



2020-21

# TREND REPORT

on

Financial Inclusion in India



**BIRD**

Bankers Institute of Rural Development  
Lucknow

Centre for Research on Financial Inclusion and Microfinance (CRFIM)



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# DIRECTOR'S MESSAGE

Universal financial inclusion is an enabler for inclusive growth. It has been recognized as key public policy for our country. To achieve this Govt. of India and RBI has initiated several policy measures and prepared a National Strategy for Financial Inclusion 2019-24 under the aegis of the Financial Inclusion Advisory Committee. This has helped a significant proportion of unbanked Indian population such as women, and below poverty individuals both in urban and rural areas to access formal financial institution with full range of financial services, including pension, credit and insurance.



Centre for Research on Financial Inclusion and Microfinance (CRFIM), Bankers Institute of Rural Development (BIRD) Lucknow has started documenting the trajectory of this initiative. The present Trend Report is the second such attempt and covers inter alia account penetration, branch penetration, ATM deployment, credit outreach both in terms of geographical and demographical penetration reflecting the depth of financial inclusion and banking services in the country and their reach. It also covers schemes under PMJDY, progress of DBTs, and PMMY, deployment of PoS terminals and status of digital transactions. The report is based on data published in RBI, DFS, CMIE and other open sourced web portals of Government of India analyzing trends under all these parameters in the last five years i.e. 2016 - 2020. The report will be immensely beneficial to the researchers, students, development practitioners and other stakeholders as a ready reckoner for the sector.

**Shri Shankar A. Pande**

December 31, 2020

## ABBREVIATIONS

ATM	Automated Teller Machine
BSBDA	Basic Savings Bank Deposit Account
BC	Business Correspondent
BF	Business Facilitator
CDM	Cash Deposit Machine
DBT	Direct Benefit Transfer
FBs	Foreign Banks
OBC	Other Backward Class
OD	Over Draft
MUDRA	Micro Units Development & Refinance Agency
MFIs	Microfinance Institutions
NBFCs	Non-Banking Financial Companies
PPIs	Pre-paid Payment Instruments
PMMY	Pradhan Mantri Mudra Yojana
PMJDY	Pradhan Mantri Jan Dhan Yojana
PMJJBY	Pradhan Mantri Jeevan Jyoti BimaYojana
PMSBY	Pradhan Mantri Suraksha Bima Yojana
PoS	Point of Sale
PSBs	Public Sector Banks
PVBs	Private Sector Banks
RRBs	Regional Rural Banks
RBI	Reserve Bank of India
SC	Scheduled Caste
SCBs	Scheduled Commercial Banks
SFBs	Small Finance Banks
ST	Scheduled Tribe
UTs	Union Territories
WLAs	White Label ATMs

## OBJECTIVE

Financial inclusion is one of the national objective of our country. Over the past decades, Government of India and Reserve Bank of India have initiated various steps to reach the large section of financially excluded population. These are nationalisation of banks, expansion of bank branch network, introduction of BCs/BFs to provide door step delivery of banking services, introduction of mandated priority sector lending targets, lead bank scheme, formation of self-help groups, offering zero balance BSBD accounts etc. The current trend report is an attempt to get an over view and progress in the sector in Indian context. The report provides secondary data base analytical information to the researchers, students, development practitioners and other stakeholders in the sector.

## METHODOLOGY

The report is based on the secondary data sources. The data have been retrieved from RBI's official website - <https://dbie.rbi.org.in>, Department of Financial Services, GoI, data base of CMIE and other open source web portal of GoI. Progress of various parameters of financial inclusion have been analysed for last five years, 2016 to 2020.

## COVERAGE

The report covers progress of account penetration, branch penetration, ATM penetration, progress of various schemes of financial inclusion in India, credit outreach, usage of digital financial inclusion etc. The analysis has been done state and regional specific trend, performance of various financing agencies have also been analysed in the report.

# KEY HIGHLIGHTS

## I. Overall Progress

- ❖ Country has made significant progress in all parameters of financial inclusion over the last five years. Banking outlets in villages have increased from 5.86 lakh in March 2016 to 5.99 lakh in March 2020. However, majority (90 percent) of the outlets were in branchless BC mode.
- ❖ As of March 2020, 600 million BSBD accounts have been opened across the country, an increase of about 5 percent over previous year. Deposit in the BSBD reached its all-time high with gross and average deposit of Rs. 1,684 billion and Rs. 2,805 respectively.
- ❖ PMJDY played a catalytic role in offering basic banking facilities to the weaker sections of the society. As on March 2020, 38.32 crore accounts have been opened with deposits amounting to Rs. 1.18 crore.
- ❖ About 59 percent PMJDY account holders belonged to rural and semi-urban areas and remaining (41 percent) were households from urban and metropolitan areas.
- ❖ As of March 2020, a total of 29.30 crore (46 percent of account holders) *RuPay* cards have been issued to PMJDY account holders to facilitate banking transaction.
- ❖ Public sector banks account for 84 percent of PMJDY account opened across the country. Remaining are opened by RRBs (12 percent) and private sector banks (4 percent).
- ❖ Both the micro insurance schemes, viz., PMJJBY and PMSBY witnessed a positive trend during the past year. As on March 2020, total of 6.91 crore account holders have been covered under PMJJBY. The enrollment figure PMSBY stood at 18.54 crore.

