

Impact of Digital Financial Inclusion (DFI) Initiatives on the Self-Help Group: For Sustainable Development

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ABSTRACT

Purpose: India has been the advocate the digital infrastructure addressing last-mile connectivity through financial inclusion by integrating innovative financial technology(fintech)and Digital Ecosystem for making financial services more accessible to a large number of people, at present India's fin tech adoption rate is 87% in the world, Digital ecosystem will account for 30% of global revenues by 2025 as per McKinsey and Digital Financial Services(DFS) is a tool to boost the inclusive growth and access to the finance for solving societal issues and economic growth by adaption of SHG, JLG and Farmer Interest Groups(FIGs) in Farm and Non-Farm Sector and digital model more impact in creating micro-entrepreneurs in non-agriculture sector, employment in Sustainable agriculture, reducing poverty, income equality, equitable society with good health and wellbeing and economic growth with initiatives undertaken by the current government to improve financial inclusion in association with RBI, NABARD, NBFC in Empowering the sustainable development goals and more opportunities for women in rural areas as well as tire 3,tiere4 cities in improving lives with the Financial inclusion initiatives like the National Strategy for Financial Inclusion (NSFI), NABARD E – Shakti, Pradhan Mantri Jan Dhan Yojana (PMJDY), Atal Pension Yojana, Pradhan Mantri Suraksha Bima Yojana, Bharat Interface for Money (BHIM), Electronic Benefits Transfer (EBT)/Direct Benefit transfer, JAM, e-KYC, smart panchayats, agriculture credit, Buy Now Pay Later(BNPL), Digital Banks, Central Bank Digital Currency(DBDC), Robotic Automation with AI, Block chain Technology, Neo banks, Kisan Credit. The innovations and revolution that have had the biggest effect on inclusive digital and financial services include BSB for MSMEs, Rupay, Paytm, PhonePe, Google Pay, and Bharat Interface for Money (BHIM), as well as cloud computing, biometrics, government e-marketplaces, AGMARKNET, and FPOs. RBI FINANCIAL INCLUSION INDEX2022 indicates a gap in FI in India and it impacts GDP, and Atmanirbhar Mahila - Aatmanirbhar Bharat.

Design/Methodology: The research relies on secondary data, which were gathered from websites, journals, newspapers, magazines, reports, and Case studies on SHGs promoted by SKDRDP-Shri Kshetra Dharmasthala Rural Development Project. The data are descriptively analysed.

Originality/value: Digital Financial Inclusion (DFI) Initiatives on The Self-Help Group: For Sustainable Development and its impact studied through various case studies- how it is helpful to self-help groups.

Paper type: Conceptual framework

Keywords: Digital infrastructure, SHG, JLG FIGs of Farm and Non-Farm Sector, Financial technology(fintech), Microenterprise, E-marketplace, National Strategy for Financial Inclusion (NSFI), Digital and inclusive Sustainable growth

1. INTRODUCTION :

Emerging technologies have ushered in a fintech ecosystem, enabling digital financial inclusion and reshaping the efficient allocation of productive resources to Self-Help Groups (SHGs), Joint Liability Groups (JLGs), and Farmer Interest Groups (FIGs) at a lower cost. This transformation is geared toward fostering sustainable development, encompassing economic growth, social inclusion, and environmental protection. Notably, India's vast population of over 1.3 billion, residing across 28 states and 8 union territories, features more than 850 million individuals living in rural areas., fintech revolution with Blockchain, AI, ML, API Platform, Biometrics, Cloud computing, Chatbots innovative technology enhanced the efficiency of Aadhaar Enabled Payment System (AEPS), Point of Sale Terminals(POS), Direct Benefit Transfer System(DBT), ATMs, Core Banking Solution(CBS) has increased the access, usage, secure and commitment towards achieving Sustainable Development Goals No poverty, Zero Hunger, Good Health and Well Being, Quality Education, Gender Equality and to Build a resilient infrastructure, foster innovation, Decent work and Economic growth and partnership for sustainable development. Digital Financial Inclusion (DFI) has empowered the SHG farmed by women, thereby reducing the gender Gap and increasing the GDP (Buteau, S., Rao et al. 2021) [1]. Financial Inclusion has a positive impact on the development of the Economy as well as Human Development (Bhatia. S et al. 2019) [2]. The Reserve Bank of India(RBI), NABARD and Government policy and scheme have provided a guiding role in creating an innovative digital ecosystem in the last mile connecting among Semi-Urban and rural populations with Fintech Blockchain, IoT, AI, ML, Chaboat along with National Strategy for Financial Inclusion 2020, (Malladi, C. M et al.) [3] although financial inclusion was started way back in 1904, the topic was got a drive in 2008 when RBI formed the committee on Financial inclusion, headed by Dr C. Rangarajan. Financial Inclusion gained momentum with the Pradhan Mantri Jan-Dhan Yojana, targeting to ensure universal access to bank facilities and financial literacy awareness. Micro Finance is an important tool in reducing poverty and empowering the women through SHG-Bank Linkage Programme and Micro Finance institution (MFI) in connecting last mile people.

2. SELF-HELP GROUPS (SHGS) AND JOINT LIABILITY GROUPS ECOSYSTEM :

Self-Help Groups (SHGs) primarily comprise women members. India has embraced the Grameen Bank model pioneered by Dr. Mehmud Yunus, an Economics Professor at Chittagong University in Bangladesh. The year 1970 saw the emergence of the concept of 'women and micro-finance' by Ela Ramesh Bhatt, the founding member of 'SEWA' (Self Employed Women's Association) in Ahmedabad. Typically, an SHG is comprised of 10 to 20 women, with three official positions of President, Secretary, and Treasurer, often supported by non-governmental organizations (NGOs). In 1991-92, NABARD, with support from the RBI, initiated the Self-Help Group Bank Linkage Programme (SBLP) on a large scale based on the recommendations of the S. K. Kalia Committee.

SHGs make a significant contribution to the rural economy, fostering rural enterprises, productivity, livelihoods, employment creation, and invigorating local economies, thus contributing to India's self-reliance. The SHG movement adheres to five 'Panchasutra' principles: Regular Meetings, Regular Savings, Regular Inter-Loaning, Timely Repayment of Loans, and Up-to-Date Books of Accounts. Additionally, there are five supplementary principles encompassing Health, Nutrition, Sanitation, Education, Active involvement in Panchayati Raj Institutions (PRIs), Access to Entitlements and Schemes, and Creating Opportunities for Sustainable Livelihoods—collectively referred to as Dashasutras of SHGs.

