



From Cash to Digital: India's Leap Towards Inclusive Finance

15 August, 2025

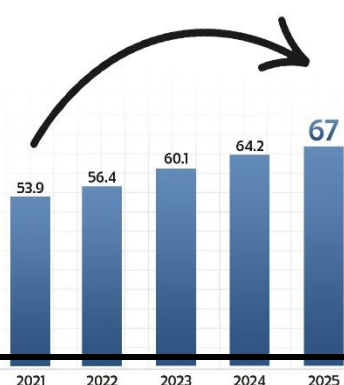
Prime Minister Narendra Modi at his Independence Day address on 15th August, 2025:

- We have shown the world that our own UPI platform is surprising the world today. We have the capability; **India alone is doing 50% of the real time transactions through UPI.**
- Crores of our youth including many of our daughters have taken loans through the Mudra Yojana to start their own businesses.
- **Crores of beneficiaries** are receiving the benefits of government schemes, and Direct Benefit Transfer has been a truly revolutionary step.
- Over **25 crore poor people** in the last 10 years — have overcome poverty and stepped out of it, creating a new “neo-middle class.”
- In the last 11 years, entrepreneurship has gained tremendous strength. Today, lakhs of start-ups in Tier-2 and Tier-3 cities are strengthening the country's economy and innovation.
- GST reforms this Diwali: MSMEs, our small entrepreneurs, will get a huge benefit. Everyday items will become very cheap and that will also give a new boost to the economy.

Introduction

In just a decade, India has revolutionized its citizens' relationship with money. Now financial access is not a privilege. The financial inclusion initiatives in the country resulted in providing the banking facilities in the narrow lanes of rural area too. Through visionary initiatives like Jan Dhan Yojana, UPI, and Aadhaar-enabled payments, the nation has unlocked doors to savings, credit, and insurance for every citizen and made them Atmanirbhar. The financial inclusion not just provide banking facilities, but also provide empowerment and opportunity to everyone and it could be confirmed with the data released by RBI.

Financial Inclusion Index



Source: RBI

Indicators Pointing towards Financially Included India

The Reserve Bank of India released **Financial Inclusion Index (FI-Index)** for the year

ending March 2025 which stands at 67.0 and increased by 24.3 percent since 2021.¹

Financial Inclusion is one of key enablers for achieving 7 out of 17 goals of the 2030 Agenda for Sustainable Development Goals adopted by United Nation members.

The Global Findex 2025, published by World Bank highlights that account ownership in India has reached to 89 per cent since 2011 and the country has made progress in increasing the share of adults with active accounts².

Driving Change: Key Initiatives Powering Financial Inclusion

India's financial inclusion journey is driven by a powerful mix of policy innovation, digital revolution and community outreach. From zero-balance accounts to doorstep banking, targeted initiatives are ensuring that every citizen has access to essential financial services.

Pradhan Mantri Jan Dhan Yojana

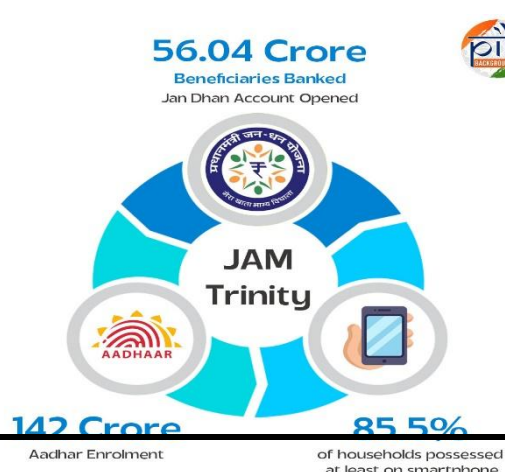
Beneficiaries (as on 14.08.2025)	Balance in beneficiary accounts	Female beneficiaries
56.04 crore	₹2.64 lakh Crore	55% approx

Under the scheme the citizen gets the access to basic savings & deposit accounts, remittance, credit, insurance, pension in an affordable manner

Benefits provided under PMJDY are

- One basic saving bank account
- No minimum balance requirement,
- Rupay debit card
- Accident insurance cover of 1 Lakh
- Overdraft facility of ₹10,000 to eligible account holders

56.04 Crore beneficiaries banked so far where over 55 per cent accounts are held by women.³



Direct Benefit Transfer (DBT) & JAM
Trinity

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JAM (Jan Dhan, Aadhar, and Mobile) trinity is the key enabler of India's transformed and well-developed digital landscape.

DBT uses this JAM network to send government benefits, subsidies, and payments directly into the beneficiaries' bank accounts.

- Jan Dhan accounts receive the funds.
- Aadhaar ensures the right person gets it.
- Mobile notifies and enables easy access to the money.

As on 14 August, 2025, over ₹ 45.70 lakh Cr has been directly transferred to beneficiaries⁴.

Pradhan Mantri Suraksha Bima Yojana

Cumulative Enrolment (as on 16.04.2025)	Female beneficiaries	Rural beneficiaries
50.99 crore	46.72%	66.31%

- Provides **accidental death and disability coverage** specially for poor and unprivileged, renewed annually
- Premium to be paid is of ₹20/- annually
- On death, the nominee receives ₹2 lakhs⁵

Pradhan Mantri Jeevan Jyoti Bima Yojna

Cumulative Enrolment (as on 16.04.2025)	Female beneficiaries	Rural beneficiaries
23.59 crore	45.06%	61.17%

- Offers **life insurance cover for death** due to any reason
- Affordable insurance to broader population including poor and rural population
- With the premium of ₹436/- annually per subscriber,
- The scheme offers the life cover of ₹2 lakhs⁶.

