The Journal of Asia Entrepreneurship and Sustainability RESEARCH ARTICLE

Financial Literacy and Financial Inclusion in India: Progress, Emerging Challenges, and the Road Towards Viksit Bharat 2047

Dr. Chaudhary Saket Kumar[1*], Deepak Prasad[2], Saurabh Shubham Raz[3], Kanhayia Kumar[4], Sudhanshu Kumar[5]

[1*]Assistant Professor, University Department of Commerce, Babasaheb Bhimrao Ambedkar Bihar University, Muzaffarpur, Bihar, Email Id: chaudharysaket.86@gmail.com

[2]Assistant Professor, SLK College, Sitamarhi, (A Constituent Unit of Babasaheb Bhimrao Ambedkar Bihar University)

[3]Research Scholar, University Department of Commerce, Babasaheb Bhimrao Ambedkar Bihar University, Muzaffarpur, Bihar

[4]Research Scholar, University Department of Commerce & Management, Babasaheb Bhimrao Ambedkar Bihar University, Muzaffarpur, Bihar

[5]Research Scholar, University Department of Commerce, Babasaheb Bhimrao Ambedkar Bihar University, Muzaffarpur, Bihar

Abstract

Financial literacy and financial inclusion are essential for achieving inclusive and sustainable economic development in India. This study examines India's progress in expanding financial access, emerging challenges, and its implications for Viksit Bharat 2047 using secondary data from official and institutional sources. As of September 2026, the Pradhan Mantri Jan-Dhan Yojana covered 59.31 crore beneficiaries, including 33.04 crore women, while deposits exceeded ₹3.20 lakh crore. The Reserve Bank of India's Financial Inclusion Index increased from 43.4 in 2017 to 64.2 in 2024, indicating substantial improvement in access, usage, and quality of financial services. The study finds that India's financial-inclusion architecture has expanded considerably; however, financial literacy, digital capability, cybersecurity awareness, responsible borrowing, and financial resilience remain important challenges. The study concludes that achieving Viksit Bharat 2047 requires a transition from basic financial access toward informed financial participation, empowerment, and sustainable financial well-being.

Keywords: Financial Literacy; Financial Inclusion; Digital Finance; Financial Well-being; Viksit Bharat 2047

1. Introduction

Financial literacy and financial inclusion have become central components of inclusive economic development, particularly in emerging economies such as India. Financial inclusion broadly refers to the availability, accessibility and effective use of appropriate financial products and services by different sections of society, while financial literacy concerns the knowledge, skills, attitudes and behaviours required to make informed financial decisions. These concepts are closely connected because access to a bank account or digital payment facility alone may not improve financial well-being unless individuals understand how to use financial services safely and appropriately. Cross-country empirical evidence confirms that higher financial literacy is positively associated with financial inclusion and particularly with the effective use of financial services (Grohmann et al., 2018).

India provides an important case for studying this relationship because its financial system has experienced an exceptionally large expansion in formal financial access. The Pradhan Mantri Jan-Dhan Yojana (PMJDY), launched in 2014, has played a major role in bringing previously underserved households into the banking system. According to the Department of Financial Services, PMJDY had reached 59.31 crore beneficiaries as of 16 September 2026. Of these, approximately 46.10 crore beneficiaries were associated with rural and semi-urban bank branches, while 13.20 crore were associated with urban and metropolitan branches. Total deposits in PMJDY accounts had reached approximately ₹3.20 lakh crore, and around 41.51 crore RuPay debit cards had been issued (Department of Financial Services [DFS], 2026).

The demographic composition of PMJDY accounts also demonstrates the inclusive nature of India's banking expansion. Of the 59.31 crore beneficiaries reported in September 2026, approximately 33.04 crore were women, equivalent to about 55.7% of total beneficiaries. Similarly, rural and semi-urban beneficiaries represented approximately 77.7% of the total. These figures are particularly significant because women, rural households and low-income populations have historically encountered greater obstacles in accessing formal financial institutions. The expansion of account ownership therefore represents an important improvement in the accessibility dimension of financial inclusion (DFS, 2026).

Longer-term international data provide additional

evidence of India's transformation. According to the World Bank's *Global Findex Database 2021*, account ownership among Indian adults increased from approximately 35% in 2011 to 78% in 2021. Much of this increase occurred between 2014 and 2017, a period corresponding with India's large-scale financial-inclusion initiatives. The same database reported that India had effectively eliminated the gender gap in basic account ownership by 2021 (Klapper et al., 2023).

More recent World Bank data indicate further improvement. The World Bank Gender Data Portal reports that in 2024 approximately 89.2% of women and 88.8% of men aged 15 and above in India had an account at a financial institution or with a mobile-money-service provider. The near equality between male and female account ownership demonstrates considerable progress in the access dimension of gender-based financial inclusion. Nevertheless, equality in account ownership does not necessarily imply equality in account usage, financial decision-making, investment participation or access to productive credit (World Bank, 2026).

Despite this impressive expansion, the Indian experience demonstrates that financial access and meaningful financial inclusion are not synonymous. The *Global Findex 2021* found that approximately 35% of accounts in India were inactive, a proportion around seven times the average reported for other developing economies. Furthermore, only about 35% of Indian adults reported making or receiving a digital payment in 2021, compared with an average of 57% across developing economies. These findings suggest that expanding account ownership represents only the first stage of financial inclusion; active usage represents the next major policy challenge (Klapper et al., 2023).

The usage gap is particularly important from a gender and geographical perspective. In 2021, women in India were approximately 13 percentage points less likely than men to make or receive digital payments. Similarly, around 40% of adults in urban areas reported using accounts for digital payments, compared with approximately 30% of adults in rural areas. Thus, although account-ownership differences have narrowed considerably, disparities in actual utilisation of digital financial services remain relevant (Klapper et al., 2023).

This distinction has important implications for India's development strategy. Financial inclusion generates stronger socioeconomic benefits when individuals use accounts for savings, payments and appropriate borrowing rather than merely possessing them. The World Bank emphasises that meaningful account usage can enhance financial security, improve control over financial resources and facilitate expenditure and investment in education, healthcare and income-generating activities (World Bank, 2021).

Financial literacy becomes particularly important at this stage of India's financial-inclusion journey. It enables individuals to understand fundamental financial concepts such as budgeting, saving, interest rates, inflation, risk diversification, borrowing, insurance, pensions and investments. In an increasingly digital economy, financial literacy also encompasses the ability to evaluate digital financial products and understand the risks associated with online transactions.

Empirical literature provides substantial support for the relationship between financial literacy and financial inclusion. Grohmann et al. (2018), using cross-country evidence, found a clear positive relationship between financial literacy and financial inclusion. Their analysis indicates that financial literacy is particularly relevant to the use of financial services, suggesting that improvements in financial infrastructure should be accompanied by improvements in financial knowledge and capability.

Evidence from rural India reinforces this relationship. Dash and Mohanta (2024), using survey data from 423 respondents from marginalised communities, examined financial literacy, financial advisers and inclusive financial behaviour among rural households. Their findings showed that financial literacy and awareness had a substantial direct effect on financial inclusion. The study consequently emphasised community-based financial-literacy initiatives and appropriate advisory mechanisms as instruments for strengthening inclusive financial behaviour among rural households (Dash & Mohanta, 2024).

