range of banking services at low cost. BCs, are an integral part of a business strategy for achieving greater financial inclusion.

**Q. What are the functions of BC?**

**Ans.** BCs are permitted to perform a variety of activities which include identification of borrowers, attend to collection of small value deposit, disbursement of small value credit, recovery of principal / collection of interest, sale of micro insurance / mutual fund products / pension products / other third party products and receipt and delivery of small value remittances/ other payment instruments, creating awareness about savings and other products, education and advice on managing money and debt counseling, etc.

**Q. What are the products offered through the BC channel?**

**Ans.** The following products are offered through the BC Channel -

- Small Savings Accounts
- Fixed Deposit and Recurring Deposit with low minimum deposits
- Remittance to any BC customer
- Micro Credit
- General Insurance

**Q. Why Jan Dhan Yojana was launched?**

**Ans.** With a population of over 125 crore, 40% of families do not have access to banking and other financial services and such households have to rely on untrusted credit lenders who charge heavy interest from them. So the basic objective was to provide account to every family along with banking services.

**Q. What target government has set to make this scheme a success?**

**Ans.** By 26 January 2015, government has set a target of opening one basic account for every 75 million (7.5 crore) households.

**Q. How will this target be achieved?**

**Ans.** In order for easy access to the banking services, bank outlets would be open within 5 kilometer distance of every village. In fact, on the day of the launch over 77, 892 camps were organized. Also to speed-up the process, government has asked banks to organize special camps on every Saturday between 8am-8pm.

More recently, government has instructed to open bank accounts for workers under Mahatma Gandhi National Rural Employment Guarantee. These workers are currently paid through accounts held in either post-offices or co-operatives and very few workers have their bank account. This way, over 3.5 crores will be immediately created for non-account holders.

**Q. What banking facilities will a account holder get?**

**Ans.** Through this Yojana, account holder will get universal access to basic banking services such as:

- Withdraw cash
- Deposit money
- Transfer of funds
- Check balance enquiry
- Get mini-statement
- Mobile banking facility

- Become financially literate through literacy programmes drive. Learning material would be distributed in most of the Indian languages for everyone.

**Q. Where can be above mentioned banking facilities availed?**

**Ans.** Account holder can use these facilities at any of bank branches where the account was opened. However it is required by the banks to scan and upload the signature/thumb impression along with the photograph through the core banking system (CBS). Individuals can also make use of RuPay card at ATMs and other online purchases.

**Q. Is mobile banking facility available?**

**Ans.** Yes, account holder can use their basic smartphone to access their account, check balance and transferring money. Most importantly all these facilities does not require high end smartphone and even a ordinary smartphone can be used.

**Q. How many members in a family can open the account?**

**Ans.** Two members in a family can open the account.

**Q. Can existing account holders open Jan Dhan Account?**

**Ans.** The main objective of PMJDY was to open accounts for individuals with no bank account. However in the initial days of launching the scheme, many existing holders managed to open the account in order to get the benefits, as banks could not scrutinize each and every individual. However, recently it was stated by the government that even existing account holders can get accidental insurance benefit of 1 Lac after they are issued RuPay card and there is no need to open separate account.

**Q. What if address proof of present address is not available**

**Ans.** This is the most common question faced by migrants since they have current address would be different than the one mentioned on the address proof submitted. In such cases, individuals will have to submit a simple declaration about the current address.

**Q. What is the withdrawal limit and deposit limit**

**Ans.** Withdrawal limit is set at Rs. 10,000 per month whereas deposit limit is less than Rs. 1 Lakh.

**Q. How to avail overdraft facility of Rs. 5000?**

**Ans.** Banks requirement to avail overdraft facility is satisfactory operation of bank accounts for minimum 6 months. Post that, sanction would be given to one overdraft account per household.

**Q. What if RuPay card is not issued after opening the account?**

**Ans.** As of now, the issuance of RuPay debit card is little slow since many of Indian banks have not adopted the RuPay payment system. So government has asked all the banks to speed-up the process. There are many benefits of RuPay debit card individuals can get and most importantly it will benefit banks as well. You can check where RuPay card can be used.

**Q. What is the account opening fee?**

**Ans.** There is no fee to open the account. It is totally free.

# **PRADHAN MANTRI JAN-DHAN YOJANA (PMJDY)**

## **Frequently Asked Questions (FAQs)**

<http://financialservices.gov.in/banking/FAQs30sep2014.pdf>

### **Q. 1. What is Pradhan Mantri Jan-Dhan Yojana?**

**Ans.** Pradhan Mantri Jan-Dhan Yojana (PMJDY) is National Mission for Financial Inclusion to ensure access to financial services, namely, Banking/ Savings & Deposit Accounts, Remittance, Credit, Insurance and Pension in an affordable manner.

