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PROGRESS OF FINANCIAL INCLUSION IN INDIA'S ASPIRATIONAL DISTRICTS: A ZONE-WISE EVALUATION (2018-2025)

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ABSTRACT

Financial inclusion plays a significant role in encouraging inclusive growth and reducing regional disparities in India. The Aspirational District Programme started in 2018, has 49 performance indicators across five socio-economic sectors, with financial inclusion accounts for 5 percent of the composite index. The study segregates the financial inclusion component and conducts a zone-wise longitudinal evaluation of six key indicators viz., MUDRA loan disbursement, enrolments under PMJJBY and PMSBY, beneficiaries from APY, number of accounts seeded with Aadhaar to total bank accounts and number of accounts under Jan Dhan Yojana (PMJDY). This analysis is done across 112 Aspirational Districts from June 2018 to June 2025 with secondary data sourced from NITI Aayog's Champions of Change dashboard. The paper adopts a descriptive and comparative research design. Zone-wise averages are analyzed with trend analysis and comparative analysis. The findings disclose prolonged growth in banking inclusion, insurance coverage, pension coverage, and digital integration across all zones. The number of disbursements of MUDRA loan declined during 2020, but recovered strongly after pandemic. The number of enrolments in PMJJBY and PMSBY, and the number of accounts opened under PMJDY shows significant growth particularly in the Central, Eastern and North Eastern zones. Coming to the Southern zone, though it initially dropped behind in PMJDY, shows steady improvement over time. Financial inclusion in Aspirational Districts has improved significantly between 2018 and 2025, though there are some regional variations. To ensure balanced and resilient effect of financial inclusion, improved digital infrastructure, stabilization of credit availability and targeted awareness programmes are suggested.

KEYWORDS: Financial Inclusion, Aspirational Districts, PMJDY, MUDRA, Insurance Schemes

1. INTRODUCTION

1.1 Financial inclusion



Financial inclusion refers to providing affordable and accessible financial products and services to all part of society, especially people who are economically weak, disadvantaged and earning low income. The financial services should be affordable to them offered by formal financial institutions and delivered in a transparent manner (RBI, 2013).

Financial inclusion is widely acknowledged as a fundamental catalyst for economic development and poverty reduction across the globe. Access to regulated financial services enhances employment generation, strengthens resilience against economic uncertainties, and encourages greater investment in education and health. In the absence of formal financial access, individuals and businesses are often compelled to depend on personal savings or expensive informal lending channels, which can restrict their growth potential. From a broader economic perspective, expanding financial inclusion contributes to balanced, sustainable, and inclusive socio-economic progress (NSFI, RBI, 2024).

1.2. Financial Inclusion in India

India's recent financial inclusion framework articulates a comprehensive vision of ensuring that formal financial services are universally accessible, affordable, and delivered in a secure and transparent manner. The policy direction emphasizes universal access to banking touchpoints within reasonable proximity, supported by simplified and digital onboarding systems. It advocates the provision of a basic suite of financial products to every willing and eligible adult, including savings accounts, credit facilities, insurance coverage, pension schemes, and appropriate investment options. In addition, it highlights the importance of strengthening financial literacy through targeted educational initiatives and expanding grievance redressal mechanisms to enhance consumer confidence. Coordinated efforts among regulators, government agencies, financial institutions, and training bodies are viewed as essential to endure sustained usage rather than mere account ownership (NSFI, RBI, 2024).

The underlying rationale rests on the recognition that inclusive finance is a key driver of economic growth, poverty reduction, and social empowerment. Access to formal financial services enhances households' ability to manage risks, smooth consumption, invest in education and livelihoods, and withstand economic shocks. Over time, policy measures such as expanded banking outreach, priority sector lending, social security schemes, support for micro, small and medium enterprises, and agricultural credit initiatives have broadened the scope for inclusion. The integration of digital identity systems, mobile connectivity, and direct benefit transfers has further improved transparency, reduced leakages, and strengthened last-mile delivery. Regulatory innovations, including differentiated banking structures and dedicated funding mechanisms, have also contributed to deepening financial penetration across underserved regions (NSFI, RBI, 2024).



Despite notable advancements, several structural and behavioral challenges persist. Inadequate physical infrastructure, limited digital connectivity, complex procedural requirements, and socio-cultural constraints, particularly affecting women, continue to restrict effective participation. Moreover, low active usage of financial products indicates that access alone is insufficient without improving relevance, awareness, and trust. Progress is assessed through multidimensional indicators encompassing access, usage, and quality, supported by electronic data systems and digital monitoring frameworks. Strengthening financial literacy, enhancing consumer protection, expanding payment infrastructure, and generating reliable gender-disaggregated data are identified as critical priorities. Sustained, technology-enabled, and collaborative efforts remain necessary to achieve comprehensive and resilient financial inclusion outcomes (NSFI, RBI, 2024).

1.3. Financial Inclusion by NITI Aayog

Functioning as the principal policy advisory body for the Government of India, NITI Aayog facilitates national development by institutionalizing state participation. This collaborative model replaces traditional top-down planning with a more inclusive, state-led economic approach (NITI Aayog, 2025).

1.4. Aspirational Districts Programme

The Aspirational Districts Programme (ADP), launched by the Hon'ble Prime Minister in January 2018, is designed to rapidly and effectively promote development in 112 of the country's most underprivileged districts. The program's core approach involves convergence of central and state government schemes, collaboration among various levels of officials including central and state nodal officers and district collectors, and fostering competition among districts through monthly delta rankings – all energized by a widespread mass movement (NITI Aayog, 2018).

Driven primarily by the states, the program emphasizes leveraging the unique strengths of each district, focusing on easily achievable targets for swift progress. Districts' advancements are tracked monthly based on incremental gains across 49 Key Performance Indicators (KPIs) grouped under five major socio-economic sectors: Health & Nutrition, Education, Agriculture & Water Resources, Financial Inclusion & Skill Development, and Infrastructure. These rankings, reflecting the progress of aspirational districts alongside all others, are publicly accessible via the Champions of Change Dashboard (NITI Aayog, 2018).