The three-tier structure of SHGs, including Ward-Level SHGs, Village Organizations (VOs) at the village level, and Cluster Level Federations (CLFs) at the cluster/block level, enhances universal financial inclusion and empowers members psychologically, socially, economically, and politically.

The Joint Liability Groups (JLGs) Scheme, introduced by NABARD in 2004, is another institutional intervention designed to facilitate collateral-free loans for landless/tenant farmers and oral lessees. These groups aim to include small and marginal farmers, tenant farmers, sharecroppers, and oral lessees who were previously excluded from formal banking organizations due to their inability to provide

adequate security. NABARD initiated a pilot program that employs a joint liability approach to reduce risks and transaction costs for banks, encouraging them to extend credit to these clients. All commercial banks, cooperative banks, and regional rural banks (RRBs) now participate in financing JLGs of tenant farms and oral lessees. Self-help groups serve as catalysts for rural development, poverty alleviation, and the advancement of women and socio-economic development.

Table 1: SHG’s and JLGs profile

In the 1990s observed a rapid SHG Movement and the 2005 Joint Liability Groups (JLGs) concept was designed by the NABARD with the support of RBI for Financial Inclusion and for Economic Inclusion.

Profile	Numbers in Lakhs
No SHG in India	8337407
SHGs with less than 5 Members	17645
SHGs with more than 20 members	371
No of JLGs	187.9 lakhs

Sources: Ministry of Rural Development-E governance and NABARD

The SHG-bank linkage model, pioneered by NABARD in 1992 to provide banking services to SHG to open Savings accounts and provide Microfinance to the need members (Mansuri, B. B. 2010) [4] and it is an innovative financial inclusion model for empowering the SHG Members. SHGs Bank linkage programme started in 1992 is completed 3 decades and largest microfinance programme in India.

Table 2: Value of savings and loans outstanding under the SHG-BLP program (in billion)

Savings and loan outstanding are shown year-wise under SHG-BLP

Financial Year	Savings	Loan Outstanding
2020	261.5	1080.8
2021	374.8	1032.9
2022	472.4	1510.5

Source: Statistica

Microfinance is a critical financial tool for reducing poverty, empowering women in both urban and rural homes, and bringing about social change in conjunction with micro-financed institutions to achieve speedier financial inclusion and resource for the weaker sections of society. Joint Liability Groups (JLG), Self Help Groups (SHG), Grameen Model Banks, and Rural Cooperatives are examples of Micro Finance Institutions. Microfinance provides a platform for the 5 E Model rural areas of women empowerment, poverty Eradication, rural Employment opportunities also micro-Entrepreneurs and rural financial Education. Commercial banks, credit unions, non-governmental organizations (NGOs), Cooperatives and government bank sectors are among the institutions that provide microfinance in India.

Table 3: No. of MFIs in Indian States/UTs and No. of Districts with MFI Operations

Name of State/UT	No. of MFIs operating in the State/UT (including those having Head Quarters outside)	No. of districts of the State/UT where MFIs operate	No. of Branches
Andaman & Nicobar Islands	2	1	4
Andhra Pradesh	5	13	96
Arunachal Pradesh	4	2	3
Assam	29	29	581
Bihar	58	38	2454
Chandigarh	2	1	4
Chhattisgarh	36	27	690
Delhi	8	3	15
Goa	8	2	22
Gujarat	32	29	778
Haryana	32	22	466
Himachal Pradesh	9	7	38

Jammu & Kashmir	3	3	5
Jharkhand	37	23	696
Karnataka	35	31	2028
Kerala	33	14	649
Madhya Pradesh	55	52	1828
Maharashtra	49	36	1406
Manipur	9	12	37
Meghalaya	10	5	11
Mizoram	5	2	4
Nagaland	1	1	1
Odisha	37	30	1568
Puducherry	25	4	56
Punjab	24	23	423
Rajasthan	41	33	1383
Sikkim	6	4	14
Tamil Nadu	65	38	2863
Telangana	3	9	24
Tripura	16	8	209
Uttar Pradesh	57	71	2325
Uttarakhand	23	6	118
West Bengal	49	23	1629
Total		602	22428

Source: Bharat Microfinance Report 2022

2.1 Theoretical Assessment of Financial Inclusion:

Financial inclusion is universally recognized as a pivotal metric of societal progress and welfare. It encompasses the imperative of ensuring that vulnerable groups, including weaker sections and low-income communities, gain equitable access to financial resources, including timely and ample credit, at affordable rates. In essence, it signifies that both individuals and enterprises have access to reasonably priced financial solutions and services tailored to their requirements. These encompass essential financial functions such as transactions, payments, savings, credit, pensions, and insurance, all of which are offered with a strong commitment to responsible provision and sustainably. Financial inclusion is achieved through a product-based strategy, a bank-led approach, a regulatory approach, a technology-based approach, and government initiatives (Mehta, L. et. al 2015) [5]. Technology as a catalyst, Government initiatives, Financial institutions and FinTech players take an active role in financial inclusion.

Financial inclusion is essential for inclusive development to promote a large number of initiatives by the Government, RBI, NABARD and SIDBI in providing basic financial products to all sections of society for achieving sustainable development goals.

2.2 Financial Inclusion Initiatives:

- Priority Sector lending (PSL)
- Promotion of Self-Help Groups
- Business Correspondents (BC)
- Pashu Kisan Credit Card –financing to Farmer's Producer Organisations (FPOs)
- Payments Banks
- Lead Bank Scheme
- Joint Liability Groups
- Kisan Credit Card (KCC)
- Pradhan Mantri Jan Dhan Yojana-2014 and Jan Dhan Aadhaar and mobile Jam Trinity
- Small Finance Bank
- NBFC-Micro Finance Institutions (MFIs)
- India Stack's Digital Public Goods-Fintech –Digital Payments, Immediate Payment Service (IMPS), Aadhaar Enabled Payments System(ACPS), Unified Payment Interface(UPI), Bharat Quick Response Code. NEFT, RTGS, RuPay Cards, Simplified KYC norms, Direct Benefit Transfer (DBT), electronic Benefit Transfer (EBT)

- RBI- National Strategy for Financial Inclusion 2019-24 and Financial Inclusion Plan (FIP) for branch and branchless banking
- Digital Banking Units
- Financial Literacy and Credit Counselling Centers (FLCCs) & Financial and Digital Literacy Camps by bank branches
- Basic Savings Bank Deposit Account (BSBDA)
- White Label ATMS by Non-bank entities
- Liberalized branch license Scheme in tier III to VI
- No Frills Account(minimum balance of Zero/ a very low balance
- NACH –Aadhaar Bridge APB for transfer of benefits and subsidies.

