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Study on the challenges and effects of the Jan Dhan Aadhar Mobile Scheme

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Abstract: *This paper aims to address the various challenges faced by the Government, banks and the beneficiaries as implementors and receivers of the Jan Dhan Aadhar Mobile Trinity, a technological extension of the socio-economic scheme Pradhan Mantri Jan Dhan Yojana (PMJDY). This research paper is based on secondary data with sources such as research articles by various authors, Government archives, newspaper articles and television interviews of Government officials and beneficiaries. The challenges pertain to technology, unskilled professionals, lack of proper infrastructure, poor penetration by banks, frauds and impersonation by the people, verification and identification by the Direct Benefits Transfer (DBT) system, Biometric system, slow spread of financial literacy and misuse of the Jan Dhan accounts. It also addresses the various challenges that the Government and banks face while implementing the Jan Dhan Aadhar Mobile Trinity, whose motive is to not only improve the financial status of the underserved sections of the society but also gain their trust with a promise to offer better services with efficiency and on time.*

Key Words: *Jan Dhan Aayojana Mobile, challenges, beneficiaries, financial literacy, Aadhar, Pradhan Mantri Jan Dhan Aayojana, Direct Benefits Transfer, financial inclusion, JAM.*

1. INTRODUCTION:

The Jan Dhan Ayojana was launched on 28th August 2014, with an aim to provide basic financial services such as opening of bank accounts, transferring money without any hassle across India, providing remittances, credit, insurance and pension to the underserved and underprivileged sections of the society using technology. The aim of this scheme is to bring in financial inclusiveness and eliminate poverty to a greater extent.

The Jan Dhan Aadhar Mobile (JAM) trinity comprises of three components: Jan Dhan bank account, unique Aadhar number and a mobile phone. This combination has helped pave a way for the Government to directly transfer, at a large scale, the benefits of the Pradhan Mantri Jan Dhan Yojana (PMJDY), without involving intermediaries, thereby reducing any leakages in the system.

The Direct Benefit Transfer (DBT) system was started in 2013, with the aim of transforming the Government delivery system of subsidies and funds to the targeted beneficiaries in a simple, efficient and transparent manner and also reduce de-duplication and frauds, thereby instilling confidence in every citizen of the country about the Government welfare schemes. The DBT system was moved to an electronic platform to reduce any delay in delivering subsidiaries/funds to the beneficiaries.

The DBT mission includes all welfare/subsidy schemes promoted by various Ministries of the Government of India. The welfare/subsidy schemes can be broadly categorized into two: Cash transfer and In-kind. Cash transfer transactions are made to individual beneficiaries through their Aadhar-linked Bank accounts. The transactions can also happen through different routes such as State Treasury account transfer, appointed implementing agencies or through the State and/or Central Governments. The In-kind category includes distribution of material goods such as books, food stuff, medicines, gas cylinders, electricity, fertilizers, etc to individual beneficiaries at a subsidized rate or for free from the Government, which may be distributed through agencies, who incur the costs temporarily and are later reimbursed by the Government. Other modes of DBT are through NGOs, community workers, honorarium and incentives.

The process of banking the unbanked through the Jan Dhan Aadhar Mobile trinity occurs in the following steps:

- Identifying the right beneficiaries and creating a digital database.
- Generate Aadhar numbers for the beneficiaries.
- Open bank accounts for the beneficiaries using their Aadhar.
- Linking Aadhar, bank accounts and mobile of the beneficiaries.
- Delivery of subsidies/cash with the help of payment banks/ Banking correspondents and Public Distribution System or Fair Price Shops (FPS).

The Aadhar number, which is unique to every individual citizen of India, is generated by the Unique Identification Authority of India (UIDAI). This unique number is a way to distinguish every citizen and collects data such as age, gender, address, fingerprints, retina scan, Father/ Spouse's name and primarily serves as a unique identity proof, thereby making it easier to deliver subsidies to the right beneficiary and not involving any middlemen. The Banking correspondents or Bank Mitras, as they are called, help deliver the banking services, which includes micro-ATMs, to the beneficiaries at their doorstep, with no extra charge and without any delay. Many Banking correspondents have been appointed since the implementation of the JAM trinity, especially in the rural areas where the number of bank branches are minimum. The payments bank system was started with the aim of widening the spread of financial services to low-income households, migrant laborers and small businesses. They help carry out remittances and cash transfers through a mobile phone but do not lend loans/credit. Payments banks have not only helped reduce the credit risk but also help to carry out basic financial services with ease and in reduced time. These units of the Jan Dhan Aadhar Mobile scheme predominantly rely on technology and helps to impart the necessary financial services and subsidies on time and into the right hands.

This paper aims to review what challenges the Jan Dhan Aadhar Mobile (JAM) trinity faces in the already existing situation of poverty in India with the help of technology and UIDAI and also the challenges faced by the banks and the public with using technology to receive necessary financial services and subsidies.

2. LITERATURE REVIEW:

Financial inclusion is no longer overseen, it has now become an essential part of every decision made by policy makers all over the world. A study (**Singh Chowhan & Pande, 2014)** shows that financial exclusion could be directly correlated to poverty. The Prime Minister of India, Shri. Narendra Modi launched a new a scheme called *Pradhan Mantri Jan Dhan Yojana,* under the National Mission on Financial Inclusion, to instil a saving habit in the vulnerable sections of the society by using various banking products and services that are part of the scheme. This would not only help to boost the severed economy of our developing country, but also prevent the underserved population to be exploited by the informal credit lenders. The goals of financial inclusion as defined by the United Nations include having access to a range of financial services, to all households at an affordable cost. These must include deposits, sound payment and transfer systems, credit and insurance. It insists on setting up of safe and sound institutions that are governed by appropriate regulations that meet industry standards, sustainable enough to ensure consistent investment and function according to the needs of the underprivileged. Several countries have taken similar measures to bring about financial inclusion as a need in their respective economic policies. The United States of America passed the *Community Reinvestment Act (1997),* which urges banks to offer financial services, including credit, to all walks of life. France in 1998, put into effect the *Law of Exclusion,* that it was every individual's right to possess a bank account. The United Kingdom set up a task force in 2005, *'The Financial Inclusion Task Force',* to monitor the development of financial inclusion in the country. In Germany, the German Banker's Association made it a mandate in 1996, to open current banking accounts to any individual to carry out basic transactions. The South African Banking Association introduced low cost accounts called '*Mzansi'* in 2005 to include the financially excluded sections of the society. **(Sarma & Pais, 2008).**