The government's commitment to elevating citizen living standards and ensuring inclusive growth under the slogan "Sabka Saath Sabka Vikas aur Sabka Vishwas" is central to the program. By enhancing people's capacities to actively participate in the growing economy, districts are motivated first to match the best-performing district within their state and then to aspire to rank among the



nation's top districts. This competitive yet cooperative federalism encourages cross-learning and healthy rivalry (NITI Aayog, 2018).

NITI Aayog collaborates closely with relevant central ministries and developmental partners to accelerate progress at the grassroots level. Districts are also encouraged to identify, develop, and replicate best practices that improve outcomes across socio-economic themes. Fundamentally, the Aspirational Districts Programme seeks to localize the Sustainable Development Goals, thereby fuelling nationwide advancement (NITI Aayog, 2018).

1.5. Financial inclusion schemes

1.5.1. MUDRA Yojana

Pradhan Mantri Mudra Yojana (PMMY) is a government program that facilitates microfinance for small and micro enterprises in the non-agricultural sector. It provides loans up to Rs.20 lakhs via banks, microfinance institutions, NBFCs, and authorized financial bodies. This initiative aids small-scale entrepreneurs like shopkeepers, artisans, vendors, service providers, and small manufacturers, enabling them to expand their business activities. The scheme promotes entrepreneurship and self-employment by enhancing access to formal financial sources for underserved micro-enterprises. Lending interest rates follow RBI guidelines, and processing fees are generally waived for smaller loans under the Shishu category (Sahu et al., 2021).

1.5.2. PMJJBY

Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) is a government-sponsored life insurance scheme aimed at providing economical financial security to holders of bank accounts. It offers a renewable one-year life insurance cover of Rs.2 lakh, applicable for death from any cause. Eligibility requires individuals aged 18 to 50 years with bank or post office accounts. The annual premium of Rs.436 is deducted automatically from the insured's account. The scheme's main goal is to increase insurance outreach among low-income groups, securing families against financial distress upon the policyholder's demise (Bhatia & Singh, 2019).

1.5.3. PMSBY

Pradhan Mantri Suraksha Bima Yojana (PMSBY) offers accident insurance coverage against accident death or disability. The plan provides Rs.2 lakh cover for accidental death or total disability and Rs.1 lakh for partial disability. Individuals aged 18 to 70 with bank accounts can enroll by paying an annual premium of Rs.20, which is auto-debited. Coverage lasts one year and is renewable annually. The purpose is to provide affordable risk protection to economically vulnerable groups and expand insurance coverage within the unorganized work sector (Bhatia & Singh, 2019).



1.5.4. APY

Atal pension Yojana (APY) is a government pension scheme targeting old-age financial security for unorganized sector workers. It is designed for those aged 18 to 40 years who do not pay income tax and encourages consistent contribution until age 60. Upon retirement, subscribers receive a guaranteed monthly pension ranging from Rs.1,000 to Rs.5000 based on their contributions. The scheme also ensures benefits continuance for the spouse and returns the accumulated corpus to a nominee after the deaths of both subscriber and spouse. Contributions are automatically debited from bank accounts to promote regular retirement savings among low-income workers (Bhatia & Singh, 2019).

1.5.5. PMJDY

Pradhan Mantri Jan Dhan Yojana (PMJDY) is a nationwide financial inclusion initiative launched to enable universal access to banking. It prioritizes opening basic savings accounts for those without bank facilities and extending financial services such as credit, insurance, remittances, and pension products. Account holders receive RuPay debit cards offering accident insurance and may avail overdraft facilities up to Rs.10,000. The scheme simplifies account opening for individuals lacking formal documents by allowing small accounts. By expanding banking access and integration underserved population with formal financial systems, PMJDY enhances overall financial inclusion in India (Singh et al., 2020).

1.6. Need for the study

The Aspirational Districts Programme (ADP), launched by NITI Aayog in 2018, seeks to transform the selected underdeveloped districts through targeted monitoring across 49 key performance indicators grouped under five thematic sectors: Health & Nutrition, Education, Agriculture & Water Resources, Financial Inclusion & Skill Development, and Infrastructure. In that Financial inclusion carries 5% weight in the composite index and is measured through six specific indicators, including MUDRA disbursement, PMJJBY, PMSBY, APY enrolment, Aadhaar seeding, and PMJDY accounts.

While the government framework focuses on composite scoring and district-level ranking using weighted indicators and normalization techniques, limited academic research has examined the independent evolution of financial inclusion intensity within these districts. Since financial inclusion plays a catalytic role in poverty reduction, risk mitigation, entrepreneurship promotion, and digital integration, a focused analysis of financial inclusion trends is essential.

Moreover, evaluating zone-wise per capita financial inclusion trends from 2018 to 2025 allows assessment of structural deepening, regional disparities, and post-pandemic resilience within Aspirational Districts. Therefore, a thematic, longitudinal, and comparative study of financial inclusion indicators is necessary.



1.7. Statement of the problem

Although the Aspirational Districts Programme monitors financial inclusion as part of a composite development index, it remains unclear whether financial inclusion intensity has progressed uniformly across zones. The weighted composite approach may dilute scheme-specific performance variations. Thus, there is a need to independently evaluate the trajectory and distribution of financial inclusion indicators across zones in Aspirational Districts from 2018 to 2025.

1.8. Scope of the study

The study focuses exclusively on the financial inclusion component of the Aspirational Districts Programme. It analyses six officially defined financial inclusion indicators across six geographical zones (Northern, Central, Eastern, Western, Southern, and North Eastern) for the period June 2018 to June 2025.

The analysis uses zone-wise averages derived from district-level data. The study does not attempt to compute district rankings or replicate the government's weighted index methodology. Instead, it isolates financial inclusion indicators for thematic analysis.

2. REVIEW OF LITERATURE

(Zins & Weill, 2016) analyzed determinants of financial inclusion across African countries and found that income, education, age and gender significantly influence access to formal financial services. Similarly, (Mondal & Dayal, 2022) identified socio-economic and demographic factors as key drivers of financial inclusion in India, emphasizing the importance of education and income in improving banking access. (Murshed et al., 2023) extended this analysis to South Asia, demonstrating that institutional quality and financial infrastructure significantly shape inclusion outcomes.