Recent evidence from North India provides further support. A 2025 study based on 1,510 customers of public- and private-sector banks investigated the role of usage, digitisation, technology, gender perspective and financial literacy in explaining financial-inclusion outcomes. The research treated financial literacy as an important mediating variable linking financial-inclusion drivers with successful financial outcomes, highlighting the need to examine inclusion beyond basic account availability.

Financial literacy also has important implications for entrepreneurship and small-business development. Recent research on Indian SMEs has examined financial literacy alongside social capital and social interaction in determining access to finance, illustrating that the capability to understand and navigate financial systems is relevant not only for households but also for entrepreneurs seeking formal financial resources (Shharma et al., 2026).

Recognising the importance of financial capability, India has progressively developed an institutional framework for financial education. The National Strategy for Financial Education (NSFE) 2020–2025, prepared by the National Centre for Financial Education in consultation with the RBI, SEBI, IRDAI, PFRDA, Department of Financial Services and other stakeholders, aimed to create a financially aware and empowered population (National Centre for Financial Education [NCFE], 2020).

The strategy adopted the "5C" approach Content, Capacity, Community, Communication and Collaboration. It emphasised integrating appropriate financial-education content into schools, colleges and training institutions; building the capacity of financial-service intermediaries; using community-led models; strengthening communication; and improving collaboration among stakeholders. This approach recognises that financial literacy cannot be created through isolated awareness programmes and instead requires coordinated institutional intervention (NCFE, 2020).

India is now entering the next phase of this strategy. Following the conclusion of NSFE 2020–2025 in March 2025, NCFE began developing NSFE 2026–2031 (NSFE 3.0). The formulation process includes stakeholder consultations, mapping existing initiatives, conducting a nationwide measurement of financial literacy and inclusion, developing institutional arrangements and establishing monitoring and evaluation mechanisms. This transition is particularly important because India's financial ecosystem has changed rapidly with the expansion of digital finance (NCFE, 2026).

India's rapid digitalisation has transformed the meaning of financial inclusion. Digital payment systems and technology-enabled financial services have reduced geographical and transactional barriers, allowing consumers to access financial services without depending entirely on physical bank branches. Consequently, digital financial capability is increasingly becoming an essential component of financial literacy.

However, digital financial expansion also introduces new risks. Individuals who can technically access digital finance may still lack sufficient knowledge to evaluate products, understand borrowing costs or identify fraudulent transactions. Therefore, the emerging policy challenge is not merely digital access, but safe, informed and responsible digital financial participation.

This issue is particularly relevant for first-generation users of formal finance. An individual may own a bank account and use digital payments but still have limited understanding of insurance, investment diversification, compound interest, credit scores, pension planning or financial fraud. Consequently, the next generation of financial-literacy policies needs to combine traditional financial education with digital capability, cybersecurity awareness and consumer protection.

2. Review of Literature

Financial literacy and financial inclusion have attracted considerable academic attention because both are closely connected with household financial security, poverty reduction, entrepreneurship and inclusive economic development. The literature increasingly shows that merely providing access to bank accounts does not guarantee effective financial participation. Financial knowledge, digital capability, confidence, socioeconomic conditions and the ability to evaluate financial products influence whether individuals actually use formal financial services. Recent Indian research has therefore shifted from measuring simple financial access toward examining usage, financial capability, digital inclusion and financial well-being.

Grohmann, Klühs, and Menkhoff (2018) examined the relationship between financial literacy and financial inclusion using cross-country evidence. Their analysis established a positive association between financial literacy and financial inclusion and showed that financial knowledge is especially important for the effective use of financial services. The study is particularly relevant to India because it suggests that expanding banking infrastructure alone cannot guarantee meaningful inclusion. Consumers also need sufficient knowledge to select and use savings, credit, insurance and investment products appropriately.

This finding provides an important conceptual basis for the present study. India's large-scale account-opening programmes can solve supply-side access constraints, but the developmental benefits of inclusion depend on whether account holders possess the capability to use those accounts and associated financial services productively.

Azeez and Akhtar (2021) specifically investigated digital financial literacy in rural India using primary data from 500 respondents in rural areas of Aligarh district. The researchers conceptualised digital financial literacy through dimensions including digital financial awareness, knowledge, skills, behaviour and attitudes. Multiple regression analysis was used to examine the influence of socioeconomic and demographic factors such as age, gender, income, education, occupation, marital status and family characteristics.

Their findings demonstrate that digital financial

literacy is not equally distributed across population groups. Socioeconomic and demographic characteristics influence individuals' capacity to understand and operate digital financial services. The study is significant because India's movement towards UPI, mobile banking and other technology-based financial services means that traditional financial literacy alone is no longer sufficient. Financial inclusion increasingly requires both financial knowledge and digital capability (Azeez & Akhtar, 2021).

Malladi, Soni, and Srinivasan (2021) examined the opportunities and challenges associated with digital financial inclusion. Their work highlighted how digital technologies can reduce the cost of delivering financial services and expand their availability to previously underserved populations. At the same time, the researchers identified continuing barriers involving infrastructure, awareness, financial capability and the digital divide.

The study is relevant to the Indian context because the next stage of financial inclusion increasingly depends upon the quality of digital participation. Digital finance can overcome the physical distance between customers and financial institutions, but technological availability alone cannot remove differences in knowledge, confidence and ability to use digital financial products.

Ravikumar et al. (2022) made an important contribution by developing and validating a measurement framework for digital financial literacy among Indian adults. Their research was undertaken against the background of rapidly increasing adoption of digital financial services in India. The authors recognised that financial digitalisation requires individuals to possess capabilities extending beyond conventional financial knowledge.

The study is particularly relevant because digital financial literacy combines knowledge of finance with the ability to understand and navigate technology-based financial products. This concept has become increasingly important as banking and payment transactions shift from branches and cash toward smartphones and digital platforms. The research supports the argument that future financial-inclusion strategies should measure not only access to digital services but also whether consumers possess the knowledge and skills necessary to use them effectively and securely (Ravikumar et al., 2022).

Kulal et al. (2023) investigated the relationship among financial literacy, financial inclusion and socioeconomic empowerment in rural Karnataka. Their study placed financial literacy within a wider developmental framework rather than treating it merely as knowledge about financial products. The research examined how literacy contributes to financial inclusion and how inclusion can subsequently strengthen socioeconomic empowerment in rural communities.

This perspective is highly relevant to Viksit Bharat 2047 because financial inclusion is ultimately valuable when it generates improvements in people's economic opportunities and financial security. The study supports a sequential relationship in which improved financial literacy facilitates financial participation and financial inclusion can subsequently contribute to wider socioeconomic empowerment.

The wider financial-literacy literature increasingly recognises that technological innovation changes both the opportunities and risks facing consumers. Digital platforms can make financial services more accessible and affordable, but the expansion of financial technology also increases the range and complexity of decisions that consumers must make. Consequently, digital financial literacy should include understanding digital financial products, transaction security, borrowing conditions, privacy and financial risks.

This development is particularly important for India, where the financial-inclusion agenda has rapidly evolved from physical banking access to technology-enabled financial participation. The literature therefore supports treating financial literacy as a dynamic concept that must change alongside financial innovation.

Dash and Mohanta (2024) examined inclusive financial behaviour among 423 respondents from marginalised rural communities in India. Their study investigated the contribution of financial literacy and awareness to financial inclusion and highlighted the importance of financial knowledge in shaping inclusive financial behaviour among rural households.