The PJDMY scheme fulfils the requirements put forward by the United Nations. This scheme also includes the subsidies provided by the Government to the rightful beneficiaries, which is carried out by the Direct Benefits Transfer system with the use of technology. To receive the benefits under the PMJDY scheme, one must possess the Aadhar card **(Sen, 2019),** which is an identification card, that serves as an identification proof, so as to reduce leakages in the benefits transfer system and helps the intended recipients, receive their subsidies. **(Samant, 2017)** The delivery of subsidies at the point of sale aided by the use of biometric systems, help prevent frauds or duplications. Financial services such as deposits, pension, insurance, scholarships, etc. can also be availed by a similar manner, by linking the Aadhar number to the bank accounts and mobile numbers, so as to receive these payments directly and not be duped by middlemen. The triad of these components: Aadhar number, bank accounts and mobile numbers, was termed the JAM trinity and was coined by Mr. Arvind Subramaniam, Chief Economic Advisor. This direct transfer system has helped beneficiaries to receive their due amounts in full as cash or in their accounts.

This scheme has proven to be more successful than the other schemes introduced in the country. **(Awasthi, 2015)** A comparison has been drawn between PJMDY and other schemes introduced by the Government of India over the years. *Swabhimaan* was launched in February 2011, with the same objectives as PMJDY, but failed due to the need of multiple documents that the underserved sections of the society did not possess, or the documentation process took longer than estimated. The *Kisan Credit Card Scheme* offers adequate and timely credit to farmers through the banking system for various farming activities such as buying of seeds, fertilizers, cultivation of crops, post-harvest expenses, purchase and maintenance of farm assets, such as tractors, motor pumps, land, and activities allied to agriculture like fisheries, dairy and farm activities; household requirements of the farmer and produce marketing loans. KCC holders are eligible to receive accidental and permanent disability insurance cover for an amount not exceeding Rs. 50000 and

Rs. 25000, respectively. The KCC scheme holds valid for a period of 5 years, after which it has to be renewed again. There exists a processing fee for loans beyond Rs. 3 Lakhs, post documentation. This proves that JAM scheme helps the vulnerable sections of the society to be included financially without any extravagant cost, with one document and possession of a mobile phone. The PJMDY scheme was implemented in two phases. The first phase includes opening if Jan Dhan accounts in inaccessible areas of the country and providing accidental insurance of Rs. 1 Lakh along with a RuPay Debit Card and setting up of financial literacy camps. The second phase includes seeding the Jan Dhan accounts with the Aadhar numbers, providing overdraft facilities, implementing pension scheme for the unorganized sectors and Financial Inclusion Funds and Financial Inclusion Technology Funds by NABARD **(Kumar, 2015).**
According to the **(Economic Survey, 2015)**, the use of internet with JAM scheme have proved to be useful in tapping the remote areas of the country, thereby bringing about a greater number of citizens under the PMJDY scheme. The use of technology has reduced the leakages in the benefits transfer system and the beneficiaries do not have to pay a fee to obtain what is rightfully theirs. Money to relatives living across the country can be easily transferred by the SMS facility provided by banks. **(Kumar & Venkatesha, 2014)** Easy access to pensions, schemes and scholarships through Electronic Banking Transfer (EBT). The creation of Credit Guarantee Fund that covers the defaults in payment of overdraft up to a sum of Rs. 5000 boosted the confidence amongst many to seek credit from the formal sector. The doorstep services provided by the Bank Mitras helped to gain the confidence of the poor. The need for financial literacy for the underprivileged was also taken care of by the State and Central Government, instructing the setting up of Common Kiosk Centre, that would assist the needy to avail their benefits. These regulations were implemented within 2 years of the launch of the scheme.

Just like other schemes, the PMJDY also faced their own challenges. There still exist many duplicate accounts made using various other identity proofs in different banks and with KYC documentation not been carried out properly, claims for insurance cover have taken place from the multiple accounts made by an individual. Furthermore, the illiterate beneficiaries are often duped in giving away their ATM pin numbers. According to research, proper infrastructures such as micro ATMs, computers, biometric scanners and internet connectivity are not available in rural remote areas to the Bank Mitras to carry out their duties. Moreover, these Bank Mitras are not efficient as they are not trained with precise skill and knowledge; this could also arise from poor pay and incentives. Overdraft facilities are yet to be regulated and many banks disagree to extend the time period of the same, defying the very aim of the scheme. Many business correspondents misuse their authority and often treat the poor badly. It was also seen that many accounts were inactive/ dormant, the reason being unknown. It was also seen that the public sector players were more as compared to private players (**Shettar, 2016).** Appropriate steps to resolve these issues are being taken and continuously monitored.

3. METHODOLOGY:

This paper was written to identify the challenges and issues that the banks, Government and people face post the implementation of the JAM trinity are data of which are secondary in nature. They consist of Government publications, research articles published in peer reviewed Journals and those available on websites and interviews of officials and beneficiaries by renowned news channels.