(Rastogi & E., 2018) examined the link between financial inclusion and socio-economic development, identifying gaps in outreach and recommending technology-driven solutions. (Bhuvana & Vasantha, 2016) explored dimensions of financial inclusion in rural Tamil Nadu, emphasizing accessibility, affordability, and usage as key components of inclusive banking.

With respect to Aspirational Districts, (Tewari, 2022) assessed industrial development trends using Economic Census data and found that low-technology manufacturing dominates these districts, with limited high-technology specialization. The study suggested that industrial development should be explicitly integrated into ADP monitoring parameters. (Sinha, 2019) critically analysed ADP from a political economy perspective, acknowledging improvements in monitoring and ranking systems while questioning whether structural inequalities are adequately addressed. (Parekh, 2023) evaluated education and skill development indicators in 112 Aspirational Districts and found uneven progress



across districts, particularly in youth training and apprenticeship targets. (Arun Kumar et al., 2021) assessed skill development training effectiveness in Karnataka's aspirational districts and reported moderate programme effectiveness with scope for improvement in need assessment and implementation quality.

Overall, existing studies highlight the determinants of financial inclusion, the structural challenges in backward districts, the role of skill development, and the performance-monitoring framework of ADP. However, most studies either focus on individual-level determinants, policy critique, industrial performance, or skill development themes separately. Very limited empirical research integrates multiple flagship financial inclusion schemes and compares their zone-wise performance trends over time within Aspirational Districts using standardized population-based indicators.

3. RESEARCH GAP

Although substantial literature exists on financial inclusion determinants and policy frameworks, there is a lack of comprehensive, comparative analysis of major financial inclusion schemes (MUDRA, PMJJBY, PMSBY, APY, Aadhaar Seeding, and PMJDY) across zones within India's Aspirational Districts over a multi-year period. Existing research has not systematically examined scheme-wise per lakh population performance trends across regions from 2018 to 2025 using secondary administrative data. Furthermore, limited studies have attempted to analyse inter-zonal disparities within Aspirational Districts in a consolidated framework. This study addresses this gap by conducting a multi-scheme, zone-wise comparative trend analysis of financial inclusion indicators in Aspirational Districts, thereby contributing to district-level evidence-based policy evaluation.

4. OBJECTIVES

1. To examine zone-wise trends in per capita MUDRA loan disbursement.
2. To analyze insurance penetration under PMJJBY and PMSBY.
3. To assess pension inclusion under APY.
4. To evaluate digital integration through Aadhaar seeding.
5. To examine banking penetration under PMJDY.
6. To compare inter-zonal disparities in financial inclusion intensity.

5. HYPOTHESIS

H1: There is no significant difference in financial inclusion intensity across zones.

H2: Financial inclusion indicators exhibit sustained upward growth across zones during the study period.

H3: The North Eastern zone demonstrates significant catch-up growth relative to other zones.



6. Research Methodology

6.1. Research Design

The study adopts a quantitative and descriptive research design based on secondary data. The objective is to examine the intensity and evolution of financial inclusion across Aspirational Districts through a zone-wise longitudinal analysis covering the period from June 2018 to June 2025.

The approach is analytical rather than administrative, focusing on scheme-specific performance trends rather than composite district rankings.

6.2. Aspirational Districts Framework

The Aspirational Districts Programme (ADP), launched by NITI Aayog in 2018, monitors districts performance across 49 key performance indicators grouped under five thematic sectors:

- (i) Health & Nutrition (30%)
- (ii) Education (30%)
- (iii) Agriculture & Water Resources (20%)
- (iv) Basic Infrastructure (10%)
- (v) Financial Inclusion & Skill Development (10%)

Financial Inclusion alone accounts for 5% of the overall composite index. While the government framework calculates normalized composite scores and ranks districts based on weighted indicators and “distance to frontier”, the present study isolates and independently analyses financial inclusion indicators without computing composite rankings.

6.3. Data Source

The data used in this study were obtained from NITI Aayog’s Aspirational District monitoring framework, The “Champions of Change” real-time dashboard, Official government publications and ministry reports

The six financial inclusion indicators examined in this study are officially defined under the ADP framework: (i) Total disbursement of MUDRA loans (Rs. In crore per 1 lakh population), (ii) PMJJBY enrolments (per 1 lakh population), (iii) PMSBY enrolments (per 1 lakh population), (iv) APY beneficiaries (per 1 lakh population), (v) Percentage of bank accounts seeded with Aadhaar, (v) PMJDY accounts (per 1 lakh population).

These indicators reflect credit inclusion, insurance penetration, pension coverage, digital integration, and banking access respectively.



6.4. Research sample

The Aspirational Districts Programme initially identified 115 districts in 2018. However, due to administrative restructuring and data revisions, the effective number of districts under monitoring varies in subsequent datasets. The present study is based on 112 districts available in the official dataset during the study period, and all zonal averages have been computed accordingly.

The districts are grouped into six geographical zones as per RBI Classification – Northern, Central, Eastern, Western, Southern and North Eastern.

6.5. Method of Data Aggregation

The analysis is based on zone-wise averages derived from district-level data. For each indicator, the total value for all districts within a zone was divided by the number of Aspirational Districts in that respective zone to obtain the zonal average.

This method ensures comparability across zones, adjustment for validation in district count and standardization of per capita intensity measures. The indicators are expressed in percentage for Aadhaar seeding and per 1 lakh population for other five.

