



KARNATAKA

DIGITAL INNOVATIONS IN FINANCIAL INCLUSION REACH THE REMOTE VILLAGES OF UTTARA KANNADA

In one of the biggest initiatives towards institution building, NABARD has facilitated bringing the Co-operative Sector onto the Core Banking Solutions (CBS) platform. [Kanara DCC Bank](#), in 2012 implemented NABARD-initiated CBS to provide technological banking service to rural areas and its customers. NABARD had provided financial assistance of ₹0.2 million per branch to implement CBS. The Bank migrated to CBS in 2015, thus reducing the initial investment burden on the co-operative banks to enable them to move to CBS faster.

With NABARD support, the rural population of Uttara Kannada could avail of ATM, PoS and e-commerce services. As of date, the intervention has resulted in:

- **RuPay Debit Card (general account holders): 40,625**
- **Kanara Kisan RuPay Debit Card (KCC members): 112,728**

ATM transactions by Kanara DCCB

Service Type	2017-18	2018-19	2019-20	2020-21	2021-22
ATM Transaction	286289	429704	493073	512789	580840
E-com/PoS Transaction	28359	58504	92881	108643	118989

Driving change: Mobile ATM Van

However, the inhabitants of the remote villages did not have any banking facility and were excluded from the ambit of financial inclusion. To include these unbanked people in the financial inclusion plan, the District Development Manager of North Kanara,

NABARD, approached Kanara DCCB, Sirsi, to buy Mobile ATM Vans to reach the unreached with support from NABARD. Villagers had to travel to branches or nearby Business Correspondents to withdraw cash. The vagaries of the weather and geographical challenges added to their woes.

NABARD went on to provide financial assistance of ₹1.5 million to Kanara DCCB, with which it purchased a mobile van and started deploying it on a planned route with a weekly schedule to cover villages that did not have access to banks/branches. The bank also started Digital India Awareness programmes through Mobile ATM Van in 2019 to provide digital banking transactions to the rural people of the Uttara Kannada district with NABARD assistance.

Steadily, the move started gaining traction. More and more villagers started using Mobile ATM Vans for cash withdrawals, PIN changes, balance enquiries, and other ATM-related services. The TV screen in the mobile van acted as a panel for security cameras, and it was used to disseminate financial literacy among villagers.

Currently, the van is operational in Uttara Kannada district (villages), and covers 53 branches and 176 Primary Agricultural Credit Societies (PACS). The van operates from Sirsi and covers Mundgod, Sirsi and Siddapur. The schedule of the van's deployment is prepared by the Head Office and covers an average of four to five villages/day, which do not have a Kanara DCC Bank branch.

Several villages such as Mundaganame, Vanalli, Heroor, Heggarni, Kalche, Kalleshar and Mattigatta are situated 50 to 60 km away in

Uttara Kannada district from the nearest town. The deployment of a Mobile ATM Van has facilitated easy access to the bank and its banking facilities for the unreached and under-reached. The van has successfully educated villagers and Self-Help Groups (SHGs), resulting in disbursement to the extent of ₹224.3 million to SHGs, and providing credit linkages.

The village chief is a decisive member in organising financial literacy camps and informs the villagers in advance about the schedule of the van coming to the village. To date, 126 digital awareness programmes have been conducted in selected PACS and our branches of Uttara Kannada district. An official of the bank travelling with a Mobile ATM Van and the IT nodal officer play a crucial role in educating the masses about financial inclusion initiatives of the Government of India. NABARD has sanctioned assistance of ₹.46 million for conducting financial literacy camps in the district. The mobile ATM van deployment is often clubbed with financial literacy awareness programmes in the village.

Different Government of India subsidies are directly credited to farmers' accounts, and farmers are using the mobile van to withdraw money from their accounts at their doorsteps. The saving behaviour of the farmers has increased due to financial literacy awareness programmes crafted by the bank and has led to an increase in the CASA deposits of the Bank.

The mobile van has successfully eased travel costs and time for the villagers and made them self-reliant. Such efforts' success emphasises

that using basic financial products is the backbone of rural prosperity.



A Mobile ATM Van is in operation in the Uttara Kannada district.

Positive Pay System: A positive banking feature

With grant assistance of ₹.3 million from NABARD, the Bank implemented the Positive Pay System on October 13, 2021. Awareness among its customers of features of the Positive Pay System has been created through SMS alerts, displayed in branches and ATMs, as well as through bank websites and internet banking.

Micro ATM: Taking the bank to its customers

Micro ATM service is one of the crucial digital services in rural areas. It has been used for business expansion along with rural agriculture

development. NABARD has provided financial assistance of ₹2 million for the Micro ATM project. Installation of Micro ATMs in PACS has helped members of the co-operative society access banking services in their village.

Green PIN: Banking goes green

GREEN PIN, the green initiative, is a value-added service that offers an effortless and hassle-free ATM PIN generation for existing and new debit card customers. Customers can instantly set their ATM PIN for new debit cards after receiving the debit card by visiting the Bank ATM/Other Bank. With NABARD's assistance, the Green PIN facility was implemented by DCCB.

Bharat Bill Payment System

Bharat Bill Payment System is a one-stop ecosystem for payment of all bills providing an interoperable and accessible “Anytime Anywhere” Bill payment service to all customers across India with certainty, reliability and safety of transactions. NABARD has provided grant assistance of ₹98,100 for introducing this tech platform to rural customers.

Public Financial Management System

Public Financial Management System (PFMS) is the payment, accounting and reporting channel under Direct Benefit Transfer. As such, every Department/Minhe Government of India transfers funds

electronically to beneficiaries (individuals or institutions) through PFMS. The primary function of PFMS today is to facilitate a sound Public Financial Management System for the Government of India by establishing an efficient fund flow system and a payment cum accounting network. Through NABARD assistance of ₹.2 million, the DCCB implemented PFMS services on March 20, 2019, and 123,065 accounts have been validated.



DIGITAL INNOVATIONS IN FINANCIAL INCLUSION



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- NO. OF MICRO ATMS: 1,891
- NO. OF DEMO ATM VANS: 29
- NO. OF POS/MPOS: 8,594
- NO. OF FLAPS/DFLAPS: 15,253
- NO. OF PEOPLE INCLUDED UNDER FLAPS/DFLAPS: 0.65 MN
- NO. OF BANKS THAT AVAILED GREEN PIN: 5
- NO. OF GREEN PIN ACTIVATED BY BANKS: 54,894
- NO. OF PMJJBY A/CS: .32 MN
- NO. OF PMSBY A/CS: .38 MN
- NO. OF BANKS ONBOARDED TO PFMS: 19 BRANCHES
- NO. OF BANKS ONBOARDED TO BBPS: 10 BRANCHES
- NO. OF BANKS BRANCHES THAT AVAILED AEPS: 55



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Taking Rural India >> Forward

The co-operative banking sector is the pivot of Indian rural banking, and institutional credit plays a key role in our economy with good outreach throughout rural India. The co-operative system is a three-tier structure with PACS in the villages, Central Co-operative Banks at the district level (DCCBs), and the State Cooperative Banks at the state level (StCBs). Therefore, putting these banks and PACS on a technology platform was necessary to ensure that financial inclusion leaps forward in the cooperative sector.