3.1 FINANCIAL INCLUSION

Financial Inclusion is a concept that involves providing financial services and banking the rural population of the country. This concept aims to implement financial inclusion in a transparent, effective and most importantly cost-effective manner. Most of the low-income households have trouble saving money and often borrow resort to informal sectors of lending. This leads to a huge addition of interest to the existing loan amount borrowed, pushing them deeper into poverty. There are several benefits to bringing an all-inclusive financial system. It helps to apportion the available resources and try and reduce the cost of capital to a major extent. Moreover, the habit of saving is informal as well. Most of the households do not possess a bank account and hence, do not receive any security or interest on their savings. This system can inculcate the habit of saving and managing their everyday finances better. The Government of India had introduced various schemes over the years to bank the unbanked population. But the most recent and successful program launched in the year 2014, by the Government of India, with various inputs from Dr. Rangarajan's Committee, have launched a scheme, *Pradhan Mantri Jan Dhan Yojana (PMJDY),* to bank the unbanked, protect the underserved from further exploitation and prevent the involvement of middlemen in the Public Distribution System.

3.2 PRADHAN MANTRI JAN DHAN YOJANA

The *Pradhan Mantri Jan Dhan Yojana (PMJDY*, launched on 28th August 2014, by the Prime Minister of India, Shri. Narendra Modi. This scheme is considered as a socio-economic welfare scheme to uplift the financial status of the neglected sections of the society. The scheme aims to overcome the financial challenges faced by the underserved population such as high rates of interest on loans charged by informal lenders, absence of insurance cover, leakages in the public distribution system that covers distribution of various subsidies and welfare schemes , either in kind or through cash, respectively. The need to digitalize the payments transfer system was soon recognized when the beneficiaries were starved of the various Government subsidies, they were eligible for. It involves the unique-identification card, Aadhar, which is the only document required to set up bank accounts with zero balance. The scheme was implemented in two phases.

The first phase was launched on 15th August 2014 and ended on 14th August 2015. This phase concentrated on opening a basic bank account with zero balance and providing an overdraft facility up to Rs. 5000, if the bank account is operated actively for 6 months. The Government had also set up infrastructures that would help carry out basic banking activities with the help of Banking Correspondents or Bank Mitras. Further, various welfare schemes were brought under the Direct Benefits Transfer (DBT), were to be received through the Jan Dhan bank accounts. The Kisan Credit card scheme was also established, and the farmers were provided with RuPay Kisan cards. Basic banking includes RuPay debit cards incorporated with inbuilt accidental insurance of Rs. 1 Lakh. Financial Literacy programmes were set up in every village, to educate the rural population of the benefits of opening a savings account and to understand the benefits of the scheme.

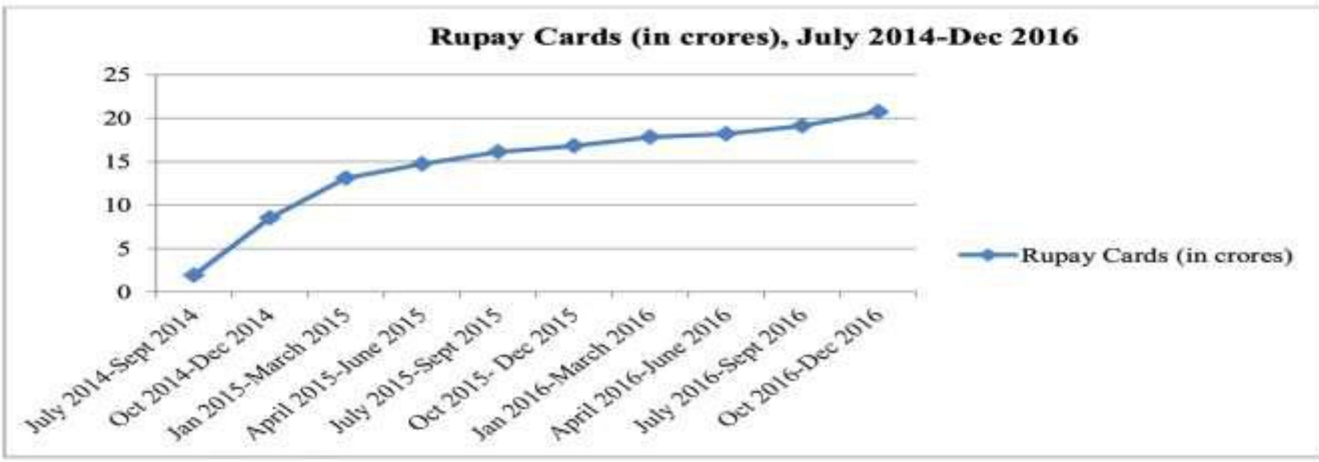
The second phase commenced on 15th August 2015 and ended on 14th August 2018. In this phase, the scheme faced an expansion to over 7.5 Crore households from various regions including the tribal population and students. Dormant accounts were reactivated and Credit Guarantee Fund as created to cover the defaults in their loans with an overdraft limit up to Rs. 5000. Micro insurance was newly introduced to the people as well. A new welfare scheme such as *Swavalamban*, was proposed to cover and provide for those who work in the unorganized sector. Further, cheque books, pass books, debit cards for E-commerce transactions and financial literacy kits were to be distributed to the beneficiaries. The existing plan to start mobile banking by which one could check their account information, transactions and balance was executed by the National Payments Corporation of India (NPCI) not only to smart phones but regular mobile phones as well. Various incentives such as providing an insurance cover of up to Rs. 30,000, provided by Life Insurance Corporation, if accounts were opened on or before January 2015, availing additional loans up to Rs. 15,000 to those who repay the loans on time, and attractive interests on deposits to account holders. These benefits showed an increase in the number of Jan Dhan accounts but also the spread of financial literacy across the country.

