

Role of FINTECH in Financial Inclusion

Prof. Kitty Sandeep Rana

“We must bridge the digital divide, and ensure the digital literacy”- PM Narendra Modi

Abstract - Financial Inclusion is a crucial factor for the prosperity of a nation. Financial Inclusion is an affair by which it is ensured that all the different types of financial products and services are easily accessible and affordable by the vulnerable groups such as weaker section and low income groups of the society also. In last seven years India has made a good progress in the process of Financial Inclusion. As per the data of Global Findex Database there is 100% increase in the percentage of adult Indians having bank account in last seven years. But is that enough?

“Access is just the first step. Having a bank account is not enough. Now there is the need to talk about customer’s interest.” rightly said by Queen Maxima.

FINTECH is a latest tool to understand and fulfill the customer’s interests and desires and generate the consumer surplus. Over the past few years the term FINTECH has been very familiar term in the banking and financial service ecosystem of India.

FINTECH- Financial technology- is a tool used to support or enable banking and financial services. In contrast to the traditional banking system and financial services offerings FINTECH is an innovation that aims to achieve the 100% financial inclusion in the coming years in INDIA.

This research paper aims at studying the effectiveness of FINTECH in Financial Inclusion in India since its inception. It also aims at studying and finding the variables hindering the FINTECH in financial inclusion. Financial inclusion is not just a necessity but also a need of the today’s dynamic society. But has fintech really succeeded in its objective of Financial Inclusion? Has Fintech is able to compete the traditional banking methods in the delivery of various financial services? Has demonetization helped the society to go cashless? Are these big technological companies able to reach out to the rural population of India? Are they able to financially literate them? The answer to these questions will be unfolded by the research paper.

Fintech companies are differently, able to drive the financial inclusion by utilizing the upgraded technology and low cost automation as their one of a competitive edge. Fintech companies not only ensure the financial inclusion of financially illiterate population but also see a need for understanding the financial well being of a population.

In financial services value chain Fintech is innovating at every step, through introduction of customized products which are flexible in nature and meeting up the challenges of LMI (Low middle income) segment customers. Innovation in this sector is really making financial services more affordable and easily accessible.

Keywords: Fintech, Fintech revolution, Financial Inclusion, E banking, E commerce, UPI, e wallets, Financial transactions, Unbanked population.

I. INTRODUCTION TO FINTECH & FINANCIAL INCLUSION

Technology has evolved and impacted the daily lives of human beings to a great extent. Each one of us use and face latest technology one or the other way. The financial industry is no different from this. Finance industry has witnessed many reforms in regulation as well as how the customers are targeted and satisfied.

Fin tech and financial inclusion are the two important terms in any economy. Financial services provided by the non financial institutions with the advent of new technology are known as Fintech. Fintech has really dominated the financial landscape of all the economies in the world.

At a broad level Fintech refers to the application of technology to finance. The main aim of Fintech is to compete with the traditional methods of providing financial

services. The main purpose of these fintech companies are to penetrate deep into the financial markets and reach to the large customer base in an efficient, user friendly and cost effective manner.

The potential, ability and advanced features of financial technology have benefited many undeserved individuals and communities with the help of e wallets, mobile money, crowd funding payment technologies etc.

Financial Inclusion refers to the handiness and equality of opportunities to access the financial services. It is the process which ensures the easy, appropriate, timely and cost effective availability of financial products and services such as banking, loan, insurance, equity etc. to various individuals and business. The main aim of financial inclusion means to reach and to cater to the needs of poor people.

Financial Inclusion demands the involvement of everyone in the society to participate in Financial Management judiciously.

Many people in rural sector in India are financially illiterate; they are unaware of the banks and its services. Many people if they know about the banks they do not meet the eligibility criteria's of availing the banks services. For sanctioning a loan bank demands minimum years of work experience, minimum income, minimum credit score, age criteria, documents etc but many people can't meet such demands as they are unemployed, uneducated and have no resources.

Financial Inclusions removes all these barriers and provide financial services and facilities to this underprivileged section of the society and make them financially independent.

According to the RBI under Financial Inclusion, the financial services should be available for the disadvantaged people and low income groups.