## II. Progress of Pradhan Mantri Mudra Yojana (PMMY)

- ❖ As on March 2020, 12.30 crore enterprises are financed across the country under PMMY, of which majority (68 percent) were owned by women and about 48 percent entrepreneurs belonged to weaker sections (SCs/STs/OBCs) of the society.
- ❖ Among the various categories of enterprise financed, Shishu loans are on top of the table. Over 85 percent loans are extended in Shishu category during the past years. The share of other categories are: Kishore (10 percent) and Tarun (3 percent).
- ❖ Among the financing agencies, credit needs of micro borrowers under PMMY are mostly served by public sector banks followed by private sector banks. During, 2019 – 20 share of various categories of financing agencies out of total loan sanctioned are: PSBs (36 percent), PVBs (26 percent), NBFC - MFIs (17 percent), NBFCs (12 percent) and SFBs (8 percent).

### III. Bank Branch Network

- ❖ Over the years, bank branch network of all scheduled commercial banks have expanded. At the end of March 2020, a total of 1,49,971 brick and mortar bank branches were reported in the country. It registered a growth of 2.71 percent over previous year.
- ❖ As on March 2020, about 63 percent of commercial bank branches are concentrated in rural and semi urban areas. Remaining (37 percent) are located in urban and metropolitan area.
- ❖ In addition to serving clients through branches, unbanked rural areas are also served through branchless banking-outlets. As on March 2020, over 55.41 lakh rural banking outlets were reported across the country.
- ❖ Southern Region followed by Central continued their dominance in share of bank branches across the country over the last five years. They together account for 47 percent of total number of brick and mortar branches in India.
- ❖ Over the last five years geographical penetration of bank branches, i.e. branches per thousand sq.km have increased. There were 41 bank branches per thousand sq. km in 2016 and this has increased to 46 at the end of March 2020. This indicates that people are required to travel less distance to reach nearest bank branches as compared to 2016.
- ❖ As far as the demographical penetration (branches per one lakh population) is concerned. At all India level, 12 bank branches are available per one lakh population as on March 2020. It was highest in Goa (46) and lowest in Bihar (7).

### IV. Deployment of ATMs

- ❖ As of March 2020, the total number of installed ATMs by all entities were reported at 2,34,357, registering a growth of 5.71 percent over previous year.
- ❖ Among the various agencies, public sector banks take the lead in total number of ATMs deployed in the country. About 58 percent of ATMs are deployed by public sector banks followed by private sector banks (31 percent) and WLAs (10 percent). Foreign banks, payment banks and small finance banks together account for only 1 percent of total number of ATMs in the country.
- ❖ ATMs of public sector banks are distributed symmetrically across the different geographical regions, viz., rural, semi urban, urban and metropolitan whereas it is urban/metropolitan centric in case of private sector banks, foreign banks and payment banks.
- ❖ At all India level, availability of ATMs per thousand sq.km stood at 71 as of March, 2020. It is highest in Chandigarh (5851) and lowest in Arunachal Pradesh (3). Further, demographical penetration of ATMs reveals that at all India level there are 19 ATMs available per one lakh population with wide interstate variation, it is only 8 in Bihar and 69 in Goa.
- ❖ Debit cards to ATMs ratio witnessed a declining trend over the years. There were 32 ATMs available per one lakh debit cards in 2016 which has reduced to 28 at the end of March, 2020. The reduction in debit card to ATMs is due to the issuance of RuPay cards to a vast section of the unbanked households under PMJDY.

## V. Credit Outreach

- ❖ Credit outreach by all SCBs over the past years continued to expand. As on March 2020, total number of credit accounts were 27.25 crore, where in significant proportion (54 percent) of credit accounts were utilized in rural and semi-urban areas followed by metropolitan area (26 percent) and urban area (19 percent).
- ❖ States of Southern Region have continued their dominance in credit outreach during the past years followed by Western and Central region.
- ❖ During the past years, public sector banks accounted for more than 55 percent of total credit limit extended. However, share of public sector banks have slackened while the same continued to increase for the private sector banks.
- ❖ Over the last five years, per capita bank credit in the country has significantly improved. During 2015-16, per capita bank credit which was recorded at Rs. 59,281.90 increased to Rs. 79,318.10, indicating increase in average loan access by an individual.

