RIS Discussion Paper # 313

Financial Inclusion in India

Progress, Issues, and Policy Options

Pami Dua, Deepika Goel
Neeraj Kumar, Neha Verma

RIS
Research and Information System
for Developing Countries
विकासशील देशों की अनुसंधान एवं सूचना प्रणाली

DAKSHIN
Development and Knowledge Sharing Initiative
GLOBAL SOUTH CENTRE OF EXCELLENCE

AIC
ASEAN-India Centre at RIS

CMEC
Centre for Maritime Economy and Connectivity
समुद्री अर्थव्यवस्था व संयोजन केंद्र

FITM
Forum on Indian Traditional Medicine

RIS

Research and Information System for Developing Countries

विकासशील देशों की अनुसंधान एवं सूचना प्रणाली

RIS specialises in issues related to international economic development, trade, investment and technology. Through its following centres/forums, RIS promotes policy dialogue and coherence on regional and international economic issues.

The word "DAKSHIN" (दक्षिण) is of Sanskrit origin, meaning "South." The Hon'ble Prime Minister of India, Shri Narendra Modi, inaugurated DAKSHIN – Global South Centre of Excellence in November 2023. The initiative was inspired by the deliberations of Global South leaders during the Voice of the Global South Summits. DAKSHIN stands for Development and Knowledge Sharing Initiative. Hosted at the RIS, DAKSHIN has established linkages with leading think tanks and universities across the Global South and is building a dynamic network of scholars working on Global South issues.

AIC at RIS has been working to strengthen India's strategic partnership with ASEAN in its realisation of the ASEAN Community. AIC at RIS undertakes research, policy advocacy and regular networking activities with relevant organisations and think-tanks in India and ASEAN countries, with the aim of providing policy inputs, up-to-date information, data resources and sustained interaction, for strengthening ASEAN-India partnership.

CMEC has been established at RIS under the aegis of the Ministry of Ports, Shipping and Waterways (MoPS&W), Government of India. CMEC is a collaboration between RIS and Indian Ports Association (IPA). It has been mandated to act as an advisory/technological arm of MoPSW to provide the analytical support on policies and their implementation.

FITM is a joint initiative by the Ministry of Ayush and RIS. It has been established with the objective of undertaking policy research on economy, intellectual property rights (IPRs) trade, sustainability and international cooperation in traditional medicines. FITM provides analytical support to the Ministry of Ayush on policy and strategy responses on emerging national and global developments.

Continued on back inner cover

Financial Inclusion in India

Progress, Issues, and Policy Options

Pami Dua, Deepika Goel,
Neeraj Kumar, Neha Verma

RIS-DP # 313

October 2025

RIS Discussion Papers intend to disseminate preliminary findings of the research carried out within the framework of institute's work programme or related research. The feedback and comments may be directed to: Email: dgoffice@ris.org.in. RIS Discussion Papers are available at www.ris.org.in

Contents

Financial Inclusion in India
Progress, Issues, and Policy Options

Pami Dua,[1] Deepika Goel,[2] Neeraj Kumar,[3] Neha Verma[4]

1. Introduction

Financial inclusion refers to providing affordable and accessible banking and financial products and services to all individuals, particularly those who are unbanked or underserved. According to the Global Findex Database 2025, the proportion of adults worldwide with access to a financial account increased from 51 per cent in 2011 to 79 per cent in 2024. The role of financial inclusion in combating poverty, creating income-generating opportunities, and building financial resilience among the poor and marginalised groups by providing easy-to-access services and empowering financial independence is crucial for the inclusive growth of an economy. Thus, it has become a significant policy focus for achieving sustained and inclusive growth, especially in developing countries where economic development is hindered mainly by poverty, inequality, and financial vulnerability.

Financial inclusion can be seen as a key pillar supporting India's development strategy towards becoming Viksit Bharat by 2047. At this

[1] Pami Dua, Member, Economic Advisory Council to the Prime Minister and Senior Professor of Economics and Former Director, Delhi School of Economics, University of Delhi, Distinguished Fellow, Research and Information System for Developing Countries (RIS), New Delhi, dua@econdse.org; [2]Deepika Goel, Professor, Aryabhatta College, University of Delhi, New Delhi, India; deepika@aryabhattacollege.ac.in; [3]Neeraj Kumar, Joint Director, Department of Economic Affairs, Ministry of Finance, Government of India; neeraj@econdse.org; [4]Neha Verma, Associate Professor, Kirori Mal College, University of Delhi, Delhi, India; nverma@kmc.du.ac.in

Authors are grateful to Professor Sachin Kumar Sharma, Director General, RIS for his valuable guidence and support. They sincerely acknowledge the comments received on this paper. Views expressed are personal. Usual disclaimers apply.

pivotal juncture of development, India's financial inclusion policies have enabled financial resilience against global and domestic shocks. Traditional Financial Inclusion and Digital Financial Inclusion (DFI) have played a critical role in strengthening financial resilience during economic shocks caused by market disruptions, climate change-related fragilities, and social vulnerabilities.

Since 2014, India's financial inclusion strategy has centred on three guiding principles: banking the unbanked, funding the unfunded, and securing the unsecured. Flagship programs such as the Pradhan Mantri Jan Dhan Yojana (PMJDY) have proved to be instrumental in universalising access to banking services, while schemes like the Pradhan Mantri Suraksha Bima Yojana (PMSBY), Pradhan Mantri Fasal Bima Yojana (PMFBY), and Atal Pension Yojana (APY), have facilitated the access and affordability of insurance and pension products for all individuals in the economy. Other major schemes like Pradhan Mantri Mudra Yojana, Stand Up India Scheme, Credit Enhancement Guarantee Scheme (CEGS) for scheduled castes, have focused on promoting small businesses and empowering the demographic groups, including minorities, girl child, women, and elderly people.

The pioneering innovations in Digital Public Infrastructure (DPI) in India have unlocked the power of digital identity, digital payments, and data sharing, holding the promise to bridge the wealth gaps between formal and informal sectors and create a resilient economy.The opening and management of bank accounts have improved significantly through innovations such as enhanced internet connectivity, core banking systems, authentication methods, and encryption technologies. India's DPIs, such as the Unified Payments Interface (UPI) and Aadhaar, have provided low-cost and scalable solutions in bringing financial services to underserved populations. Rapid improvement in access to banking and digital transactions is one of the remarkable success stories of India. Digital financial inclusion reduces the dependence on cash-mode payments and helps weed out fake welfare scheme beneficiaries, thereby yielding efficiency gains. Moreover, increased transparency with digitalisation also lowers the transaction costs and strengthens public trust in the financial system. As highlighted in the World Bank's 2023 report on G20 policy recommendations, India has achieved a remarkable 80 per cent financial inclusion rate in just six years, utilising a robust digital payments infrastructure. Without the DPI-driven approach, achieving this milestone would have taken nearly 47 years.

According to the Global Findex database for 2025, account access by adults has considerably improved in India between 2011 and 2024. Additionally, there is significant growth in the number of adults saving at financial institutions and borrowing from formal sources. Notably, the gaps in financial access between the rich and the poor and between males and females have significantly reduced.

In order to better track financial inclusion and inform policy, the Reserve Bank of India launched the Financial Inclusion Index (FI-Index) in August 2021. As of March 2025, the index shows significant gains across all sub-indices, indicating wider access, deeper financial markets, and improved financial literacy.

Efforts to boost financial inclusion are supported by initiatives that promote financial literacy, helping individuals better understand and use financial products for a secure future.Targeted campaigns like RBI's e-BAAT, Financial Literacy Camps(FLCs), and RBI Kehta Hai promote financial planning and product use, ensuring informed adoption of financial services.

Financial inclusion has emerged as the cornerstone of India's development strategy, where financial access and technology-oriented public infrastructure are used as a tool to empower citizens and drive their welfare. Indian experience demonstrates that when financial inclusion is taken as a public priority, it can build innovations, enhance state capacity, and deliver governance at a larger scale. In a predominantly informal economy, financial inclusion policies play an important role, similar to the role of public infrastructure, which enables welfare delivery, market participation, and economic resilience. Changing global disruptions from climate change to the pandemic, financial inclusion proves to be a timely structural reform, providing social protection and economic empowerment. Financial inclusion in India, embedded in a technology and governance ecosystem, provides a replicable framework for other developing economies delivering equity and efficiency.

Against this backdrop, the paper begins by clarifying the conceptual foundations of FI, including its definition, measurement, and intended goals (Section 2). In light of the evolving digital landscape in financial access and usage, the paper examines the role of DPI and the broader digital ecosystem in facilitating FI (Section 3), followed by a discussion of global developments and the influence of international standard-setting bodies such as the G20 in synchronising the FI policies globally (Section 4). The paper proceeds to analyse the evolution and progress of FI in India, with particular attention to developments since 2014 and the transformative impact of digital innovations (Section 5). Finally, the paper assesses emerging challenges that hinder the progress of FI and DFI in India (Section 6), outlines policy directions further to strengthen financial inclusion measures (Section 7), and presents the concluding remarks (Section 8).

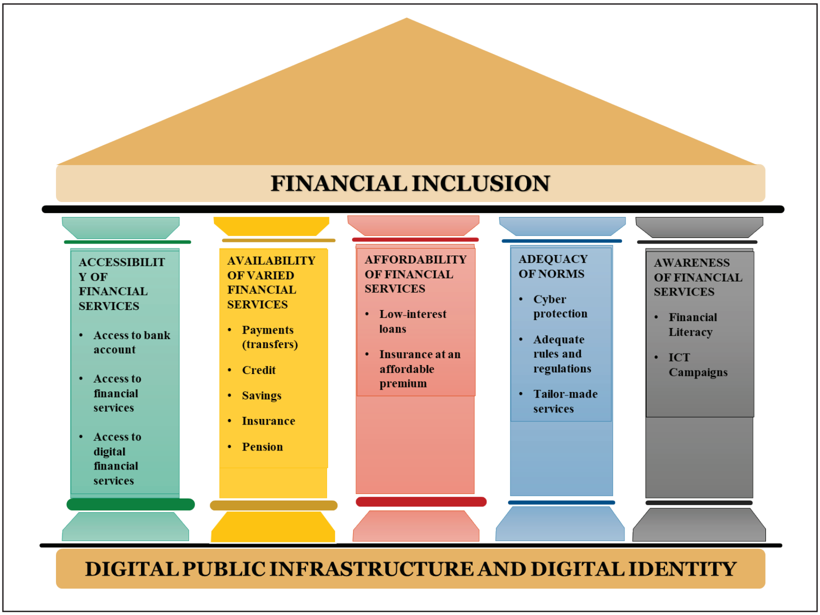
2. Understanding Financial Inclusion

This section outlines the conceptual foundation of financial inclusion (FI), explaining its key pillars and indicators of access, usage, and quality. It highlights how FI enables underserved individuals to join the formal financial system, supports savings, reduces reliance on informal sources, and contributes to broader goals like poverty reduction and inclusive growth.

2.1 Five Pillars of FI

Despite notable progress, achieving full FI remains a challenge, especially in rural and remote areas where infrastructure and access to services are still limited. India's National Strategy for FI highlights the importance of ensuring universal access to key financial products, including bank accounts, credit, insurance, pensions, and investment options. At the heart of this strategy are five foundational pillars—known as the five A's: *Accessibility, Availability, Affordability, Adequacy, and Awareness.*

Figure 1: Pillars of FI

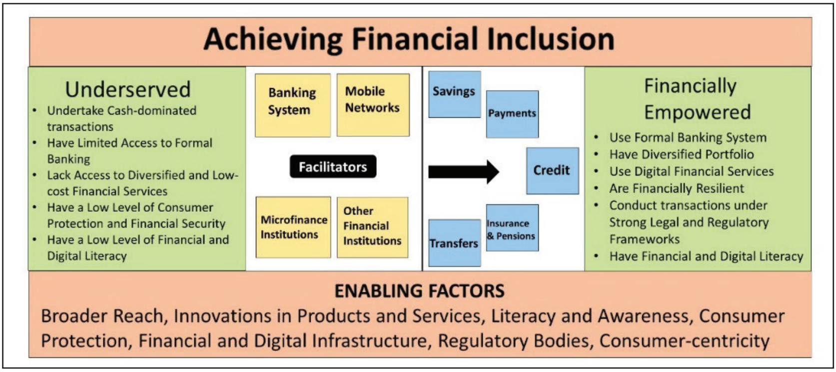


Source: Authors' creation.

Figure 1 illustrates the five core pillars of FI. It begins with Accessibility, which focuses on removing geographic, economic, and social barriers so that individuals can reach essential financial services like savings, credit, insurance, and payments. Availability refers to offering a diverse range of financial products to meet varying needs. At the same time, Affordability highlights the importance of keeping costs low through measures like low-interest loans and reasonably priced insurance. The fourth pillar, Adequacy, relates to supportive regulations and the design of inclusive, need-based financial products. Finally, Awareness ensures that people understand how to use financial services effectively, helping bring all sections of society into the formal financial system. Together, strengthening these five A's paves the way for meaningful financial empowerment. The deep penetration of digital public infrastructure and digital identity forms the foundation of the ecosystem of financial inclusion.

2.2 Achieving Financial Inclusion

Figure 2: Achieving Financial Inclusion



Source: Adapted from World Bank (2016).[1] Authors' creation

In a small economy with cash-based transactions and limited banking access, financial insecurity and low financial literacy are common. Without FI, consumers lack protection from fraud and struggle to manage resources effectively (see Figure 2). A key entry point is a basic, no-frills account that requires no minimum balance and offers internet banking, ATM access, and links to other financial services. Institutions such as banks, microfinance providers, mobile networks, and fintech firms help expand access to credit, savings, and digital payments, particularly in remote areas. Facilitators act as intermediaries, offering services such as savings, payments, credit, insurance, pensions, and transfers. Achieving FI depends on several enabling factors, including enhanced outreach to underserved regions, infrastructure development, product innovation, strong regulations for consumer protection, financial and digital infrastructure and widespread financial literacy to ensure secure and informed participation of consumers in the financial system.