AFI (Alliance for Financial Inclusion) is the world's leading organization on financial inclusion policy and regulation. The main aim of the alliance is to improve the lives of poor with the help of financial inclusion. In total 88 countries and 99 institutions are the official members of AFI. India and reserve Bank of India is one of the principal members of them along with the other 82 principal members. (The list is enclosed in the annexure)

As rightly said by Alfred Hanning, executive Director, AFI (Alliance for Financial Inclusion) "The pressure to grasp the potential of digital innovations is much higher today". It had become crucial to adapt to the new technologies in the field of finance and payments.

II. LITERATURE REVIEW

In a research paper written by Rama Vedashree CEO (DSCI) in collaboration with Mr. Phoram Mehta Head of Information security, APAC, Paypal named "Securing India's Digital Payment Frontiers" the researcher had

focused on explaining the concept of Fintech and Financial inclusion and its evolution in India and the ground reality of the same. In the same paper they have also showcased about that how innovative ways of using technology had provided a platform to the digital payment system in country and the list of emerging fintech trends and their status in Indian market from the adaption perspective.

In an article written by Kumar Srinivasan named "Growing adoption of digital payment is driving financial Inclusion in India" the author had thrown light on the significant increase in the usage of digital payment system post demonetization. The author has also mentioned about the paradigm shift to digital payment system post introduction of UPI, Aadhar, E-commerce, E wallets etc and also mentioned about the road ahead to mitigate the financial exclusion from the country.

In an article written by Ramesh Iyer, Vice chairman and Managing Director Mahindra Finance named "Financial Inclusion in India is soaring. Here's what must happen next", we get to know about the important link that how financial inclusion leads to the economic prosperity of a nation. We also find that since 7 years how India has taken steps towards the digitization and financial inclusion. This article also discuss about the key elements required for a true financial inclusion.

Fintech helping in financial inclusion

Financial Inclusion had extensively improved all over the world with the advent of fintech. Many fintech companies in India also are trying to tap the prospective clients in all the regions with their simplified process of providing financial services at minimal cost.

Fintech companies are helping people in rural areas to avail the financial services like availing loan, opening of a bank account with the help of mobile phones.

Both in rural and urban areas people are utilizing fintech options such as crowd funding, digital payment system, peer to peer (P2P) transfer, electronic wallets etc. However there are many who all are still untapped.

These people are sometimes cheated by the banks and financial institutions by charging high fees or charges in different forms such as processing fees, transaction fees etc for applying for a loan or to open a deposit account when they go to bank physically. To save the people from these high charges and fees for availing financial services and to include the unbanked people of the society in the banking system, NBFCs, Banks and Fintech companies have come together to make the whole process simpler and quicker.

Digital Payment system is a system in which both the payer and payee make and receive payments respectively through an electronic media. There are various modes of digital payment such as mobile wallets, internet banking, Unified payment interface (UPI), prepaid cards, mobile banking.

Many digital platforms give great offers in the form of discount vouchers, or cash back offers when people make

use of them. These innovative ways of giving different kinds of benefits helps DPS to penetrate deep into the weaker and underprivileged section of the society as these offers help them to save money.

Common man life has been significantly impacted by the technological advancement taken place in the digital payment ecosystem. It had provided to the end users with speedy and convenient transactions.

Undoubtedly the feet of fintech has also arrived in India and are engraving its presence over the period of time. As per the report of Swiss financial services holding company of Credit Suisse , India’s digital payment industry is worth Rs 200 Million USD and is expected to increase five times in the coming years and reach up to 1 trillion USD by 2023.

Performance Analysis of Financial Inclusion in India:

India as one of the fastest growing economies in the world is leveraging Fintech for the fulfillment of its vision of

wealthy and connected INDIA 2.0. The various programs on digital payment includes extending banking facilities to under banked, banking from anywhere, expanding the base of financial inclusion etc.

The emerging technologies of Fintech like crowd funding, peer to peer money transfers, data analysis, wealth management, under writing , cyber security etc are user friendly and low on cost of operations. The main requirement of these technologies is the availability of data from the various financial organizations to be incorporated into various innovative financial technologies.

