

# INCLUSIVE GROWTH THROUGH FINANCIAL INCLUSION

Financial Inclusion is currently a trending topic in policy spheres because of its potency in encouraging economic growth. The year 2015 could be a watershed year for India in its quest to provide access to a wide range of financial services to all its citizens. In order to shed light on the reforms introduced by the Hon'ble Prime Minister in 2014 and the progress achieved so far & as a part of its on-going efforts to enhance knowledge level in the market, Dun & Bradstreet, the world's leading provider of business information in association with BSE, Bank of Maharashtra, Senrysa Technologies and NABARD organized its 3rd edition of the Financial Inclusion Series 2015 bringing together stalwarts from the banking industry, regulators, Government representatives



"Aadhaar, being the only digitally verifiable ID, plays a pivotal role in Financial Inclusion. It will help ensure delivery of financial services at an affordable cost to the vast sections of the disadvantaged and

low-income groups thus helping in empowering them."

**Dr. Ajay Bhushan Pandey (IAS),**  
Deputy Director General, UIDAI Regional Office,  
Mumbai, Government of India

and other stakeholders to discuss & debate on the current scenario and also share their views on the changing landscape of financial inclusion in the country.

The conclave began with the welcome address by **Ms. Preeta Misra, Director - Learning Solutions, Dun & Bradstreet India**, where she touched upon the long term vision of the Pradhan Mantri Jan Dhan (PMJD) Yojna launched last year. She also spoke about other game changing reforms introduced by the Government like the JAM trinity (Jan Dhan Yojna, Aadhaar and Mobile number) and the direct benefit transfer for LPG programme PAHAL (Pratyaksh Hanstantarit Labh) which is the first digitised Direct Benefit Transfer programme under the new government. She also shed light upon one of the biggest challenges in financial inclusion which has been large numbers and low volumes translating into unaffordable costs. She concluded with a strong point that the only way to bring down the cost to an affordable level and to improve the reach to the remote corners of the country is by effectively leveraging technology.

The first speaker for the day, **Mr. Ashishkumar Chauhan, MD & CEO, BSE Ltd.** began his address by saying 'For financial inclusion, the intermediation system (banking) and disintermediation (stock markets) systems both will have to work hand in hand to provide financial inclusion to the society. Both the systems will have to reach out to the last village and last person in India to bring him or her in the mainstream. Financial inclusion function is similar to the one performed by blood circulation system in the human body, taking nourishment and oxygen to every cell in the body. Similarly, financial system can take the credit to every nook and corner of the system making every individual realize his or her own potential and in the process make the country stronger and promote growth. Technology has reduced the cost to reaching out to people and onus is on the financial system to help the country in achieving its objective of consistent growth in the range of 9% to 10% per annum for a long duration.

Further elaborating on the topic of financial inclusion **Ms. Trishna Guha, Executive Director, Dena Bank** asserted an eye opening statement, "We know that poverty anywhere is a threat to prosperity and it



Left to Right - Ms. Preeta Misra, Director - Learning Solutions, Dun & Bradstreet India, Mr. Ashishkumar Chauhan, MD & CEO, BSE Ltd.; Dr. Ajay Bhushan Pandey (IAS), Deputy Director General, UIDAI Regional Office - Mumbai, Government of India; Ms. Trishna Guha, Executive Director, Dena Bank

is a universally accepted notion that financial inclusion is a tool for eliminating poverty because it helps in inculcating saving habits in individuals." She also briefly stated that as per the World Bank survey index of 2011, only 35% of Indian adults have access to banking services. She mentioned that financial independence and financial inclusion go hand in hand. The RBI has taken initiatives to introduce the villages with



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**Mr. Ashishkumar Chauhan,**  
MD & CEO, BSE Ltd.

telecom, broadband connections and mobile wallet systems to simplify the mode of payment in remote villages. With various technological advancements and government support, the mission of sustainable coverage of 6 lakh villages is being undertaken by the banking industry. She concluded on a positive note that financial inclusion which was so far viewed by banks as a social obligation is now being viewed as a business model generating multiple avenues for the banking sector.

The next speaker in the opening session **Dr. Ajay Bhushan Pandey (IAS), Deputy Director General, UIDAI Regional Office - Mumbai, Government of India**, stated with great optimism that - Digital India initiative launched by our Hon'ble Prime Minister, has several components and it aims to connect every Indian irrespective of their social, economic or financial stature. For this, it is required that individuals are contacted digitally and the year 2010 saw the launch of a reusable, robust and nationally verifiable online ID - Aadhaar. This biometrically verified ID ensures there are no fakes or duplicates circulating in the system. Some of the Aadhaar enabled applications are birth registration system, attendance system which is being used by the Central Government employees, Jeevan Praman Certificate, electoral cards, pension payments

and also instantaneous name change. He concluded on a promising note that Aadhaar has provided an infrastructure which is available for usage in the banking system and in the capital markets. UIDAI has provided a connecting source to every Indian through which every individual can participate in the economic growth story.

The opening session was followed by a panel discussion moderated by **Mr. Subrata Gupta, Chief General Manager - Department of Financial Inclusion and Banking Technology, NABARD**. The session kick started with Mr. Gupta giving a broad coverage on the financial inclusion landscape and the deep impact that technology has had in the financial sector in the past few years. He spoke about the bright future ahead with technological wonders like mobile banking and e-wallets. He went ahead to explain as to how technology is well incorporated into our system and will only continue getting more influential in the years to come.

