©Apeejay Journal of Management & Technology
Vol. 20, Number 1, Jan-June 2025, 90-108

CATALYZING CHANGE: UNVEILING THE DYNAMICS OF DIGITAL FINANCIAL INCLUSION IN INDIA

Pooja Bisht*
Rajiv Ranjan**
Syed Shahid Mazhar***
Shariq Nadeem****

Abstract

"Digital financial inclusion" is the term used to describe the procedure by which underprivileged and marginalised individuals use digital channels to access financial services that are formal. These services should be rendered within an ethical way, in accordance with the needs of the customer, and should come at the cost that is both affordable for the person receiving them and sustainable for the supplier. This study explores digital financial inclusion in India, its theoretical foundations, progress, evolving dimensions, and major actions implemented in compliance with G20 High-Level Policy Guidelines. Using secondary data gathered from various sources, the present study is grounded in descriptive research. Based on the usage of digital payment methods, this study indicates that technology improvements boost digital financial inclusion at the lower echelons of society, leading to higher quality of life across India as well as a rise in the utilisation of financial services. Furthermore, the government's Digital India programme greatly advances and expands the usage of digital technologies, hence enhancing financial inclusion through digital means.

Keywords: *Digital Financial Services, High-Level Policy Guidelines, Financial Services & Digital Finance.*

Introduction

The phrase "financial inclusion" was first used during April 2005 by Y. V. Reddy, the RBI governor at the time. It involves providing timely, suitable, and reasonably priced credit, insurance, and banking, as well as financial services and products, to all people and businesses, particularly those who are underprivileged and unbanked. The digital shift has recently boosted inclusion, with India's 2015 Digital India program playing a critical role in bringing previously unbanked populations online.

The emergence of inactive accounts, bank and fintech linkage, and digital trade across borders has changed our understanding of "financial inclusion." The emphasis in India has switched due to the country's increasing digitalization to "digital financial inclusion," which means that

*Research Scholar, Department of Commerce and Business Management, Integral University, Lucknow, India, pooja.niki384@gmail.com

** Dean, Integral Business School and Head Department of Management, Integral University, Lucknow, India, rajivr@iul.ac.in

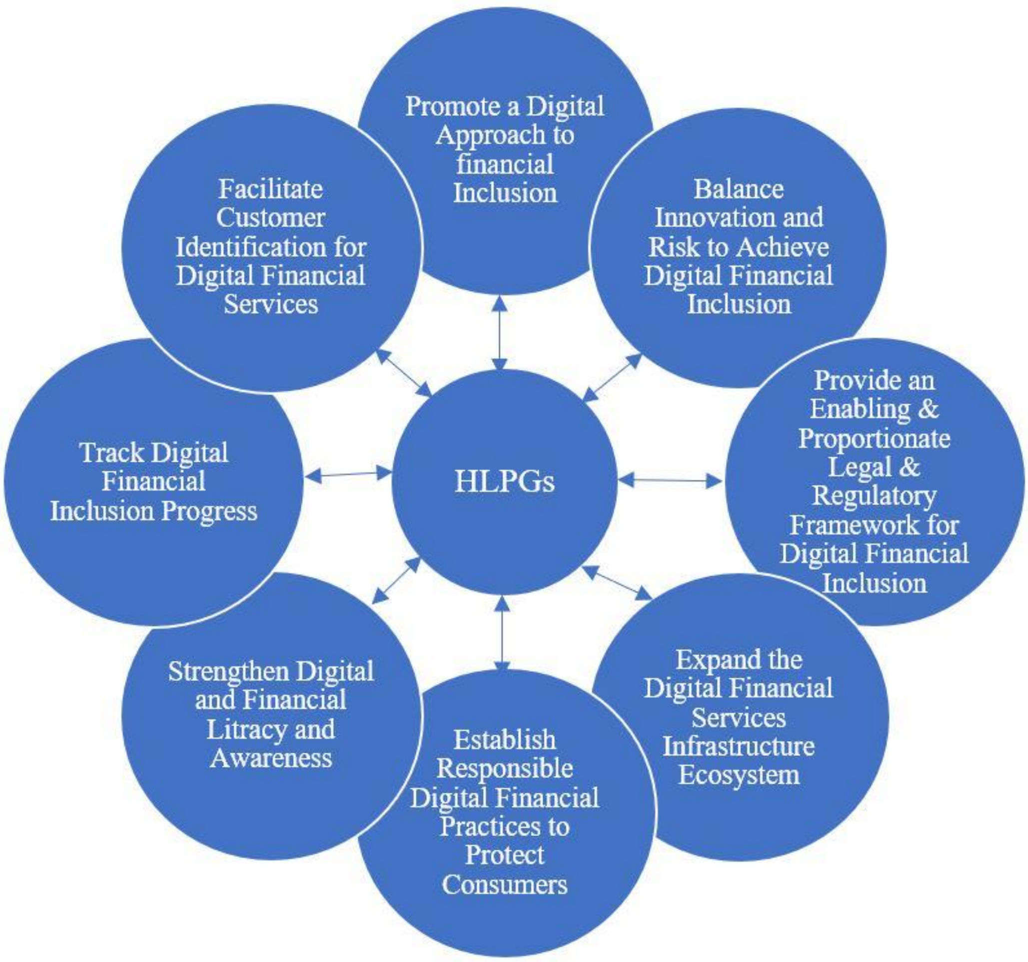
*** Professor, Department of Business Management, Integral University, Lucknow, Uttar Pradesh, India, shahid.dphil@gmail.com

****Assistant Professor, Department of Commerce, Integral University, Lucknow, India.*

low-income and marginalized populations can ethically access, and suppliers can sustainably deliver, timely, inexpensive financial services (banking, equity, credit, and insurance) that are tailored to their requirements. Since programs like Jan Dhan, Aadhaar-Mobile linkage, and the 2015 Digital India plan have significantly increased equitable, affordable access to financing and assisted in closing income inequalities, inclusion—once a stand-alone policy objective—has become a key component of India's economic strategy.

There are eight HLPGs fall into groups into four policy categories: 1) to promote an enabling, adaptive, as well as empowering digitised infrastructure for finance and ecosystem ; 2) to promote accountable and equitable policy making; 3) to encourage equitable growth by means of a legislative environment that facilitates ethical digital financial services; & 4) to promote financial digital knowledge and competence, as well as assisting financial customers and data safeguarding against possible threats.