6.6. Analytical Tools

The study employs the following analytical techniques:

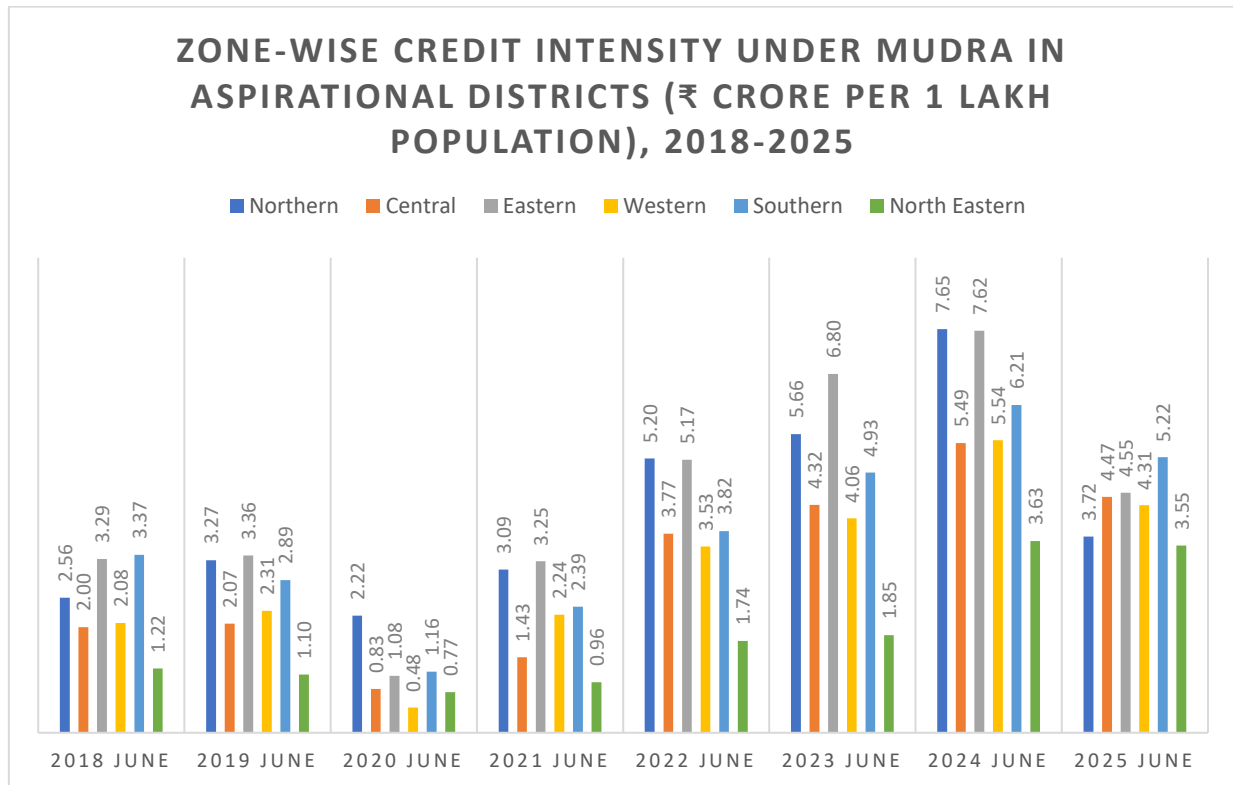
1. Trend analysis (year-wise comparison from 2018-2025)
2. Zone-wise comparative analysis
3. Identification of lowest and highest values across zones
4. Growth pattern Interpretation
5. Graphical representation of indicator trajectories

The study does not compute composite weighted scores or district rankings, as the focus is on thematic financial inclusion intensity rather than overall development index performance.

7. Data Analysis and Interpretation

Figure 7.1: Zone-wise credit intensity under MUDRA in aspirational districts (₹ crore per 1 lakh population), 2018-2025

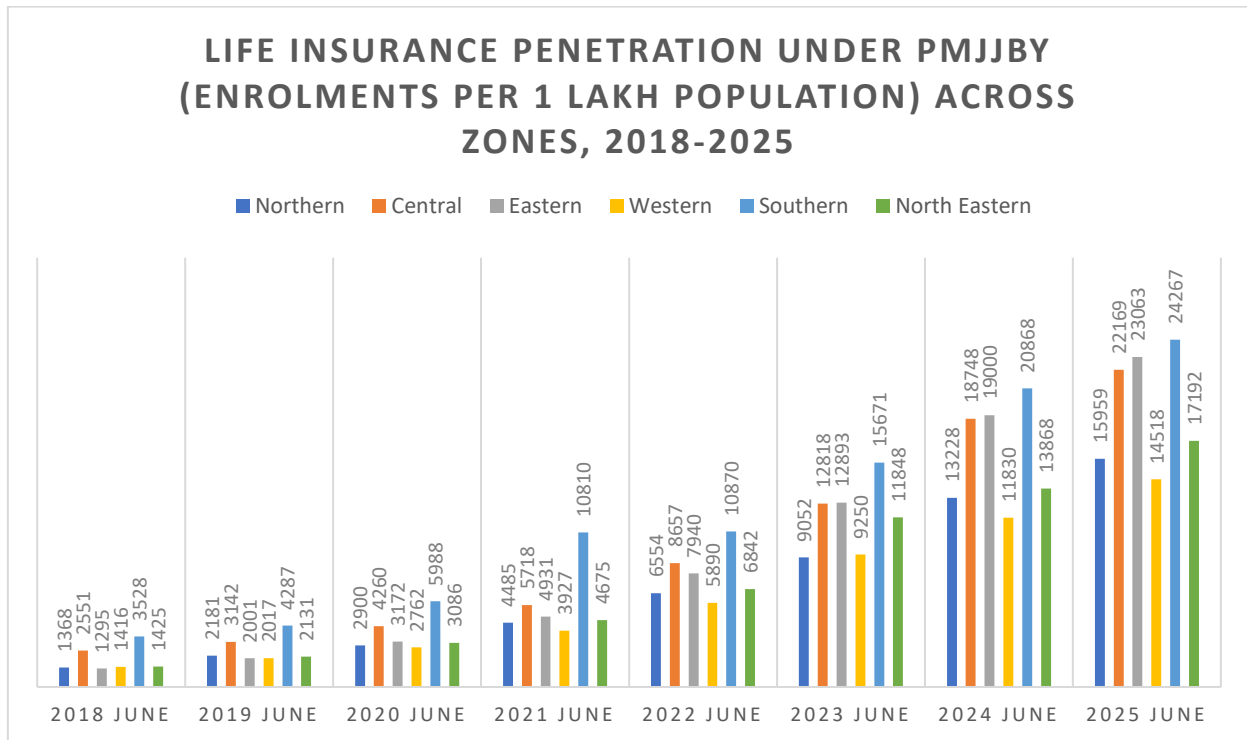
Figure 7.1: Zone-wise credit intensity under MUDRA in aspirational districts (₹ crore per 1 lakh population), 2018-2025