The findings indicated that financial literacy and awareness have a meaningful direct relationship with financial inclusion. The authors emphasised community-oriented financial-literacy interventions and appropriate financial advisory support for marginalised households. Their research demonstrates that financial education is especially important among populations that face both informational and socioeconomic barriers to formal financial services.

The study is particularly relevant to the present research because India's progress towards Viksit Bharat 2047 requires the benefits of financial development to reach rural and economically vulnerable populations rather than remaining concentrated among financially sophisticated consumers.

Hasan et al. (2024) investigated the relationship between FinTech, digital financial literacy and

financial inclusion using data collected from 608 FinTech users in India. The researchers applied Partial Least Squares Structural Equation Modelling (PLS-SEM) and examined digital financial literacy as a mediating mechanism while also considering perceived regulatory support.

The study found that understanding the contribution of FinTech to inclusion requires attention to consumers' digital financial capability. Access to technology by itself cannot fully explain financial inclusion because individuals must understand how to operate and evaluate digital financial services. The research therefore provides empirical support for incorporating digital financial literacy into India's broader financial-inclusion framework.

A 2024 Indian study published in the *Journal of Risk and Financial Management* specifically investigated digital financial literacy and women's financial decision-making. The research is important because women may face distinctive barriers involving digital access, financial autonomy, knowledge and confidence even when basic account ownership has substantially expanded.

The study demonstrates why gender analysis needs to progress beyond the number of accounts held by women. Meaningful financial inclusion should also examine whether women independently use digital services, make informed saving and investment decisions, understand financial risks and exercise control over financial resources. Digital financial literacy can therefore act as an important mechanism for translating formal access into financial empowerment.

Peter, Elangovan, and Bai (2025) examined the relationship among financial inclusion, financial literacy and the performance of women-owned enterprises in India. The study used primary data from 216 women entrepreneurs and considered financial literacy in the context of the emerging FinTech environment.

Their research highlighted structural barriers faced by women entrepreneurs in obtaining finance, including demand-side limitations, perceived barriers and supply-side constraints. Financial literacy was treated as an important factor influencing the relationship between inclusion and enterprise performance. This finding broadens the significance of financial literacy beyond household money management: it can also contribute to entrepreneurship, business sustainability and productive economic participation.

Khandelwal, Vajjala, and Tagat (2025) provide particularly relevant evidence on the relationship between financial literacy and inclusion in India. Using household-level survey data covering 2015–2018, the authors examined financial inclusion around the period of demonetisation and the expansion of the Pradhan Mantri Jan Dhan Yojana (PMJDY). Their results identified a strong positive association between financial literacy and financial inclusion.

However, an especially important contribution of the study was the identification of heterogeneity across socioeconomic groups. The associations were stronger among men, households in eastern states and those belonging to the upper two wealth quintiles. The study also identified relatively small positive effects associated with demonetisation and PMJDY on inclusion. These findings suggest that nationwide financial-inclusion policies may produce uneven outcomes when differences in gender, wealth, location and financial knowledge are not adequately addressed (Khandelwal et al., 2025).

A large empirical study published in the *Journal of Open Innovation: Technology, Market, and Complexity* examined financial-inclusion outcomes in North India using 1,510 customers of public- and private-sector banks. The study evaluated usage, digitisation, technology and gender perspective as drivers of financial inclusion, with financial literacy serving as a mediating variable. PLS-SEM was used to evaluate the relationships.

The research is significant because it treats financial inclusion as an outcome influenced simultaneously by technological, behavioural and demographic factors. Its findings reinforce the argument that financial literacy is not an isolated variable; instead, it can provide the mechanism through which access to technology and financial initiatives translates into successful inclusion.

Kaur and colleagues (2025) investigated the linkage between financial literacy and financial inclusion in the context of PMJDY account holders from marginalised populations in Himachal Pradesh. The research specifically examined online banking as a mediating variable and income as a moderating factor, using structural equation modelling and bootstrap techniques.

The study adds an important behavioural dimension to the literature. Financial literacy may encourage inclusion partly because financially knowledgeable individuals are better able to use online banking facilities. At the same time, household income can influence the strength of this relationship. The findings indicate that financial inclusion policies need to address both knowledge barriers and socioeconomic constraints rather than assuming that access to a PMJDY account creates uniform benefits.

Fazal, Mohanadasan, and Sunitha (2026) specifically studied the role of financial literacy among below-poverty-line households. Using

structural equation modelling through PLS, the authors analysed financial literacy as a multidimensional determinant of financial inclusion among economically disadvantaged households. Their findings showed that financial literacy has a multidimensional influence on financial inclusion.

This study is important for the present research because it focuses on the population for whom financial inclusion can potentially generate the greatest welfare benefits. It demonstrates that financial education should not be treated as a single measure of knowledge; different dimensions of financial capability can influence how economically disadvantaged households enter and use the formal financial system.

Pawar and Chavan (2026) conducted a comparatively large study involving 2,470 economically disadvantaged respondents across seven regions of India. The researchers examined the pathway connecting financial literacy, financial inclusion, empowerment and inclusive growth using techniques including ordinal logistic regression, structural equation modelling and multilevel models.

The study found that respondents possessed reasonable knowledge of budgeting, basic financial concepts and digital transactions but demonstrated weaker confidence in comparing financial products. Financial literacy significantly supported both financial inclusion and empowerment. Importantly, regional, digital and sociocultural barriers continued to restrict inclusion, leading the authors to recommend local-language, community-based and digitally supported literacy interventions targeting vulnerable populations (Pawar & Chavan, 2026).

Debi, Chakraborty, and Debnath (2026) investigated financial literacy and financial inclusion among 111 rural households in Cachar district, Assam, with particular attention to the gender gap. Composite financial-literacy and financial-inclusion indices were constructed, while t-tests and regression analysis were used to examine gender differences and the relationship between the two constructs.

The study is valuable because it demonstrates that gender remains relevant even within rural financial-inclusion programmes. Increasing the number of accounts belonging to women should therefore be accompanied by efforts to improve financial knowledge, independent usage and decision-making capability. This is particularly relevant to India's longer-term objective of inclusive development by 2047.

Recent research using nationally representative Global Findex 2021 data has moved beyond account ownership by examining account inactivity and financial exclusion across gender and rural–urban populations. A 2026 study applying Principal Component Analysis and Blinder–Oaxaca decomposition found that higher educational attainment reduces both inactivity and non-ownership, while rural residence and limited internet connectivity increase financial exclusion.

The analysis further showed that rural–urban disparities were substantially greater than gender differences and were influenced by structural disadvantages that could not be explained solely by observable household characteristics. This is an important finding for India's 2047 agenda because it demonstrates that individual financial education must be accompanied by improvements in infrastructure, internet connectivity and institutional accessibility.

Khurana and Sharma (2026) extended the literature from basic inclusion toward long-term financial behaviour by studying digital financial literacy and retirement planning among Indian millennials. Their research examined how digital financial literacy relates to retirement-planning behaviour and considered willingness to plan as an important motivational pathway.

This research is significant because meaningful financial inclusion should eventually lead to more sophisticated financial behaviours, including long-term saving, pension participation and retirement preparation. The study therefore supports the broader transition from measuring financial access toward measuring financial capability and financial well-being.