Figure 1: High-Level Principles for Digital Financial Inclusion



Source: Global Partnership for Financial Inclusion 2023

The Financial Inclusion (FI) Index, which gauges the extent related to financial inclusion throughout the nation, rose to 60.1 in March 2023 from 56.4 in March 2022, in accordance to the central bank of India. Growth was observed among all sub-indexes as well (BL Mumbai Bureau, 2023). More than fifty crore people have been enrolled in the official financial system, having deposits totalling more than two lakh crores, thanks to interventions led by the Jan Dhan Yojana and digital transformation. By August 16, 2023, there will be 50.09 crores accounts in banks, up from 14.72 crore in March 2015, a 3.4-fold growth due to the project.

Literature Review

A nation's socioeconomic development depends on having a working financial system. It acts as a basis for mobilising savings and directing them towards useful assets (Beck, 2011). The Indian government and the Reserve Bank of India have launched a number of programs to integrate the unbanked into the official banking system in an effort to promote inclusive growth (N. Kaur & Hanspal, 2022). One of the most important components of inclusive development and growth, financial inclusion continues to be a key component of the nation's public policy agenda (Zucchelli, 2023). Approximately 330 million individuals have entered the formal financial system as a result of India's massive financial inclusion effort, which was launched in 2014 (USAID 2019 commissioned the Journey Map Report on Digital Financial Inclusion in India.) Over the past decade, initiatives like Digital India and the PMJDY have significantly increased the accessibility of financial services throughout India (Gehlot, 2023). The availability of financial services to those without bank accounts has improved their quality of life. However, challenges persist, and collaboration and transparency between stakeholders are crucial for achieving an inclusive society (Malladi et al., 2021).

Around 80% of Indians currently have bank accounts, and as the government works to provide financial services to those who are still unbanked, fintech companies are becoming more and more well-known (Shama et al., 2023). India has to work towards increasing financial inclusion by reaching underbanked populations and provide a stable business climate for fintech companies (Asif et al., 2023a). In India, having access to official financial services over the internet is a component of financial inclusion via digital means (Gupta & Khanwalker, 2019). A flourishing banking industry and globalization have accelerated the expansion of digital payments in India; nonetheless, several account holders continue to find it difficult to access official financial services (Shahid Mazhar, 2021). The government is aiming for new investors and promoting innovation via demonetization and the drive for cashless payments, but regulators as well as banks must bolster safety and fraud-prevention efforts to establish the public confidence necessary for India's financial development (Rai, 2023). Thankfully, technology businesses are going across rural India so they can educate people about financial offerings. The non-banking people now have easy access to financial services thanks to the government (Kandpal & Mehrotra, 2019). Financial inclusion may be expanded through the usage of digital finance (Bajpai Babu Banarasi & Shahid Mazhar, 2021). The phrase "digital financial inclusion" describes how impoverished and unbanked groups can utilize and access legally permissible financial services starting at a reasonable cost. However, using digital financial services promotes financial literacy along with economic inclusion. (Rana et al., 2020).

Living standards are raised by improved financial inclusion with the use of modern technologies, such as internet banking, credit and debit card usage, and digital payments (S. Kaur & Madan, 2017). Policymakers and regulators can build a digital financial inclusion environment promoting e-commerce financial services (Parvez, 2022). The rapid adoption of digital solutions due to the COVID-19 pandemic and the technological revolution are changing how people access finance (Agosto & Giudici, 2020; Arner et al., 2020; Prakash et al., 2020). While the gender gap in access has decreased from 9% to 6% points, official account ownership within emerging economies has increased from 42% to 71% over the last decade (Asif et al., 2023). It demonstrates clear progress. Overtaking the rise in owning an account, the percentage of adults in developing nations making or receiving digital payments rose from thirty-five percent in 2014 to fifty-seven percent in 2021 (2021's The Global Findex Database). Access and utilization are the two fundamental components of financial inclusion, containing digital channels, according to the World Bank's 2017 Global Findex. Both formal employment and higher levels of education are positively correlated with increased consumption of digital financial services (Zehra et al., 2024). Whereas, there is a strong negative association between reduced travel distance and financial activity (Bachas et al., 2018).

Objectives

1) To investigate the theoretical foundations of digital financial inclusion and its development across India over the last few decades.
2) To determine the evolving dimensions of Digital Financial Inclusion in India.
3) To point out attention to significant actions carried out in India that support the G20 High-Level Policy Guidelines towards Digital Financial Inclusion.

Research Methodology

This study is primarily descriptive in character. The research investigation's foundation contains secondary data that was obtained from numerous publications, magazines, governmental reports, statements concerning financial inclusion through digital means, journals, research articles, and websites belonging to the World Bank, RBI, and IMF.

Digital Financial Inclusion

"Digital financial inclusion" often describes, in general, to operate authorised financial services by underprivileged and excluded people using digital means. These services ought to be supplied ethically, according to the client's demands, while charging a rate that can be considered reasonable for the client and long-term for the supplier. Banks as well as financial institutions are launching digital products based on decades of proven digital tactics to better engage low-income and underserved groups. Digital financial services are now available in more than 80 countries, frequently through mobile devices, increasing access points for people who are already enrolled in the official system. Millions of previously untapped customers have consequently switched from only accepting cash transactions to official offerings including loans, insurance, stocks, savings, transfers of funds, and payments through digital platforms. As technology advances, digital financial inclusion uses low-cost digital means to reach underserved and marginalized populations with a full range of official financial services that are offered sustainably for suppliers and reasonably for users. Approximately 2.5 billion cash-dependent individuals who do not now have dependable availability for formal banking may have their lives completely changed by gaining digital access. For those who are impoverished and financially disadvantaged, digital financial inclusion has several advantages, such as the following:

1) Financial services accessibility through official channels,
2) Digital transactional platforms typically have lower costs — both to the provider and, as a result, to the customer,
3) Extra financial services catered to clients' requirements and financial situations are made possible by the means of payment, transfer, along with value keeping features integrated into the digital transaction platform, as well as the data collected inside it,
4) Cash-based payments have cheaper costs because they don't require the use of unofficial providers and carry less danger of being stolen, lost, and other types of financial offences, &