Source: NITI Aayog, 2025 (Author’s calculation based on ADP zonal averages)

The zone-wise disbursement of MUDRA loans from 2018 to 2025 shows a fluctuating yet significant expansion in credit outreach across Aspirational Districts. In 2018-2019, Southern and Eastern zones led with moderate-to-high credit intensity (around Rs.3 to 3.4 crore per 1 lakh population), while the North Eastern zone remained the lowest (1.22 in 2018 and 1.10 in 2019). A sharp contraction occurred in 2020 across all zones, with Western (0.48), Central (0.83), and Eastern (1.08) recording their lowest values, indicating a major disruption in credit flow. Recovery began in 2021 and accelerated significantly in 2022 and 2023, culminating in peak across nearly all zones in 2024: Northern (7.65, the highest overall), Eastern (7.62), Southern (6.21), Western (5.54), Central (5.49), and North Eastern (3.63, its highest). In 2025, most zones experienced moderation, particularly Northern (3.72), while Central (4.47) and Southern (5.22) remained relatively strong. Overall, the pattern reflects contraction in 2020, strong post-2021 expansion in MUDRA credit outreach, peak financial deepening in 2024, and partial stabilization in 2025, with the North Eastern zone consistently lagging yet steadily improving over time.

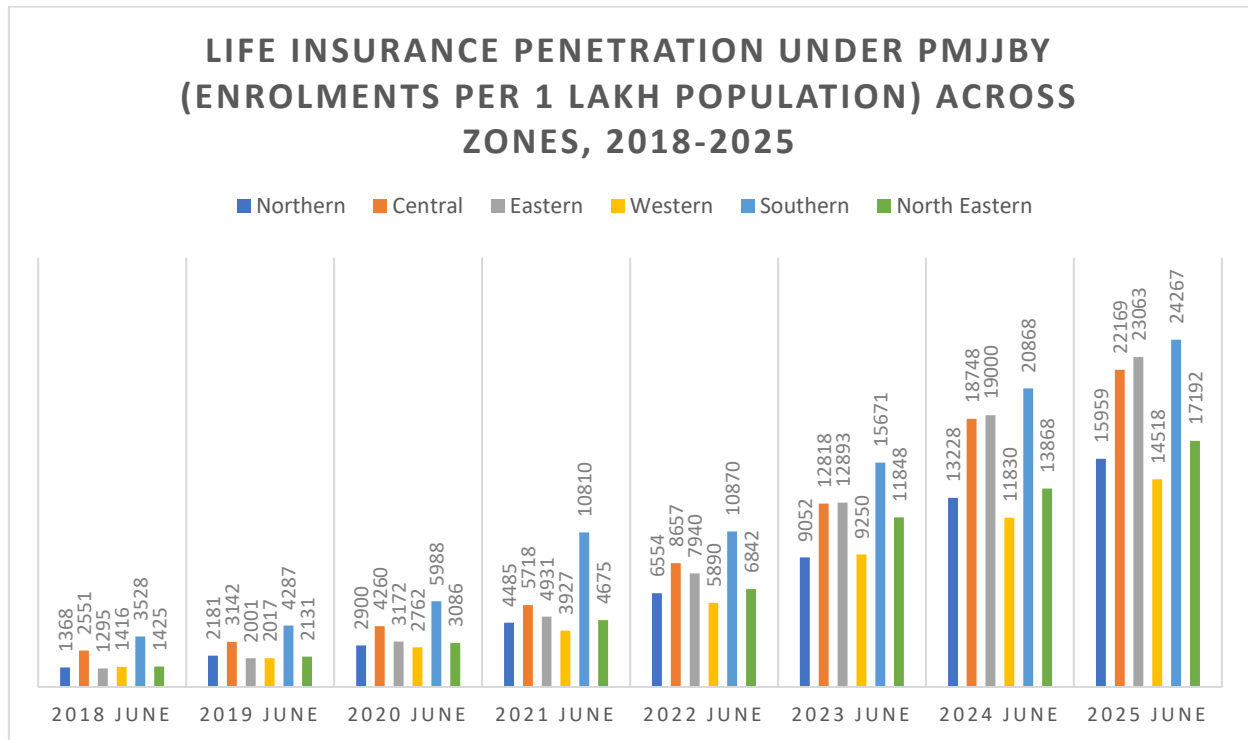
Figure 7.2: Life insurance penetration under PMJJBY (enrolments per 1 lakh population) across zones, 2018-2025



Source: NITI Aayog, 2025 (Author’s calculation based on ADP zonal averages)

