

Jan Dhan Account Balances Show Slight Dip as Account Numbers Grow



Deposits in India's flagship financial inclusion program, the Pradhan Mantri Jan Dhan Yojana (PMJDY), have seen a marginal moderation, even as the total number of accounts continues to rise. The latest official data reveals that the total balance in these no-frills accounts stood at ₹2.62 lakh crore as of July 23, a slight decrease from the all-time high of ₹2.63 lakh crore recorded on April 9.

The data, released by the government, also showed a modest dip in the average balance per account, which fell to ₹4,680 from ₹4,760 in the same period. Despite this, the overall number of PMJDY accounts has continued its upward trajectory, increasing to 559.8 million as of July 23, up from 552.8 million on April 9. This growth reflects the ongoing expansion of the program, which was launched on August 28, 2014, with the goal of providing every unbanked household with a basic bank account.

As the PMJDY approaches its 10th anniversary, banks are intensifying efforts to ensure that account holders update their Know Your Customer (KYC) details. This push for compliance is aimed at modernizing the accounts and strengthening the banking system. The Prime Minister has publicly urged account holders to participate in these KYC drives, which have been organized in thousands of villages and towns across the country.

The PMJDY has been a pivotal tool in India's financial landscape, not only for bringing millions into the formal banking system but also for serving as a crucial channel for government welfare benefits. The "JAM Trinity", Jan Dhan, Aadhaar, and Mobile, has been instrumental in enabling

direct benefit transfers (DBTs), particularly during the COVID-19 pandemic, and has been credited with reducing leakages in government spending. The scheme offers a host of features, including a zero-balance account, an overdraft facility of up to ₹10,000, and a free RuPay debit card with an inbuilt accident insurance cover.