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Dynamics of Financial Inclusion in India

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Abstract: "Financial inclusion helps revitalize people out of poverty and can help speed economic development. It can draw more women into the mainstream of economic activity, harnessing their contributions to the society. Indhrawathi Sri Mulyani according to the Indonesian Finance Minister, a former World Bank Group head. The National Bureau of Economic Research claims that "12.4% of those in the top quartile of financial knowledge relied on books and newspapers as their primary source of financial knowledge, compared to only 3.9% for those in the lowest quartile of financial competence". Growth that is inclusive can only occur via appropriate mechanisms that channel all their sources from top to bottom with innumerable sources from the economy. Given that India has the largest rural population in the world, financial inclusion is a novel idea that uses creative methods to encourage rural residents to open bank accounts. The goal of financial inclusion is to offer banking and financial services to the whole population at a reasonable cost in a fair, transparent, and equitable manner. However, low-income households frequently do not have access to bank accounts and must pay for numerous visits and time to obtain banking services, such as opening a savings account or obtaining a loan. As a result, these families find it more challenging to save money and make long-term financial plans. The concept of financial inclusion, its evolution, IFI, needs, benefits, customer engagement strategies, initiatives, expansion and modes of financial inclusion like ATMs branch openings, loan utilization, mobile transactions, etc. are all insisted upon in this comprehensive study. An attempt is made to address the general topic of financial inclusion in India in this paper.

Keywords: Financial Inclusion, Reserve Bank of India, Inclusive Growth, Financial Services, ATM Cards, Commercial Banks, Mobile Banking, Loans, Bank Accounts, IFI, Sustainable.

I. INTRODUCTION

The notion of financial inclusion has gained popularity re cently and aids in the sustainable development of the nation by making financial services accessible to those who deserv e them with the assistance of financial institutions. The process of ensuring that everyone in the economy has easy access to and makes use of formal financial systems and services is known as financial inclusion. According to the Rangarajan Committee (2008) [13], the Government of India's Committee on Financial Inclusion seeks to give low-income, unskilled, and marginalized groups prompt access to financial services and sufficient credit when they need it.

A household's bank account must be guaranteed, and parti cipation in the banking system must be extended to them, ac cording to Reddy (2007). Financial inclusion not only increases financial literacy but also promotes social inclusion, finance service accessibility and the growth of self assurance and empowerment.

At the 2010 National Finance Conclave, Dr. K. C. Chakra barty, the Deputy Governor of the Reserve Bank of India, st ated that financial inclusion is now a mandated policy rather than a choice [4].

Additionally, he suggested that improving banking is a cru cial factor in the inclusive expansion of the Indian economy.

Now a day's commercial banks in different regions twitch a 100% financial inclusion campaign on a pilot basis. States or Union Territories such as Pondicherry, Himachal Pradesh, and Kerala have attained complete financial inclusion in every district of their respective states as a consequence of the campaign. Furthermore, the Reserve Bank of India's innovative vision for 2020 calls for opening nearly 600 million new customer accounts and providing them with services via a variety of channels by utilizing IT. However, in many Indian states, there are still barriers to financial inclusion, including a high rate of illiteracy, low savings rates, and a dearth of reasonably priced bank branches in rural areas. In addition, there are some contemporary methods that are used. The financial and legal framework is insufficient. India's economy, which is primarily agrarian, doesn't have many programs that support the growth of agriculture. Furthermore we must concentrate on micro insurance in conjunction with microfinance. The Indian government recently launched Jandan Accounts, which are a well known indicator that boosts financial inclusion in the country.

India's Gini coefficient fell from 0.283 in 2011–12 to 0.266 in 2022–23 for rural areas [21], and from 0.363 to 0.314 for urban areas between 2022–23 and 2011–12 for India [22]. The Financial Inclusion Index increased from 60.1 in 2023 to 64.2 in March 2024, according to the Reserve Bank of India. This indicates a considerable improvement in financial inclusion nationwide. It is composed of three primary parameters: Usage (45%), Quality (20%), and Access (35%). Covering banking, investments, insurance, postal services, pensions, and other areas, the index is built upon 97 indicators. An index of financial inclusion (IFI) was developed by Sadhan Kumar (2011) using three variables: penetration, or the proportion of adults with bank accounts; availability of banking services, or the number of bank branches per 1000 people; and usage, or the amount of outstanding credit and deposits among adults. Kerala, Maharashtra, and Karnataka have attained a high level of financial inclusion (IFI >0.5), according to the results, whereas Tamilnadu, Punjab, Andhra Pradesh,

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Himachal Pradesh, Sikkim, and Haryana were classified as having a medium level of financial inclusion (0.3). Lower financial inclusion is targeted for the remaining states. In summary, financial inclusion is all about ensuring that financial services—such as bank accounts for savings and transactions, low-cost credit for personal, business, and other purposes, financial advisory services, investment and insurance facilities, etc.—are delivered quickly and with less effort for a more comfortable experience.