2.3 Dimensions and Measurement of Financial Inclusion

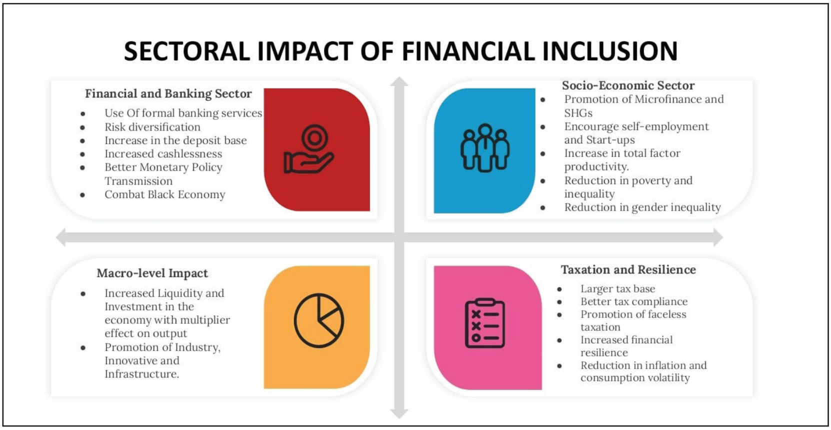
Information collected[2] on FI can be broadly categorized into three key dimensions: access, usage, and quality. Each dimension offers a distinct perspective on the state of FI, and a comprehensive view of a nation's progress in expanding financial services to marginalized and underserved segments of society.

- Access refers to how effectively financial services reach underserved areas—for example, the presence of bank branches or point-of-sale (POS) devices[3] in rural regions. It also takes into account demand-side barriers faced by customers, such as high service costs or limited awareness about how to engage with financial institutions.
- Usage refers to the actual utilization of financial services by individuals and businesses. Key indicators include the regularity and frequency of financial transactions, the depth of usage, such as holding multiple financial products or services,as well as the affordability and convenience of these services. It also involves assessing whether the services meet users' needs, for example, through metrics like average savings balances, number of online transactions and electronic payments, and the number of transactions per account.
- Quality encompasses the design, efficiency, and relevance of financial services to users' needs. The main aspects include the suitability of financial products for diverse customer segments (e.g., low-income groups or small businesses), financial literacy, and consumer protection to ensure informed usage and reliability and trust in financial services, ensuring users feel secure in their financial dealings.
- Impact Assessment measures how FI influences outcomes for households and businesses, such as improvements in firm performance or investments in human capital.

2.4 Sectoral Impact of Financial Inclusion

As discussed in Dua et al. (2023c), financial inclusion (FI) drives economic transformation across financial, banking, and socio-economic sectors. It formalizes banking, expands the deposit base, diversifies risk, and promotes digital transactions, curbing black money and enhancing monetary policy transmission through more responsive financial savings.

Figure 3: Sectoral Impact of Financial Inclusion



Source: Authors' creation.

FI also boosts credit access for underserved groups, supporting microfinance, self-employment, and productivity. Efficient transfers and better income opportunities help reduce poverty and inequality. A stronger deposit base expands the tax net, while digitalization improves tax compliance. Increased savings offer households protection against shocks, reducing consumption volatility.

In the financial sector, FI enhances liquidity and investment, with multiplier effects on output that support industrialization, innovation, and infrastructure development.

3. Digital Public Infrastructure

The World Bank defines Digital Financial Inclusion (DFI) as the use of affordable digital technologies to deliver customized financial products to individuals who are currently excluded from or underserved by the formal financial system. The pillars of FI rest on the foundation of Digital Public Infrastructure (DPI), serves as a foundation to the ecosystem of FI. The expansion of DPI fosters innovation, new business models, and startups. Rising digital adoption signals a tech-driven future, supported by platforms and devices that enable seamless digital transactions. DPI is a dynamic concept that includes open, networked technology standards designed to serve public interests and advancements, particularly in public programs.

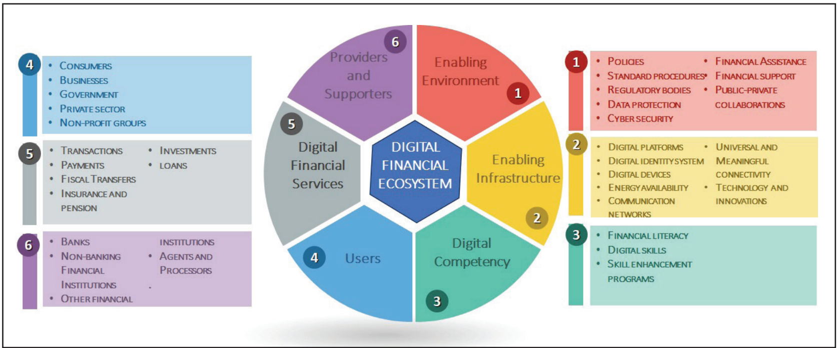
According to the Report of India's G20 Task Force on Digital Public Infrastructure (India's G20 Task Force on Digital Public Infrastructure for Economic Transformation, Financial Inclusion and Development, 2023), there are three core pillars of the DPI approach:

1. Technology Design which ensures interoperability,[4] scalability,[5] data privacy, security, and open standards.[6]
2. Governance for Digital Public Infrastructure (DPI) which ensures trust, inclusivity, and sustainability through robust legal and regulatory frameworks. It also prioritises privacy and security by implementing strong data protection standards, cybersecurity measures, and user-centric policies.
3. Market Participation that encourages private sector involvement while preventing market monopolies. It enables private sector innovation and investment in DPI development while prioritising public interest through regulatory oversight.

The three core pillars of DPI help constitute a Digital Financial Ecosystem that fosters FI and economic development. According to International Telecommunications Union (2019), the Digital Financial Services (DFS) ecosystem includes the users (consumers, government agencies, businesses, and non-profit organizations) who require digital and interoperable financial products and services; the suppliers (banks and other licensed financial institutions) who deliver these financial products and services through digital means; the financial, technological, and other infrastructure that enables them; and the government policies, laws, and regulations that enable them to be delivered in an accessible, affordable, and secure way.

The Digital Financial Ecosystem encompasses six interrelated components that collectively facilitate the integration and functioning of digital financial services in any economy. At the foundation is an *Enabling Environment*, built on strong regulatory frameworks, data protection laws, and financial support systems. These components help foster innovation and build trust among users. Complementing this is the *Enabling Infrastructure*, which includes digital platforms, secure digital identities, and reliable communication networks that ensure universal and meaningful connectivity. Together, they make it easier for all players in the ecosystem to interact seamlessly. *Digital Competency* is essential for empowering users, encompassing financial literacy, digital skills, and ongoing skill enhancement programs. This would instil confidence among users while they engage with digital financial tools. *Users*, which include businesses, consumers, governments, and the private sector, are the focal point of this ecosystem, driving demand for digital financial services. These Digital Financial Services encompass transactions, payments, fiscal transfers, loans, and investments, all of which are vital for economic growth and stability. Lastly, the *Providers and Supporters*, comprising banks, agents, processors, and non-banking financial companies (NBFCs), are essential for delivering these services and ensuring that the digital financial landscape remains accessible, efficient, and inclusive (See Dua et al., 2024, for more details).

Figure 4: Digital Financial Ecosystem



Source: Authors' creation.

4. Financial Inclusion in the Global Economy

Measuring the progress of FI indicators through various surveys enables the assessment of country-level data and benchmarking it against peer economies. The ownership of an account is the principal indicator of FI. According to the 2025 Global Findex report by the World Bank, 79 per cent of the world's population aged 15 and above had access to a bank account or a mobile money account during 2024. This marked an increase from 74 per cent in 2021 and 69 per cent in 2017, reflecting a significant global shift toward FI. The share of adults with account ownership in low- and middle-income countries increased by 20 percentage points between 2014 and 2024.

Advancements in financial inclusion have increasingly been globally coordinated through standard-setting bodies such as the G20. At the 2010 G20 Summit in Seoul, financial inclusion was formally acknowledged by G20 leaders as a critical component of the global development agenda.In response, they launched several major initiatives, including the FI Action Plan (FIAP), the Global Partnership for FI (GPFI), and the SME Finance Framework. The GPFI serves as an inclusive platform that brings together G20 members, non-G20 countries with an interest in the initiative, and other key stakeholders to implement the FIAP and advance global efforts toward FI.

Under China's G20 Presidency in 2016, the G20 High-Level Principles (HLPs) for DFI were formulated. These eight principles serve as a reference for governments to adopt digital strategies for FI. They encourage cross-government collaboration to advance DFI while emphasizing consumer protection and financial literacy.

During the G20 Summit in 2014 (Brisbane), G20 leaders committed to facilitating remittance flows and reducing the cost of sending remittances. Specifically, they pledged to reduce the global average cost of remittances to below 5 per cent by 2018. This commitment aligns with the broader goal of achieving the Sustainable Development Goal (SDG) target, which aims to reduce the cost of migrant remittance transactions to less than 3 per cent by 2030.

The G20 has consistently worked toward advancing DFI and improving access to finance for MSMEs. Through a series of initiatives, including the G20 FI Action Plan (2015), the G20 Roadmap for Digital Financial Inclusion (2016), and the G20 Action Plan for MSMEs (2018), the group has focused on expanding financial access for underserved populations, such as women and small and medium-sized enterprises (SMEs). These efforts have emphasized the role of digital finance, emerging technologies, and global partnerships in bridging financial gaps.

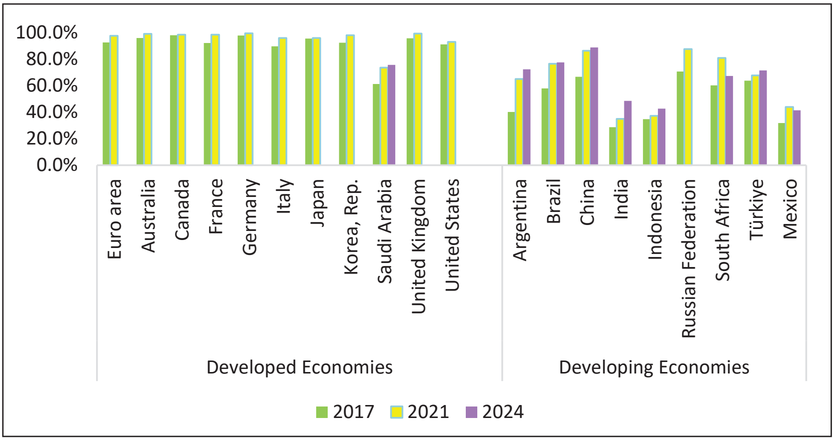
India's G20 Presidency reaffirmed its commitment to FI with the launch of the G20 FI Action Plan (FIAP) 2024-26. This new plan promotes the use of inclusive, scalable, and cost-effective technologies and infrastructures while addressing digital risks through financial education, consumer protection, and a multi-pronged approach. The G20 New Delhi Leaders' Declaration in 2023 highlighted the need to harness technology and innovative financial products to reach unbanked and underbanked populations, fostering economic growth, and promoting social equity.

FI plays a crucial role in advancing the 2030 Sustainable Development Goals (SDGs), as it is a target in eight of the 17 goals. These include eradicating poverty (SDG 1), ending hunger and promoting sustainable agriculture (SDG 2), improving health and well-being (SDG 3), achieving gender equality and women's economic empowerment (SDG 5), fostering economic growth and jobs (SDG 8), supporting industry, innovation, and infrastructure (SDG 9), and reducing inequality (SDG 10). Additionally, SDG 17 highlights the implicit role of FI in mobilizing savings for investment and consumption to drive economic growth. The economic and social benefits of FI, including improved income potential, empowerment of women entrepreneurs, lower transaction costs, improved health and education outcomes, savings facilitation, and increased digital adoption, can further strengthen its link with SDGs.

With the transition towards digital financial inclusion in payments and credit, low-income households can also manage risk, invest in education, and access healthcare. The enhanced financial resilience of the vulnerable groups, primarily through DFI, plays a pivotal role in improving gender equality, increasing economic participation of all demographic groups, and attaining sustainable development outcomes.

The concentrated efforts of governments and international bodies have improved usage indicators across countries since 2017. From 2017 to 2024, the share of adults making or receiving digital payments in low and middle-income countries increased by 13 percentage points. A significant improvement in 2024 can be seen in the usage indicator of some developing economies such as Argentina, China, India, Indonesia, and Türkiye (See Figure 5).

Figure 5: Made or Received a Digital Payment (%) Age 15+

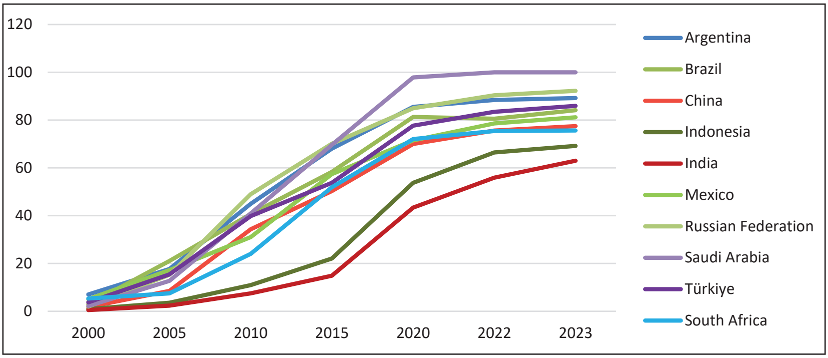


Source: Authors' calculations using World Bank Global Findex 2025.

Note: Data for financial use is not available for high-income countries and Russia for the year 2024 as Findex 2025 gave priority to low- and middle-income economies.

Figure 6 illustrates trends in internet usage across selected G20 countries from 2000 to 2023. The sharp rise in usage across all countries highlights growing digital access, which directly contributes to SDG 9 and supports broader DFI efforts.

Figure 6: Population using the Internet (%, 2023) – Selected G20 countries



Source: International Telecommunications Union (ITU).

5. Financial Inclusion in India: Initiatives and Progress

FI in India aims to ensure that all individuals, especially the poor and marginalized, have meaningful access to financial services. Since 2014, the Government of India has adopted an integrated approach, with five foundational pillars (Figure 1) guiding the design and delivery of services that span banking, credit, insurance, pensions, and financial literacy. These efforts reflect a shift from traditional delivery models to a digitally empowered, inclusive ecosystem supported by regulatory and institutional reforms.

5.1 Initial Phases of FI

Since India's independence, the FI policy has evolved through several phases. The Co-operativisation phase (1950-1969) focused on expanding rural credit through cooperative banks and institutions, such as PACS, raising cooperative lending in rural areas from 3.1 per cent in 1951 to 20.1 per cent by 1970. The nationalisation phase (1969-1990) followed widespread banking failures and included the nationalisation of major banks, the launch of the Lead Bank Scheme, the establishment of RRBs and NABARD, and the expansion of priority sector lending, reducing the population served per bank branch from 60,000 to 14,000. The post-reform phase (1990-2005) aimed to strengthen financial institutions through liberalisation, the entry of private banks, and the launch of microfinance initiatives, such as SHG-BLP and Kisan Credit Cards.