Source: Author’s own

Digital Financial Inclusion (DFI), as defined in a joint paper by the World Bank and the G20 Global Partnership for Financial Inclusion (GPFI), refers to the utilization of cost-effective digital methods to extend a variety of formal financial services to presently excluded and underprivileged populations. These services are dispensed in a responsible manner, maintaining affordability for customers while ensuring sustainability for service providers. Since 2014, DFI has been evaluated in conjunction with the NABARD initiative to connect last-mile people at a low cost and convene in financial information and transaction facilitation. PMJDY, Rupay, G2P payments, NABARDE-Shakti (electronic empowerment) of SHG, UPI, BHIM Business Correspondents, Business Facilitators, Mobile wallets, Mobile money, Aadhaar, and India Stack, Immediate Bank to Bank transfers (IMPS), Bharat Bill Payment System and KCC are examples of DFI tools. Payment bank services have been introduced in response to the Mor committee report. By providing credit through high-tech, low-cost operations, NBFCs, Microfinance, and Small Finance Banks (SFBs) have expanded financial inclusion. In the context of the global landscape, it is imperative to consider the microcredit movement within the framework of Self Help Groups (SHGs) for the long term (Kandpal, V et al., 2023) [6]. This perspective aligns with the Digital India initiative and its Nine Pillars, which encompass key elements such as the development of broadband highways for both rural and urban areas, ensuring universal access to mobile connectivity throughout the nation, implementing a Public Internet Access Programme, advancing e-Governance, fostering e-Kranti for electronic delivery services, providing information access for all, promoting electronics manufacturing for job creation and skills development, and initiating Early Harvest Programmes is a driving force in the provision of services to the people, as well as the process of transparency, accountability, Financial Inclusion and economic development, is through India Stack - Digital Public Infrastructure such as Aadhaar, UPI is the hallmark of GoI, RBI and National Payment Corporation.

Financial inclusion (FI) facilitated by the Pradhan Mantri Jan-Dhan Yojana (PMJDY) constitutes a vital component of the JAM trinity, which comprises Jan-Dhan accounts, Aadhaar identification, and mobile accessibility. This trinity serves as a set of tools designed to efficiently distribute subsidies and welfare benefits directly to verified beneficiaries, eliminating the need for intermediaries and preventing any leakage of funds.

Table 4: Year-wise Total balance of PMJDY M

Year(March)	Total Balance (in Rs lakh crore)
2019	0.96
2020	1.19
2021	1.45
2022	1.49
2023	1.99

Source: Business Line April 10, 2023

India has achieved remarkable advancements in the adoption of the internet and mobile phone connectivity for conducting financial transactions, leading to a transformation of the financial services sector.

Table 5: Digital Adoption and Use in India 2022

Digital adoption with the population	In Billion / Million
Total Population	1.40billion
Male	52.0%
Female	48%
Urban area	35.9%
Rural area	64.1%
Internet users	658.0 million
Did not use the Internet	742.0
Cellular Mobile Connection	1.14 billion
Population	81.3%
Internet user	658.0Million
Population	47.0%
Urbanisation	35.9%

Source Datareportal

The Indian strategy is founded on key principles, including the provision of digital financial infrastructure as a public utility, the promotion of private innovation through open access to this infrastructure, and the establishment of a fair and equitable playing field through a regulatory framework (D'Silva et al., 2019) [7]. The financial technology (Fintech) revolution has brought about significant changes in the delivery of financial services through advanced technologies such as crowdfunding, digital payment systems, peer-to-peer (P2P), Person to Merchant (P2M), Government to Person (G2P), Immediate Payment Service (IMPS), National Common Mobility Card, Unstructured Supplementary Service Data (USSD), National Electronic Toll Collection (NETC), and electronic wallets. These technologies are instrumental in assisting underserved individuals in society.

Fintech, which stands for financial technology, is the convergence of financial services and technology, and it facilitates financial inclusion by democratizing access to the financial system for individuals and small businesses who were previously excluded (Goel, P., 2022) [8]. The Digital Public Infrastructure (DPI) and Open Stack platforms, coupled with cutting-edge technologies like artificial intelligence (AI) and machine learning (ML), have played a pivotal role in enhancing accessibility, connectivity, and affordability, thus contributing to inclusive financial services.

Aadhaar-enabled KYC and Digital Banking unit is a key enabler along with the National Payment Corporation of India for digital payments, Unique Identification Authority of India (UIDAI) and Open Network for Digital Commerce (ONDC) innovation has enhanced scalability and better financial inclusion. Aadhaar has immediate value in terms of developing digital infrastructure for social and financial transfers (Banerjee, S. 2016) [9].

Table 6: Digital-enabled Initiatives and Expansion of digital infrastructure in India Year wise

Year	Digital Enabled Initiatives
2020	e- Rupi
2019	UPI- Auto Pay
2017-2018	Bharat QR, BHIM Aadhaar, Aadhaar Pay
2016	Peer to Peer lending, Universal Bank Licenses, Bharat Bill Payment System (BBPS), Demonetization, GST, UPI, AHIM, Aggregator NBFC
2015	SFB- Small Finance Bank, Payment Banks, Digi locker,e- Sign
2014	Rupay Card Network, PMJDY Scheme
2012	Aadhaar e-KYC
2011	AEPS, APBS-Aadhaar Payment Bridge System
2010	Aadhaar Authentication

Source: BCG Digital Payments in India

Digital Financial Services encompass financial offerings delivered to customers through digital technology platforms, which include web and mobile applications, machine learning (ML) algorithms, digital identification systems, and UPI-based transactions. The rise of digital payments can be attributed not only to a favorable perception of digital payment methods but also to a decreasing reliance on cash, as noted by Shree et al. in 2021 [10].

Table 7: Types of Digital Financial Services and Its Advantages

Types of Digital Financial Services	Advantages
Cards: Debit, credit Prepaid Cards, ATMs, UPI ID & PIN, E-Wallets, POS Terminals, Internet and Mobile Banking, AEPS	Transfer of Funds quickly, Financial Inclusion, Easier Transaction, Shopping Made Easy, Digital Economy, Contribution to (GVA), Access to formal financial services, Ecofriendly.

Source: Author

Union Budget 2022-23 has released a roadmap for financial inclusion based on digital payments platforms, digital banking, anytime-anywhere post office savings, digital rupee, venture capital and private equity investment, and data sharing rails of account aggregator to broaden financial services at a lower cost.