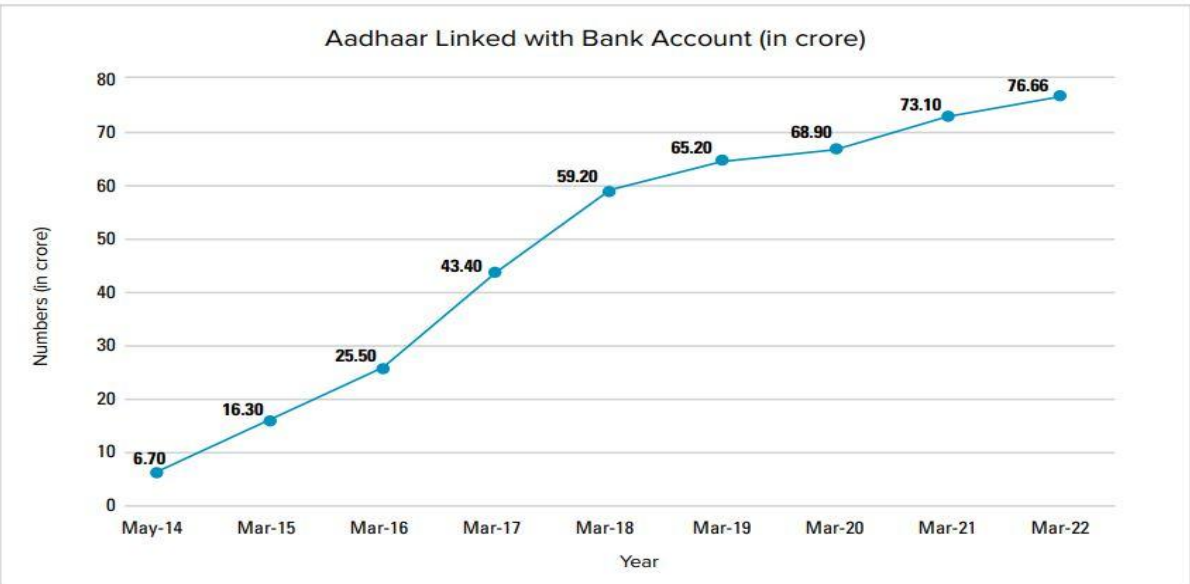
5) By encouraging wealth accumulation and boosting economic engagement, especially among women, it may additionally promote financial empowerment. (World Bank)

The Digital Financial Inclusion Journey in India over the Past Decade

When it came to financial inclusion, as late as 2011, just 35% of Indian adults owned a bank account, which is much less than the average for similar emerging market countries (Demirgüç-Kunt and others 2018). Even fewer people (12%) borrowed money from or stored with the help of a financial institution (compared to 8%). Cash was widely used, with money in circulation accounting for around 12% of GDP, despite the fact that carrying cash entailed a significant opportunity cost and ATM access was only 21 per 100,000 individuals (IMF Financial Access Survey). The 2010 introduction of Aadhaar, a biometric ID that streamlined KYC by reducing its time and expense, therefore facilitating accessibility to bank accounts, marked the first phase of initiatives by the government to create a framework for digital inclusion.

More than 600 million digital IDs for Aadhaar —roughly fifty percent of India's population—had been issued in just three years after the program's launch. More than 90% of people in the country have Aadhaar cards by 2017, and among them, 50% linked the accounts they have with their Aadhaar numbers (Unique Identification Authority of India). Up to March 31, 2022, over 132.96 crore Aadhaar were created, and the figure is constantly increasing every day. However, on the 31st of March in 2022, 76.66 crore Aadhaar identification numbers were directly linked with bank accounts via the NPCI mapper. The graph below illustrates the evolution of Aadhaar numbers associated with bank accounts from May 2014 (NPCI).

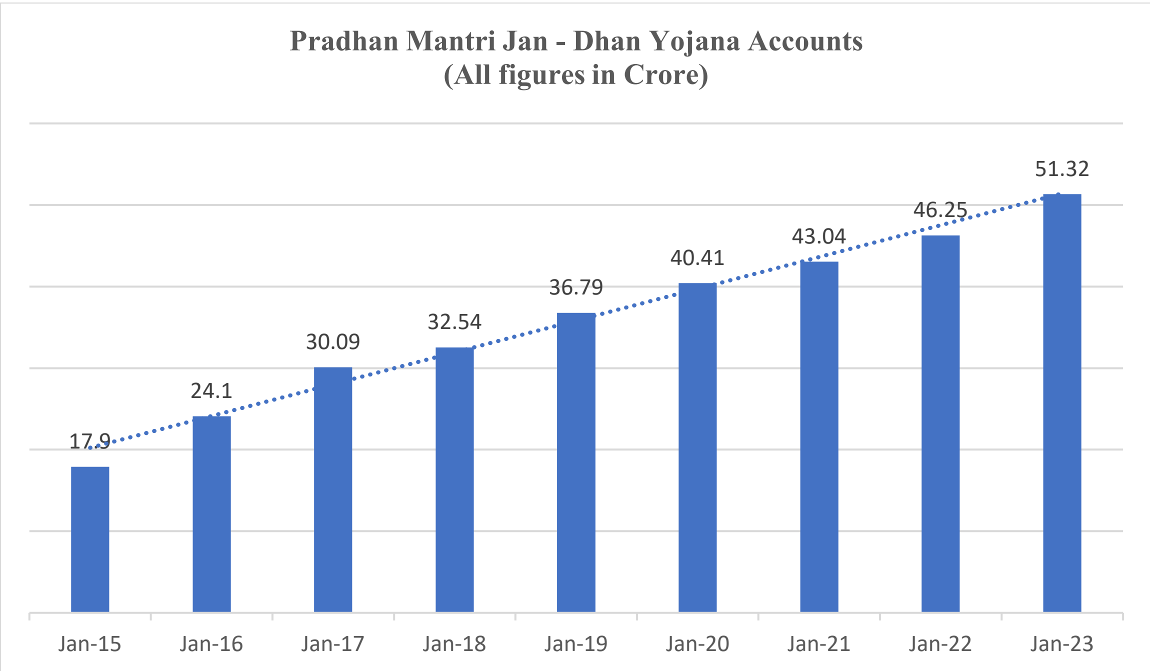
Figure 2: Progress of Aadhaar Uniquely Linked to Bank Accounts



Source: Unique Identification Authority of India (UIDAI)

In August 2014, the introduction of PMJDY marked a significant milestone in the advancement of digital financial inclusion, igniting collaboration between the public and private sectors to enhance access, thereby combating poverty and fostering equitable growth. Since PMJDY accounts are now the standard method of obtaining direct benefit payments, the majority of Indians currently own them. PMJDY has emerged as a key component of inclusive development for underserved communities by guaranteeing widespread accessibility to banking. As an outcome of the PMJDY's greater reach to 67% remote or semi-urban regions and fifty-six percent of female Jan Dhan account users, over 46 crore bank accounts with deposit balances of Rs 1.74 lakh crore have been opened from August 28, 2014, demonstrating the program's effectiveness. By 2018, PMJDY's approach shifts from "all households" to "all adults," emphasizing the use of active accounts by advertising RuPay-based digital transactions and simplifying DBT transfers in order to satisfy India's changing financial infrastructure requirements.