**Mr. S. Ramakrishnan, Chief General Manager & Country Head (SFMC, PSIG, P&D, GSC), SIDBI**, spoke about the working of the Micro Finance Institutions and the roles they could play in a broader inclusive growth. He stated that credit plus approaches from a mono-product to a multi-product approach from all the micro finance institutions and other stakeholders should be undertaken. He also said that synergies with Aadhaar, Jan Dhan and other government initiatives need to be ensured and differentiated bank-



When the bank account is electronically connected the scope of pilferage goes down and the money reaches directly to the people. Also, when we look back, we will be proud to say that we were the game changers in social security schemes.

**Mr. Subrata Gupta,**  
Chief General Manager - Department of Financial Inclusion and Banking Technology, NABARD

ing, small finance banks and payment banks should play a complimentary role with existing financial delivery systems. He also emphasized that the strengthening of institutions like SIDBI and NABARD could ensure that the ongoing programmes reach their logical success.

**Mr. L. M. Deshmukh, General Manager - Financial Inclusion and Convener SLBC for Maharashtra, Bank of Maharashtra**, enlightened the

audience about the efforts taken by the government to achieve financial inclusion by using information and communication technology through the Business Correspondent model. He mentioned that, in the state of Maharashtra, as of June 2015, more than 13,000 business correspondent (BC) agents have been appointed. The use of BCs enables banks to provide banking services, including loan disbursement and recovery, at the doorstep. Since local stakeholders like NGOs, post offices, etc., are involved in the process, they know the customers at a personal level. This enhances the customers' accountability to the BC, which in turn improves loan performance and repayment rates.

**Mr. Kumar P. Saha, Managing Director, Senrysa Technologies Pvt. Ltd.** pointed that technology is not the end, it is merely an enabler. At the end of the day, it is the people who have to drive it forward. Developments in the field of Information Technology strongly support the growth and inclusiveness of the banking sector, thereby facilitating inclusive economic growth. Some of the promising technologies to be



"Meaningful Financial Inclusion with the help of Aadhaar will definitely be a key for Economic Development of the excluded class of the society benefiting the development of the nation."

**Mr. L. M. Deshmukh,**  
General Manager - Financial Inclusion and Convener SLBC for Maharashtra, Bank of Maharashtra

seen in the future are the Single Authentication Device for small amounts of transaction and NFC technology which can enable transaction by merely tapping the phone on a NFC enabled device.

**Dr. A. M. Pedgaonkar, Chief Advisor - Banking Technology, Indian Banks' Association**, broadly spoke on the initiatives the government has taken to bring in money into the zero balance accounts. He said that the main focus should be in inculcating the trust factor amongst the customers. The government has launched the schemes with multiple benefits such as Rs. 30,000 insurance for social security, Rs. 5000 overdraft after 6 months and accident insurance up to Rs. 1,00,000. RuPay debit card has been issued to the customers so that they can withdraw money wherever they go. Evolution of the handheld devices has only made it easier to carry out transactions in remote areas.

**Mr. Prashant P. Singh, Assistant Director General, UIDAI Regional Office - Mumbai, Government of India**, spoke about inculcating digital inclusion before financial and social inclusion. Digital literacy should be an integral part of the financial inclusion initiative in order to facilitate the rural population with the ease of technology. Technological advancements are going to majorly bring down the cost of operations and transactions.

The session concluded on an optimistic note that financial literacy and technology are interlinked processes. Financial literacy is an ongoing process which can be achieved step by step and the use of technology & using economies of scale will however bring down the cost of transaction to the banks and it will be a win - win situation for both banks and customers. With the introduction of right reforms and pragmatic approach by the Government, financial inclusion and the extension of financial services to every citizen of the country will indeed be achieved in the near future.



"Aadhaar is the backbone of financial inclusion initiatives that will not just strengthen financial deepening further but will create a universal robust platform for leakage proof direct transfer of government subsidies to the individuals at a much reduced cost, resulting in huge saving."



**Mr. Prashant P. Singh,**  
Assistant Director General, UIDAI Regional Office,  
Mumbai, Government of India

"Financial inclusion should be affordable to the customers and sustainable for the providers."



**Dr. A. M. Pedgaonkar,**  
Chief Advisor - Banking Technology,  
Indian Banks' Association

"Customers are more or less aware that they need to have an account for their future's safety. Banks cannot open branches everywhere; the alternatives are business correspondents or kiosks: Senrysa has more than ten thousand kiosks all over India where people can do all kinds of financial transactions."



**Mr. Kumar P. Saha,**  
Managing Director,  
Senrysa Technologies Pvt. Ltd.

"Nurturing the inclusive revolution through leadership in financial inclusion."



**Mr. S. Ramakrishnan,**  
Chief General Manager & Country Head - SFMC,  
PSIG, P&D, GSC, SIDBI

"D&B India has undertaken various capacity building initiatives for Micro, Small & Medium Enterprises and has conducted over 250 programs across different clusters. In fact, D&B manages the world's most valuable commercial database with information on more than 240 million plus companies. D&B India has over 10 million records in its database of which 90% consists of the small and medium enterprises. Through seminars such as the Financial Inclusion Conclave, D&B will continue to be committed to this sector and the development of MSMEs."



**Ms. Preeta Misra,**  
Director - Learning Solutions,  
Dun & Bradstreet India

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