3. Research Methodology

The present study, titled "Financial Literacy and Financial Inclusion in India: Progress, Emerging Challenges, and the Road towards Viksit Bharat 2047," adopts a descriptive, analytical, and exploratory research design. The methodology is designed to examine India's progress in financial literacy and financial inclusion, identify persistent and emerging challenges, and assess how improvements in financial capability can support the broader vision of Viksit Bharat 2047. The study primarily uses secondary data, making it suitable for a national-level policy and trend analysis.

3.1 Research Design

The study follows a descriptive and analytical research design. The descriptive component is used to present the changing position of financial inclusion in India through indicators such as bank-account penetration, PMJDY beneficiaries, deposits, digital financial services, gender participation, rural–urban coverage, and financial-literacy initiatives. The analytical component evaluates relationships and trends among financial literacy, financial access, financial usage, digital financial

capability, and financial well-being.

An exploratory approach is also incorporated to examine emerging issues such as digital financial literacy, cybersecurity risks, online financial fraud, FinTech adoption, gender disparities, rural–urban differences, consumer protection, and the changing nature of financial inclusion in the context of India's development ambitions for 2047.

3.2 Nature and Sources of Data

The research is based predominantly on secondary data obtained from credible national and international sources. Priority is given to government agencies, regulatory institutions, multilateral organisations, and peer-reviewed academic literature to improve the reliability of the analysis.

The major sources include the Reserve Bank of India (RBI), Department of Financial Services, Ministry of Finance, Pradhan Mantri Jan-Dhan Yojana (PMJDY), National Centre for Financial Education (NCFE), World Bank Global Findex Database, NITI Aayog, National Payments Corporation of India (NPCI), Securities and Exchange Board of India (SEBI), Insurance Regulatory and Development Authority of India (IRDAI), and Pension Fund Regulatory and Development Authority (PFRDA).

Peer-reviewed articles indexed in databases and publisher platforms such as Scopus, Web of Science, ScienceDirect, Springer, Taylor & Francis, Wiley, and SAGE are also considered for theoretical and empirical support.

3.3 Period of the Study

The principal analytical period is 2014–2026. The year 2014 is selected as an important starting point because the launch of PMJDY marked a major expansion of India's financial-inclusion architecture. Where necessary, earlier data are used to establish baseline conditions, while the study uses the latest available data up to 2026 for assessing recent developments.

The analysis subsequently develops a forward-looking policy perspective extending to **2047**, the centenary year of India's independence. The 2047 component is not treated as a statistical forecast; rather, it is used to construct a strategic framework identifying the financial-literacy and financial-inclusion priorities relevant to the Viksit Bharat vision.

3.4 Variables and Indicators of the Study

Financial inclusion is treated as a multidimensional phenomenon rather than being measured exclusively through bank-account ownership. The following analytical dimensions are incorporated:

Dimension	Major Indicators
Financial Access	Bank accounts, PMJDY beneficiaries, banking availability
Financial Usage	Active account usage, savings, payments, credit
Financial Literacy	Financial knowledge, awareness, skills and behaviour
Digital Financial Inclusion	Digital payments, online/mobile banking and FinTech usage
Gender Inclusion	Female account ownership and financial participation
Rural Inclusion	Rural and semi-urban banking participation
Financial Protection	Insurance, pension and consumer protection
Financial Resilience	Ability to manage financial shocks and emergencies
Financial Well-being	Saving, responsible borrowing and long-term financial planning

This multidimensional approach is consistent with the argument that meaningful financial inclusion requires a combination of **access, usage and quality**, supported by adequate financial capability.

3.5 Objectives Considered for Empirical Analysis

The analytical methodology is aligned with the following major objectives:

1. To examine the progress and trends of financial literacy and financial inclusion in India during the study period.
2. To analyse the contribution of major financial-inclusion initiatives, particularly PMJDY and digital financial infrastructure.
3. To identify major emerging challenges affecting meaningful financial inclusion, including digital-literacy gaps, gender disparities, rural–urban differences, and cybersecurity risks.

3.6 Hypotheses of the Study

For analytical purposes, the following hypotheses are proposed:

H01: Financial literacy has no significant relationship with financial inclusion in India.

H11: Financial literacy has a significant positive relationship with financial inclusion in India.

H02: Expansion of digital financial services has no significant relationship with financial inclusion.

H12: Expansion of digital financial services has a significant positive relationship with financial inclusion.

H03: There is no significant difference in financial-inclusion outcomes across gender and geographical groups.

H13: Financial-inclusion outcomes differ significantly across gender and geographical

groups.

3.7 Data Analysis and Interpretation

The data analysis examines India's progress in financial inclusion through financial access, account penetration, rural and gender inclusion, deposit mobilisation, digital financial participation, financial-literacy infrastructure, and the RBI Financial Inclusion Index. The analysis primarily uses official data from the Department of Financial Services, Reserve Bank of India (RBI), National Payments Corporation of India (NPCI), and World Bank. Since the study is based on secondary data, the analysis focuses on descriptive statistics, percentage analysis, growth rates, ratios, index analysis and interpretation of long-term trends rather than claiming causal relationships.

3.7.1 Overall Progress of PMJDY and Financial Access

The Pradhan Mantri Jan-Dhan Yojana (PMJDY) represents one of the most important components of India's financial-inclusion architecture. Official PMJDY data show that, as of 16 September 2026, 59.31 crore beneficiaries had been brought under the programme. Of these, 46.10 crore beneficiaries were associated with rural/semi-urban centres, while 13.20 crore were associated with urban/metro centres. Female beneficiaries numbered 33.04 crore. Total balances in PMJDY accounts stood at approximately ₹3,20,105.85 crore, while 41.51 crore RuPay debit cards had been issued.

Table 1. Selected PMJDY Indicators as of 16 September 2026

Indicator	Position
Total beneficiaries	59.31 crore
Rural/Semi-urban beneficiaries	46.10 crore
Urban/Metro beneficiaries	13.20 crore
Female beneficiaries	33.04 crore
Total deposits	₹3,20,105.85 crore
RuPay debit cards issued	41.51 crore
Public-sector bank beneficiaries	45.72 crore
Regional rural bank beneficiaries	11.13 crore
Private-sector bank beneficiaries	2.26 crore

Source: Department of Financial Services, PMJDY Progress Report, September 16, 2026. PMJDY Mail

The magnitude of 59.31 crore beneficiaries demonstrates the breadth of formal financial access created under PMJDY. However, the more significant result is the composition of these beneficiaries. Rural and semi-urban participation substantially exceeds urban participation, suggesting that the programme has penetrated geographical areas where conventional banking access historically faced greater constraints.

The proportion of rural/semi-urban beneficiaries can be calculated as:

$$Rural\ Participation\ Rate\ = \frac{Rural\ Semiurban\ Beneficiarie}{Total\ Beneficiarie} \times 100$$

$$= \frac{46.10}{59.31} \times 100 = \ 77.73\%$$

Thus, approximately 77.7% of PMJDY beneficiaries were associated with rural and semi-urban centres. Conversely, urban/metro beneficiaries represented approximately 22.3%. This indicates that PMJDY's reach is strongly concentrated in the rural and semi-urban financial ecosystem rather than merely adding accounts in already banked metropolitan areas.

3.7.2 Gender Dimension of Financial Inclusion

Gender inclusion represents another important dimension of India's progress. PMJDY data show 33.04 crore female beneficiaries out of 59.31 crore total beneficiaries as of September 16, 2026.