Figure 3: Rapid Increase in beneficiaries under Pradhan Mantri Jan-Dhan Yojana

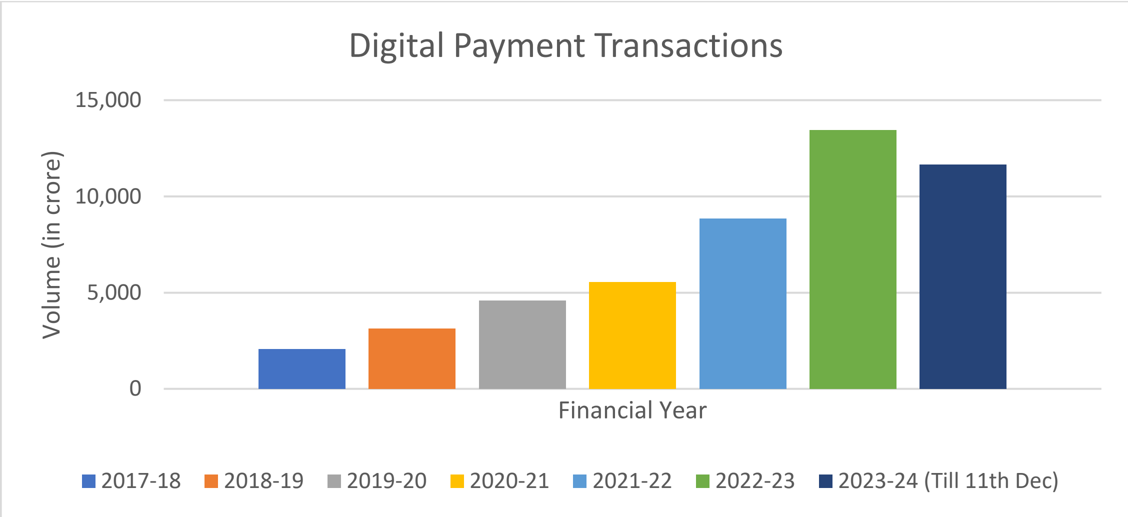


Source: PIB Delhi & PMJDY.gov.in

The Above Chart represents how there had been increase in opening accounts from Jan 2015 to Jan 2023, where as if the same has to be calculated numerically will see that there’s been growth of 186.7% since Jan 2015 to Jan 2023. The government has made significant investments in technology to expedite account openings in the hopes that increased use of mobile devices and the internet will lead to more digital banking. By connecting bank accounts to Aadhaar IDs and cellphone numbers, it seeks to overcome conventional access restrictions.

Microfinance organizations are being encouraged to embrace technology and become small finance banks, including a framework for differentiated banking that now enables fintechs and mobile network providers to provide services through Payment Bank licenses, which is driving an increase in electronic payments.

Figure 4: Rising Payments through Digital Modes



Source: Reserve Bank of India (RBI), National Payments Corporation of India (NPCI) & DIGIDHAN Portal

Demonetisation helped UPI, which first became available at the tail end of 2016, become the most popular payment method in India. By April 2021, the amount of UPI transactions had surpassed that of all other forms of payment. Even though public-sector banks still provide the majority of PMJDY accounts (SBI alone opened a third of them), the government has spent the last four years concentrating on developing digital infrastructure that private companies can use to spur additional innovation, such as biometric IDs and online payment systems. The best example is the Unified Payment Interface (UPI), which started off nowhere and has developed into the main digital payment method, taking the place of pre-paid wallets and debit cards. UPI is created and managed by the NPCI, a joint venture between the banking industry and the RBI. During the past 10 years, India's digital financial inclusion has increased dramatically, mostly due to government initiatives that prioritise inclusive growth, including the fight against poverty. The nation's government has made significant technological investments to speed up the process of creating an account, which means it is anticipated that banking will be entirely digital. Authorities have implemented a variety of banking models to promote the growth of digital payments, including licensing fintech companies and mobile network carriers as payment banks. In addition to increasing sales in the unorganized sector, this expansion has stabilized rural incomes. While bolstering cybersecurity, confidentiality of information, and consumer protection, future policies should focus on demand-side implementation hurdles (IMF Library).

The changing landscape of India's digital financial inclusion

Digital financial inclusion is influenced by four primary emerging factors in India that are of great importance: 1) Digital Exchanges 2) Digital Finance Accessible 3) Making Use of Online Financial Services 4) Indian Stack Layers

Over the last decade, India has established itself as a worldwide pioneer by creating a favorable setting for digital payments, enjoying some of the world's highest acceptance rates, and attracting worldwide interest to its design decisions and best practices. The value of transactions containing digital payments raised by 58% in just one year, from INR 71.97 billion in FY 2021–2022 to INR 113.94 billion in FY 2022–2023 (PwC, 2023). The following table displays major payment system statistics from the preceding five years in India:

Table 1: Payment System Indicators

Particulars	**Volume (Lakh)**				
	2018-19	**2019-20**	**2020-21**	**2021-22**	**2022-23**
A. Settlement Systems					
CCIL Operated Systems	36	36	28	33	41
B. Payment Systems					
1. Large Value Credit Transfer- RTGS	**1,366**	**1,507**	**1,592**	**2,078**	**2,426**
2. Credit Transfers	**1,18,481**	**2,06,506**	**3,17,868**	**5,77,935**	**9,83,695**
AePS (Fund Transfer)	11	10	11	10	6
APBS	14,949	16,766	14,373	12,573	17,898
ECS Cr	54	18	0	0	0
IMPS	17,529	25,792	32,783	46,625	56,533
NACH Cr	8,834	11,290	16,465	18,758	19,267
NEFT	23,189	27,445	30,928	40,407	52,847
UPI	53,915	1,25,186	2,23,307	4,59,561	8,37,144
3. Debit Transfers and Direct Debits	**4,914**	**7,525**	**10,457**	**12,189**	**15,343**
BHIM Aadhaar Pay	68	91	161	228	214
ECS Dr	9	1	0	0	0
NACH Dr	4,830	7,340	9,646	10,755	13,503
NETC (Linked to Bank Account)	6	93	650	1,207	1,626
4. Card Payments	**61,769**	**72,384**	**57,787**	**61,783**	**63,345**
Credit Cards	17,626	21,773	17,641	22,399	29,145
Debit Cards	44,143	50,611	40,146	39,384	34,199
5. Prepaid Payment Instruments	**46,072**	**53,318**	**49,366**	**65,783**	**74,667**
6. Paper-based Instruments	**11,238**	**10,414**	**6,704**	**6,999**	**7,088**

