



**SUSTAINIX CONSULTING**

# Changing Lives With Financial Inclusion: India's Remarkable Journey

Empowering every Indian through access, innovation, and inclusion—transforming lives, fostering equality, and building a stronger, financially secure nation.

*Prepared by*  
Priya Verma



The concept of financial inclusion used to seem like a far-off dream—a promise only a few Indians could realise. Consider a small business owner who is reluctant to obtain loans from traditional banks because of the excessive paperwork and lack of trust, or a farmer in a far-off village who manages daily expenses with cash hidden under a mattress. This was the reality of India just over ten years ago.

Today, the landscape is evolving significantly. What began as an ambitious initiative from the government has developed into a robust movement that encompasses over 550 million people, changing the way Indians save, invest, borrow, and handle risks. The foundation of this change is the Pradhan Mantri Jan Dhan Yojana (PMJDY), a mission aimed at ensuring that every adult Indian has access to banking and financial services, regardless of their location or income level.

### **The Jan Dhan Movement: Figures that Say a Lot**

Initiated on August 28, 2014, PMJDY sought to guarantee everyone access to banking services. The goal was truly transformative—to include the unbanked and provide them with the means to establish financial stability.

Right from the start, the reaction was immense. By mid-2018, more than 318 million accounts had been opened, with funds beginning to surge. Looking ahead to August 2025, PMJDY has successfully created an astonishing 552.8 million accounts, with total deposits exceeding ₹2.63 lakh crore. A significant portion of these accounts—approximately 55%—are held by women, underscoring the initiative's impact on reducing gender disparities in financial empowerment.

Moreover, the government has issued around 380 million RuPay debit cards, allowing millions to participate in digital transactions effortlessly and securely, diminishing reliance on cash. Attributes like zero-balance accounts, overdraft options of up to ₹10,000, and ₹2 lakh of accidental insurance coverage have made banking more accessible and applicable for even the most impoverished families.

These figures are more than mere numbers—they embody millions of improved lives and countless aspirations revitalised.

### **Financial inclusion and the empowerment of women: A transformative factor.**

Financial inclusion has played a crucial role in fostering gender empowerment. With more than half of the Pradhan Mantri Jan Dhan Yojana (PMJDY) accounts owned by women, their access to savings and loans has empowered them to make greater decisions within their families and communities.

Women are now more in control of their finances—launching businesses, investing in their children's education, and building resilience against economic challenges. Self-help groups led by women are increasingly utilising formal savings and credit options, creating a positive impact on their social and economic standing.

## Complementary Programs Beyond Jan Dhan: Encouraging Financial Inclusion

While PMJDY serves as the foundation, India's financial inclusion framework is broad and multifaceted, catering to various requirements.

1. **Pradhan Mantri Mudra Yojana (PMMY):** Offering loans of up to ₹20 lakhs for micro and small businesses. Since its inception, PMMY has approved over 53.85 crore loans totalling ₹35.13 lakh crore, encouraging entrepreneurship, particularly among women, minorities, and new entrepreneurs.
2. **Pradhan Mantri Suraksha Bima Yojana (PMSBY):** Providing accident insurance coverage of ₹2 lakh for an annual premium of just ₹20. More than 50 crore individuals have signed up, safeguarding millions from personal risks.
3. **Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY):** Delivering life insurance coverage of ₹2 lakh for only ₹330 per year, with enrolments surpassing 23 crore lives.
4. **Atal Pension Yojana (APY):** A formal pension initiative aimed at the unorganized sector, now including over 7.6 crore workers, almost half of whom are women.
5. **Stand-Up India Scheme:** Encouraging entrepreneurship among Scheduled Castes, Scheduled Tribes, and women, with loans amounting to over ₹61,000 crore sanctioned so far.
6. **Kisan Credit Card (KCC):** Providing accessible credit to over 7.7 crore farmers, ensuring that both crop cycles and livelihoods are protected, with disbursements exceeding ₹10 lakh crore.

