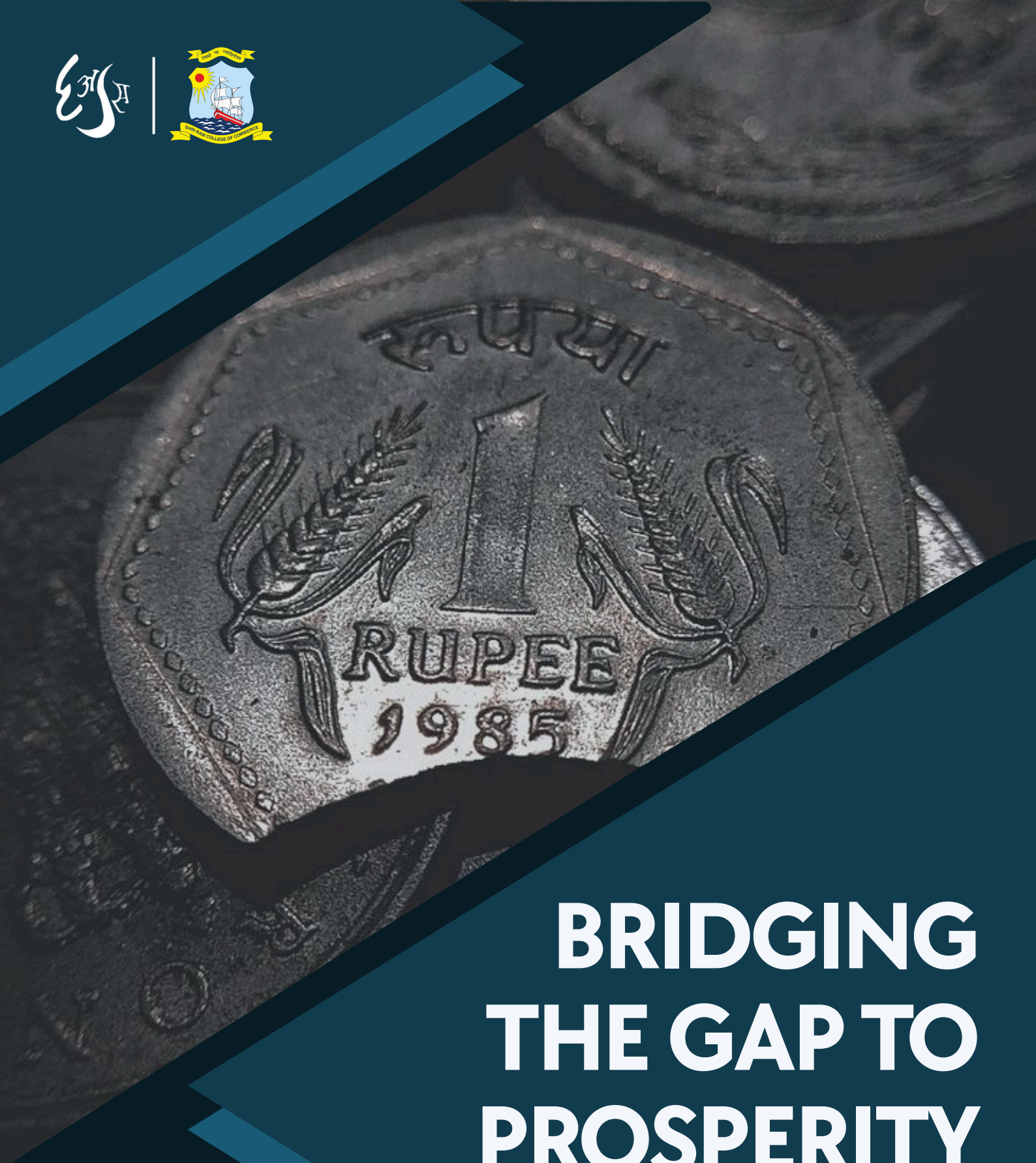

BRIDGING THE GAP TO PROSPERITY

AN INDIAN PERSPECTIVE ON FINANCIAL INCLUSION

PREPARED BY :

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ABBREVIATIONS

S.No.	Abbreviation	Expanded Form
1	PMJDY	Pradhan Mantri Jan Dhan Yojana
2	SDG	Sustainable Development Goal
3	IMF	International Monetary Fund
4	ATM	Automated Teller Machine
5	PCA	Principal Component Analysis
6	RRB	Regional Rural Bank
7	UPI	Unified Payments Interface
8	NEFT	National Electronic Funds Transfer
9	RTGS	Real Time Gross Settlement
10	BPL	Below Poverty Line
11	RBI	Reserve Bank of India

S.No.	Abbreviation	Expanded Form
12	SBA	Small Borrower Account
13	BC	Business Correspondent
14	DBT	Direct Benefit Transfer
15	AePS	Aadhaar Enabled Payment Systems
16	UN	United Nations
17	NPCI	National Payments Corporation of India
18	BHIM	Bharat Interface for Money
19	OCEN	Open Credit Enablement Network
20	NABARD	National Bank for Agricultural Development
21	MGNREGA	Mahatma Gandhi National Rural Employment Guarantee Act

INTRODUCTION

Financial inclusion is not merely a policy objective- it is a fundamental pillar for building equitable and sustainable development. The Reserve Bank of India defines it as "The process of ensuring access to appropriate financial products and services needed by all sections of the society in general and vulnerable groups such as weaker sections and low income groups in particular at an affordable cost in a fair and transparent manner by mainstream institutional players." These services include savings, credit, insurance, pensions and payment systems delivered in a responsible and sustainable manner.

The conversation around financial inclusion began gaining popularity globally in the early 2000s when international organisations like the World Bank and United Nations advocated it as a tool to combat poverty and ensure inclusive growth. In India, financial inclusion became a central focus of public policy following the recommendations of the Rangarajan Committee (2008) and this was further institutionalised through initiatives like Pradhan Mantri Jan Dhan Yojana (PMJDY) in 2014. Since then, financial inclusion has been a matter of intense study for both policymakers and researchers to assess its impact on poverty alleviation, generation of employment , and empowerment.

There is growing empirical evidence supporting the multiplier effect of financial inclusion in terms of boosting output, fostering entrepreneurship, and achieving fair and equitable growth. Out of the 17 Sustainable Development Goals (SDGs) of the UN, 7 recognise financial inclusion as a key enabler for global prosperity and improving the living conditions of marginalised communities.

This report aims to develop a State index of financial inclusion from 2013-2023. Based on the data taken from government sources like the Reserve Bank of India and the Ministry of Finance, Government of India, states have been ranked on the basis of 11 parameters related to financial inclusion. Further, these parameters have been grouped into 3 categories-

- Expansion of formal banking services
- Insurance and pension security services

- Socio-economic parameters

Ranks have been assigned to the 28 Indian states based on their index values in the respective years.

LITERATURE REVIEW

Financial Inclusion has been a matter of study for prominent economic organisations and institutions, especially since the past 2 decades. While some of the reports published by these organisations aim at covering financial inclusion comprehensively, they still lack some aspects and have certain drawbacks which prevent the creation of a holistic index.

The IMF's working paper titled 'Assessing Countries' Financial Inclusion Standing- A New Composite Index" published in 2014 builds a composite financial inclusion index using IMF's Financial Access Survey data, factoring in indicators such as bank accounts, ATMs and loans. The report employs statistical factor analysis to eliminate personal bias and derive data driven weights to create a countrywide index. However, this report ignores the supply side factors and aggregates data for countries as a whole which ignores differences among demographic groups. With respect to this, our report takes in both the supply and demand side factors into consideration and ranks the individual states of India which factors in differences among demographic groups to a much larger extent.

The World Bank's 2012 study titled "Measuring Financial Inclusion: The Global Findex Database" utilises nationally representative surveys, enabling in-depth analysis of demographics like gender and income. However, the major limitations of this report are that it relies on self-reported surveys, which may lead to reporting biases. Moreover, the study is conducted triennially which limits the ability to track rapid changes in financial behaviour. It also does not include factors which assess geospatial availability like branch or ATM proximity etc. Other reports like the Bank for International Settlements' report titled "Measuring Financial Inclusion: A multidimensional index" apply two-stage PCA to derive statistically sound weights for each dimension.

This study aims at incorporating the best practices of each of the previous studies in this domain, while fitting all of it in an Indian context. The aim is to minimise biases and unwarranted variations in data for indicators and

construct a valuable index. Choice of parameters has been made in such a way that the different aspects of financial inclusion are covered holistically and each of the states is assessed in an all round manner with respect to financial inclusion.

STATE OF FINANCIAL INCLUSION IN INDIA

To build a foundation for this report it is necessary to understand the overall national landscape of financial inclusion in India. In this section we assess the trends and developments in the financial sector across the country. Financial inclusion in India is not just a catalyst for economic growth, but an important milestone for achieving inclusive development and social equity. Recognising this, the Government of India, along with the Reserve Bank of India (RBI) and various public and private stakeholders, has implemented multiple initiatives aimed at expanding financial access. These efforts have led to significant progress in areas, but despite these advances, gaps persist.

MAJOR GOVERNMENT AND REGULATORY INITIATIVES

Pradhan Mantri Jan Dhan Yojana (PMJDY)

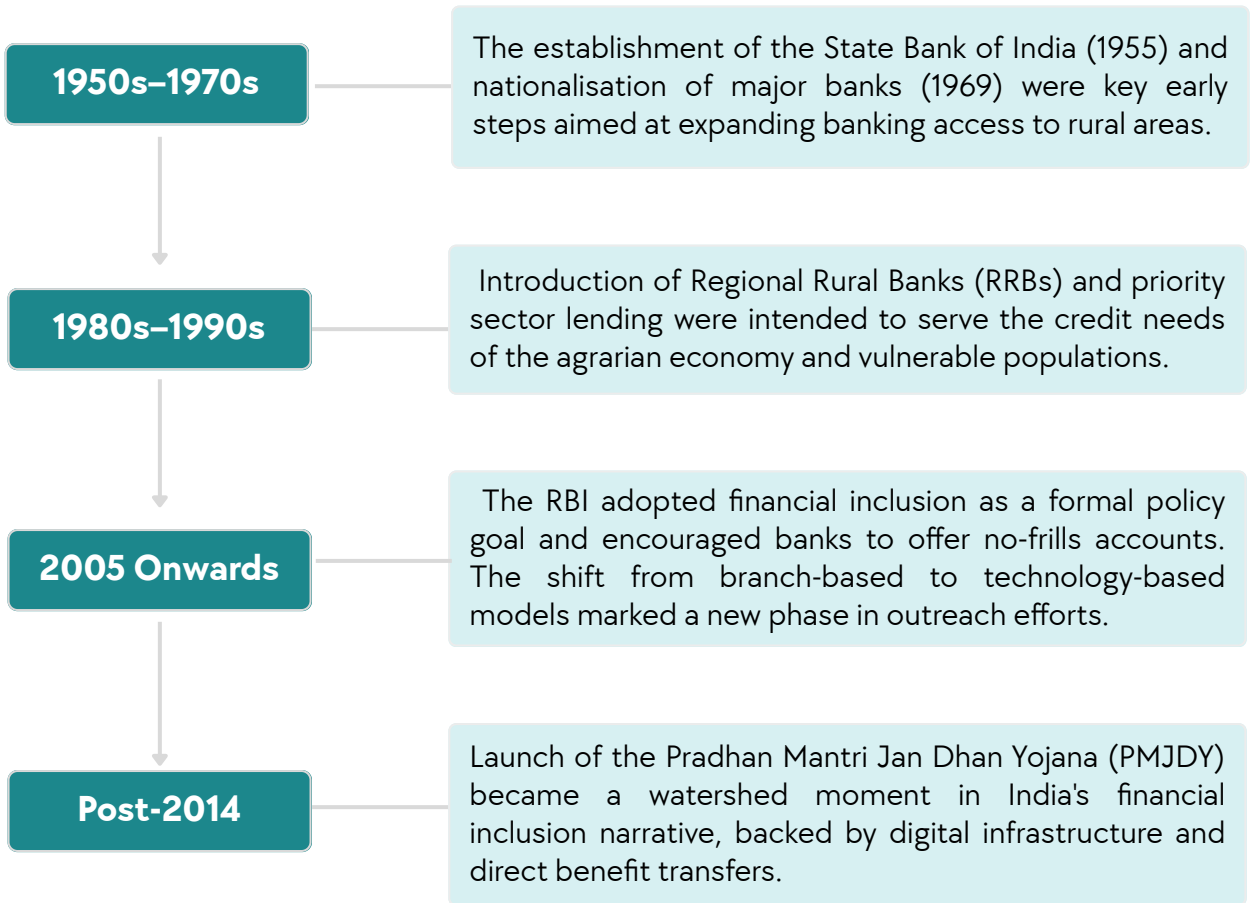
Launched in August 2014, PMJDY is a national scheme to ensure access to financial services to each household. Since then, over 50 crore bank accounts have been opened under this scheme with ₹2 lakh crore in total deposits, and 31 crore RuPay debit cards have been issued. It has also provided enhanced biometric and Aadhaar linkage for direct benefit transfer (DBT) of government subsidies and pensions.

The Business Correspondent (BC) Model

Banks use business correspondents, who work as banking agents in remote areas, to overcome branch penetration issues in rural India. There were more than 13 lakh active BCs as of 2023. Account opening, deposit collection, withdrawals, fund transfers, and microloans are among the services offered by BCs.

Aadhaar-Enabled Payments and Direct Benefit Transfer (DBT)

The use of Aadhaar for verifying identities has led to efficient targeting of welfare schemes, elimination of duplicate beneficiaries, and reduced leakages in the delivery system. ATMs run by BCs are used by the Aadhaar-enabled Payment Systems (AePS) to provide basic banking services.



Timeline showcasing Historical Evolution of Financial Inclusion in India

Payment banks and small finance banks (SFBs)

The SFBs are RBI-licensed institutions targeting underserved populations. They are permitted to accept deposits and provide loans, to small business units, small and marginal farmers, and unorganised sector workers and firms. Payment banks are restricted to deposits but are allowed to provide remittance and payment services digitally.

CURRENT STATE OF FINANCIAL INCLUSION

To have a brief overview of the present state of financial inclusion in India, this section analyses national data and global reports. The parameters, such as account ownership, digital usage, and regional divides, are selected as core indicators, taking into consideration the UN's financial inclusion framework and the RBI's Financial Inclusion Index. These provide and insight to the access, usage, and quality of financial services.

Account Ownership

According to the Global Findex Report 2021, 78% of Indian adults had access to a formal bank account, a huge rise from 35% in 2011. The gender gap in account ownership has narrowed, with women now almost as likely as men to own accounts, especially in rural areas. Targeted schemes and Aadhaar linkages have accelerated onboarding. India now does much better than many developing nations in terms of basic access to financial services, though challenges persist in account usage and service depth.

Digital Use and Transactions

India has one of the most sophisticated digital payment systems in the world. According to the 2024 NPCI data, the Unified Payments Interface (UPI) is the largest real-time payment system in the world by volume, processing over 10 billion transactions monthly.

The spread of banking applications, mobile wallets, and QR code-based payments has enabled users to transact without physical infrastructure. The spread of digital financial services is being driven by private services like PhonePe, Paytm, and Google Pay and government platforms like BHIM UPI.

The Urban-Rural Divide

Although the development of infrastructure has increased rural outreach and rural and semi-urban bank branches are steadily growing, many areas are still underserved because of poor internet, low digital literacy, and

remote location. Increased mobile penetration and agent networks in semi-urban areas in states like Maharashtra, Tamil Nadu, and Gujarat have demonstrated a greater adoption of digital payments.

Nowadays, building digital readiness is important, which calls for the necessity of enhancing infrastructure with trust-building and education.

FINANCIAL INCLUSION OBSTACLES

Despite substantial achievements, several challenges remain:

Dormant Accounts

A major issue with inclusion is not just account ownership but account usage. According to the Global Findex 2021, up to 35% of account holders in India had made no deposit or withdrawal in the past year, making their accounts dormant.

Many accounts remain inactive because of irregular income patterns, low trust in formal institutions, and a lack of financial literacy.

Credit and Insurance Penetration

Although the share of formal borrowing in India has improved, only 8% of Indian adults borrowed from a formal source in 2021, according to the World Bank. Informal moneylenders continue to hold a large share of rural credit. Institutional credit remains limited for small and marginal farmers, informal workers, and street vendors. Micro-insurance penetration also remains under 10%, with low awareness and distribution challenges.

Digital Divide

India's push towards digital finance is held back by differences in digital access and ability. Technological illiteracy is prevalent among the elderly and tribal populations. A 2022 NITI Aayog report stated that over 50% of rural women in lower-income states had never used a digital payment tool.
Smartphone penetration is still concentrated in urban and male demographics. As of 2023, rural India had only 38% smartphone penetration, and many devices lack updated software or internet access.

Infrastructure and Connectivity

The rural banking infrastructure still faces problems. According to RBI in 2023, only 14 ATMs existed per 1 lakh people in rural areas, compared to over 50 in urban India. Business correspondents often face connectivity and cash availability issues. They also deal with security threats in remote

areas, often working without insurance or safety support.

EMERGING TRENDS AND INNOVATIONS

India's financial inclusion story is now being redefining by digital and technological innovations:

- Fintech startups like KreditBee, Navi, and Slice are building customer-centric models to deliver microloans, insurance, and investment products through mobile platforms.
- Open Credit Enablement Network (OCEN) is being developed to promote credit by standardising digital lending.
- Account aggregators help individuals securely share financial data for better credit access and personalised products.
- Women-led self-help groups (SHGs) are driving inclusive finance at the grassroots level, providing better access to savings and credit for rural women.

POLICY RECOMMENDATIONS

Strengthen Financial Literacy: Invest in financial education campaigns targeting rural youth, women, and small entrepreneurs.

Expand Credit Access: Simplify KYC and collateral requirements for micro and small borrowers.

Improve Infrastructure: Accelerate the development of banking outlets and ATMs in uncovered regions with poor banking penetration.

Encourage Fintech Participation: Offer regulatory sandboxes and incubation support to digital finance innovators targeting underserved demographics.

Enhance Monitoring Mechanisms: Establish systems for continuous monitoring of account usage, customer grievance redressal, and service quality by Business Centres (BCs) and digital platforms.

India has made remarkable progress in the area of financial inclusion, driven by strong political commitment, regulatory support, and technological innovation. However, inclusion still needs to evolve from access to active usage. Going forward, the challenge lies not in opening accounts but in building trust and designing services that are fast and easy to use.

METHODOLOGY

In this study, the level of financial inclusion achieved by different states has been evaluated on the basis of 11 comprehensive parameters which aim at covering every aspect of financial inclusion. This section discusses the rationale behind the choice of parameters and explains the methodology adopted to derive the final result.

The parameters were chosen, keeping in mind certain characteristics to ensure the formation of a scientific and logical index. These are:

Diversity of parameters: Each of the 11 parameters are selected in a way so as to ensure that they cover different aspects of financial inclusion like infrastructural access, social conditions and income stability ensuring that no aspect of it is left untouched.

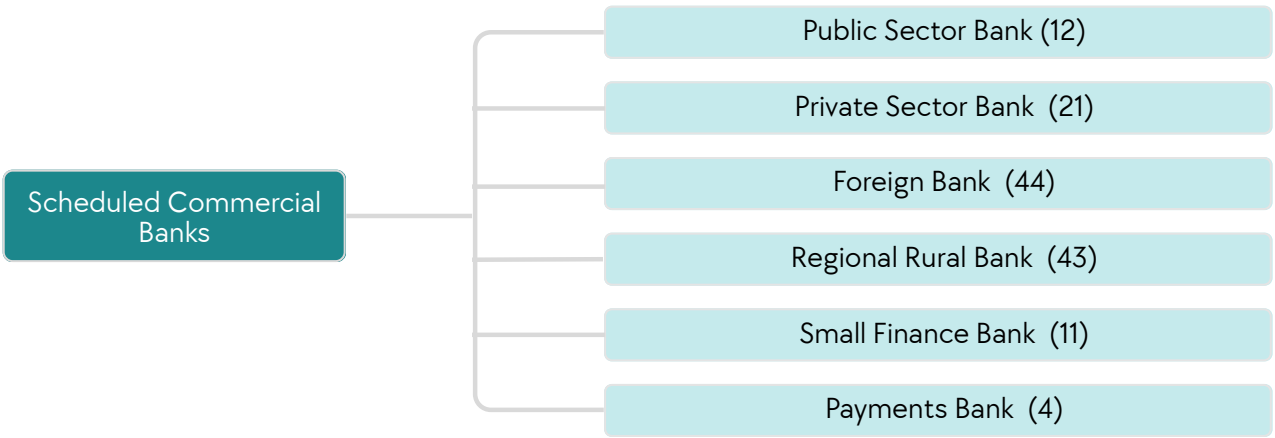
Relevance: Relevance of each parameter is ensured as each parameter reflects a specific aspect of financial inclusion and the data of the past 11 years was chosen so as to construct an index which is relevant to the current day and age.

Insights: Only those parameters were chosen which could provide actionable insights and policy recommendations for each state.

Data Availability: Data availability was one of the most important factors behind the selection of parameters as it was mandatory to ensure that continuous data was available for each parameter from 2013 to 2023.

Standardisation: The data was chosen in such a way that the units for these parameters were more or less standardised and did not reflect major differences simply because of particular states having advantages or disadvantages like higher population, land area etc. For example, parameters like Number of banking outlets per 100,000 people were chosen. Moreover, normalisation using the Percentile Rank method was applied to minimise bias in data.

The chosen parameters were segregated into 3 categories as stated below.



Expansion of Formal Banking Services:

The formal banking system in India consists of less than 150 banks, out of which public and private sector banks make up for only 33 of them, as per the Department of Financial Services, Ministry of Finance. The parameters listed under this category aim at evaluating the states on the basis of the accessibility of the formal banking services in the state. The formal banking services include services like provision of bank accounts, deposit and withdrawal services, credit availability, foreign exchange etc. Access to such services becomes essential to provide equal economic opportunities to people and achieve financial equality.

Insurance and pension security services:

Social security is one of the key elements of financial inclusion which every state needs to focus on as it has a major role to play in the financial well-being of the citizens. This becomes all the more important in a crisis like Covid-19 where job cuts take place at a large scale and people are pushed below the poverty line. Resolute economies are able to ensure the long-term financial well-being of their citizens by providing adequate insurance and pension security services to them.

Socio-Economic parameters:

The chosen social parameters aim at measuring the states based on the quality of life of their citizens in terms of economic well-being and also to understand the financial position of the states and their populations.

The rationale behind the choice of each parameter and the methodology used to measure them are provided further.

EXPANSION OF FORMAL BANKING SERVICES

Number of scheduled commercial banking outlets per 100,000 people:
The number of scheduled commercial banking outlets includes public sector banks, private sector banks, foreign banks, regional rural banks (RRBs), small finance banks and payment banks operating in a particular state. This total is divided by the population of the state to provide context regarding the availability of formal banking services to the citizens living in the state.

State-wise number of E-transactions:
This is the number of electronic transactions conducted through digital payment gateways like UPI, NEFT, RTGS etc. In the past decade, digital transactions have become an important part of the total flow of money in the economy, hence it becomes important to measure how much states have progressed in this aspect.

Outstanding Credit of Scheduled Commercial Banks:
This parameter provides information related to the amount of credit disbursed by the scheduled commercial banks of different states to their customers which has not yet been repaid by the customers. This gives essential insights related to the credit-taking capacity of the state population and is an overall metric of the expansion of formal banking services in the state.

Number of bank employees per 1,000 people:
Number of bank employees per 1,000 people is related to the strength of the formal banking system. A higher number of bank employees per 1,000 people means that formal banking services are more easily available to the people and per-person workload in the banking system is relatively lesser.

Number of bank branches per square kilometre:
This refers to the number of bank branches in a state, calculated and compared, keeping the size of the state as a parameter. This further validates the expansion of formal banking services in the states.

Number of ATMs per 1,000 people:
Automated Teller Machines (ATMs) have become an integral part of the formal banking system as they enable customers of financial institutions to make banking transactions in an automated manner. Greater number of ATMs per 1,000 people translates to

greater access to formal banking services.

Deposits of Scheduled Commercial Banks:
This refers to the deposits which people have with scheduled commercial banks. Comparing this with other states gives insights as to how much saving capacity the population of a particular state has, relative to other states and also highlights the access to formal banking services which people have, in order to deposit these savings and earn a return on them.