TABLE 1: NUMBER OF ACCOUNTS OPENED UNDER PMJDY AS ON 31ST MAY 2015

	No of Accounts opened under PMJDY as on 31.01.2015 (Summary)				
	Rural	Urban	No Of Accounts	No Of Rupay Debit Card	Balance In Accounts(In Lacs)
Public Sector Bank	53300249	45147276	98447525	91232024	817463.04
Rural Regional Bank	18489448	3297833	21787281	14967614	159948.08
Private Banks	3226397	2012086	5238483	4593161	72551.50
Grand Total	75016094	50457195	125473289	110792799	1049962.62

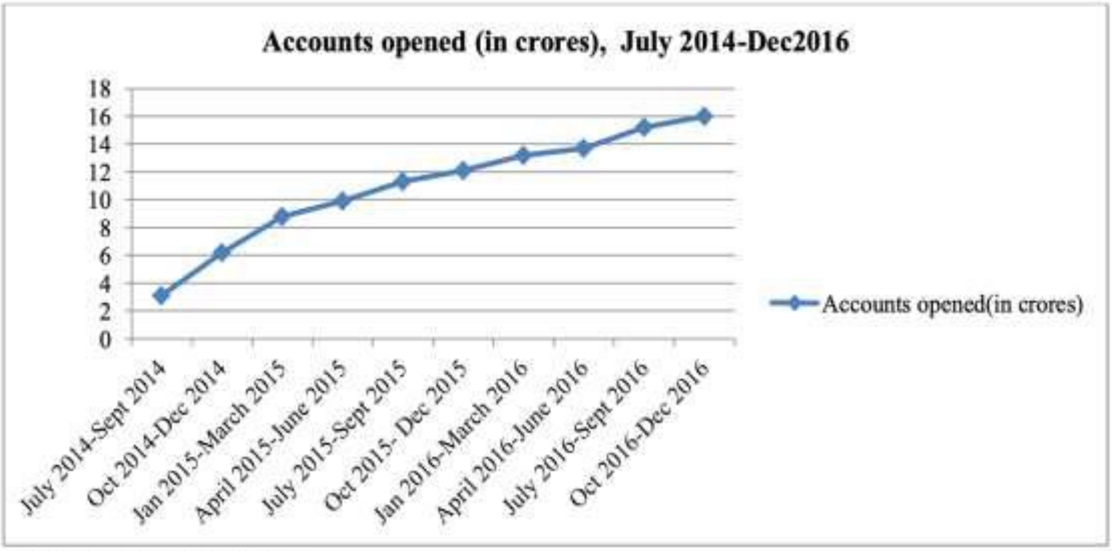
Source: pmjdy.gov.in

FIGURE 1: NUMBER OF JAN DHAN ACCOUNTS OPENED BETWEEN 2014-2016



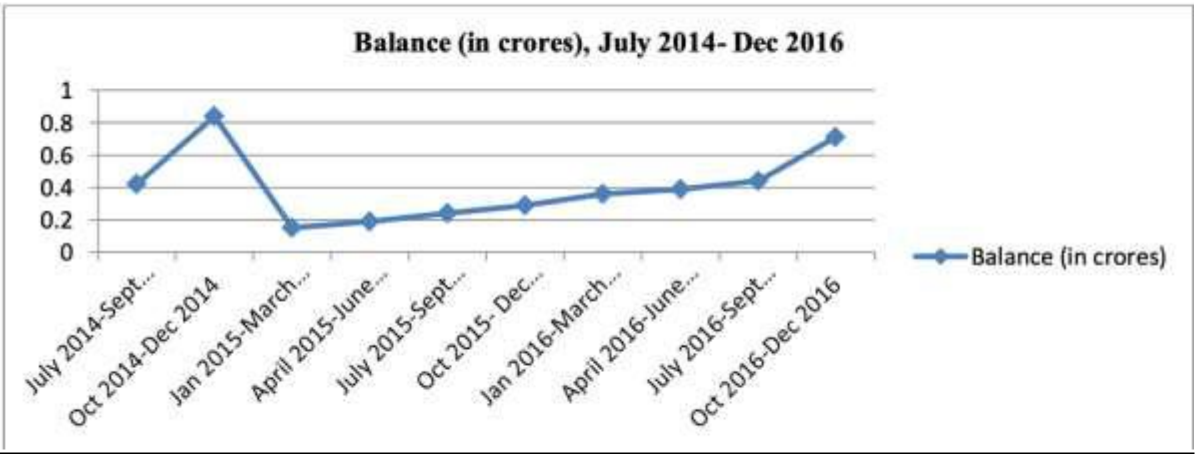
Source: www.pmjdy.gov.in

FIGURE 2: NUMBER OF RUPAY CARDS ISSUED BETWEEN 2014-2016



Source: www.pmjdy.gov.in

<u>FIGURE 3:</u> BALANCE AMOUNT IN JAN DHAN ACCOUNTS BETWEEN 2014-2016



<u>Source:</u> www.pmjdy.gov.in

From Table 1, we can observe the surge in the number of Jan Dhan accounts opened over a period of two years (2014-2016), showing the acceptance and adoption of the new scheme introduced. From Figure 1, we can observe that the beneficiaries are willing to use debit cards and are continuing to use it. Newer members too are accepting to use the Rupay debit cards. Although, there was a dip in the maintenance of the balance in the accounts (Figure 3), after the introduction of incentives in the second phase, the balance in the Jan Dhan accounts have increased.

3.3 JAN DHAN AADHAR MOBILE TRINITY

The new scheme associated with *Pradhan Mantri Jan Dhan Yojana (PMJDY),* Jan Dhan Aadhar Mobile (JAM), initiated by the Government of India, with an intention to reduce the delay in payment to the beneficiaries eligible under the various Government welfare schemes, using real-time technology based payments system and incorporating technology with the public distribution system, now known as the Direct Benefit Transfer system (DBT). The integration of these with the no-frills bank accounts opened with the unique identity proof, Aadhar card. This scheme helps the neglected sections of the society develop the habit of saving and parking their savings safely and helps them earn interest on the same. It provides them with insurance cover, credit and obtain their pensions, scholarships, and other payments and delivery of subsidies with no involvement of middlemen and carried out at the touch of their fingers within minutes. This scheme has also helped reduce the leakages in the Direct Benefits System and also identify fake accounts and duplication to an extent.

