



India's Digital Mainstreaming

NABARD

Dr. Harsh Kumar Bhanwala



India - Profile



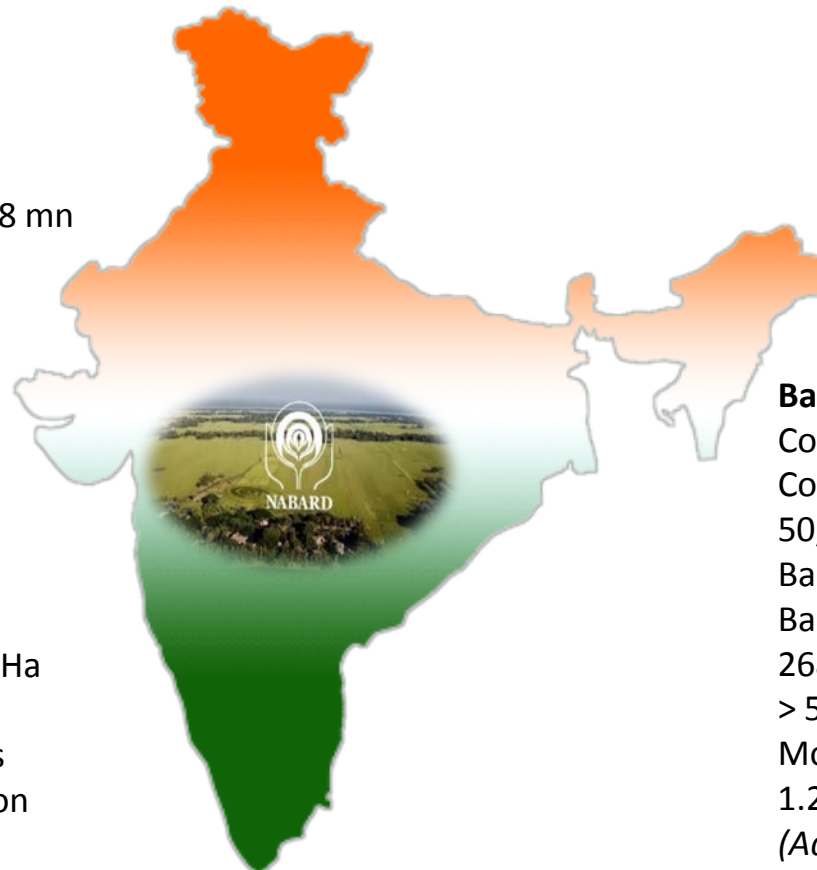
Demography

Total population 1.21 bn
Rural population- 833 mn
640,867 villages
179.1 million households
Operational land holdings -138 mn



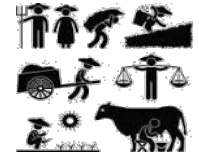
Agriculture

Accounts for 18% of GDP
Gross cropped area – 200 mn Ha
35% irrigated; rest rain fed
85% Small & Marginal farmers
279.5 MT food grain production
No.1 in milk production



Employment

118 mn cultivators
144 mn agricultural labourers
10% unemployed
Per capita income \$ 1820



Banking

Commercial Banks, RRBs,
Cooperative banks, SFB, PB
50,805 rural branches
Banking Correspondent- 5,15,317
Basic Banking A/C's- 342.6 mn &
268.5 mn cards issued
> 50 mn farmer credit cards
Mobile subscribers – 1.17 bn
1.2 bn unique ID cards issued
(Aadhaar)



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Challenges in Financial Inclusion



Vast Country.
Less no of Bank
branches in rural
areas- often
inaccessible for
majority



Rural and
Illiterate
Population –
Depends mostly
on non
institutional
lenders



Telecom
Connectivity and
Power- Many
villages lack
power and data
connectivity to
establish banking
services



Socio-economic
factors- lack of
identification
documents



Costly Tech
- Costly
investments
- High cost of
transaction
affecting viability

NABARD Role in FI Landscape



Backbone of
Direct Benefit
Targeting (DBT)



Building
Rural
Ecosystem

- Core Banking to rural Banks
- Connected rural Banks to national Financial Switch
- Integration of digital payments – Payment Gateway
- New payment products – Unified Payment Interface
- Women Self Help Groups- digital platform

- Bank A/c for all with Unique ID number
- Emphasis on electronic payments (15.8 bn txns in 2017-18 for USD 79 bn)
- Public Financial Management System
- Government e-market place for micro & small businesses
- Fiber optic connectivity in villages

- Payment acceptance infra improved in rural areas (PoS, micro ATM, farmer credit cards[50 mn], Mobile banking)
- Bharat Bill Pay
- Targeted Financial education



Achieved results



Increased Transparency & Efficiency



Digital txns doubled in 2 years to > 20 bn txns

47% decrease in Pension leakage



DBT > \$79 bn. 433 schemes of 56 Ministries.

Banking Correspondents- 10 fold increase in 7 years



Savings of \$ 1.3 bn due to DBT



Removal of Ghost accounts



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Thank You!



NABARD ONLINE
NABARD's official channel on Youtube