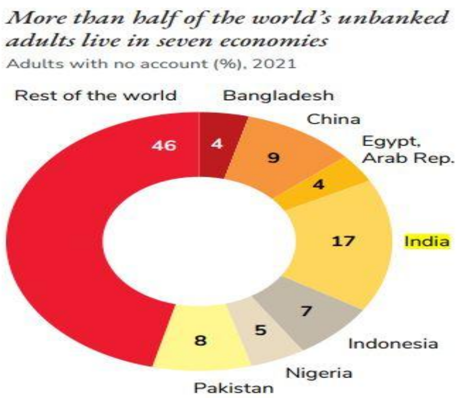
Total- Retail Payments (2+3+4+5+6)	2,42,473	3,50,147	4,42,180	7,24,689	11,44,138
Total Payments (1+2+3+4+5+6)	2,43,839	3,51,654	4,43,772	7,26,767	11,46,563
Total Digital Payments (1+2+3+4+5)	**2,32,602**	**3,41,240**	**4,37,068**	**7,19,768**	**11,39,476**

Source: Annual Report, RBI

The number of transactions utilising the RTGS system within digital payment methods grew by 77.59% between 2018 and 2023. The NEFT platform had a 127.89% increase in transactions, suggesting that high-value corporate transactions increased in parallel with the economic system's growth. Credit card payment transactions increased by 65.35% in volume. Transaction volume using debit cards decreased by 22.52%. The volume of Prepaid Payment Instruments (PPIs) rose by 62.06%.

Access of digital Finance: Approximately 1.4 billion individuals worldwide remain unbanked, meaning they do not possess a bank account or a mobile money provider (Global Findex Database, 2021). With an acceptance rate of 87% as opposed to 64% globally, India is leading the world in fintech expansion (Zed Business). 230 million Indians lack bank accounts, despite the country's tremendous development and rising internet usage. There is a need for safe, technologically advanced financial services offered countrywide (Global Findex Database, 2021).

Figure 5: Unbanked Population



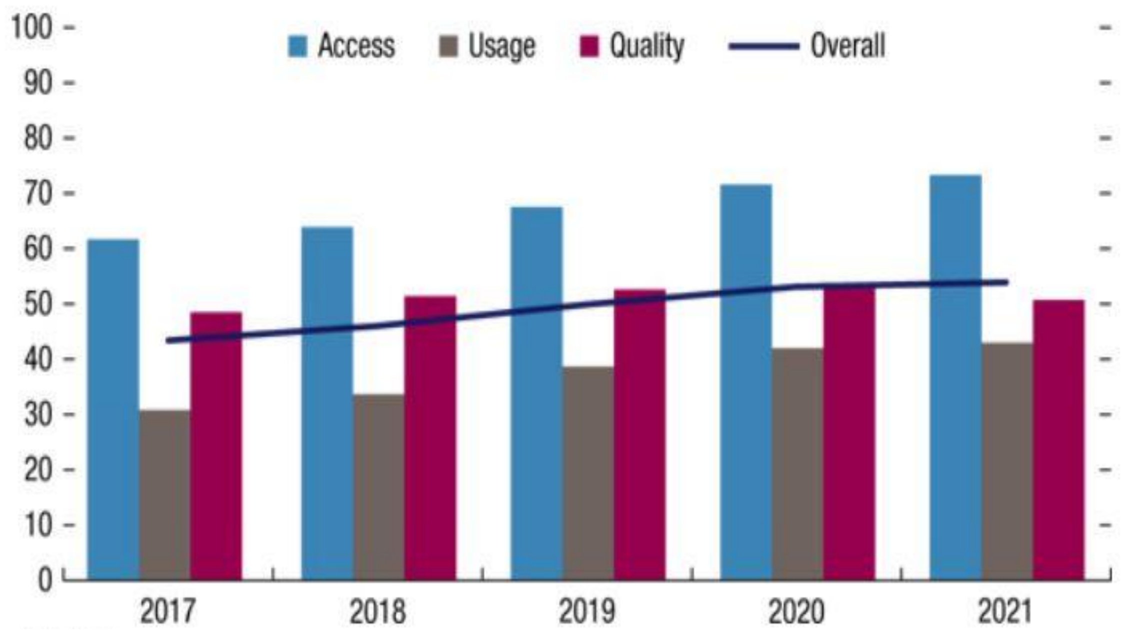
Source: Global Findex Database, 2021

The Above Figure is representative of people who are unbanked in terms of percentage or adults who had no accounts in year 2021, where India's contribution is 17%. Whereas, still 56 percent of all unbanked adults, including 51 percent in India, own a mobile phone. Gender also has an influence on the nation's financial inclusion and acceptance of digital banking. Between 2015 and 2016, the proportion of women who manage account for savings rose from 53% in NFHS-4 to 79% in NFHS-5. However, women still have limited access to credit, even though their knowledge of microcredit programmes increased from 41% in NFHS–4 to 51% in NFHS–5. Merely 11% of individuals have never obtained a microcredit borrowing. In rural regions (12%), women use microcredit schemes at a greater proportion than in metropolitan areas (9%).

The gender gap in digital accessibility and literacy still exists: 71% of women who own a mobile phone can read text messages, while 53.9% of women have a cell phone. There is still an inequality between genders in digital literacy as well as accessibility: 53.9% of women possess a cell phone, whereas seventy-one of them are able to read messages on it.

Usage of Digital Financial Services- Payments, loans, savings, money transfers, insurance, and other economic products can all be received and given using digital media. Digital channels include things like the internet, smartphones, ATMs, and point-of-sale systems. According to the indicator, digital payment acceptance increased by 40% year on year between 2018 and 21.