Credits of Scheduled Commercial Banks: This refers to the amount borrowed by people from commercial banks and is an indicator of access to formal banking services with people, and their capacity to take loans to make investments or for consumption purposes.

INSURANCE AND PENSION SECURITY SERVICES

Number of pension subscribers routed through post office:
This is an important parameter which represents the number of pension subscribers in the different states who obtain their pension through the post office services, thereby linking them to the formal banking system. Pensions are an important safety net for people as they provide a fixed income after retirement and ensure financial stability of people even after they are no longer in the working age. This parameter measures the access to social security schemes of the government and the inclusion of different population groups with respect to it.

SOCIO-ECONOMIC PARAMETERS

Percentage of people below the poverty line:
This parameter measures the percentage of population living below poverty line (BPL) and subject to adverse socio-economic conditions. Hence, this serves as a key indicator of the socio-economic situation of the states.

Number of small borrowers per 10 lakh people:
As per the RBI, a small borrower account (SBA) is defined as an account having credit limit of up to Rs. 2,00,000. This measures the number of people with low credit-taking capacity in a particular state and hence, provides an insight into the socio-economic condition of the state.

SCIENTIFIC AND ANALYTICAL APPROACH

A robust and transparent scientific methodology underpins the construction of the Financial Inclusion Index for the 28 Indian states. This section of the report explains the multiple steps involved in the scientific and analytical approach followed in the preparation of the index. This process ensures the comprehensiveness and reliability of the index.

Compounded Annual Growth Rate

In cases where there were gaps in the data related to the parameters, the Compounded Annual Growth Rate (CAGR) was employed to fill the missing values in the data. This approach utilises historical trends in data and creates reliable estimates for the missing values

METHODOLOGICAL FRAMEWORK

Data Compilation

Data related to the 11 selected parameters was sourced from reputed government sources like the RBI and Ministry of Finance, Government of India. The parameters were selected keeping reliability, data availability and potential to provide actionable insights in consideration.

Percentile Rank Method

The percentile rank approach was used to normalise the parameter values for all the years and states to avoid any sort of bias while conducting the research and ensure consistency.

Entropy Method

Recognising that not all parameters carry equal weightage in the final scoring, entropy method was employed to calculate the exact weights to be applied to each parameter to find out the final scores and ranks for the states.

This statistical technique measures the degree of dispersion or "information content" within each parameter across states, assigning higher weights to parameters exhibiting greater

$$\text{Percentile Rank} = \left(\frac{\text{Number of parameters with raw score EQUAL TO OR LESS THAN the parameter's raw score}}{\text{Total number of parameters in the dataset}}\right) \times 1$$

differentiation. Using the normalised parameter matrix (A 28x11 matrix with the states as rows and parameters as columns), for each parameter entropy was calculated, followed by the derivation of divergence and final weights. This ensures that parameters with more importance exert greater weightage in the composite score.

$$e_j = -k \sum_{i=1}^{m} (p_{ij} \ln p_{ij})$$

$$d_j = 1 - e_j$$

$$w_j = \frac{d_j}{\sum_{j=1}^{n} d_j}$$

These entropy-derived weights were multiplied with the normalised parameter scores to calculate a composite score for each state,encapsulating its overall level of financial inclusion in a single, interpretable metric.

State Ranking via ELECTRE

While the entropy approach was one way which was used to calculate scores and thereby, ranks for the states, Multi-decision criteria analysis was also applied using the ELECTRE (Elimination and Choice Expressing Reality). ELECTRE is a well-established multi-criteria decision-making tool, particularly suited for contexts involving multiple, potentially conflicting criteria.

The process involved the making of concordance and discordance matrices to determine outranking relations and ultimately derive the final ranking of all states. This approach ensures that the final rankings reflect not only aggregate performance but also the nuanced interplay between different parameters.

Multivariate Analysis of Variances (MANOVA)

MANOVA is a statistical technique to compare the means of multiple dependent variables across two or more groups. It was applied in this study to further interrogate the data and to assess whether statistically significant differences exist in financial inclusion profiles across different states. It provided insights into the multidimensional structure of financial inclusion.

K-means clustering

K-means clustering was applied to divide the states into 3 clusters on the basis of differences in parameter

values. It resulted in clusters containing states with similar parametric values, revealing natural groupings and aiding in the process of formation of policy recommendations. These clusters were categorised as 'High Performance', 'Good Performance' and 'Poor Performance'.

Alignment with best practices and rationality

All the statistical tools employed were to ensure that the study focused on established frameworks and international best practices. The methodology ensures:

- Comprehensiveness: The index captures multiple parameters across dimensions, thereby ensuring comprehensiveness in its construction.
- Objectivity: The use of entropy to calculate weights and normalisation ensures minimum bias in the research.
- Actionability: All the scientific tools have been used in a way to enable the provision of targeted policy recommendations and enable meaningful cross-state comparisons.

ACCESS, USAGE AND QUALITY OF FINANCIAL SERVICES

Financial inclusion is broadly understood as ensuring that all individuals and businesses have access to, usage of, and benefit from financial products and services that suit their needs. It is a multidimensional concept encompassing at least three key dimensions: access (the availability of financial services), usage (the extent to which these services are actually used), and quality (the suitability, safety, and user-friendliness of services). Access refers to the ability to use formal financial services and products – for example, the physical availability of branches or mobile accounts and the absence of prohibitive documentation requirements.

Usage refers to how individuals engage with these services (measured by frequency, regularity, and depth of use). The quality dimension involves whether financial products effectively meet user needs, which includes aspects such as affordability, convenience, fair treatment, appropriate choice of products, and strong consumer protection and financial education. Together, these dimensions form the foundation of financial inclusion: higher levels of access, active usage, and high service quality have been shown to empower households and businesses, enabling them to save, invest, and manage risk more effectively. For example, expanding digital financial access has helped reduce the number of unbanked adults from 2.5 billion in 2011 to about 1.4 billion in 2021, with roughly 76% of adults now owning at least one account worldwide. Nonetheless, gaps remain, especially among women, the poor, and those in rural or informal sectors, underscoring the need for continued efforts across all three dimensions of inclusion.

Access to financial services is often measured by account ownership and financial service infrastructure. For instance, World Bank data indicate that global account ownership rose from 51% to 76% of adults between 2011 and 2021. However, geographic and socioeconomic disparities persist. In the Latin America and Caribbean region, for example, far fewer than half of adults in some countries have formal savings or credit accounts. Similarly, formal borrowing (loans from regulated

institutions) remains low in many countries, reflecting structural barriers. These disparities arise from a range of impediments: high transaction costs, lack of nearby branches or agents, and complicated documentation requirements all hinder access.

Empirical evidence shows that cost and documentation barriers dominate. Globally, unbanked adults most frequently cite insufficient funds and high fees as reasons for not having an account. For example, a 2021 survey in developing countries found that over half of unbanked respondents said services were too expensive or they lacked enough money to open an account. Other common obstacles include long distances to the nearest financial service point and the absence of required identity documents. In sub-Saharan Africa in particular, lack of access to a mobile phone has also been noted as a key barrier to account ownership.

These findings suggest that efforts to expand access must focus on reducing costs, simplifying account opening (for example through tiered KYC requirements), increasing physical and digital infrastructure (branches, ATMs, agent networks, connectivity), and providing universal identity solutions so that even low-income or remote populations can gain entry into the formal financial system.

Once accounts are accessible, usage of financial services depends on awareness, incentives, and complementary infrastructure. Recent data show rapid growth in digital payments and account utilisation. For example, between 2014 and 2021 the share of adults in developing economies making or receiving digital payments jumped from 35% to 57%. Much of this uptake has been driven by practical needs: in developing countries nearly 40% of adults opened their first account specifically to receive wage or government payments. The COVID-19 pandemic further accelerated digital engagement – for instance, about one in five adults in emerging economies made a merchant payment with a mobile device or card for the first time during the pandemic.

Key aspects of usage include not just payments, but also savings and credit. In 2021 roughly 25% of adults in developing economies reported saving using a financial account, and an even higher share (39%) used an account simply to store cash safely. Notably, more than half of all people who saved any money did so in a formal account

for the first time that year, suggesting a shift away from informal savings to bank or mobile wallets. In sub-Saharan Africa, mobile money accounts are now an important savings vehicle: about 15% of adults there, and 39% of mobile-money account holders, reported using mobile accounts to save.

On the borrowing side, about one-half of adults in developing countries borrowed money in 2021; however, formal borrowing (loans from banks, MFIs, or using credit cards) was used by less than half of those borrowers. Informal borrowing (from family or friends) remains at least as common as formal credit in many low-income contexts.

Overall, the financial ecosystem exhibits synergy among services. Receiving digital payments into an account tends to lead to other forms of engagement: among those in developing countries who got paid into an account, 83% also made a digital payment, about two-thirds used the account to store funds, and roughly 40% used it to save or borrow. This suggests that digital inflows pave the way for broader financial usage: once people receive payments electronically, they are more likely to use their accounts for other purposes.

In summary, despite growing usage of digital payments and savings, large segments of the population still do not fully utilise formal financial products. Usage can be deepened by encouraging accounts to be used regularly (for bills, remittances, business transactions, etc.), and by coupling account access with services like mobile money, digital payments infrastructure, and credit scoring through alternative data.

The quality of financial services refers to how well products meet users' needs in a safe, fair, and efficient manner. Quality can be thought of in terms of consumer experience and outcomes: it includes affordability (reasonable fees and interest rates), convenience (ease of access and use), fair treatment (transparent terms, recourse mechanisms), choice and innovation (product variety tailored to needs), and consumer protection and education. High-quality services would be those that, for example, function reliably (few outages), respect customer rights, provide useful information, and adapt products to the context of lower-income users (for instance, small loan sizes or simplified accounts).

Conversely, low quality such as hidden fees, unreliable service, or scams can

erode trust and discourage usage.

Measurement of quality remains a challenge. Data on quality are sparse and complicated to collect. Nonetheless, the policy consensus is clear: improving quality is essential to ensure that financial inclusion is meaningful and sustainable. Consumers must be equipped with financial literacy to make informed choices, and regulators must enforce strong consumer protection frameworks (for instance, disclosure requirements, complaint systems, and anti-fraud measures). Indeed, the OECD highlights that financial inclusion policies need to be paired with measures ensuring consumers are "treated fairly, responsibly and not exploited" and possess the knowledge to make sound decisions. Without attention to quality, simply increasing access and usage may leave users vulnerable or dissatisfied.

The three dimensions – access, usage, and quality – are highly interdependent. Improvements in one dimension often reinforce the others. For example, increased access (more accounts and payment outlets) creates opportunities for usage, while enhanced usage provides data and experience that can drive improvements in product quality. Conversely, weaknesses in one dimension can impede progress in the others.

Evidence of synergy can be found in recent usage patterns: when previously unbanked individuals begin to receive digital payments (improved access), they tend to increase usage of multiple financial functions. In developing economies, studies show that among adults who received any payment into an account, a large majority also used that account for payments, savings, and even borrowing. This indicates that a single intervention (like digitising wage or transfer payments) can catalyse broader engagement across the system. Likewise, the scholarly literature emphasises that only when financial services are both accessible and of high quality will they fully empower users. Access to and usage of high-quality services not only allows households and firms to manage finances more effectively, but also drives economic empowerment and growth. In short, robust financial inclusion emerges from strengthening all three dimensions together.

However, gaps can reinforce each other: for instance, if services are of poor quality (e.g. unreliable or unaffordable), people may open

accounts but rarely use them. Similarly, if usage is low due to low financial literacy, expanding access points alone will not translate into greater financial activity. A holistic approach that recognises this interdependence is therefore necessary: policies should be designed to improve access, encourage active use, and uphold service quality in tandem.

Access to, usage of, and quality of financial services are mutually reinforcing pillars of financial inclusion. Substantial progress has been made – global account ownership is at an all-time high, and digital payment adoption has accelerated. Nevertheless, meaningful inclusion requires a comprehensive approach. Ensuring that more people have access to an account is only the first step; those accounts must be used regularly for transactions, savings, and credit, and the services must be of high quality and tailored to users' needs. This integrated focus pays off: studies show that when all three dimensions improve together, households can better smooth consumption, invest in education and health, and businesses can invest and expand.

In sum, policies should simultaneously expand access (through infrastructure and regulatory reform), increase active usage (through digital payments and financial incentives), and uphold high service quality (through consumer protection and literacy). By doing so, countries can accelerate progress toward the Sustainable Development Goals related to poverty reduction, economic empowerment, and resilience. Continued monitoring and adaptation will be necessary, but the evidence indicates that a holistic strategy addressing access, usage, and quality in concert is the most effective way to achieve broad-based financial inclusion and its socioeconomic benefits.

POLICY LANDSCAPE AND INSITUTIONAL INTERVENTIONS

India's financial inclusion journey has gone through major policy decisions and interventions by the government and other institutions. From the nationalisation of major banks in 1969 and 1980 and the expansion of rural banking, to the Self-Help bank linkage programmes, these measures dramatically increased the outreach of formal finance, but large gaps still remained. By 2013, many low income, rural and informal economy households still lacked meaningful access to banking, credit, insurance and pensions.

In the time period of this study (2013-2023), a vigorous policy push was observed, led by the central government, RBI, NABARD and allied agencies which expanded on the earlier foundations. Key innovations include massive account-opening drives, new lending schemes, digital platforms (Aadhaar, mobile payments), and strengthened public–private partnerships. This was supported by the launch of an ambitious National Strategy for Financial Inclusion (2019-2024), mapping complementary regulatory and institutional initiatives.

Nonetheless, challenges of account activation, credit delivery and insurance coverage persist.

ROLE OF GOVERNMENT AND REGULATORY BODIES

Government of India

The central government through the Ministry of Finance and Department of Financial Services, has led the policy on financial inclusion. Since 2014, the government has issued ambitious schemes like the PMJDY, PMMY, PMJJBY and created dedicated cells and online portals (like the Jan Suraksha portal) to coordinate banking outreach. The government also drove digital infrastructure which underpins financial inclusion with developments like the Aadhaar biometric ID system (rolled out from 2010 to 2014), the UPI and the Direct Benefit Transfer framework. By mandating that welfare transfers like MGNREGA, pensions and subsidies directly go into bank accounts, government programs have stimulated formal banking usage.

Reserve Bank of India (RBI)

The RBI has classified financial inclusion as a "business proposition" for banks, while creating norms to ensure that banks work towards achieving financial inclusion. In 2005, RBI mandated a portion of lending to priority sectors (small farmers, micro-enterprises etc.) which remains under regular revision. In 2007, a Financial Inclusion Fund (FIF) was created by the RBI and it was later merged with a technology fund to create a large corpus shared with the government of India and NABARD. This fund subsidises infrastructure and training under inclusion projects. The account opening rules have also been considerably relaxed by the RBI.

It directed banks in 2012-2014 to offer a Basic Savings Bank Deposit Account (BSBDA) which is effectively a zero-balance account with at least one RuPay debit card and minimum free withdrawals. KYC norms were also simplified using Aadhar in the 2017-18 guidelines.

In addition to this, licensing norms have also been changed by the RBI. In 2015, it licensed 11 payment banks to offer limited banking services and enabled small finance banks for microfinance and agricultural lending. RBI launched its own financial inclusion index in 2021, tracking the access, usage and quality of financial services.

National Bank for Agricultural and Rural Development (NABARD)

NABARD has been the primary agency for rural finance and inclusion. It funds and regulates Regional Rural Banks (RRBs) and cooperative banks, and sponsors SHG Bank linkage models (NABARD supported 9 million SHGs by the mid-2010s). It also has its own NABARD All-India Rural Financial Inclusion Survey, the latest edition of which was published in 2021-22. The latest survey reports an increase in share of rural households saving from 50.6% in 2016-17 to 66% in 2021-22, and 44% of all agricultural households now have a Kisan Credit Card. NABARD also coordinates with multiple state governments to run "Rural Self-Employment Training Institutes" and microcredit innovations.

Other Institutions and Partnerships

The government has leveraged various multiple partnerships. The "Bank Mitra" program was launched which allowed banks to appoint local agents (often women or entrepreneurs with micro-ATMs) to open accounts and service customers in villages. By 2025, about 13.5 lakh such "Bank Mitras" operate nationwide. However, the RBI notes

that this model has faced several teething problems, many new accounts remained dormant and Bank Mitras suffered low commissions due to poor connectivity and initial low transaction volumes. In response, the FIF subsidises their training and infrastructure.

Moreover, there have also been numerous Public-Private initiatives like the NPCI which has built platforms like RuPay cards, UPI and AePS that power inclusion. Telecom and fintech players (like Airtel, PayTM, Google Pay, etc.) now reach into rural areas via mobile wallets and UPI. Other initiatives like the ones taken by India Post Payments Bank, NABARD and other government channels have also boosted growth towards a higher level of financial inclusion.

EVALUATION OF CURRENT FINANCIAL INCLUSION SCHEMES

Pradhan Mantri Jan Dhan Yojana (PMJDY)

Launched in August 2014, PMJDY aimed to achieve universal banking via at least one bank account per household. It is the world's largest financial inclusion campaign. As of mid-2023, over 500 million Jan Dhan accounts were opened, with nearly two-thirds (66.7%) in rural/semi-urban areas and 55.6% held by women. Accounts come with a RuPay debit card and basic insurance. The scheme also introduced modest overdraft facilities. By design, Jan Dhan accounts were gateways for government transfers which was seen during COVID-19 lockdown when over 200 million women PMJDY account holders received relief payments of Rs. 500/month via DBT within 10 days.

PMJDY succeeded in closing the access gap for rural and women customers and deepened the banking network. Roughly one in two new accounts opened in 2014-2020 was a Jan Dhan account. This uptake provides infrastructure for other welfare schemes of the government and the substantial flow of deposits shows that households are placing their savings in the formal banking system.

However, the main challenges noted with the scheme include uneven usage as the government claimed that there were 113 million inoperative accounts in 2020, indicating that while the scheme has been able to open a large number of accounts, lack of financial literacy, irregular incomes and regulatory measures are still some challenges which need to be overcome in order to

increase the savings of people. There have also been concerns about duplicate accounts (addressed by Aadhaar seeding) and the cost to banks of maintaining so many zero-balance accounts. The government has responded by facilitating e-KYC, promoting digital payments (UPI) to drive usage, and offering incentives for account activity (e.g. higher insurance cover for new accounts). To conclude, the PMJDY has been successful in expanding access, but ensuring quality remains a work in progress.

Pradhan Mantri MUDRA Yojana

PMMY provides collateral free loans up to Rs.10 lakh for non-farm micro and small businesses (classified as Shishu, Kishore, Tarun categories). It effectively consolidated existing microfinance with additional public funding. By 2025, the scheme had sanctioned over 52 crore loans worth ₹32.61 lakh crore. The scheme is credited with dramatically boosting formal credit to small entrepreneurs and traders. As per an SBI report, credit to the MSME sector rose from ₹8.51 lakh crore in FY2014 to ₹27.25 lakh crore in FY2024, lifting MSME's share of total credit from 15.8% to 20%.

PMMY has notably empowered women and rural borrowers as 68% of Mudra loans have gone to women entrepreneurs. The average loan size is modest (reflecting very small firms), and the scheme's reach into Tier-2/3 towns and villages is clear. Many first-generation entrepreneurs have gotten bank credit under Mudra. The cumulative lending surge under Mudra indicates strong demand.

However, there are concerns related to viability and sustainability associated with the scheme as easing collateral norms may encourage loans to unviable businesses, thereby raising future NPAs. The scheme's enormous scale underscores the need for concurrent skill-development and market-linkage support which are areas where implementation is uneven.
Nonetheless, PMMY has worked as a change for inclusion in the micro-enterprise segment.

Financial Literacy Centers (FLCs)

Recognising that access must be paired with awareness, RBI in the 2010s mandated banks to establish FLCs (financial literacy centers) in lead bank districts. These FLCs run ongoing camps and counselling (for farmers, SHGs, students, seniors) on banking products, savings, credit discipline, digital payments etc. By 2020, most districts had at least one FLC. These

centres are intended to address demand-side barriers (ignorance, mistrust, perceived cost) that deter usage of formal services. In 2021 RBI updated FLC guidelines to professionalise counsellors and integrate local stakeholders (panchayats, NGOs).

FLCs have raised financial awareness in many communities (e.g. explaining PMJDY benefits, DBT schemes). However, reaching the extremely poor or illiterate remains hard. Surveys still find low financial literacy levels (many rural adults cannot read bank statements or understand interest). FLCs often lack staff and funding to cover large districts, and their impact is difficult to quantify.

Insurance and Pension Schemes

Social security is a key dimension of financial inclusion. India's "Jan Suraksha" schemes have had enormous uptake via bank accounts. As of April 2025, over 236 million life insurance (PMJJBY), 510 million accident insurance (PMSBY), and 76.6 million pension (APY) enrollments were recorded. These schemes brought millions of poor households into the insurance net. Another example is the Pradhan Mantri Fasal Bima Yojana (PMFBY) for crop insurance, which by 2023 had over 50% of farmers covered nationally.

However, despite high coverage, insurance penetration is still low by international standards. Many account holders remain underinsured relative to their needs. Another gap is women's pension as schemes like Indira Gandhi National Widow Pension saw only 34% coverage by 2021, indicating scope to improve inclusion of elderly rural women in pensions.

INSIGHTS FROM GLOBAL FINANCIAL INCLUSION MODELS

This section of the report analyses the insights derived from three international financial inclusion models which are applicable in the Indian context.

Kenya (M-Pesa)

Kenya pioneered mobile-money on a massive scale. Launched in 2007 by Safaricom, M-Pesa is a mobile wallet service accessible on feature phones. By 2010, it had 9 million users (about 40% of Kenyan adults) and by 2022 roughly 79% of adults had a formal financial account (largely via mobile money). Kenyan rural populations leapfrogged brick-and-mortar banking and today, even remote villages have

M-Pesa agent kiosks. This infrastructure facilitated not just payments but also micro-savings, micro-credit (M-Shwari), and insurance products.

In comparison, India's digital penetration through Aadhaar, UPI and smartphones is even stronger than Kenya. However, regulatory and market differences exist as Kenya's success relied on a telco-led approach with minimal legacy branch infrastructure. In India, banks remain central but must partner with the telecom and fintech industry under RBI supervision.

Brazil (Postal Agent Banking)

Brazil's Banco Postal is a leading example of postal banking. In 2000, the Brazilian government partnered with Bradesco bank to use post offices as bank outlets. Starting with 36 locations, Banco Postal operates in 5,000 post offices nationwide and serves 600,000 new rural customers in 2024. Customers can deposit, withdraw, pay bills and remit, all through postal workers trained by the bank. This arrangement revived postal viability and brought finance to communities without banks.

Similarly, India also has a vast postal network, and recently launched the India Post Payments Bank (IPPB) in 2018, which indicates a step in this direction. Adopting Brazil's model, IPPB, in partnership with banks can convert post offices into financial hubs. RBI's licensing of India Post as a payments bank in 2015 also reflects this idea. Likewise, India's cooperative banks and Kisan Credit Societies could serve as agents for banking services in villages. The Brazil case underscores that leveraging existing national networks (post, cooperative societies) multiplies outreach at low cost.

Indonesia (Branchless banking and G2P Transfers)

Indonesia's *Laku Pandai* program, started in 2015, mandated banks to deploy agents for basic banking in 75% of districts. Within the first year, four banks recruited 128,000 agents, with a target of 350,000 agents covering nearly the entire archipelago. These agents (often retail outlets) offer savings accounts, withdrawals and micro-loans without needing a branch. Indonesia also aggressively pushed G2P (Government-to-Person) transfers through digital accounts: child support, subsidy disbursements and pensions were funneled into bank or e-wallet accounts.

The financial inclusion strategy led to a jump in adult account ownership (from

20% in 2014 to over 75% by 2021).
Indonesia's approach parallels India's BC model (also known as Bank Mitra model), but with stronger regulatory backing. India has similar goals, for example, the DBT already credits welfare payments into Aadhaar-linked accounts.

The Indonesian experience suggests India could mandate banks to appoint BCs in uncovered villages and expand the role of new Payments Banks. Additionally, Indonesia's success with G2P underlines the importance of linking inclusion to social programs which is an approach India has already begun by tying LPG subsidies, pensions and scholarships to bank accounts.