II. REVIEW OF LITERATURE

- Lyoussi & Kouchih (2023) are given an overview of the historical evolution of met averse and its possible effects on the banking sector. They also point out opportunities to enhance customer awareness, financial education, and access to financial services, as well as potential drawbacks like aggravating inequality and privacy issues. The study placed particular emphasis on the connection between financial inclusion and technology [18].
- Lyoussi & Kouchih (2023) an overview of the historical evolution of met averse and its possible effects on the banking sector is provided in 2023 [19]. Opportunities to enhance customer awareness, financial education, and access to financial services are highlighted, along with potential risks like exacerbating inequality and privacy concerns. The study placed particular emphasis on the connection between financial inclusion and technology [24].
- Fernandez-Olit, B., Martin, J, M and Porras Gonzalez, E (2020) [16] The main findings of the best research on the role of fringe services, new exclusionary factors, and the redefinition of FI/FE in developed nations are summarized in this paper. The abundance of research on financial inclusion in low- and middle-income nations has led to a large number of important meta-analyses and organized reviews of results that are asymmetric.
- Collard et al. (2016) offered a comprehensive framework for financial services access in the United Kingdom in their analysis of vulnerable consumers' experiences in the financial markets,. They draw attention to five specific social and technological trends: know-your-customer and anti-money laundering, compliance, and digital transformation, particularly in banking.
- Singh and Roy (2015) [8] examined the evaluation of the idea of financial inclusion in great detail in their research paper. Supporting his research is the secondary data. It has been noted that, despite some variation in definition, the majority of the literature focuses on the use of the fundamental services offered by banks, including deposit accounts, loans, microfinance, payment services, money transfers, insurance services, etc., the majority of the conceptual elements pertaining to financial exclusion centre on certain consumer groups' unwilling or unable to obtain certain financial services. The study found that by addressing financial inclusion and offering these populations safe, affordable access to financial services, their financial stability could be guaranteed. It is concluded that improved policy initiatives in banking practices are necessary to understand and mitigate the causes of financial exclusion. However, financial inclusion has persisted, as is the case with a number of issues in India, with the majority of Indians still unable to access banking services, particularly in rural and interior areas.

In her research paper, Jangra (2014) [7] examined India's current state of financial inclusion [25]. He revealed that the financial inclusion scenario has been reviewed with consideration for secondary data [26]. India's level of exclusion has been observed to be more advanced than that of other developing nations worldwide [27]. Nonetheless, TBI has launched a plethora of programs to advance financial inclusion in India [28]. The goal of the approach is to inspire and encourage people to use financial services [29]. The study found that the three main obstacles to financial inclusion in the various states of the nation are low income, a lack of bank branches, and low literacy rates [30]. It was planned to put a sophisticated mechanism of acknowledgment freedom system to boost the economic expansion because for all-encompassing growth of the economy, the upliftment of the weaker section [31].

- Memdani and Rajyalakshmi (2013) [6] talked about the development and advancements made in the field of financial inclusion [11]. Comparisons have been made with other developed nations such as China, Brazil, the UK, and Russia regarding the degree of inclusion. The conclusion is that, relative to the population, the progress is insufficient. A prerequisite for banks and other financial institutions to coordinate their efforts towards financial inclusion has been proposed, as the degree of inclusion in the nation determines how much the economy grows.

According to Oya Pinar Ardic et al. (2011), the research paper counts the number of adults worldwide who do not regularly bank, using the financial access database maintained by CGAP and the World Bank Group [23]. His research examines the availability of loan and deposit services, the size of retail networks, and the global status of financial inclusion regulations. The results show that there is still a lot of work to be done in the financial inclusion arena. In the end, he came to the conclusion that roughly 56% of adult people worldwide lack access to formal financial services.