Hence it becomes very important for INDIA to adapt to these new financial technologies to achieve its vision. Below is the list of emerging fintech trends and their adoption rate in different markets

Trends	Asia-Pacific	India	Developed Economies
I. Improving and simplifying financial operations	Growth	Early Adoption	Mature
II. Leveraging virtual channels and self-service tools	Early Adoption	Early Adoption	Early Adoption
III. Building products around customer experience	Growth	Growth	Mature
IV. Reaching and engaging customers	Mature	Early Adoption	Mature
V. Cash Digitization	Growth	Exploration	Mature
VI. Decentralization of operations via blockchain	Exploration	Exploration	Exploration
VII. Peer to peer lending	Exploration	Exploration	Early Adoption
VIII. Digital wallet adoption	Growth	Growth	Mature
IX. Point of sales capabilities	Growth	Early Adoption	Mature
X. Cross-border transfers	Early Adoption	Growth	Mature
XI. Faster Payments	Growth	Growth	Early Adoption
XII. Tokenization	Exploration	Exploration	Early Adoption

Source: <https://www.dsci.in/sites/default/files/Securing-India%E2%80%99s-Digital-Payment-Frontiers.pdf>

As per this list India needs to fasten up to accommodate these trends from the regulatory, technology, compliance and security perspective.

Many years ago RBI and NBARD had taken initiatives for the introduction of financial inclusion by opening number of branches in rural and remote areas, by giving Kisan Credit Cards (KCC), by installing more ATMs, by increasing the credit facilities and insurance covers for the low Income people etc in India.

Schemes under the flagship of Digital India like Pradhan Mantri Jan Dhan Yojna (PMJDY), Atal Pension Yojna, (APY), Pradhan Mantri Vaya Vandana Yojna (PMVVY), Pradhan Mantri Mudra Yojna (PMMY), Pradhan Mantri Suraksha Bima Yojna (PMSBY) , Sukanya Smairidhi Yojna, Credit Enhancement Guarantee Scheme (CEGS) for schedule castes, Venture capital fund for Scheduled Castes under Social Sector initiatives, Varistha Pension Bima Yojna (VPBY) etc, introduction of Aadhar and UPI has clearly given a great kick start to the fintech revolution in India.

Launch of PMJDY scheme in 2015 with an objective of no frills bank accounts to every person above the age of 10

years had completely turnaround the performance of Financial Inclusion in India. According to ministry of finance 380 million accounts were opened under this scheme till March 2020.

Launch of PMJDY was supports by the issue of RuPay debit cards to allow the end users the convenience of withdrawal from the ATM and swipe at a point of sale. 79% of PMJDY account holder was given the RuPay cards which represent 260 Million people in India. But the other 53% have not received the cards due to the problems like, they couldn’t reach to the bank branches as travelling was difficult to those branches to collect the card. Many people who received the RuPay debit card had not received the PINs and some of them didn’t have the knowledge of the process of activating them. Although the ownership rate of debit card holders increased by 10% in India from 2014 to 2017, their usage was not that impactful. The usage of debit card was only increased by 1% in the same duration.

Growth in digital transactions and percentage increase in inclusion of poor and their ability to access banking facilities are two very important criteria’s to measure the performance of digital India and financial inclusion. According to the Global Findex Report (2017) an increase

of 27 points has been observed from 53% (Findex 2014) to 80% in Indian adults having Bank account. The Findex 2017 report also gives the information about the increase in the women account holders to 77% against 43% and 26% in 2014 and 2011 respectively. The same reports also showcase an important number of 190 million adults in India not having a bank account, making it the second largest country in terms of unbanked population after China.