Pradhan Mantri MUDRA Yojana (PMMY)

Loans sanctioned (as on 4 august, 2025)	Amount sanctioned
53.85 crore	₹35.13 lakh crore

⁴ <https://dbtbharat.gov.in/>

⁵ <https://docs.google.com/document/d/1goBAWKRdeBWsb7HA-Od9y0fI0CigGCcx/edit?tab=t.0>

⁶ <https://docs.google.com/document/d/1goBAWKRdeBWsb7HA-Od9y0fI0CigGCcx/edit?tab=t.0>

- Facilitates loan upto ₹20 lakhs to income generating small and micro enterprises engaged in the manufacturing, trading or service sectors including activities allied to agriculture such as poultry, dairy, beekeeping, etc.
- Described as a scheme dedicated to “Funding the Unfunded”⁷.

Atal Pension Yojana

Subscribers (as on April, 2025)	Total corpus	Women beneficiaries
7.65 crore	₹45,974.67 crore	48% approx.

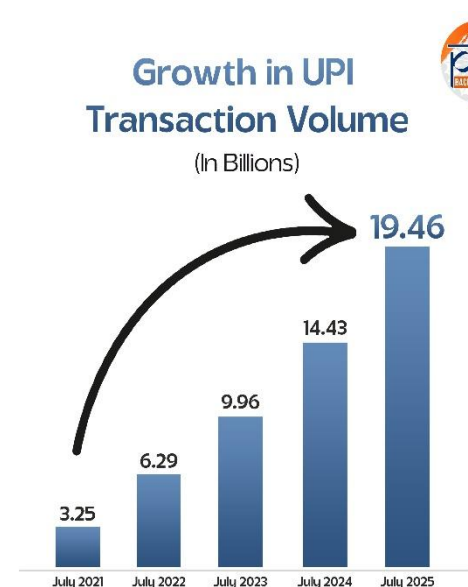
- **Monthly pension** is provided to the people who have attained the age of 60 years
- Aimed at workers in the **unorganised sector**
- Guaranteed minimum pension of ₹1,000/- or 2,000/- or 3,000/- or 4,000 or 5,000/- per month depending on the contributions by the subscribers⁸.

Stand Up India Scheme

Total account sanctioned (as of 31.03.2025) ⁹	Total amount sanctioned	Women beneficiaries (amount sanctioned)	SC/ST beneficiaries (amount sanctioned)
273,607	₹62,410.04 crores	76.44%	23.56%

- Promotes entrepreneurship at grassroot level focusing **SC, ST and women entrepreneurs**
- help them in starting a **greenfield enterprise in manufacturing, services or the trading sector** and activities allied to agriculture.

UPI (Unified Payment System)



UPI has revolutionized the nation's payment ecosystem by **integrating multiple bank accounts into a single mobile application**.

This system enables seamless fund transfers, merchant payments, and peer-to-peer transactions, offering users flexibility through scheduled payment requests.

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It connects **684 banks on a single platform**, allowing people to make payments easily without worrying about which bank they use.¹⁰

As on 11 August, 2025, UPI transactions, have grown from 92 crore in FY 2017-18 to **18,587 crore in FY 2024-25**, with a **CAGR of 114%**. During the same period, the value of transactions has grown from Rs. 1.10 lakh crore to Rs. 261 lakh crore.

In July 2025, UPI reached another milestone recording over **1,946.79 crore transactions in a single month** for the first time.¹¹

Nationwide campaign for Financial Inclusion

3 months campaign for Saturation of Financial Inclusion schemes at Gram Panchayat and Urban Local Bodies from July-September 2025

The campaign covers the **re-KYC** of due savings accounts, opening of new bank accounts, enrolment under different schemes

In the month of July 2025, **99,753 camps** were held, where around **6.65 lakhs accounts were opened** under Pradhan Mantri Jan Dhan Yojana (PMJDY) and over **10 lakhs re-verification of KYC** was done¹².

CHOTI SIP

Small ticket systematic investment plan is an initiative by SEBI of starting an **SIP at ₹250**¹³

Promotes financial inclusion for the **first time investor**

The initiative aims to make mutual fund investing more accessible and encourages individuals to begin their investment journey with a **minimal financial commitment**

Conclusion

India's financial inclusion journey is about more than numbers. It is about people gaining the tools to shape their own futures. From direct transfers to low-cost investments, every step is bringing banking, credit, and savings closer to every citizen. These changes are helping millions take control of their finances and build a secure tomorrow.

¹⁰ <https://www.npci.org.in/what-we-do/upi/product-statistics>

¹¹ <https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=2155050>

¹² <https://www.pib.gov.in/PressNoteDetails.aspx?NoteId=154980&ModuleId=3>

¹³ https://www.sebi.gov.in/reports-and-statistics/reports/jan-2025/consultation-paper-on-promoting-financial-inclusion-through-sachetisation-of-investment-in-mutual-fund-schemes_91106.html

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PMJDY

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