In Joseph Massey's (2010) research, financial institutions play a critical role in developing nations by fostering financial inclusion. The government's efforts to support financial inclusion and deepening, as highlighted by his study, can be strengthened even more by the proactive actions of capital market participants, such as financial institutions. According to Mandira Sarma and Jesim Paise (2008), many nations have made financial inclusion a top priority in their development policies. While there are some exceptions, such as socioeconomic factors, as expected income is positively associated with the level of financial inclusion, he uses the index of financial inclusion developed in levels of human development with the help of financial inclusion in a country move

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closely with each other determinants. His research also revealed those other factors that contribute to greater financial inclusion include information availability and physical and electronic connectivity, as demonstrated by the use of phones, the internet, and the road network.

- Becket al. (2008) [2], as per his conversation there is a need to establish an environment with inclusive financial systems because the concept of "financial inclusion" has recently been discussed as a barrier to economic growth. To achieve inclusive banking and growth, insurance companies would also need to focus on bottom-of-the-pyramid (BOP) customers.
- Statement of the Problem, Even though India's economy is among the fastest-growing in the world, it is still categorized as developing. It has certain outdated aspects of financial inclusion, but it also has access to helpful resources. Thus, the study presents the dynamics of ten years of financial inclusion.

III. OBJECTIVES OF THE STUDY

- To examine the financial inclusion difficulties faced by the Indian economy.
- To find out the possibilities of socio-economic factors of financial Inclusion.
- To highlight the progress of financially inclusive methods in India.
- To suggest the various financial inclusion modes in India.

- *Scope of the Study:* The study has determined the requirements, advantages, and influencing factors for financial inclusion that ordinary Indian adults use.
- *Period of the Study:* The study period of the present study covered ten years of data.

IV. LIMITATIONS OF THE STUDY

- India is one of the developing countries; it has a huge amount of illiterates. These unskilled adults are faced with some difficulties in handling financial inclusion.
- The study takes into consideration of 5 determinants only. The remaining are omitted.
- Indians are learners of financial literacy.

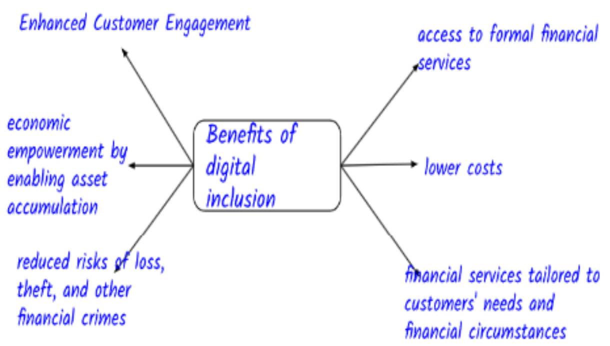
- *Tools Used in the Study:* Simple quantitative methods, like percentages, were employed in the study, and when necessary, simple and compound growth rates were used to analyze the data.
- *Data and Methodology:* Secondary data form the basis of the investigation. The secondary data gathered from publicly available sources, including census data, documents from the Five-Year Plan, bulletins from the RBI, the IMF's "Financial Access Survey" (2023) [17], etc.,

A. Need for Financial Inclusion

- No Transaction Account
- No time Deposits
- No Financial Advice
- No Insurance
- No Appropriate small credit
- No Mortgage loans
- No Superannuation
- No Enterprise based loan

B. Benefits of Financial Inclusion

- Poverty reduction
- Economic growth and development
- Social empowerment
- financial stability and resilience
- Government benefits and social welfare
- Innovation and technological advancement.
- Safety mode of transactions with lower cost.
- Creates awareness of financial literacy.



[Fig.1: Expansion of Financial Inclusion in India]

C. Strategies for Financial Inclusion

The National Strategy for Financial Inclusion 2019-24 (NSFI) and National Strategy for Financial Education 2020-2025 (NSFE) provide a roadmap for a coordinated approach towards financial inclusion, financial literacy, and consumer protection.

