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### A Study on Digital Financial Inclusion in Uttarakhand with Reference to PMJDY & Digital Platforms

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**Abstract:** With an emphasis on the Pradhan Mantri Jan Dhan Yojana (PMJDY), Aadhaar integration, and digital payment platforms like BHIM/UPI, this study examines the advancements and difficulties of digital financial inclusion in Uttarakhand. Based on secondary data from official government portals, the RBI, and the NPCI through September 2023, the study identifies differences in financial access, usage, and quality by district. Particularly in urban and semi-urban areas like Dehradun, Haridwar, and Udham Singh Nagar, the results show notable advancements in financial outreach. Better infrastructure and digital literacy are evident in these areas, which have high volumes of digital transactions, account usage, and Aadhaar linkage. In contrast, hilly and isolated areas like Champawat, Bageshwar, and Rudraprayag lag because of inadequate infrastructure, sociocultural barriers, and poor connectivity. The study's conclusion urges targeted literacy campaigns, enhanced digital infrastructure, and region-specific interventions to guarantee inclusive and equitable financial empowerment throughout the state.

#### Introduction

Financial inclusion refers to the effort to connect all sections of society with formal financial and banking services. The term “financial inclusion” was first introduced in 1993, although systematic research and policy attention toward the concept gained momentum around 1998. It focuses on ensuring that every individual, including those from disadvantaged or marginalized groups, can access and use the banking system. When people from all segments of society participate in formal financial activities such as saving, borrowing, and making payments, the banking system develops in a more balanced and inclusive manner. A strong and well-developed banking sector within the financial system is essential for promoting overall economic growth and stability (Makur, 2023).

Financial inclusion refers to the process of ensuring that people, especially those who are underserved or excluded from the formal financial system, have access to basic banking and financial services. It is generally understood through three key dimensions: access, usage, and quality. The

access dimension focuses on the availability of financial infrastructure and services for individuals, households, and businesses. When these services are widely available, they make it easier for people to participate in the financial system and contribute to inclusive and sustainable economic growth driven by multiple stakeholders. Financial inclusion also involves encouraging people to actively use these services so that they become part of the formal financial system and can benefit from secure and reliable financial opportunities (Chauhan, 2022).

Financial inclusion aims to ensure that financial services are available, accessible, and affordable to all citizens in a safe and transparent manner. It plays an important role in promoting inclusive and sustainable economic growth by involving various stakeholders such as governments, financial institutions, and technology providers. Globally, financial inclusion is increasingly recognized as a key driver of economic development and poverty reduction. Access to formal financial services enables individuals and businesses to save securely, obtain credit, and manage financial risks more effectively. It also contributes to job creation, reduces vulnerability to economic shocks, and encourages greater investment in education, health, and other forms of human capital. However, when people lack access to formal financial systems, they often rely on their limited personal resources or informal sources of finance, which are usually expensive and unreliable. Therefore, expanding access to formal financial services is essential for promoting economic growth, reducing poverty, and improving overall social welfare (World Bank, 2018; Reserve Bank of India, 2021).

- **Definition of Financial Inclusion**

World Bank, (2022) stipulated “ Financial Inclusion as individuals and businesses have access to useful and affordable financial products and services that meet their needs -transactions, payments, savings, credit, and insurance delivered in a responsible and sustainable way.”

United Nation (2010) stipulated “ Financial Inclusion as providing affordable and useful access to financial products and services to all individuals and businesses worldwide.”

Rangrajan Committee (RBI, 2008) defined “ Financial Inclusion as the process of ensuring access to financial services and timely and adequate credit where needed by vulnerable group such as weaker sections and low income groups at an affordable cost.”

- **Financial Inclusion in India**

Financial inclusion refers to the availability and accessibility of useful and affordable financial products and services for individuals and businesses. These services include basic financial activities such as transactions, payments, savings, credit, and insurance, which should be provided in a responsible and sustainable manner that meets the needs of users (World Bank, 2018). Because of its importance for economic development and poverty reduction, financial inclusion has become a major priority for policymakers, regulators, and development institutions across the world. Since 2010, more than 55 countries have made formal commitments to advancing financial inclusion, and over 30 countries have either introduced or are in the process of developing national financial inclusion strategies (World Bank, 2018).

Despite these global efforts, a significant portion of the population in India—particularly the bottom 20 percent—continues to face barriers in accessing affordable financial services. This lack of access limits their ability to build stable and sustainable livelihoods. Such groups are commonly described as the “unbanked” or “underbanked,” meaning they have little or no connection with formal financial institutions. In many cases, financial service providers perceive these customers as unprofitable due to high transaction costs and low margins, which often discourages investment in financial infrastructure and services for these communities (BASIC, India).

### **Government initiative in India**

In India, the concept of niche banking was introduced to improve financial access in underserved areas. In 1996, the Government of India and the Reserve Bank of India initiated the first private niche banking licenses through the establishment of Local Area Banks (LABs). The primary aim of these banks was to mobilize savings from rural and semi-urban communities and channel these funds into productive investments within the same local regions. By focusing on specific geographic areas, LABs were expected to reduce the credit gap in rural regions and promote greater financial inclusion among populations that were traditionally underserved by larger commercial banks. This initiative also aimed to strengthen local economic development by ensuring that financial resources generated in rural

areas were reinvested locally. Through this approach, Local Area Banks were designed to address long-standing challenges in rural credit delivery that had previously been managed largely through state-led initiatives (Reserve Bank of India, 2015).