### **Q.2. How is PMJDY different from the earlier Financial Inclusion Plan (Swabhimaan)?**

**Ans.** PMJDY focuses on coverage of households as against the earlier plan which focused on coverage of villages. It focuses on coverage of rural as well as urban areas. Earlier plan targeted only villages above 2000 population while under PMJDY whole country is to be covered by extending banking facilities in each Sub-Service area consisting of 1000 – 1500 households such that facility is available to all within a reasonable distance, say about 5 Km.

### **Q.3. Whether Joint account can be opened in Pradhan Mantri Jan-Dhan Yojana?**

**Ans.** Yes, joint account can be opened.

### **Q.4. Under this Scheme, where can I open an account?**

**Ans.** Account can be opened in any bank branch or Business Correspondent (Bank Mitra) outlet.

### **Q.5. What is BSBDA Account ?**

**Ans.** Basic Savings Bank Deposit Account (BSBDA) has been defined by RBI vide its circular dated 10.08.2012. Its salient features are:

- There is no requirement of minimum balance.
- The services available include deposit and withdrawal of cash at bank branch as well as ATMs; receipt/credit of money through electronic payment channels or by means of collection/deposit of cheques.
- Maximum of 4 withdrawals a month including ATM withdrawal. No such limit for deposits.
- Facility of ATM card or ATM-cum-Debit card.
- These facilities are to be provided without any extra cost.

### **Q.6. Whether there are any restrictions like age, income, amount etc. criteria for opening BSBDA by banks for individuals?**

**Ans.** Any individual above the age of 10 years can open BSBDA Account.

**Q.7. What is RuPay Debit Card?**

**Ans.** Rupay Debit Card is an indigenous domestic debit card introduced by National Payment Corporation of India (NPCI). This card is accepted at all ATMs (for cash withdrawal) and at most of the PoS machines (for making cashless payment for purchases) in the country.

**Q.8. What is PIN Number ?**

**Ans.** Personal Identification Number (PIN) is randomly generated code for use of ATM Card at the time of withdrawal of money from ATM Machine and also at the time of making payment on PoS.

**Q. 9. How to keep your RuPay Card safe?**

**Ans.** Beneficiary of RuPay Card is required to keep the Card in safe custody. PIN should be changed at frequent intervals and should never be shared with anyone. While using the card at ATM Machine or PoS, PIN should be entered in machine very secretly so that nobody could even guess about the PIN Number. As far as possible, Card should be used at authorized places / centres only. Besides, PIN number should never be written on the Card.

**Q.10. What is special advantage of RuPay Debit Card?**

**Ans.** It provides accidental insurance cover upto Rs.1.00 lac without any charge to the customer.

**Q.11. Whether illiterate customers can be issued RuPay Card?**

**Ans.** Yes. However, Branch Manager will have to advise all the related risks to the illiterate account-holder at the time of issuance of RuPay Card.

**Q.12. How to link Mobile Number with Bank Account ?**

**Ans.** Mobile Number of an account holder is entered in customer"s account in CBS System by the Bank on the basis of information given in the Account Opening Form. Also, for existing accounts, banks permit seeding through ATM, SMS from registered mobile, net-banking or on making a request in the branch (there may be variations depending on the bank).

**Q.13. How to keep debit card operational ?**

**Ans.** To get benefit of Accidental Insurance Cover, RuPay Debit Card must be used at least once in 45 days.

**Q.14. How long the debit card is valid and how to get Debit Card renewed ?**

**Ans.** Debit Card expiry date is mentioned on the Card itself. Account-holder is advised to get issued new card well before expiry date of his/her existing card by giving fresh application to the concerned bank.

**Q.15. If someone has two or more accounts and two or more RuPay Debit Cards, whether accidental insurance cover is available in each account / each card?**

**Ans.** Accidental insurance cover is available only in one account.

**Q.16. What is PoS Machine ?**

**Ans.** PoS stands for Point of Sale. PoS Machine is a small device installed at almost all Business Centres to facilitate cashless purchases to their customers.

**Q.17. Does a person already having a Bank account in any bank needs to open another account under Pradhan Mantri Jan-Dhan Yojna (PMJDY) to get the Accidental Benefit/Life Insurance Benefit under the Scheme?**

**Ans.** A person who is already having a bank account with any bank NEED NOT to open a separate account under PMJDY. He/she will just have to get issued a RuPay Card in his existing account to get benefit of insurance. Credit facility can be extended in the existing account if it is being operated satisfactorily.