Post-2005 marks the structured phase of FI, with explicit mention of FI in the RBI's policies. It involves regulatory reforms, targeted FI initiatives, the creation of the FI Fund, 'no-frills' and basic savings bank accounts, deployment of business correspondents, and digital platforms like UIDAI and direct benefit transfers. Key reports by the Rangarajan, Rajan, and Nachiket Mor committees shaped the institutional framework. Core banking solutions (CBS) and electronic payment systems (NEFT and RTGS) were adopted by all scheduled commercial banks and RRBs.

5.2 Post-2014: Scaling Access through Jan Dhan and Beyond

Following 2014, the mission of achieving financial inclusivity across all population segments rests on banking the unbanked, securing the unsecured, funding the unfunded, and maintaining a focus on developing DPI and the efficient transfer of subsidies (Dua, 2023). Table 1 shows how the government's financial inclusion efforts, focused on access, credit, financial security, and digital tools, help in achieving increased income, provide social protection, and support the broader objective of inclusive growth.

Table 1: Financial Inclusionand Economic Growth

Focus	Key Schemes and Enablers	Outcome
Banking the Unbanked	PMJDY, Banking Outlets, Jan Dhan Darshak App	Access, Account Penetration, DBT
Funding the Unfunded	PM MUDRA, SUPI, KCC, Jan Samarth Portal, Credit Guarantee Schemes, NABFID	Microfinance, entrepreneurship, Employment, Income
Securing the Unsecured	PMJJBY, PMSBY, APY, DICGC, PM-JAY, ABDM, PMFBY	Financial safety nets, inclusion in insurance, Consumer Protection
Efficient Transfers	JAM trinity, DBT	Curbing leakages in transfers, timely socioeconomic benefits
DIGITAL PUBLIC INFRASTRUCTURE **Foundation of Financial Inclusion** **Components:** Verifiable Identity & Registries; Data Sharing, Credentials, and Models; Signatures and Consent; Discovery & Fulfillment; Payments **Examples:** Aadhaar, UPI, Digital Banking Units (DBUs), Digi locker, Account Aggregator, etc.		

Source: Authors' Creation.

The Direct Benefit Transfer (DBT) system, launched on 1 January 2013, significantly improved the efficiency of welfare delivery by accurately targeting beneficiaries and reducing duplication and fraud. Enabled by the JAM Trinity (Jan Dhan accounts, Aadhaar, and Mobile), the DBT framework formed the digital backbone of FI. During the COVID-19 pandemic, DBT enabled timely assistance under the Pradhan Mantri Garib Kalyan Package (PMGKP), which included an insurance scheme for frontline healthcare workers and Rs. 500 ex gratia payments to women PMJDY account holders. Further relief was provided through the Emergency Credit Line Guarantee Scheme (ECLGS), the Credit Guarantee Scheme for Microfinance Institutions (CGSMFI), and the COVID Loan Guarantee Scheme for Credit to Enterprises (LGSCA). Other schemes facilitating welfare transfers included the Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY) for food security, Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) for farmers' income support, and the Pradhan Mantri Ujjwala Yojana (PMUY) to subsidize LPG connections for low-income households. Digital Public Infrastructure (DPI) forms the backbone of financial inclusion, comprising components like identity verification, data sharing, consent frameworks, and digital payments, implemented through initiatives like Aadhaar, UPI, DigiLocker, Account Aggregators, and Digital Banking Units.

Figure 7 illustrates the timeline of the evolution of FI and DFI schemes in India since 2014.

Universal access is supported by a robust regulatory framework that ensures consumer protection, particularly in digital finance, where risks such as phishing, hacking, and malware are prevalent. This framework encompasses measures that address data privacy, information security, and cyber safeguards (see Box 1.2 in Annexure A).

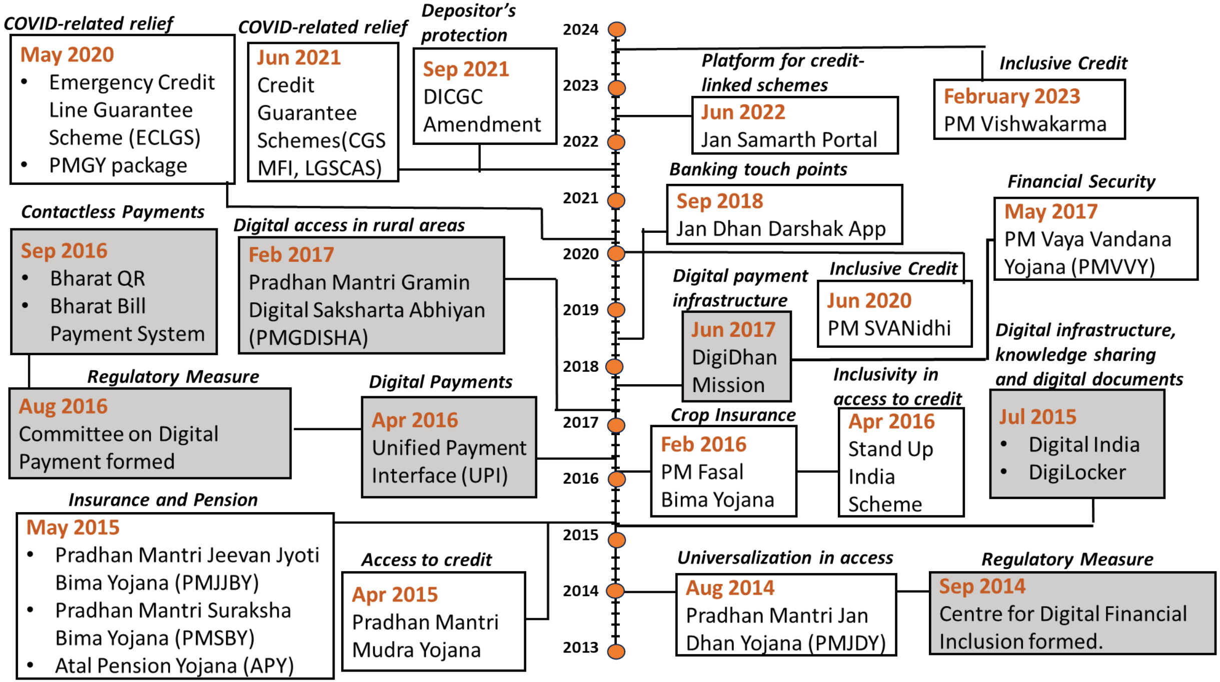
The Reserve Bank of India (RBI) released the National Financial Inclusion Strategy (2019–2024) in January 2020, in collaboration with the government and regulators, to guide FI efforts and improve financial awareness(See Box 1.3 in Annexure A).

The government's focus on the last-mile delivery of financial services has significantly improved bank account ownership in India over the last decade (GOI, 2024). Digitalisation is considered a key enabler of this progress in India and advancing DFI is prioritised for deepening FI among all segments of the population.

5.3 India's Journey Toward Digital Financial Inclusion: The India Stack

India has demonstrated the transformative role of Digital Public Infrastructure (DPI) in advancing inclusive and sustainable development, particularly in the area of FI. The Report of India's G20 Task Force on

Figure 7: Timeline of the Evolution of FI and DFI in India (The boxes, which are colour-shaded, represent the digital initiatives taken by the government. These initiatives are focused on digitalization).



Source: Authors' creation.

DPI categorizes DPI into five foundational layers spanning sectors such as finance, health, education, e-commerce, and agriculture:

a. Verifiable Identity and Registries – e.g., Aadhaar, e-KYC, land registries, enabling secure and interoperable digital authentication.
b. Data Sharing and Consent – frameworks allowing individuals to share personal and financial data securely through consent-based mechanisms.
c. Digital Signatures and Consent – tools for tamper-proof documentation such as e-Sign.
d. Discovery and Fulfilment – open APIs supporting services like tax filing, business registration, and credit access.
e. Payments – interoperable systems facilitating seamless transactions (e.g., UPI, AEPS).

Examples such as Aadhaar, Unified Payments Interface (UPI), Digital Banking Units (DBUs), DigiLocker, and Account Aggregators (AA) exemplify India's practical application of these components, providing secure identity, frictionless payments, and consent-driven data exchange. Together, these systems constitute the India Stack, a layered DPI model that has enabled cost-effective, transparent, and inclusive access to financial services (Figure 8).

The key layers of India Stack are as follows:

- **Identity Layer:** Managed by UIDAI, centered around Aadhaar and features like e-authentication, QR scanning, and offline verification.
- **Paperless Layer:** Overseen by MeitY, includes e-KYC, e-Sign, and DigiLocker for digital documentation and verification.
- **Payments Layer:** Led by NPCI, includes UPI, Aadhaar Payment Bridge System (APBS), and Aadhaar Enabled Payment System (AEPS) for real-time, cashless transactions.
- **Data Layer:** Enables privacy-preserving, consent-based data sharing via DEPA, with tools like AA and Consent Artefacts.

Key examples and sectoral impacts of DPI are presented in Table 2.

Figure 8: The India Stack

LAYERS OF INDIA STACK	2009			2023	
IDENTITY	**Aadhar**	**eKYC**	**eSign**		
DATA EMPOWERMENT	Digilocker; Repository			Account Aggregator	Mutual Fund Central
PAYMENTS	Immediate Payment System (IMPS)	Aadhaar Payment Bridge System (APBS)	Aadhaar Enabled Payment System (AEPS)	Unified Payment Interface (UPI)	

Source: https://www.ajuniorvc.com/india-stack-fintech-unicorn-upi-aadhar-explained-case-study-global

Table 2: Key Components of DPI: Examples, Impact, and Role in FI

Building Blocks Of Dpi	Example(s)	Impact Sectors	Role in FI
Verifiable Identity & Registries (Identity Layer)	Aadhaar	Governance, Welfare, Financial Services	Unique identification, enabling e-KYC for opening bank accounts, accessing credit, and receiving DBTs efficiently.
	JAM Trinity (Jan Dhan-Aadhaar-Mobile)	Governance, Financial Services, Welfare	Integrates financial accounts, digital identity, and mobile connectivity to ensure efficient and direct delivery of subsidies and FI services.
	Ayushman Bharat Digital Mission (ABDM)	Health, Governance, Financial Services	Through digital health records and identity integration, the mission enhanced access to health insurance and financial support for medical needs, especially for low-income groups.

Continued...

Continued...

Payments (Payments Layer)	UPI (Unified Payments Interface)	Payments, Retail, Financial Services	It enables easy, instant, low-cost, and interoperable digital payments, promoting deeper integration into the formal financial ecosystem.
	DBUs (Digital Banking Units)	Banking, Rural Development, Financial Literacy	Expands banking services to rural and underserved areas, providing access to savings accounts, credit, and digital literacy for financial empowerment.
Data Sharing, Credentials, And Models (Data Layer)	Digilocker	Governance, Education, Financial Services	Facilitates secure and paperless access to documents, simplifying KYC processes, and easier access to financial products.
	Account Aggregator (AA)	Financial Services, Data Sharing, Credit Access	It enables secure, consent-based data sharing, improving access to credit for underserved populations by allowing financial institutions to evaluate creditworthiness.
	DEPA (Data Empowerment and Protection Architecture)	Financial Services, Data Privacy	Facilitates secure and privacy-compliant data sharing, enabling underserved populations to build financial histories and access tailored financial products.

Continued...

Continued...

Discovery & Fulfillment (Open APIs for other Services)	Digital Taxation	Governance, Financial Compliance	Simplifies tax filing and compliance processes, encouraging greater participation of individuals and businesses in formal financial systems.
	National Agriculture Market (e-NAM)	Agriculture, Rural Development	Links farmers directly to markets, enabling better price discovery and payment systems that enhance farmers' FI.
	OCEN (Open Credit Enablement Network)	Financial Services, MSMEs	Democratizes access to credit for small businesses and individuals by enabling seamless lending through standardized APIs and digital integration.
	GeM (Government e-Marketplace)	Procurement, MSMEs, Governance	Enhances financial access for small businesses by ensuring timely payments and reducing dependence on intermediaries.
	UMANG (Unified Mobile Application for New-Age Governance)	Governance, Financial Services	Provides a single platform for accessing multiple government services, including financial schemes, improving digital literacy and access to welfare benefits.
	ONDC (Open Network for Digital Commerce)	Retail, E-commerce, MSMEs	Democratizes e-commerce, enabling small businesses to participate in digital markets, helping financial stability and access to credit.
	NSP (National Scholarship Portal)	Education, Financial Services	Facilitate access and service delivery. Simplifies the process of scholarship disbursal to students, ensuring financial aid reaches underserved communities directly and transparently.

Source: Authors' creation.

A striking outcome of DPI is the acceleration of FI. India achieved over 80 per cent bank account penetration in just nine years, a progress that would have otherwise taken nearly five decades through traditional means (World Bank (2023)'s report on G20 Policy Recommendations).

At the heart of this transformation is UPI, introduced in 2016. UPI facilitated real-time, low-cost, and interoperable digital payments, with a transaction volume exceeding 9.3 billion and a value of over Rs. 14.75 lakh crore by June 2023. The launch of UPI123Pay in 2022 extended these services to feature phone users, further widening inclusion. As of June 2025, UPI recorded 613.2 million daily transactions, establishing India as a global leader in real-time payments.

The government's focus on building digital infrastructure, particularly Aadhaar for identity and UPI for payments, has laid the foundation for DFI. The COVID-19 pandemic further accelerated the adoption of digital solutions, as they became vital for welfare delivery and economic activity.

India's DPI ecosystem is also being integrated with platforms like MeriPehchaan, UMANG, and Digital India's skilling initiatives to provide single-window access to a range of services. Regulatory support is also offered through institutions such as the Centre for DFI (2014), the Committee on Digital Payments (2016), and the Payments Infrastructure Development Fund (2021).

On the international front, RBI is actively collaborating with countries such as Malaysia, Thailand, the Philippines, and Singapore to link India's Fast Payment System (FPS),UPI, with theirs, enhancing cross-border payment interoperability.