D. Initiatives for the Promotion of Financial Inclusion in India

India has taken several initiatives for the promotion of financial inclusion like the opening of Jandan accounts for poorer sections, issuing visa cards for special income groups, zero balanced accounts for old and income groups of people, promoting cash-less transactions, issuing Kisan credit cards to farmers, The RBI and NABARD have facilitated the establishment of bank branches in remote areas, ensuring accessibility to banking services for pastoral communities, introducing e-rupi, QR code payments, SMS string-based e-voucher. Now, the study focused to ATM/ debit cards, credit cards, the opening of new branches in remote villages, promoting deposits and utilization of loan habits for poorer sections to increase their living standards, and mobile money transactions. The present study focussed on ATMs, the opening of new branches, deposits and utilization of loans, and finally mobile money transactions.

E. Expansion of ATM Network

All scheduled banks collectively added 4,452 ATMs (automated teller machines) in the financial year 2022-2023, with their network standing at 2, 19,513 as of March 2023. Now [20], 47.4 percent of the ATMs are working in rural areas. Additionally, the RBI has already begun permitting qualified private entities to set

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up White Label ATMs. Its acceleration of services is justified.

F. General Credit Cards (GCC) Issued

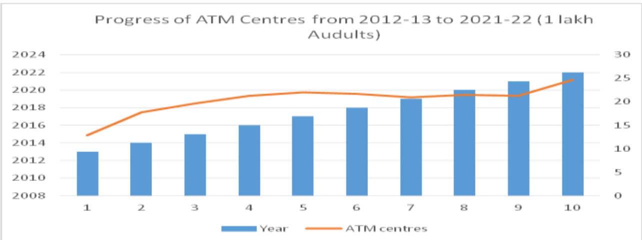
Banks have been advised to offer a General Credit Card facility at their rural and semi-urban branches, with a maximum limit of RS. 25,000. As of December 2023, banks have given RS. 53,690 crore in credit shared to 55 lakh accounts for General Credit Card accounts.

Table 1: ATM Centres for 1 Lakh Adults from 2012-13 to 2021-22

Year	ATM Centres
2012-2013	12.87
2013-2014	17.80
2014-2015	19.70
2015-2016	21.24
2016-2017	22.00
2017-2018	21.65
2018-2019	20.95
2019-2020	21.50
2020-2021	21.21
2021-2022	24.64

Source: IMF 'Financial Access Survey' 2023

Depicted from the table number of ATM centres are available for one lakh adult customers in India. In the initial period 2012-13, only 12.87 ATM centers were available, now the ATM centers in India have doubled during the study period 2021-22. The data reveals that Automatic Telling Machines follow the trend from the period 2012-13 to 2016-17, hence commencing ups and downs for establishing ATM centers in India. Finally, ATM centers increased by 52.23 percent in the study period of the decade for one lakh treasured customers.



[Fig.2:]

Source: IMF 'Financial Access Survey' 2023

Depicted from figure-2 infer the results that available ATM centres for every one lakh adult customers in India. The line indicates the growth rate of the establishment of ATM centers in various places in India. It can indicate the shape of the line's rapid growth rate from 2012-13 to 2016-17, 12.87 to 22 ATM centers are offered for every one lakh adult customers [12]. Hence the line can decline slightly slop from 2017-18 to 2020-21, 22 to 21.21 ATM centres are accessible for every one lakh customers. Further, the line can rise by 24.64 ATM centers existing for one lakh affordable customers.

G. Number of Branches Opened (Including RRBs)

Owing to the RBI's tireless efforts since 2005 [1], India has seen a massive increase in the number of Scheduled Commercial Bank branches [3], from 68,681 in March 2006 to over 158,000 in May 2024 [9]. These branches are dispersed throughout the nation [10], particularly in rural areas [14]. However, between March 2006 and December 2023, there were also more branches—from 30,572 to 53,893—than before. Nevertheless, Ultra Small Branches18: To support roughly 8–10 BC units at a suitable distance [15], Ultra Small Branches may be positioned between the base branch and BCs.

H. Villages Covered

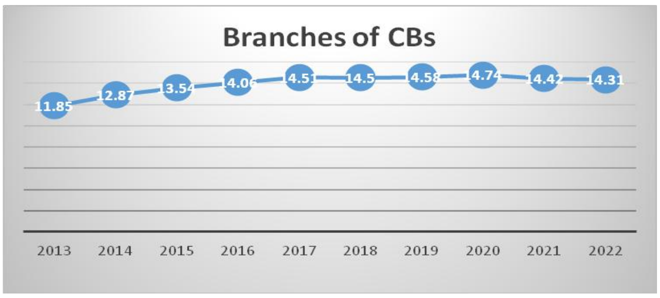
One of the main goals of the NSFI: 2019–24 is for India to take the initiative and provide banking access to every village within a 5 km radius or hamlet of 500 households in hilly areas. As of March 31, 2024, the target had been reached in 27 states and 8 union territories (UTs), meaning that 99.99 percent of the nation's identified villages and hamlets had been covered. It is possible to analyze the data and see that efforts are being made to reach the goal for the last few hamlets and villages.