- **Small Saving Schemes** – various small saving schemes was introduced by the government for the promotion of risk free government backed saving portfolios for low and medium income individuals including national saving deposits account, post office saving account, Senior Citizens saving schemes, kisan vikas patra and National Saving Certificate. Sukanya Samridhi Yojana – Sukanya Samridhi Yojana is a savings scheme introduced by the Government of India in 2015 as part of the Beti Bachao Beti Padhao initiative. The scheme is designed to encourage parents or guardians to save for the future of girl children aged 10 years or below. Under this program, an account can be opened with a minimum deposit of ₹1,000, and contributions can be made up to a maximum limit of ₹1,50,000 in a financial year. The deposit remains active until the beneficiary reaches 21 years of age. The scheme aims to help families build a financial corpus that can support the girl child's higher education, marriage, or other future needs (Government of India, 2015).
- **Direct Benefit Transfer (DBT)** – The Direct Benefit Transfer system has significantly improved the delivery of government welfare benefits by transferring funds directly into beneficiaries' bank accounts. This mechanism reduces delays and leakages in the distribution process and ensures that benefits reach the intended recipients more efficiently. The DBT framework supports a wide range of government programs across India, including Pradhan Mantri Jan Dhan Yojana, Pradhan Mantri Matru Vandana Yojana, Pradhan Mantri Ujjwala Yojana, Krishi Unnati Yojana, and Mahatma Gandhi National Rural Employment Guarantee Act. Through these schemes, financial assistance and subsidies are credited directly to beneficiary bank accounts, benefiting individuals across different regions and social groups (Government of India, 2020).

## Digitalisation

### • Introduction

India's digital economy is growing at a rapid pace and is expected to expand almost twice as fast as the overall economy. It is projected that by 2029–30, the digital economy could contribute nearly one-fifth of the country's national income. In recent years, it has become an important driver of economic growth, contributing about 11.74% of India's GDP in 2022–23, which is estimated at approximately INR 31.64 lakh crore (around USD 402 billion). The sector also provides employment to nearly 14.67 million people, representing about 2.55% of the total workforce. In addition, the productivity of the digital economy is estimated to be almost five times higher than that of many traditional sectors of the economy (Narula, 2017).

In discussions about the digital economy, the terms digitization and digitalisation are frequently used and are closely related, although they have distinct meanings. Digitization refers to the process of converting analog information—such as text, images, audio, or video—into digital form so that it can be processed and stored electronically. Digitalisation, on the other hand, refers to the broader adoption and integration of digital technologies by organizations, industries, and governments to improve processes, services, and efficiency (Narula, 2017).

Recognizing the potential of digital technologies, the Government of India launched Digital India on 1 July 2015 under the leadership of Narendra Modi. The primary objective of this program is to make government services accessible to citizens through digital platforms and to promote the use of modern information and communication technologies for better governance and service delivery.

Across the world, digital technologies and improved internet connectivity are transforming societies and creating new opportunities for economic development. For households and individuals, access to digital tools has made it easier to obtain timely information and conduct transactions at lower costs. These developments have contributed to improvements in education outcomes, labour force participation, income generation, consumption levels, and overall welfare (Voillaz & Winkler, 2022).

In the modern digital economy, digital platforms have also become some of the most influential business models. Many of the world's largest companies by market capitalization now operate through digital platforms. These platforms facilitate interactions and exchanges of information, goods, and services among different groups of users, such as producers, consumers, and communities. While

certain platforms such as Google and Meta Platforms are primarily associated with the information and communication technology (ICT) sector, others like Amazon and Uber operate across multiple sectors, illustrating how digital platforms are increasingly reshaping traditional industry boundaries.

## Introduction

### • Global Digital Financial Inclusion

Globally, financial exclusion continues to be a major challenge. According to the Global Findex Report 2017, around 1.7 billion adults worldwide do not have an account with a formal financial institution. The lack of access to financial services can be attributed to several factors, including geographic barriers, social inequalities, economic limitations, and cultural constraints. Within these categories, differences in income levels, education, gender, and the rural–urban divide play a significant role in determining whether individuals are able to access formal financial systems (Demirgüç-Kunt et al., 2018).

The adoption of digital payment systems increased significantly during the COVID-19 pandemic, as lockdowns, social distancing measures, and contactless protocols encouraged people to shift from cash to digital modes of payment. Studies indicate that global cashless payments increased by about 42 percent during this period. Moreover, the pandemic led to a cross-generational shift toward digital channels, with older individuals—particularly those aged 56 years and above—beginning to adopt digital payment platforms more actively than before (PwC, 2021; Capgemini, 2020).