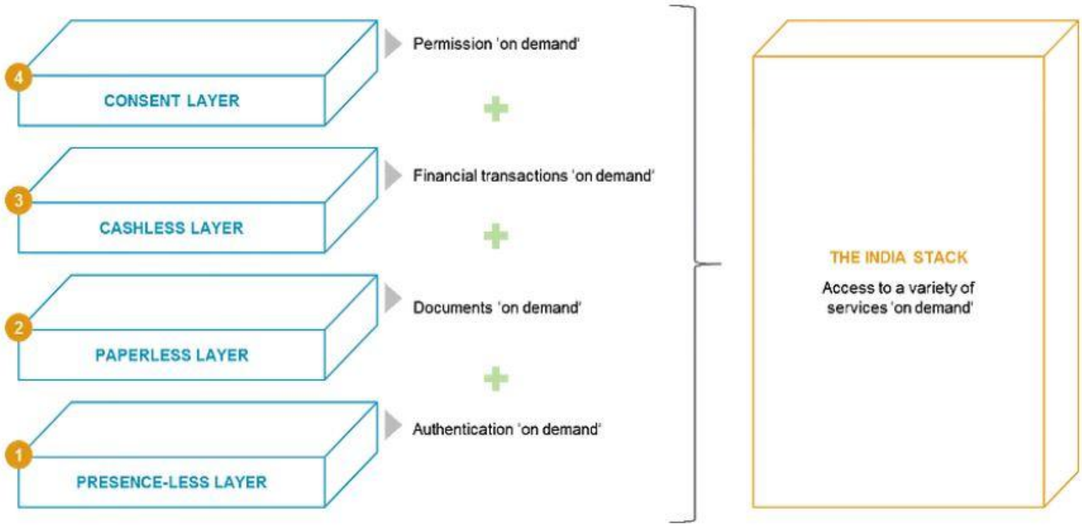
Figure 6: RBI Financial Index, 2017-21



Source: Reserve Bank of India (RBI)

India Stack: India Stack is a collection of APIs that enable cashless service delivery. The India Stack is used by developers and start-ups. It facilitates cashless payment. Boundaries are irrelevant with India Stack because you may utilise it anywhere in the country. The India Stack is made up of four levels, each of which performs "basic" functions and operates independently:

Figure 7: Four Layers of India Stack



Source: Mondato

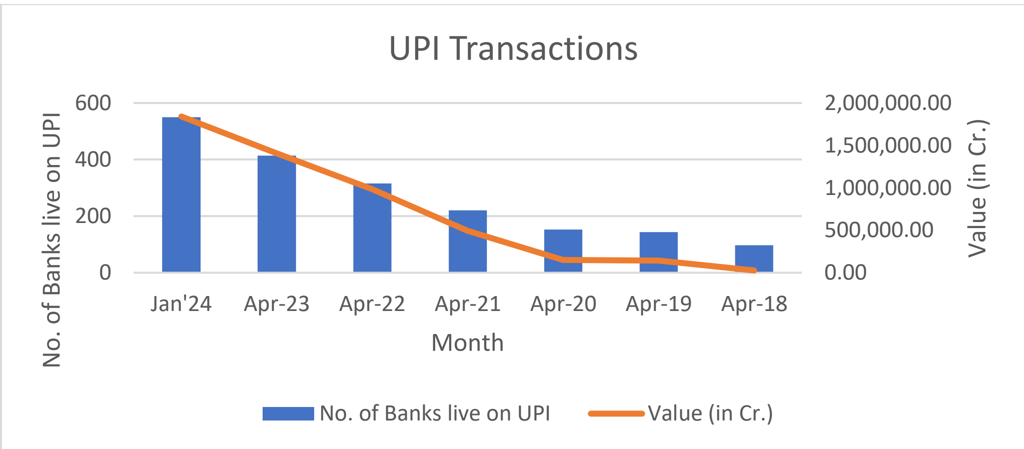
The India Stack is representative of step by step process of how documentation is done by app driven start-ups for making people use the financial services over digital tools like laptops, phone and POS machines etc.

Important initiatives carried out in India that comply with the G20 High-Level Policy Guidelines for Digital Financial Inclusion: The widespread utilisation of digital technologies as well as financial inclusion have been the main concerns of the G20 in the last couple of years, and the G20 continues to strive to facilitate the synergistic convergence of these two issues through research, studies, and comprehensive policy recommendations. This paper centres on the four HPLGs and the significant steps that India has taken to adhere to these principles, which are outlined below, even though HLPGs have eight rules regarding digital financial inclusion:

- ***Promote the development of a scenario that is competitive for both banks and nonbanks, as well as the building of a digital infrastructure that is accessible to everyone, responsible, secure, and compatible with other payment methods:*** Expanding digital financial services requires digital infrastructure, particularly in EMEs with low levels of technology adoption. Along with promoting interoperability and offering strong security measures for inclusion, it should make transactions easy, quick, inexpensive, and safe.

- **India's Unified Payments Interface-** Payment channel interoperability has made transactions easier, and India's retail payments are among the safest in the world because of strong consumer protections. The Unified Payments Interface (UPI) is a mobile platform that was introduced in August 2016 and operates around-the-clock. It enables push and pull transfers for P2P and P2M payments and employs Virtual Payment Addresses (VPAs) to transmit and receive money instantaneously without exchanging bank information. After its August 2018 debut, UPI 2.0 allows customers to pre-authorize exchanges, connect overdraft accounts at the same time setting up automatic payments for recurrent payments. UPI, a two-factor authentication system for mobile transactions, has gained popularity in India since its inception in 2016. With a transaction limit of INR 0.2 million, it has attracted FinTech players and non-bank players (BRICKS Digital Financial Inclusion Report, 2021). The current Statistics on UPI transaction shows that the transactions in terms of value is increased by 272.94% from 2021 to 2024 (this data excludes the transactions having debit/credit to the same account), which is mentioned below:

Figure 8: UPI Transactions



Source: NPCI

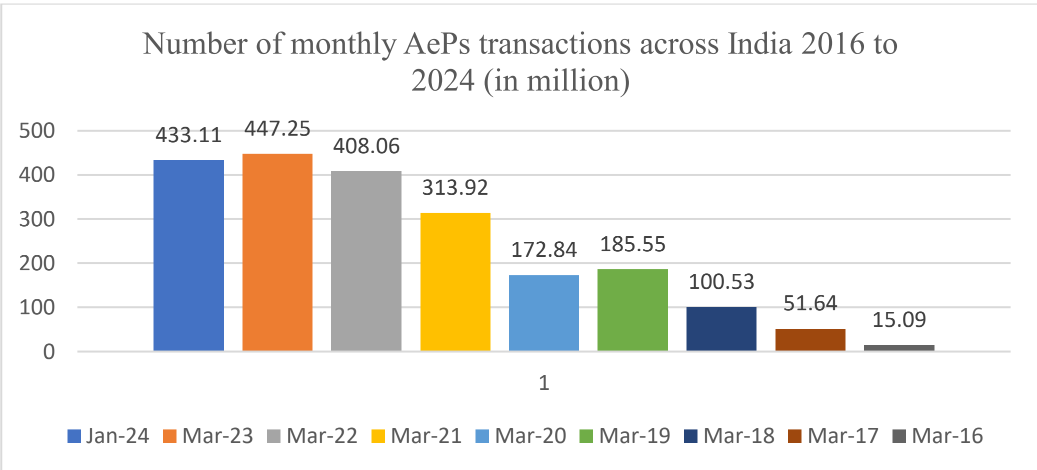
- **Indian Payments Infrastructure Development Fund-** The RBI established this fund to offer purchasers with incentives for installing Points of Sale (PoS) systems (including digital and physical forms) in tier-3 to tier-6 cities including northeastern districts. Cards, bank account payment transfers, and mobile wallets are currently all part of India's payment infrastructure. It's critical to develop and improve acceptance infrastructure nationwide, particularly in underprivileged areas, in order to promote quicker digital adoption. The RBI has contributed INR 2.5 billion, or 50% of the

PIDF's total funding. The remaining sum has been donated by the nation's banks and credit card networks. The PIDF also occasionally gets donations from issuers and card networks to help with running costs. The RBI administers and manages the PIDF under the direction of the Advisory Council. The RBI manages and administers the PIDF, which is overseen by an Advisory Council.

❖ ***Encourage legislative along with regulatory measures to reduce the inequalities in utilization of accountable financial services via the internet that result from social, cultural, and economic disparities:*** This collection of guidelines emphasises specific policy efforts and actions that leverage digital capacities to overcome social, economic, and cultural realities' limitations and injustices while increasing possibility of using financial services.

- **Aadhaar Enabled Payment Systems in India:** Over 1.29 billion people in India have received Adhaar, a distinctive biometric-based identity number, ever since its introduction in 2009. Transfers and transactions made through Business Correspondents (BCs) are authenticated using this method. In India, smartphones, Aadhaar, and Jan Dhan—the JAM trinity—have become essential components of financial inclusion. The AePs allows online transactions using micro-ATMs using Aadhaar authentication. Government payments as well as subsidies are instantly deposited to bank accounts linked to Aadhaar utilizing Aadhaar numbers by using the Aadhaar Payment Bridge System (APBS). AePs recorded approximately 447.25 million transactions in India in March 2023.

Figure 9: Aadhaar Enabled Payment Systems (AEPS) Transactions



Source: NPCI

- **Differentiated Banks in India:** To provide formal financing to marginalized and low-income people, India introduced Payments Banks & Small Financing Banks—SFBs that provide typical banking services such as lending and depositing money to these groups. They have to ensure that loans and advances of up to 25 lakh make up 50% of their total loan portfolio, and they have to distribute 75% of Modified Net Bank Credits to lending sectors in the priority sector.Ten SFBs were in operation as of March 31, 2021, offering banking services all across the nation. Among them were 918 unchanged Point Financial Outlets with Business correspondents on staff and 4,962 branches of banks. Payments banks prioritize increasing domestic remittances despite being prohibited from lending; they increased their on-demand deposit threshold from ₹100,000 – ₹200,000.

❖ ***Enhancing commercial, financial, and digital knowledge and capacities through targeted interventions as well as technology use:*** To attain financial security and make wise financial decisions, people need to be financially literate and educated. While financial literacy includes information, skills, attitudes, and behaviors related to money, financial education improves understanding of financial concepts, products, and risks. Both enable users to ask for assistance when necessary and make educated decisions.

- **India's National Centre for Financial Education:** The government as well as other financial sector authorities in India must work together to fulfil their multi-stakeholder responsibilities to attain financial inclusion. The National Strategy of Financial Inclusion (NSFI): 2019-2024 intends to use technology, improve digital financial services, as well as offer focused financial literacy courses in order to grow and maintain the FI process. To foster financial literacy and empower its citizens, India created the National Strategy of Financial Education (NSFE). To advance financial literacy throughout India, the National Centre of Financial Education (NCFE) founded as a non-profit organisation. To increase financial literacy across a range of age groups, the NCFE offers trainings, seminars, conferences, and initiatives centred around financial awareness. Financial education programmes have been implemented by NCFE in order to reach an array of audiences. These programs are as follows: a) Financial Education Programs for Individuals, b) Financial Knowledge Training Course, c) Financial Consciousness and Users Training, along with d) Money Smart School Programs. NCFE carried out more than 5,000 programmes as well as raised awareness among over 175 thousand participants in the year 2020-21 as part of its financial literacy initiatives, which followed a shift towards digital means to acquire financial services amid a pandemic.

- **The CFL, or Centre for Financial Literacy:** A cooperative effort between a few banks and non-governmental organisations, the pilot Centres to provide Financial Literacy had been originally established up in 2017 with the goal of strengthening financial literacy in a methodic and coordinated way by the delivery of financial education using a community-led participatory approach to financial literacy. Initially, the CFLs were located in 100 blocks. By the month of March 2024, it will be implemented in every Indian block, with a standardized curriculum that includes all financial literacy subjects and prioritizes digital transactions.

Conclusion

This study examined India's growing digital financial inclusion over the last decade, identifying evolving dimensions and important initiatives undertaken in India, which has emphasised digital financial services as a mechanism for extending financial inclusion. Digitalization is assisting in closing India's financial inclusion gap, especially to its unique digital infrastructure and enabling regulatory environment. Evidence also suggests that digital financial services can help overcome gender inequalities in financial inclusion in India more quickly. Despite the fact that the country has made notable advancement in increasing access for the majority of the excluded population, including through a strong supply-side push for digital financial services, policies should focus more on addressing demand-side constraints to promote financial service use, which remains low. Improving financial and digital literacy, increasing internet and smartphone access, and expanding digital government payments to families (government to person) will all contribute to closing the rising digital divide. Simultaneously, improving consumer safety, data privacy, and cybersecurity remains critical to achieving secure financial inclusion. The Study is indicative of how digitalisation have helped people to get the services which was earlier unreachable to them or to say it more clearly, how digitalisation have worked as catalyst in channelizing Financial Inclusion to dig deeper and wider in Indian Economy till those layers which had been out reached even after 70+ years of independence, to add more this study also emphasises on projections of reaching the underserved people.