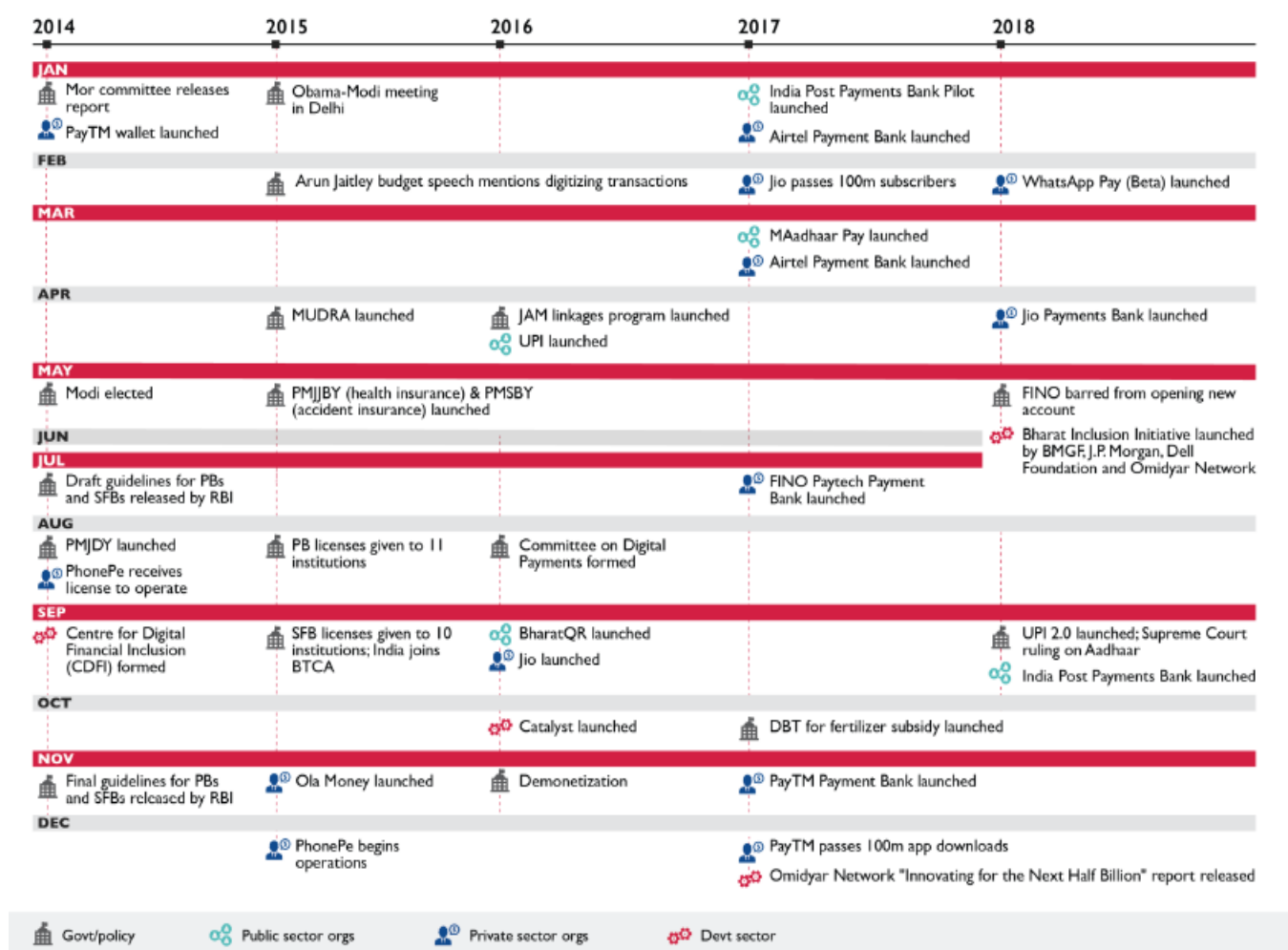
Other than these schemes initiatives like easy banking facility through mobile banking, simplification of PAN process and Tax process through GST and e Tax filing platform has really contributed to a great extent towards the financial inclusion in India.

Digital India aims to meet the expectations and requirements of the end users by collaborating the different departments like Income Tax department, Central Board of Indirect Taxes and customs, postal departments, Banks, Public sector units etc.

Introduction of e governance platforms had given good ROI in the field of direct taxation. Important services like Tax return filings, TDs compliance, refund mechanism etc had been digitized with the help of these e platforms which also

Financial Inclusion journey of India:

The following figure very aptly narrate us the story behind the journey of Financial Inclusion in India since 2014:



have contributed towards the financial inclusion to a great extent.

As per the records of income tax department for the year 2019, approximately 98% of the tax returns filed in the financial year 2018-19 were filed electronically and 95% of the refunds were generated on the same platform. The report also tells us about that 89% of notices and letters were sent to the tax payers via electronic mode in fiscal year 2017-18 which comprises 1.5 trillion in number. This proved its efficacy towards the achievement of financial inclusion.