The unified Payments Interface (UPI) launched by NPCI is the core of the fintech revaluation launched in 2016 and recently launched UPI123 pay, Digi Saathi.

Table 8: Value of UPI-based digital payments across India from 2017-2022

Year	Billion (Rupees)
2017	69.5
2018	1098.3
2019	8769.7
2020	21317.3
2021	41036.58
2022	84160

Source: India- Today 03/3/2023

India is the fastest-growing digital payments market even at the grass root level with UPI, Jan-Dhan Yojana, Banks, Fintech products and Government support has made India a digitally empowered Financial Inclusion and Digital Finance Economy

Table 9: Total Digital Transactions in Volume in Million and Value-in Crore

Financial Year & Digital Transaction	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Digital Transaction (Volume)	2071	3134	4572	5554	8840	2050
Digital Transaction Value	1962	2482	2953	3000	3021	2473

Digital Identification of a biometric ID, AEPS (Aadhaar Enabled Payment System), and e-KYC is the individual's financial address and it expands the growth of financial inclusion under DBT Aadhaar has emerged as a foundation for accessing a range of social welfare programs and banks for providing banking services at the doorsteps in the remotest of areas.

Table 10: Aadhaar Digital Impact as on March 2022

Aadhaar Enabled Transactions	In Crore
Aadhaar Generated	133 Crore
AEPS Transactions	1362.59 crore
Cumulative e-KYC transactions	1174.63 crore
Aadhaar authentication	7358.44
Aadhaar linked to PDS	73.12 core
PAHAL cooking gas	2794
PM Kisan Yojna	119
Bank account linked	77.25
AePS transactions	1400

Sources: Unique Identification Authority of India

The goal of SHG digitization under the NABARD E-Shakti project is to digitize both financial and non-financial data of SHGs to create a digitally empowered community, knowledge economy and Atmanirbhar Mahila.

Table 11: Digitization of SHGs E-shakti as of 31st March 2022

No of SHGs	Members	No of Villages	Districts
12.74 Lakh	146 Lakh	1.73 Lakh	281

Source: NABARD Status of Microfinance in India 2021-2022

E-Shakti is a pilot project of NABARD for the digitization of SHG book-keeping and enables banks to take credit decisions through Management Information System(MIS) on savings, the profile of its members.

Table 12: Year-wise Number of Self-Help Group Digitized E-shakti initiated by NABARD

Year	Number of Digitized under E-Shakti(Lakhs)
2016	8
2017	128
2018	349
2019	434
2020	644
2021	1233
2022	1274

Source: Statistics

The Indian government, in collaboration with the Reserve Bank of India (RBI), has introduced economic policies aimed at fostering the development of marginalized and underprivileged segments, particularly women. These government initiatives place a strong emphasis on elevating the income levels of citizens through various means, including social mobilization, community entrepreneurship, community-driven product and productivity enhancement, and the promotion of both physical and financial resources in rural areas to empower self-reliant villages.

In alignment with this vision, the government launched the Deendayal Antyodaya Yojana-National Rural Livelihoods Mission (DAY-NRLM) in 2011, as documented by Raghunathan et al. in 2022 [11]. This mission's primary focus is to facilitate mobilization and business development by organizing rural women into Self-Help Groups (SHGs). Additionally, the PM SV Nidhi Scheme was introduced, providing micro-lending amounts of Rs10,000 to street vendors, enabling them to initiate economic activities. DAY-NRLM also supports community financial inclusion through a Revolving Fund (RF) and Community Investment Fund (CIF). The mission comprises sub-components like the Mahila Kisan Sashaktikaran Pariyojana, aimed at enhancing women's active participation in sustainable agricultural livelihoods within Farmer Interest Groups (FIGs), and the Aajeevika Grameen Express Yojana (AGEY), facilitating community-monitored transport services by SHGs.

Further efforts to promote financial inclusion include schemes such as the Atal Pension Yojana, Pradhan Mantri Suraksha Bima Yojana, Stand Up India Scheme, National Pensions Scheme (NPS), and Ayushman Bharat Yojana under PMJAY. National Rural Livelihood Mission (NRLM), Pradhan Mantri Mudra Yojana (PMMY), and Stand-Up India are also pivotal components of these initiatives.

To empower the people of India, the RBI has introduced the National Strategy for Financial Inclusion (NSFI) 2019-24, focusing on enhancing payment infrastructure development through the Payment Infrastructure Development Fund (PIDF) and promoting financial literacy. These efforts trace their roots back to the social banking policy period of 1977-80 when new branches and Regional Rural Banks (RRBs) were established, and further developments occurred during the financial reform period from 1991 to 2004. These efforts collectively contribute to the realization of formal financial inclusion policies, encompassing both rural and urban areas. Notably, the National Strategy for Financial Inclusion (NSFI), launched in June 2017, has been instrumental in advancing these objectives with the support of the Financial Inclusion Advisory Committee (FIAC).

Finance services will support a wide range of Economic activities and households of various income levels and ensure more equitable, inclusive development and boost rural financial inclusion.

Table 13: Rural-Urban share of Loan disbursed for 2022-2021

Loan Disbursement	Loan disbursed in 2022	The loan disbursed in 2021	The amount of disbursement increased in 2022 over 2021	Growth (%)
Rural	85,150	63,381	21,769	34%
Urban	28,061	18,266	9,795	54%
Total	1,13,211	81,647	31,564	39%

Sources; The Bharat Microfinance Report-2022

In 2021, the RBI introduced a Financial Inclusion Index (FI-Index) to track the availability of financial services to underserved and low-income groups at an affordable cost. The FI Index has three broad parameters: access, usage, and quality. The JAM trinity - Jan Dhan, Aadhaar, and Mobile - has enabled the Indian government to raise financial inclusion from 43.4 in 2017 to 56.4 in 2022, according to the RBI Financial Inclusion Index. Bharat Net is the world's largest network for offering optical fibre in all villages, including remote regions, at affordable broadband connectivity for all households and institutions, to increase employment, and revenue generation and realise the Digital India vision.

2.3 Various Government Policies and their Impact:

Pradhan Mantri Jan Dhan Yojana (PMJDY)

The Pradhan Mantri Jan-Dhan Yojana (PMJDY) stands as a National Mission for Financial Inclusion with the primary objective of providing affordable access to a range of financial services. These services encompass basic savings and deposit accounts, remittance facilities, credit options, insurance coverage, and pension benefits. Individuals who lack any existing bank accounts have the opportunity to establish a Basic Savings Bank Deposit (BSBD) account through any bank branch or Business Correspondent (Bank Mitra) outlet as part of this initiative.

