



The Dakia to Bring the Bank to You

The humble postman is back. And he will not just deliver letters and parcels but also bring the bank to your doorstep. **Sanjay Singh** reports

The khaki-clad, now largely forgotten, 'dakia' is drafted in as a key player in the scheme of things to drive Prime Minister Narendra Modi's pet initiatives of Digital India and financial inclusion.

Internet illiteracy in rural India where millions still use mobile phones for only voice communication is a major impediment to take Digital India to the grassroots. That is also hampering the government's efforts towards financial inclusion and make the direct subsidy transfer scheme more effective.

Officials believe this problem can be addressed by leveraging the postal department, with its vast network and workforce that are increasingly unused in an era when dirt-cheap telephone services have reduced letter writing into a hobby of the nostalgia-struck.

India Post Payment Bank (IPPB), the postal department's payments bank division, will utilise the services of the postman to offer doorstep—or assisted—banking in rural areas.

Armed with a smartphone, the postman will assist people to make banking transactions from their homes. They can also use his services to receive subsidy payments through Aadhaar Pay or BHIM. The trust of people that post offices and postmen enjoy, the department hopes, will help IPPB make its presence felt at the ground level and bring individuals and small business into the formal financial system.

IPPB, which currently has a branch each in Raipur and Ranchi, will later this month expand the operations to 650 post offices at district headquarters and about 5,000 access points.

Communication Minister Manoj Sinha said IPPB would be a game-changer in taking digital services to rural India. These initiatives, he told ET, "serve PM Narendra Modi's vision of Digital India."

The government is keen to take IPPB's services to every corner of the country before parliamentary elections a year from now, sources in the Department of Posts (DoP) said. IPPB's role would be politically significant in view of its direct connectivity with rural people, particularly social sector beneficiaries and migrant labourers.

"Initially, about 40,000 postmen will be available for IPPB," a source at the DoP said. Eventually, that number could increase to about 1.50 lakh postmen, including Gramin Dak Sewaks.

The DoP is currently providing smartphones to the first batch of postmen who will act as IPPB's agents.

While IPPB will help process payments from central schemes like the Mahatma Gandhi National Rural Employment Guarantee Scheme and the National Security Assistance Programme, it is in touch also with state governments to play a bigger part in the direct benefit transfer scheme for subsidies they offer.

IPPB's presence in rural areas may increase access of common people to the formal financial system, the DoP source said.

Payments banks such as IPPB are meant to



1 File photo of Speed postmen with mobile terminals at T Nagar Head post office in Chennai. Photo C Suresh Kumar
2 Victor Dhanaraj, a former postman at Bengaluru general post office who retired after 35 yrs of service and was a well-known face among yesterday Bangaloreans
3 From just being bringers of news and money orders, postmen of today need to do a host of other jobs as their roles evolve

take banking to rural locations where infrastructure is lacking. They aren't allowed to lend to customers, but can take deposits, convey remittances and disburse payments to recipients.

Postal department sources said while IPPB cannot provide loans, it can still facilitate third parties to offer loans to villagers.

The postman personally knows the villagers of his area, and that will be useful in evaluating their financial position, a source said. "We can assess the financial position of villagers who require small loans for the purpose of purchasing cattle, fertiliser or opening shops. Third parties may consider them for such loans on the basis of our assessment."

If villagers get loans through formal channels, it may also put a check on unscrupulous moneylenders in rural areas, he said.