## VI. Digital Transactions

- ❖ A total of 886.3 million debit cards and about 57.7 million credit cards are in circulation at the end of March, 2020, accounting for an increase of over 10 million credit cards and decrease of approximately 66.50 million debit cards over previous year.
- ❖ Over the year, country has made significant progress in deployment of PoS terminals to meet the growing demand of less cash economy. As of March 2020, 51.38 lakh PoS terminals are in place, registering a growth of 38.04 percent over previous year.
- ❖ The usage of pre-paid instruments for remittances as also for payment of goods and services witnessed an increasing trend during the past year. The volume of PPI transactions were 53,318.12 lakh during 2019-20, marking an increase of 16 percent over previous year.
- ❖ Among all PPIs, Mobile-Wallet was the most preferred mode of transaction. More than 80 percent of total volume of PPI transactions were through m-wallet over the last three years.
- ❖ Mobile banking has been reflecting a growing trend in both volume and value of transaction. During the year 2019-20, number of mobile banking payments across India was 1,38,736.02 lakh. This increased by 123.76 percent over the previous year.

## 1. Progress of Financial Inclusion - Global Scenario

Financial Inclusion (FI) has been identified as an enabler for 7 of the 17 Sustainable Development Goals (SDGs). The World Bank Group considers financial inclusion as a key enabler to reduce extreme poverty and boost shared prosperity. It has put forward an ambitious global goal to reach Universal Financial Access (UFA) by 2020 (World Bank). Financial access facilitates day-to-day living, and helps families and businesses plan for everything from long-term goals to unexpected emergencies. The World Bank further recognizes that access to a transaction account is the first step to achieving financial inclusion as it allows people to save money, and send and receive payments. This can be addressed through expansion of bank branch penetration globally. As per the most recent available data (2018), 10 countries were considered for comparative analysis. Globally, there are 11.73 commercial bank branches per one lakh adult population (Table: 1.1). However, a decreasing trend in penetration of bank branches is observed during 2016 to 2018. Commercial bank branches per one lakh population which was reported to be 12.37 in 2016 decreased to 11.73 at the end of 2018. Wide inter-country variation among the South Asian Countries are also seen. Afghanistan has the lowest commercial bank branches (2.25) per one lakh adult population against 15.47 in Nepal for the year 2018. The number of commercial banks per lakh adult population were 8.94, 10.28, 13.11, 14.50, 18.39 and 18.98 respectively, for Bangladesh, Pakistan, Maldives, India, Bhutan.

**Table: 1.1 Commercial Bank Branches per 1,00,000 Population**

Sr. No	Country	2016	2017	2018
1	World	12.37	11.92	11.73
2	United States	32.10	31.21	30.85
3	Australia	27.74	29.63	28.21
4	Brazil	20.34	19.51	18.98
5	Bhutan	16.49	18.36	18.39
6	Nepal	10.28	12.14	15.47
7	India	14.21	14.51	14.50
8	Maldives	11.94	13.16	13.11
9	Pakistan	9.95	10.18	10.28
10	Bangladesh	8.71	8.82	8.94
11	Afghanistan	2.11	2.04	2.25

Source: International Monetary Fund, Financial Access Survey

The penetration of bank branches in South Asian Countries is much lower than developed countries, United States (30.85), Australia (28.21).

### 1.1. Progress of Financial Inclusion in India

In India, the term Financial Inclusion (FI) came in 2005 when the Reserve Bank of India (RBI) highlighted its significance in its annual policy statement of 2005-06. Since then various initiatives viz, opening of “no frill accounts” (subsequently renamed as Basic Savings Bank Deposit accounts), simplification in KYC norms, introduction of General Credit Cards (GCC), use of vernacular language, one-time settlement, financial literacy to name a few. Further, in order to increase the financial outreach, in 2006, RBI introduced the concept of Business correspondents (BCs) and Business Facilitators (BFs), which allows banks to offer door step delivery of services. Significant progress has been made over the last five year towards all parameters of financial inclusion.