The first phase of the scheme included 24 schemes sponsored by the Central Government and involved 43 districts between January 2013 to November 2014. This further expanded to 78 more districts in the second phase. Now, there are approximately 536 schemes sponsored by 65 ministries that come under the DBT and hence under the JAM scheme. Among these, the major schemes that are included under the DBT and implemented under the JAM trinity are

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the LPG subsidy scheme, PAHAL and the daily wage scheme, MGNREGA. By December 2016, the second phase successfully brought in 84 schemes from 17 ministries under this scheme. MGNREGA, PAHAL and pensions contribute to 99% of the total beneficiaries and 90% of the total amount involved in the DBT system. The technology-based JAM scheme has started to change the payments system and benefits transfer in terms of implementing a faster, efficient and hassle-free system and promote more cash transfers rather than in-kind transfers.

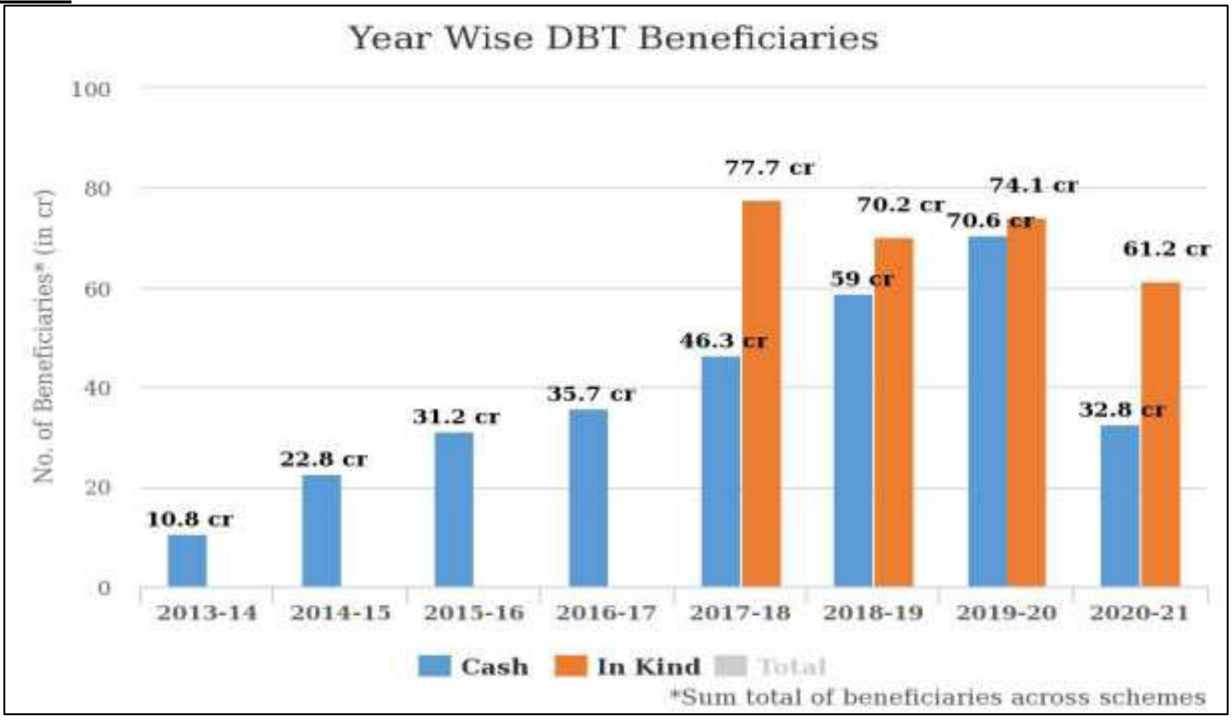
TABLE 2: DISBURSEMENT OF VARIOUS WELFARE SCHEMES THROUGH DBT FOR THE YEAR 2019-2020

Direct Benefit Transfer Details (FY-2020-21)

SNo.	Scheme Group Name	Total Direct Benefit Transfer (₹)	Total No. of Transactions
1	MGNREGS	51,97,02,23,878	3,86,31,520
2	NSAP	19,64,07,82,308	5,10,10,190
3	SCHOLARSHIP SCHEME	1,78,23,81,083	1,62,322
4	PMAYG	94,22,86,70,701	25,58,133
5	PDS	1,35,42,07,89,627	22,24,67,837
6	FERTILIZER	2,28,57,22,46,335	51,81,194
7	OTHERS	98,80,92,79,561	19,12,33,751
-	Grand Total	6,29,64,03,73,086	51,12,45,947

Source: Archives of Department of Direct Benefits Transfer (DBT)

FIGURE 4: YEAR-WISE DISTRIBUTION OF BENEFITS IN-KIND AND IN CASH TO BENEFICIARIES



Source: Archives of Department of Direct Benefits Transfer (DBT)

The transfer of benefits can either be in cash or in-kind. The cash benefits majorly comprise of PAHAL (LPG), Mahatma Gandhi National Rural Employment Scheme (MGNREGS), National Social Assistance Programme (NSAP), various scholarship schemes, Pradhan Mantri Adarsh Gram Yojana (PMAGY), pensions and some other welfare schemes. The in-kind subsidies include those distributed from the Public Distribution System, PAHAL, Fertilizer schemes and similar such schemes. From Figure 4, depicts the number of beneficiaries benefiting from the DBT system. We can observe that the in-kind benefits are distributed more than cash benefits. One benefit of in-kind benefits is that