PMJDY account holders also receive Accident Insurance Coverage of Rs. 1 lakh, which was enhanced to Rs. 2 lakh for new PMJDY accounts created after August 28, 2018, through their RuPay cards. Furthermore, eligible account holders are entitled to avail themselves of an overdraft (OD) facility of up to Rs. 10,000.

As on 10th August 2022

1. Total Number of Accounts 46.25 Core (55.59%)
2. Women A/c Holders 25.71(55.59%)
3. Number of Account Holders in rural and Semi-Urban area 30.89 core (66.79%)
4. Operative PMJDY Accounts 37.57 Crore (81.21%)
5. Deposits 173954 crore
6. No of Rupay Debit Card issued 31.94 crore

(Source: Pib.Gov.in)

Deendayal Antyodaya Yojana-National Rural Livelihood Mission (NRLM):

The Deendayal Antyodaya Yojana-National Rural Livelihood Mission (DAY-NRLM) has the overarching goal of alleviating poverty by facilitating impoverished households' access to meaningful self-employment and skilled wage employment prospects. This endeavor seeks to create a spectrum of enduring and varied livelihood opportunities for disadvantaged individuals through a multifaceted approach. This approach includes social mobilization, the fostering and fortification of self-governing, economically viable community organizations among rural women, the promotion of financial inclusion, the establishment of sustainable livelihoods, and the promotion of social inclusion.

1. Households mobilized into SHG 89291398 crore.

1. No of SHGs formed 8261091

2. No of farmer organizations 401 out of 21 women organizations
3. SHGs cluster Level Federations 31305
4. Village organizations 482 (as on Feb 2023)
5. No of Districts covered 707
6. No Gram Panchayats 2,55,928
7. No village covered 7,17,496

Source: rural. nic. in

Stand-Up India Scheme:

The Stand-Up India Scheme, inaugurated on April 5, 2016, was introduced to foster entrepreneurship at the grassroots level. This scheme places a particular emphasis on advancing economic empowerment and generating employment opportunities, especially for women, Scheduled Castes (SCs), and Scheduled Tribes (STs). Under this initiative, loans are extended to greenfield enterprises operating in manufacturing, services, trading, and agricultural-related sectors. The range of bank loans provided through this scheme varies from Rs. 10 lakh to Rs. 1 crore. More than 1 lakh women promoters.

1. 3160 crores has been sanctioned as of March 2022 Beneficiaries are ST 1374, SC 3977 and Women 24810
2. No accounts 133995 SC 19310, ST 6435 and Women 108250

(Source: Press Information Bureau-Research Unit –Ministry of I&B)

Pradhan Mantri Shram Yogi Maan Dhan Yojana (PM-SYM):

It is a pension plan that is both voluntary and contributory. All workers in the unorganized sector are required to contribute a monthly sum ranging from Rs 55 to Rs 200 under this scheme. The central government then matches that amount. The worker is entitled to a minimum monthly pension of Rs 3000 upon retirement

Mantri Jeevan Jyoti Bima Yojana (PMJJBY) and Pradhan Mantri Suraksha Bima Yojana (PMSBY):

The PMJJBY scheme is a one-year, renewable life insurance programme. Individuals between the ages of 18 and 50 who have savings bank accounts may participate in the PMJJBY initiative. The plan requires participants to pay an annual premium that is withdrawn automatically from their bank accounts. The PMJJBY system includes a term plan in which the insurance provider will only pay the insurance money to the member's family after the insured individual dies. In the event of the insured member's death, the nominee or the covered member's family will get a lump sum payout of INR 2 lakh.

1. As of March 31, 2022, the number of active subscribers enrolled under PMJJBY and PMSBY is 6.4 crore and 22 crores respectively.
2. about Rs.9,737 crores has been collected by the implementing insurers towards premiums, and claims of Rs.14,144 crores have been paid under PMJJBY
3. More people are enrolling in social security schemes, as evidenced by the following new enrolments in FY2022: PMJJBY: 5,592; PMSBY: 24,184; and APY: 344.

(Source MINT-31st May 2022)

PM Streets Vendors Atma Nirbhar Nidhi (SVANidhi):

In June 2020, the Prime Minister will launch the PM Streets Vendors Atma Nirbhar Nidhi (SVANidhi) scheme to provide financial support to these road traders, hawkers, and street vendors. Every eligible beneficiary receives subsidised working capital loans of US\$ 122.08 (Rs 10,000) under the centrally supported initiative.

1. Eligible Application as on Feb 2023-61,63,113
2. Sanctioned Loans 4677412
3. Disbursed Loans 4100220

NABARD:

NABARD encourages the development of financial inclusion infrastructure in banks to facilitate faster financial transactions. It also creates digital and payment acceptance infrastructure and promotes digital and financial literacy.

1. Entrepreneurship Development and Financial Inclusion (CEDFI)
2. Loan programmes such as StreeNidhi provide loans through digital platforms, including 603 StreeNidhi SHG borrowers in Andhra Pradesh and Telangana.
3. The initiatives of the Financial Inclusion Fund (FIF) seek to finance the cost of digital infrastructure for banks.
4. Financial education and awareness

Pradhan Mantri Mudra Yojana (PMMY):

PMMY is a flagship scheme of the Government of India. PMMY provides loans of up to ten lakh rupees to small unorganised, non-farm businesses, and micro-enterprises via banks, microfinance institutions (MFIs), RRBs, and NBFCs. Shishu(Up to 50,000 Rs), Kishore 50,000 to 5 Lakh), and Tarun(5 lacks to 10 Lakh) are the loan products.

1. Loan portfolio of PMMY in the year 2015-16 (loan accounts) is 35 million and the loan disbursed 1.3 trillion but in 2022-23 loan account is 62 million and the loan disbursed is 4.5 trillion.
2. Loan to women under Shishu in Percentage is 72%, Kishore is 51.5% and Tarun is 8.8%.
3. Loan Sanctioned by Banks under PMMY for 2021-22 is 2.7 (trillion Rs)

Direct Benefit Transfer (DBT) linked schemes have brought more transparency and accountability in terms of reaching the government schemes to the beneficiary account due linkage of Aadhaar and no Mobile holders.