In the global banking sector, digital innovation has become a key factor in determining competitiveness. According to the Global Finance Magazine, the Bank of Georgia was recognized as the world's best digital bank in 2024. The awards ceremony took place at the Banking Hall. Winners were selected based on several criteria, including their strategies for attracting and serving online customers, the effectiveness of their digital services, growth in their digital customer base, and the overall impact of digital initiatives on banking performance (Global Finance, 2024).

Despite these advancements, a significant group of people around the world still remain financially excluded. These individuals are often described as the “last-mile population,” referring to communities that remain outside the reach of formal financial services. According to the Global Partnership for Financial Inclusion report (2024), addressing the needs of this group is critical for achieving broader development goals. The report highlights several barriers that prevent these populations from accessing financial services and suggests that targeted public policies, technological solutions, and investment strategies are necessary to bring them into the formal financial system.

### • Digital Financial Inclusion

Digital financial inclusion refers to the use of digital technologies to expand access to financial services for individuals and communities that are traditionally excluded or underserved by the formal financial system. These services are typically delivered through digital channels such as mobile phones, computers, and the internet, enabling users to access banking, payments, savings, credit, and other financial products more conveniently and efficiently. By leveraging digital devices and communication technologies, digital financial inclusion aims to overcome traditional barriers such as distance, cost, and limited financial infrastructure (Ozili, 2018).

Closely related to this concept are digital financial services (DFS), which refer to financial products and services that are delivered and used through digital technologies. These services make use of digital platforms—particularly mobile devices and internet-based systems—to provide secure, accessible, and efficient financial solutions to consumers. As a result, DFS has become an important tool for expanding financial access and improving the efficiency of financial transactions in many developing economies (Ozili, 2018).

In India, digital financial inclusion has experienced significant progress since 2014, largely due to the introduction of the JAM Trinity, which integrates three major initiatives: Pradhan Mantri Jan Dhan Yojana for expanding access to bank accounts, Aadhaar for providing unique biometric identification, and mobile connectivity for facilitating direct transfers of financial benefits. Together, these initiatives have helped create a strong digital infrastructure for financial inclusion. Furthermore, the launch of the Digital India programme in 2015 further strengthened this process by promoting digital governance and expanding digital connectivity. These initiatives have played a crucial role in bringing previously unbanked populations into the formal financial system (Chauhan, 2022).

Scholars have defined digital financial inclusion in various ways. It is commonly described as providing affordable digital access to formal financial services for individuals who were previously unserved or underserved by traditional banking systems (Lauer & Lyman, 2015). Similarly, other studies emphasize that digital financial inclusion involves enabling excluded populations to use formal financial services through internet-based and mobile technologies, thereby improving their participation in the financial system (Saxena & Goyal, 2020).

In a broader sense, digital financial inclusion refers to the use of digital financial services to advance the broader objective of financial inclusion. It focuses on using digital technologies to reach marginalized populations with a range of financial products and services that are affordable, secure, and transparent. At the same time, digital financial systems help strengthen coordination and interaction among different stakeholders within the financial ecosystem, making financial service delivery more efficient and effective (BRICS, 2020).

- **The key players in Digital Financial Inclusion are**

Pradhan Mantri Jan Dhan Yojana— PMJDY is the Modi government's flagship financial inclusion program launched in August 2014, it continued a tradition of bank-led financial programming in India, aiming to leverage the vast network of banks to provide all adult Indians with a bank account.

- **Real Time Gross Settlement (RTGS):** Real Time Gross Settlement (RTGS) is an electronic payment system used for transferring funds between banks in real time. In this system, transactions are processed immediately as they are received, rather than being settled later in batches. The term "gross settlement" indicates that each transaction is processed individually on an instruction-by-instruction basis. RTGS is primarily used for high-value transactions and is considered a secure and efficient mechanism for interbank fund transfers in India (Reserve Bank of India, 2022).
- **National Electronic Funds Transfer (NEFT):** National Electronic Funds Transfer (NEFT) is another electronic payment system in India that allows individuals, businesses, and organizations to transfer funds from one bank account to another across participating banks in the country. Unlike RTGS, NEFT transactions are usually processed in batches. The system also supports cross-border remittances under the Indo–Nepal Remittance Facility Scheme, allowing funds to be transferred from India to Nepal. Importantly, the Reserve Bank of India does not impose any maximum limit on the amount that can be transferred through NEFT (Reserve Bank of India, 2022).
- **Immediate Payment Service (IMPS):** Immediate Payment Service (IMPS) is an instant interbank electronic fund transfer system that enables users to send and receive money in real time using mobile phones or internet banking platforms. One of the key advantages of IMPS is that it operates 24 hours a day, including weekends and bank holidays. The system is managed by the National Payments Corporation of India (NPCI), which is the main retail payments organization in the country (NPCI, 2021).
- **Unified Payments Interface (UPI):** Unified Payments Interface (UPI) was launched by the National Payments Corporation of India in April 2016 and has become one of the most significant drivers of digital payments in India. UPI allows users to send and receive money directly from their bank accounts using a virtual payment address linked to their mobile numbers. The platform provides low-cost, interoperable digital payments and has witnessed exponential growth since its widespread adoption in 2017 (NPCI, 2022).
- **Demonetisation and the Shift toward Digital Payments:** A major turning point in India's digital payments landscape occurred during the 2016 Indian Demonetisation, announced by Narendra Modi on 8 November 2016. The policy invalidated high-value currency notes of ₹500 and ₹1000, which constituted a large proportion of the cash in circulation. One of the objectives of demonetisation was to encourage the adoption of digital and cashless payment methods. As cash transactions declined temporarily, many individuals and businesses began exploring alternative payment methods such as mobile wallets, internet banking, debit cards, and digital payment applications. This policy shift significantly accelerated the adoption of digital payment technologies in India (Singh, 2018).