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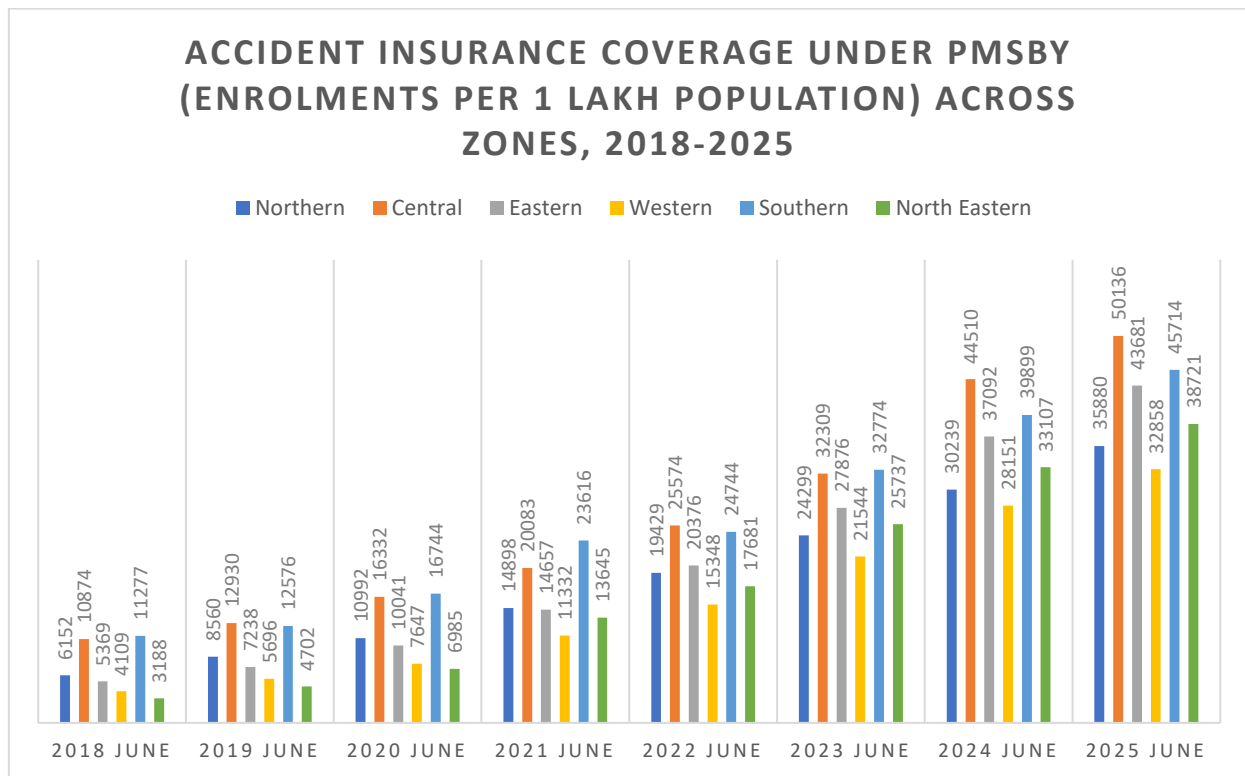
Figure 7.2: Life insurance penetration under PMJJBY (enrolments per 1 lakh population) across zones, 2018-2025



Source: NITI Aayog, 2025 (Author’s calculation based on ADP zonal averages)

Life insurance penetration under PMJJBY (enrolments per 1 lakh population) demonstrates a consistent and substantial upward trend across all zones from 2018 to 2025. In 2018, enrolments were relatively low in most regions, with the Eastern zone recording the lowest (1295) and the southern zone the highest (3528). Steady growth is observed year after year, with particularly sharp increases between 2021 and 2024. By 2025, all zones reached their highest recorded level, with the Southern zone leading at 24267, followed by the Eastern (23063) and Central (22169) zones. The Northern, Western, and North Eastern zones also showed strong expansion, rising from modest initial level in 2018 to significant penetration by 2025. Overall, the data indicate robust and sustained growth in PMJJBY enrolments across India, reflecting improved outreach, awareness, and implementation over the period.

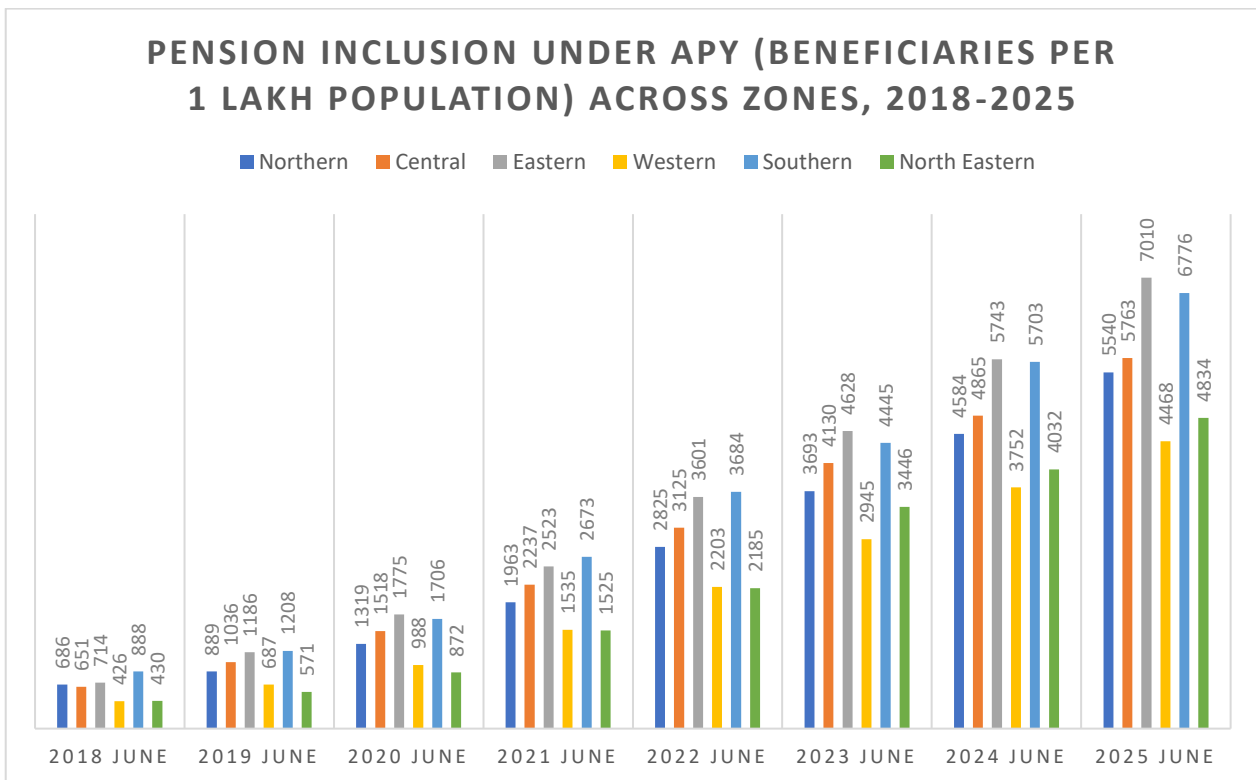
Figure 7.3: Accident insurance coverage under PMSBY (enrolments per 1 lakh population) across zones, 2018-2025



Source: NITI Aayog, 2025 (Author’s calculation based on ADP zonal averages)

Accident insurance coverage under PMSBY (enrolments per 1 lakh population) shows a steady and substantial rise across all zones from June 2018 to June 2025. In 2018, enrolments were lowest in the North Eastern zone (3188) and highest in the Southern (11277) and Central zones (10874), with other zones at comparatively moderate levels. Over the years, enrolments increased consistently, with sharp growth particularly after 2020. By 2025, all zones reached their highest recorded levels: Northern (35880), Central (50136), Eastern (43681), Western (32858), Southern (45714), and North Eastern (38721). While the Southern and Central zones-maintained leadership throughout the period, the North Eastern zone, despite starting from the lowest base, exhibited remarkable expansion and significantly narrowed the gap. Overall, the data reflects a strong and sustained improvement in PMSBY coverage across aspirational districts in all regions between 2018 and 2025.

