DIRECT BENEFIT TRANSFER THROUGH INDIA POST

Presentation by Vasumitra
CPMG Assam & NE Circle
BENEFITS OF USING INDIA POST

• Handling 6600 million articles as mail per year on an average
• 1.3 Lakh Post offices in rural areas alone
• All accounts, including MG-NREGS, are digitised.
• Image as a people-friendly institution, and high degree of credibility
• Time tested Accounting & Auditing system of the Department.
• Excellent records management and inventory system.
• Transparency in utilisation of funds
• Encouraging small savings, and creating assets in marginal sections
• Empowerment through inclusion in the financial institutional network, especially of women and vulnerable groups.
• Payment at the doorstep of the customers / beneficiaries.
• Financial inclusion of rural populace who are poor, un-banked, and vulnerable.
Disbursement under Social Security Schemes

- Payment of wages under MGNREGA
- Indira Gandhi National Old Age Pension (IGNOAPS)
- Indira Gandhi National Disability Pension (IGNDAPS)
- Indira Gandhi National Widow Pension (IGNWPS)
- Indira Gandhi Matritva Sahayog Yojana (IGMSY)
FINANCIAL INCLUSION: DBT

- 1,30,000 Rural Post Offices are being equipped with Rural Information Communication Technology (RICT) devices to carry out transactions online
- National electronic Fund Management System (NeFMS) is being implemented in all states for MGNREGA disbursements
- All social sector payments through Post Offices are being routed through Public Finance Management System (PFMS)
- Payment files for the entire country are being process centrally by boarding National Payments Corporation of India
- Micro ATM kit comprising of one Tablet, Bluetooth Printer, Finger Print Reader are to be deployed in Post Offices, under Aadhaar Enabled Payment System (AEPS).
DBT THROUGH INDIA POST: BENEFITS OF CORE BANKING

Technical Ease under CBS platform for Crediting Accounts at Central Level

Efficient Response for Successful and Failed transactions.

Effective Reconciliation due to centralised Processing.

Any CBS Post office withdrawal facility for end beneficiary.

Banking Facilities for Beneficiaries at RICT channels
Rural solution will enable approximately 130,000 Extra Departmental Post Offices (EDOs) to improve the level of services being offered to rural customers...

**Highlights of Solution**

- Unparalleled infrastructure (handheld device with various peripheral devices like solar panel) to perform day-to-day transactions for Core Banking, Insurance and Mail Operations
- Branch Post Offices to perform all transactions electronically through devices such as handheld, scanner, barcode readers, thermal printer, magnetic swipe reader and insert card reader
- Branch Post Offices can make disbursements for social security schemes such as MGNREGS
- New services in Retail, Insurance and Financial services space can be offered to rural customers
- English, Hindi and regional language support for application and receipts through Handheld

**Handheld Device**

- Antenna
- Thermal printer
- Finger print scanner
- LCD display
- Magnetic swipe card reader
- USB port

**Benefits for GDS**

- Higher self Esteem & increase in respect in community for rural staff
- Improved efficiency and productivity
- Enhanced knowledge of IT Skills/Computers

**Benefits for Department**

- Bringing rural area services at par with cities
- Increase in revenue by offering new services to rural customer
- Improve service quality and customer satisfaction
- Availability of all departmental services at the Branch Office
- Reduction in manual workload at Head and Sub Post Office

For more information, please visit [http://www.indiapost.gov.in/it_modernisation_cm/](http://www.indiapost.gov.in/it_modernisation_cm/)
For any query, please write to us at connect.indiapost.cm@gmail.com
• Bridging gap between urban and rural India
• Utility bill payments (water, electricity,)
• Open for addition of more services on demand like taxes, fees, Phone top ups, rail ticket bookings etc.