The female participation ratio is calculated as:

$$Female\ Participation\ Rate\ = \frac{Female\ Beneficiarie}{Total\ Beneficiarie} \times 100$$

$$= \frac{33.04}{59.31} \times 100 = \ 55.70\%$$

Therefore, women represented approximately 55.7% of PMJDY beneficiaries. Numerically, female beneficiaries exceeded the implied number of male/other beneficiaries by roughly 6.77 crore. This is important from the perspective of inclusive development because formal account ownership can provide women with an

institutional channel for receiving transfers, accumulating savings and accessing other financial products.

At the same time, this figure should not be interpreted as proof that gender inequality in finance has been eliminated. Account ownership is different from account control and active usage. Meaningful empowerment depends on whether women independently operate accounts, save regularly, access formal credit, use digital financial services, purchase insurance, contribute to pensions and participate in household financial decisions. Therefore, the 55.7% figure represents substantial progress in the access dimension, while usage and financial capability require separate measurement.

3.7.3 Deposit Mobilisation and Financial Deepening

An important question is whether PMJDY accounts function merely as access points or whether they are increasingly being used as repositories of household savings. The aggregate balance of ₹3,20,105.85 crore in 59.31 crore beneficiary accounts provides useful evidence in this regard.

An indicative average balance per beneficiary can be calculated as:

$$Average\ Balance\ = \frac{Total\ Deposits}{Number\ of\ Beneficiarie}$$

Because both deposits and beneficiaries are expressed in crore units:

$$Average\ Balance\ = \frac{₹3{,}20{,}105.85\ crore}{59.31\ crore}\ = ₹5{,}397\ approximately$$

The estimated average balance of approximately ₹5,397 per beneficiary indicates that PMJDY accounts collectively hold a substantial pool of household financial resources. This does not mean that every account contains ₹5,397 the distribution may be highly unequal but the aggregate balance demonstrates that the programme has developed beyond account-opening alone.

This distinction is important for financial literacy. Greater balances increase the importance of understanding savings, interest, inflation, fraud protection and financial planning. As households accumulate resources within formal institutions, the quality of financial decision-making becomes increasingly relevant.

3.7.4 Institutional Distribution of PMJDY Beneficiaries

The PMJDY data also reveal a strong concentration of beneficiaries in public-sector banking institutions. Public-sector banks accounted for 45.72 crore beneficiaries, regional rural banks for 11.13 crore, private-sector banks for 2.26 crore and rural cooperative banks for approximately 0.19 crore.

The public-sector share is approximately:

$$PSB\ Share = \frac{45.72}{59.31} \times 100 = 77.1\%$$

Regional rural banks represent approximately:

$$RRB\ Share = \frac{11.13}{59.31} \times 100 = 18.8\%$$

Private-sector banks represent approximately 3.8%. These figures indicate that public-sector banks and regional rural banks together account for around 95.9% of PMJDY beneficiaries. The data therefore underline the central institutional role of publicly oriented banking networks in extending basic banking access to underserved populations.

This institutional concentration has policy implications. Public-sector banks and RRBs are not merely financial intermediaries in the inclusion programme; they can also serve as important delivery channels for financial education, responsible credit, insurance, pensions and digital-fraud awareness.

3.7.5 RuPay Card Penetration

The issuance of RuPay debit cards represents an important bridge between basic account ownership and transaction capability. As of September 16, 2026, approximately 41.51 crore RuPay cards had been issued against 59.31 crore PMJDY beneficiaries.

The indicative card penetration ratio is:

$$RuPay\ Penetration = \frac{41.51}{59.31} \times 100 = 69.98\%$$

Thus, the number of RuPay cards issued was equivalent to approximately 70% of total PMJDY beneficiaries. This demonstrates considerable payment-enablement of basic accounts. Nevertheless, possession of a debit card does not establish frequent use. Effective inclusion depends on activation, transaction frequency, understanding of PIN security, fraud awareness and access to appropriate payment infrastructure.

This is precisely where financial literacy intersects with financial inclusion. The policy objective should not end with account + card, but progress towards account + active usage + informed behaviour + security awareness.

3.7.6 RBI Financial Inclusion Index: Evidence of Deepening Inclusion

The RBI Financial Inclusion Index (FI-Index) provides a broader measure than PMJDY because it incorporates banking, investments, insurance, pension and postal-sector information. RBI's framework consists of three major dimensions: Access (35%), Usage (45%) and Quality (20%).

The FI-Index increased from 43.4 in March 2017 to 60.1 in March 2023 and 64.2 in March 2024. RBI reported that the 2024 improvement occurred across all sub-indices and was particularly supported by the usage dimension.

Table 2. Movement in RBI Financial Inclusion Index

Period	FI-Index
March 2017	43.4
March 2021	53.9
March 2022	56.4
March 2023	60.1
March 2024	64.2

Source: Reserve Bank of India.

Between 2017 and 2024, the absolute increase was:

$$Absolute\ Increase = 64.2 - 43.4 = 20.8\ points$$

The relative increase was:

$$Percentage\ Increase = \frac{64.2 - 43.4}{43.4} \times 100 = 49.93\%$$

Therefore, the FI-Index increased by approximately 47.9% relative to its 2017 level over the seven-year period. This represents significant broadening and deepening of India's financial-inclusion ecosystem.

Importantly, the RBI reported that the index increased from 60.1 in March 2023 to 64.2 in March 2024, representing 6.8% year-on-year growth, with improvement across access, usage and quality. This supports the argument that India's financial inclusion has been progressing beyond the simple opening of bank accounts.

3.7.7 Financial Literacy Infrastructure

Financial literacy requires institutional mechanisms capable of reaching populations that have recently entered the formal financial system. RBI reported that the Centre for Financial Literacy (CFL) project had been scaled up to 2,421 CFLs across India by 2024–25. RBI also reported that 99.99% of identified villages/hamlets had been covered with banking services, with efforts continuing for the remaining locations.

This infrastructure is important because expansion of financial access creates a parallel requirement for financial education. A household entering the banking system needs knowledge not only about deposits and withdrawals but also about interest, borrowing, insurance, pensions, grievance mechanisms, digital payments and fraud prevention.

The analytical relationship can therefore be represented as:

$$Effective\ Financial\ Inclusion = Financial\ Access \times Financial\ Capability$$

This is a conceptual rather than econometrically estimated equation. Its purpose is to illustrate that a very high level of financial access combined with weak financial capability may still generate incomplete inclusion. Similarly, high financial knowledge without accessible institutions cannot produce universal participation.

3.7.8 Expansion of Digital Financial Inclusion through UPI

India's digital-payment expansion represents another major transformation in financial inclusion. NPCI statistics show that UPI processed 24,508.96 million transactions in August 2026, equivalent to approximately 24.51 billion transactions in a single month. The corresponding transaction value was approximately ₹29,82,355.95 crore, while 752 banks were live on UPI.

Table 3. Recent UPI Performance in 2026

Month	Banks Live	Volume (million)	Value (₹ crore)
April 2026	713	22,346.80	29,02,988.05
May 2026	720	23,201.93	29,90,424.21
June 2026	731	22,716.07	28,92,138.67
July 2026	741	23,658.35	29,87,880.49
August 2026	752	24,508.96	29,82,355.95

Source: National Payments Corporation of India.