- **Challenges In Digital Finance Adoption**

This paper examines the key issues that limit digital finance adoption and suggests pathways to address these challenges for a more inclusive digital financial ecosystem.

- Infrastructural challenges- In many underdeveloped areas user may not have access to smartphones or computers and unreliable electricity supply for further complicates the use of digital platforms.
- Digital and financial literacy- This is very unfortunate that till now half of the population lacks of necessary skills to use digital banking mobile phones and e wallets.
- Affordability and Accessibility- In rural areas the dependency on agents and cyber café which can reduce privacy and increase the transaction cost. the high cost of data is smartphones and transaction fee can be the major determinant specially for low income individuals.
- Security and trust issues- The most questionable thing is the security and privacy of data. Cyber fraud identity theft and phishing scams erode trust in digital finance. There is in educate customer services or support and grievance redressal. the poor mechanism for reporting and resolving fraud encourage trust issues.
- Regulatory and policy barriers - The lack of regulatory framework can hinder the adoption of digital finance. The complicated KYC procedures and frequently changing policies related to digital finance making it more difficult.
- Limited merchant ecosystem- Resistance among local businesses to accept digital platforms due to high cost of payment infrastructure like QR code or PoS machines.
- Gender and Social Inequalities- Due to cultural norms women are often lack access to phones or digital accounts. The cultural differences also not allowed women for education and advanced technology.

### Research Methodology

- **Research design**

This study is entirely based on secondary data from official databases such as RBI, NPCI, and government reports. This study follows a **descriptive and analytical research design**. **secondary data sources** to explore the extent of digital financial inclusion in Uttarakhand and to identify district-level disparities.

- **Data Collection Methods**

- **Secondary Data:**

Secondary data was gathered from:

- RBI Annual Reports
- PMJDY official statistics (till September 2023)
- NPCI transaction data for BHIM/UPI usage
- Reports from the Ministry of Finance and NITI Aayog
- Scholarly articles, government portals, and previous research publications

- **Tools of Analysis**

- Basic statistical tools like **percentages, averages, and growth rates** were used.
- Comparative analysis was performed to assess disparities between urban and rural districts.
- **Graphs and tables** were employed to visualize digital transaction trends and inclusion indicators.

**Data Analysis and Interpretation**

**UTTARAKHAND**  
**DISTRICT WISE Progress Under PMJDY AS ON 30.09.2023**  
**No. in Actual and Amount in Crore**

SR.	Name of District	Rural	Urban	Male	Female	Total	Zero Balance A/c	Deposits held in the A/c	Rupay Card Issued	Rupay Card Activated	Aadhaar Seeded
1	RUDRA PRAYAG	53335	0	22531	30773	53335	2825	51.7	31349	14137	38242
2	BAGESHWAR	54539	136	23056	31478	54675	4686	42.55	30551	11879	41508
3	CHAMOLI	64501	12347	37736	42421	80185	3675	75.82	59839	20980	55227
4	ALMORA	115385	10627	52722	78297	131191	6204	139.46	90124	33843	99920
5	PITHORAGARH	77780	7311	42332	47050	89419	6606	64.39	42594	17302	71305
6	HARIDWAR	355937	497069	463264	439890	903087	83443	419.91	702414	282074	710949
7	DEHRADUN	223896	276810	250914	265100	516247	51463	373.01	404521	167729	376733
8	PAURI GARHWAL	119064	15288	63266	81223	144513	10717	130.64	80529	32916	113079
9	CHAMPAWAT	54048	8298	27743	37158	64933	4568	56.24	37744	13064	52334
10	NAINITAL	169427	117707	130373	169034	299501	17447	266.88	176147	69111	240160
11	TEHRI GARHWAL	131772	6265	58979	80909	139924	6678	124.36	85111	29619	108485
12	UDAM SINGH NAGAR	379648	412993	440885	460022	901102	70324	455.34	622803	221735	747391
13	UTTAR KASHI	86186	10861	44405	54165	98584	5896	71.06	77505	26766	64296
		<b>1885518</b>	<b>1375712</b>	<b>1658206</b>	<b>1817520</b>	<b>3476696</b>	<b>274532</b>	<b>2271.36</b>	<b>2441231</b>	<b>941155</b>	<b>2719629</b>

**Conclusion**

The data reveals significant progress in financial inclusion across all districts of Uttarakhand under the Pradhan Mantri Jandhan Yojana as of 30<sup>th</sup> September 2023. Testing like Haridwar, Dehradun, and Udhm Singh Nagar lead in terms of total account openings, Aadhaar seeding, and RuPay card activation, reflecting strong outreach and effective implementation in urban and semi urban areas. These districts also show high figures in deposits held and RuPay card usage, indicating active account utilisation. On the other hand, hilly and less accessible districts such as Champawat, Bageshwar and Rudraprayag report relatively lower figures across most indicators, highlighting the persistent geographical and infrastructural challenges in ensuring last mile financial connectivity.