FINAL ANALYSIS

This section analyses the results derived from the multiple statistical techniques which were employed in the study. These include Multi Criteria Decision Making Analysis methods like Entropy and ELECTRE, in addition to MANOVA and K-means clustering.

These methods, when interpreted together, reveal visible insights with respect to the levels of financial inclusion in each state. By consolidating and interpreting these results, the study aims at providing a cohesive and insightful narrative regarding the current state of financial inclusion performance across the states.

ENTROPY METHOD

This report employed the entropy method which is a part of Multi Criteria Decision Making Analysis, to assign weights to the individual parameters for the calculation of overall scores of the different states. The application of the entropy method involved a sequence of steps to be followed to derive the final weights:-

- The normalisation matrix of 28 rows (representing 28 states) and 11 columns (representing parameters) was created containing the specific parameter scores of each state.
- Since there are 28 states in our study, the -1/Ln(M) value was found to be equal to -0.3001016285.
- The normalised parameter scores for the states were divided by the total normalised score of each particular parameter, in a way to obtain the normalisation matrix of parameter scores for the states.
- The log normalised parameter scores matrix was created by taking Log of each individual state-parameter value in the normalisation matrix.
- These values were then multiplied with the -1/Ln(M) value derived in the second step to obtain the $N_{ij}*Ln_{ij}$ values.
- The summation of the parameter scores in this matrix was obtained which was then multiplied with the -1/Ln(M) value to obtain the E_{ij} values.
- These values were then subtracted from 1 to obtain the D_{ij} values.
- These individual values were then divided by the total D_{ij} values to obtain the W_{ij} values which serve as the final weights for the motive of score calculation.

These weights were then used to calculate the scores of the states for all the years of the study from 2013 to 2023 (Refer to Appendix).

ELECTRE METHOD

The ELECTRE ("ÉLimination Et Choix Traduisant la REalité") is the second MCDM Analysis method used in this study. ELECTRE in the context of this study, helped in generating ranks based on the 11 parameters. These ranks were different from the ones given by the Entropy method.

A sequential process was followed to obtain the ranks from the ELECTRE methodology:-

- The normalised state-parameter values were multiplied with the weights derived for the different parameters from the Entropy method.
- These values were then used to create the concordance and discordance sets.The concordance set in ELECTRE represents the "agreement" or "satisfaction" between two alternatives based on their performance across different criteria. It indicates the degree to which one alternative is considered better than another.
- The discordance set measures the degree to which one alternative is inferior to another based on the evaluation criteria. It represents the dissatisfaction of the decision-maker when choosing one alternative over another, essentially highlighting situations where an alternative performs poorly on a criterion compared to its competitor.
- The concordance and discordance sets were then converted to their binary forms i.e. binary concordance and binary discordance set by comparing individual concordance and discordance values with the C Bar and D Bar values respectively.
- The final aggregate matrix was obtained by combining both the concordance and discordance set. If in a particular state-parameter combination, the value 1 was given in both concordance and discordance set, then it was also given the value of 1 in the final aggregate set, otherwise it was given the value 0.
- Using the final aggregate matrix, ranks were obtained for all the states which are as follows:-

ELECTRE RANKINGS

Rank	States	Scores
1	**Tripura**	25
2	**West Bengal**	22
3	**Tamil Nadu**	17
4	**Bihar**	14
5	**Telangana**	14
6	**Kerala**	13
7	**Gujarat**	12
8	**Andhra Pradesh**	11
9	**Chhattisgarh**	11
10	**Maharashtra**	11
11	**Madhya Pradesh**	10
12	**Rajasthan**	8
13	**Assam**	7
14	**Mizoram**	7
15	**Uttar Pradesh**	7
16	**Karnataka**	6
17	**Punjab**	6
18	**Sikkim**	6
19	**Arunachal Pradesh**	5
20	**Goa**	5
21	**Himachal Pradesh**	5
22	**Manipur**	5
23	**Nagaland**	5
24	**Uttarakhand**	5
25	**Haryana**	4
26	**Odisha**	3
27	**Jharkhand**	1
28	**Meghalaya**	0

MANOVA

This study employs MANOVA to understand whether factors like 'year' and 'state' influence parametric values. Since the significance value of Wilks' Lambda and Hotelling's Trace is less than 0.05, it proves that 'region' plays a significant role in causing differences in financial conclusion.

However, the effect of 'year' and 'year*region' could not be determined due to insufficient residual degrees of freedom.

Apart from Roy's Largest Root, all other tests indicate that the parameter values are not influenced much by 'year' and 'year*region'.

Moreover, The final conclusion drawn from the univariate tests indicate that 'year' and 'year*region" don't influence any of the parameters except Number of E-transactions,which shows a statistically significant interaction effect between Year and Region, suggesting that changes over time in Number of E-transactions differ by region.

MULTIVARIATE TESTS

Effect	Value	F	Hypothesis df	Error df	Sig.		
Between Subjec	Intercept	Pillai's Trace	0.986	71.457b	11	11	<.001
		Wilks' Lambda	0.014	71.457b	11	11	<.001
		Hotelling's Trace	71.457	71.457b	11	11	<.001
		Roy's Largest R	71.457	71.457b	11	11	<.001
	Region	Pillai's Trace	1.698	1.541	33	39	0.097
		Wilks' Lambda	0.044	1.886	33	33.112	0.036
		Hotelling's Trace	8.119	2.378	33	29	0.01
		Roy's Largest R	6.675	7.889c	11	13	<.001
Within Subjects	Year	Pillai's Trace	.d	.	.	.	.
		Wilks' Lambda	.d	.	.	.	.
		Hotelling's Trace	.d	.	.	.	.
		Roy's Largest R	.d	.	.	.	.
	Year * Region	Pillai's Trace	.d	.	.	.	.
		Wilks' Lambda	.d	.	.	.	.
		Hotelling's Trace	.d	.	.	.	.
		Roy's Largest R	.d	.	.	.	.

a. Design: Intercept + Region Within Subjects Design: Year
b. Exact statistic
c. The statistic is an upper bound on F that yields a lower bound on the significance level.
d. Cannot produce multivariate test statistics because of insufficient residual degrees of freedom.

TEST OF SPHERICITY A

Within Subjects	Measure	Mauchly's W	pprox. Chi-Squar	df	Sig.	Epsilonb reenhouse-Geiss	Huynh-Feldt	Lower-bound
Year	Param1	0	.	54	.	0.153	0.186	0.1
	Param2	0	207.815	54	<.001	0.349	0.487	0.1
	Param3	0	.	54	.	0.136	0.163	0.1
	Param4	0	.	54	.	0.101	0.116	0.1
	Param5	0	447.717	54	<.001	0.243	0.316	0.1
	Param6	0	408.114	54	<.001	0.123	0.146	0.1
	Param7	0	302.493	54	<.001	0.221	0.284	0.1
	Param8	0	.	54	.	0.146	0.176	0.1
	Param9	0	.	54	.	0.285	0.381	0.1
	Param10	0	.	54	.	0.184	0.23	0.1
	Param11	0	.	54	.	0.128	0.152	0.1

Tests the null hypothesis that the error covariance matrix of the orthonormalized transformed dependent variables is proportional to an identity matrix,
a. Design: Intercept + Region
Within Subjects Design: Year
b. May be used to adjust the degrees of freedom for the averaged tests of significance. Corrected tests are displayed in the Tests of Within-Subjects Effects table.

MULTIVARIATE A,B

Within Subjects	Value	F	Hypothesis df	Error df	Sig.	
Year	Pillai's Trace	0.37	0.73	110	2090	0.983
	Wilks' Lambda	0.676	0.737	110	1510.013	0.98
	Hotelling's Trace	0.415	0.747	110	1982	0.976
	Roy's Largest R	0.17	3.235c	11	209	<.001
Year * Region	Pillai's Trace	1.216	0.87	330	2310	0.948
	Wilks' Lambda	0.253	0.906	330	2103.27	0.875
	Hotelling's Trace	1.575	0.946	330	2180	0.739
	Roy's Largest R	0.516	3.613c	30	210	<.001

a. Design: Intercept + Region Within Subjects Design: Year
b. Tests are based on averaged variables.
c. The statistic is an upper bound on F that yields a lower bound on the significance level.

K MEANS CLUSTERING

K-means clustering was employed to obtain and divide the 28 Indian states into 3 clusters based on their parametric values. This resulted in the formation of Cluster 1, 2 and 3 with Cluster 1 representing " Good Performance" states, Cluster 2 representing "Poor Performance" states and Cluster 3 representing "High Performance" states.

The division of states is as follows:-

Cluster 1

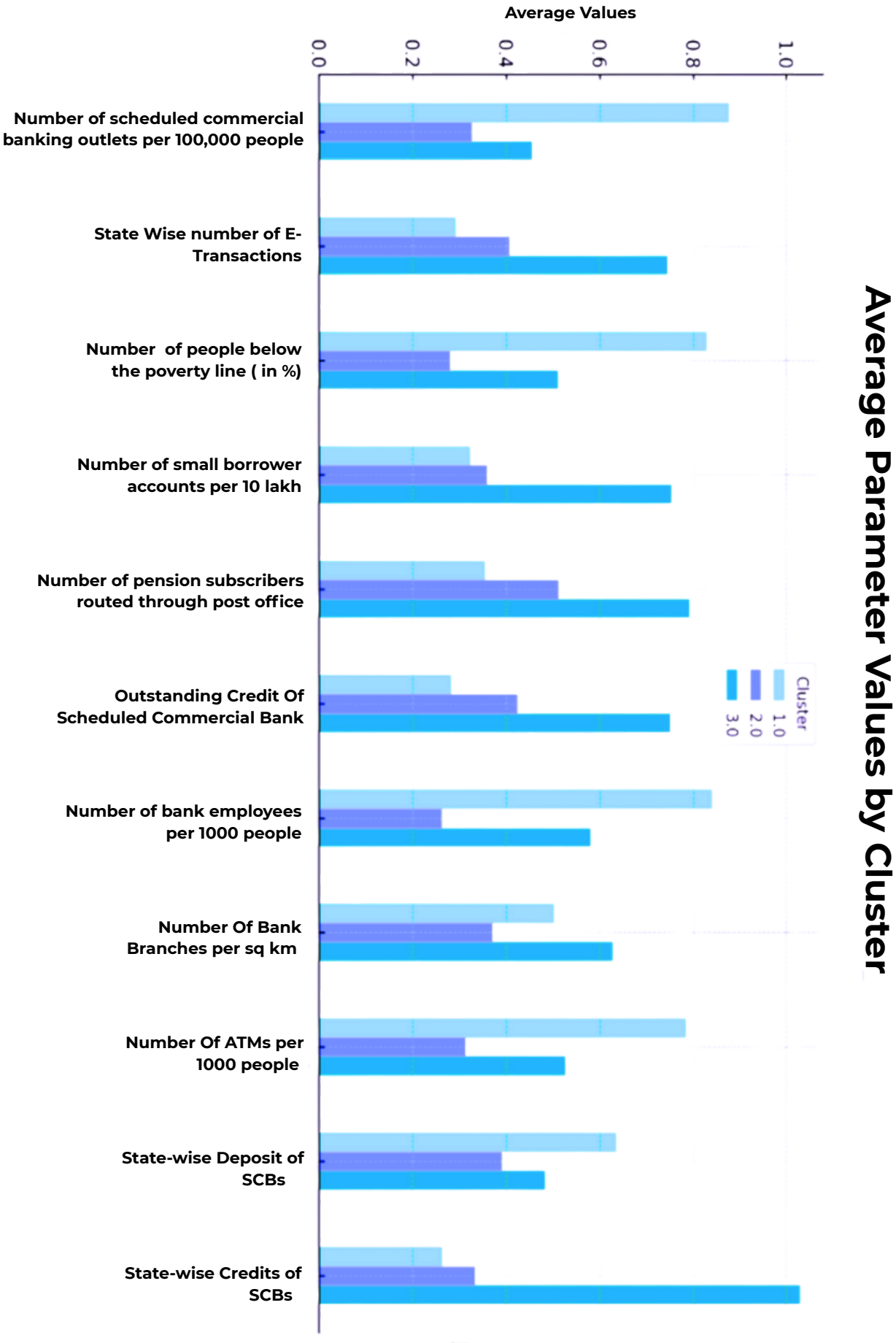
Goa	Himachal Pradesh	Kerela	Mizoram
Sikkim	Uttarakhand	West Bengal	

Cluster 2

Arunachal Pradesh	Assam	Bihar	Chhattisgarh
Haryana	Jharkhand	Manipur	Meghalaya
Nagaland	Odisha	Tripura	

Cluster 3

Andhra Pradesh	Gujrat	Madhya Pradesh	Maharashtra
Punjab	Karnataka	Rajasthan	Tamil Nadu
Telengana			


Average Parameter Values by Cluster
Average Values
0.0
0.2
0.4
0.6
0.8
1.0
Number of scheduled commercial banking outlets per 100,000 people
State Wise number of E-Transactions
Number of people below the poverty line (in %)
Number of small borrower accounts per 10 lakh
Number of pension subscribers routed through post office
Outstanding Credit Of Scheduled Commercial Bank
Number of bank employees per 1000 people
Number Of Bank Branches per sq km
Number Of ATMs per 1000 people
State-wise Deposit of SCBs
State-wise Credits of SCBs
Cluster
1.0
2.0
3.0

FINAL RANKINGS

States	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Andhra Pradesh	2	5	4	5	5	4	5	5	5	7	7
Arunachal Pradesh	25	26	24	24	24	25	25	25	24	24	24
Assam	22	22	22	22	22	22	22	22	22	22	22
Bihar	19	21	21	21	20	20	21	20	20	21	21
Chhattisgarh	20	19	19	19	19	19	18	18	18	18	15
Goa	9	9	9	8	8	8	9	8	9	8	9
Gujarat	5	4	5	4	4	5	4	4	3	3	3
Haryana	6	8	7	7	7	7	7	7	6	5	6
Himachal Pradesh	11	11	12	12	12	12	12	12	12	12	12
Jharkhand	21	20	20	20	21	21	20	21	21	20	20
Karnataka	4	2	2	3	3	3	3	3	4	6	5
Kerala	1	3	1	1	1	1	1	1	2	2	2
Madhya Pradesh	13	12	14	14	16	13	14	17	17	17	16
Maharashtra	8	7	8	9	9	9	8	9	8	9	8
Manipur	27	28	28	28	28	28	27	27	27	27	27
Meghalaya	23	24	25	25	25	26	26	28	28	28	28
Mizoram	24	23	23	23	23	23	23	23	23	23	23
Nagaland	28	27	26	27	27	27	28	26	26	26	26
Odisha	18	18	18	18	18	18	19	19	19	19	19
Punjab	7	6	6	6	6	6	6	6	7	4	4
Rajasthan	15	17	16	17	15	14	13	15	14	16	18
Sikkim	17	16	17	16	17	15	17	14	16	15	17
Tamil Nadu	3	1	3	2	2	2	2	2	1	1	1
Telangana	16	15	10	10	10	10	10	10	10	10	11
Tripura	26	25	27	26	26	24	24	24	25	25	25
Uttar Pradesh	14	13	15	15	14	16	15	16	15	14	14
Uttarakhand	10	10	11	11	11	11	11	11	11	11	10
West Bengal	12	14	13	13	13	17	16	13	13	13	13

STATE PROFILES

Exploring the financial health of each state using visual analysis

ANDHRA PRADESH

RANK: 7/28

CLUSTER 3

POPULATION

49.5 Mn

LAND AREA

1,62,975 Sq.Km.

GSDP

$96.4 Bn

INFLATION (CPI)

2.59%

OVERVIEW & PARAMETRES

BANKS PER 100,000

15.46

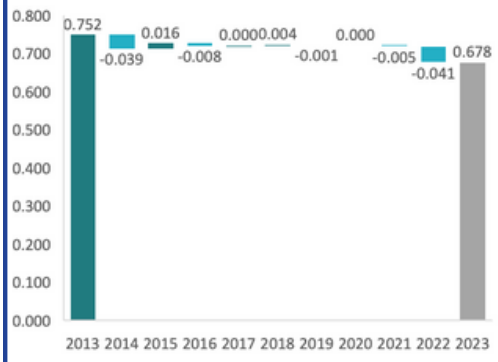
SCORE

0.678

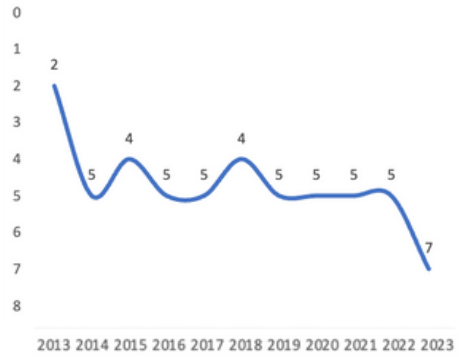
E-TRANSACTIONS

24,79,00,409

ENTROPY SCORE



RANK OVER YEARS

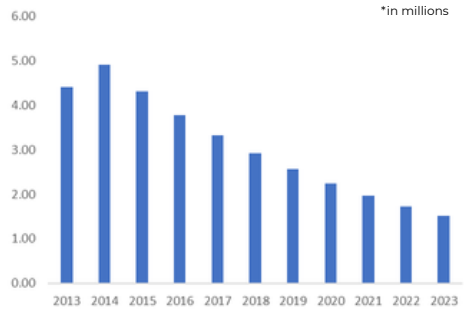


COMPARISON

Andhra Pradesh faced underperformance in the following parameters with respect to the cluster three average:-

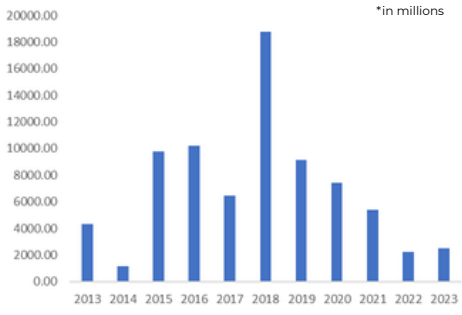
1. E- Transactions
2. Bank employees per 1,000 people
3. Bank branches per sq km
4. Credit of SCBs

BEST PERFORMING



OUTSTANDING CREDIT OF SCBs

WORST PERFORMING



NUMBER OF E-TRANSACTIONS

DATA INSIGHTS

1. **Relatively low digital transactions:** Andhra Pradesh has a population of 49.5 million people with only 247.9 million E-transactions. This is a relatively low compared to smaller states like Chhattisgarh with half the population of Andhra Pradesh have more than 4 times the E-transactions.
2. **Investment requirement in digital financial infrastructure:** Specific allocations towards this sector have not been made by the government. In comparison, neighbouring states like Karnataka and Telangana have outlined clear investments in digital and technological sectors.
3. **Administrative uncertainties:** Following the creation of Telangana, Andhra Pradesh faced administrative challenges such as creation of a new capital in Amravati which could have caused the declining rank in the index.

ARUNACHAL PRADESH

RANK: 24/28

CLUSTER 2

POPULATION

1.38 Mn

LAND AREA

83,743 Sq.Km.

GSDP

$4.12 Bn

INFLATION (CPI)

2.82%

OVERVIEW & PARAMETRES

BANKS PER 100,000

13.51

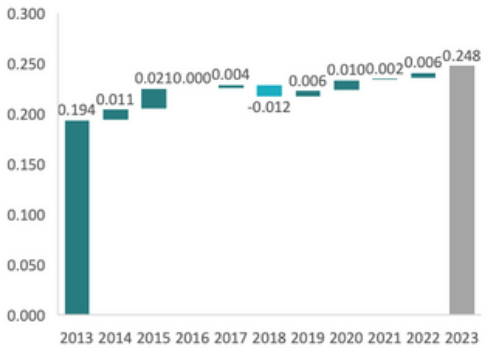
SCORE

0.248

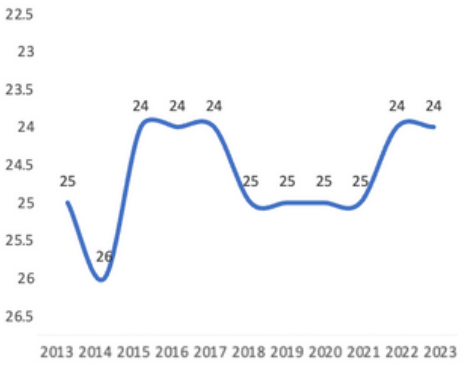
E-TRANSACTIONS

56,72,122

ENTROPY SCORE



RANK OVER YEARS

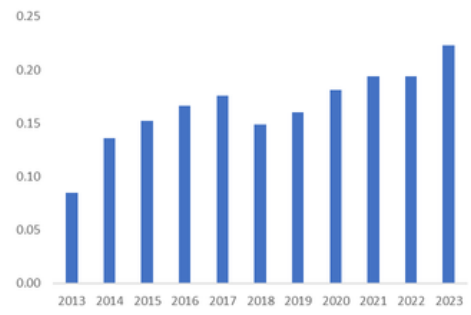


COMPARISON

Arunachal Pradesh faced underperformance in the following parameters with respect to the cluster 2 average:-

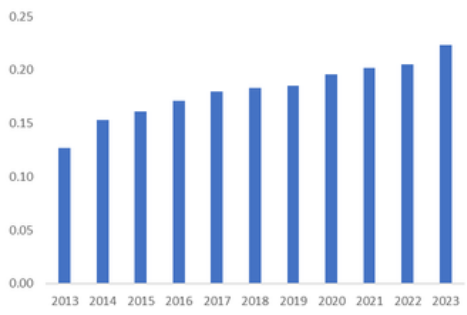
1. Pension subscribers routed through post office
2. Outstanding credit of SCBs
3. Credit of SCBs

BEST PERFORMING



NUMBER OF ATMs PER 1,000 PEOPLE

WORST PERFORMING



NUMBER OF BANK BRANCHES PER SQ KM

DATA INSIGHTS

1. **Drastically low number of banks in comparison to ATMs:** Arunachal Pradesh performs the worst among all states in the "Number of bank branches per sq. km" parameter, but it has an above average score in "Number of ATMs per 1,000 people". Low population density and challenging terrain could be potential reasons behind this.
2. **Low number of E-transactions**: Like other northeastern states, Arunachal Pradesh also ranks very low in terms of E-transactions volume due to lack of digital access and infrastructure.
3. **Positive signs:** Arunachal Pradesh has shown growth and increase in scores year-on-year in 9 out of all 11 parameters.

ASSAM

RANK: 22/28

CLUSTER 2

POPULATION

31.2 Mn

LAND AREA

Sq.Km. 78,438

GSDP

$37.35 Bn

INFLATION (CPI)

2.8%

OVERVIEW & PARAMETRES

BANKS PER 100,000

9.89

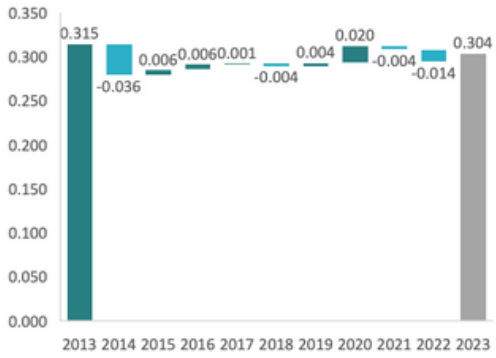
SCORE

0.304

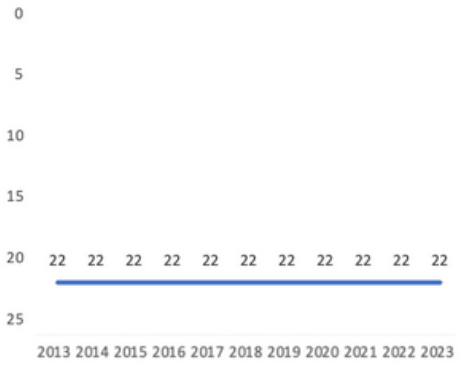
E-TRANSACTIONS

9,96,37,594

ENTROPY SCORE



RANK OVER YEARS

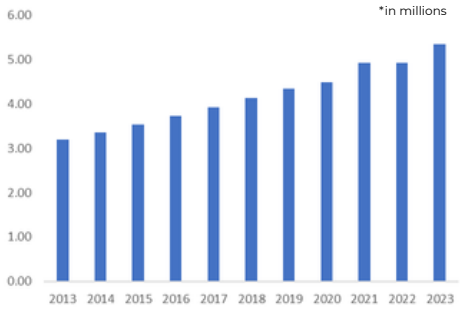


COMPARISON

Assam underperforms in the following parameters with respect to the cluster 2 average:-

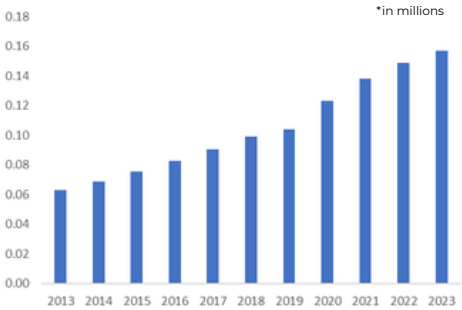
1. SCB outlets
2. E-transactions
3. People below the poverty line
4. Deposit of SCBs

BEST PERFORMING



NUMBER OF PENSION SUBSCRIBERS ROUTED THROUGH POST OFFICE

WORST PERFORMING



DEPOSIT OF SCBs

DATA INSIGHTS

1. **Stagnant rank:** Assam has retained its rank of 22 in all the years of the study, indicating that government initiatives for increasing financial inclusion have probably not yielded positive results.
2. **Physical infrastructure challenges:** Assam performs poorly in all the physical infrastructure parameters like "Number of ATMs per 1,000 people" and "Number of Banks per 100,000 people", indicating requirement of investment in physical infrastructure like banking outlets and ATMs.
3. **Success of mobile-banking and pension services:** Assam performs better than other states in the region in terms of access to services like pension and mobile banking.