Table 2: Available Commercial Banks for 1 Lakh Adults from 2012-13 to 2021-22

Year	Branches of CBs
2012-2013	11.85
2013-2014	12.87
2014-2015	13.54
2015-2016	14.06
2016-2017	14.51
2017-2018	14.50
2018-2019	14.58
2019-2020	14.74
2020-2021	14.42
2021-2022	14.31

Source: IMF 'Financial Access Survey' 2023

The figures in Table 2 show the results of opening new commercial branches for improving the banking services to lower income and targeted people. It can be indicated that amplified opening of new branches from 2012-13 to 2019-20. The study reveals that 11.85 branches were available for one lakh bank customers in the period of 2012-13 [5]. Hence it can grow 14.74 branches offered for affordable customers in the period of 2019-20. Later, it can reveal that obtained downtrend for two years i.e. 2020-21 and 2021-22, it can be disclosed that 14.42 and 14.31 bank branches are available for every one lakh adult customers. Finally, it can be concluding the table that 13.94 of the average growth rate of establishing new branches of commercial banks for one lakh affordable customers in India.



[Fig.3]

Source: IMF 'Financial Access Survey' 2023

Depicted from the figure-3 indicates the results of opening new commercial branches in various places in India. It can reveal the increasing growth line from 2012-13 to 2019-20. Hence it can be declined slowly. Finally, the figure indicates the results of opening of the new commercial branches are

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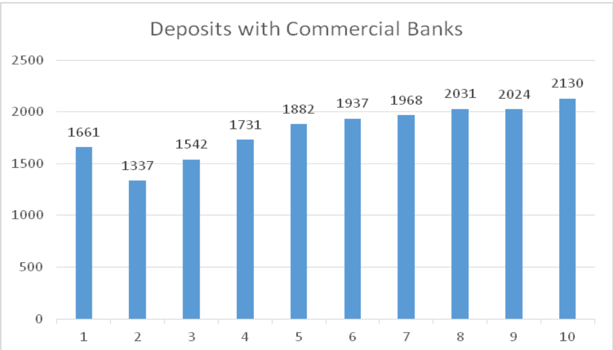
predetermined rates except for 2020-21 and 2021-22. It can be exposed that the COVID-19 panic period affected for organization of new branches of commercial banks in India like a curve shape.

Table 3: Deposits with Commercial Banks for 1 lakh adults from 2012-13 to 2021-22

Year	Deposits with CBs
2012-2013	1661
2013-2014	1337
2014-2015	1542
2015-2016	1731
2016-2017	1882
2017-2018	1937
2018-2019	1968
2019-2020	2031
2020-2021	2024
2021-2022	2130

Source: IMF 'Financial Access Survey' 2023

Enunciated in Table 3, it can announce the results of the growth of deposits, and it can designate the development of the banking sector as well as the financial inclusion habits of Indian banking consumers. It can reveal that the data, decline, and increasing bank deposits from the beginning to end of edges in the decade. It can inference the result that decreasing from 1661 lakh to 1337 lakh deposits from 2012-13 to 2013-14, hence it can be recorded growing growth rate up to 2019-20. Hence, 2020-21 and 2021-22 declined 2024lakh and raised 2130 lakh of deposits for one lakh adult bank customers in India. Finally, the table reflects the results charted growth rate up to the period 2019-20, hence it reveals fluctuations in receiving bank deposits, especially pandemic period, while reflected average growth rate 1824.3, which indicates an expansion of financial inclusion in India.