**UTTARAKHAND**  
**DISTRICT WISE DIGITAL TRANSACTION AS ON 30.9.2023**  
**No. in Actual and Amount in Crore**

SR.	NAME OF BANK	BHIM/UPI		BHIM Aadhaar		Bharat QR Code		IMPS		Cards (Debit & Credit)		USSD	
		No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.
1	BAGESHWAR	2421636	398.08	3977649	465.65	385	0.19	55098	255.26	164184	68.33	111692	22.99
2	RUDRA PRAYAG	2663274	470.10	5412782	728.88	1045	0.47	58269	334.68	125427	57.14	123992	24.67
3	PAURI GARHWAL	8125483	1642.90	14776134	1812.04	9669	10.81	195588	2870.44	572751	313.36	460884	89.88
4	HARIDWAR	56162402	52949.71	20706269	3026.98	51990	68.35	2220096	31447.43	2915153	1182.52	447998	79.30
5	PITHORAGARH	3384153	644.26	12217057	1466.51	1706	2.87	91417	694.39	190001	94.58	374497	74.76
6	CHAMOLI	3641804	575.90	9982682	1183.00	2810	1.10	71547	422.13	195318	81.24	251753	51.10
7	ALMORA	5316873	955.78	12487219	1398.98	2665	3.47	113240	784.67	507104	203.21	274344	50.92
8	CHAMPAWAT	2992205	528.89	4519588	596.93	1951	1.31	90411	313.94	165336	70.59	100315	20.91
9	NAINITAL	22520396	13122.52	17735949	2477.34	24227	37.53	663796	10850.68	1623385	692.82	586426	117.62
10	DEHRADUN	80738887	64617.23	48104045	7216.94	144043	174.36	2537579	57109.90	5459099	2335.08	2177138	444.42
11	TEHRI GARHWAL	6978973	1211.34	10301783	1357.90	455	0.58	151905	617.19	405452	205.20	207960	40.14
12	UDAM SINGH NAGAR	49370702	35126.44	17849568	2491.81	85648	99.16	1927012	45953.91	3046965	1329.58	411809	82.05
13	UTTAR KASHI	4032115	690.75	6794469	898.91	647	0.60	109635	839.85	239444	101.12	97233	20.35
		<b>248348903</b>	<b>172933.9</b>	<b>184865194</b>	<b>25121.87</b>	<b>327241</b>	<b>400.8</b>	<b>8285593</b>	<b>152494.47</b>	<b>15609619</b>	<b>6734.77</b>	<b>5626041</b>	<b>1119.11</b>

**Conclusions**

The data clearly reflects that digital transactions are gaining strong momentum across Uttarakhand, with districts like Dehradun, Haridwar, and Udhm Singh Nagar leading to digital shift. These three districts account for the highest volume and value of transactions through platforms such as

BHIM/UPI, BHIM Aadhaar, USSD, and QR code based payments, underlining their more developed digital infrastructure and greater digital literacy among residents.

In contrast, hilly and remote districts like Bageshwar, Champawat, and Rudrapur continue to show comparatively lower transactions volumes and amounts, suggesting a digital divide that still needs to be addressed. These gaps may be attributed to connectivity challenges, lack of awareness, and infrastructural limitations.