• Banking services for “un-banked” rural population
• Availability of multiple channels for ease of transaction
IT Modernization – Rural ICT Solution – The Architecture

Future Applications

MGREGA eMO
Mail Operations Postal Banking Solution Postal Insurance Solution Third Party Applications

Core Application Platform

Internet

Nearest Connected SO/HO

In case of no connectivity at PO

Devices

Handheld Computers Thermal Printer 2D Imager Smartcard / Mag Stripe Reader and Writer Biometric Scanner
Post offices are linked with poor and marginalized people and the postman is the only representative of govt. who is linked with the feelings and affection of the common man.

By setting up this ‘Payments Bank’:

- A network of banks will be set up across all villages in India
- People will get the benefits of Jan-Dhan account
- MGNREGA funds for the common man can now be transferred into their accounts directly through AADHAR

Spearheading the financial inclusion agenda by removing the barriers for the unbanked and reducing the opportunity cost for the underbanked populace.
DoP-IPPB combine can radically improve delivery of DBT and be a game-changer for financial inclusion

Over 1.36 lakh rural post offices to provide unparalleled reach and access for DBT

- Aadhaar Payments Bridge (APB) as backbone and central operations of IPPB
- Analytics to track fraud

Existing infrastructure of DoP, well-trained GDSs, strong technical team in IPPB, and economies of scale => cost effective banking operations

Better reporting and improved analytics for effective decision making

Unique bouquet of services such as cashless wallets, cash management for small enterprises, doorstep services, etc.
IPPB: TARGET CLIENTELE

- Students
- Elderly
- Home makers
- Rural heartlands
- Influencers
- Blue collar
### IPPB & DOP:
**PRODUCTS & SERVICES IN 1<sup>ST</sup> PHASE**

#### Objective
- Provide basic banking services to unbanked and underbanked and enable them to transact

#### Capabilities
- Capabilities that can be developed within the launch framework and timelines

#### Products
- Current account
- Savings account
- Debit cards (RuPay)
- Prepaid account (for DBT)

#### Services
- Bill payments including premium payment
- Domestic remittance (NEFT/RTGS/IMPS)
- AEPS based transactions
- G2C payments (PFMS)
- C2G Payments
- Merchant acquisition (DBT)
- International remittance – Inward
- Doorstep banking
- Cash management

#### Channels
- Branch
- Assisted mode / Agent
- Digital (Mobile banking, Agent/ Merchant app)
- ATM
- SMS / Missed call banking
- IVR (Basic non-financial transactions) / Call centre

*IPPB will aim to have a simple lending product on Day 1 (small ticket loans issued with minimal requirements)*
**Objective**

- Expand the services and options to enable newer ways of transacting and give a fillip to usage

**Capabilities**

- Incremental capabilities which can be developed subsequently

**Products**

- Debit cards (Visa/ MasterCard)
- 3rd party products – Shop insurance, Life insurance

**Services**

| Bill payments (BBPS enablement, Bill presentment) | P2M payments (QR/ NFC) | Merchant acq. (Physical, Online) |
| Remittance (UPI enablement) | C2G payments (GST, PPF, NPS) | Int. remittance – Outward |

**Channels**

- IVR – Full fledged
- Internet banking
- Self-service kiosks
### IPPB & DOP:
#### PRODUCTS & SERVICES IN 3RD PHASE

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<thead>
<tr>
<th>Objective</th>
<th>Capabilities</th>
<th>Products</th>
<th>Services</th>
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<tbody>
<tr>
<td>• Expand into newer areas to widen the overall set of offerings</td>
<td>• New capabilities which require maturity and evolution of the ecosystem</td>
<td>• Locker</td>
<td>• Coupons</td>
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<td>• Demat account</td>
<td>• Mass transit</td>
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<td></td>
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<td>• Financial advisory</td>
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<td>• 3rd party products – Loans, Mutual Funds etc.</td>
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<td>• Prepaid wallet app (Coupons, offers, social media based P2P payments)</td>
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At Launch – May 2017
Launch + 6 months
Launch + 12 months
THANK YOU