A significant increase in, CAGR of digital transactions in India by 30%, mobile banking transactions by 86.43 million and Mobile wallet transaction by 375.64 million from April 2015 to April 2017 is been reported by the Worlds Bank. This has given quick and convenient payments platforms to the person who have a bank account and a mobile phone.

Offline payment platforms like USSD- Unstructured Supplementary Service data (which works on mobile network without internet), AEPS- Aadhar enabled payment system (which can be used at any ATM) had made the payment system more convenient.

Source: <https://www.fhi360.org/sites/default/files/media/documents/resource-mstar-india-digital-financial-inclusion-report.pdf>

Following are the three important phases of the Digital Finance Services:

- I. **Early 2014 to August 2016:** this phase observed a slow and a steady increase of 2% per month in the volume of transactions on digital platforms. Later on towards the end of 2016 with the advent of digital wallets like Paytm and Mobikwik the volume of transactions began to grow and almost tripled towards the December 2016 and January 2017.
- II. **2016 to Mid 2017 (Demonetization)** - On November 8 2016, as the 500 Rs and 1000 Rs note was withdrawn from the use as legal tender the Indian payment system scenario was completely shaken up. The debit card transactions were increased by 164% in just two months since October 2016. Mobile wallets transactions like Paytm transaction have risen by 62% in the same duration. But the effect of demonetization on digital payments was not that great for longer time duration. It lost its efficacy as the cash started rolling out in the market in early 2017. The volume of Prepaid instruments transactions declined from the March 2017 to October 2017. Demonetization have given a great kick start to the growth in digital payment system and had also succeeded in developing the trust among the end users, by making it mandatory for the people to use digital payment mode but was not able to have long term impact on the people spending ways and savings.
- III. **Mid 2017 onwards-** Indian digital payment system had witnessed a drastic positive change post launch of UPI (unified payment Interface) by NPCI (Nation payments council of India) in April 2016. This platform provided the end users the facility of transferring money from one's bank account to another by using their phone number. UPI is one of the fastest and convenient way of making payments and money transfers. This system uses the VPA (Virtual Payment address) which is linked to both payer and payee bank account for its functioning. Although the system was launched in 2016 but became famous and popular towards the end of 2017, and had seen a sharp increase from September 2017 with a monthly growth of 33%. Almost after a year in September 2018 UPI had taken over the debit card and pre paid instrument transaction. January 2018 and January 2019 had witnessed an increase of 450% in the volume of transactions through UPI. This remarkable growth was due to the trust of the end users in DPS, Smart phone penetration and internet usage especially in rural area, low cost of

transactions and convenience and ease of transactions.

Other than UPI, NPCI had also introduced the following platforms for the digital payment system for financial inclusion at varied times:

- **IMPS-** Immediate Payment services, introduced in 2010 which facilitated the interbank money transfer on immediate basis.
- **BHIM** – Bharat Interface for Money, launched towards the end of 2016 to make the UPI process simple and quick.
- **AEPS-** Aadhar-enabled Payment System which came in the beginning of the year 2017 was for the PoS or PoP transactions.
- ***99#-** introduced in the end of 2016 allowed the end users to perform the digital banking transactions with the help of USSD (Unstructured Supplementary service Data- a system that allows performing the banking transactions through mobile phone without the internet facility) through their mobile phones.
- **BBPS-** Bharat bill Payment System again introduced in 2016 facilitated the users to make the payment for their utilities like electricity bills, insurance premium, gas bills, tax etc and P2G (Person to Government) payments.

Technology and financial inclusion- the two variables which creates base for financial inclusion in any developing economy are services offered by banks and technology. But one of the biggest problems to attain the financial inclusion objective is geographical limits as people are living all across the country and the government agencies, banks and financial institutions are not able to reach to them due to connectivity issues. The one way to overcome this issue or problem is technology. Companies like NPCI and IDRBT are working towards developing new technology oriented products and services so that the financial inclusion in the country can be increased further. Various products such as RTGS, NEFT, e banking, mobile banking, ATMs, cash depositing machines, IMPS etc are introduced under the hut of core banking services by the RBI.

Fintech Companies as front warriors- The title of front warriors in the field of financial inclusion was truly deserved by the Fintech companies. They have always contributed towards the Digital India movement to a great extent. E wallets by different financial companies like Paytm, Mobikwik, PhonePe, PayU, FreeCharge made the P2P (Peer to Peer) and retail payments very convenient and safe. Companies like Mswipe and Pinelabs also contributed by providing the hardware equipments and POS devices at point of sale for digital payments.