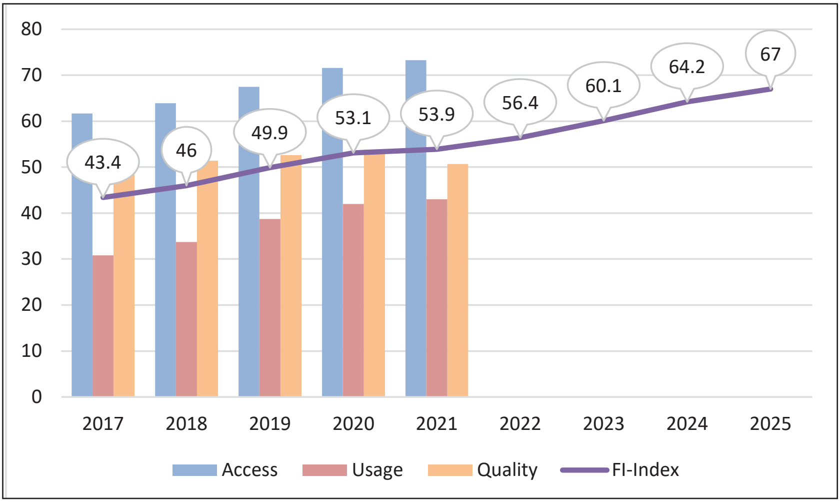
The Union Budget 2025 further deepens this digital push by:

- Expanding agricultural finance and urban micro-credit (e.g., KCC, PM SVANidhi),
- Promoting a cashless economy via digital infrastructure investments and regulatory enhancements (e.g., CKYC, FSDC),
- Supporting MSME financing through collateral-free credit,
- And scaling the success of PMJDY and UPI to achieve broader and deeper financial coverage.

5.4 Measuring Financial Inclusion in India

The FI Index, constructed by the RBI, tracks the progress of FI in India. The index suggests an overall improvement in the economy of 24 per cent over the period 2017-2024 (Figure 9). Access to financial products and services grew by 18 per cent, usage improved by 39 per cent, and the quality dimension shows a marginal improvement of 5 per cent over 2017-2021.[7] The index for March 2024 increased to 64.2 as compared to 60.1 in March 2023, with growth across all sub-indices. Improvement in the FI-Index in 2024 is mainly contributed to by the usage dimension, reflecting the deepening of FI.

Figure 9: FI Index – RBI



Source: RBI data base.

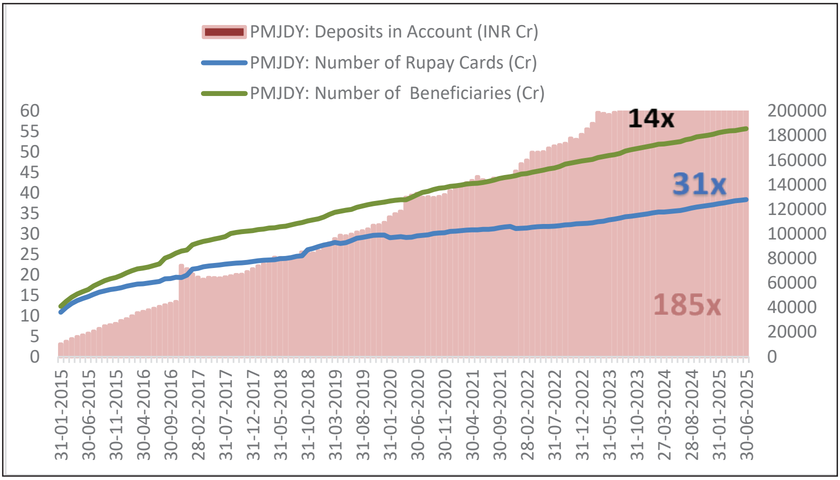
5.5 Impact of FI Schemes

Access and Usage

Since its launch, the Pradhan Mantri Jan Dhan Yojana (PMJDY) has significantly expanded banking access. As of June 2025, over 55.7 crore accounts have been opened with Rs. 26 lakh crore in deposits. Digital payment volumes rose sharply as indicated by UPI transactions, which surged from 535 crore in 2018–19 to 18,585 crores in 2024–25. Over

38 crore RuPay cards have been issued, and digital infrastructure such as PoS and mobile-based payment systems has scaled up rapidly. Since its inception, the PMJDY has banked more than 55.7 crore beneficiaries by the end of June 2025, with deposits amounting to Rs. 26 lakh crores, marking a significant increase from deposits in September 2014 (Figure 10). The number of RuPay cards issued to PMJDY account holders has increased 36 times, from 1 crore in September 2014 to over 36 crores in June 2025. As of mid-2024, approximately 6.26 crore PMJDY account holders received DBT from the government under various schemes.[8]

Figure 10: Impacton Access and Usage: Financial Products & Services

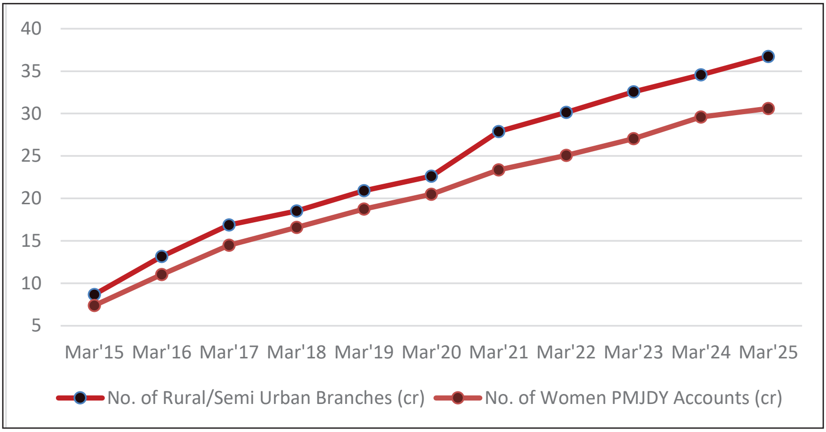


Source: Authors' compilation using CEIC data base.

Gender and Geographical Inclusion

PMJDY has made significant reforms for underprivileged populations, particularly women. Since March 2015, the number of rural and semi-urban bank branches, as well as the number of women's PMJDY accounts, has quadrupled (Figure 11). As of July 2025, 55.76 per cent of Jan-Dhan account holders are women (31.13 crore), and 66.7 per cent (37.26 crore) of Jan-Dhan accounts are located in rural and semi-urban areas.

Figure 11: Gender and Geographical Impact

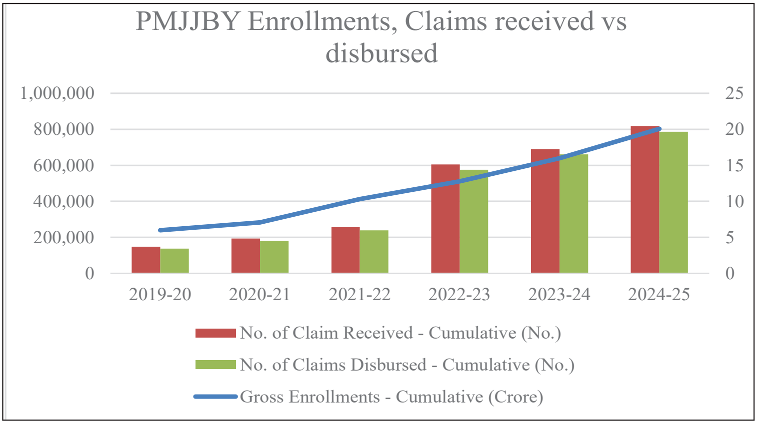


Source: Authors' compilation using CEIC data base.

Insurance & Social Protection

PMJDY-linked accounts enabled widespread insurance coverage through PMJJBY, PMSBY, and APY. A large share of enrolled women beneficiaries (81 per cent) belonging to rural/semi-urban areas are covered under PMJJBY, and 74 per cent of them are covered under PMSBY. This statistic indicates increased financial security in previously excluded populations. Hence, there is a shift in favour of women belonging to rural/ semi-urban areas and their participation in welfare schemes.[9]

Figure 12: Impacton Financial Security

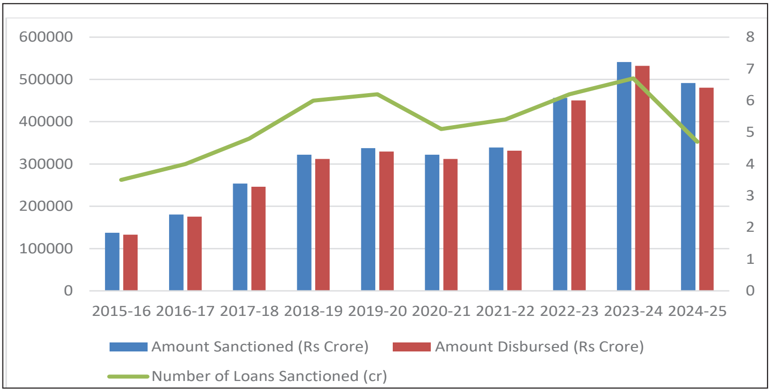


Source: Authors' compilation (DFS-MOF,PIB)

Microfinance & Enterprise Development

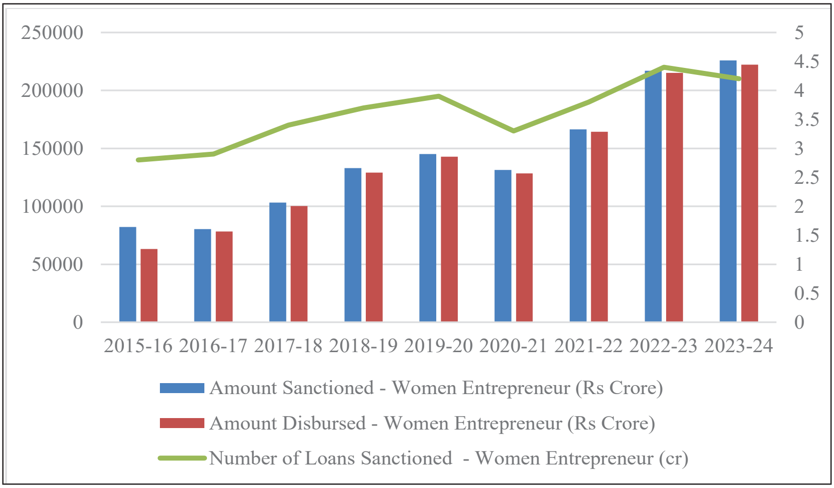
Pradhan Mantri MUDRA Yojana (PMMY) has disbursed loans across all social groups. As of October 2024, over Rs. 1.08 lakh crore was disbursed under the Shishu category alone. Loans to women and minority borrowers reflect a targeted outreach to marginalised groups, empowering them through entrepreneurship and self-employment.[10]

Figure 13: Impacton Microfinance – MUDRA



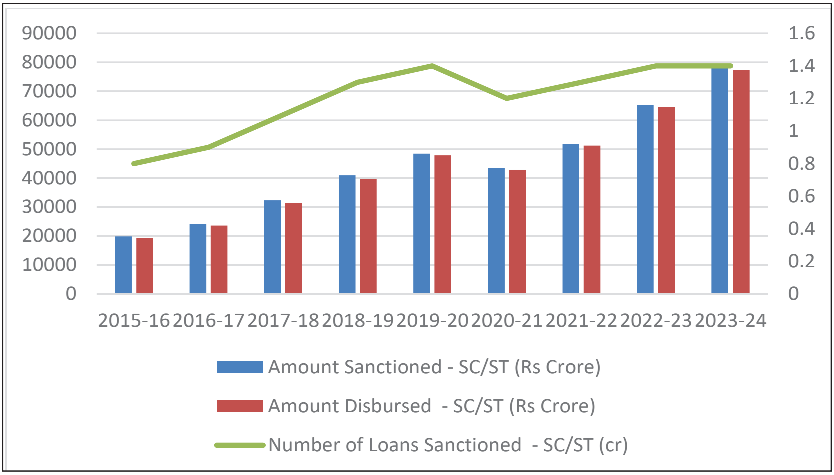
Source : Authors' compilation (DFS-MOF, PIB).

Figure 14: Impacton Microfinance – MUDRA - Women Entrepreneurs



Source : Authors' compilation (DFS - MOF, PIB).

Figure 15: Impacton Microfinance – MUDRA - SC/ST



***Source*:** Authors' compilation (DFS - MOF, PIB).

SUPI & KCC

Since its inception,Stand Up India (SUPI)has sanctioned loans worth over Rs. 61,000 crore (March 2025), significantly boosting credit to women and SC/ST entrepreneurs. From November 2018 to November 2024, the scheme exhibited a transformative impact in extending credit access and advancing FI for Scheduled Castes (SC), Scheduled Tribes (ST), and women entrepreneurs. Meanwhile, KCC coverage expanded to include fishers and dairy farmers, with loan limits raised to Rs. 5 lakhs in the 2025 Union Budget, benefiting 77 million individuals. Loan schemes are consolidated via the Jan Samarth Portal for streamlined delivery.

6. Emerging Issues for FI in India

India's progress in financial inclusion marks a shift in focus from enhancing access to usage and improving the financial resilience of the population. However, certain areas continue to present opportunities for improvement. This section explores the evolving issues in FI and DFI using the Global Findex Database 2025 to indicate future policy directions that can further strengthen financial inclusion outcomes.

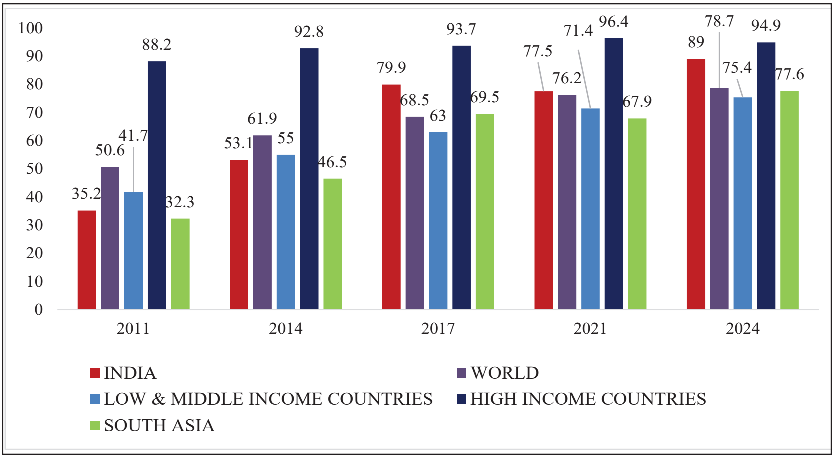
6.1 Variations in FI and DFI: A Comparative Assessment of India

According to the World Bank's Global Findex Database 2025, 75 per cent of adults in developing economies now own a formal financial account, which has increased from 42 per cent in 2011. The gender gap[11] has narrowed from 9 percentage points in 2017 to 5 percentage points in 2024, indicating that male account ownership remains 5 percentage points higher than that of females. India has also made notable strides in expanding financial access. However, variations exist in financial inclusion outcomes when comparing India to peer countries, as well as among various population segments within the country. This section draws on Findex 2025 data to compare India's financial inclusion and digital financial inclusion (DFI) indicators with those of other economies.

