

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
RAJYA SABHA

UNSTARRED QUESTION NO. 1177

ANSWERED ON TUESDAY, 10 FEBRUARY 2026 / 21 MAGHA, 1947 (SAKA)

EXPANDING BANKING AND DIGITAL PAYMENTS

1177. SMT. REKHA SHARMA:

Will the Minister of FINANCE be pleased to state:

- (a) the progress made in expanding banking services, Jan Dhan Accounts and digital payment adoption across urban and rural areas;
- (b) whether special measures have been taken to increase women's participation in formal banking; and
- (c) how these initiatives are supporting financial literacy, savings and ease of doing business for citizens?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) to (c) The country has achieved near-universal banking coverage, with 99.92% of inhabited villages (6,00,829 out of 6,01,328) now served by a banking outlet (Bank branch / Business Correspondent / India Post Payments Bank) within a radius of 5 km. This banking expansion is supported by a robust infrastructure of over 1.79 lakh bank branches, 16.23 lakh Business Correspondents (BCs), and 1.65 lakh IPPB centres, as on 21.01.2026.

This network has facilitated a massive surge in financial inclusion, with Pradhan Mantri Jan Dhan Yojana (PMJDY) accounts reaching a milestone of 57.48 crore, where rural and semi-urban areas lead with 44.96 crore accounts (78.22%). Moreover, women's participation remains a cornerstone of this progress, accounting for over 32.05 crore (55.76%) of the total PMJDY accounts.

Simultaneously, the country has accelerated its digital transformation through the deployment of 119 Digital Banking Units (DBUs) as of December 2025, bridging the gap between traditional and digital payment adoption and ensuring that sophisticated banking services are accessible across both urban and rural landscapes.

Also, the total volume of digital and UPI transactions for the FY 2024-25 has grown 6.66 times and 14.8 times respectively when compared to FY 2019-20.

This growing adoption of digital payments has revolutionized access to financial services, particularly for underserved and unserved communities. By enabling seamless, traceable transactions through platforms like UPI, digital payments have created a robust financial footprint for individuals and businesses. These footprints serve as alternative data points for financial institutions, allowing them to assess creditworthiness even in the absence of traditional documentation.

As a result, more people are able to access formal credit channels, which not only empowers economic participation but also brings more entities into the formal financial ecosystem. Digital platforms like UPI have enabled citizens including small vendors and rural users to accept digital payments, reducing cash dependency and increasing formal economic participation.

Further, the Centre for Financial Literacy (CFL) Project has been initiated by the Reserve Bank of India (RBI) since 2017 with an objective to adopt community-led innovative and participatory approaches to financial literacy.

A total of 2,421 CFLs have been set up across the country, as on March 31, 2025, with one CFL generally covering three blocks on an average.