Between April and August 2026, monthly UPI volume increased from 22,346.80 million to 24,508.96 million transactions.

$$Growth = \frac{24{,}508.96 - 22{,}346.80}{22{,}346.80} \times 100 = 9.68\%$$

Therefore, monthly UPI transaction volume increased by approximately 9.7% between April and August 2026. Over the same short period, the number of live banks increased from 713 to 752, an

increase of about 5.5%.

The data illustrate the extraordinary scale of digital financial usage in India. However, aggregate UPI volumes should not be interpreted as meaning that every citizen participates equally. Transaction data are system-level totals and can be heavily influenced by frequent users. Therefore, household-level indicators are necessary to determine how broadly digital participation is distributed.

3.7.9 Household-Level Digital Financial Usage

The World Bank's Global Findex 2025, based on nationally representative surveys conducted during 2024 across 141 economies, provides demand-side information on how individuals access and use financial services. The database covers account ownership, payments, savings, borrowing, digital connectivity and financial resilience.

For India, the World Bank's digital-finance country snapshot estimates an adult population of approximately 1.078 billion, with about 118.28 million adults without an account. This demonstrates that very high aggregate inclusion can coexist with a large absolute number of excluded individuals because of India's population size.

The 2024 India Findex microdata also illustrate the difference between access and usage. In the underlying sample, 51.3% of respondents reported making or receiving a digital payment, while 48.7% did not. Because the World Bank cautions that unweighted microdata case shares should not automatically be interpreted as population estimates, these percentages are best treated as descriptive sample statistics rather than national prevalence rates.

This distinction is methodologically important. The combination of extremely large UPI transaction volumes and incomplete individual-level digital usage suggests that India's next financial-inclusion challenge concerns breadth of usage, not merely aggregate transaction growth.

3.7.10 Financial Access versus Formal Saving

Another important dimension is whether access to financial institutions translates into formal saving behaviour. The Global Findex 2025 India microdata show that 779 of 3,000 respondents (26%) reported having saved or set aside money using a bank or similar financial institution during the preceding 12 months. Again, this is an unweighted sample statistic and should not be presented as a national population estimate.

The gap between widespread account access and lower reported formal saving illustrates an important principle:

$$Financial\ Access \neq Financial\ Usage$$

and, more specifically,

$$Account\ Ownership \neq Active\ Saving$$

Financial inclusion should therefore be measured through a hierarchy of outcomes. At the first level, an individual gains access to an account. At the second, the individual uses the account for transactions. At the third, the account becomes an instrument for savings, credit, insurance or investment. At the final level, financial services contribute to resilience and long-term financial well-being.

This hierarchy is directly relevant to financial literacy because knowledge of budgeting, interest, inflation and financial planning can influence the transition from merely possessing an account to using formal financial services for long-term economic security.

3.7.11 Comparative Assessment of Access, Usage and Quality

The available evidence suggests that India has made particularly strong progress in financial access, while the future policy challenge lies increasingly in strengthening usage and quality. PMJDY has reached 59.31 crore beneficiaries, rural/semi-urban beneficiaries account for around 77.7% of the total, women constitute approximately 55.7%, and the number of RuPay cards issued is equivalent to roughly 70% of beneficiaries.

At the same time, the RBI's FI-Index framework gives the largest weight 45% to usage, compared with 35% for access and 20% for quality. This weighting is conceptually important because it recognises that an inclusive financial system cannot be assessed solely by the physical or institutional availability of services.

A simplified analytical representation can be written as:

$$FI = 0.35(A) + 0.45(U) + 0.20(Q)$$

where:

FI = Financial Inclusion,

A = Access,

U = Usage, and

Q = Quality.

This formula reflects the published broad parameter weights of the RBI FI-Index, but it should not be used to reproduce the official index simply from three raw indicators because each RBI sub-index itself contains multiple dimensions and indicators.

3.7.12 Composite Interpretation for the Study

Taken together, the evidence indicates a structural transformation in India's financial-inclusion landscape. The first transformation has been from financial exclusion to financial access, demonstrated by the enormous reach of PMJDY and near-universal banking coverage of identified villages and hamlets. The second transformation is from cash-oriented finance to digitally enabled

finance, demonstrated by more than 24.5 billion UPI transactions in August 2026. The third, and still incomplete, transformation is from financial access to financial capability and well-being.

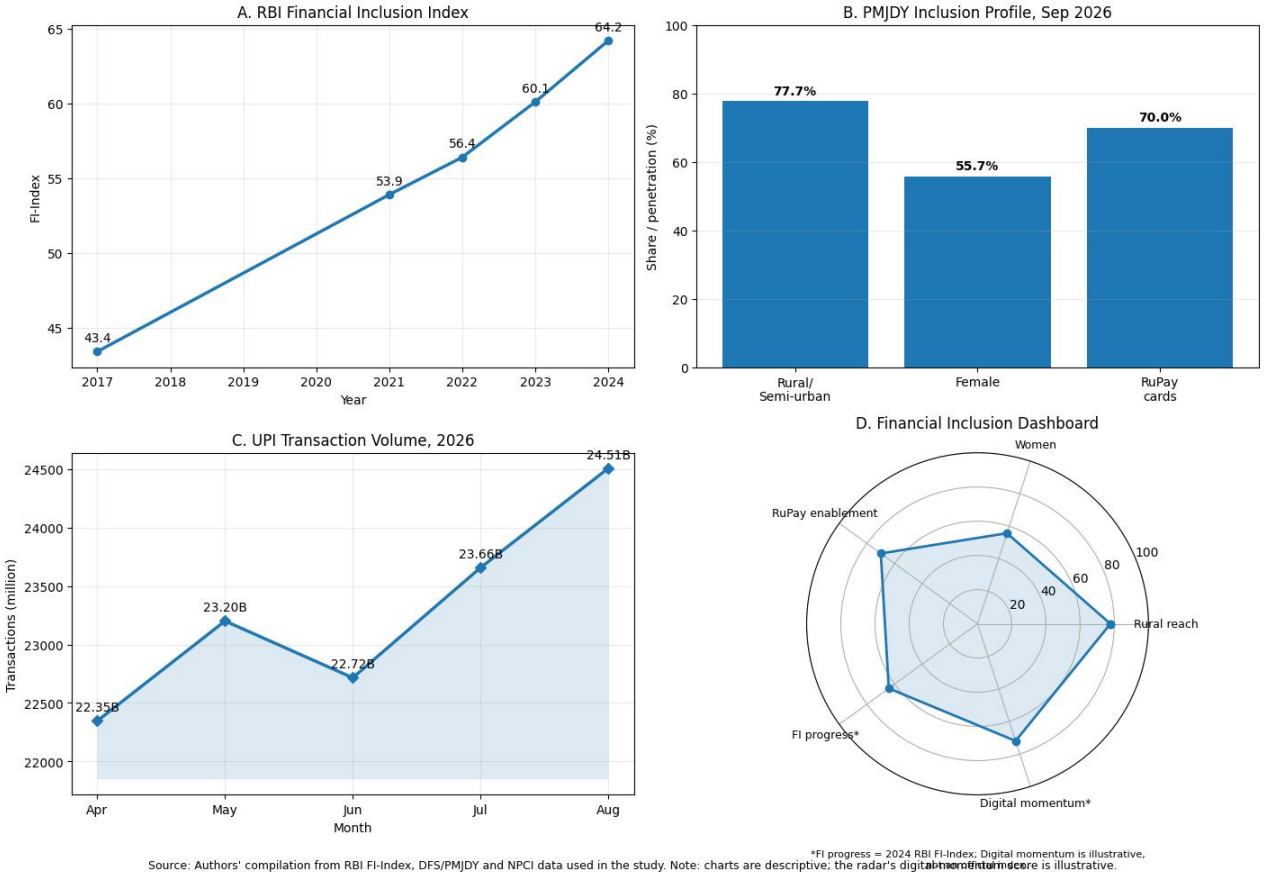
The results can be expressed through the following analytical progression:

For the purpose of Viksit Bharat 2047, this progression is particularly significant. India's financial-inclusion success cannot ultimately be evaluated only through the number of accounts opened or digital transactions processed. A more mature framework would examine whether citizens are capable of saving regularly, borrowing responsibly, selecting appropriate insurance, preparing for retirement, protecting themselves against digital fraud, investing according to risk, and coping with unexpected financial shocks.