Access

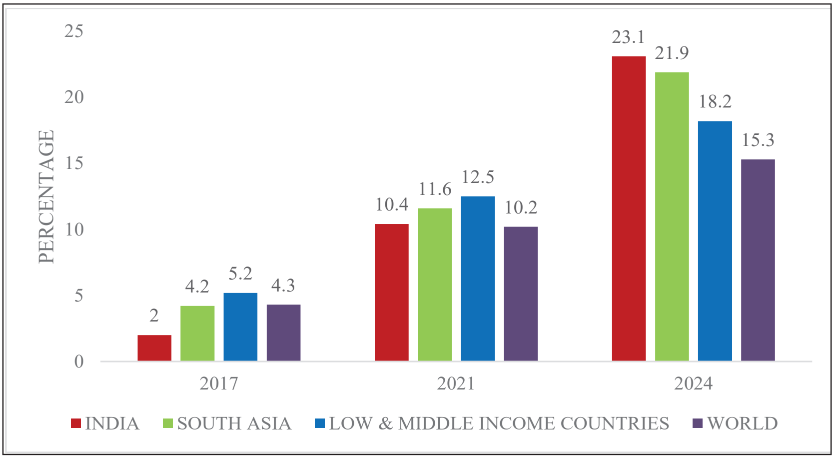
- The share of adults with account ownership in India (Figure 16) increased by 36 percentage points from 2014 to 2024. The percentages for India are significantly higher than those of South Asian countries and the world, which have registered increases of 31 and 16.8 percentage points, respectively, over the same period. However, in comparison to high-income countries, a significant majority of the population remains unbanked.

Figure 16: Account (%) All Adults Age 15+



Source: Authors' calculations using World Bank Global Findex.

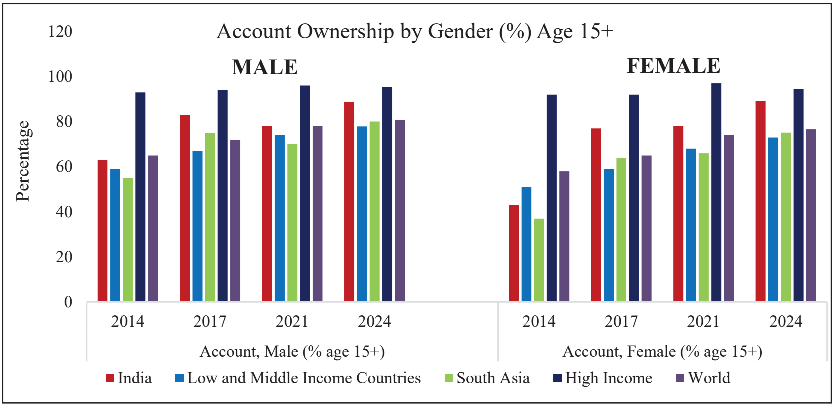
Figure 17: Mobile Money Account (%) Age 15+



Source: Authors'calculations using World Bank Global Findex.

- The use of mobile money accounts in India has shown an increase from 2 per cent to 23.1 per cent from 2017 to 2024. The improvement in India, at 21.1 percentage points, is the highest among the groups of countries being compared. (Figure 17).
- According to the World Bank Findex database 2025, ownership of mobile money accounts varies across population segments, with men (32 per cent) and higher-income groups (32 per cent) more likely to own such accounts compared to women (14 per cent) and low-income adults (10 per cent). This reflects broader trends in digital finance adoption and highlights the scope for targeted inclusion strategies.

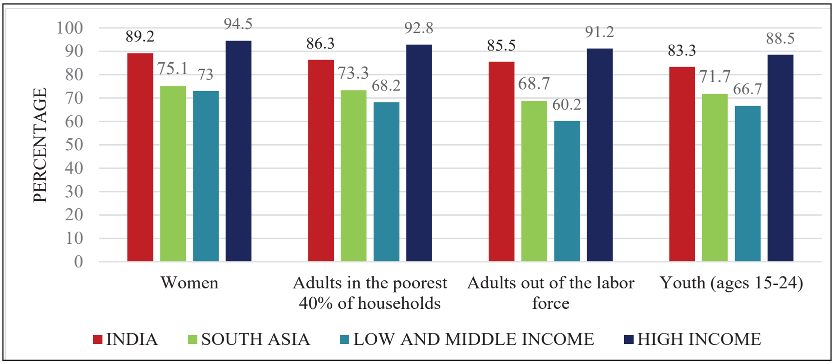
Figure 18: Account Ownership by Gender (%) Age 15+



***Source*:**Authors' calculations using World Bank Global Findex.

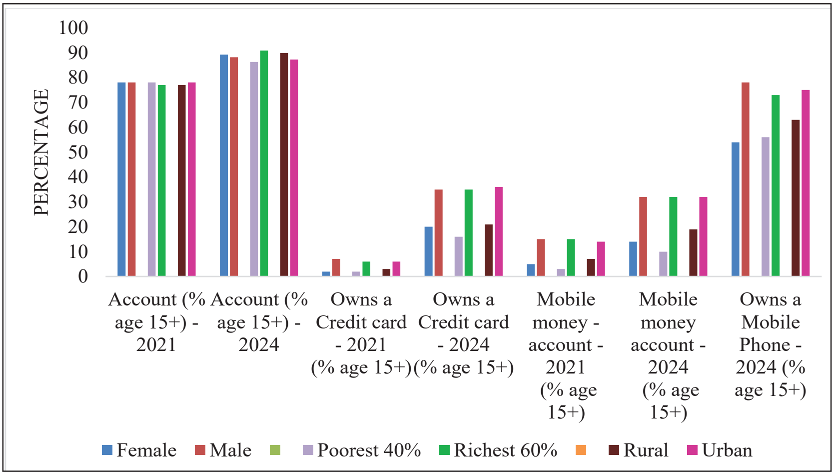
- The gender gap in account ownership across low- and middle-income countries has fallen to 4.9 percentage points from 8 percentage points over the period 2014-2024 (Figure 18), and that for high-income countries has fallen from 1 percentage point in 2014 to 0.8 percentage points in 2024. In India, the gender gap has shifted in favor of females, with 0.4 per cent more females owning an account compared to males.

Figure 19 : Account Ownership by Individual Characteristics - 2024 (%) Age 15+



Source: Authors' calculations using World Bank Global Findex.

Figure 20: Gapin Access Indicators for India for 2024

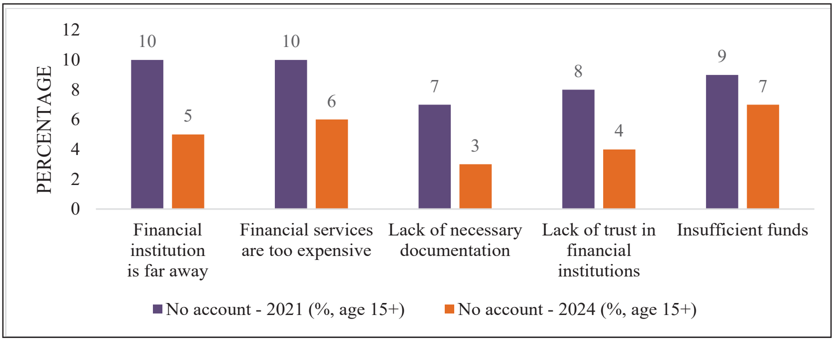


Source: Authors' calculations using World Bank Global Findex.

- Account ownership in terms of individual characteristics shows a higher percentage of unbanked women, adults in the poorest 40 per cent of households, who are out of the labor force, and youth aged 15-24 years, as compared to high-income groups (Figure 19).

- While the gender gap in account ownership in India is eliminated by 2024, significant disparities in terms of demographics such as gender, income, and location persist in the ownership of mobile money accounts, debit and credit cards, and mobile phones (Figure 20) (Dua et al., 2023b; 2023c).

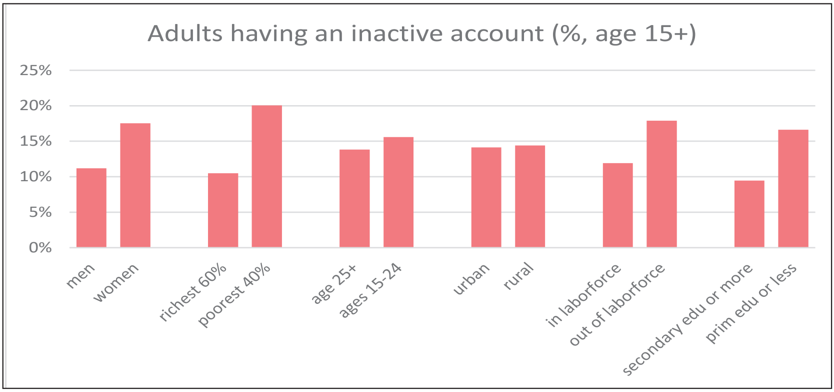
Figure 21: Some Reasons for not owning an account in India (2021-2024)



Source: Authors' calculations using World Bank Global Findex.

- Among people who do not own an account, probable reasons cited include distance, high cost, lack of necessary documents, or lack of trust in banks or financial institutions (Figure 21).

Figure 22: Adults (%, age 15+) with an inactive account in India (2024)



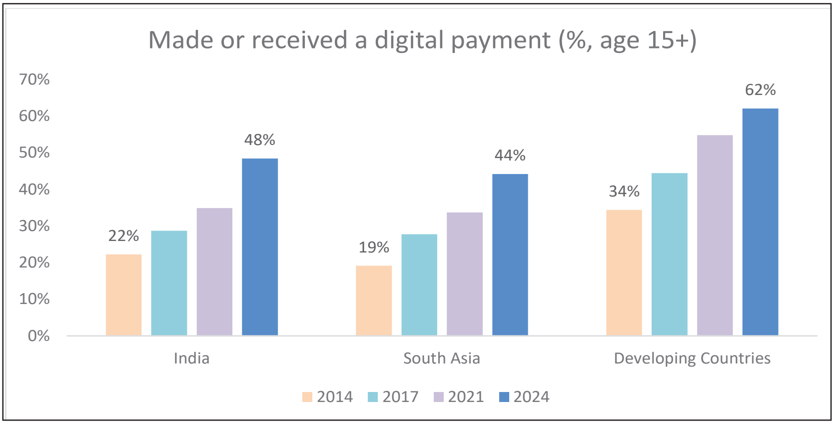
Source: Authors' calculations using World Bank Global Findex.

- As per the Global Findex Database 2025, 14 per cent of adults in India own an inactive account. A higher percentage of vulnerable groups, such as women, the poor, adults in rural areas, the unemployed, and less educated adults, own inactive accounts (Figure 22).

Usage

- Usage indicators in India have also improved since 2014. Between 2014 and 2024, the share of adults making or receiving digital payments increased by 28 percentage points in developing countries and by 25 per cent in South Asian countries (Figure 23). The proportion of adults in India who make or receive digital payments in 2024 is significantly higher than it was in 2014. However, the Indian performance remains lower (26 per cent) than that in low- and middle-income countries and slightly higher than in the South Asian countries.

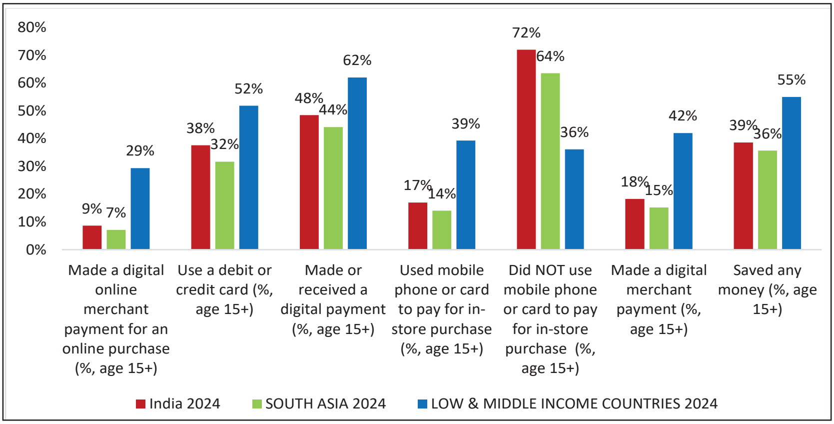
Figure 23: Percentage of Adults (%, age 15+) who made or received a digital payment



Source: Authors' calculations using World Bank Global Findex.

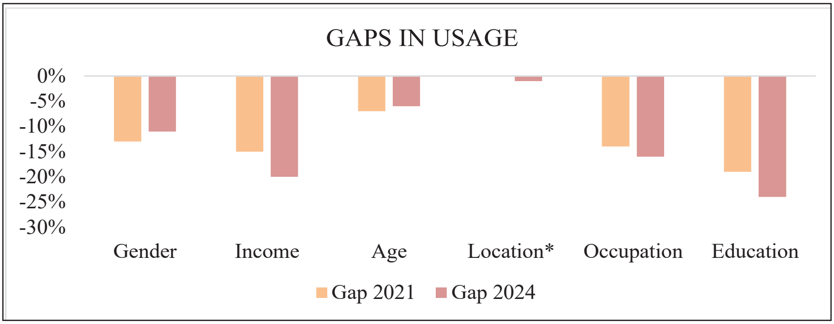
- Usage indicators show that during 2024, only 9 per cent of Indians made a digital online merchant payment for an online purchase in comparison to 29 per cent adults in the low and middle-income countries. Of all adults, only 17 per cent paid for in-store purchases using a mobile phone or card. Eighteen per cent of Indian adults made digital merchant payments. A significant proportion (72 per cent) of adults did not use mobile phones or card to pay for in-store purchases (Figure 24).

Figure 24: Usage Indicators for 2024



Source: Authors' calculations using World Bank Global Findex.

Figure 25: Gaps in Financial Usage Indicators for India – 2021 vs. 2024



Source: Authors' calculations using World Bank Global Findex.

****Note:*** Data for usage with respect to rural urban adults is not available for the year 2021

- Demographic gaps in making or receiving digital payments are still visible for Indian adults. The vulnerable sections, such as low-income individuals, those with less education, and adults out of the labour force, do not engage in making or receiving digital payments. Gender and age gaps have significantly narrowed. However, income, occupation, and education gaps have widened in 2024 compared to the percentages in 2021 (Figure 25).

- Saving and borrowing money have improved during 2014-2024. Thirty-nine per cent of adults report personally saving or setting aside money for any reason and using any mode of saving in the past year. Out of all adults who own an account, 31 per cent of adults deposit money into a bank or similar financial institution on a monthly basis. 29 per cent of adults sent or withdrew money from a bank or similar financial institution on a monthly basis. Sixty-three per cent of adults also borrowed money for any purpose.