[Fig.4:]

Source: IMF 'Financial Access Survey' 2023

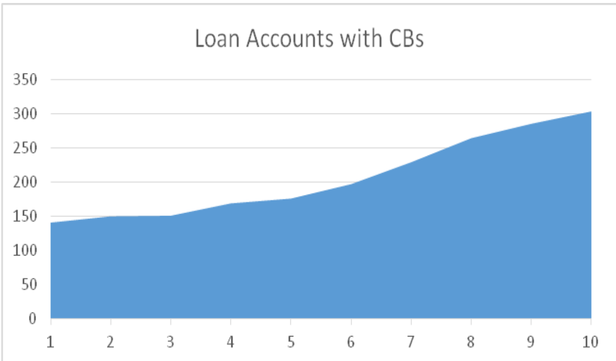
Figure 4 reflects the results of deposits with commercial banks during the study period 2012-13 to 2021-22. It can infer the graph that can make changes, it means to increase and decrease the number of bank deposits for every one lakh customers for take into consideration. It reveals the chart indicates declining growth for the beginning and ending edges of the study period. Finally, it can reveal the histogram, that reduced 1661 lakh to 1337 lakh from 2012-13 to 2013-14. Hence it can raise the growth rate from 1337 lakh to 2031 lakh from 2013-14 to 2019-20. Hence, the next presiding year (2020-21) recorded a declining growth rate of 2024 lakh, later enhancing the bank deposits of 2130 lakh for every one lakh customers in the studying period 2021-22. It can suggest that the table, reveals the results of more fluctuating bank deposits, especially covid-19 the affected period.

Table 4: Loans from Commercial Banks for 1 lakh adults from 2012-13 to 2021-22

Year	Loan Accounts with CBs
2012-2013	141
2013-2014	150
2014-2015	151
215-2016	169
2016-2017	176
2017-2018	197
2018-2019	229
2019-2020	264
2020-2021	285
2021-2022	303

Source: IMF 'Financial Access Survey' 2023

The data in Table 4 reveals the results of that observation of loan habits for adult consumers in India. It can be advocates that the data indicates the stabilized growth rate for consuming bank loans from statutory financial institutions in India. It can be evaluated the results that increased from 141 lakh rupees to 303 lakh rupees for loan amount utilized by one lakh adult customers from the decade of 2012-13 to 2021-22. Finally, depicts the results that a 114.89 percent growth rate was recorded regarding loan amount utilization of affordable customers in India. It can be concluded that the table pandemic effect does not apply to the utilization of loans from authorized financial institutions.



[Fig.5:]

Source: IMF 'Financial Access Survey' 2023

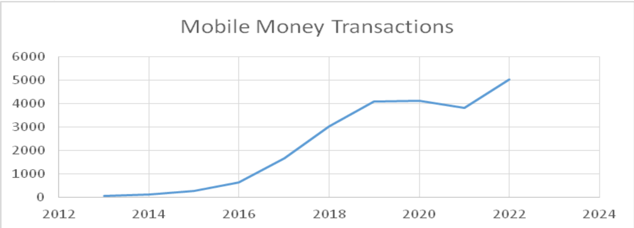
Figure 5 shows the results of loan amounts utilized by adult customers in India. It can be inferred from the chart that the entire loan accounts recorded a stabilized growth rate for the entire period of study from 2012-13 to 2021-22. It can start from 141 lakh to 303 lakh rupees for one lakh customers from 2012-13 to 2021-22. It indicates like upward slope curve for the promotion of financial inclusion in India during the study period.

Table 5: Mobile Transactions for 1 Lakh Adults from 2012-13 to 2021-22

Year	Mobile Money Transactions
2012-2013	36
2013-2014	116
2014-2015	270
2015-2016	628
2016-2017	1662
2017-2018	3032
2018-2019	4079
2019-2020	4112
2020-2021	3823
2021-2022	5008

Source: IMF 'Financial Access Survey' 2023

Table 5 evaluates the results of mobile money transactions in India. It can reveal that the data drastically increasing with regarding mobile money transactions. It can indicate only 36 transactions for one lakh adult customers in the period 2012-13, hence it can be increased from 36 to 5008 mobile money transactions from 2012-13 to 2021-22 except the year 2020-21. It reveals that 139.11times of enhancing mobile money transactions for selected one lakh adult affordable consumers in India during the study period 2012-13 to 2019-20, hence it can decline from 4112 lakhs to 3823 lakhs for 2019-20 to 2020-21, later it can be pick up in the period of 2021-22. Finally, with the help of the table increasing mobile money transactions for the entire period of study except the 2020-21 period, reflects the negative influence of covid-19 period while recording a positive influence for the remaining period with a hike of mobile money transactions in India.