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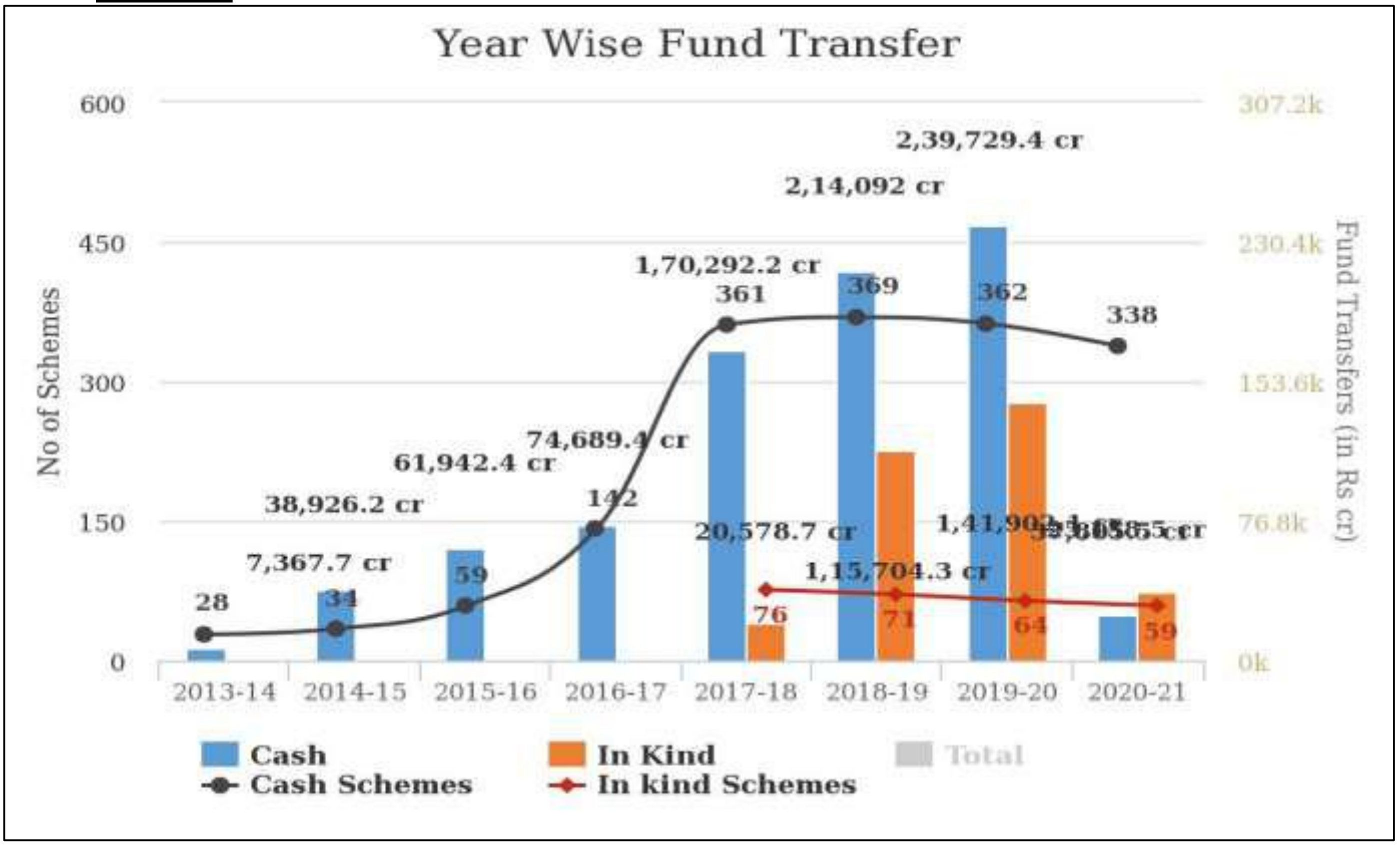
basic necessities such as groceries, pulses, rice, wheat, cooking oil and kerosene are distributed through the Fair Price Shops at subsidised rates or given for free. This draws the attention of the underserves sections of the society to enlist themselves under the PMJDY scheme, thereby reducing poverty and hunger in the country. The number of beneficiaries who are to receive the benefits in cash are more than those for in-kind. Therefore, the Direct Benefits Transfer system has proven to be efficient to transfer the varying amounts to the accounts of the beneficiaries without any hassle, at the time of need and without any delay.

FIGURE 5: YEAR WISE FUND TRANSFER OF VARIOUS SCHEMES TO BENEFICIARIES



Source: Archives of Department of Direct Benefits Transfer (DBT)

Figure 5 depicts the amount of money allotted by the Government on various welfare schemes. Here, again we can see that the number of cash and in-kind schemes have shown an increasing trend, which means that every year, many new schemes have been introduced by the Government for the welfare of the poor and needy. Since financial year 2019-2020, some schemes have either been merged or removed, and hence the decreasing trend. There is a vast difference in the number of cash schemes and in-kind schemes as well. The amount allocated and spent for these types of welfare schemes are different too. The financial year 2020-2021, faces a major pandemic, COVID-19, which has put the rural, underprivileged and all the other beneficiaries through a tough time. The Government has disbursed various amounts of money ranging from Rs. 200 to Rs.500, to the unemployed, daily wage workers, rural women, disabled, widowed and the senior citizens in need, through their Jan Dhan accounts. Halfway through the year and the Government has already spent almost Rs. 25000 crores on cash-based schemes, this has been implemented to the most extent via DBT, and Rs. 37000 crores on in-kind schemes.

3.4 BANKS AND JAM SCHEME

Banks play a major role in the Pradhan Mantri Jan Dhan Yojana scheme, without whom the deposits would have nowhere to be parked. The launch of the scheme has helped various banks attract customers from all walks of life. This showed an increase in the number of accounts, new customers and an increased level of lending. Most preferred banks by the rural poor and the underserved are the Public sector and the regional rural banks. Major reason of being a preference could be the ease of handling customers, the low maintenance fee and interest on deposits. Although, private sector and foreign banks are still an option, their expertise of service do not bode well with the target audience of the PMJDY scheme. Moreover, the foreign and private banks have high operational fees and require higher profits and deposits to keep their business running.