**Q.18. What is the concept of overdraft of Rs.5000/- in PMJDY Account and for whom this facility is available?**

**Ans.** Overdraft facility upto Rs.5000/- will be available to one account holder of PMJDY per household after 6 months of satisfactory conduct of the account. To avoid duplication Aadhaar number will also be required. If Aadhaar number is not available then Bank will do additional due diligence and also seek declaration from the beneficiary.

**Q. 19. Whether Overdraft facility can be availed in more than one account?**

**Ans.** Overdraft facility upto Rs.5000/- is available in only one account per household, preferably lady of the household.

**Q.20. What is Accidental Insurance Cover? Who will pay the premium ?**

**Ans.** Accidental Insurance Cover is Rs.1.00 lac and no premium is charged to the beneficiary -- NPCI will pay the premium. At present the premium is Rs.0.47 per Card.

**Q.21. If both husband and wife who are opening accounts under PMJDY are eligible for Accidental Insurance Cover of Rs.1.00 lac and overdraft facility of Rs.5000/- in both the accounts separately?**

**Ans.** Accidental Insurance cover of Rs.1.00 lac will be available to all account-holders. However, overdraft facility upto Rs.5000/- will be available to only one person in the family (preferably lady of the house).

**Q.22. What documents are required to open an account under Pradhan Mantri Jan-Dhan Yojana?**

**Ans.** (i) If Aadhaar Card/Aadhaar Number is available then no other documents is required. If address has changed, then a self certification of current address is sufficient.

(ii) If Aadhaar Card is not available, then any one of the following Officially Valid Documents (OVD) is required: Voter ID Card, Driving License, PAN Card, Passport & NREGA Card. If these documents also contain your address, it can serve both as “Proof of Identity and Address”.

(iii) If a person does not have any of the “officially valid documents” mentioned above, but it is categorized as „low risk” by the banks, then he/she can open a bank account by submitting any one of the following documents:

a) Identity Card with applicant’s photograph issued by Central/State Government Departments, Statutory/Regulatory Authorities, Public Sector Undertakings, Scheduled Commercial Banks and Public Financial Institutions;

b) Letter issued by a gazette officer, with a duly attested photograph of the person.

Reserve Bank of India (RBI) vide its Press Release dated 26.08.2014 has further clarified as under:

“Those persons who do not have any of the „officially valid documents” can open “Small Accounts” with banks. A “Small Account” can be opened on the basis of a self-attested photograph and putting his/her signatures or thumb print in the presence of an officials of the bank. Such accounts have limitations regarding the aggregate credits (not more than Rupees one lac in a year), aggregate

withdrawals (nor more than Rupees ten thousand in a month) and balance in the accounts (not more than Rupees fifty thousand at any point of time). These accounts would be valid normally for a period of twelve months. Thereafter, such accounts would be allowed to continue for a further period of twelve more months, if the account-holder provides a document showing that he/she has applied for any of the Officially Valid Document, within 12 months of opening the small account.

**Q.23. If the present address is different than that of printed on Aadhaar Card, can the account still be opened under Pradhan Mantri Jan-Dhan Yojana on the basis of Aadhaar Card?**

**Ans.** If address has changed, then a self certification of current address is sufficient.

**Q.24. What is meant by Insurance cover of Rs.30,000/- announced by Prime Minister in his speech of 28.08.2014?**

**Ans.** Modalities of this Scheme announced by the Prime Minister on 28.08.2014 are being worked out expeditiously and will be disseminated to General Public very soon.

**Q.25. Whether Cheque Book will be issued in accounts opened under PMJDY?**

**Ans.** In PMJDY accounts are being opened with Zero balance. However, if the account-holder wishes to get cheque book, he/she will have to fulfill minimum balance criteria, if any, of the bank.

**Q.26. What are the direct / special benefits attached to PMJDY?**

**Ans.** Special benefits attached to the scheme are:

- i. Interest on deposit.
- ii. Accidental insurance cover of Rs.1.00 lac
- iii. No minimum balance required. However, for withdrawal of money from any ATM with Rupay Card, some balance is advised to be kept in account.
- iv. Life insurance cover of Rs.30,000/-
- v. Easy Transfer of money across India
- vi. Beneficiaries of Government Schemes will get Direct Benefit Transfer in these accounts.
- vii. After satisfactory operation of the account for 6 months, an overdraft facility will be permitted
- viii. Access to Pension, insurance products.