[Fig.6:]

Source: IMF 'Financial Access Survey' 2023

Figure -6 shows the results of mobile money transactions during the study period 2012-13 to 2021-22. It can be inferred that the results with the help of the graph indicate a drastic increase the mobile transactions from 36 to 4112 from 2012-13 to 2019-20, hence decreasing from 4112 to 3823 transactions during the period 2020-21 for every one lakh adult consumers. In the next year, the result reveals again the growth rate of mobile money transactions from 3823 to 5008 for every one lakh users of mobile money transactions. Finally, concluded with the help of the graph that indicates increasing mobile money transactions for the entire period of study except the period 2020-21, reflects the negative influence of covid-19 pandemic period while recording a positive influence for the remaining period with the tramp of mobile money transactions in India.

I. Total Bank Outlets

- From 67,694 total banking outlets (including RRBs) in villages in March 2010 to 16, 48,780 total branches in December 2023, the number of banking outlets has increased. Eventually, during the same period, the number of banking outlets through BCs rose from 34,174 to 15,92,598.
- A significant increase in Basic Savings Bank Deposit Accounts has also been opened in India. As of December 2023, there were 705.3 million active BSBD accounts, up from 73.45 million in March 2010.
- The Reserve Bank of India (RBI) has recommended banks in India to offer Basic Savings Bank Deposit Accounts with small overdrafts. As per the instructions of RBI 5.3 million Basic Savings Bank Deposit Accounts create an overdraft facility of RS. 5.79 billion, up to December 2023.

Table-6: Statement Showing the Details of Access and use of Financial Services for 1 lakh Adults from 2012-13 to 2021-22

Year	Indicator				
	ATM Centres	Branches of CBs	Deposits with CBs	Loan Accounts with CBs	Mobile Money Transactions
2012-2013	12.87	11.85	1661	141	36
2013-2014	17.80	12.87	1337	150	116
2014-2015	19.70	13.54	1542	151	270
2015-2016	21.24	14.06	1731	169	628
2016-2017	22.00	14.51	1882	176	1662
2017-2018	21.65	14.50	1937	197	3032
2018-2019	20.95	14.58	1968	229	4079
2019-2020	21.50	14.74	2031	264	4112
2020-2021	21.21	14.42	2024	285	3823
2021-2022	24.64	14.31	2130	303	5008
Total	203.56	139.38	18243	2065	22766

Source: IMF 'Financial Access Survey' 2023

Table 6 reveals the results of the entire elements like ATM centers, the opening of new commercial branches in various remote areas, deposits in commercial banks, use of loan accounts, and handling of mobile money transactions for one lakh affordable customers for using financial inclusion. It can gather and scrutinize the data it reveals that all the considered elements are denoted rapid growth rate, but all elements do not record equal progress. It can indicate the data increasing from 12.87 to 24.64 from 2012-13 to 2021-22, indicating a 91.45 percent hike in growth rate regarding

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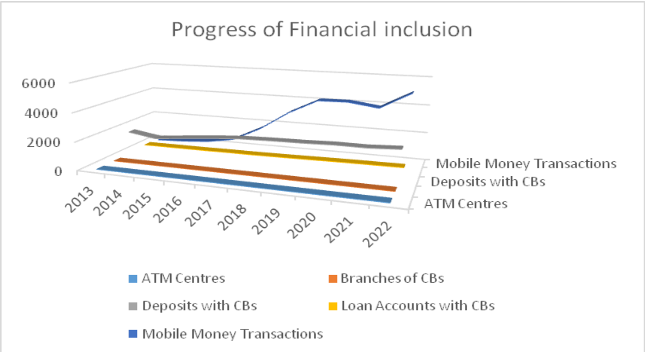
ATM centers available for one lakh adult customers. It can analyze the data that reveals grasping from11.85 to 14.31 from 2012-13 to 2021-22, it indicates a 20.76 percent ascent of growth rate regarding the opening of new branches for the availability of one lakh adult customers. It can evaluate the result of deposits at commercial banks also recorded a prominent growth in the period of study. It can reveal that increasing from1661 to 2130 lakh of money deposits from 2012-13 to 2021-22, it reveals that hike of 28.23 percent of money deposits for one lakh customers. In the inference of the result that drastically is increasing loan accounts for the entire period of study. It can increase 141 to 303 lakh accounts from 2012-13 to 2021-22, which indicates a 114.89 percent growth rate regarding the use of loan accounts of one lakh affordable beneficiaries.