Table 14: Directly linked schemes beneficiaries with no of Mobile holders

Year	Number of Beneficiaries (Crore)	DBT linked Schemes
2013-14	10.80	28
2022-23	170	313

Sources: New India Samachar May16-31,2023

2.4 Analyzing the Sustainable Development Goal and Financial Inclusion Through SHG Bank Linkage and Pradhan Mantri Van Dhan Yojana (PMVDY):

To advance seven of the seventeen United Nations Sustainable Development Goals (SDGs), including those related to poverty reduction, hunger eradication, improved health and well-being, gender equality, quality education, decent work, and economic growth, financial inclusion emerges as a critical facilitator. It holds the potential to profoundly impact the quality of life for impoverished and marginalized segments of society. Sustainable development, with its triad of economic, environmental, and social dimensions, is intimately connected to financial inclusion, contributing to long-term sustainability (Ozili, P. K. 2022) [12].

Financial inclusion, particularly for Self-Help Groups (SHGs) consisting of women, is instrumental in advancing gender equality and women's economic empowerment. The National Strategy for Financial Inclusion (NSFI), developed by the Reserve Bank of India (RBI) in collaboration with the Financial Inclusion Advisory Committee (FIAC) under the Financial Stability Development Council (FSDC), strives to enhance affordable access to formal financial services, bolster financial inclusion, and promote financial literacy and consumer protection.

The strategic pillars of the NSFI encompass ensuring financial services for everyone, offering basic financial service packages, facilitating access to employment and skill development, promoting financial education and literacy, ensuring customer protection and grievance redressal, effective coordination, and harnessing technology and a multi-stakeholder approach to achieve enduring financial

inclusion. The critical Triangle model posits that institutional innovation leads to impact, financial sustainability, and outreach to the poor (Misra, A. 2006) [13].

In the pursuit of Sustainable Development Goals, two approaches stand out: the bank-led strategy known as the Self-Help Group-Bank Linkage Programme (SHG-BLP) and the Micro Finance Institution (MFI)-led approach. These approaches involve various actors in the microfinance industry, including banks, NBFC-MFIs, Small Finance Banks, NBFCs, and non-profit MFIs, with all except non-profit MFIs regulated by the RBI. Microfinance operations span 595 districts across 28 states and 5 union territories in India. As of March 31, 2022, the total microcredit portfolio of 225 lenders amounted to Rs 2,62,599 crores, marking a 5% increase from the previous year (compared to a portfolio of Rs 2,50,826 crore from 209 lenders). Over the year, the number of institutions providing microfinance services expanded to 225, including 82 NBFC-MFIs, 18 banks, 9 Small Finance Banks, 71 NBFCs, and 45 non-profit MFIs.

The SHG Bank Linkage program, developed by NABARD, facilitates SHGs in accessing loans from commercial, rural, and cooperative banks. NABARD also refinances these loans at subsidized interest rates (Nair, A. 2005) [14].

Table 15: NABARD Refinance to Banks for SHGs Lending year wise

To boost credit to SHGs, NABARD has provided refinance to banks for investment credit

Year	Rupee in Crore
2017-18	6981
2018-19	12886
2019-20	15434
2020-21	12227
2021-22	10197

Source: Status of Microfinance in India 2021-22

The SHG Bank Linkage program, initiated in 1992, has now completed three decades and stands as the largest microfinance initiative in India. This program was originally conceived by NABARD. Over the years, the key parameters of the SHG Bank Linkage program, including savings bank accounts, the volume of credit disbursed annually, outstanding bank loans, and the amount of savings, have consistently demonstrated positive growth trends.

Table 16: SHGs –BLP as on March 2022

Particulars	Amount
Total number of SHGs savings linked with banks	118.93 Lakhs
Total Savings Amount of SHGs Linked with Banks	47240 crore
Total number of SHGs with loans outstanding	67 Lakhs
Total loan amount outstanding	151051 Crore
Total No of SHGs credit linked	33.98 Lakhs
Total amount disbursed	99,729

Source: The Bharat Microfinance Report

Pradhan Mantri Van Dhan Yojana (PMVDY) Scheme is introduced to improve tribal communities' and SHGs' livelihoods by supporting the value chain for forest-based products in collaboration with the tribal Cooperative Marketing Federation Ltd., (TRIFED) and providing skill training, capacity building, and entrepreneurship. MFP- The Mechanism for Marketing Minor Forest Products (MFP) and Minimum Support Price (MSP) are components of the plan. The plan is organized into three levels. Van Dhan Vikas Kendras at the village level, Van Dhan Vikas Sanratnshan Samitis at the cluster level, and Van Dhan Vikas Samuch at the district level.

The system is implemented in four stages in tribal states. 1st Stage SHGs-Van Dhan Vikas Kendra (VDVK) to be formed with a cluster of 15 SHGs, 2nd Stage Van Dhan Vikas Kendra-30,000 Van Dhan Self Help Group (SHGs) to be established per year, 3rd Stage Retail Network-Each VDVK will package and market products through an existing retail network, and 4th Stage Financial Support-Financial support of 15 lakhs to each VDVK.

SHGs are an important platform for achieving sustainable development goals (SDGs) since they have a greater influence on women's empowerment, gender inequality, entrepreneurial activity, financial empowerment through microfinance, and raising awareness of livelihood, ending poverty and the rural economy. India has taken responsibility for implementing the goals through various initiatives to end all forms of poverty.

Table 17: SDG Conceptual framework and impact

SDG	SDG Conceptual Framework	Impact
SDG1 No Poverty	Eradicate poverty in all its forms and everywhere.	Financial inclusion is of paramount importance, with its objectives aiming to ensure that by 2030, all individuals, especially those in poverty and vulnerability, have access to financial services.
SDG2 Zero hunger	Eradicate hunger, enhance food security, improve nutrition, and foster sustainable agriculture.	The aim is to double the agricultural productivity and income of small-scale food producers. Across the globe, millions of rural households are engaging in microfinance initiatives that integrate financial support, technical education, and additional services. These programs empower them to engage in livestock management, aquaculture, crop cultivation, and the processing of agricultural products.
SDG3 Good Health and well being	Guarantee well-being and promote good health for people of all ages.	Financial inclusion plays a pivotal role in supporting SDG3. Numerous Microfinance Institutions (MFIs) extend cost-effective or complimentary healthcare services to their members, with some even offering health insurance and running medical clinics.
SDG4 Quality Education	Secure inclusive and fair access to high-quality education while encouraging lifelong learning opportunities for all.	This support is provided both directly through educational scholarships offered by specific MFIs and indirectly by helping households save for future educational expenses.
SDG5 Gender Equality	The objective of the microfinance project is to grant women access to financial services, thereby contributing to gender equality and the empowerment of all women and girls.	Access to financial services for women can enhance their standing within their households and grant them greater control over their financial assets.
SDG 8 Decent Work and Economic Growth	One of the objectives of SDG8, which pertains to inclusive economic growth, is to facilitate access to financial services, supporting the expansion of micro, small, and medium-sized enterprises.	The microfinance market is shifting towards providing larger loans to small and medium-sized enterprises.
SDG 9 Industry Innovation and Infrastructure	India Stack is an Application Programming Interface (API) infrastructure that has furnished official identification credentials to all its citizens, extending a digital economy invitation to millions, irrespective of their economic status, and fostering an environment of competition, innovation, and inclusivity.	The innovative India Stack platform has empowered the Fintech sector to create digital financial products that contribute to inclusive and sustainable industrialization 4.0, while also fostering accelerated innovation.