References

Agosto, A., & Giudici, P. (2020). COVID-19 contagion and digital finance. *Digital Finance, 2*(1–2), 159–167. https://doi.org/10.1007/S42521-020-00021-3

Arner, D. W., Barberis, J. N., Walker, J., Buckley, R. P., Dahdal, A. M., & Zetzsche, D. A. (2020). Digital finance & the COVID-19 crisis. *SSRN Electronic Journal*. https://doi.org/10.2139/ssrn.3558889

Asif, M., Khan, M. N., Tiwari, S., Wani, S. K., & Alam, F. (2023). The impact of fintech and digital financial services on financial inclusion in India. *Journal of Risk and Financial Management, 16*(2), 122. https://doi.org/10.3390/jrfm16020122

Bachas, P., Gertler, P., Higgins, S., & Seira, E. (2018). Digital financial services go a long way: Transaction costs and financial inclusion. *AEA Papers and Proceedings, 108*, 444–448. https://doi.org/10.1257/PANDP.20181013

Bajpai Babarasi, S., & Shahid Mazhar, S. (2021). Innovative trends in business, trade and commerce: Challenges and opportunities [Conference paper]. Retrieved from https://www.researchgate.net/publication/366192474

Beck, T. (2011). The role of finance in economic development: Benefits, risks, and politics. *SSRN Electronic Journal*. https://doi.org/10.2139/ssrn.1974471

Gehlot, S. (2023). Financial inclusion in India. *International Journal for Multidisciplinary Research, 5*(3). https://doi.org/10.36948/IJFMR.2023.V05I03.3447

Gupta, Y., & Khanwalker, S. (2019). Accelerating financial inclusion in India with digital products and services [PDF]. Retrieved from https://www.researchgate.net/publication/353120206

Kandpal, V., & Mehrotra, R. (2019). Financial inclusion: The role of fintech and digital financial services in India [Manuscript]. Retrieved from https://www.researchgate.net/publication/337168283

Kaur, N., & Hanspal, M. (2022). Financial inclusion: A theoretical framework. *Journal of Production, Operations Management and Economics, 2*(5), 9–23. https://doi.org/10.55529/JPOME.25.9.23

Kaur, S., & Madan, P. (2017). Digitalization in India: Cashless, paperless & faceless. *Asian Journal of Multidimensional Research, 6*(6), 5–14. Retrieved from https://www.indianjournals.com/ijor.aspx?target=ijor:ajmr&volume=6&issue=6&article=001

Malladi, C. M., Soni, R. K., & Srinivasan, S. (2021). Digital financial inclusion: Next frontiers—Challenges and opportunities. *CSI Transactions on ICT, 9*(2), 127–134. https://doi.org/10.1007/S40012-021-00328-5

Parvez, V. (2022). Digital financial inclusion in India—An overview [Manuscript]. Retrieved from https://www.researchgate.net/publication/362184318

Prakash, S., Priya, A. P., & Ranjan, R. (2020). Current perspective of COVID-19 in India and a global pandemic challenges. *International Journal of Public Health and Clinical Sciences, 7*(3), 111–128. https://doi.org/10.32827/ijphcs.7.3.111

Rai, S. (2023). A study on financial technology & cyber security in India. *International Scientific Journal of Engineering and Management, 2*(4). https://doi.org/10.55041/ISJEM00350

Rana, N. P., Luthra, S., & Rao, H. R. (2020). Key challenges to digital financial services in emerging economies: The Indian context. *Information Technology and People, 33*(1), 198–229. https://doi.org/10.1108/ITP-05-2018-0243

Shahid Mazhar, S. (2021). Financial inclusion and its challenges concerning mutual funds in India. Retrieved from http://www.economicsdiscussion.net/articles/state-of-education-in-india-on-the-eve-of-independence/2289

Shama, S. S., Rehman, A. U., & Khan, F. S. (2023). How digital technology and innovation can be leveraged in small and medium enterprises: A bibliometric analysis. *International Journal of Technological Learning, Innovation and Development, 15*(2), 162–182. https://doi.org/10.1504/IJTLID.2023.135341

Zehra, F., Khan, F. S., Mazhar, S. S., & Khan, A. S. (2024). Revisiting Digital India 2.0: Exploring new horizon and insights. In *Emerging Technologies in Digital India* (pp. 292–317). IGI Global. https://doi.org/10.4018/979-8-3693-1954-3.CH014

Zucchelli, D. (2023). Financial inclusion is rapidly growing but the access to financial services remains modest. *Asian Journal of Finance & Accounting, 15*(1), 1–34. https://doi.org/10.5296/AJFA.V15I1.18963

World Bank Group. (2023). *The global Findex database 2021*. World Bank. https://www.worldbank.org/en/publication/globalfindex

BL Mumbai Bureau. (2023, September 15). Financial inclusion index improved to 60.1 in March 2023 against 56.4 in March 2022. *BusinessLine*. https://www.thehindubusinessline.com/money-and-banking/financial-inclusion-index-improved-to-601-in-march-2023-against-564-in-march-2022/article67312470.ece

Reserve Bank of India. (n.d.). *Annual report*. Retrieved April 24, 2025, from https://www.rbi.org.in/Scripts/AnnualReportPublications.aspx?year=2023

PTI. (2023, August 28). Jan Dhan Yojana revolutionised financial inclusion in India, more than 50 cr bank a/cs opened: FM. *The Hindu*. https://www.thehindu.com/news/national/jan-dhan-yojana-revolutionised-financial-inclusion-in-india-more-than-50-cr-bank-acs-opened-fm/article67243739.ece

International Monetary Fund. (2021, July 27). The India Stack is revolutionizing access to finance. *Finance & Development*. https://www.imf.org/external/pubs/ft/fandd/2021/07/india-stack-financial-access-and-digital-inclusion.htm

Zee Business WebTeam. (2023, March 1). Fintech sector is catalysing India's growth story among unbanked population. *Zee Business*. https://www.zeebiz.com/economy-infra/news-fintech-sector-is-catalysing-indias-growth-story-among-unbanked-population-224017

Observer Research Foundation. (n.d.). *Financial inclusion of women: Current evidence from India*. Retrieved April 24, 2025, from https://www.orfonline.org/research/financial-inclusion-of-women-current-evidence-from-india

Moneycontrol. (2023, January 31). Economic Survey 2023: UPI accounted for 52% of India's total digital transactions in FY22. *Moneycontrol*. https://www.moneycontrol.com/news/business/economic-survey-2023-upi-accounted-for-52-of-indias-total-digital-transactions-in-fy22-9970741.html