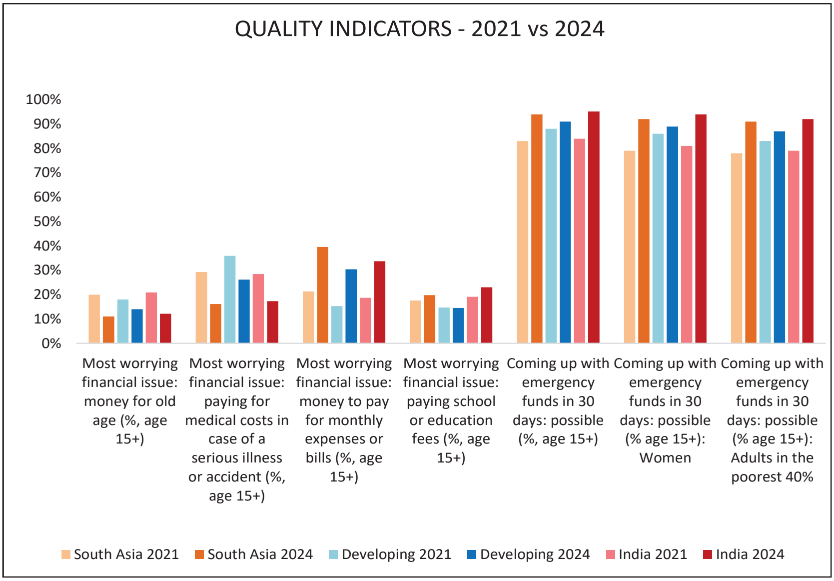
Financial Health

- The Global Findex Data for 2025 suggests that in India, only 12 per cent of adults consider the most worrying issue to be money for old age. This percentage is slightly higher than that of the South Asian group but lower than that of adults in low- and middle-income countries. Indian adults are more concerned about medical expenses and education fees, with percentages significantly higher than those of the low- and middle-income groups (Figure 26).
- A significant percentage of adults (95 per cent) in India find it possible to access emergency money within 30 days, compared to 91 per cent of adults in low- and middle-income countries and 94 per cent in South Asian countries. A significant proportion of women and low-income adults find it possible to access emergency funds in 30 days. These percentages are highest for India as compared to adults in South Asia and low and middle-income groups.
- Only 16 per cent of adults in India could cover about two months of expenses using savings, borrowing, selling something, seeking help

from friends and family, or other ways, in case the household loses its main source of income.

- About 26 per cent of adults experienced natural disasters or weather calamities in 2024, and out of those who were affected, 66 per cent lost income, and 60 per cent of adults experienced damage to their homes or livestock. Approximately 12 per cent of adults have saved at a bank or financial institution, and 12 per cent of adults report that their primary source of emergency funds is savings.

Figure 26: Quality Indicators for 2024



***Source*:** Authors' calculations using World Bank Global Findex.

According to the Global Findex survey 2025, many Indians continue to experience financial vulnerability and limited financial resilience, largely due to inadequate use of digital financial services. Based on the findings of Global Findex 2025, some of the challenges that remain for policymakers are summarised as follows:

- Last mile gap: There is a marked improvement in ownership of accounts, mobile money accounts, mobile phones, credit, and debit cards. However, a sizable proportion of adults still don't have access to these formal financial services. These adults would include small business owners, farmers, women, and low-income groups residing in hard-to-reach rural areas (Sirtaine and Schlein (a), 2025, July 19).
- Access barriers: the cost of owning a bank account, distance to a financial institution, and a lack of trust in financial institutions remain major reasons for not owning an account.
- Inactive accounts: A noticeable number of accounts remain inactive, and this is particularly true of groups such as women, low-income adults, or adults who are out of the labour force.
- Usage gaps: There is a significant upswing in the usage dimension of financial inclusion, including making or receiving digital payments, making digital merchant payments, receiving wages, pensions, or government transfers into an account. However, significant demographic gaps persist in terms of gender, income, location, employment, and education in the usage of financial services.
- Low use of advanced financial services: There has been a significant rise in the percentage of adults who save or borrow money for different purposes through an account. However, the use of banks or financial institutions for insurance or credit has not significantly increased. According to the Global Findex 2025 database, only 10 per cent of adults made regular payments to an insurance agent or company, and only 3 per cent of adults received a loan through a mobile phone.
- Low financial health: One of the major challenges is to improve the financial health of individuals/families in the economy. Improving financial access and usage is a crucial step in enhancing financial well-being within the economy. The challenge is to develop mechanisms or tools that can help adults manage their income and expenditures, which can further encourage saving or investment to protect their future against any shocks. User-centric measures are crucial to ensure that digital financial inclusion is accessible to diverse populations, particularly those with limited digital literacy or low incomes.

- Low digital and financial literacy: Global Findex 2025 also indicated low digital and financial literacy in the economy, which can lead to unsafe and ineffective use of financial services.
- Lack of infrastructure: lack of accessibility to smartphones, mobile phones, and internet connectivity continues to limit digital financial inclusion in the economy.

6.2 Areas for Improvement: Digital Financial Inclusion in India

India has made significant strides in digital financial inclusion (DFI), driven by the rise of UPI and mobile banking. As DFI ecosystem evolves, there are areas for further policy focus to ensure universal adoption. Digital literacy remains low, especially among vulnerable groups, offering a significant opportunity. As per Oxfam India (2022), 38 per cent of households in India are digitally literate, whereas 31 per cent of the rural population and 67 per cent of the urban population use the internet, respectively. This highlights the gap in digital usage between rural and urban populations, reflecting the need to bridge the digital capability divide.

Women often face additional barriers, such as limited access to devices and lower autonomy in usage. Informal employment and cash-based livelihoods further limit adoption, especially in rural and semi-urban areas. In-person banking requirements, such as physical KYC, may also limit digital adoption. In-person service delivery models like Business Correspondents and Digital Banking Units need to be further strengthened to reach underserved groups. Strengthening credit histories through frameworks like the Account Aggregator and improving data systems can enhance digital inclusion.

Lastly, data privacy and cyber security are essential to build trust and sustain digital adoption across all segments.

7 Policy Recommendations

This section outlines some key policy measures to shift from access to financial services towards empowerment and deepen inclusion for the hard-to-reach populations. There are six broad areas for policy interventions: *strengthening digital infrastructure* through AI integration, fostering financial resilience, innovating in financial products and services, focusing on priority sector lending, promoting financial and digital literacy, and encouraging collaborations.

Strengthening digital infrastructure through AI integration would provide a strong foundation for financial inclusion initiatives. This includes ensuring digital identity for all, establishing mechanisms to track and update the enrolment of vulnerable groups, and building public trust in government-provided financial services. Smarter use of technology can help innovate financial products and also widen consumer choices for fast and efficient solutions to financial problems (Sirtaine and Schlein (b), 2025, July 21). A responsible digital ecosystem also requires the development of technical standards and protocols to enhance financial service delivery and ensure interoperability between various digital services and systems. Additionally, there is a need to reinforce existing digital and data security laws and implement effective measures to protect against cyber threats.

Fostering financial resilience among all sections of the population is crucial in contemporary times, marked by high levels of climate-related vulnerability and geopolitical and geoeconomic frictions. Providing inclusive credit through responsible lending practices, along with targeted subsidies and transfers to underserved groups, would enhance resilience against financial risks. Moreover, the use of technology-driven digital platforms to connect borrowers and lenders can leverage the synergies from India's rapidly evolving digital public infrastructure. The availability of high-frequency, disaggregated data based on the demographic characteristics of individuals is also crucial for effective policy penetration across all sections of society.

Innovations in financial products and services entail providing tailor-made services to the underserved groups. The use of targeted policies and initiatives would ensure both financial well-being and inclusivity. For instance, savings accounts for women to save for their children's health and education emergencies could be a gender-sensitive financial innovation, tax incentives to companies that hire women or to small businesses owned by women can increase their income-generating prospects and provision of technology-enabled services like mobile money and mobile banking without broadband connection could be a game changer for remote areas.

To reinforce the financing ecosystem for underserved groups, particularly those in the lower-income deciles lacking formal collateral, there is a pressing need to strengthen and expand targeted credit mechanisms. A sharper focus *on priority sector lending* (PSL)—including stricter compliance with sub-targets for small and marginal farmers, as well as socially vulnerable groups can help in enhancing outreach. Additionally, *revitalising Development Finance Institutions (DFIs) to support long-gestation rural and social enterprises, alongside improved credit access for Self-Help Groups (SHGs) and Farmer Producer Organisations (FPOs)*, can promote inclusive entrepreneurship and rural livelihoods. These segments can also benefit from digital financial partnerships and tailored guarantee schemes.

Given the evolving credit requirements of micro-enterprises, *the MUDRA loan limits for Shishu, Kishore, and Tarun categories should be revised upward and indexed to cost trends* in essential inputs and services. Such adjustments will enhance credit adequacy and ensure the continued viability of early-stage entrepreneurs. Enhancing MUDRA limits in tandem with broader credit scoring alternatives, including behavioural and digital indicators, can further widen access without compromising financial prudence.

Promoting financial and digital literacy can complement the introduction of financial innovations. It can raise awareness of the benefits of financial products and services, enhance their usage capabilities, and educate individuals about financial risk management. The Information-Education-Communication (IEC) campaigns can be used to spread awareness among the masses. Vulnerable groups should have customized digital financial literacy and awareness campaigns, along with hands-on experience, to help them understand basic financial concepts with ease. Moreover, the use of technology and digital platforms, such as mobile apps, online courses, and virtual reality, can be leveraged to deliver financial education in new and innovative ways. There should be targeted literacy initiatives for rural women, older adults, and adults from lower-income categories. Apart from UPI, people should also be educated to use online banking and adopt broader digital financial skills.

Motivating Government Collaborations with Non-Profit organizations, the Private sector, and Bilateral Partners can facilitate the lowering of provision costs, widening of the service base and reach, and intensifying research and development in the area. Companies engaged in technology-driven solutions, utilizing AI, blockchain, and machine learning, can help lower the cost of providing financial services. Collaborations with academia and research think tanks can intensify research and development in the field of financial inclusion. Such collaborations can also enhance service delivery and the provision of customized products, supported by a sustainable revenue model.

8 Conclusion

Financial inclusion plays a crucial role in improving developmental outcomes for the economy. The increased use of the formal financial system and digital tools, along with better risk diversification for vulnerable groups, facilitates enhanced financial resilience and reduces poverty and inequality, thereby fostering inclusive and sustainable growth.

This paper discusses India's journey towards enhanced financial inclusion, including the evolution of its digital system for accessing and utilizing financial products and services over the years. The current trends present a promising picture, with government initiatives focused on banking the unbanked, securing the unsecured, and funding the unfunded. The strengthening of digital public infrastructure has further accentuated the transition to high-efficiency approaches from traditional, low-productivity methods of communication and knowledge dissemination. The efficient transfer of funds to underserved populations is also facilitated by improved digital financial inclusion.

The study highlights certain issues where continuedefforts can enhance the depth and reach of financial inclusion. These focus areas correspond to reducing variations in FI and DFI, as well as issues that are of particular relevance to DFI.

World Bank's Poverty & Equity Brief for India, published in July 2025, highlights a notable drop in income inequality in India between 2011-12 and 2022-23, with India ranking fourth globally in income equality with a Gini index of 25.5. Policies and schemes promoting financial inclusion may have played a pivotal role in driving this transformation.The Pradhan Mantri Jan Dhan Yojana (PMJDY) has enabled the opening of over 50 crore bank accounts, expanding access across rural and urban areas. Schemes like MUDRA, Stand-Up India, and SHG-bank linkages promote credit access for women and marginalized groups, fostering entrepreneurship, employment, and hence, economic independence. Direct Benefit Transfers (DBTs) ensure efficient delivery of subsidies and other welfare benefits. At the same time, programs like PM-KISAN and MGNREGA support rural and low-income households, thereby reducing poverty and inequality.

As India envisions becoming a Viksit Bharat (Developed India) by 2047, financial inclusion stands out as a foundational pillar for building an inclusive, resilient and sustainable economy. Universal and equitable access to financial services is essential for achieving broader developmental priorities ranging from education, healthcare and gender equality to entrepreneurship, skilling and employment generation.

India's DPI has redefined the financial inclusion landscape by delivering scalable, low-cost and user-centric solutions. These innovations have created a robust, interoperable ecosystem that simplifies service delivery and deepens engagement with underserved populations. Technologies such as AePS, Account Aggregators and DBUs are enhancing last-mile connectivity and ensuring that financial solutions are increasingly accessible, relevant, and secure.

Looking ahead, DFI will be instrumental in realising the vision of Viksit Bharat. Bridging socio-economic divides through inclusive financial systems will empower vulnerable groups and support more equitable growth. This will require continued focus on expanding digital and financial literacy, designing affordable and context-specific financial products and scaling digital infrastructure across rural and urban areas.

Endnotes

[1] (https://www.worldbank.org/en/news/infographic/2016/10/04/gateway-to-financial-inclusion)

[2] Primary surveys, conducted by various private or government organizations, can assess consumers' financial well-being in light of various FI reforms and initiatives. The surveys could be categorized into demand-side and supply-side surveys (See Box 1.1 in Annexure A).

[3] A POS (Point-of-Sale) system enables businesses to process customer payments and track sales. Traditionally, a POS system referred to a store's cash register. However, modern POS systems are fully digital, allowing them to serve customers and complete transactions from anywhere. All that's required is a POS app and an internet-connected device, like a tablet or smartphone.

[4] Systems should be designed to work seamlessly across various platforms and stakeholders.

[5] Scalability implies that the infrastructure must handle large-scale adoption and usage efficiently.

[6] Utilizes open standards to promote innovation and reduce vendor lock-in.

[7] RBI Report on National Strategy for FI (NSFI): 2019-2024, January2020

[8] DBT Mission, GOI

[9] DFS, GOI, Dashboard for various Schemes initiated by the government.

[10] Types of Loans provided under PMMY; Shishu: Loans up to Rs. 50,000/- are available; Kishor: Loans ranging from Rs 50,000/- to Rs 5 lakh are available; Tarun: Covers loans from Rs 5 lakh to Rs 10 lakh; Tarun Plus: Loans ranging from Rs 10 lakh to Rs 20 lakh are available

[11] Demographic Gaps,such as gender, income, age, location, employment, and education, are explained in box 1.4 in Annexure A. For example, the gender gap implies the percentage difference between female and male adults in financial access, usage, and quality.

References

Annual reports, Department of Financial Services, Ministry of Finance, Government of India, various issues.