### Conclusion: PMJDY Progress in Uttarakhand (as on 30.09.2023)

UTTARAKHAND											
BANK WISE TOTAL Progress under PMJDY AS ON 30.09.2023											
No. in Actual and Amount in Crore											
SR.	Name of Bank	Rural	Urban	Male	Female	Total	Zero Balance A/c	Deposits held in the A/c	Rupay Card Issued	Rupay Card Activated	Aadhaar Seeded
1	STATE BANK OF INDIA	369976	334885	332534	371925	704861	20079	412.79	672820	141985	462516
2	PUNJAB NATIONAL BANK	326815	348950	329267	346460	675765	83633	421.32	706618	303402	549012
3	BANK OF BARODA	205955	248727	311320	327604	639054	24804	536.97	468505	137981	557696
	<b>Total Lead Banks</b>	<b>902746</b>	<b>932562</b>	<b>973121</b>	<b>1045989</b>	<b>2019680</b>	<b>128516</b>	<b>1371.08</b>	<b>1847943</b>	<b>583368</b>	<b>1569224</b>
4	UNION BANK OF INDIA	150960	70277	111756	109481	221237	27499	106.12	119234	77893	172823
5	CANARA BANK	109322	66367	86414	89275	175689	23870	128.8	90090	19560	141420
6	CENTRAL BANK OF INDIA	24378	32836	27245	29969	57214	3469	35.51	28476	28476	39214
7	PUNJAB AND SIND BANK	29065	12627	18969	22712	41692	3624	11.55	1247	1230	31722
8	UCO BANK	70016	23134	45283	47459	93150	9651	73.77	53923	0	59280
9	INDIAN OVERSEAS BANK	47922	17947	30821	35017	65869	6851	35.93	65869	60747	48572
10	BANK OF INDIA	26557	26352	36574	35165	71806	1863	44.15	53553	49050	65715
11	INDIAN BANK	45702	70671	58571	57770	116373	10514	54.97	37788	16956	75733
12	BANK OF MAHARASHTRA	3565	16093	10279	9379	19658	3623	6.51	14339	14339	17873
	<b>Total Non-Lead Banks</b>	<b>507487</b>	<b>336304</b>	<b>425912</b>	<b>436227</b>	<b>862688</b>	<b>90964</b>	<b>497.31</b>	<b>464519</b>	<b>268251</b>	<b>652352</b>
	<b>Total N. Banks (A + B)</b>	<b>1410233</b>	<b>1268866</b>	<b>1399033</b>	<b>1482216</b>	<b>2882368</b>	<b>219480</b>	<b>1868.39</b>	<b>2312462</b>	<b>851619</b>	<b>2221576</b>
13	UTTARAKHAND G.B	397749	31359	182232	246876	429108	30294	337.73	64963	44152	386165
14	PRATHAMA U.P GRAMIN BANK	1961	0	1167	952	1961	32	0.66	879	439	1351
	<b>Total R.R.B.</b>	<b>399710</b>	<b>31359</b>	<b>183399</b>	<b>247828</b>	<b>431069</b>	<b>30326</b>	<b>338.39</b>	<b>65842</b>	<b>44591</b>	<b>387516</b>

The table highlights the **bank-wise total progress** under the **Pradhan Mantri Jan Dhan Yojana (PMJDY)** in Uttarakhand, providing data on account distribution, deposits, card issuance, and Aadhaar seeding.

- A total of **28.82 lakh PMJDY accounts** have been opened in Uttarakhand.
- Out of these, **13.90 lakh are male** and **14.82 lakh are female beneficiaries**, indicating **higher female inclusion** (over 51%).
- **Rural accounts (14.01 lakh) exceed urban accounts (12.69 lakh)**, showing the **scheme's effective outreach in rural Uttarakhand**.
- This aligns with PMJDY's objective to increase financial inclusion in underserved areas.
- **State Bank of India (SBI)** is the top performer with **7.05 lakh accounts**, followed by:
  - **Punjab National Bank** (6.76 lakh)
  - **Bank of Baroda** (6.39 lakh)
- These three **lead banks account for over 70%** of the total PMJDY accounts in the state.
- Out of **28.82 lakh accounts**, about **2.19 lakh (7.6%) are zero balance accounts**, indicating that the majority of account holders are actively transacting or maintaining balances.
- Total deposits under PMJDY in the state stand at **₹1868.39 crore**, showing strong account utilization.
- **Bank of Baroda** leads in average deposits held per account, followed by **SBI**.

- Over **2.31 crore RuPay cards issued**, with **85.16 lakh activated**.
- There remains a **gap of nearly 63%** between cards issued and activated — a significant concern suggesting lack of usage or awareness.
- Around **2.22 crore accounts have been Aadhaar-seeded**, achieving **over 77% Aadhaar linkage**, vital for direct benefit transfers and government subsidies.

The implementation of **PMJDY in Uttarakhand** has been largely successful in terms of outreach, especially in rural and female segments. However, issues such as:

- High number of inactive RuPay cards,
- Presence of zero-balance accounts,
- Gaps in Aadhaar seeding (in some banks),

...need to be addressed through **financial literacy programs, Aadhaar enrollment drives, and usage incentives** to ensure **sustained engagement and full financial inclusion**.