The use of E-wallets had gain the loyalty and trust among the common man with the advent of their promotional strategies like cash back offers and discounting techniques, all thanks to the big venture capitalists investments which helped them to sail through this subsidized customer transactions and were able to survive in the market. Frequent use of digital services offered by e wallets by the end users enabled fintech companies to play their role in the financial inclusion very efficiently.

All these e wallets have really facilitated digitization by making it convenient, safe and fast for all the end users by providing them the platform to pay their day to day expenses and satisfy their individual daily needs like payments of electricity bills, insurance premium, mobile recharges, DTH recharges, shopping payments, gas bills, flight or train bookings, movie tickets booking and many more. All these payments can be made in just click of a button with the help of Paytm, Mobikwik, PhonePe, PayU and other e wallets. And these e wallets have revolutionized the movement of digitization by giving beneficial offers and incentives for every transaction the user do through their platform. Linkage of these e wallets in the entire online shopping website is added on factor to it.

The increase in the number of pin codes of different states and cities for delivering the products all across India, by these online shopping websites (Amazon, Flipkart etc) have also contributed towards the digitization to a greater extent. As the goods and services are easily accessible to the people of rural areas people had started showing interest in enhancing their knowledge of online shopping, online payment transfer etc which is increasing the usage rate of bank account in rural areas which in turn is leading towards the financial inclusion.

Events that gave the flight to the growth of digital payments in India are:

- Advent of e commerce in the country.
- Acquisition of PhonePe by Flipkart in April 2016.
- Possession of FreeCharge by Snapdeal in April 2015 and then selling it to Axis bank.
- A notable stake of Alibaba in Paytm since 2015.
- E commerce section got added to the Paytm payment app.
- Launch of Amazon pay (a digital payment service which gives facilities of preloading the cash to the customers) as well as Monthly installments facility by Amazon the second largest e commerce company of India.

Integration of Financial services- JAM trio i.e. the unification of Jan Dhan Yojna, Aadhar and Mobile was proved a worthwhile move for the Banking sector and financial inclusion in India. No frills Jan Dhan account was very easy to open later on these accounts got linked to the Aadhar numbers which innturn benefited the Direct Benefit

Transfer scheme. Jam service had paved the way for the targeted, accurate and safe payments. The unity of these three services had also reduced the errors like duplication of transactions and increased the cashless payments mode. Since 2014, 488 schemes and services from 63 ministries were added to the DBT (DBTM 2019a).The number of benefited recipient under Aadhar enabled services was 436.98 crores until march 2020.

Challenges of financial Inclusion – instead of being provided with so many facilities and platforms for financial inclusion still India is the second largest country in terms of unbanked population. Following are the challenges creating hurdles to meet the vision of digital INDIA 2.0:

- **Financial Illiteracy-** lack of knowledge and awareness about the various financial services especially in the rural areas is the biggest challenge in front of India for financial inclusion. Financial literacy rate in India is very low as compared to the other parts of the world. As per the global survey 76% of the India's adult population is still unaware of the basic financial concepts and services like banking, insurance, savings and investment. Due to this people invest in short term plans and physical assets like land and gold which give them short term benefits. It is high time for a developing country like India to realize the importance of financial literacy to accomplish its ambition of becoming a super economic power.
- **Documentation requirements** – The documentation requirements of the banking and financial institutes like ID proof, Address proof, employment certificate, salary slip etc to avail the basic services like loan, opening of a bank account etc creates fear in the minds of and barriers for an individual to approach banks. Although the process to access the banking services had been streamlined with the of KYC norms in India, still many people don't have the required documents to avail these services. A strategic move in this direction is the utmost requirement for a developing country like India.
- **Safety and security of Consumer-** the spread of varied financial services such as mobile banking, net banking, e wallets etc are trying to accomplish the goal of financial inclusion in India still there is a long way to go ahead. The biggest reason for the financial exclusion in India is the lack of trust amongst the end users related to the safety of their money transfers via these new platforms. There are many doubts in the minds of the customers about money getting transferred to the right account in case of money transfer as it is their hard earned money. Clear and simplified guidelines must be

designed and issued by the authorities to overcome these hurdles.