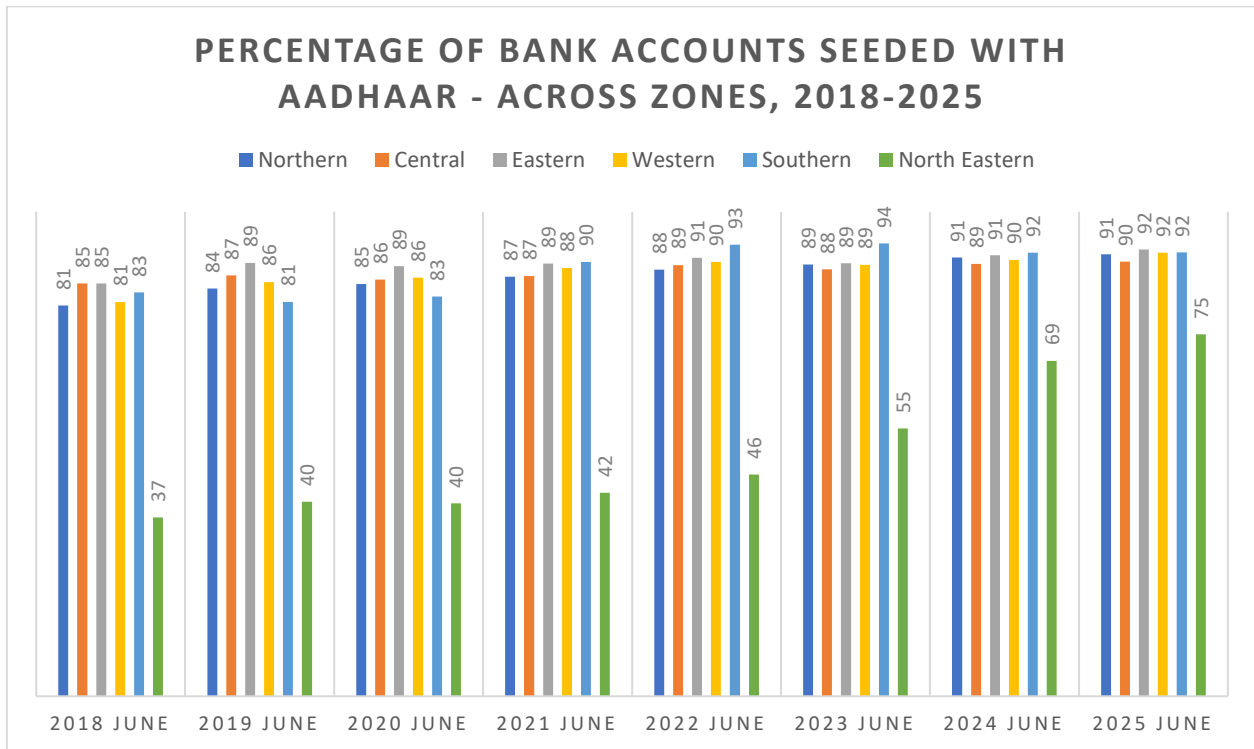
Figure 7.4: Pension inclusion under APY (beneficiaries per 1 lakh population) across zones, 2018-2025



Source: NITI Aayog, 2025 (Author’s calculation based on ADP zonal averages)

Pension inclusion under the Atal Pension Yojana (APY) shows a consistent and substantial rise across all Indian zones from 2018 to 2025, measured in beneficiaries per one lakh population. In June 2018, all zones recorded their lowest levels, with the Western zone (426) and North Eastern zone (430) at the bottom, while the Southern zone led at 888. Thereafter, every zone experienced steady year-on-year growth, crossing significant milestones by 2021 and accelerating further through 2022-2024. By June 2025, all zones reached their peak values, with the Eastern zone recording the highest inclusion (7010), followed by the Southern (6776), Central (5763), Northern (5540), North Eastern (4834), and Western (4468) zones. Overall, the data reflects strong expansion of pension coverage under APY across aspirational districts, with the Eastern and Southern zones consistently outperforming others, while the Western zone, despite starting from the lowest base, demonstrates a comparable upward growth trajectory.