**Q.27. I have no official valid document for opening an account. Can I still open an account with bank?**

**Ans.** Reserve Bank of India (RBI) vide its Press Release dated 26.08.2014 has clarified as under:

“Those persons who do not have any of the „officially valid documents” can open “Small Accounts” with banks. A “Small Account” can be opened on the basis of a self-attested photograph and putting his/her signatures or thumb print in the presence of an officials of the bank. Such accounts have limitations regarding the aggregate credits (not more than Rupees one lac in a year), aggregate withdrawals (nor more than Rupees ten thousand in a month) and balance in the accounts (not more than Rupees fifty thousand at any point of time). These accounts would be valid normally for a period of twelve months. Thereafter, such accounts would be allowed to continue for a further period of twelve more months, if the account-holder provides a document showing that he/she has applied for any of the Officially Valid Document, within 12 months of opening the small account.

**Q.28. How much interest savings would earn in PMJDY Account?**

**Ans.** Interest rate applicable for Saving Bank Accounts (presently @ 4 % in most of the banks) shall be admissible to accounts opened under PMJDY Scheme.

**Q.29. How much interest will be charged by bank on overdraft facility in PMJDY?**

**Ans.** Base Rate + 2 % or 12 %, whichever is lower. At present it will be 12 %.

**Q.30. Whether banks will be organizing Account Opening Camps in future also?**

**Ans.** Yes. Nationalised banks have been asked to organize camps on all Saturdays from 8.00 AM to 8.00 PM. Banks can hold additional camps on other days also.

**Q.31. If I have required papers for issuance of Aadhaar Card, can I get Aadhaar Card in Bank and open my account under PMJDY simultaneously?**

**Ans.** Aadhaar Registration may be got done in Camps organized by UIDAI. In account opening camps also, endeavour is to make Aadhaar Registration Counter available.

**Q.32. Do you have to pay some fee to open a Bank account under PMJDY?**

**Ans.** No. There is absolutely no charge / fee for opening an account under PMJDY.

**Q.33. Can a minor (below 18 years of age) can open an account under PMJDY?**

**Ans.** A minor of above the age of 10 years can open his / her Savings Bank account in any bank.

**Q.34. Who is Business Correspondent Agent / Bank Mitra and what is their role in PMJDY?**

**Ans.** Business Correspondent Agents (Bank Mitra) are retail agents engaged by banks for providing banking services at locations where opening of a brick and mortar branch / ATM is not viable. Scope of activities of Business Correspondents / Bank Mitra are as under:

- a) Creating Awareness about savings and other products and education and advice on managing money and debt counseling.
- b) Identification of potential customers.
- c) Collection and preliminary processing of various forms for deposits including verification of primary information /data.
- d) Filling of applications / account opening forms
- e) Collection and payment of small value deposits and withdrawals.
- f) Receipt and delivery of small value remittances / other payment instructions.
- g) Furnishing of mini account statements and other account information.
- h) Any other service on behalf of the Bank, duly authorized by the appropriate authority etc.

**Q.35. How Bank Mitr helps us to use Banking Services ?**

**Ans.** Bank Mitr represent the bank concerned and enable a bank to expand its outreach and offer limited range of banking services at low cost, particularly where setting up a brick and mortar branch is not viable. Bank Mitr, as agent of the Bank, thus are an integral part of the business strategy for achieving greater financial inclusion.

**Q.36. Who can be Bank Mitr ?**

**Ans.** Banks have been permitted to engage individuals / entities as Business Correspondent (Bank Mitr) like (i) Retired Bank Employees (ii) Retired Teachers (iii) Retired Govt. Employees (iv) Ex-Servicemen (v) Individual owners of kirana / medical/ fair price shops, individual Public Call Office (PCO) operators, Agents of Small Savings Scheme of Government of India / Insurance Companies, „for profit“ companies registered under the Indian Companies Act. Since 24.06.2014, RBI has permitted Non Deposit taking NBFCs as BCs in addition to above.

**Q.37. Can I get my PMJDY account transferred to other City / State upon my transfer posting to other States?**

**Ans.** All banks participating in PMJDY are on CBS (Core Banking Solution) platform and the account can easily be transferred to any branch of the bank in any city/town as per the request of the account-holder.

**Q.38. What is USSD based transaction and how to use it ?**

**Ans.** USSD is abbreviated form of “Unstructured Supplementary Service Data”. USSD based Mobile Banking offers basic Banking facilities like Money Transfer, Bill Payments, Balance Enquiries, Merchant Payments etc. on a simple GSM based Mobile Phone, without the need to download application on a Phone as required at present in the Immediate Payment Service (IMPS) based Mobile

Banking. Transactions can be performed on basic phone handsets. The user needs to approach his bank and get his mobile number registered. The bank will issue an MPIN (Mobile PIN) to the user. The user thereafter needs to dial \*99# and the menu for using USSD opens. Thereafter customer has to follow selections on the menu to complete the transaction. Charges as applicable by the Telecom Operator (not more than Rs.1.50 per transaction as mandated by TRAI) may be applicable.

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