BIHAR

RANK: 21/28

CLUSTER 2

POPULATION

104.1 Mn

LAND AREA

94,163 Sq.Km.

GSDP

$54.4 Bn

INFLATION (CPI)

2.9%

OVERVIEW & PARAMETRES

BANKS PER 100,000

5.99

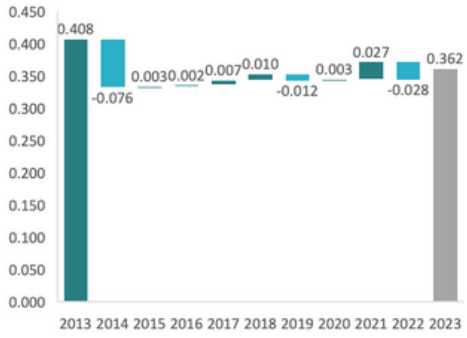
SCORE

0.362

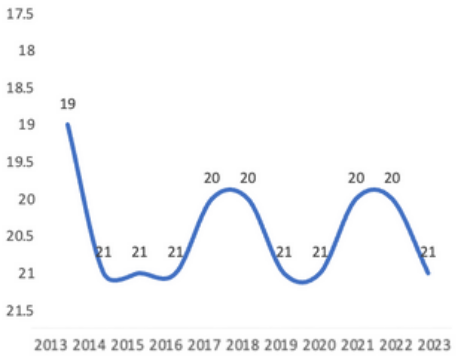
E-TRANSACTIONS

53,22,62,600

ENTROPY SCORE



RANK OVER YEARS

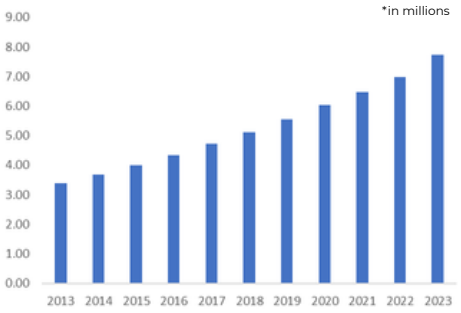


COMPARISON

Bihar underperforms in the following parameters with respect to the cluster 2 average:-

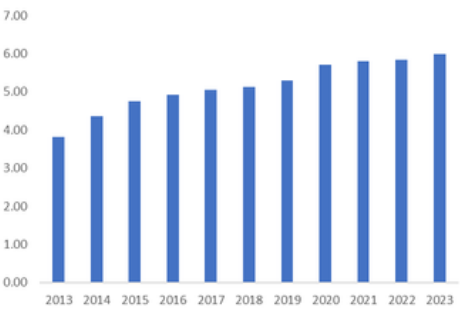
1. SCB Outlets
2. Bank employees per 1,000 people
3. ATMs

BEST PERFORMING



NUMBER OF PENSION SUBSCRIBERS ROUTED THROUGH POST OFFICE

WORST PERFORMING



NUMBER OF BANK OUTLETS PER 100,000 PEOPLE

DATA INSIGHTS

1. **High population burden:** Bihar's high population density reduces its overall score and makes it the worst performer in population-related parameters.
2. **Good pension access:** Bihar has a considerably well score in parameters about access to pension services and bank branches per sq km.
3. **Severe poverty:** The state is the second worst performer in "Percentage of people below the poverty line" (after Meghalaya) indicating the need for urgent poverty alleviation measures.

CHHATTISGARH

RANK: 18/28

CLUSTER 2

POPULATION

25.5 Mn

LAND AREA

1,35,192 Sq.Km.

GSDP

$37.7 Bn

INFLATION (CPI)

3.09%

OVERVIEW & PARAMETRES

BANKS PER 100,000

11.66

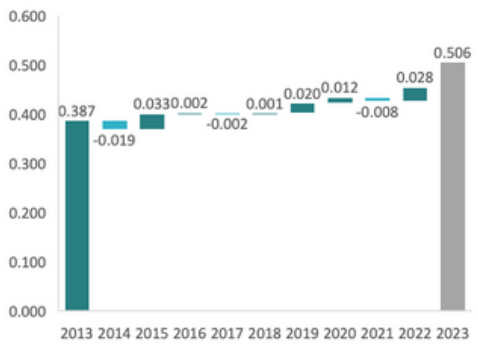
SCORE

0.506

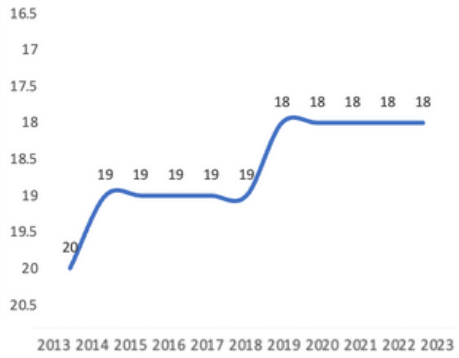
E-TRANSACTIONS

97,07,54,539

ENTROPY SCORE



RANK OVER YEARS

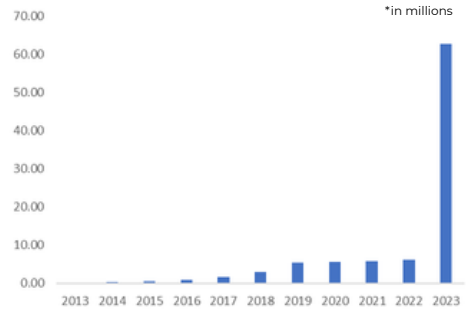


COMPARISON

Chhattisgarh has faced underperformance in the following parameters with respect to the cluster 2 average:-

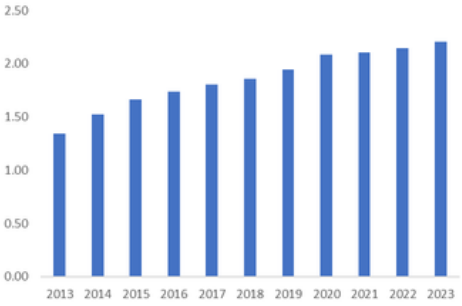
1. Commercial banking outlets per 100,000 people
2. Bank branches per sq km

BEST PERFORMING



NUMBER OF PENSION SUBSCRIBERS ROUTED THROUGH POST OFFICE

WORST PERFORMING



NUMBER OF BANK BRANCHES PER SQ KM

DATA INSIGHTS

1. **Mixed performance:** Chhattisgarh has a score of 0.506 which reflects mixed performance with good scores in certain parameters, along with certain concerning scores in others.
2. **Less number of banks per sq. km.:** The state is performing the worst in terms of number of banks per sq. km. Hence, in order to improve its ranking, the state needs to focus on building a higher number of banks.
3. **Scope for improvement:** Despite having scores above 0.7 in 3 parameters, Chhattisgarh ranks 18th in the index, which shows considerable scope for improvement, supported by impactful policy decisions.

GOA

RANK: 8/28

CLUSTER 1

POPULATION

1.46 Mn

LAND AREA

3,702 Sq.Km.

GSDP

$6.3 Bn

INFLATION (CPI)

6.95%

OVERVIEW & PARAMETRES

BANKS PER 100,000

45.8

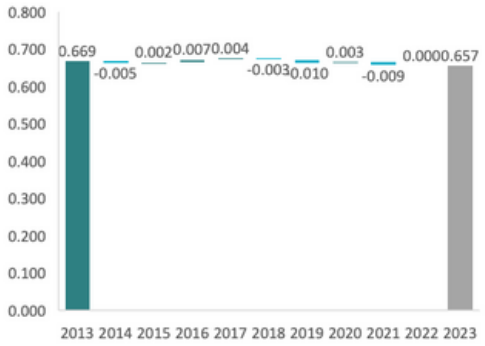
SCORE

0.657

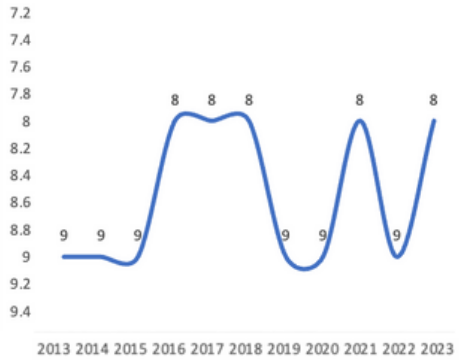
E-TRANSACTIONS

45,57,803

ENTROPY SCORE



RANK OVER YEARS

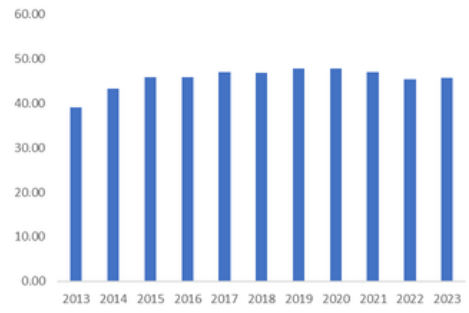


COMPARISON

Goa underperforms in the following parameters with respect to the cluster 1 average:-

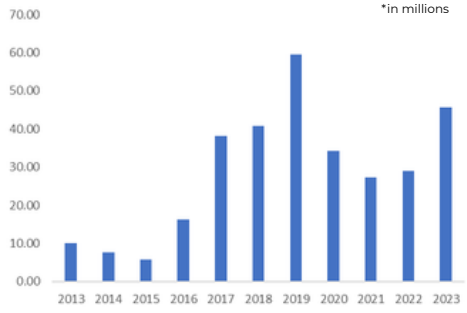
1. E-transactions
2. Small borrower accounts per 10 lakh
3. Pension subscribers
4. Outstanding credit of SCBs
5. Credit of SCBs

BEST PERFORMING



NUMBER OF BANK OUTLETS PER 100,000 PEOPLE

WORST PERFORMING



NUMBER OF E-TRANSACTIONS

DATA INSIGHTS

1. **Top performer:** Goa is the best performing state in 5 out of 11 parameters, particularly in the categories of 'social' and 'expansion of formal banking services'.
2. **Low population:** While the state benefits from a low population in certain parameters towards ensuring financial inclusion, there is a need to focus on digital infrastructure development.
3. **Stable performance:** Goa has shown a stable score and rank in the index during the time period of the study. This is also backed by the stable government in the state during this time period.

GUJARAT

RANK: 3/28

CLUSTER 3

POPULATION

60.4 Mn

LAND AREA

1,96,024 Sq.Km.

GSDP

$171.6 Bn

INFLATION (CPI)

2.51%

OVERVIEW & PARAMETRES

BANKS PER 100,000

14.66

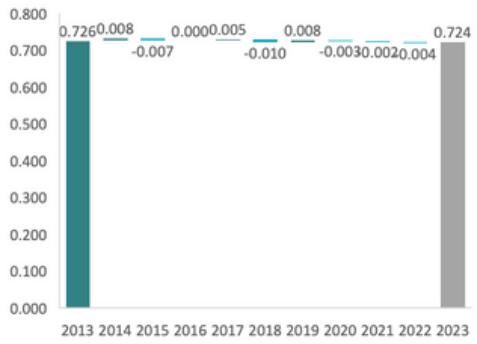
SCORE

0.724

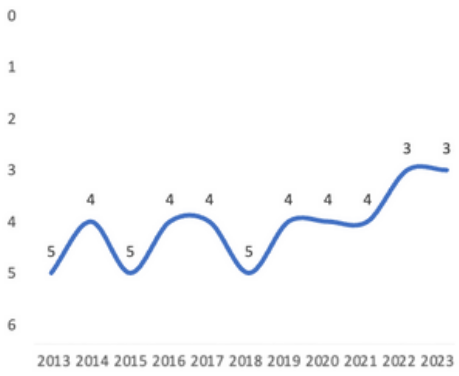
E-TRANSACTIONS

93,25,68,403

ENTROPY SCORE



RANK OVER YEARS

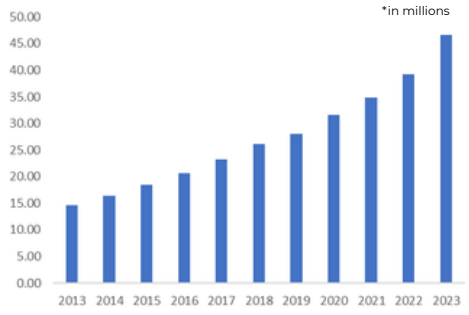


COMPARISON

Gujarat underperforms in the following parameters with respect to the cluster 3 average:-

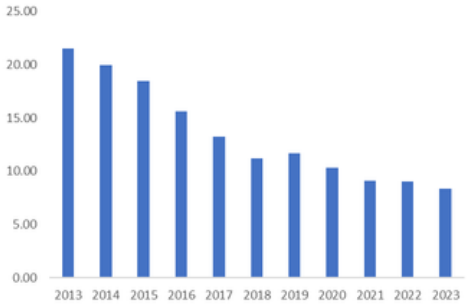
1. People below the poverty line
2. Small borrower accounts
3. Bank branches
4. Credit of SCBs

BEST PERFORMING



DEPOSIT OF SCBs

WORST PERFORMING



NUMBER OF PEOPLE BELOW POVERTY LINE

DATA INSIGHTS

1. **High performing state:** Gujarat ranks 3rd in the index and has remained in the top 5 throughout the period of the study, indicating high levels of financial inclusion in the state.
2. **Strong performance throughout:** The state has a score of more than 0.5 in 10 out of 11 parameters which shows strong performance in each aspect of financial inclusion.
3. **Social parameters require improvement:** Gujarat has slightly lower performance in "percentage of people below the poverty line" parameter which necessitates the need for more investment in poverty alleviation programs.

HARYANA

RANK: 6/28

CLUSTER 2

POPULATION

25.3 Mn

LAND AREA

44,213 Sq.Km.

GSDP

$73.2 Bn

INFLATION (CPI)

3.51%

OVERVIEW & PARAMETRES

BANKS PER 100,000

21.01

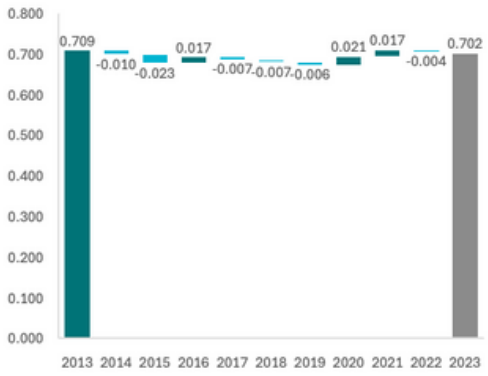
SCORE

0.701

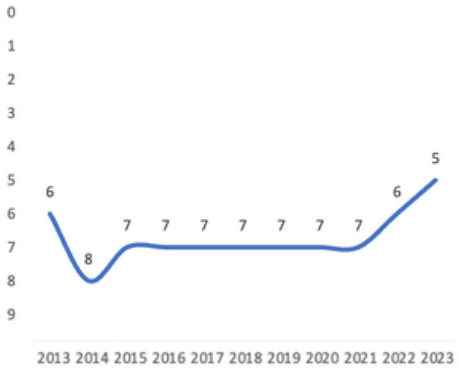
E-TRANSACTIONS

41,35,33,673

ENTROPY SCORE



RANK OVER YEARS

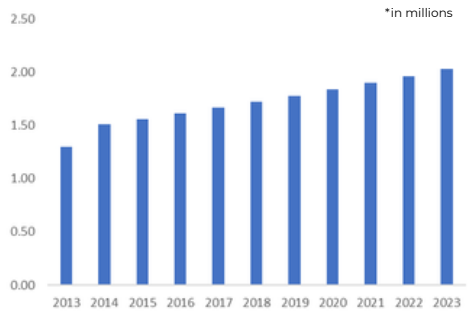


COMPARISON

Haryana underperforms in the following parameters with respect to the cluster 2 average:-

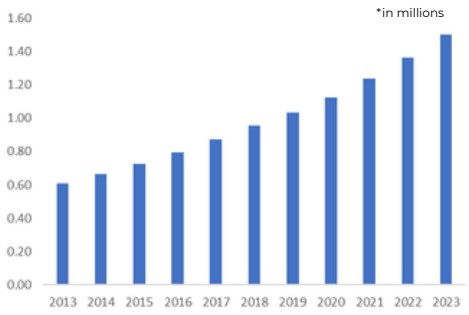
1. Small borrower accounts
2. Outstanding credit of SCBs
3. Deposit of SCBs
4. Credit of SCBs

BEST PERFORMING



NUMBER OF BANK EMPLOYEES PER 1000 PEOPLE

WORST PERFORMING



DEPOSIT OF SCBs

DATA INSIGHTS

1. **Strong Institutional Infrastructure**: Haryana ranks 6 out of 28 states with a Financial Inclusivity score of 0.701, showcasing robust infrastructure with 21.01 banks per 100,000 people. This relatively high penetration indicates accessibility to formal banking systems across the state.
2. **Decline in digital transactions score**: While most states have witnessed an increase in digital paramaters' score, Haryana has witnessed an opposite trend going from 0.852 in 2013 to 0.593 in 2023
3. **Digital access lags behind physical inclusion**: Haryana has a relatively lower score in e-transactions parameter, indicating that growth in financial inclusion is still mainly driven by physical access.

HIMACHAL PRADESH

RANK: 12/28

CLUSTER 1

POPULATION

6.8 Mn

LAND AREA

55,673 Sq.Km.

GSDP

$15.5 Bn

INFLATION (CPI)

2.61%

OVERVIEW & PARAMETRES

BANKS PER 100,000

25.26

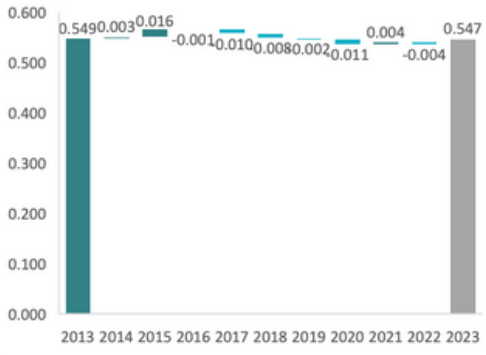
SCORE

0.547

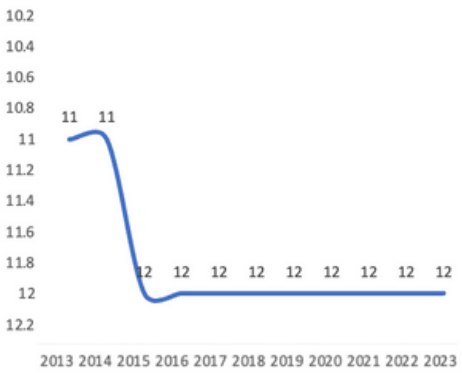
E-TRANSACTIONS

14,34,85,322

ENTROPY SCORE



RANK OVER YEARS

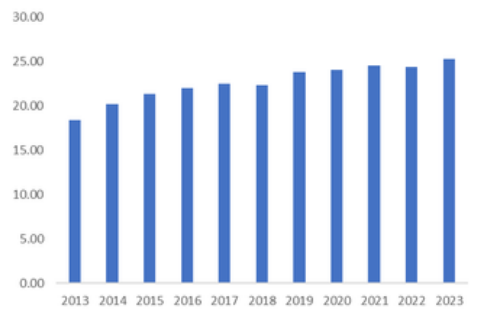


COMPARISON

Himachal Pradesh has underperformed in the following parameters with respect to the cluster 1 average:-

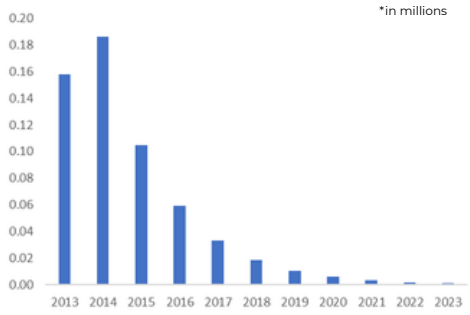
1. People below the poverty line
2. Outstanding credit of SCBs
3. Bank branches
4. Deposits of SCBs

BEST PERFORMING



NUMBER OF BANK OUTLETS PER 100,000 PEOPLE

WORST PERFORMING



OUTSTANDING CREDIT OF SCBs

DATA INSIGHTS

1. **Outstanding credit of SCBs:** Himachal Pradesh has a low score in this parameter, suggesting that credit access in the state requires immediate attention.
2. **Mixed progress:** Himachal Pradesh performs considerably well in physical infrastructure related factors but has below average performance in other parameters.
3. **Significant potential for improvement:** As Himachal Pradesh performs exceptionally well in certain parameters, if the state improves upon other parameters to achieve a decent status with respect to them, then the state can rise significantly higher in the rankings.

JHARKHAND

RANK: 20/28

CLUSTER 2

POPULATION

32.9 Mn

LAND AREA

79,716 Sq.Km.

GSDP

$31 Bn

INFLATION (CPI)

2.18%

OVERVIEW & PARAMETRES

BANKS PER 100,000

10

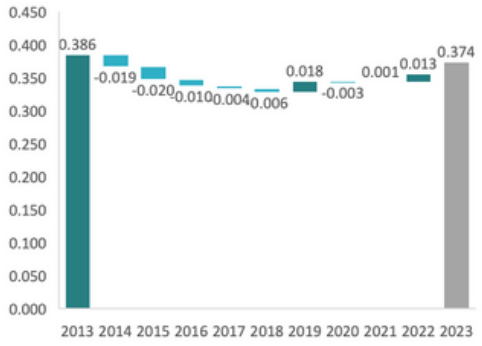
SCORE

0.374

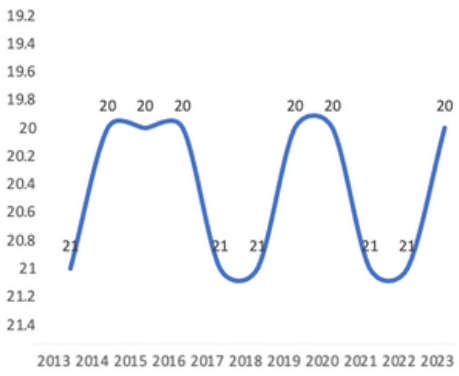
E-TRANSACTIONS

59,15,50,996

ENTROPY SCORE



RANK OVER YEARS

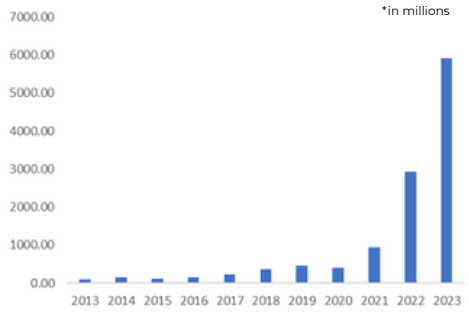


COMPARISON

Jharkhand underperforms in these parameters with respect to the cluster 2 average:-

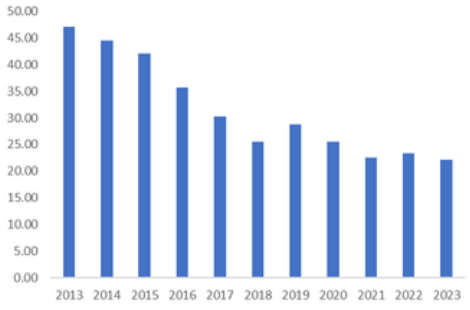
1. SCB outlets
2. Outstanding credit of SCBs
3. ATMs per 1,000 people

BEST PERFORMING



NUMBER OF E-TRANSACTIONS

WORST PERFORMING



NUMBER OF PEOPLE BELOW THE POVERTY LINE

DATA INSIGHTS

1. **Social Challenges:** Jharkhand performs poorly in the poverty parameter as it has a high percentage of people living below the poverty line.
2. **Inadequacies in physical infrastructure**: Jharkhand does not have good scores in parameters related to physical infrastructure and financial access, necessitating higher government investment in areas like opening up of new banks, ATMs etc.
3. **Above average performance in digital access:** The state has a high score in the digital access parameters which follows the same trend as other states in the region.