CGAP, BTCA, GPFI, and World Bank. 2024. "G20 Policy Options to Improve Last Mile Access and Quality of Inclusion Through Digital Infrastructure, Including Digital Public Infrastructure (DPI), Consumer Protection, and Other FIAP Objectives" Washington, D.C.: CGAP. https://www.cgap.org/research/g20-policy-options-to-improve-last-mile-access-and-quality-of-inclusion-through-digital?auHash=e2SII0Ele54qKWdyixwbRm5WDHdeyLUKcwD-gMaAJeQ

Demirgüç-Kunt, A., Klapper, L., Singer, D., & Ansar, S. 2022. *The Global Findex Database 2021: FI, digital payments, and resilience in the age of COVID-19*. World Bank Publications.

D'Silva, D., Filková, Z., Packer, F., & Tiwari, S. 2019. The design of digital financialinfrastructure: lessons from India. *BIS Paper*, (106).

Dua, P., Goel, D., Kumar, N. (2023a). Decoding the Union Budgets' FI Agenda: A Review of India's Progress. Economic and Political Weekly, 58(13).

Dua, P., Goel, D., Kumar, N., & Verma, N. 2023b. Reducing FI gaps: Apolicy roadmap for developing economies. *G20 policy briefs*.

Dua, P., Goel, D., Verma, N., Kumar, N. & Allamraju, A. 2024. Gaps in Digital Financial Inclusion: Lessons for G20. *G20 policy briefs*.

Dua, P. (2023). Introduction. In Dua, P. (Ed.). *FI: Perspectives and Recent Initiatives*. National Book Trust, India.

Dua, P., Verma, N., Goel, D. & Kumar, N. 2023c. FI, Economic Growth, and Taxes: An Overview. In Dua, P. (Ed.). *FI: Perspectives and Recent Initiatives*. National Book Trust, India.

G20 Development Working Group. 2010: "Seoul Development Consensus for Shared Growth", G20 Korea Summit, Seoul.

G20. 2016. "G20 Action Plan on the 2030 Agenda for Sustainable Development." http://www.g20chn.org/English/Documents/Current/201609/ P020160908661601548463.pdf Action Plan on the 2030 Agenda for Sustainable Development (accessed July 18, 2023).

G20, 'G20 High-Level Principles for Digital Financial Inclusion' (23-24 July 2016).

G20, 'Report of India's G20 Task Force on Digital Public Infrastructure', Department of Economic Affairs, GOI, July 2024.

G20. 2023. G20 New Delhi Leaders' Declaration, New Delhi, India, 9-10 September 2023. https://www.g20.org/content/dam/gtwenty/gtwenty_new/document/G20- New-Delhi-Leaders-Declaration.pdf

GOI. 2019: Ministry of Electronics and Information Technology (2019). Report:"India's Trillion Dollar Digital Opportunity," Government of India, 20 February.

GOI. 2024:Economic Survey 2023-24, January 2024, Ministry of Finance, Department of Economic Affairs, Economic Division

GPFI. 2023. G20 policy Recommendations for advancing FI and productivity gains. pdf. World Bank.

Hasan, R., Ashfaq, M., Parveen, T., & Gunardi, A. 2023. FI–does digital financial literacy matter for women entrepreneurs?. *International Journal of Social Economics*, 50(8), 1085-1104.

International Monetary Fund. "Financial Access Survey - IMF Data - International Monetary Fund." IMF DATA, 2024.

International Telecommunications Union (2019). Technical Report on *"Digital Financial Services – Digital Financial Services Ecosystem"*, ITU-T (TelecommunicationStandardization Sector of ITU).

Kamble, P. A., Mehta, A., & Rani, N. 2024. FI and Digital Financial Literacy: Do they Matter for Financial Well-being?. *Social Indicators Research*, 171(3), 777-807.

Kass-Hanna, J., Lyons, A. C., & Liu, F. 2022. Building financial resilience through financial and digital literacy in South Asia and Sub-Saharan Africa. *Emerging Markets Review,* 51, 100846.

Khera, P., Ogawa, M. S., & Sahay, M. R. 2021. *Is digital financial inclusion unlocking growth?* International Monetary Fund.

MOSPI. 2023. Multiple Indicator Survey in India, NSSO 78th Round, Report No. 589, GOI.

MOSPI. 2024. Report of the Annual Survey of Unincorporated Sector Enterprises 2022-23, GOI.

NPCI. "Unified Payments Interface (UPI) Product Statistics: NPCI." National Payments Corporation of India (NPCI), December 2022

Oxfam India. 2022. India inequality report 2022: Digital divide. https://www.oxfamindia.org/knowledgehub/workingpaper/india-inequality-report-2022-digital-divide.

Rajan, R. 2009. Broadening Access to Finance in a Hundred Small Steps: Report of the Committee on Financial Sector Reforms, Chapter 3, Sage, New Delhi.

Reserve Bank of India. 2008. *Reserve Bank of India Annual Report 2007-08*.

Reserve Bank of India (RBI). 2014. Report of the Committee on Comprehensive Financial Services for Small Businesses and Low Income. Mumbai.

Reserve Bank of India. 2020. RBI Report on National Strategy for FI 2019-24.

Sirtaine, S. &Schlein. M.(a) 2025, July 19. Banking on Progress: Why the Next Chapter of FI is so Important, CGAP. https://www.cgap.org/blog/banking-on-progress-why-next-chapter-of-financial-inclusion-is-so-important

Sirtaine, S. & Schlein. M.(b) 2025, July 21. From Access to Impact: It's Time to Realize the Full Promise of FI, CGAP. https://www.cgap.org/blog/access-to-impact-its-time-to-realize-full-promise-of-financial-inclusion.

Box 1.1: FI Surveys

Demand-side data surveys assess the need for financial services of individuals, households, and firms and the problems they encounter. This data helps understand users'financial needs which could have already been met or could be unmet,barriers encountered when seeking formal financial services and products, and users' socio-economic and demographic characteristics (e.g., degree of FI by income, occupation, age, or gender groups). Some examples are:

1. Global Findex (World Bank): The Global Findex Database 2021 surveyed 128,000 adults in 123 economies on key indicators like access to financial services, digital payments, and financial resilience. The triennial survey highlights shift in behaviour and service use to inform global FI efforts.
2. World Bank Enterprise Surveys (WBES): These are comprehensive, nationally representative surveys conducted every few years with business owners and senior managers across more than 150 economies. They offer valuable insights into various aspects of the business environment, including access to finance, corruption, infrastructure, and business performance.
3. RBI Financial Index: The Reserve Bank of India (RBI) developed a multidimensional composite FI Index (FI-Index) for India using 97 annually collected indicators, capturing factors such as availability, ease of access, usage, service gaps, unequal distribution, financial literacy, and consumer protection.

Supply-side data surveys provide information about formal and regulated financial institutions includinggeographical access (branch location),pricing of products and services, andpenetration or usage

Continued...

of products and services. It’s a low-cost alternative to demand-side data surveys, which are costly and less frequent. Some examples are:

1. IMF Financial Access Survey: This is a supply-side dataset based on annual data on access to and use of financial services that supports policymakers in measuring and monitoring FI and benchmarking progress against peers.
2. Global Payments System Survey: The World Bank’s Global Payment Systems Survey (GPSS) collects bi-annual data from central banks and monetary authorities to evaluate payment systems using quantitative and qualitative measures. It covers infrastructure, regulations, innovations, remittances, and oversight frameworks.
3. IMF International Financial Statistics: The IMF provides statistical data on government finance, monetary relations, financial indicators, international trade, exchange rates, balance-of-payments, and global economic prospects for about 200 countries over time.

***Source*:** https://www.worldbank.org/en/topic/financialinclusion/brief/how-to-measure-financial-inclusion

Box 1.2: Consumer Protection Measures for FI in India

Legal Framework

1. The Information Technology (IT) Act, of 2000, deals with cybersecurity, data protection, and cybercrime. The act provides statutory recognition and protection to electronic transactions and communications. It also safeguards electronic data, information, and records by preventing unauthorised or unlawful use of computer systems and identifying activities such as hacking, phishing, malware attacks, identity fraud, and electronic theft as punishable offenses.
2. Consumer Protection Act, 2019, promotes, protects, and enforces consumers' rights. It oversees issues such as violations of consumer rights, unfair trade practices, and deceptive advertising.
3. As per the Digital Personal Data Protection Act, of 2023, personal data may only be processed for authorized purposes with the individual's consent. The individual should be informed about the personal data to be gathered and the reason for processing. He may withdraw consent at any time.

Source: Ministry of Consumer Affairs, Ministry of Electronics and Information Technology.

Regulatory Framework

1. In 2006, the Reserve Bank of India established the Banking Ombudsman Scheme to enable the resolution of complaints relating to certain bank services and promote their satisfaction or settlement. The Ombudsman Scheme for Non-Banking Financial Companies, 2018 was introduced to allow for the free resolution of complaints relating to certain aspects of services rendered by certain categories of non-banking financial companies registered with the Reserve Bank, to facilitate the satisfaction or settlement of such complaints, and related matters related. The Ombudsman Scheme for Digital Transactions, 2019, was

Continued...

Continued...

introduced to settle complaints regarding digital transactions undertaken by customers of digital services. The Reserve Bank of India (RBI) merged all three Ombudsman Schemes, into one Scheme called 'The Reserve Bank - Integrated Ombudsman Scheme, 2021', which came into effect on November 12, 2021. The Scheme streamlines the grievance redress procedure at the RBI by allowing clients of Regulated Entities (REs) like banks, Non-Banking Financial Companies (NBFCs), Payment System Participants (PSPs), and Credit Information Companies to submit their grievances at a single centralized site.

2. RBI Consumer Protection Guidelines, 2017 limits the liability of customers in unauthorised E-banking transactions.
3. RBI released a charter of consumer rights in 2014 that provides consumers with a right to fair treatment, transparency, fair and honest dealing, Suitability, privacy, and grievance redressal and Compensation.
4. Reserve Bank has provided a framework on Turn Around Time (TAT) for resolution of customer complaints and compensation framework across all authorised payment systems.

Source: RBI Press Releases Number Dated Nov 20, 2021, 6th July 2017, 3rd Dec 2014, 20th Sep 2019

1. SEBI Complaints Redress System (SCORES) is anonline grievance platform.
2. The Insurance Ombudsman
3. The Investor Education and Protection Fund Authority (IEPFA) is a statutory body established by the GOI in 2016. It functions under the Ministry of Corporate Affairs (MCA) and promotes investor awareness and protects investors' interests.

***Source*:** SEBI, https://www.cioins.co.in/, https://www.iepf.gov.in

Box 1.3: Financial Awareness Initiatives by RBI and Government of India

1. National Centre for Financial Education (NCFE) was established in 2013 by the RBI, the Securities and Exchange Board of India (SEBI), the Insurance Regulatory and Development Authority of India (IRDAI), and the Pension Fund Regulatory and Development Authority (PFRDA). It promotes financial education through workshops, seminars, training programs, and campaigns. It collaborates with regulators to develop a national strategy for financial education (NSFE) to enhance financial awareness, especially in rural and semi-urban areas. It prioritizes the '5 C' approach that is, content, capacity, community-led model, communication, and collaboration, targeting teachers, students, and others as a part of the NFSE 2022-25 initiative.
2. Financial literacy Centers (FLC) help in promoting financial awareness, especially at the district level. Under this, commercial banks create their FLCs in districts and conduct monthly camps to raise awareness about financial products among farmers, school children, senior citizens, self-help groups, and small and micro-entrepreneurs. Specific banks and NGOs are also involved at the block level to spread awareness at the grassroots level.
3. 'RBI Kahta Hai' Initiativeis a digital medium for educating people about banking facilities services, including senior citizen banking, precautions in digital banking, and other banking topics.
4. RBI has also created a critical volume of literature to spread financial awareness and has uploaded it on its website in 13 languages for banks and other stakeholders to download and use. This initiative aims to create awareness about financial products and services, good financial practices, going digital, and consumer protection.
5. The Financial Literacy Week is an initiative by RBI to promote awareness on key topics every year through a focused campaign.

Source: Reserve Bank of India, various press releases.

Continued...

Continued...

Box 1.4	**Box 1.6: Gaps in Financial Access, Usage, and Quality**
Gaps	Definition (Adults are defined as the percentage of the population who are 15+)
Gender Gap	Percentage difference between female and male adults in financial access, usage and quality
Income Gap	Percentage difference between the poorest 40 per cent of adults and the richest 60 per cent of adults in financial access, usage and quality
Age Gap	Percentage difference between young (age 15-24) and older (age 25+) adults in financial access, usage and quality
Location Gap	Percentage difference between financial access, usage and quality of adults living in rural areas and those in the urban areas
Occupation Gap	Percentage difference between adults out of the labour force and those in the labour force in financial access, usage and quality
Education Gap	Percentage difference between adults with primary education or less and adults with secondary education or more in financial access, usage and quality

Annexure B

Glossary

Term/Scheme/Program	Description
Aadhaar	A unique 12-digit identification number issued to all residents of India in 2009.
Aadhaar Enabled Payment System (AePS)	Enables bank customers to use their Aadhaar number to access their bank accounts and perform basic banking transactions since 2016.
Aadhaar Payment Bridge System (APBS)	A payment system that enables fund transfers to Aadhaar-linked bank accounts, launched in 2016.
Account Aggregator (AA)	A FinTech intermediary that facilitates seamless data sharing between financial institutions with user consent, introduced in 2021.
API (Application Programming Interface)	A set of rules that allows software applications to communicate with each other, evolving technology widely used in various sectors.
Atal Pension Yojana (APY)	Government-sponsored pension scheme launched in 2015 that provides a guaranteed pension to subscribers upon retirement.
ATM (Automated Teller Machine)	An electronic banking outlet that allows customers to perform various banking transactions, introduced in India in the 1990s.
Ayushman Bharat Digital Mission (ABDM)	Aims to create a seamless online platform for health services delivery in India, launched in 2021.
Banking Correspondents (BCs)	Agents of banks who provide basic banking services in rural and remote areas since 2006.
Central Bank Digital Currency (CBDC)	Electronic form of currency issued by a central bank, with pilot phases launched in 2022.

Continued...

Continued...