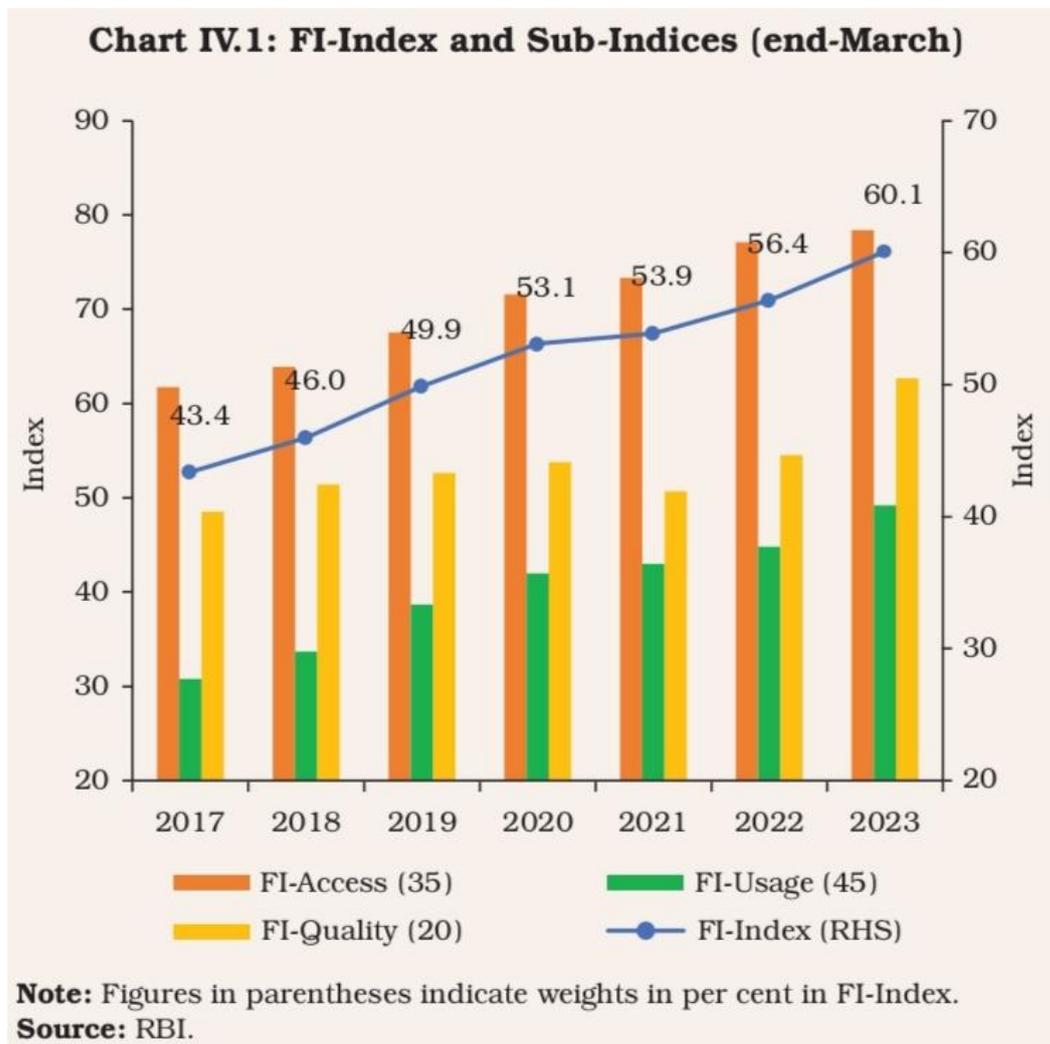
UTTARAKHAND  
BANK WISE TOTAL INVESTMENT CREDIT UNDER DIGITAL TRANSACTION AS ON 30.9.2023

SR.	NAME OF BANK	No. in Actual and Amount in Crore											
		BHIM/UPI		BHIM Aadhaar		Bharat QR Code		IMPS		Cards (Debit & Credit)		USSD	
		No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.
1	STATE BANK OF INDIA	50	0.00	184820608	25110.28	0	0.00	14056	1.21	23621	4.27	5588436	1111.17
2	PUNJAB NATIONAL BANK	81827984	13257.17	3614	0.76	0	0.00	2666171	2001.63	5797886	2354.65	0	0.00
3	BANK OF BARODA	22700619	2758.71	25672	5.69	0	0.00	300414	522.78	1543730	522.16	985	0.07
	<b>Total Lead Banks</b>	<b>104528653</b>	<b>16015.88</b>	<b>184849894</b>	<b>25116.73</b>	<b>0</b>	<b>0.00</b>	<b>2980641</b>	<b>2525.62</b>	<b>7365237</b>	<b>2881.08</b>	<b>5589421</b>	<b>1111.24</b>
4	UNION BANK OF INDIA	21577012	2966.71	6700	1.73	0	0.00	674654	598.37	87902	1.09	0	0.00
5	CANARA BANK	20170525	3861.40	7	0.00	0	0.00	28	0.24	1662392	636.97	5073	0.95
6	CENTRAL BANK OF INDIA	49023	199.67	57	0.01	0	0.00	22397	126.90	29778	86.11	0	0.00
7	PUNJAB AND SIND BANK	2616086	276.22	0	0.00	138946	59.02	11196	19.69	202875	72.43	0	0.00
8	UCO BANK	0	0.00	0	0.00	183	0.04	266689	163.59	378346	167.51	0	0.00
9	INDIAN OVERSEAS BANK	0	0.00	1	0.00	0	0.00	1591	26.48	70921	12.97	0	0.00
10	BANK OF INDIA	103	0.01	2332	0.98	0	0.00	1719	44.25	46809	12.95	0	0.00
11	INDIAN BANK	1387821	140.91	0	0.00	0	0.00	32249	44.49	108869	32.57	0	0.00
12	BANK OF MAHARASHTRA	940	0.33	0	0.00	836	0.10	371	0.28	0	0.00	0	0.00
	<b>Total Non-Lead Banks</b>	<b>45801510</b>	<b>7445.25</b>	<b>9097</b>	<b>2.72</b>	<b>139965</b>	<b>59.16</b>	<b>1010894</b>	<b>1024.29</b>	<b>2587892</b>	<b>1022.6</b>	<b>5073</b>	<b>0.95</b>
	<b>Total N. Banks (A + B)</b>	<b>150330163</b>	<b>23461.13</b>	<b>184858991</b>	<b>25119.45</b>	<b>139965</b>	<b>59.16</b>	<b>3991535</b>	<b>3549.91</b>	<b>9953129</b>	<b>3903.68</b>	<b>5594494</b>	<b>1112.19</b>
13	UTTARAKHAND G.B	170599	1144.92	0	0	0	0	9163	140.06	113606	247.68	0	0
14	PRATHAMA U.P GRAMIN BANK	80	0.01	300	0	0	0	999	0	110	0	0	0
	<b>Total R.R.B.</b>	<b>170679</b>	<b>1144.93</b>	<b>300</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10162</b>	<b>140.06</b>	<b>113716</b>	<b>247.68</b>	<b>0</b>	<b>0</b>
15	CO-OPERATIVE BANK	0	0	0	0	801	3.19	79966	54.25	606696	313.77	0	0