KARNATAKA

RANK: 6/28

CLUSTER 3

POPULATION

61.1 Mn

LAND AREA

1,91,791 Sq.Km.

GSDP

$156.3 Bn

INFLATION (CPI)

4.26%

OVERVIEW & PARAMETRES

BANKS PER 100,000

18.06

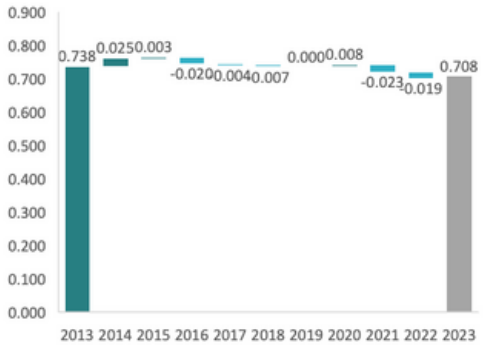
SCORE

0.708

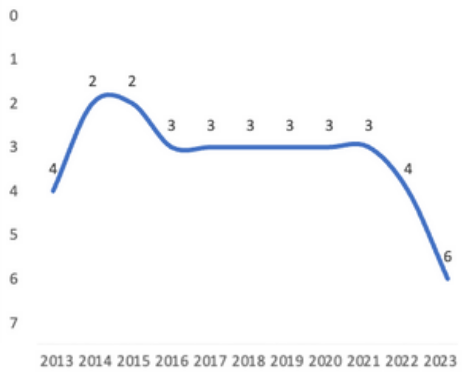
E-TRANSACTIONS

34,89,67,817

ENTROPY SCORE



RANK OVER YEARS

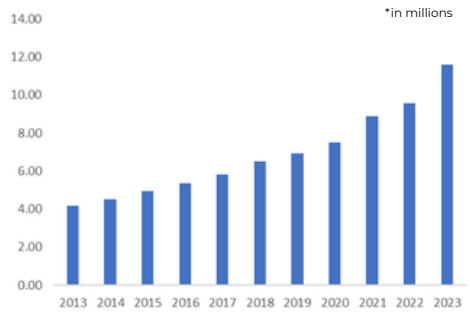


COMPARISON

Karnataka underperforms in these parameters with respect to the cluster 3 average:-

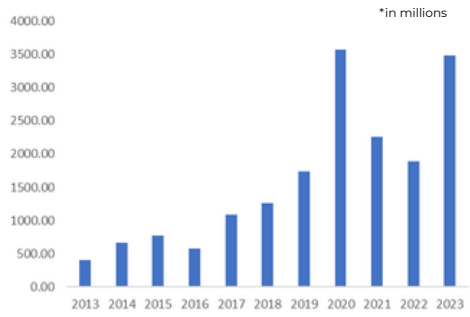
1. E-transactions
2. Outstanding credit of SCBs
3. Credits of SCBs

BEST PERFORMING



CREDIT OF SCBs

WORST PERFORMING



NUMBER OF E-TRANSACTIONS

DATA INSIGHTS

1. **Low number of digital transactions:** In relation to its population, Karnataka, like Andhra Pradesh has relatively low number of digital transactions.
2. **Strong performer:** Karnataka has an overall score of 0.708 and is a strong performer in all parameters except "Number of E-transactions". This highlights continued success in ensuring financial inclusion.

KERALA

RANK: 2/28

CLUSTER 1

POPULATION

33.4 Mn

LAND AREA

38,863 Sq.Km.

GSDP

$69.7 Bn

INFLATION (CPI)

5.94%

OVERVIEW & PARAMETRES

BANKS PER 100,000

20.72

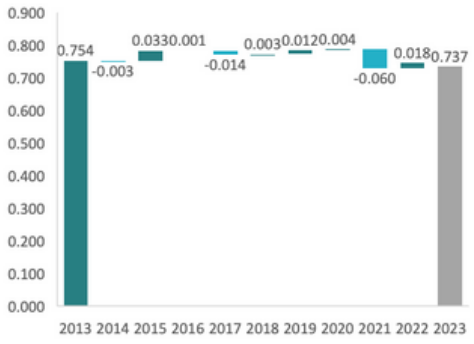
SCORE

0.737

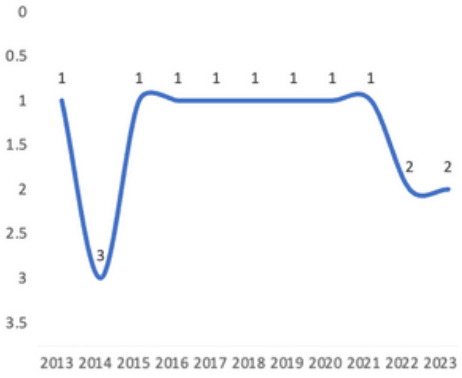
E-TRANSACTIONS

40,76,03,746

ENTROPY SCORE



RANK OVER YEARS

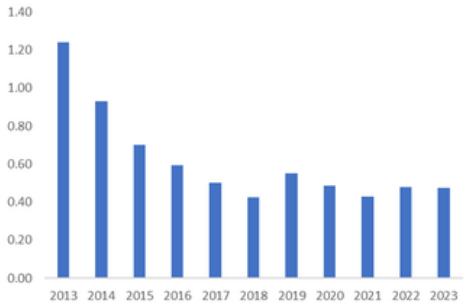


COMPARISON

Kerala underperforms in the following parameters with respect to the cluster 1 average:-

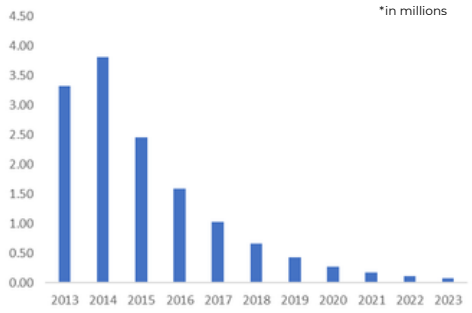
1. Commercial banking outlets per 100,000 people
2. Bank employees per 1,000 people

BEST PERFORMING



PERCENTAGE OF PEOPLE BELOW THE POVERTY LINE

WORST PERFORMING



OUTSTANDING CREDIT OF SCBs

DATA INSIGHTS

1. **Financial inclusion frontrunner:** Kerala ranks second in the index with an overall score of 0.737. Throughout the duration of the study, Kerala has occupied the top 3 places, indicating strong levels of financial inclusion in the state.
2. **Credit creation:** "Outstanding credit of SCBs" is the parameter in which Kerala performs relatively low, suggesting that credit taking abilities of the population need to be improved through structured institutional changes.

MADHYA PRADESH

RANK: 17/28

CLUSTER 3

POPULATION

72.6 Mn

LAND AREA

3,08,252 Sq.Km.

GSDP

$72.9 Bn

INFLATION (CPI)

2.63%

OVERVIEW & PARAMETRES

BANKS PER 100,000

10.38

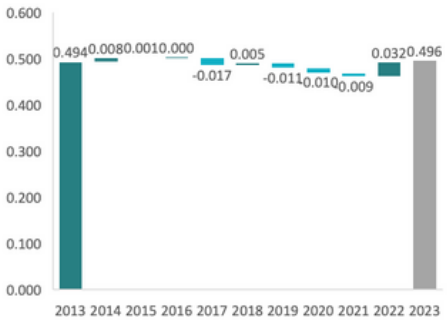
SCORE

0.496

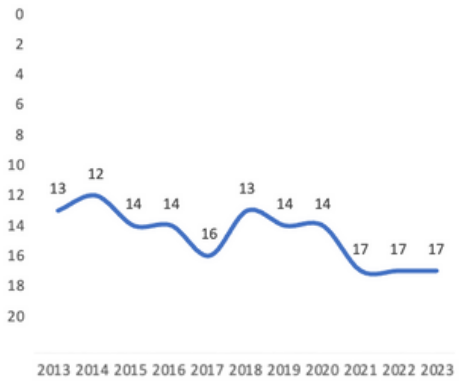
E-TRANSACTIONS

1,47,55,42,368

ENTROPY SCORE



RANK OVER YEARS

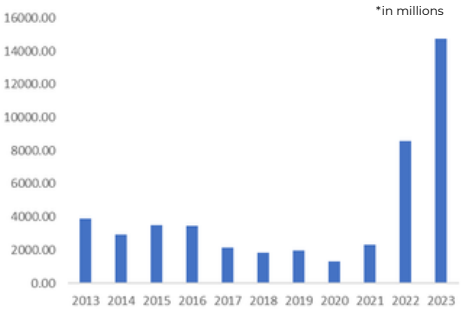


COMPARISON

Madhya Pradesh has underperformed in the following parameters with respect to the cluster 3 average:-

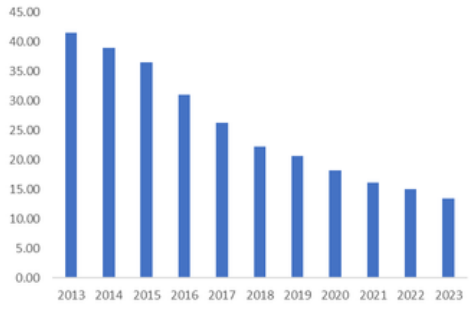
1. Number of small borrower accounts per 10 lakh
2. Outstanding credit of SCBs
3. Credits of SCBs

BEST PERFORMING



NUMBER OF E-TRANSACTIONS

WORST PERFORMING



PERCENTAGE OF PEOPLE BELOW THE POVERTY LINE

DATA INSIGHTS

1. **Lack of physical infrastructure access:** Madhya Pradesh scores low in physical infrastructure parameters, partly due to its high population and land area but also because of less number of banking outlets and ATMs.
2. **Declining performance:** The state has witnessed declining performance year-on year with a fall in rank from 13 in 2013 to 17 in 2023.
3. **High poverty:** Madhya Pradesh has a high poverty rate which validates the recent money transfer schemes employed by the state government.

MAHARASHTRA

RANK: 9/28

CLUSTER 3

POPULATION

112.3 Mn

LAND AREA

3,07,713 Sq.Km.

GSDP

$262.3 Bn

INFLATION (CPI)

3.56%

OVERVIEW & PARAMETRES

BANKS PER 100,000

12.43

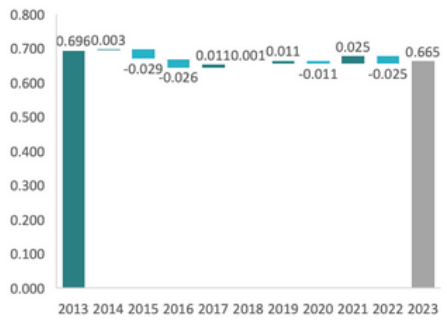
SCORE

0.664

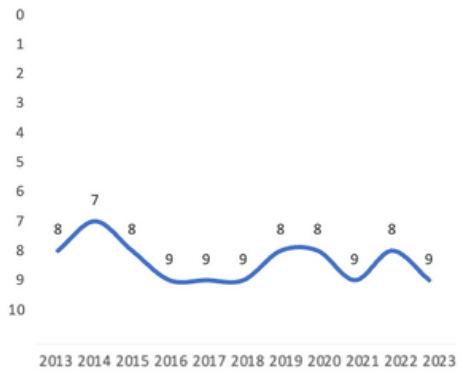
E-TRANSACTIONS

79,99,57,730

ENTROPY SCORE



RANK OVER YEARS

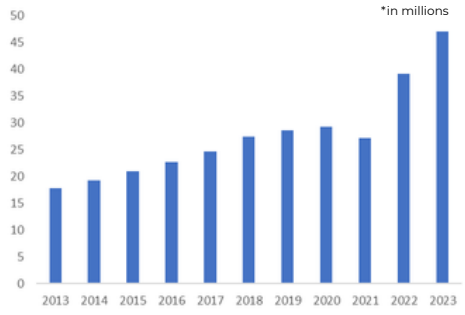


COMPARISON

Maharashtra has faced underperformance in the following parameters with respect to the cluster 3 average:-

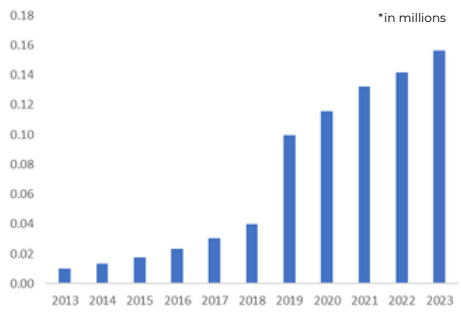
1. SCB Outlets
2. E-transactions
3. Bank branches
4. Credits of SCBs

BEST PERFORMING



CREDIT OF SCBs

WORST PERFORMING



DEPOSIT OF SCBs

DATA INSIGHTS

1. **High credit of SCBs:** Maharashtra is the best performer in "Credit of SCBs" among all the states.
2. **Strong insurance and pension schemes:** Maharashtra's performance in parameters related to insurance and pension schemes is very high, indicating a good social security position.
3. **Relatively low deposits of SCBs:** In comparison to credit of SCBs, Maharashtra has a relatively lower standing in terms of deposits of SCBs.

MANIPUR

RANK: 27/28

CLUSTER 2

POPULATION

2.57 Mn

LAND AREA

22,327 Sq.Km.

GSDP

$2.57 Bn

INFLATION (CPI)

3.52%

OVERVIEW & PARAMETRES

BANKS PER 100,000

9.34

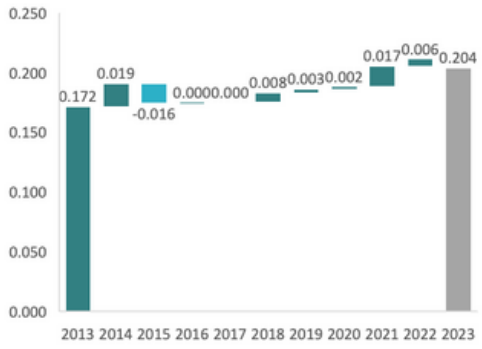
SCORE

0.204

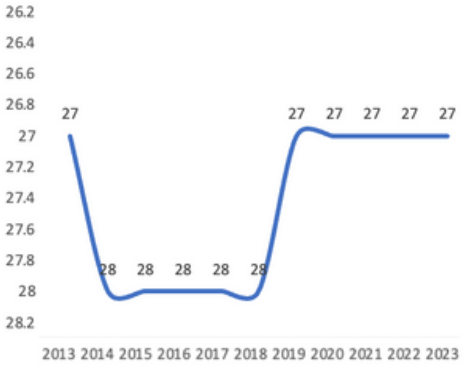
E-TRANSACTIONS

1,91,92,655

ENTROPY SCORE



RANK OVER YEARS

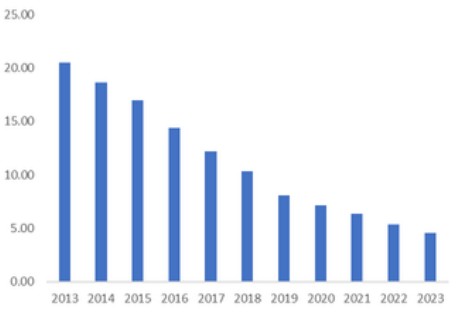


COMPARISON

Manipur underperforms in these parameters with respect to the cluster 2 average:-

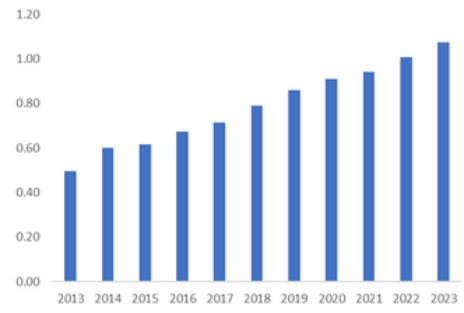
1. SCB outlets
2. E-transactions
3. Pension subscribers
4. ATMs
5. Deposits of SCBs

BEST PERFORMING



NUMBER OF PEOPLE BELOW THE POVERTY LINE

WORST PERFORMING



NUMBER OF BANK BRANCHES PER SQ KM

DATA INSIGHTS

1. **Low performer:** Throughout the period of the study, Manipur has remained in the bottom two ranks, indicating prolonged low levels of financial inclusion.
2. **Lack of manpower:** Manipur performs poorly in "Number of bank employees per 1,000 people" which highlights the lack of manpower employed in the banking sector in the state.
3. **Poor physical infrastructure:** In all the physical infrastructure parameters, Manipur has a normalise score of less than 0.1, indicating that there is a massive shortage of physical banking infrastructure in the state.

MEGHALAYA

RANK: 28/28

CLUSTER 2

POPULATION

2.96 Mn

LAND AREA

Sq.Km.

22,429

GSDP

$3.16 Bn

INFLATION (CPI)

4.09%

OVERVIEW & PARAMETRES

BANKS PER 100,000

12.61

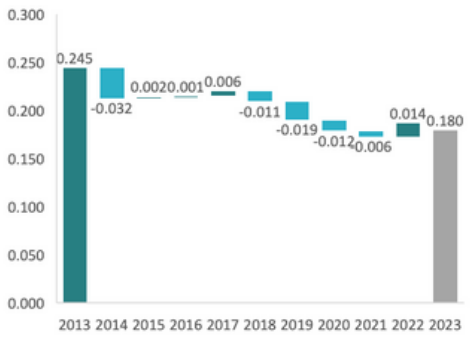
SCORE

0.179

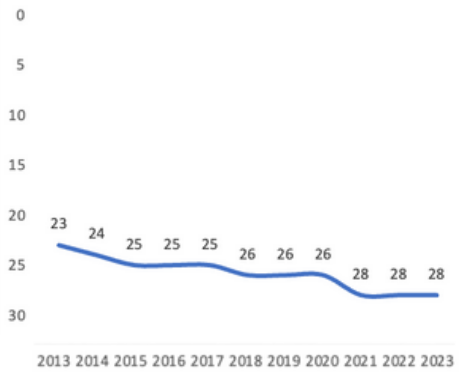
E-TRANSACTIONS

7,31,32,875

ENTROPY SCORE



RANK OVER YEARS

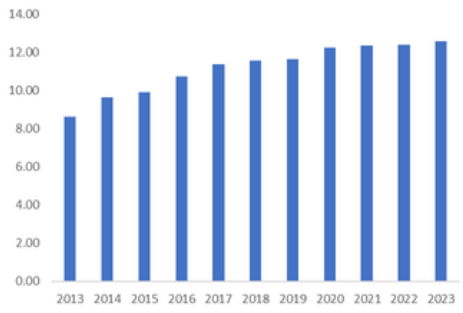


COMPARISON

Meghalaya has faced underperformance in the following parameters with respect to the cluster 2 average:-

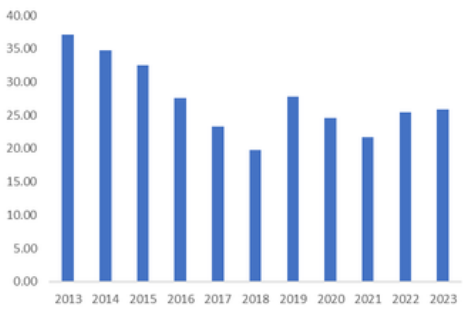
1. E-transactions
2. Pension subscribers
3. Bank branches
4. ATMs
5. Deposits of SCBs

BEST PERFORMING



NUMBER OF BANK OUTLETS PER 100,000 PEOPLE

WORST PERFORMING



NUMBER OF PEOPLE BELOW POVERTY LINE

DATA INSIGHTS

1. **Underperformance in financial access:** It consistently ranks among the lowest in the number of bank branches per sq. km and per 100,000 adults, reflecting limited physical outreach of formal banking services.
2. **Highest poverty levels:** The state records the highest percentage of people below the poverty line in the country, severely impacting its financial inclusion score.
3. **Digital and pension gaps:** Meghalaya lags in digital transactions and access to pension services, with both general and women-specific pension coverage among the lowest.
4. **Marginal improvement:** Despite these challenges, there is a slight year-on-year improvement in parameters related to mobile banking and ATM density, suggesting early signs of digital adoption.

MIZORAM

RANK: 23/28

CLUSTER 1

POPULATION

1.09 Mn

LAND AREA

21,081 Sq.Km.

GSDP

$2.34 Bn

INFLATION (CPI)

3.28%

OVERVIEW & PARAMETRES

BANKS PER 100,000

20.69

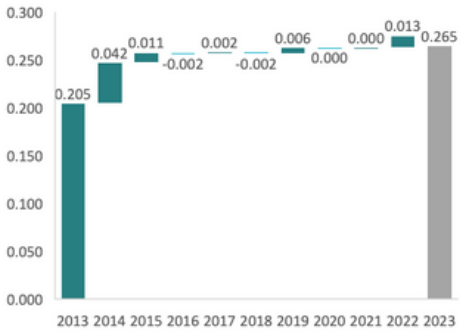
SCORE

0.265

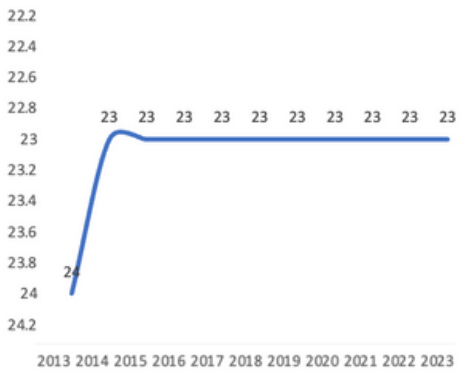
E-TRANSACTIONS

1,89,98,988

ENTROPY SCORE



RANK OVER YEARS

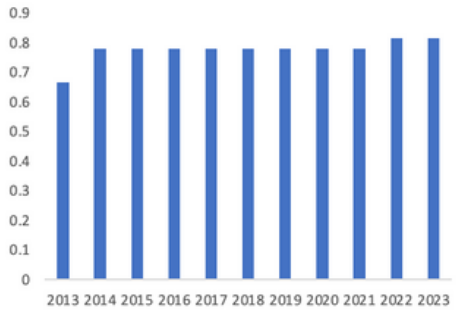


COMPARISON

Mizoram underperforms in these parameters with respect to the cluster 1 average:-

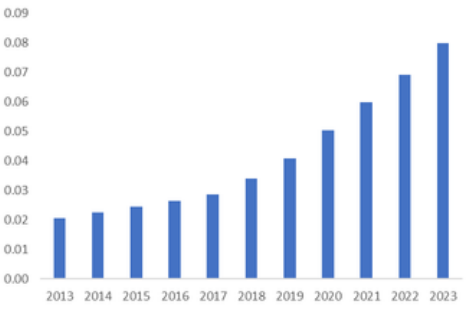
1. Banking outlets
2. E-transactions
3. Borrower accounts
4. Pension subscribers
5. Bank branches
6. ATMs
7. Deposits of SCBs

BEST PERFORMING



NUMBER OF PEOPLE BELOW THE POVERTY LINE

WORST PERFORMING



CREDIT OF SCBs

DATA INSIGHTS

1. **Sparse banking infrastructure:** Mizoram has one of the lowest numbers of bank branches per sq. km, likely due to its hilly terrain and dispersed settlements.
2. **Above-average ATM penetration:** The state compensates partially with a relatively higher number of ATMs per 1,000 people compared to other northeastern states.
3. **Low digital transactions:** E-transaction volumes remain low, reflecting limited digital literacy and infrastructure.
4. **Steady progress:** Mizoram shows consistent, albeit slow, improvement in financial inclusion parameters, particularly in mobile banking usage and pension access for women.