Table 4. Overall Interpretation of India's Financial Inclusion Progress

Dimension	Evidence	Interpretation
Basic financial access	59.31 crore PMJDY beneficiaries	Very large expansion of formal access
Rural/Semi-urban reach	46.10 crore; ~77.7% of beneficiaries	Strong penetration outside major urban centres
Female inclusion	33.04 crore; ~55.7%	Strong representation of women in basic access
Deposit mobilisation	₹3.20 lakh crore	Accounts collectively hold substantial savings
RuPay coverage	41.51 crore cards	Broad payment enablement
FI-Index	43.4 (2017) → 64.2 (2024)	Broadening and deepening of inclusion
Financial-literacy infrastructure	2,421 CFLs	Institutional support for financial capability
UPI	24.51 billion transactions in Aug. 2026	Very large digital-payment ecosystem
Remaining challenge	Usage, literacy, security and resilience	Need to move from access to financial well-being

Source: Authors' compilation and calculations based on RBI, DFS/PMJDY, NPCI and World Bank data.



Source: Authors' compilation from RBI FI-Index, DFS/PMJDY and NPCI data used in the study. Note: charts are descriptive; the radar's digital-momentum score is illustrative. *FI progress = 2024 RBI FI-Index; Digital momentum is illustrative.

Figure 1: Financial Literacy and Financial Inclusion in India - Selected Indicators

RBI Financial Inclusion Index

The first chart shows a clear and sustained improvement in India's Financial Inclusion Index (FI-Index). The index increased from 43.4 in 2017 to 53.9 in 2021, 56.4 in 2022, 60.1 in 2023 and 64.2 in 2024. This represents an increase of approximately 47.9% relative to the 2017 level. The RBI's FI-Index ranges from 0 to 100 and combines three dimensions—Access (35%), Usage (45%) and Quality (20%). RBI reported that the improvement to 64.2 in 2024 occurred across all sub-indices, with the usage dimension making an important contribution. This indicates that India's financial-inclusion progress has increasingly involved not only access to financial services but also their actual utilisation.

PMJDY Inclusion Profile

The second chart highlights the social reach of the Pradhan Mantri Jan-Dhan Yojana (PMJDY). As of 16 September 2026, India had 59.31 crore PMJDY beneficiaries, of whom 46.10 crore were associated with rural and semi-urban centres and 33.04 crore were female beneficiaries. Consequently, rural/semi-urban beneficiaries represented approximately 77.7% of the total, while women represented approximately 55.7%. These figures indicate that the programme has reached population groups that have traditionally faced relatively greater barriers to formal banking access. The chart also shows approximately 70% RuPay-card penetration, calculated from 41.51 crore RuPay debit cards issued against 59.31 crore PMJDY beneficiaries. In addition, PMJDY accounts held deposits of approximately ₹3.20 lakh crore by September 2026. The combination of large account numbers, deposits and debit-card issuance demonstrates considerable progress from basic account opening towards transaction-enabled financial participation.

Growth of UPI Transactions

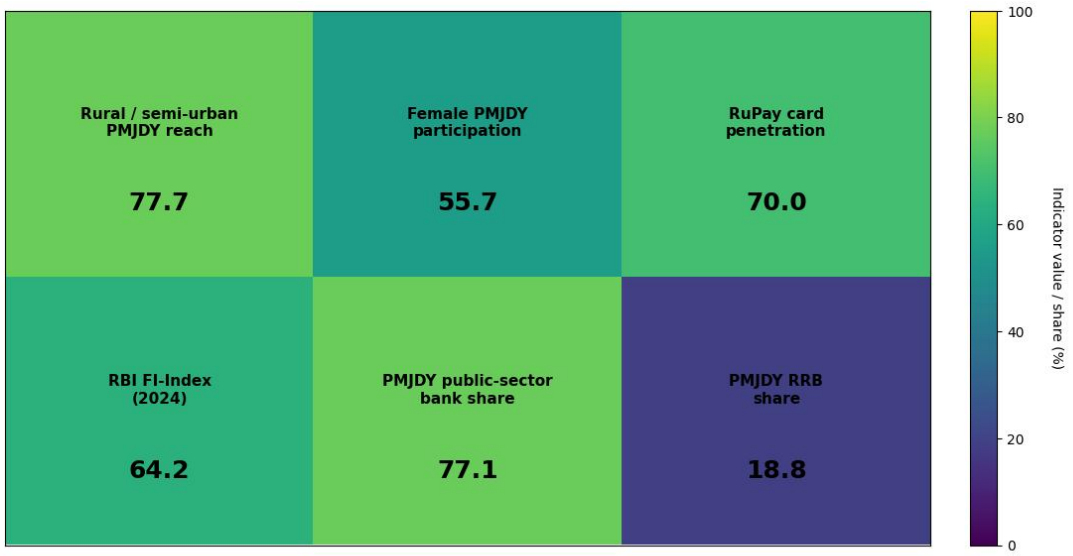
The third chart illustrates the rapid expansion of India's digital-payment ecosystem during 2026. Monthly UPI transaction volume increased from approximately 22.35 billion transactions in April 2026 to 24.51 billion in August 2026, despite a temporary decline in June. The increase from April to August was approximately 9.7%. In August 2026 alone, UPI processed approximately 24.51 billion transactions worth ₹29.82 lakh crore, demonstrating the enormous scale of digital financial activity in India.

The growth of UPI is particularly relevant to financial inclusion because digital payment infrastructure can reduce geographical and transaction-cost barriers. However, high aggregate transaction volumes should not automatically be interpreted as universal digital financial literacy. Effective inclusion also requires individuals to understand transaction security, fraud prevention, privacy and responsible digital-financial behaviour.

Financial Inclusion Dashboard

The radar chart provides a consolidated visual representation of the major dimensions considered in the study. Rural reach (77.7%) emerges as one of the strongest dimensions, followed by RuPay enablement (about 70%), while women's participation stands at approximately 55.7%. The RBI FI-Index value of 64.2 provides a broader indication of the country's overall progress across access, usage and quality.

The dashboard should, however, be interpreted carefully: the “Digital Momentum” value in the radar chart is an illustrative visual indicator created for the figure and is not an official RBI, NPCI or government index. It should therefore not be reported as an empirical finding. For the final research paper, the other indicators can be interpreted directly because they are based on official data.



