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FINDINGS

India witnessing rapid growth of digital payments along with having the highest number of dormant accounts poses a complex challenge in the journey of digital financial inclusion. Therefore, the thesis constructs an index for digital financial inclusion to measure the level of digital financial inclusion in Uttar Pradesh based on its three main dimensions, namely, Access, Usage and Awareness. The thesis concludes that while access to digital financial services is comparatively higher amongst respondents, those who remain excluded are elderly, low educated, SCs, STs. Also, rural areas, informal sector workers and low-income individuals are excluded as well. Major reasons for not having access to digital financial services includes lack of/low income, distaste for technology and lack of required skills. The use of digital financial services for utility bills payment, merchant payments and availing advanced financial services remains significantly restricted. Thus, around half of the respondents have experienced either a dormant use or low use of digital financial services. Dormant use mainly prevails amongst elderly, low educated, Scheduled Castes, widow/widower, informal sector workers, casual labour, low-income individuals and district with low level of financial inclusion. Major challenges in using digital financial services have been poor network connectivity, riskiness, lack of personalised services and lack of personalised training. Awareness about government policy initiatives regarding digital financial inclusion is also considerably low. around three fourth and more than three fourth of the sample population is not aware of National Digital Literacy Mission and Financial Literacy Centres. Majority of the respondents are not aware about RBI Kehta Scheme, a major scheme educating the people about safe banking and financial practices. Therefore, on the basis of index for digital financial inclusion, Uttar Pradesh is found to have a medium level of digital financial inclusion. Impact of digital financial inclusion has also been measured through four factors, namely, easy availability and use of digital financial services, access to digital financial services, savings behaviour and financial management. Easy

availability of use of digital financial services has been low for elderly, low educated, low income and district with low level of digital financial inclusion. Access to financial services that has been facilitated by digitalisation has been comparatively less for labour force participation, informal sector, low educated, casual labours and low-income individuals. Savings enabled by digital financial services has been low for informal sector, rural area, elderly, low educated, casual labour and low-income individuals. Digital financial services have facilitated higher financial management comparatively for male, formal sector workers, urban areas, young individuals, educated, regular salaried workers and high-income individuals. Thus, there is a need to address the existing gaps so as to achieve the status of complete digital financial inclusion in India. An inclusive growth facilitated by digital financial inclusion will help India to achieve its vision of becoming a developed economy by 2047.