NAGALAND

RANK: 26/28

CLUSTER 2

POPULATION

1.98 Mn

LAND AREA

16,579 Sq.Km.

GSDP

$2.34 Bn

INFLATION (CPI)

2.92%

OVERVIEW & PARAMETRES

BANKS PER 100,000

9.7

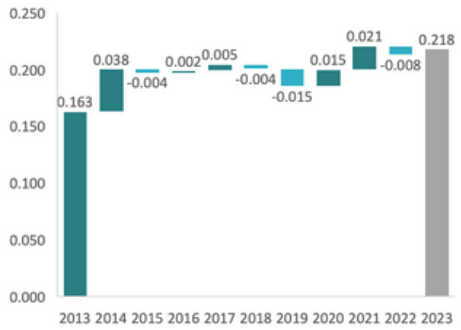
SCORE

0.218

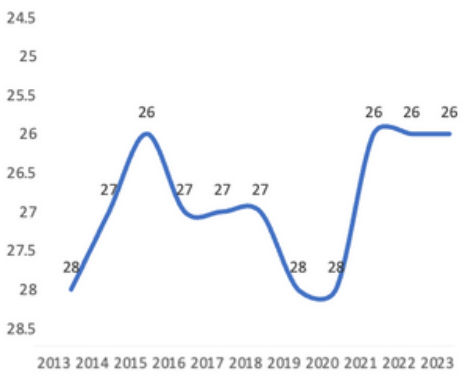
E-TRANSACTIONS

2,00,28,295

ENTROPY SCORE



RANK OVER YEARS

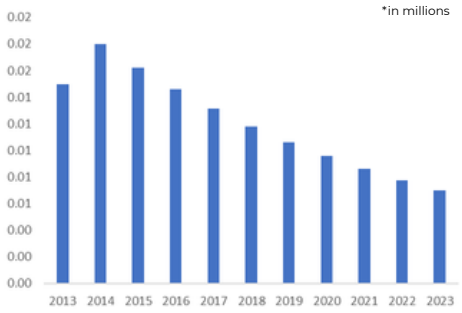


COMPARISON

Nagaland underperforms in these parameters with respect to the cluster 2 average:-

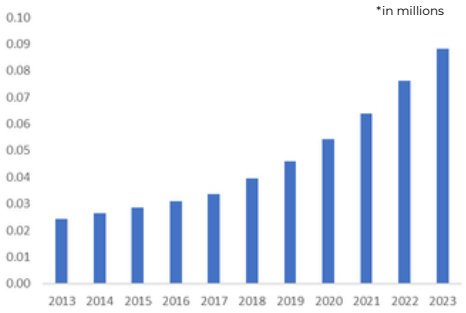
1. E-transactions
2. People below the poverty line
3. Small borrower
4. Pension subscribers
5. Bank branches
6. Deposits of SCBs

BEST PERFORMING



OUTSTANDING CREDIT OF SCBs

WORST PERFORMING



CREDIT OF SCBs

DATA INSIGHTS

1. **Severe access constraints:** Nagaland ranks near the bottom for both the number of bank branches and ATMs per capita, indicating significant access issues.
2. **Digital lag:** The state has very low digital transaction volumes and poor adoption of mobile banking.
3. **Socio-economic barriers:** High poverty rates and low formal sector penetration further impede financial inclusion.
4. **Incremental gains:** There is gradual improvement in pension access and formal account ownership, but the pace remains slow.

ODISHA

RANK: 19/28

CLUSTER 2

POPULATION

41.9 Mn

LAND AREA

1,55,707 Sq.Km.

GSDP

$56.2 Bn

INFLATION (CPI)

2.5%

OVERVIEW & PARAMETRES

BANKS PER 100,000

13.22

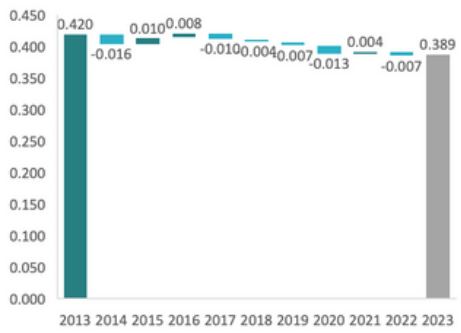
SCORE

0.389

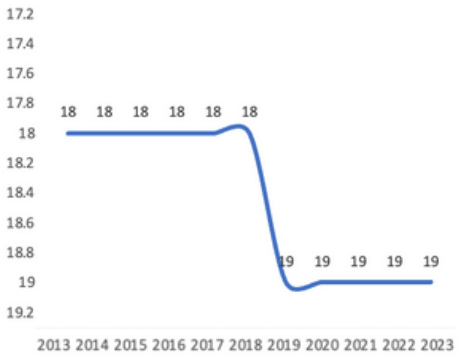
E-TRANSACTIONS

20,62,47,655

ENTROPY SCORE



RANK OVER YEARS

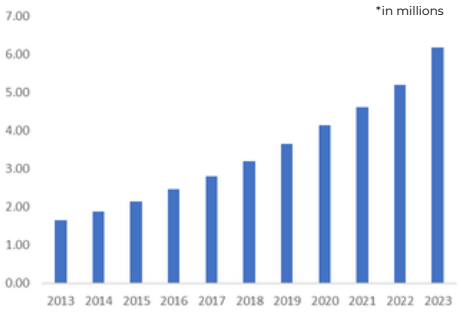


COMPARISON

Odisha underperforms in the following parameters with respect to the cluster 2 average:-

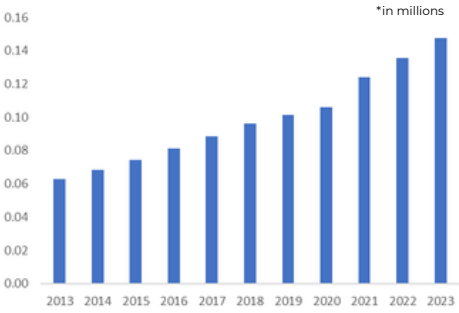
1. E-transactions
2. Outstanding credit of SCBs
3. Bank employees
4. Bank branches
5. Deposits of SCBs

BEST PERFORMING



NUMBER OF PENSION SUBSCRIBERS ROUTED THROUGH POST OFFICE

WORST PERFORMING



DEPOSITS OF SCBs

DATA INSIGHTS

1. **Mixed performance:** It performs moderately across most parameters, with neither extreme highs nor lows.
2. **Physical infrastructure gaps:** The state has fewer bank branches per sq. km than the national average, especially in rural areas.
3. **Digital uptake:** E-transaction volumes are growing, but still lag behind more advanced states.
4. **Pension and social security:** Odisha scores better in access to pension services, especially for women, indicating successful outreach in social security schemes.
5. **Poverty challenge:** A significant portion of the population remains below the poverty line, pulling down the overall index score.

PUNJAB

RANK: 4/28

CLUSTER 3

POPULATION

27.7 Mn

LAND AREA

Sq.Km. 50,362

GSDP

$54.4 Bn

INFLATION (CPI)

4.09%

OVERVIEW & PARAMETRES

BANKS PER 100,000

23.83

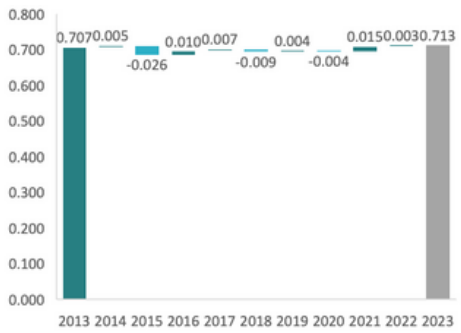
SCORE

0.713

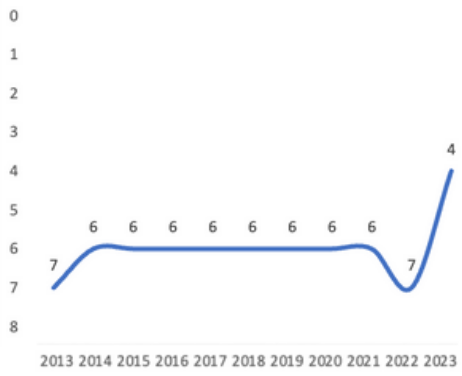
E-TRANSACTIONS

75,55,65,099

ENTROPY SCORE



RANK OVER YEARS

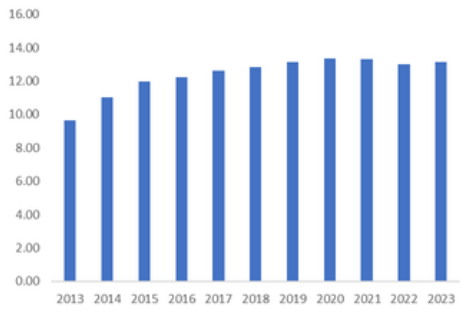


COMPARISON

Punjab underperforms in the following parameters with respect to the cluster 3 average:-

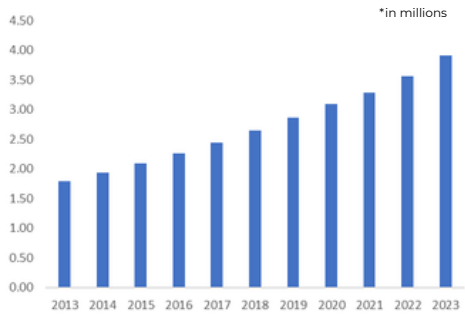
1. Small borrower accounts
2. Pension subscribers
3. Outstanding credit of SCBs
4. Credits of SCBs

BEST PERFORMING



NUMBER OF BANK BRANCHES PER SQ KM

WORST PERFORMING



NUMBER OF PENSION SUBSCRIBERS ROUTED THROUGH POST OFFICE

DATA INSIGHTS

1. **Strong banking penetration:** Punjab has a high number of bank branches per 100,000 adults and per sq. km, reflecting robust physical infrastructure.
2. **Digital adoption:** The state shows above-average digital transaction volumes and growing mobile banking usage.
3. **Socio-economic divide:** Despite strong infrastructure, Punjab's performance in pension coverage and poverty alleviation is only moderate, suggesting inclusion gaps for marginalized groups.
4. **Stable ranking:** Punjab maintains a stable rank in the index, with consistent year-on-year scores across most parameters.

RAJASTHAN

RANK: 16/28

CLUSTER 3

POPULATION

68.5 Mn

LAND AREA

3,42,239 Sq.Km.

GSDP

$91.5 Bn

INFLATION (CPI)

2.16%

OVERVIEW & PARAMETRES

BANKS PER 100,000

12.11

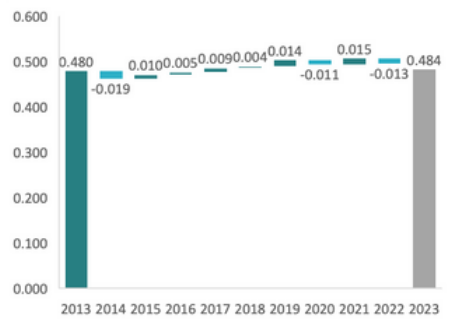
SCORE

0.484

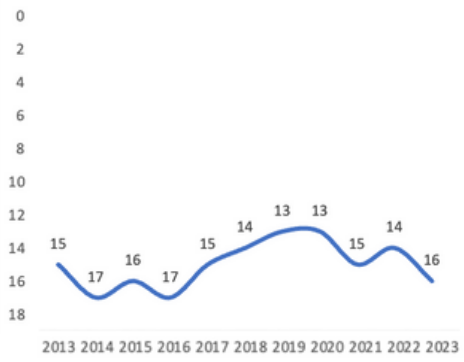
E-TRANSACTIONS

12,34,10,417

ENTROPY SCORE



RANK OVER YEARS

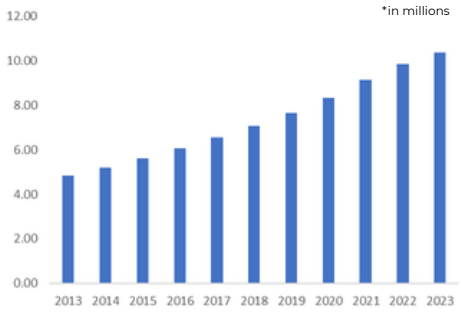


COMPARISON

Rajasthan underperforms in these parameters with respect to the cluster 3 average:-

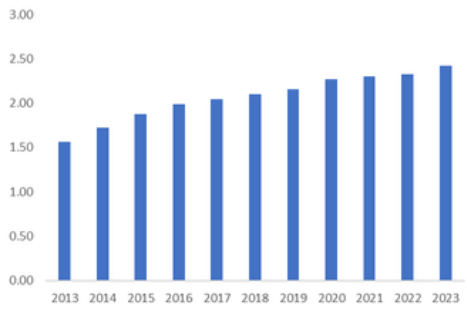
1. E-transactions
2. People below the poverty line
3. Small borrower accounts
4. Bank branches
5. Deposits of SCBs

BEST PERFORMING



NUMBER OF PENSION SUBSCRIBERS ROUTED THROUGH POST OFFICE

WORST PERFORMING



NUMBER OF BANK BRANCHES PER SQ KM

DATA INSIGHTS

1. **Wide rural-urban divide:** Rajasthan exhibits a significant disparity between urban and rural financial access, with rural areas underserved in both branches and ATMs.
2. **Digital and pension deficit:** The state has below-average scores in digital transactions and pension access, especially for women.
3. **Progress in mobile banking:** There is notable growth in mobile banking adoption, which could help bridge access gaps if sustained.
4. **Socio-economic barriers:** High poverty rates and low credit penetration continue to challenge financial inclusion efforts.

SIKKIM

RANK: 15/28

CLUSTER 3

POPULATION

6.1 Mn

LAND AREA

7,096 Sq.Km.

GSDP

$2.69 Bn

INFLATION (CPI)

2.96%

OVERVIEW & PARAMETRES

BANKS PER 100,000

27.51

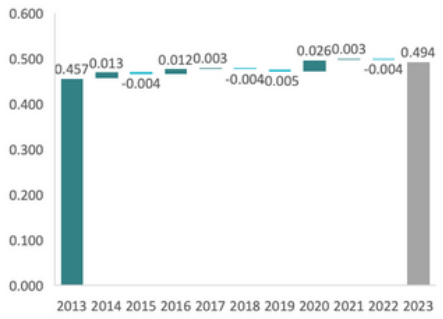
SCORE

0.494

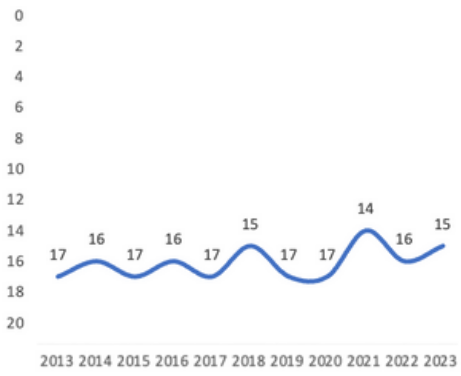
E-TRANSACTIONS

30,61,946

ENTROPY SCORE



RANK OVER YEARS

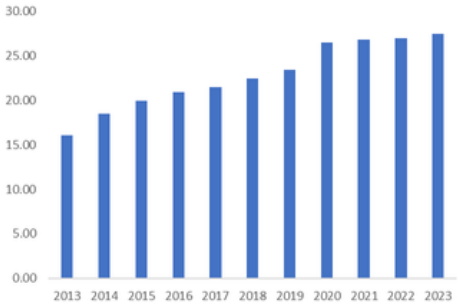


COMPARISON

Sikkim underperforms in the following parameters with respect to the cluster 3 average:-

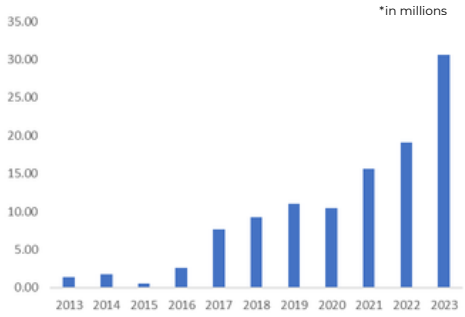
1. E-transactions
2. Small borrower accounts
3. Pension subscribers
4. Outstanding credit of SCBs
5. Bank branches

BEST PERFORMING



NUMBER OF BANK OUTLETS PER 100,000 PEOPLE

WORST PERFORMING



NUMBER OF E-TRANSACTIONS

DATA INSIGHTS

1. **High scores:** Despite its small size, Sikkim performs well in several parameters, particularly in the number of bank branches per capita and ATM density.
2. **Digital and pension strength:** The state has above-average digital transaction volumes and good access to pension services.
3. **Low poverty, High inclusion:** Sikkim benefits from low poverty rates, contributing to its strong overall financial inclusion score.
4. **Consistent performance:** Sikkim maintains a stable and high rank in the index, with minimal year-on-year fluctuations.

TAMIL NADU

RANK: 1/28

CLUSTER 3

POPULATION

72.1 Mn

LAND AREA

1,30,058 Sq.Km.

GSDP

$170.01 Bn

INFLATION (CPI)

3.41%

OVERVIEW & PARAMETRES

BANKS PER 100,000

17.2

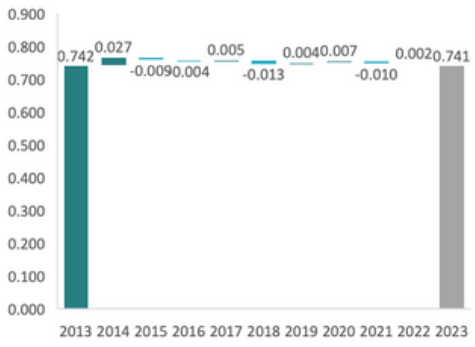
SCORE

0.741

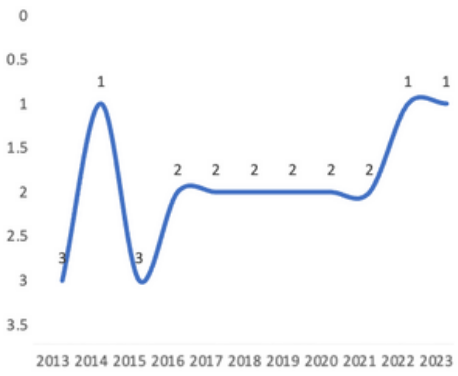
E-TRANSACTIONS

65,62,19,966

ENTROPY SCORE



RANK OVER YEARS

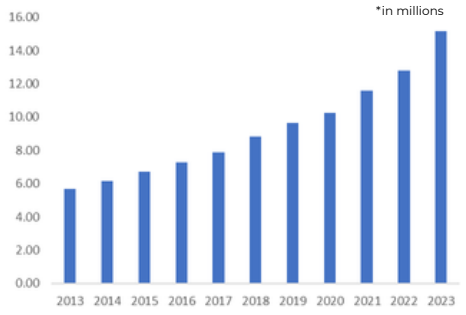


COMPARISON

Tamil Nadu has faced underperformance in the following parameters with respect to the cluster 3 average:-

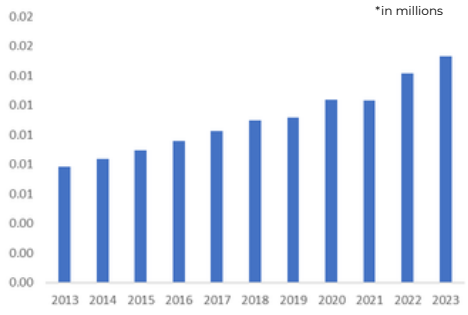
1. E-transactions
2. Pension subscribers
3. Deposits of SCBs
4. Credits of SCBs

BEST PERFORMING



CREDIT OF SCBs

WORST PERFORMING



DEPOSITS WITH SCBs

DATA INSIGHTS

1. **Top-Tier performer:** Tamil Nadu consistently ranks among the top states in financial inclusion, with high scores in almost all parameters.
2. **Comprehensive infrastructure:** The state boasts a dense network of bank branches and ATMs, both in urban and rural areas.
3. **Strong digital ecosystem:** It has high digital transaction volumes and widespread mobile banking usage.
4. **Inclusive pension coverage:** Access to pension services, including for women, is among the best in the country.
5. **Low poverty, High credit:** Low poverty rates and high credit penetration further strengthen its position.

TELANGANA

RANK: 10/28

CLUSTER 3

POPULATION

35 Mn

LAND AREA

1,12,077 Sq.Km.

GSDP

$85 Bn

INFLATION (CPI)

1.26%

OVERVIEW & PARAMETRES

BANKS PER 100,000

16.62

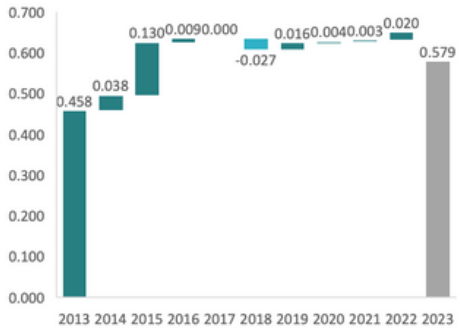
SCORE

0.579

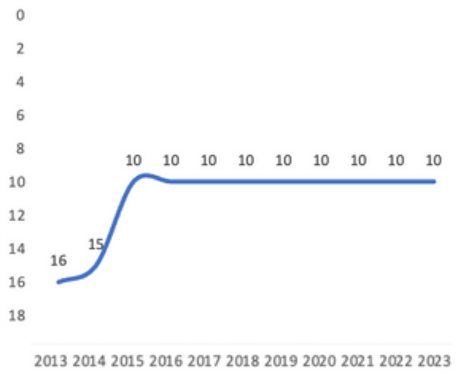
E-TRANSACTIONS

11,65,04,526

ENTROPY SCORE



RANK OVER YEARS

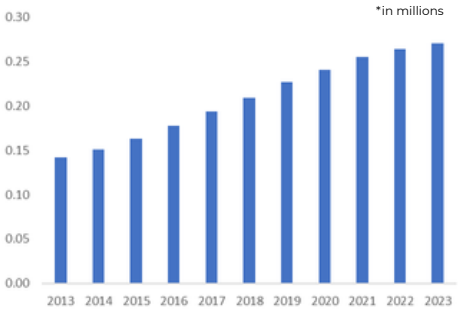


COMPARISON

Telangana underperforms in these parameters with respect to the cluster 3 average:-

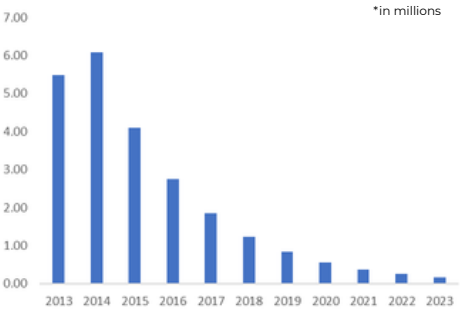
1. Pension subscribers
2. Credits of SCBs

BEST PERFORMING



NUMBER OF SMALL BORROWER ACCOUNTS PER 10 LAKH

WORST PERFORMING



OUTSTANDING CREDIT OF SCBs

DATA INSIGHTS

1. **Stable condition:** Telangana saw high stability (2019-2021) but recent increased volatility demands policy review.
2. **Marginal improvement:** While the ranks increased in the initial years, but parameters like pension subscriptions and SCB credit lag leading to stagantion. There is a need for focused intervention.
3. **Weak Macro-Credit** : Small borrower access is strong, but overall SCB credit needs policies to boost lending.

TRIPURA

RANK: 25/28

CLUSTER 2

POPULATION

3.6 Mn

LAND AREA

10,491 Sq.Km.