Source Author Own work

3. REVIEW OF THE LITERATURE :

Table 18: Review of Literature

S. No	Focus	Authors
1	The research is centered on investigating the contributions of financial inclusion drivers, financial literacy, and financial initiatives to sustainable growth in North India. The examined drivers encompass digitalization, technology, and usage. The study delves into the role of financial literacy in mediating the influence of these drivers on sustainable growth, particularly concerning the achievement of various Sustainable Development Goals (SDGs). Employing PLS-SEM modeling, the research reveals the significant impact of usage, digitalization, and FinTech as drivers of financial inclusion. Moreover, it underscores the pivotal role of financial literacy in enhancing the effects of these drivers on sustainable growth. Furthermore, the study highlights the positive impact of financial initiatives on sustainable growth in the northern region of India.	Amit Pandey, Ravi Kiran, Rakesh Kumar Sharma (2022). [15]
2	This paper underscores the pivotal role of financial inclusion in driving economic growth and reducing poverty. Financial inclusion involves integrating marginalized and underprivileged segments of society into the mainstream economy by providing them with financial education and access to banking and financial services. India has undertaken substantial efforts to bolster its financial ecosystem with the aim of extending financial services to all strata of the population. The overarching goal is to empower underprivileged and marginalized individuals by granting them access to financial resources that can uplift their living standards. The National Bank for Agriculture and Rural Development (NABARD) has been a trailblazer in spearheading initiatives aimed at promoting financial inclusion. These initiatives encompass a spectrum of actions, including establishing bank branches in remote areas, leveraging information technology to issue Kisan Credit Cards to enhance awareness and financial literacy, and forging linkages between self-help groups and banks. The paper is dedicated to shedding light on NABARD's significant contributions to advancing financial inclusion in India.	Navdeep Kumar (2022). [16]
3	The research underscores the potential of digital financial services in advancing financial inclusion among marginalized groups, effectively addressing challenges related to cost, distance, and transparency. While India has made significant strides in this regard, the study reveals persistent barriers that women face in accessing and utilizing digital financial services. Intriguingly, the analysis conducted in the study indicates that a state's level of economic development does not necessarily align with gender disparities in digital financial inclusion. Through a primary survey conducted among women in both rural and urban settings, the study establishes that digitalization has the capacity to empower women economically and socially. The findings underscore the imperative for adopting a gender-sensitive approach to financial inclusion to ensure the effectiveness of policy endeavors in this sphere.	Lalitagauri Kulkarni, Anandita Ghosh (2021). [17]
4	The article delves into the potential of Digital Financial Services (DFS) in advancing financial inclusion, especially in a rapidly digitizing nation. DFS presents the opportunity to broaden the reach of financial services to underserved populations, thereby mitigating the risks and costs associated with cash transactions. Vulnerable and marginalized groups can access an array of financial services, including credit, savings, insurance, and pensions, which might otherwise be challenging to obtain.	Sharon Buteau, Preethi Rao, Fabrizio Valenti (2021). [18]

	<p>The paper provides an overview of the regulatory policy framework governing digital finance in India and assesses the extent of digitization among different population segments within the country. It goes on to scrutinize digital readiness, the current utilization of digital financial services, and the specific challenges faced by three groups with high potential for digitization: women, micro-entrepreneurs, and domestic migrants. The authors derive insights from primary research conducted by LEAD at Korea University.</p> <p>In conclusion, the authors present recommendations aimed at enhancing the adoption of digital financial services among vulnerable groups. These recommendations encompass monitoring the implementation of policies related to data privacy, grievance redressal, and simplification of Know Your Customer (KYC) procedures. Furthermore, they propose the development of tailor-made digital financial services that cater to the unique needs and profiles of vulnerable groups.</p>	
5	<p>The work conducted by V. Basil Hans delves into the initiatives and outcomes of financial inclusion in India. Financial inclusion, regarded as a developmental strategy, has been embraced by India as part of its efforts to work towards achieving the Millennium Development Goals (MDGs). This approach has been firmly incorporated into the Approach Paper for the Twelfth Five-Year Plan (2012-2017). In light of the existence of institutions like NITI Aayog and the emphasis on Sustainable Development Goals (SDGs), there is a reassessment of the concept of "inclusive growth." The study suggests the importance of reevaluating this philosophy while assessing the progress made in the realm of "financial inclusion," particularly through the utilization of "micro-finance" as an empowering tool. The research seeks to comprehend the degree to which the integration of individuals and institutions into the economy has been accomplished, serving as the central focus of the study.</p>	V. Basil Hans 2017. [19]

4. RESEARCH GAP :

There has been considerable research on the impact of digital financial inclusion (DFI) initiatives and the role of Self-Help Groups (SHGs) in sustainable development; there are still several research gaps that warrant further investigation. Some of these gaps include Long-term Sustainability, Gender Dynamics, Behavioral Changes, Behavioral Economics Aspects, etc.

5. NEED FOR THE STUDY :

Digital Financial Inclusion (DFI) is the endeavor to grant access to financial services and products to individuals and communities who have historically been marginalized and excluded from the formal financial system. Self-Help Groups (SHGs) are community-based organizations comprising members with similar socio-economic backgrounds, often women, who pool their resources and savings to promote economic activities and social empowerment. The convergence of DFI initiatives and SHGs has the potential to drive significant positive impacts on sustainable development.

6. OBJECTIVE OF THE STUDY :

The Study is focused on analyzing the impacts of Digital Financial Inclusion on SHG and government initiatives in achieving Sustainable Development Goals and Financial inclusion.

- (1) To Understand the role of SHG in India
- (2) To analyze the various government initiatives in the area of Digital Financial Inclusion
- (3) To find out the impact of Digital Financial Inclusion on SHG
- (4) To highlight the impact of Government policy on SHGs in achieving Sustainable Development goals.