Consent Artefact	A digital document that defines the scope and terms of data-sharing activities, providing transparency and user control.
COVID (LGSCA) guarantee scheme	A scheme to provide guarantees to lenders for loans to businesses impacted by the COVID-19 pandemic, launched under PMGKP.
Credit Enhancement Guarantee Scheme (CEGS)	A scheme to enhance credit access for MSMEs by providing guarantees to lenders, launched in 2021.
Credit guarantee scheme of the microfinance institution (CGSMFI)	A scheme that provides credit guarantees to microfinance institutions (MFIs), launched under PMGKP.
Credit Guarantee Schemes (CGS)	Government-backed schemes that provide guarantees to lenders for loans to specific sectors or groups, with various schemes launched at different times.
Data Empowerment and Protection Architecture (DEPA)	A framework that aims to empower individuals to control their personal data, launched in 2021.
DICGC (Deposit Insurance and Credit Guarantee Corporation)	Provides insurance coverage to depositors in case of bank failures since its establishment in 1961.
DigiLocker	Secure platform for storing and sharing important documents electronically, launched in 2015.
DigiPay Sakhi	A scheme to empower women to become digital payment service providers, launched in 2020.
Digital Banking Units (DBUs)	Specialized branches of banks focused on digital banking products and services, launched in 2022.
Digital Financial Inclusion	Providing access to and use of a wide range of financial services, products, and information through digital channels is a concept that is evolving continuously.

Continued...

Continued...

Digital financial services (DFS)	Financial services delivered through digital channels such as mobile phones, internet, and other electronic means, a concept evolving continuously.
Digital Public Infrastructure	Shared digital resources and platforms that support the delivery of public services, a concept evolving continuously.
e-KYC	Electronic Know Your Customer process for customer identification and verification, introduced in 2013.
Electronic Banking Awareness and Training (e-BAAT)	Initiative to promote financial literacy and digital banking among the masses.
Emergency Credit Line Guarantee Scheme (ECLGS)	Scheme to provide collateral-free and guaranteed emergency credit lines to businesses impacted by COVID-19, launched in 2020.
Fast Payment system (FPS)	A real-time payment system that enables instant money transfers.
FI Action Plan (FIAP)	A framework/plan outlining the strategies to promote FI globally, established in 2010 by G20 leaders.
FI Fund (FIF)	Fund to support FI initiatives and promote access to financial services for underserved populations, established in 2015.
Financial Literacy Centre (FLC)	Basic units that initiate the financial literacy activities at the ground level.
Global Findex Database	World Bank survey that measures FI levels across countries, initiated in 2011.
Global Partnership for FI (GPFI)	An international partnership launched in 2010 that aims to accelerate efforts to promote FI worldwide.
Global Payments Systems Survey (GPSS)	Measure of payment system development covering all aspects of national payment systems.
Government eMarketplace (GeM)	Online platform for government procurement, launched in 2016.

Continued...

Continued...

India Stack	Set of open APIs and digital public infrastructure that allows for the development of innovative digital services, evolving concept with key initiatives launched since the 2010s.
JAM Trinity	Refers to the combination of Jan Dhan Yojana, Aadhaar, and Mobile, used to drive FI, a concept emerged around 2014-15.
Jan Dhan Darshak App	Mobile app, launched in 2018, that provides information on nearby bank branches and ATMs, launched under PMJDY.
Jan Samarth Portal	Portal that provides information on various government schemes and programs, launched in 2022 under PMJDY.
Kisan Credit Card (KCC)	Credit card specifically designed for farmers to meet their agricultural and allied activities, introduced in 1998.
Kisan Credit Card (KCC) scheme	Scheme that provides short-term credit to farmers for agricultural and allied activities, launched in 1998.
Microfinance Institutions (MFIs)	Financial institutions that provide small loans to low-income individuals and small businesses, evolved over time with significant growth since the 1990s.
NABFID (National Bank for Agriculture and Rural Development)	A development bank established in 1982 that provides credit and other financial services to the agriculture and rural sectors.
National Agricultural Market (e-NAM)	Online platform for trading agricultural commodities across India, launched in 2016.
National Centre for Financial Education	Company promoted by the Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI), Insurance Regulatory and Development Authority of India (IRDAI), and Pension Fund Regulatory and Development Authority (PFRDA) to promote financial education and awareness.

Continued...

Continued...

National Pension System (NPS)	A government-sponsored pension scheme that provides retirement benefits to subscribers, launched in 2004.
NSP (National Scholarship Portal)	An online platform for students to apply for various scholarships.
Open Credit Enablement Network (OCEN)	Network that allows lenders to seamlessly access and share credit information, launched in 2021.
Open Network for Digital Commerce (ONDC)	Open network that aims to democratize e-commerce by creating a level playing field for buyers and sellers, launched in 2022.
Ombudsman Scheme	A Scheme for resolving customer grievances in relation to services provided by entities regulated by the Reserve Bank of India.
PM-JAY (Pradhan Mantri Jan Arogya Yojana)	A government-sponsored health insurance scheme that provides free healthcare to poor and vulnerable families, launched in 2018.
Pradhan Mantri Fasal Bima Yojana (PMFBY)	Crop insurance scheme that provides insurance coverage to farmers against crop losses, launched in 2015.
Pradhan Mantri Garib Kalyan Ann Yojana (PMGKAY)	A scheme to provide free food grains to poor and vulnerable households during the COVID-19 pandemic, launched in 2020.
Pradhan Mantri Garib Kalyan Package (PMGKP)	A comprehensive relief package announced by the government in 2020 to mitigate the economic impact of the COVID-19 pandemic.
Pradhan Mantri Jan Dhan Yojana (PMJDY)	FI scheme that aims to provide bank accounts to all residents of India, launched in 2014.
Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)	Life insurance scheme that provides life insurance coverage to eligible bank account holders, launched in 2015.

Continued...

Continued...

Pradhan Mantri Kisan Samman Nidhi (PM-KISAN)	A scheme to provide income support to small and marginal farmers, launched in 2019.
Pradhan Mantri Mudra Yojana (PMMY)	Scheme to provide loans to micro/small enterprises, launched in 2015.
Pradhan Mantri Shram Yogi Maandhan Yojana	Pension scheme for unorganized sector workers, launched in 2019.
Pradhan Mantri Suraksha Bima Yojana (PMSBY)	Accidental death and disability insurance scheme for eligible bank account holders, launched in 2015.
Pradhan Mantri SVANidhi Scheme	A micro-credit facility for street vendors to help them resume their livelihoods after the COVID-19 pandemic, launched in 2020.
Pradhan Mantri Ujjwala Yojana	A scheme to provide free LPG connections to poor households, was launched in 2016.
Pradhan Mantri Vaya Vandana Yojana (PMVVY)	Pension scheme for senior citizens, launched in 2016.
Pradhan Mantri Vishwakarma Yojana	A scheme to provide financial and skill development support to traditional artisans and craftspeople, launched in 2023.
Primary Agricultural Cooperative Societies (PACS)	Cooperative societies that provide various financial and non-financial services to farmers at the village level, evolved over time with a long history in India.
Priority Sector Lending	Lending by banks to sectors such as agriculture, small-scale industries, and education, as mandated by the Reserve Bank of India, RBI guidelines have evolved over time.
RBI FI Index	Measure of FI, ranging from 0 to 100, with 0 representing complete financial exclusion and 100 indicating full FI.
RuPay Cards	Domestic card payment network launched by the National Payments Corporation of India (NPCI) in 2012.

Continued...

Continued...

Self-Help Group-Bank Linkage Programme (SHG-BLP)	Program that connects Self-Help Groups (SHGs) with banks to access credit and other financial services, launched in 1992.
Self-Help Groups (SHGs)	Small groups of women who come together to save and borrow money from each other, evolved over time with significant growth since the 1990s.
Stand-up India	Scheme to promote entrepreneurship among women and Scheduled Castes/ Scheduled Tribes, launched in 2016.
Sukanya Samriddhi Yojana	Savings scheme for the benefit of girl child, launched in 2015.
Unified Mobile Application for New-Age Governance (UMANG)	Mobile app that provides access to various government services, launched in 2017.
Unified Payments Interface (UPI)	Real-time payment system that allows for instant, secure, and convenient fund transfers between bank accounts using a single mobile application.
Unstructured Supplementary Service Data (USSD) technology	A technology that allows mobile phones to communicate with servers using simple text messages, widely used for mobile banking and other services.
World Bank Enterprise Survey (WBES)	Nationally representative firm-level surveys with top managers and owners of businesses in over 150 economies, providing insights into access to finance, corruption, infrastructure, and performance, among others.

About the Authors

Professor Pami Dua is Senior Professor of Economics and Former Director of the Delhi School of Economics, University of Delhi. She is currently a part-time member of the Economic Advisory Council to the Prime Minister (EAC-PM). She is also a Distinguished Fellow of the Research and Information System for Developing Countries (RIS). She has served as a member of the first Monetary Policy Committee of the Reserve Bank of India. She has published widely in time series econometrics, forecasting, macro econometrics, monetary policy, business cycle analysis, and sustainable development, and has 4 decades of teaching experience. Email: dua@econdse.org

Professor Deepika Goel is a professor of Economics at Aryabhatta College, University of Delhi, with about 28 years of teaching experience. Her research focuses on macro econometrics, time series, forecasting, financial inclusion, and climate change. Her areas of teaching include Econometrics, Statistics, and Macroeconomics. She has published papers in reputable national and international journals, as well as book chapters, in her area of study. Email: deepika@aryabhattacollege.ac.in

Neeraj Kumar is Joint Director in the Department of Economic Affairs, Ministry of Finance, Government of India. With experience in economic policy, financial markets, and international cooperation, he has contributed to shaping India's approach to global debt issues, bilateral economic dialogues, and securities market reforms. His areas of focus include macroeconomics, financial markets, debt sustainability, financial inclusion, and international development finance. Email: neeraj.ies@nic.in

Dr Neha Verma is an Associate Professor of Economics at Kirori Mal College, University of Delhi, with over 16 years of teaching experience. She has taught papers such as Statistical Methods in Economics, Econometrics, and Indian Economy. She has published in reputed national and international journals, and her areas of interest include macroeconomics, international finance, financial inclusion, and gender economics. Email: nverma@kmc.du.ac.in

Acknowledgements

Authors are grateful for the comments and suggestions received from reviewers for finalising the Discussion Paper. Thanks are also due to the publication team at RIS compring Mr Tish Malhotra, Mr Sachin Singhal and Mr Sanjeev Karna for arranging the production of this Discussion Paper.

RIS Discussion Papers

Available at: http://www.ris.org.in/dicussion-paper

DP#312-2025 *Flag in India: A Proposal for the India International Ship Registry* by Sujeet Samaddar and Anushka Tripathi

DP#311-2025 *Decoding QCOs: Do We Need a Rethink?* by Rajeev Kher and Anil Jauhri

DP#310-2025 *Navigating Cross-Cutting Issues and Emerging Challenges in Agricultural Trade: Perspectives from the Global South* by Sachin Kumar Sharma, Teesta Lahiri, Lakshmi Swathi Ganti, Paavni Mathur and Alisha Goswami

DP#309-2025 *Market and Development: A New Look at the Relationship* by Milindo Chakrabarti & Pratyush Sharma

DP#308-2025 *Characteristics of India-Germany's Triangular Cooperation Approach in Africa* by Sushil Kumar

DP#307-2025 *Advancing Women's Work in South Asia: A Pathway to Empowerment* by Beena Pandey

DP#306-2025 *Paperless Trade Facilitation in India: Achievements, Challenges and Opportunities* by Prabir De & Amal Saji K

DP#305-2025 *Monetising Emission Reductions in the Ship Recycling Industry* by Mayank Mishra

DP#304-2025 *Food Security and Nutrition to Attain SDG-2: A Comparative Analysis of South Asia Region* by P. Srinivasa Rao

DP#303-2025 *SDG Attainments as Bedrock of Viksit Bharat: Interconnects of Target 3.1 as a Test Manifestation* by Pramod Kumar Anand

DP#302-2025 *Beyond Lifestyle for Sustainable Development: Learnings from the Dayalbagh Model* by Pami Dua, Arsh Dhir, D. Bhagwan Das, Ashita Allamraju, Prem Sewak Sudhish, Apurva Narayan, Sabyasachi Saha and V.B. Gupta

DP#301-2025 *Global South Should Aim at a Comprehensive Package for Addressing Illicit Financial Flows* by Nilimesh Baruah

BEF aims to serve as a dedicated platform for fostering dialogue on promoting the concept in the Indian Ocean and other regions. The forum focuses on conducting studies on the potential, prospects and challenges of blue economy; providing regular inputs to practitioners in the government and the private sectors; and promoting advocacy for its smooth adoption in national economic policies.

FIDC, has been engaged in exploring nuances of India's development cooperation programme, keeping in view the wider perspective of South-South Cooperation in the backdrop of international development cooperation scenario. It is a tripartite initiative of the Development Partnership Administration (DPA) of the Ministry of External Affairs, Government of India, academia and civil society organisations.

FISD aims to harness the full potential and synergy between science and technology, diplomacy, foreign policy and development cooperation in order to meet India's development and security needs. It is also engaged in strengthening India's engagement with the international system and on key global issues involving science and technology.

As part of its work programme, RIS has been deeply involved in strengthening economic integration in the South Asia region. In this context, the role of the South Asia Centre for Policy Studies (SACEPS) is very important. SACEPS is a network organisation engaged in addressing regional issues of common concerns in South Asia.

Knowledge generated endogenously among the Southern partners can help in consolidation of stronger common issues at different global policy fora. The purpose of NeST is to provide a global platform for Southern Think-Tanks for collaboratively generating, systematising, consolidating and sharing knowledge on SSC approaches for international development.

DST-Satellite Centre for Policy Research on STI Diplomacy at RIS aims to advance policy research at the intersection of science, technology, innovation (STI) and diplomacy, in alignment with India's developmental priorities and foreign policy objectives.

RIS A Think-Tank of Developing Countries

Research and Information System for Developing Countries (RIS) is a New Delhi-based autonomous policy research institute that specialises in issues related to international economic development, trade, investment and technology. RIS is envisioned as a forum for fostering effective policy dialogue and capacity-building among developing countries on global and regional economic issues.

The focus of the work programme of RIS is to promote South-South Cooperation and collaborate with developing countries in multilateral negotiations in various forums. RIS is engaged across inter-governmental processes of several regional economic cooperation initiatives. Through its intensive network of think tanks, RIS seeks to strengthen policy coherence on international economic issues and the development partnership canvas.

For more information about RIS and its work programme, please visit its website: www.ris.org.in

Research shaping the development agenda

RIS

Research and Information System for Developing Countries

विकासशील देशों की अनुसंधान एवं सूचना प्रणाली

Core IV-B, Fourth Floor, India Habitat Centre
Lodhi Road, New Delhi-110 003 India., Tel. 91-11-24682177-80
Fax: 91-11-24682173-74, Email: dgoffice@ris.org.in
Website: http://www.ris.org.in

/risindia   @RIS_NewDelhi   YouTube /RISNewDelhi