Source: Authors' calculations based on DFS/PMJDY and RBI data used in the study. Note: Values are displayed together on a 0–100 visual scale; they represent different concepts and should not be interpreted as a composite index.

Figure 2: Heat Map of Selected Financial Inclusion Indicators in India

The heat map presents a comparative picture of selected indicators of financial inclusion in India. The strongest value is the rural and semi-urban PMJDY reach at approximately 77.7%. As of 16 September 2026, 46.10 crore of the total 59.31 crore PMJDY beneficiaries were associated with rural and semi-urban bank branches. This indicates that India's financial-inclusion initiatives have achieved substantial penetration beyond major urban centres.

The heat map also shows strong female participation of 55.7%. Out of 59.31 crore PMJDY beneficiaries, approximately 33.04 crore were women. This demonstrates substantial representation of women in basic banking access and is particularly relevant to the objectives of financial empowerment and inclusive development.

RuPay card penetration is approximately 70%, based on 41.51 crore cards issued against 59.31 crore PMJDY beneficiaries. This indicates that a large proportion of beneficiaries have access to transaction-enabling infrastructure. However, card ownership alone does not demonstrate financial literacy or regular usage, making financial education and digital-security awareness important areas for further development.

The RBI Financial Inclusion Index value of 64.2 in March 2024 provides broader evidence of progress across financial access, usage and quality. The index had increased from 43.4 in March 2017, showing considerable deepening of financial inclusion over time. RBI subsequently reported a further rise to 67.0 in March 2025, indicating continued improvement.

Finally, the heat map shows the dominant institutional role of public-sector banks, which accounted for approximately 77.1% of PMJDY beneficiaries, compared with about 18.8% for Regional Rural Banks (RRBs). Overall, the figure suggests that India has established a strong foundation in financial access, but the road towards Viksit Bharat 2047 requires greater emphasis on active usage, financial literacy, digital capability, financial security and long-term financial well-being.

4. Findings of the Study

The study reveals that India has made substantial progress in expanding formal financial inclusion, particularly through the Pradhan Mantri Jan-Dhan Yojana (PMJDY), banking expansion and digital financial infrastructure. As of 16 September 2026, PMJDY covered 59.31 crore beneficiaries, with deposits of approximately ₹3.20 lakh crore. This demonstrates the large scale at which previously underserved populations have been brought into the formal financial system.

A major finding is the strong penetration of financial services in rural and semi-urban areas. Of the 59.31 crore PMJDY beneficiaries, 46.10 crore were associated with rural and semi-urban centres, representing approximately 77.7% of total beneficiaries. This suggests that India's financial-inclusion strategy has extended substantially beyond metropolitan and major urban markets.

The study also finds encouraging progress in women's access to formal banking. Approximately 33.04 crore PMJDY beneficiaries were women, accounting for about 55.7% of total beneficiaries. The high representation of women indicates progress in the access dimension of gender-based financial inclusion. However, account ownership should not automatically be interpreted as equal financial empowerment; independent account

usage, savings, credit, insurance and financial decision-making remain important dimensions for further assessment.

Another significant finding is that PMJDY accounts have become an important channel for deposit mobilisation. Total deposits of ₹3,20,105.85 crore across 59.31 crore beneficiaries imply an average balance of approximately ₹5,397 per beneficiary. Although this average does not describe the distribution of balances across individual accounts, the aggregate amount indicates that basic banking accounts are collectively holding substantial household financial resources.

The findings further show substantial payment enablement through RuPay cards. Approximately 41.51 crore RuPay debit cards had been issued to PMJDY beneficiaries by September 2026, equivalent to about 70% of the number of beneficiaries. This represents progress from basic account access towards transaction capability, although card issuance itself does not establish active usage or financial literacy.

The RBI's broader Financial Inclusion Index also demonstrates sustained improvement. The FI-Index increased from 43.4 in March 2017 to 64.2 in March 2024, representing an increase of approximately 47.9% relative to its 2017 level. Since the index incorporates Access (35%), Usage (45%) and Quality (20%), this improvement provides broader evidence of financial deepening beyond the simple number of accounts opened.

The study identifies digitalisation as another major driver of financial inclusion. UPI processed approximately 24.51 billion transactions in August 2026, valued at nearly ₹29.82 lakh crore, with 752 banks live on the platform. Monthly transaction volume increased from 22.35 billion in April 2026 to 24.51 billion in August 2026, an increase of approximately 9.7% within four months. This reflects the rapidly increasing role of digital payments in India's financial ecosystem.

The analysis also highlights the dominant institutional contribution of public-sector and regional rural banks. Public-sector banks accounted for 45.72 crore PMJDY beneficiaries, or approximately 77.1% of the total, while Regional Rural Banks accounted for another 11.13 crore, or about 18.8%. Together, these institutions represented approximately 95.9% of PMJDY beneficiaries, highlighting their central role in India's inclusion strategy.

An important broader finding is that financial access alone cannot be considered complete financial inclusion. RBI data show that adult account ownership had already increased from 53% in 2014 to 78% in 2021, while the FI-Index subsequently continued to improve. The evidence therefore suggests that India's next policy challenge is increasingly to convert widespread access into regular usage, informed saving, responsible borrowing, insurance and pension participation, digital security and financial resilience.

5. Conclusion

The study concludes that India's financial-inclusion journey is entering a new phase in which the quality of participation is becoming as important as access itself. The Reserve Bank of India has already reflected this shift in its policy direction: its 2024–25 Annual Report notes that the Financial Inclusion Index reached 64.2 in March 2024, up 6.8% year-on-year, with improvement across its sub-indices. RBI is also developing the next National Strategy for Financial Inclusion for 2025–30, indicating continued emphasis on deepening rather than merely expanding inclusion.

The analysis suggests that future progress should increasingly be judged by whether households can convert financial access into better financial decisions and greater economic resilience. Financial literacy is therefore not simply knowledge of banking terminology; it includes the ability to manage income and expenditure, understand interest and inflation, assess risk and return, choose appropriate insurance and pension products, and plan for long-term financial needs. NCFE similarly defines financial education around informed decision-making and ultimately improving financial well-being.

An important conclusion of the study is that digital financial literacy will become increasingly critical. As financial services become more technology-driven, citizens must be capable not only of conducting digital transactions but also of recognising scams, protecting passwords and OTPs, using banking applications securely, and understanding grievance-redress mechanisms. NCFE's Digital Financial Literacy Programme now explicitly focuses on closing this gap between digital adoption and digital safety.

The future strategy must also recognise India's social and economic diversity. A single model of financial education may not adequately address the requirements of rural households, women, young adults, senior citizens, small entrepreneurs and first-time users of formal finance. Financial education therefore needs to become more multilingual, locally relevant, digitally accessible and outcome-oriented. NCFE's work on the forthcoming National Strategy for Financial Education 2026–31 includes nationwide measurement of financial literacy and inclusion as well as monitoring and evaluation mechanisms, providing an opportunity to strengthen this outcome-based approach.

From the perspective of Viksit Bharat 2047, the central objective should therefore extend beyond universal financial access toward universal financial capability. A financially inclusive developed India would be one in which citizens can confidently choose regulated financial products, protect themselves from fraud, manage debt responsibly, build savings, obtain appropriate insurance, plan for retirement and use finance for productive purposes. This transformation can strengthen household resilience while also supporting entrepreneurship, investment and more inclusive economic participation.

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