GSDP

$5.03 Bn

INFLATION (CPI)

3.57%

OVERVIEW & PARAMETRES

BANKS PER 100,000

16.69

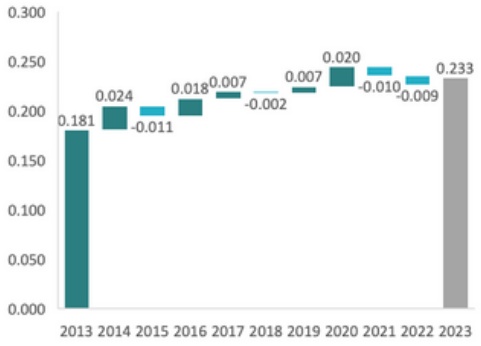
SCORE

0.233

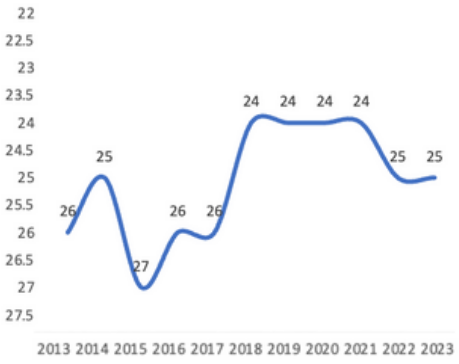
E-TRANSACTIONS

5,66,77,972

ENTROPY SCORE



RANK OVER YEARS

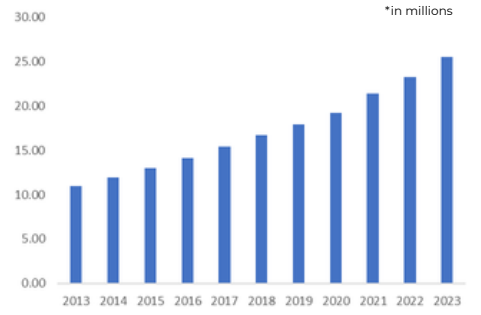


COMPARISON

Tripura underperforms in the following parameters with respect to the cluster 2 average:-

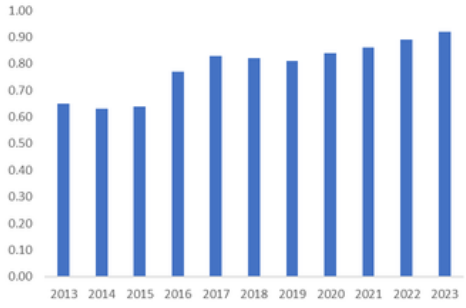
1. E-transactions
2. People below the poverty line
3. borrower accounts
4. Pension subscribers
5. Bank employees
6. Credits of SCBs

BEST PERFORMING



DEPOSITS WITH SCBs

WORST PERFORMING



NUMBER OF BANK EMPLOYEES PER 1,000 PEOPLE

DATA INSIGHTS

1. **Physical access challenges:** Tripura faces significant challenges in bank branch and ATM density, particularly in remote areas.
2. **Digital uptake:** The state has shown improvement in digital transaction volumes and mobile banking, outpacing some other northeastern states.
3. **Pension and social security:** Pension coverage remains low, especially for women, indicating a need for targeted interventions.
4. **Steady progress:** Tripura's overall financial inclusion score is improving gradually, reflecting the impact of recent policy initiatives.

UTTAR PRADESH

RANK: 14/28

CLUSTER 2

POPULATION

199.8 Mn

LAND AREA

2,40,928 Sq.Km.

GSDP

$155.02 Bn

INFLATION (CPI)

2.51%

OVERVIEW & PARAMETRES

BANKS PER 100,000

9.22

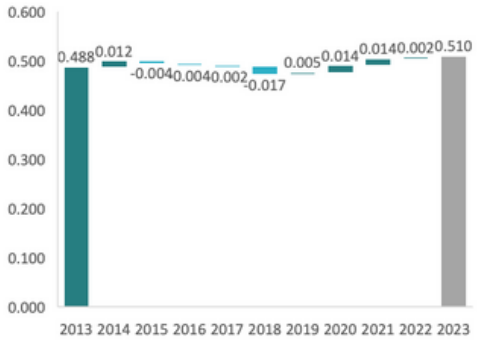
SCORE

0.51

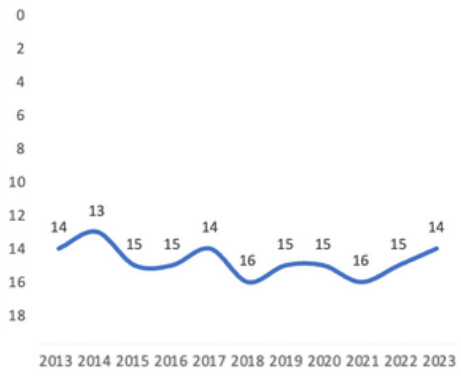
E-TRANSACTIONS

2,59,74,98,013

ENTROPY SCORE



RANK OVER YEARS

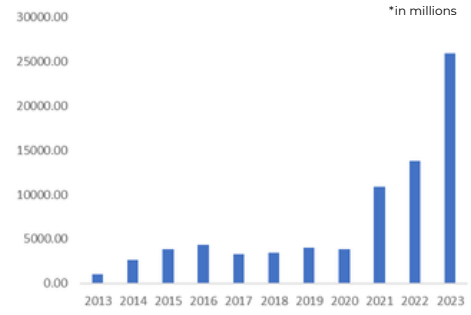


COMPARISON

Uttar Pradesh has faced underperformance in the following parameters with respect to the cluster 2 average:-

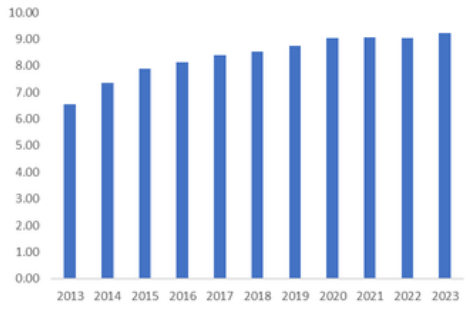
1. SCB outlets
2. People below the poverty line
3. Small borrowers
4. Bank employees
5. ATMs per
6. Credits of SCBs

BEST PERFORMING



NUMBER OF E-TRANSACTIONS

WORST PERFORMING



NUMBER OF BANKING OUTLETS PER 100,000 PEOPLE

DATA INSIGHTS

1. **Low per capita access:** Uttar Pradesh has one of the lowest per capita scores for bank branches and ATMs, due to its large population.
2. **Digital divide:** Digital transaction volumes are low relative to the population, though mobile banking is growing steadily.
3. **Pension and social security:** Pension coverage is below the national average, particularly for women.
4. **Poverty and inclusion:** High poverty rates and low credit penetration make UP one of the weaker performers in the index, despite some recent improvements in infrastructure.

UTTARAKHAND

RANK: 11/28

CLUSTER 1

POPULATION

10.1 Mn

LAND AREA

53,483 Sq.Km.

GSDP

$23.18 Bn

INFLATION (CPI)

3.81%

OVERVIEW & PARAMETRES

BANKS PER 100,000

21.83

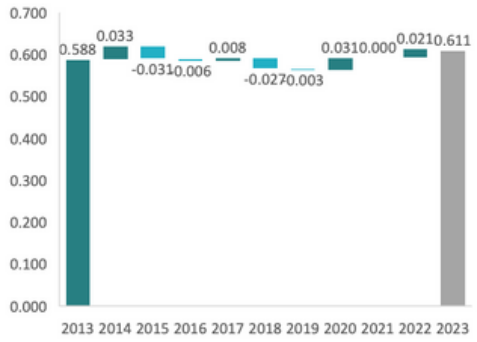
SCORE

0.611

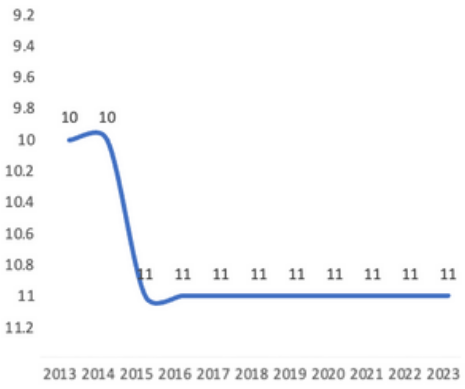
E-TRANSACTIONS

46,51,47,901

ENTROPY SCORE



RANK OVER YEARS

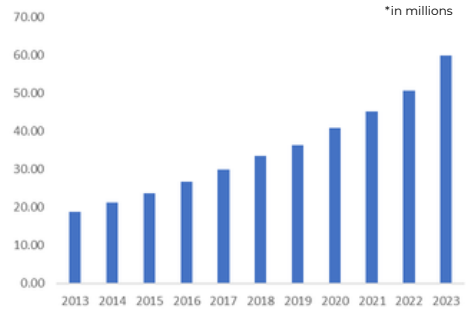


COMPARISON

Uttarakhand has faced underperformance in the following parameters with respect to the cluster 1 average:-

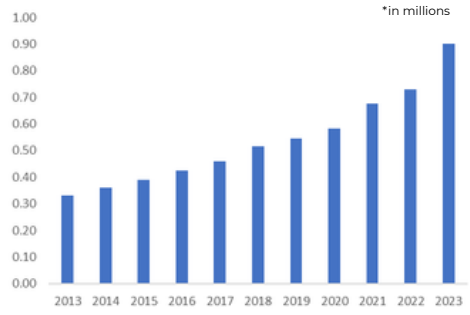
1. SCB Outlets
2. People below the poverty line
3. Bank employees
4. Bank branches
5. ATMs

BEST PERFORMING



DEPOSITS WITH SCBs

WORST PERFORMING



CREDIT OF SCBs

DATA INSIGHTS

1. **Geographical barriers:** Uttarakhand's hilly terrain limits the expansion of physical banking infrastructure, resulting in lower branch and ATM density.
2. **Digital growth:** The state has seen a significant increase in digital transactions and mobile banking adoption in recent years.
3. **Pension access:** Pension coverage is moderate, with room for improvement, especially among women.
4. **Socio-Economic challenges:** Higher poverty rates in certain districts continue to affect the overall inclusion score.

WEST BENGAL

RANK: 13/28

CLUSTER 1

POPULATION

91.2 Mn

LAND AREA

88,752 Sq.Km.

GSDP

$98.35 Bn

INFLATION (CPI)

3.16%

OVERVIEW & PARAMETRES

BANKS PER 100,000

10.69

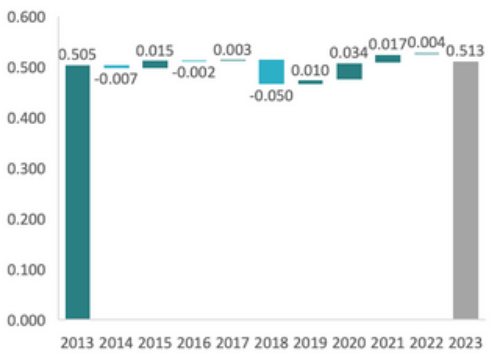
SCORE

0.513

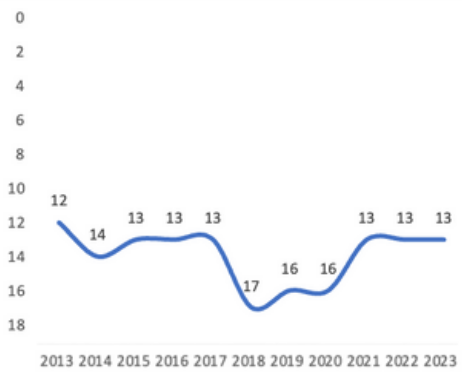
E-TRANSACTIONS

1,41,37,34,777

ENTROPY SCORE



RANK OVER YEARS

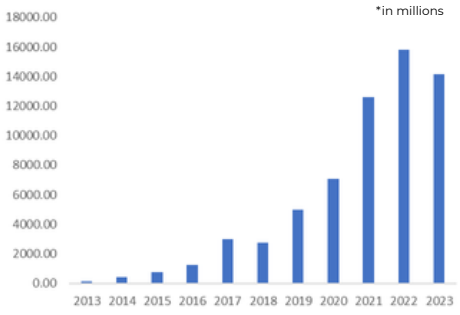


COMPARISON

West Bengal has faced underperformance in the following parameters with respect to the cluster 1 average:-

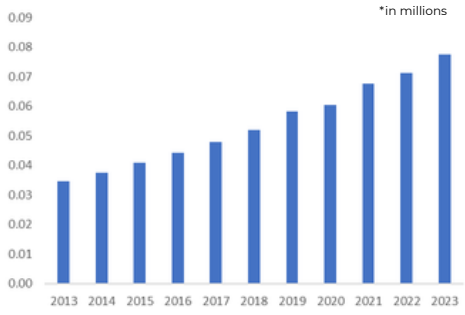
1. SCB Outlets
2. Borrower accounts
3. Pension subscribers
4. Bank employees
5. Credits of SCBs
6. ATMs

BEST PERFORMING



NUMBER OF E-TRANSACTIONS

WORST PERFORMING



DEPOSITS WITH SCBs

DATA INSIGHTS

1. **Urban-Rural gap:** There is a notable disparity between urban and rural areas in terms of branch and ATM access.
2. **Digital and pension access:** Digital transaction volumes and pension coverage are moderate, with recent improvements in mobile banking usage.
3. **Poverty reduction needed:** A significant proportion of the population remains below the poverty line, indicating the need for stronger poverty alleviation and social security measures.
4. **Stable but stagnant:** West Bengal's rank and scores have remained stable, but without significant upward movement, suggesting the need for renewed policy focus.

CONCLUSION

The financial inclusion index shows widespread geographic disparities in access to formal finance. Southern and western states dominate the rankings while those in eastern and northern India lag behind. For example, Tamil Nadu, Kerala and Gujarat consistently show high inclusion on multiple parameters, while states such as Bihar and Madhya Pradesh occupy the bottom rankings. This pattern mirrors past analyses: states like Kerala and Tamil Nadu regularly lead financial inclusion indices, whereas historically underdeveloped states and many north-eastern regions continue to under-perform. These findings highlight persistent inequality in access, usage and quality of financial services, highlighting that progress in economic growth does not reach all the sections of society.

These regional gaps reflect differences in infrastructure, policy and human capital. States with strong inclusion have generally invested in modern financial infrastructure, for example, India's digital public infrastructure (like Aadhaar-enabled payments and UPI) has been a game-changer.

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Policy Suggestions:-

1. Continued investment in digital infrastructure by expanding internet and mobile coverage in remote areas, and strengthening payment systems will aim at deepening inclusion.
2. Targeted financial literacy programs are essential. Outreach efforts should focus on women, rural poor and socially marginalised groups, using community organisations to build trust and explain financial services.
3. Customised financial products should be expanded through mobile-based micro-savings accounts, small-loan apps, microinsurance and pension plans designed for low-income and rural clients. FinTech innovations (AI, blockchain, data analytics) can help here by offering user-friendly, personalised services that meet local needs.
4. Data-driven governance must underpin these efforts. Embedding this index within policy platforms will allow real-time monitoring of inclusion metrics. For instance, India's aspirational-district.

dashboards already track financial inclusion indicators monthly.

The policy recommendations and insights suggest that by coupling continued digital infrastructure rollout with intensive literacy outreach and innovative, tailored financial products, India can begin to close the north–south and urban–rural inclusion gaps.

APPENDIX

LEGEND

States

ANP	Andhra Pradesh
ARP	Arunachal Pradesh
AM	Assam
BH	Bihar
CG	Chhattisgarh
GA	Goa
GJ	Gujarat
HY	Haryana
HP	Himachal Pradesh
JK	Jharkhand
KTK	Karnataka
KL	Kerala
MP	Madhya Pradesh
MH	Maharashtra
MP	Manipur
MG	Meghalaya
MZ	Mizoram
NG	Nagaland
OD	Odisha
PB	Punjab
RJ	Rajasthan
SK	Sikkim
TN	Tamil Nadu
TL	Telangana
TP	Tripura
UP	Uttar Pradesh
UK	Uttarakhand
WB	West Bengal

Parameters

1. Number of people below the poverty line (in %)
2. State Wise number of E-Transactions
3. Number of SCB outlets per 100,000 people
4. Outstanding Credit Of SCB
5. Number of pension subscribers routed through post office
6. Number of small borrower accounts per 10 lakh
7. Number Of ATMs per 1000 people
8. Number Of Bank Branches per sq km
9. Number of bank employees per 1000 people
10. State-wise Credits of SCBs
11. State-wise Deposit of SCBs

Entropy Scores

Stares	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
ANP	0.752	0.713	0.728	0.72	0.72	0.725	0.723	0.724	0.719	0.678	0.678
ARP	0.194	0.205	0.225	0.226	0.229	0.217	0.223	0.234	0.235	0.241	0.248
AM	0.315	0.279	0.285	0.292	0.293	0.289	0.293	0.313	0.308	0.294	0.304
BH	0.408	0.332	0.334	0.336	0.344	0.354	0.342	0.345	0.372	0.344	0.362
CG	0.387	0.368	0.401	0.403	0.401	0.402	0.422	0.434	0.426	0.454	0.506
GA	0.669	0.664	0.666	0.673	0.676	0.673	0.664	0.666	0.657	0.657	0.657
GJ	0.726	0.733	0.726	0.726	0.731	0.721	0.729	0.726	0.723	0.72	0.724
HY	0.709	0.699	0.677	0.693	0.687	0.679	0.673	0.694	0.711	0.707	0.702
HP	0.549	0.552	0.568	0.567	0.558	0.55	0.548	0.536	0.541	0.536	0.547
JK	0.386	0.367	0.347	0.338	0.334	0.328	0.345	0.343	0.344	0.357	0.374
KTK	0.738	0.763	0.766	0.746	0.743	0.736	0.736	0.744	0.721	0.701	0.708
KL	0.754	0.752	0.785	0.785	0.771	0.774	0.786	0.789	0.73	0.747	0.737
MP	0.494	0.502	0.503	0.503	0.486	0.491	0.48	0.47	0.461	0.493	0.496
MH	0.696	0.699	0.67	0.644	0.654	0.655	0.666	0.655	0.679	0.654	0.665
MP	0.172	0.191	0.175	0.175	0.175	0.183	0.186	0.188	0.206	0.211	0.204
MG	0.245	0.213	0.214	0.215	0.221	0.21	0.19	0.179	0.173	0.187	0.18
MZ	0.205	0.247	0.258	0.257	0.258	0.257	0.263	0.263	0.263	0.276	0.265
NG	0.163	0.201	0.197	0.199	0.205	0.201	0.185	0.2	0.221	0.213	0.218
OD	0.42	0.404	0.414	0.422	0.412	0.408	0.402	0.388	0.393	0.385	0.389
PB	0.707	0.712	0.686	0.696	0.703	0.695	0.699	0.695	0.71	0.713	0.713
RJ	0.48	0.461	0.471	0.477	0.486	0.49	0.504	0.493	0.508	0.494	0.484
SK	0.457	0.47	0.466	0.478	0.481	0.477	0.472	0.498	0.501	0.498	0.494
TN	0.742	0.768	0.759	0.754	0.759	0.747	0.751	0.757	0.747	0.749	0.741
TL	0.458	0.496	0.626	0.635	0.635	0.608	0.624	0.628	0.631	0.65	0.579
TP	0.181	0.205	0.194	0.212	0.22	0.218	0.225	0.245	0.235	0.226	0.233
UP	0.488	0.5	0.496	0.491	0.489	0.473	0.477	0.491	0.505	0.507	0.51
UK	0.588	0.621	0.591	0.584	0.593	0.566	0.563	0.593	0.593	0.614	0.611
WB	0.505	0.498	0.513	0.512	0.515	0.465	0.474	0.509	0.525	0.529	0.513

Normalisation Matrix - Electre Method

Stares	1	2	3	4	5	6	7	8	9	10	11
ANP	0.56	0.48	0.74	0.85	0.86	0.95	0.58	0.59	0.59	0.82	0.79
ARP	0.42	0.04	0.41	0.15	0.25	0.33	0.04	0	0.52	0.43	0.07
AM	0.18	0.24	0.19	0.4	0.61	0.41	0.28	0.41	0.12	0.14	0.43
BH	0	0.55	0.04	0.53	0.75	0.51	0	0.74	0	0.5	0.54
CG	0.3	0.8	0.3	0.48	0.72	0.79	0.39	0.19	0.35	0.61	0.46
GA	1	0.07	1	0.3	0.33	0.15	1	1	1	0.75	0.25
GJ	0.52	0.85	0.44	0.75	0.8	0.92	0.85	0.52	0.56	0.93	0.89
HY	0.82	0.56	0.59	0.6	0.59	0.97	0.92	0.89	0.7	0.36	0.64
HP	0.93	0.35	0.78	0.33	0.39	179	0.89	0.33	0.82	0.39	0.29
JK	0.15	0.61	0.07	0.43	0.53	0.31	0.46	0.45	0.07	0.54	0.39
KTK	0.7	0.43	0.56	0.78	0.91	0.69	0.65	0.7	0.78	0.68	0.93
KL	0.78	0.65	0.96	0.68	0.72	0.54	0.54	0.96	0.86	0.79	0.68
MP	0.22	0.93	0.15	0.58	0.83	0.56	0.35	0.3	0.23	0.86	0.61
MH	0.37	0.72	0.63	0.98	0.94	0.85	0.69	0.56	0.63	0.54	1
MP	0.04	0.18	0.67	0.13	0.36	0.28	0.08	0.04	0.24	0.25	0.14
MG	0.44	0.29	0	0.23	0.22	0.03	0.15	0.15	0.19	0.18	0.18
MZ	0.74	0.14	0.82	0.15	0.11	0.33	0	0.07	0.36	0.21	0.04
NG	0.11	0.12	0.26	0.2	0.31	0.49	0.12	0.11	0.39	0.29	0.11
OD	0.47	0.38	0.33	0.55	0.64	0.38	0.23	0.37	0.48	0.07	0.5
PB	0.89	0.81	0.7	0.65	0.5	0.64	0.73	0.93	0.67	0.64	0.57
RJ	0.33	0.43	0.37	0.63	0.88	0.82	0.5	0.26	0.4	0.32	0.75
SK	0.96	0	0.89	0.1	0.19	0.05	0.96	0.22	0.93	0.71	0
TN	0.67	0.74	0.93	0.88	0.77	0.74	0.77	0.82	0.96	0	0.96
TL	0.62	0.79	0.85	1	0.44	0.87	0.62	0.63	0.87	1	0.82
TP	0.6	0.25	0.22	0.25	0	0.23	0.19	0.67	0.32	0.89	0.21
UP	0.07	0.97	0.11	0.7	0.97	0.72	0.3	0.78	0.04	0.46	0.86
UK	0.85	0.63	0.52	0.38	0.42	0.44	0.81	0.47	0.74	0.96	0.32
WB	0.26	0.99	0.48	0.73	0.69	0.62	0.42	0.85	0.14	0.04	0.71

Weighted Normalised Set

Stares	1	2	3	4	5	6	7	8	9	10	11
ANP	0.054	0.046	0.072	0.038	0.054	0.074	0.066	0.058	0.058	0.080	0.078
ARP	0.041	0.004	0.040	0.020	0.016	0.026	0.004	0.000	0.051	0.042	0.007
AM	0.017	0.022	0.018	0.025	0.038	0.032	0.032	0.040	0.012	0.014	0.043
BH	0.000	0.052	0.004	0.041	0.047	0.040	0.000	0.072	0.000	0.049	0.053
CG	0.029	0.076	0.029	0.039	0.045	0.062	0.044	0.018	0.034	0.059	0.046
GA	0.097	0.006	0.097	0.019	0.021	0.012	0.114	0.097	0.097	0.073	0.025
GJ	0.050	0.081	0.043	0.025	0.050	0.072	0.097	0.051	0.054	0.090	0.089
HY	0.079	0.054	0.058	0.038	0.037	0.076	0.106	0.087	0.068	0.035	0.064
HP	0.090	0.033	0.076	0.020	0.024	13.975	0.101	0.032	0.080	0.038	0.028
JK	0.015	0.059	0.007	0.027	0.033	0.024	0.053	0.044	0.007	0.052	0.039
KTK	0.068	0.041	0.054	0.049	0.057	0.054	0.075	0.068	0.076	0.066	0.092
KL	0.076	0.062	0.094	0.042	0.045	0.042	0.062	0.094	0.084	0.076	0.068
MP	0.022	0.089	0.014	0.036	0.052	0.044	0.040	0.029	0.022	0.083	0.060
MH	0.036	0.069	0.061	0.061	0.059	0.066	0.079	0.054	0.061	0.052	0.100
MP	0.004	0.017	0.065	0.008	0.023	0.022	0.009	0.004	0.023	0.024	0.014
MG	0.043	0.028	0.000	0.014	0.014	0.002	0.018	0.014	0.018	0.017	0.018
MZ	0.072	0.013	0.079	0.009	0.007	0.026	0.000	0.007	0.035	0.021	0.004
NG	0.011	0.012	0.025	0.013	0.019	0.038	0.013	0.011	0.038	0.028	0.011
OD	0.046	0.037	0.032	0.035	0.040	0.030	0.026	0.036	0.047	0.007	0.050
PB	0.086	0.077	0.069	0.041	0.031	0.050	0.084	0.090	0.066	0.063	0.057
RJ	0.032	0.041	0.036	0.039	0.055	0.064	0.057	0.025	0.039	0.031	0.075
SK	0.094	0.000	0.087	0.006	0.012	0.004	0.110	0.022	0.090	0.069	0.000
TN	0.065	0.071	0.090	0.055	0.048	0.058	0.088	0.079	0.094	0.000	0.096
TL	0.061	0.075	0.083	0.063	0.028	0.068	0.070	0.061	0.085	0.097	0.082
TP	0.058	0.024	0.022	0.016	0.000	0.018	0.022	0.066	0.031	0.087	0.021
UP	0.007	0.093	0.011	0.044	0.061	0.056	0.034	0.076	0.004	0.045	0.085
UK	0.083	0.060	0.051	0.024	0.026	0.034	0.092	0.046	0.072	0.094	0.032
WB	0.025	0.094	0.047	0.046	0.043	0.048	0.048	0.083	0.014	0.004	0.071