**Conclusion: Bank-Wise Total Investment Credit through Digital Transactions in Uttarakhand (As on 30.9.2023)**

#### Key Conclusions:

- **Dominance of UPI Transactions:** The majority of transactions across all banks were conducted via BHIM/UPI, with **State Bank of India (SBI)** leading with **88177994 transactions**, followed by **Punjab National Bank** and **Bank of Baroda**, reflecting UPI's widespread adoption in Uttarakhand.
- **Significant Role of SBI:** SBI tops in almost all digital modes (UPI, IMPS, Cards), showing its dominant presence in the state's digital banking landscape.
- **Overall Total:**
  - **BHIM/UPI:** Over **17 crore** transactions.
  - **IMPS:** Over **2.9 crore** transactions.
  - **Card transactions:** Over **75 lakh**.



#### Conclusion: Financial Inclusion Index and Sub-Indices (2017–2023)

The chart presents the trend of the **Financial Inclusion (FI) Index** and its three sub-indices — **FI-Access, FI-Usage, and FI-Quality** — from **2017 to 2023**, as reported by the **RBI** at end-March each year.

#### Consistent Growth in FI-Index

- The **FI-Index** has **steadily increased** from **43.4 in 2017** to **60.1 in 2023**.
- This indicates significant improvement in **overall financial inclusion** in India over the seven-year period.

#### FI-Access Leads the Progress

- The **FI-Access** sub-index (weighted at 35%) consistently shows the **highest scores** among the three.
- It reflects major progress in:
  - Bank branch expansion
  - ATM networks
  - Mobile and digital access to financial services

**Notable Improvement in FI-Usage:**

- After a slow start, the **FI-Usage** index (weighted highest at 45%) has shown **steady growth**, particularly post-2020.
- This suggests that **people are not just opening bank accounts**, but also **actively using** financial products like:
  - Digital payments
  - Credit
  - Insurance and pension services

**FI-Quality Shows Steady but Slower Progress:**

- FI-Quality (weighted at 20%) lags behind other sub-indices, though it shows **gradual improvement**.
- This highlights that while access and usage are rising, there is **still room to improve service delivery, grievance redressal, and financial literacy**.

**Findings**

- **Advancement in Financial Inclusion through PMJDY**

There has been notable advancement in financial inclusion in Uttarakhand, especially in urban and semi urban districts. Increasing numbers in account openings, Aadhaar seeding, and RuPay card activation indicate high implementation. Over 27.19lakh Aadhaar linked accounts and 2.74lakh zero balanced accounts were recorded. Rural and hilly districts like Champawat, Bageshwar Or Rudraprayag showed lower performance across all inclusion metrics, reflecting geographical and infrastructural challenges.

- **Digital financial Promotion**

Digital platforms (BHIM/UPI, USSD, QR code) show high acceptance across Uttarakhand. Urban districts (Dehradun, Haridwar, Udham Singh Nagar) leads in digital transactions volume and value . Over 2.48crore UPI transactions were reported, signifying increasing trust in digital payments. Remote areas (Bageshwar, Pithoragarh Champawat) show relatively low digital adoption, indicating a digital divide.

**Conclusion**

This study highlights Uttarakhand significant progress in advancing financial inclusion through digital platforms, particularly under the Pradhan Mantri Jan Dhan Yojana (PMJDY) and related digital finance initiatives. With over 28.82 lakh PMJDY accounts, 77% increase in Aadhaar seeding, and digital transactions exceeding 2.48 crore via UPI, the state has made commendable progress in providing financial services to its population, including rural and female beneficiaries . In terms of account usage, digital transaction volume, and infrastructure availability, urban and semi-urban districts such as Dehradun, Haridwar, and Udham Singh Nagar continuously perform better, demonstrating the efficacy of policy implementation and greater levels of digital literacy in these areas.

The slower growth in the FI-Quality sub-index further emphasizes the need for more concentrated attention on service delivery, grievance redressal, and customer satisfaction, even though the Financial Inclusion Index has improved steadily from 43.4 in 2017 to 60.1 in 2023.

In Uttarakhand, digital financial inclusion is generally improving, but to guarantee that no district or group is left behind, a fair and inclusive strategy is necessary. To fully realize the potential of digital finance as a tool for economic empowerment, poverty alleviation, and sustainable development, it is imperative to bridge the digital divide, especially in remote areas.

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