- **Rural Poor and Gender inequality** – 60% of the unbanked population in India comprises of women as they get no or a low chance to avail credit from the banks because of lot of restrictions imposed on them. Lack of formal documents in the form of ID proof, employment certificate etc., not able to deposit any collateral against any loan taken or poor credit background, high interest rates are the reasons why women are still financial excluded from the financial system. Financial awareness programs especially to enlighten the rural poor and women should be on the top list of the governments and authorities of India to overcome this challenge.
- **Functioning of Bank account** – Many people in India have a bank account but still follow the traditional method of making payments via cash. Having a bank account will not be sufficient for the financial inclusion in an economy it had to be brought on the running mode platform by doing financial transaction via it. The organizations in remote areas should start crediting the salary of their employees in their bank account directly to overcome these barriers.
- There are some more factors which contributes towards the financial exclusion like geographical factors(not having bank branches and financial institutes in remote areas due to under development of that zone), Operational cost factors, limited access of technology etc

III. COVID 19 A BOON OR A BANE FOR FINANCIAL INCLUSION

Many Indian citizens were unaware about the use of a Smartphone to the full extent before Covid19 pandemic. As the lockdown got imposed and all the other activities got cancelled this gave an opportunity to these people to look for the other uses of mobile phones especially in the field of banking and e wallets payments. Many customers had their first time hands on experience of making payments via an online platform during this pandemic to avoid additional interest payments on their loan. Earlier many of them were earnings in cash so they chose to repay their loan also in cash but the situation is changed completely as people are afraid of changing currency notes amid Covid 19. Even small vendors from a milkman, to a grocery and general stores, to pharmacy, to a vegetable hawker all have started taking orders on what's app and started receiving and making payment either via Paytm or Google pay. Many of us in the middle of this pandemic are forced to adapt to digitization like digital hearing in courts, online classes for schools and colleges, making big and small payments via E banking or mobile banking etc.

This lockdown had impacted the lives of hundreds of millions of low income people and daily wage earners. Government was also able to help these poor people by depositing money in their respective accounts because of the linkage of the JAM trinity.

Reduction in the consumption level and demand, decrease in income level, shutdown of production units had hit the banking industry very badly. Lack of staff, poor maturity level of digitization and improper infrastructure is making it extremely difficult to deal with this Covid 19 pandemic issues.

Adoption of some of the digital technology enablers like: Getting acquainted with new risk and preparing for the same, Automation of entire business process to accommodate the digital banking services, Video banking facilities, use of AI tools and interactive platforms to deal with the increase in the number of calls etc. will be helpful in addressing the issue of Covid19.

IV. CONCLUSION & FINDINGS

Financial inclusion really embarks the growth of an economy. It help an economy to become self reliant. In order to achieve the vision of super economic power an economy really needs to create a congenial, convenient, safe environment for digital transactions.

- India since 2014 is trying to pace up in the same direction and with the advent of e wallets like Paytm and Mobikwik in 2014, ola money in 2015 had picked up the speed of financial inclusion.
- Demonetization in 2016 have fueled up the fire of financial inclusion further for sometime but the rate of inclusion got heated up with the introduction of Adhar , UPI and Mobile banking.
- Increase in the penetration level of smart mobile phones and launch of JIO in 2016 worked as a catalyst for the digitization. JIO has made the usage of internet available at a very low cost especially for all poor and rural citizens of India to increase the pace of financial inclusion.
- The gender gap of financial access had also been reduced in a span of three years by 14% (from 20% in 2014 to 6% in 2017). Percentage of digital payments made by the women also doubled during the same period.
- PMJDY scheme really was not able to meet its objective of uneven distribution of Income to the fullest.
- Lack of trust, too much document requirements for accessing financial services from different financial institutes and awareness of benefits of different kinds of financial instruments available in the market are the key challenges which Indian government needs to address in order to speed up the rate of financial inclusion.