7. METHODOLOGY :

The conceptual research with the case study is based on information collected from websites, journals, magazines, newspapers, and e-books, NABARD reports are based on secondary quantitative data.

8. DISCUSSION :

1. Case study on SHG and Digitalization SHGs promoted by SKDRDP-Shri Kshetra Dharmasthala Rural Development Project:

SKDRDP was founded in 1982, and the SHGs type was introduced in 1991. SKDRDP has concentrated on empowering rural women and farmers by organising SHGs like Bangladesh's Joint Liability Groups (JLGs). SKDRDP SHGs play an active role in implementing the Government of India's financial inclusion Plan through Self Help Group Promoting Institutions (SHGPI) in providing doorstep banking services by working as Banking Business Correspondents and Business Facilitators, and projects of Greenhouse Gas (GHG) emissions, solar lights, and digital e-services through SKDRDP Common Service Centres (CSCS) are geared towards achieving Sustainable Development Goals. SKDRDP has 656647 SHGs with a total number of members of 5291747 and loans outstanding 19911 crores and savings accumulated 3417 crores. SKDRDP has completely digitized the SHGs records and documents through the SKDRDP app and uploaded the SHGs financial transaction of the NABARD Eshakti portal and SHGs has initiated PMJDY with 3 million accounts have been opened.

Table 19: SKDRDP Impact on Stakeholders

Stakeholders	No of Members and Rupees in Crores
Financial Inclusion:	
No Of Members availing credit	4907917
Credit Portfolio O/S	16712 Crores
Micro Credit O/S	17000 Crores
No Members linked to Bank A/c	2917902
No New Health/Life/Loan/Insurance Policy enrollments	14538394
No New pension A/c	27369
Community Organization	
No women SHGs	432214
No of the farmer SHGs served	164835
No of Young JLG's	768

Source: SKDRDP Annual Report 2022

SKDRDP provides 3 main financial instruments Loans, Insurance, and pension and digitalized the document of the SHGs to make more economic well-being, inclusive, sustainable rural development and financial inclusion. SKDRDP has working as BC/BF to provide banking facilities to the doorsteps.

Table 20: Credit Portfolio SKDRDP

Financial year	Amount Disbursed (Rs in crores)	Savings amount (Rs crores)	SHG members availing of loan
2017-18	8,173.87	1184.69	38684.12
2018-19	9264.09	1408.61	40253.92
2019-20	10417.88	1770.83	42213.17
2020-21	11726.99	2119.15	45158.12
2021-22	13904.96	2652.08	49079.17

Sources: SKDRDP Annual Report 2022

2. Case study on Andhra Pradesh Government policy on SHG:

Andhra Pradesh has a special Scheme for SHG for women's empowerment and socioeconomic development. Scheme Name YSR SunnaVaddi scheme with loans with zero interest in both rural and urban banks has been considered under the scheme. 102,16410 women belonging to 9.76 Lakh Self Help Groups have benefited from 1261 interest Reimbursement into their bank account.

9. ABCD ANALYSIS :

ABCD analysis includes identifying the advantages, benefits, constraints, and disadvantages of the issue under consideration [19-24].

9.1 Advantages:

- (1) Digital transformation helps in collaboration with SHG for easier access to remote areas.
- (2) Digital transformation will create a platform for achieving inclusion and enhancing the SHG skilled group.
- (3) Digital Financial inclusion has great potential to create a digital economy due to the Digital Stack comprising Aadhaar the unified Payment Interface (UPI).
- (4) Digital Financial inclusion is bringing tougher SHG and forces for sociolect-economic status.
- (5) The government has introduced a uniform interest subvention scheme for women SHGs, Jan Dhan Yojana, PMGDISHA across all districts in India.

9.2 Benefits:

- (1) SHGs development model has a Potential channel for accelerating and promoting digital financial inclusion in India.
- (2) National Rural Livelihoods Mission (NRLM), Pradhan Mantri Jan Dhan Yojana (PMJDY), Aadhar Linkage, and NABARD E- Shakti have pushed the digitizing SHGs.
- (3) More Micro Finance Institutions and Credit Cooperative societies are providing credit to SHGs and JLGs.
- (4) SHGs enhanced the quality of status of women as participants and encouraged savings and thereby socio-economic progress of the country.
- (5) SHGs contribute to health, and education on digital financial and reduce the poverty of rural population through insurance schemes.

9.3 Constraints:

- (1) Agriculture workers declined, in India due to technological advances, urban migration, land use changes, and economic diversification. At present agricultural workers are 272 million and the total percentage is 43%. (Economic Times, 7 August 2023).
- (2) More NGOs, FPOs, and SHGs partnership and engagement in providing Digital Financial Services.
- (3) Digital Skills mobile phones and Financial Capability are the main barriers to Digital Financial Inclusion in rural areas.
- (4) Microfinance interest rate SHGs is the same as the bank interest, it must be changed from the point of SHGs in India to push more SHGs.
- (5) Internet penetration in India rank is 120 compared to China's 104 and Brazil's 82 it should be the main for rural SHG.

9.4 Disadvantages:

- (1) Digital Literacy is one most crucial in the process of Digital Financial Inclusion and digital infrastructure and skill for connecting customers.
- (2) Connectivity and security a very critical, especially in promoting digital financial inclusion in the rural area.
- (3) The government has to take the initiative in increasing the maximum ceiling of Rs. 10 lakh per group and simple the loan process for SHGs
- (4) The government has connected ONDC e-commerce for market linkage for SHGs products for the global market.
- (5) The government has to initiate more capacity-building and training programs for SHGs in allied agriculture sectors.

10. CONCLUSION :

The impact of Digital Financial Inclusion (DFI) initiatives on self-help groups (SHGs) holds immense potential for driving sustainable development. Through the integration of digital technologies and financial services, these initiatives have brought about transformative changes in the functioning and empowerment of SHGs, consequently contributing to the overall socio-economic growth of communities.

DFI initiatives have effectively addressed traditional barriers such as limited access to banking services, financial literacy gaps, and geographical constraints. By providing SHG members with digital tools and platforms for financial transactions, savings, loans, and access to credit, DFI initiatives have fostered financial independence, entrepreneurship, and income generation among members. This empowerment, in turn, has contributed to poverty alleviation, increased household incomes, and improved living standards within communities.

The impact of DFI initiatives on self-help groups cannot be understated. They have acted as catalysts for sustainable development by fostering financial inclusion, empowerment, and improved livelihoods. As these initiatives continue to evolve and adapt to the changing technological landscape, they hold the promise of creating a more inclusive and prosperous future for SHGs and the communities they serve.

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