Finally, indicates the result of the data that mobile money transactions also recorded a huge growth rate during the study period. It indicates the data increased from 36 to 5008 lakh transactions from 2012-13 to 2021-22, it reveals a hike of 13,811 percent of mobile money transactions for every one lakh adult customers in India. Finally, concluding from the table, it can be disclosed that the progress of the entire considered financial inclusion elements recorded significant development during the study period, but three elements such as the opening of ATM centers, new branches, and maintenance of money deposits are facing some ups and downs, remaining two elements like maintenance of loan accounts and mobile money transactions are recorded significant growth rate for the entire study period.



[Fig.7:]

Source: IMF 'Financial Access Survey' 2023

Figure 7 disclosed the entire progress of financial inclusion status during the study period. It can reveal the results that the entire elements like ATM centers, the opening of new commercial branches in various distant areas, deposits in commercial banks, use of loan accounts, and handling of mobile money transactions for one lakh affordable customers for using financial inclusion.

It can be inferred that the graph reveals that all the considered elements denoted rapid growth rate, but all elements do not record equal progress. Finally, concluding from the diagram, it is revealed that the progress of the entire considered financial inclusion elements recorded significant enlargement during the study period, but three elements such as the opening of ATM centers, new branches, and maintenance of money deposits are facing some ups and downs, remaining two elements like maintenance of loan accounts and mobile money transactions are recorded stabilized growth rate for the entire study period.

V. CHALLENGES TO FINANCIAL INCLUSION

- Limited access: Many people lack physical admission to financial services due to inadequate infrastructure facilities. According to a World Bank report, over 190 million adults in India lack a bank account, making it the second-most unbanked country in the world after China.
- Low financial literacy: Lack of basic financial knowledge hinders individuals' ability to make informed decisions. According to a survey, additionally, over 75% of Indian adults lack basic financial literacy, with over 80% of women lacking this knowledge.
- High costs: Traditional banking services are expensive and unaffordable for many low-income individuals. According to McKinsey, Indians lose over US$ 2 billion in income annually due to the time it takes to get to and from banks.
- Identification requirements: Lack of proper documentation makes it difficult to access formal financial services.
- Limited credit availability insufficient collateral and credit history restrict access to loans.
- Technological barriers: Limited technology access and digital literacy impede financial inclusion.

A. Remedies for Overcoming Challenges to Financial Inclusion

- Indians are well experts in the use of androids. Now India is the leading mobile user country of the world.
- India is one of the fastest-growing economies in the world. So, Indians are also well knowledge about handling accounts.
- India is running towards the' Vikasith Bharath' motive. Now India has reduced the gap between traditional dated methods and modern new approaches.
- India promotes a paperless currency system.
- India is one of the role models in the world for technical aspects.
- Attitudes of Indians also changed according to modern financial inclusion phenomena.
- The government of India has taken the initiative for the promotion of financial inclusion.
- Government of India provides some subsidiaries for using financial inclusion for special categories like pensioners, students, housewives, etc.

VI. CONCLUSION

The financial sector is seen as a critical component in promoting financial inclusion through the efficient use of resources that mobilize savings and exchanges of goods and services between surplus and deficit units. This helps to lower poverty and promote economic growth. One of the most highly sought-after in the developing economy is the relationship between the financial system's activities and economic growth. It can deduce the impacted variables, including income growth, capital accumulation, savings, and technical innovation.

The extent and growth of financial inclusion in India are demonstrated by the study. India is currently the third-largest economy in the world. With the increase in financial inclusion and exclusions, it has achieved sustainable development goals and established a strong growth rate. In the modern Indian economy, financial inclusion is essential. The use of loan accounts, ATM locations, new branch openings, money deposits in commercial banks, and mobile money transactions were some of the topics covered in this study. The comprehensive analysis shows that over the research period, financial inclusion has significantly advanced in India. Throughout ten years, the study considers five factors. Every component has made tremendous progress, even though some are experiencing ups and downs. This has led to a very large increase in financial inclusion. Lastly, processing loans and conducting mobile money transactions are more popular inclusions than the other inclusion criteria. India has now encountered several difficulties in implementing financial inclusion; however, these may be quickly and readily resolved with the help of India Vision 2047.

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After aggregating input from all authors, I must verify the accuracy of the following information as the article's author.

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