A strong, diverse and flexible financial system is the biggest modulator for the stringent growth of an economy. As per the Brookings FDIP report 2015 India stands at 9th position among the 21 countries evaluated on the criteria of the efforts taken up by a country for the financial inclusion. This report had taken into consideration the four dimensions for evaluating the performance in the area of financial inclusion i.e. country's commitment level, penetration level of mobile phones, regulatory environment and adoption of traditional and digital financial services. One more report was published in October 2019 by EIU (Economist intelligence Unit's) named as "Global Microscope 2019: the enabling environment for financial inclusion", it was their 12th edition, under this report 55 countries were assessed on the similar base of enabling environment for financial inclusion and India scored 5th rank in the same. The four variables on the basis of which the countries was evaluated were e money issued by non banks, presence of service agents, effective end user protection and proportionate user due diligence.

Although India had seen a tremendous growth in terms of financial inclusion still the problem of financial exclusion needs to be tackled sooner to make India grow in a sustainable and equitable manner. Banks, insurance companies, fintech companies the whole financial system need to enhance their creativity to pave the way of financial inclusion ahead and come up with some innovative financial models to actively engage the end user in digital payment system. RBI had developed a committee to assess and review the existing penetration level of digitization and draft a strategy for increasing the volume of digital transaction for a medium term. This committee is headed by Mr. Nandan Nilekani former chairman of UIDAI. Hope to see India growing efficiently and effectively in the field of financial inclusion in the coming 5 years starting 2019.

REFERENCES

- [1] Ramesh Iyer (2019), "Financial inclusion in India is soaring. Here's what must happen next", World economic forum, 14th Jan 2019, <https://www.weforum.org/agenda/2019/01/financial-inclusion-in-india-is-soaring-heres-what-must-happen-next/>
- [2] Stuti Johri (2020), "Covid-19 lockdown: It's time to digitally revolutionize financial inclusion in India", Money control.com, 18th May 2020, <https://www.moneycontrol.com/news/trends/expert-columns-2/covid-19-lockdown-its-time-to-digitally-revolutionise-financial-inclusion-in-india-5281421.html>
- [3] Intelligent HQ (2020), "5 challenges to financial inclusion", 22nd Jan 2020, <https://www.intelligenthq.com/5-challenges-to-financial-inclusion/>
- [4] Arun KV (2015), "Financial Inclusion In India- Challenges and Opportunities", EPRA international Journal of Economics and Business review, Vol 3 Issue 9 September 2015, <https://eprawisdom.com/jpanel/upload/articles/1137pm28.Arun.K.V%20&%20Sabik.K.pdf>

- [5] Bankbazaar.com(Online), in July 2020 available at, "https://www.bankbazaar.com/personal-loan/financial-inclusion.html"
- [6] TCS.com (Online), in July 2020 available at, "https://www.tcs.com/covid-19-crisis-implications-for-financial-services-industry"
- [7] Shailla Draboo (2020), "Financial Inclusion and Digital India: A critical assessment", Engage EPW.in, 25th April 2020, <https://www.epw.in/engage/article/financial-inclusion-and-digital-india-critical>
- [8] Rama Vedashree and Phoram Mehta, pdf, "Securing India's Digital Payment Frontiers", <https://www.dsci.in/sites/default/files/Securing-India%E2%80%99s-Digital-Payment-Frontiers.pdf>
- [9] mSTAR project,(March 2019) "India Digital Financial Inclusion" <https://www.fhi360.org/sites/default/files/media/documents/resource-mstar-india-digital-financial-inclusion-report.pdf>
- [10] Swoba (2019), "India's ranked 5th in Global Microscope 2019: the enabling environment for financial inclusion", affairscloud.com, 31st October 2019, <https://affairscloud.com/india-ranked-5th-in-2019-global-microscope-on-financial-inclusion-report-columbia-tops-the-list/>
- [11] Business standard reporter, (2015), "India ranks 9th in brookings financial inclusionreport card", business standard.com, 26th August 2015, https://www.business-standard.com/article/economy-policy/india-ranks-9th-in-brookings-financial-inclusion-report-card-115082600033_1.html#:~:text=India%20has%20ranked%20nine%20out,by%20South%20Africa%20and%20Brazil.
- [12] Dr. Sana Beg, "Emerging roles of e wallets in increasing financial inclusion in India", research gate publication, https://www.researchgate.net/publication/337290752_EMERGING_ROLE_OF_E-WALLETS_IN_INCREASING_FINANCIAL_INCLUSION_IN_INDIA

Annexure:

The link to download the list of members of AFI: <https://www.afi-global.org/members/>