TABLE 3: SECTOR WISE DISTRIBUTION OF JAN DHAN ACCOUNTS (IN LAKHS) IN BANKS - PHASE-1

	No of Accounts opened under PMJDY as on 31.01.2015 (Summary)				
	Rural	Urban	No Of Accounts	No Of Rupay Debit Card	Balance In Accounts(In Lacs)
Public Sector Bank	53300249	45147276	98447525	91232024	817463.04
Rural Regional Bank	18489448	3297833	21787281	14967614	159948.08
Private Banks	3226397	2012086	5238483	4593161	72551.50
Grand Total	75016094	50457195	125473289	110792799	1049962.62

Source: www.pmjdy.gov.in

From Table 3, we can observe that Public Sector and Regional Rural banks were the most preferred banks for the underserved sections of the society to open their Jan Dhan Accounts in the first phase of the PMJDY wave. Private banks too have opened Jan Dhan accounts but far lesser in number.

TABLE 4: DISTRIBUTION OF JAN DHAN ACCOUNTS (IN CRORES) IN BANKS (SECTOR WISE) AS OF JULY 2020

Bank Name / Type	Number of Beneficiaries at rural/semiurban centre bank branches	Number of Beneficiaries at urban metro centre bank branches	No Of Rural-Urban Female Beneficiaries	Number of Total Beneficiaries	Deposits in Accounts(In Crore)	Number of Rupay Debit Cards issued to beneficiaries
Public Sector Banks	18.66	13.11	17.36	31.77	101021.73	25.29
Regional Rural Banks	6.13	0.89	4.05	7.02	25560.08	3.20
Private Sector Banks	0.69	0.57	0.68	1.26	3965.74	1.15
Grand Total	**25.47**	**14.58**	**22.08**	**40.05**	**130547.55**	**29.64**

Source: www.pmjdy.gov.in

From Table 4, we can observe that the number of Jan Dhan accounts opened in Private banks have reduced drastically since the launch of the PJMDY scheme. Private and Regional Rural banks show a steep increase of new accounts.

4. ISSUES AND CHALLENGES

The Pradhan Mantri Jan Dhan Yojana (PMJDY) scheme was launched successfully by the Prime Minister of India, Shri. Narendra Modi, with great pomp and grandeur at the Red Fort in August 2014. It takes the efforts of three entities for the successful implementation of the scheme- the Government, the banks and the beneficiaries. The Government must be able to identify the right beneficiaries, the banks must be able to help transfer the money to the beneficiaries and the beneficiaries must be able to access the money easily and at the time of need. Even if any one of the three entities fail to carry out their duties, the implementation of the scheme may become difficult. Apart from these three main entities, we have the Direct Benefits Transfer system and the telecommunication companies who play minor but important roles in the execution of the schemes. The Government provided data is the most important catalyst for the DBT to serve the beneficiaries. The telecommunication companies help connect the people to the banks via providing good connectivity so the beneficiaries can access their bank accounts via the internet or SMS facility. There have been challenges in every step of implementing the scheme and the gap between the beneficiaries and the banks is being bridged by the Government. In the world of technological advancement, the population need to adapt to these changes and gain benefits associated with them, which brought about the launch of the Jan Dhan Aadhar Mobile Scheme. The challenges faced by the different entities are addressed further.

4.1 THE GOVERNMENT & BENEFICIARY EQUATION:

The link between the Government and the beneficiaries is the basis for the creation of the scheme. The Government is nothing without its people, and without people there is no economy. In order to gain the support and trust of the people, they need to address the issues faced by the people and provide possible solutions, that are neither complicated nor expensive, for both the Government and the beneficiaries. The first and the biggest challenge faced by the Government is to bring aboard the population to trust the scheme and make them understand possible benefits they are about to receive. India is a conservative country and was not a financially literate country back in 2014. Naturally, the people were hesitant to trust their money with the Government and with the banks. Many of them leaped and took the big step. This scheme not only helped the Government with opening bank accounts but helped increase the number of people to enrol themselves with the unique identification system, Aadhar. The Government's motive to associate the Aadhar card and technology with the bank accounts was to prevent leakages and exploitation of the needy. The accuracy and credibility of the previous databases may have been impeded by staff of the administrative department or by influences of political pressure. To bring about a change and improve the credibility, a digital database was created. Creation of "ghost" and duplicate accounts led to the obstruction in the flow of welfare aids to the poor and rather into the pockets of the rich. This was not only leading to a fiscal loss, but the poor were deprived of basic necessities.

4.2 EQUATION BETWEEN THE GOVERNMENT AND THE BANK:

The banks play a major role in the transfer of money from the Government to the identified and verified beneficiaries. The penetration of banks in the city and towns are quite high but poor in the rural areas. This is another major challenge the scheme faced in terms of implementation. Most of the beneficiaries are from the rural areas and need to be banked so as to make then financially independent from money lenders and receive the necessary subsidies. The youth and especially girl children need to be educated and their scholarships and pension for the old need to reach them on time. The delivery of their basic necessities and fertilisers may be obstructed. Moreover, if the shift in the banking methods have occurred in cities and towns, the wages given by the industries they may be working for, may be inaccessible unless they have a bank account. Although, the situation has improved since the advent of the scheme, there are still many who are unbanked. The Government need to take the required measures to further setup and appoint skilled staff in the Public sector (most preferred) and Regional Rural banks to make banking services accessible to the rural poor. This not only helps in the revival of the Regional Rural banks but also caters to the need of banks in areas that are not being ventured into by Public and Private sector banks.