These initiatives create a strong, interconnected system, enhancing access to credit, insurance, pensions, and digital payment solutions—collectively establishing a safety net and growth opportunity for millions.

## Digital Payments: A Driver for Inclusion and Development

A significant portion of India's financial inclusion narrative is linked to the remarkable rise of digital payments. Introduced in 2016, the Unified Payments Interface (UPI) has transformed the way Indians conduct transactions. By June 2025, UPI had recorded over 18.4 billion transactions totaling ₹24.04 lakh crore in just one month, representing approximately 85% of the nation's digital payment volume. The system handles an average of 613 million transactions each day, making it the largest real-time payment platform in the world.

The ease and compatibility of UPI have empowered millions to enjoy swift, secure, cashless transactions—from young urban dwellers purchasing coffee to rural business owners accepting payments via QR codes. This digital framework has reduced barriers, enhanced transparency, and significantly improved cash flow—particularly benefiting women entrepreneurs and MSMEs, who often struggle to access conventional financial services.

An essential factor propelling this surge has been the JAM Trinity—the combination of Jan Dhan accounts, Aadhaar biometric identification, and mobile connectivity. This trio has established a strong foundation enabling straightforward direct benefit transfers, easy KYC verification, and widespread mobile access, thereby amplifying the reach and effectiveness of digital payments and financial services.

Together, UPI and the JAM Trinity form the bedrock of India's goal to cultivate a genuinely inclusive financial ecosystem—empowering individuals regardless of their location or socio-economic background.

### **The Obstacles Still Present: Transitioning from Access to Effective Utilization**

In spite of the largely favorable progress, certain challenges continue to exist.

The saturation initiative launched in July 2025 highlights the "last mile" issue—making sure that all unbanked Indians have both access to and confidence in utilizing formal financial services. In just one month, over 660,000 new PMJDY accounts were created, and more than 1 million KYC re-verifications were completed in both rural and urban settings.

However, the presence of inactive accounts and limited financial literacy are still areas of concern. Approximately 20% of Jan Dhan accounts were noted as inactive in earlier surveys, frequently due to a lack of awareness or trust. Addressing this issue requires extensive financial education initiatives, easier onboarding processes, and community-based support through a network of over 13.5 lakh Bank Mitras—agents who assist people in remote areas with banking and security.

The initiative also emphasizes raising awareness about preventing digital fraud and handling grievances, ensuring that users not only gain access to financial services but also use them safely.

### **Looking Ahead: Increasing Inclusion via Innovation and Integration**

The future of financial inclusion exists where technology, policy, and human-centered design converge.

AI-driven financial literacy chatbots in regional languages, blockchain-based microloans for farmers, and fintech solutions designed for gig economy workers are transforming how underserved populations in India engage with finance.

Initiatives from both the government and private sector aimed at consolidating various financial services into a unified ecosystem are expected to alleviate friction and enhance impact. The emerging concept of "embedded finance," where banking and insurance are seamlessly integrated into everyday platforms—such as ride-hailing services and online shopping—will further broaden access.

## Conclusion: A Shared National Journey

India's journey toward financial inclusion reflects a narrative of ambition, innovation, and inclusiveness. Fueled by impactful initiatives like PMJDY, supported by complementary social security programs, and accelerated by digital advancements, it is transforming the lives of millions.

As the country progresses, the emphasis is increasingly on moving beyond simple access to fostering meaningful engagement, empowerment, and sustainable inclusion. Each active account, digital transaction, and insured farmer and entrepreneur contributes to a collective stride toward a financially empowered India, where opportunities are truly limitless.

## References

1. <https://www.angelone.in/news/economy/jan-dhan-yojana-deposits-cross-indian-rupee263-lakh-crore-mark-in-april-2025>
2. <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2112321>
3. <https://www.pib.gov.in/PressNoteDetails.aspx?NoteId=154980&ModuleId=3>
4. <https://rrjournals.com/index.php/rrjm/article/view/2022>