Concordance Set

States	ANP	ARP	AM	BH	CG	GA	GJ	HY	HP	JK	KTK	KL	MP	MH	MP	MG	MZ	NG	OD	PB	RJ	SK	TN	TL	TP	UP	UK	WB
ANP	0.00	0.79	0.79	0.64	0.55	0.53	0.85	0.62	0.78	0.92	0.62	0.57	0.76	0.53	0.96	0.79	0.60	0.79	0.79	0.08	0.76	0.61	0.12	0.29	0.30	0.27	0.16	0.47
ARP	0.21	0.00	0.19	0.22	0.31	0.41	0.21	0.58	0.62	0.68	0.58	0.41	0.15	0.07	0.35	0.56	0.43	0.15	0.11	0.04	0.15	0.53	0.04	0.21	0.15	0.15	0.04	0.35
AM	0.21	0.81	0.00	0.22	0.29	0.65	0.21	0.61	0.74	0.72	0.58	0.41	0.25	0.21	0.47	0.61	0.44	0.47	0.20	0.24	0.47	0.56	0.04	0.24	0.15	0.15	0.07	0.21
BH	0.36	0.78	0.78	0.00	0.36	0.69	0.71	0.66	0.78	0.74	0.74	0.49	0.71	0.71	0.78	0.61	0.41	0.73	0.27	0.24	0.58	0.61	0.04	0.33	0.19	0.04	0.20	0.24
CG	0.45	0.69	0.71	0.64	0.00	0.53	0.62	0.69	0.69	0.80	0.66	0.53	0.64	0.49	1.00	0.76	0.48	0.68	0.60	0.12	0.49	0.53	0.08	0.28	0.30	0.27	0.50	0.43
GA	0.47	0.59	0.35	0.31	0.47	0.00	0.47	0.55	0.52	0.81	0.47	0.35	0.31	0.35	0.47	0.76	0.51	0.34	0.31	0.47	0.31	0.42	0.31	0.47	0.34	0.31	0.31	0.47
GJ	0.15	0.79	0.79	0.29	0.38	0.53	0.00	0.53	0.78	0.79	0.52	0.60	0.31	0.57	0.63	0.79	0.55	0.38	0.38	0.19	0.71	0.61	0.19	0.35	0.26	0.22	0.27	0.46
HY	0.38	0.42	0.39	0.34	0.31	0.45	0.47	0.00	0.48	0.85	0.57	0.20	0.31	0.31	0.54	0.79	0.58	0.38	0.34	0.26	0.34	0.24	0.24	0.44	0.38	0.31	0.19	0.47
HP	0.22	0.38	0.26	0.22	0.31	0.48	0.22	0.52	0.00	0.59	0.59	0.15	0.31	0.22	0.54	0.75	0.58	0.38	0.22	0.22	0.31	0.19	0.15	0.32	0.29	0.22	0.22	0.39
JK	0.08	0.32	0.28	0.26	0.20	0.11	0.21	0.15	0.41	0.00	0.08	0.09	0.20	0.09	0.47	0.65	0.44	0.30	0.24	0.07	0.16	0.24	0.04	0.24	0.19	0.26	0.07	0.29
KTK	0.38	0.42	0.42	0.26	0.34	0.53	0.48	0.43	0.41	0.92	0.00	0.20	0.34	0.32	0.63	0.79	0.55	0.38	0.38	0.19	0.39	0.24	0.11	0.44	0.38	0.22	0.23	0.42
KL	0.43	0.59	0.59	0.51	0.47	0.65	0.40	0.80	0.85	0.91	0.80	0.00	0.47	0.40	0.54	0.96	0.54	0.54	0.54	0.40	0.34	0.37	0.12	0.32	0.54	0.47	0.43	0.51
MP	0.24	0.85	0.75	0.29	0.36	0.69	0.69	0.69	0.69	0.80	0.66	0.53	0.00	0.49	0.86	0.76	0.44	0.67	0.19	0.28	0.58	0.61	0.11	0.28	0.19	0.22	0.11	0.35
MH	0.47	0.93	0.79	0.29	0.51	0.65	0.43	0.69	0.78	0.91	0.68	0.60	0.51	0.00	0.58	0.76	0.55	0.38	0.34	0.24	0.75	0.61	0.07	0.32	0.26	0.22	0.15	0.42
MP	0.04	0.65	0.53	0.22	0.00	0.53	0.37	0.46	0.46	0.53	0.37	0.46	0.14	0.42	0.00	0.56	0.35	0.44	0.00	0.04	0.37	0.53	0.04	0.04	0.03	0.11	0.00	0.28
MG	0.21	0.44	0.39	0.39	0.24	0.24	0.21	0.21	0.25	0.35	0.21	0.04	0.24	0.24	0.44	0.00	0.44	0.44	0.04	0.21	0.07	0.28	0.04	0.21	0.11	0.35	0.04	0.35
MZ	0.40	0.57	0.56	0.52	0.52	0.49	0.45	0.42	0.42	0.56	0.45	0.46	0.56	0.45	0.65	0.56	0.00	0.44	0.45	0.03	0.45	0.49	0.07	0.07	0.18	0.15	0.42	0.31
NG	0.21	0.85	0.53	0.27	0.32	0.66	0.62	0.62	0.62	0.70	0.62	0.46	0.33	0.62	0.56	0.56	0.56	0.00	0.09	0.25	0.46	0.53	0.04	0.21	0.19	0.19	0.09	0.32
OD	0.21	0.89	0.80	0.73	0.40	0.69	0.62	0.66	0.78	0.76	0.62	0.46	0.81	0.66	1.00	0.96	0.55	0.91	0.00	0.24	0.69	0.78	0.04	0.24	0.43	0.31	0.29	0.35
PB	0.92	0.96	0.76	0.76	0.88	0.53	0.81	0.74	0.78	0.93	0.81	0.60	0.72	0.76	0.96	0.79	0.97	0.75	0.76	0.00	0.76	0.61	0.19	0.47	0.72	0.31	0.60	0.47
RJ	0.24	0.85	0.53	0.42	0.51	0.69	0.29	0.66	0.69	0.84	0.61	0.66	0.42	0.25	0.63	0.93	0.55	0.54	0.31	0.24	0.00	0.78	0.24	0.24	0.43	0.39	0.24	0.46
SK	0.39	0.47	0.44	0.39	0.47	0.58	0.39	0.76	0.81	0.76	0.76	0.63	0.39	0.39	0.47	0.72	0.51	0.47	0.22	0.39	0.22	0.00	0.15	0.39	0.26	0.39	0.22	0.39
TN	0.88	0.96	0.96	0.96	0.92	0.69	0.81	0.76	0.85	0.96	0.89	0.88	0.89	0.93	0.96	0.96	0.93	0.96	0.96	0.81	0.76	0.85	0.00	0.51	0.88	0.52	0.85	0.47
TL	0.71	0.79	0.76	0.67	0.72	0.53	0.65	0.56	0.68	0.76	0.56	0.68	0.72	0.68	0.96	0.79	0.93	0.79	0.76	0.53	0.76	0.61	0.49	0.00	0.66	0.64	0.68	0.81
TP	0.70	0.85	0.85	0.81	0.70	0.66	0.74	0.62	0.71	0.81	0.62	0.46	0.81	0.74	0.97	0.89	0.82	0.81	0.57	0.28	0.57	0.74	0.12	0.34	0.00	0.39	0.71	0.40
UP	0.73	0.85	0.85	0.96	0.73	0.69	0.78	0.69	0.78	0.74	0.78	0.53	0.78	0.78	0.89	0.65	0.85	0.81	0.69	0.69	0.61	0.61	0.48	0.36	0.61	0.00	0.61	0.24
UK	0.84	0.96	0.93	0.80	0.50	0.69	0.73	0.81	0.78	0.93	0.77	0.57	0.89	0.85	1.00	0.96	0.58	0.91	0.71	0.40	0.76	0.78	0.15	0.32	0.29	0.39	0.00	0.39
WB	0.53	0.65	0.79	0.76	0.57	0.53	0.54	0.53	0.61	0.71	0.58	0.49	0.65	0.58	0.72	0.65	0.69	0.68	0.65	0.53	0.54	0.61	0.53	0.19	0.60	0.76	0.61	0.00

Discordance Set

Stares	ANP	ARP	AM	BH	CG	GA	GJ	HY	HP	JK	KTK	KL	MP	MH	MP	MG	MZ	NG	OD	PB	RJ	SK	TN	TL	TP	UP	UK	WB
ANP	0	0.84	0.89	0.74	0.48	0.68	0.59	0.73	1.00	0.68	0.54	0.78	0.60	0.70	0.62	0.97	0.94	0.74	0.52	0.37	0.63	0.87	0.59	0.43	0.89	0.63	0.46	0.51
ARP	0.84	0.00	0.41	0.74	0.77	1.00	0.82	0.89	0.85	0.58	0.84	0.72	0.72	0.80	0.93	0.85	0.82	0.74	0.48	0.93	0.65	0.92	0.82	0.76	0.81	0.94	0.77	0.96
AM	0.89	0.41	0.00	0.54	0.73	0.88	0.63	0.65	0.75	0.40	0.73	0.61	0.64	0.70	0.85	0.75	0.84	0.54	0.48	0.71	0.38	0.80	0.84	0.78	0.86	0.74	0.67	0.76
BH	0.74	0.74	0.54	0.00	0.56	1.00	0.85	0.92	0.93	0.57	0.74	0.89	0.70	0.85	0.78	0.93	0.96	0.74	0.48	0.89	0.50	0.96	0.96	0.87	0.78	0.43	0.85	0.67
CG	0.48	0.77	0.73	0.56	0.00	0.82	0.46	0.70	0.84	0.68	0.48	0.70	0.56	0.67	0.75	0.84	0.67	0.56	0.56	0.74	0.67	0.81	0.67	0.59	0.75	0.59	0.56	0.67
GA	0.68	1.00	0.88	1.00	0.82	0.00	0.82	0.89	1.00	0.68	0.84	0.89	0.85	0.80	0.93	1.00	0.96	0.82	0.82	0.93	0.65	0.92	0.96	0.87	0.93	1.00	0.85	1.00
GJ	0.59	0.82	0.63	0.85	0.46	0.82	0.00	0.46	0.68	0.46	0.59	0.63	0.46	0.46	0.75	0.68	0.67	0.85	0.52	0.74	0.67	0.81	0.67	0.59	0.75	0.59	0.56	0.67
HY	0.73	0.89	0.65	0.92	0.70	0.89	0.46	0.00	0.74	0.70	0.67	0.65	0.70	0.46	0.85	0.50	0.84	0.89	0.59	0.50	0.56	0.74	0.67	0.46	0.85	0.46	0.46	0.67
HP	1.00	0.85	0.75	0.93	0.84	1.00	0.68	0.74	0.00	0.84	0.89	0.75	0.84	0.74	1.00	0.65	0.84	1.00	0.74	0.56	0.74	0.74	0.74	0.68	0.65	0.68	0.09	0.85
JK	0.68	0.58	0.40	0.57	0.68	0.68	0.46	0.70	0.84	0.00	0.59	0.40	0.57	0.46	0.68	0.65	0.68	0.43	0.48	0.74	0.38	0.74	0.56	0.67	0.75	0.74	0.68	0.67
KTK	0.54	0.84	0.73	0.74	0.48	0.84	0.59	0.67	0.89	0.59	0.00	0.59	0.54	0.46	0.75	0.65	0.74	0.74	0.52	0.50	0.67	0.74	0.43	0.43	0.75	0.59	0.56	0.51
KL	0.78	0.72	0.61	0.89	0.70	0.89	0.63	0.65	0.75	0.40	0.59	0.00	0.57	0.65	0.75	0.75	0.74	0.74	0.56	0.50	0.38	0.74	0.43	0.67	0.65	0.59	0.56	0.51
MP	0.60	0.72	0.64	0.70	0.56	0.85	0.46	0.70	0.84	0.57	0.54	0.57	0.00	0.59	0.75	0.65	0.74	0.56	0.48	0.50	0.38	0.74	0.56	0.59	0.75	0.09	0.56	0.67
MH	0.70	0.80	0.70	0.85	0.67	0.80	0.46	0.46	0.74	0.46	0.46	0.65	0.59	0.00	0.65	0.46	0.67	0.56	0.48	0.74	0.46	0.74	0.56	0.67	0.59	0.09	0.46	0.67
MP	0.62	0.93	0.85	0.78	0.75	0.93	0.75	0.85	1.00	0.68	0.75	0.75	0.75	0.65	0.00	0.93	0.67	0.78	0.56	0.50	0.56	0.65	0.67	0.75	0.27	0.68	0.56	0.67
MG	0.97	0.85	0.75	0.93	0.84	1.00	0.68	0.50	0.65	0.65	0.65	0.75	0.65	0.46	0.93	0.00	0.84	0.74	0.59	0.74	0.38	0.56	0.56	0.67	0.27	0.59	0.46	0.85
MZ	0.94	0.82	0.84	0.96	0.67	0.96	0.67	0.84	0.84	0.68	0.74	0.74	0.74	0.67	0.67	0.84	0.00	0.68	0.56	0.50	0.38	0.09	0.67	0.34	0.27	0.09	0.56	0.25
NG	0.74	0.74	0.54	0.74	0.56	0.82	0.85	0.89	1.00	0.43	0.74	0.74	0.56	0.56	0.78	0.74	0.68	0.00	0.56	0.50	0.50	0.38	0.43	0.67	0.27	0.09	0.67	0.67
OD	0.52	0.48	0.48	0.48	0.56	0.82	0.52	0.59	0.74	0.48	0.52	0.56	0.48	0.48	0.56	0.59	0.56	0.56	0.00	0.50	0.38	0.38	0.43	0.34	0.27	0.32	0.23	0.21
PB	0.37	0.93	0.71	0.89	0.74	0.93	0.74	0.50	0.56	0.74	0.50	0.50	0.50	0.74	0.50	0.74	0.50	0.50	0.50	0.00	0.38	0.50	0.56	0.34	0.27	0.32	0.23	0.33
RJ	0.63	0.65	0.38	0.50	0.67	0.65	0.67	0.56	0.74	0.38	0.67	0.38	0.38	0.46	0.56	0.38	0.38	0.50	0.38	0.38	0.00	0.38	0.38	0.34	0.27	0.32	0.23	0.11
SK	0.87	0.92	0.80	0.96	0.81	0.92	0.81	0.74	0.74	0.74	0.74	0.74	0.74	0.74	0.65	0.56	0.09	0.38	0.38	0.50	0.38	0.00	0.38	0.34	0.27	0.32	0.09	0.09
TN	0.59	0.82	0.84	0.96	0.67	0.96	0.67	0.67	0.74	0.56	0.43	0.43	0.56	0.56	0.67	0.56	0.67	0.43	0.43	0.56	0.38	0.38	0.00	0.34	0.27	0.32	0.23	0.30
TL	0.43	0.76	0.78	0.87	0.59	0.87	0.59	0.46	0.68	0.67	0.43	0.67	0.59	0.67	0.75	0.67	0.34	0.67	0.34	0.34	0.34	0.34	0.34	0.00	0.27	0.32	0.23	0.34
TP	0.89	0.81	0.86	0.78	0.75	0.93	0.75	0.85	0.65	0.75	0.75	0.65	0.75	0.59	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.00	0.27	0.27	0.27
UP	0.63	0.94	0.74	0.43	0.59	1.00	0.59	0.46	0.68	0.74	0.59	0.59	0.09	0.09	0.68	0.59	0.09	0.09	0.32	0.32	0.32	0.32	0.32	0.32	0.32	0.00	0.09	0.32
UK	0.46	0.77	0.67	0.85	0.56	0.85	0.56	0.46	0.09	0.68	0.56	0.56	0.56	0.46	0.56	0.46	0.56	0.67	0.23	0.23	0.23	0.09	0.23	0.23	0.23	0.09	0.00	0.23
WB	0.51	0.96	0.76	0.67	0.67	1.00	0.67	0.67	0.85	0.67	0.51	0.51	0.67	0.67	0.67	0.85	0.25	0.67	0.21	0.33	0.11	0.09	0.30	0.34	0.27	0.32	0.23	0.00

Final Aggregate Set

Stares	ANP	ARP	AM	BH	CG	GA	GJ	HY	HP	JK	KTK	KL	MP	MH	MP	MG	MZ	NG	OD	PB	RJ	SK	TN	TL	TP	UP	UK	WB
ANP	0	1	1	1	0	1	0	1	1	1	0	1	0	1	0	1	1	1	0	0	1	1	0	0	0	0	0	0
ARP	0	0	0	0	0	0	0	1	1	0	1	0	0	0	0	1	0	0	0	0	0	1	0	0	0	0	0	0
AM	0	0	0	0	0	1	0	1	1	0	1	0	0	0	0	1	0	0	0	0	0	1	0	0	0	0	0	0
BH	0	1	0	0	0	1	1	1	1	0	1	0	1	1	1	1	0	1	0	0	0	1	0	0	0	0	0	0
CG	0	1	1	0	0	1	0	1	1	1	0	1	0	0	1	1	0	0	0	0	0	1	0	0	0	0	0	0
GA	0	1	0	0	0	0	0	1	1	1	0	0	0	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0
GJ	0	1	1	0	0	1	0	0	1	0	0	1	0	0	1	1	1	0	0	0	1	1	0	0	0	0	0	0
HY	0	0	0	0	0	0	0	0	0	1	1	0	0	0	1	0	1	0	0	0	0	0	0	0	0	0	0	0
HP	0	0	0	0	0	0	0	1	0	1	1	0	0	0	1	1	1	0	0	0	0	0	0	0	0	0	0	0
JK	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0
KTK	0	0	0	0	0	1	0	0	0	0	0	0	0	0	1	1	1	0	0	0	0	0	0	0	0	0	0	0
KL	0	1	0	1	0	1	0	1	1	0	0	0	0	0	1	1	1	1	0	0	0	0	0	0	1	0	0	0
MP	0	1	1	0	0	1	0	1	1	0	0	0	0	0	1	1	0	0	0	0	0	1	0	0	0	0	0	0
MH	0	1	1	0	1	1	0	0	1	0	0	1	0	0	1	0	1	0	0	0	0	1	0	0	0	0	0	0
MP	0	1	1	0	0	1	0	0	0	1	0	0	0	0	0	1	0	0	0	0	0	1	0	0	0	0	0	0
MG	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MZ	0	1	1	1	1	0	0	0	0	1	0	0	1	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0
NG	0	1	0	0	0	1	1	1	1	0	1	0	0	0	1	1	1	0	0	0	0	0	0	0	0	0	0	0
OD	0	0	0	0	0	1	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PB	0	1	1	1	1	1	1	0	0	1	0	0	0	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0
RJ	0	1	0	0	1	1	0	0	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SK	0	0	0	0	0	1	0	1	1	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TN	0	1	1	1	1	1	1	1	1	0	0	0	0	0	1	0	1	0	0	0	0	0	0	0	0	0	0	0
TL	0	1	1	1	0	1	0	0	1	1	0	1	0	1	1	1	0	1	0	0	0	0	0	0	0	0	0	0
TP	1	1	1	1	1	1	1	1	1	1	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
UP	1	1	1	0	0	1	0	0	1	1	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
UK	0	1	1	1	0	1	0	0	0	1	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0
WB	0	1	1	1	1	1	1	1	1	1	0	0	1	1	1	1	0	1	0	0	0	0	0	0	0	0	0	0

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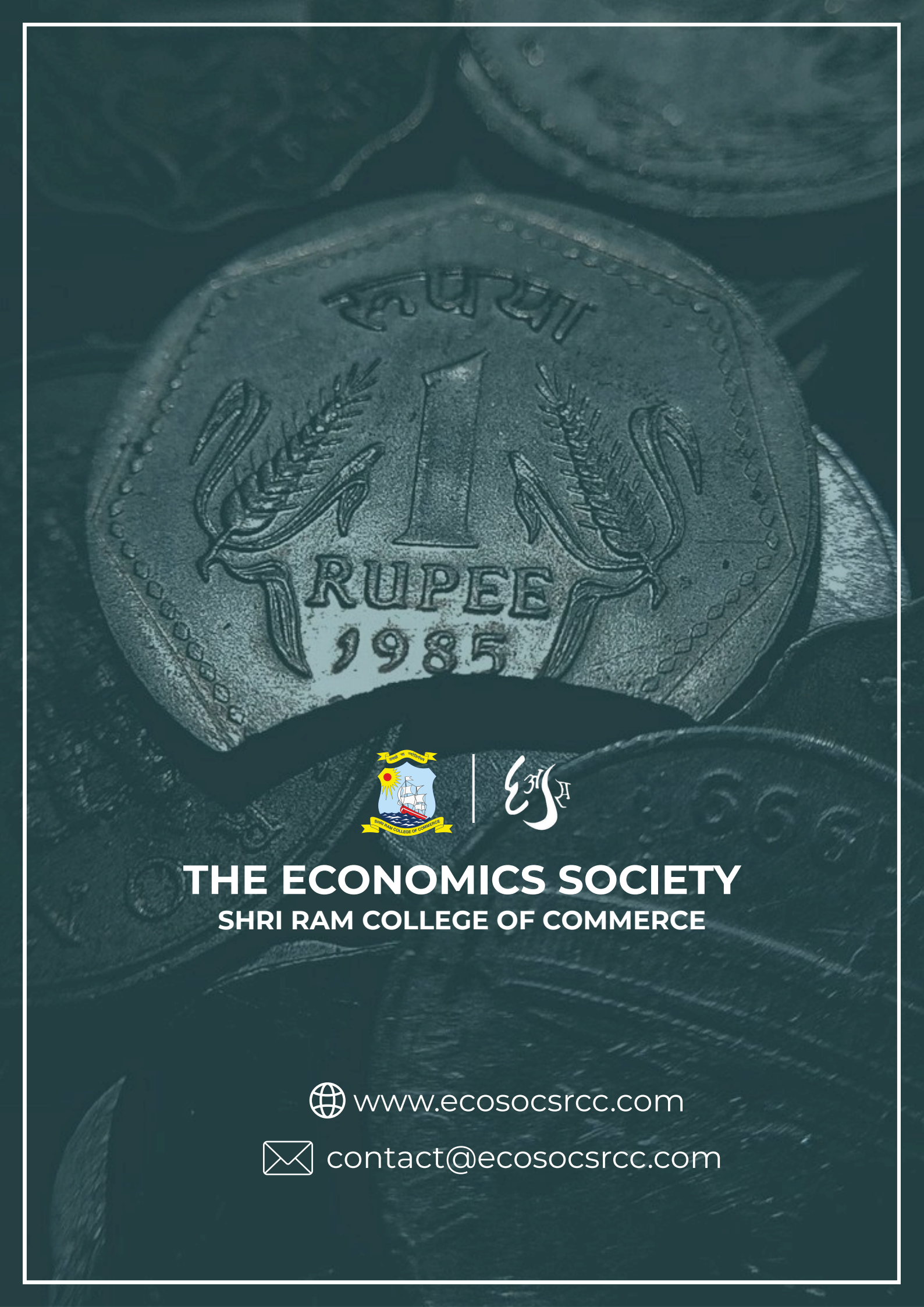

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