4.3. EQUATION BETWEEN THE BANK AND THE BENEFICIARY:

Despite the setting up of banks there were still some challenges that needed to be overcome by the Government and the banks. Poor motorable roads to reach the banks, that are often few in number and stationed at far off places make it difficult for the people to access banking services. Operational hours of the banks make it hard for daily wage workers to gain access to their money and taking time out could mean loss of wages for the day. Agricultural and other farm owners often require money to pay to the distributors or purchase necessities and may often not receive timely access to their savings. Attitude and behaviour of the bank staff may also abstain the poor to go to banks and hence may stop depositing their money, which in turn leads to dormant accounts and/or lead to impersonating by frauds and taking advantage of the situation. Additionally, understanding the various products and services provided by the bank and getting accustomed to them is a hurdle for those who are not literate. Technology, which is not easy to understand, is also a barrier that many of the beneficiaries face. The banks too face difficulties such as disbursement of cash without identification, signatures no tallying, reactivation of dormant accounts and infrastructure and connectivity issues.

4.4. BIOMETRIC AND TECHNOLOGY:

The biometric system is a great way of recognising an individual and easy to track their details from the given Aadhar database. The idea of biometrics was to minimise the leakages and human interference and tampering. But when it comes to daily wage workers and farmers who use their bare hands to carry put various kind of odd jobs, their fingerprints do not scan on the machine and this is obstructs them from receiving their subsidies and benefits. Most of the farmers or workers do not always have their Aadhar cards with them and are usually far away from their homes, which makes it impossible to retrieve the card for acquiring their subsidies. The Fair Price Shops that have these biometric scanning machines are not liable as they have to follow a certain protocol. Most of the times, the shop owners know, from previous transactions, that the person is included under a particular scheme but are helpless as the system does not allow manual changes or acceptance without entering the Aadhar number or performing the biometric scan. Out of compassion grounds, the shop owners do give away the subsidies and do not account for them. But, in turn they suffer losses as they have no proof or account of the stock they have given away. Moreover, there are various connectivity and network issues that are to be encountered and overcome. Usually, these Fair Shop Prices are located in small areas where the connectivity of internet is slow or weak, hence, taking longer than usual to carry out transactions, eventually, making the lives of the beneficiaries miserable. Additionally, the servers on which the biometric run on are slow and maintained poorly. They need to be updated and checked on a regular basis to allow smooth flow of transactions.

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4.5. DUPLICATION, FRAUD AND IMPERSONATION:

Despite the fact that the Fair Price Shops require beneficiaries to present the Aadhar cards or scan their biometrics, there exist a certain number of people who dupe the illiterate, old and the gullible into giving in their Aadhar credentials to purchase/receive subsidies that they're not eligible for. Many fake accounts are made with either new and non-existent human beings or continuing to use the credentials of their deceased family members to receive subsidies. Hence, verification of Aadhar was planned and multiple frauds were found and curbed.

4.6. DEMONETIZATION:

When the Prime Minister had announced the withdrawal of high denomination notes, many were in a state of wary. The buzz seemed to continue when the RBI notified the country that there will be a certain withdrawal limit on Jan Dhan accounts. This notification was sent as a message to those who tried to park their illegal money in Jan Dhan accounts and get themselves to exempt taxes and prove their accounts to be legitimate. This came into light when there seemed to be a sudden surge in deposits in Jan Dhan accounts, which were meant for the marginal sections of the society and the number of 'zero balance' accounts dropped. Moreover, dormant accounts were activated, and all of these occurred post the announcement of demonetization. The misuse of Jan Dhan accounts by well-to-do citizens to park their unaccounted and illegitimate money was also a major hurdle to overcome.

4.7. OTHER IMPLEMENTATION CHALLENGES:

In a hurry to implement the scheme, many unskilled and poorly trained banking correspondents were hired to help ease the process of providing information and help carry out basic banking services to the marginal sections of the society. This created a situation of havoc and helplessness. Moreover, poor incentives were provided to the banking correspondents which did not certainly motivate them to work hard. The lack of proper infrastructure, connectivity and processing information were not provided. Poor coordination between the Central and State Government made it harder to implement the schemes on time and to the rural areas. This paved the way for many participants to lose interest and trust and slowly led to an increase in dormant/inactive accounts. Participation of the Private banks were very few in number and could have helped change the scenario. Additionally, increase in duplicate accounts and frauds made it difficult for the Government and the banks to keep a track of the actual number of beneficiaries. Poor attempt to spread financial literacy and digitalization among the underserved sections of the society have posed as one of the many challenges to be overcome for the Jan Dhan Aadhar Mobile Scheme.

5. CONCLUSION:

In order to help the poor and the underserved the Pradhan Mantri Jan Dhan Yojana was launched to provide banking services, welfare schemes and subsidies with minimal leakages and into the hands of the right beneficiaries. But there exist many challenges to be overcome step by step. In order to make transactions and provide faster banking services, the launch of Jan Dhan Aadhar Mobile scheme followed up soon. To bank the complete Indian population comes with challenges for some portion of our population are not only uneducated but are financially illiterate. The existence of middlemen, frauds and political controversies have not helped in the improvement of the implementation of the scheme. Moreover, the lack of proper infrastructure, skilled professionals and connectivity issues are being overcome at a slower rate but at a far better extent of improvement as it was when it had first been launched. The innocence of the underserved sections of the society and being technologically challenged have been exploited by frauds. Stealing of ATM pin numbers, giving away account numbers, misuse of debit card, etc are few of the fraudulent activities that have taken place. Additionally, the inability to read and write serves to be a primary barrier for the illiterate and uneducated beneficiaries, which makes it difficult for them to read and interpret SMS and handling kiosks of banks, that are the basic activities they are expected to carry out. More number of Bank Mitras are required to be employed to overcome these basic challenges and bridge the gaps that lead to the issues the beneficiaries face. Additionally, the setting up for financial literacy camps and provide a basic understanding of how the scheme is being implemented and information of banking practices that they can follow. continuous monitoring of the same will help the underprivileged to overcome these challenges and help improve the reach of the scheme which was earlier a hindrance and was a major cause to losing the confidence of beneficiaries with respect to the scheme. Loopholes are being fixed and stringent laws pertaining to the schemes and identities are being made. No scheme can be error-free, the further we take up initiatives to utilise the scheme and bringing it to the limelight, more will the Government understand our issues and take necessary steps to resolve them.

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