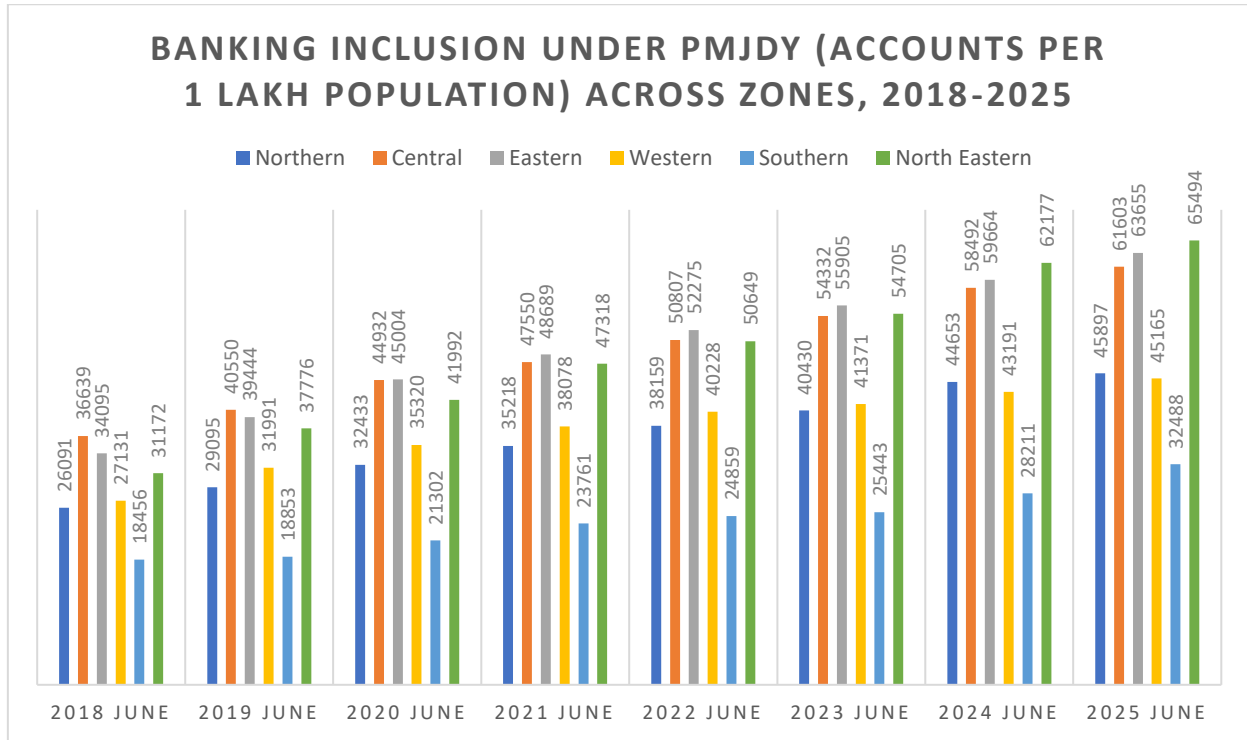
Figure 7.5: Percentage of bank accounts seeded with AADHAAR - across zones, 2018-2025



Source: NITI Aayog, 2025 (Author’s calculation based on ADP zonal averages)

The proportion of bank accounts seeded with Aadhaar demonstrates a clear upward trajectory across all zones from 2018 to 2025, indicating progressive strengthening of Aadhaar-bank account integration in aspirational districts. In 2018, most zones recorded their lowest levels – Northern (81%), Central (85%), Eastern (85%), Western (81%) – while the North Eastern zone lagged significantly at 37%. Although minor fluctuations occurred in 2019 and 2020, particularly a slight dip in the Southern zone (81% in 2019) and marginal variations in Central and Eastern zones, the overall pattern remained positive. From 2021 onwards, steady improvements were evident, with most zones crossing 90% by 2024-2025. By 2025, peak values were observed in Northern (91%), Central (90%), Eastern (92%), Western (92%), and North Eastern (75%) zones, while the Southern zone recorded its highest level earlier at 94% in 2023. Overall, the data reflects sustained progress in Aadhaar seeding nationwide, with Southern and Eastern zones consistently maintaining higher integration levels, and the North Eastern zone exhibiting the most remarkable relative improvement over the period.

Figure 7.6: Banking inclusion under PMJDY (accounts per 1 lakh population) across zones, 2018-2025



Source: NITI Aayog, 2025 (Author’s calculation based on ADP zonal averages)

Between 2018 and 2025, banking inclusion under PMJDY (measured as accounts per 1 lakh population) in Aspirational Districts shows a steady and uninterrupted upward trend across all zones. In 2018, the Southern zone recorded the lowest account intensity (18,456), while the Central (36,639) and Eastern (34,095) zones were comparatively higher. Over the years, consistent growth is observed in every zone, with particularly strong expansion in the Central, Eastern, and North Eastern regions. By 2025, all zones reached their highest recorded levels, with the North Eastern zone emerging as the top performer (65,494), followed by the Eastern (63,655) and Central (61,603) zones. The Northern and Western zones also demonstrated substantial increases, while the Southern zone, though starting from the lowest base, showed notable improvement over time. Overall, the sustained rise in accounts per 1 lakh population indicates deepening per capita banking penetration and expanding formal financial access in Aspirational Districts, with signs of regional catch-up particularly evident in the North Eastern zone.

8. FINDINGS

1. MUDRA credit intensity exhibited volatility, with a sharp decline in 2020 followed by strong



recovery and peak expansion in 2024.

2. PMJJBY enrolments increased consistently across all zones, with the Southern and Eastern zones recording the highest insurance penetration by 2025.
3. PMSBY demonstrated the strongest expansion among all indicators, particularly in the Central and Southern zones.
4. APY pension inclusion showed steady and uninterrupted growth, with the Eastern zone emerging as the highest contributor.
5. Aadhaar seeding percentages improved substantially, with most zones crossing 90% integration by 2024-2025.
6. PMJDY accounts per 1 lakh population increased continuously across all zones, indicating structural deepening of banking inclusion.
7. The North Eastern zone displayed significant catch-up growth across multiple indicators, narrowing regional disparities.
8. Overall, financial inclusion in Aspirational Districts shows multidimensional strengthening from 2018 to 2025.

9. SUGGESTIONS

1. Strengthen credit support mechanisms to stabilize MUDRA disbursement during economic shocks.
2. Expand financial literacy and awareness programmes to improve active usage of insurance and pension schemes.
3. Enhance digital infrastructure in lagging districts to support Aadhaar-based financial integration.
4. Introduce targeted monitoring for zones showing slower growth in banking penetration.
5. Encourage cross-learning between high-performing and low-performing zones under the ADP framework.

10. CONCLUSION

The study evaluates financial inclusion progress in Aspirational Districts through a zone-wise analysis of six key indicators from 2018 to 2025. The findings indicate substantial improvement in banking access, insurance coverage, pension participation, and digital financial integration. While temporary disruptions were observed during 2020, post-pandemic recovery demonstrates resilience and structural strengthening.

The Central, Eastern, and North Eastern zones exhibit significant expansion in financial inclusion intensity, reflecting improved outreach and implementation. Although disparities persist across zones, the overall trajectory suggests that financial inclusion initiatives under the ADP framework have contributed positively to socio-economic empowerment in backward districts.



Sustained policy focus, digital expansion, and targeted financial literacy initiatives are essential to ensure balanced and long-term inclusion outcomes.

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