# PSBs shut 1.5 mn inoperative Jan Dhan accounts in one-time exercise in April

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## Lying idle

**560.3 mn**
Total PMJDY accounts by July-end

**130 mn**
Inoperative accounts

23%

## Top 3 states with inoperative accounts (in mn)

| | |
|---|---|
| Uttar Pradesh | 27.5 |
| Bihar | 13.9 |
| Madhya Pradesh | 10.7 |

Source: Lok Sabha reply

Public-sector banks (PSBs) closed approximately 1.5 million inoperative zero-balance accounts under Pradhan Mantri Jan Dhan Yojana (PMJDY) in April this year as a one-time measure. The step was taken to weed out duplicate and non-functional accounts, according to a senior government official.

The scheme was launched by Prime Minister Narendra Modi in August 2014 as a financial inclusion programme to provide access to banking services to a vast unbanked population.

Of 560.3 million PMJDY accounts at the end ofJuly,130.4 million (23 per cent) were inoperative ones, Minister of State for Finance Pankaj Chaudhary said in a written reply in the Lok Sabha. Uttar Pradesh has the highest number of inoperative Jan Dhan accounts at 27.5 million, followed by Bihar at 13.9 million and Madhya Pradesh at 10.7 million, Chaudhary said.

According to Reserve Bank of India (RBI) guidelines, a savings account should be treated as inoperative/dormant if there are no transactions in the account for over a period of two years.

As the scheme completed 11 years on August 28, the finance ministry in a statement said banks are making efforts to reduce inoperative accounts under PMJDY by contacting account holders. "Since the launch of the campaign on July 1, a total of 177,102 camps have been conducted across various districts to facilitate beneficiary enrolment under key schemes and promote financial literacy," the ministry said in a statement.

An email query sent to the finance ministry on August 28 remained unanswered till the time of going to the press.

In July, a World Bank report titled, "Global Findex 2025", said over a third of bank account holders in India were no longer using the banking facilities and had inactive accounts. It cited Jan Dhan accounts as one of the likely reasons for the country's high share of account inactivity.

"One reason for India's high share of account inactivity may be that many of these accounts were opened as part of the Indian government's Jan Dhan Yojana to increase account ownership," the report said.

Lokanath Panda of BLS E-Services, a leading technology-enabled digital service provider offering Business Correspondent services to major banks in India, said that multiple factors contribute to PMJDY accounts becoming inoperative.

"In some cases, people open accounts in their villages but later migrate elsewhere for work, leaving those accounts unused or transferring their banking relationship to another bank. Age profile is another factor — when individuals stop earning, their accounts often become inactive. We're also identifying and cleaning up duplicate accounts through multiple drives carried out in coordination with banks," said Panda.