**Table: 1.2: Progress in Financial Inclusion in India**

Particulars	March 2016	March 2017	March 2018	March 2019	March 2020
Banking Outlets in Villages - Total	5,86,307	5,98,093	5,69,547	5,97,155	5,99,217
Banking Outlets in Villages - Branches	51,830	50,860	50,805	52,489	54,561
Banking Outlets in Villages - BCs (Branchless mode)	5,34,477	5,47,233	5,18,742	5,41,129	5,41,175
Banking Outlets in Villages - Other	0	0	0	3,537	3,481
Urban Locations Covered Through BCs	1,02,552	1,02,865	1,42,959	4,47,170	6,35,046
BSBDAs - Opened Total (No. in Million)	469	533	536	574	600
BSBDA through Branches (No. in Million)	238	254	247	255	261
Number of BSBDA per Branch	4592	4680	4685	4534	4362
BSBDA through BCs (No in Million)	231	280	289	319	339
Number of BSBDA per BC	432	512	557		626
BSBDAs - Deposits mobilisation - Total (Amt. in Billion)	638	977	1121	1409	1,684
BSBD through Branches (Amount in Billion)	474	691	731	878	958
BSBDA through BCs (Amount in Billion)	164	285	391	531	726
Average Balance per BSBDA (Rs.)	1360	1833	2091	2455	2805
Average Balance per BSBDA – BC (Rs.)	710	1018	1353	1665	2142
OD Facility Availed in BSBDAs (No. in million)	9	9	5.8	5.9	6.4
%of BSBD account holder availed OD facility	1.92	1.69	1.08	1.03	1.07
OD Facility Availed in BSBDAs (Amt. in Billion)	0.29	0.17	4.08	4	5.29

Source: RBI: Trend and Progress Report in Banking in India: 2016-19, RBI: Annual Report: 2019 - 20

The banking outlets in villages have increased from 5.86 lakh in March 2016 to 5.99 lakh in March 2020. However, such outlets in villages are mostly in branchless BC mode. As of March 2020, about 90 percent (5,41,175 out of 5,99,217) of banking outlets in villages are served through BCs. Remaining (10 percent, 54,561 & 3,481) are served through bank branches and other mode. During 2016 to 2020, coverage of urban locations through BCs increased by almost six folds from 1.02 lakh to 6.35 lakh. Basic Savings Bank Deposit Accounts (BSBDAs) have also increased over the past years from 469 million in 2016 to 600 million in 2020. However, such progress are mainly at BC level. Fifty seven percent (339 million out of 600 million) of BSBD accounts have been opened through BCs as of March, 2020. The share of BCs in opening BSBDA has shown an increasing trend over the past years. Further, deposit mobilisation in BSBDA also showed a sharp rise. As on March 2020, gross and average deposit per BSBDA stood at Rs. 1,684 billion and Rs. 2,805 respectively. In comparison to this, the respective values for the year 2016 were Rs. 638 billion and Rs. 1,360, indicating recurrent utilisation of accounts. However, as far as availing of overdraft (OD) facility is concerned, the figure is not so impressive. As of March 2020, only 6.4 million account holders (about 1 percent) availed the OD facility for an amount of Rs. 5.29 billion.

## 1.2. Pradhan Mantri Jan Dhan Yojana (PMJDY)

Financial Inclusion in India got a further momentum with the introduction of Pradhan Mantri Jan Dhan Yojana (PMJDY) launched as the National Mission for Financial Inclusion (NMFI) in August 2014. The

programme envisages universal access to banking facilities with at least one basic banking account for every household, financial literacy, access to credit, insurance and pension. The programme has been implemented in two phases. Phase-I aimed at providing universal access to banking facilities, basic banking accounts for saving and remittance and *RuPay* Debit card with an in-built accidental insurance cover of Rs. 2,00,000. Phase-II incorporated additional value added facilities which include overdraft facilities of up to Rs. 10,000, creation of a Credit Guarantee Fund for coverage of defaults in overdraft accounts and issuance of micro-insurance and unorganised sector pension schemes like Swavalamban.

The latest Findex (Findex 2017) and Intermedia's 2018 Financial Inclusion Insights (FII<sup>1</sup>) surveys agree that the PMJDY has been the principal driver of increase in financial inclusion in India. The survey envisaged that in India about 80 percent adults have access to bank accounts in 2017 as compared to only 53 percent in 2014 – an addition of 300 million accounts in just a few years. Further, the scheme also improved ownership of bank account and reduced gender inequality in financial inclusion. In terms of account ownership, India is now on par with China and better than other BRICS peers (source: pib.gov.in). Similarly, as of March 2019, 53 percent of PMJDY accounts are owned by women as compared to only 27 percent in March, 2014 (DFS: 2019).

### 1.2.1. Progress in PMJDY

PMJDY has witnessed a rapid growth in terms of opening of savings account over the years. As on March 2020, 38.32 crore (Table: 1.3) PMJDY accounts have been opened to offer basic banking services to unbanked households. Of which, 59 percent beneficiaries are from rural and semi – urban areas. Remaining (41 percent) account holders belonged to urban and metro centre. Over Rs. 1.18 crore have been deposited by the newly banked people in the formal banking system. Both gross and average deposit per account also increased, indicating improvement in access and usage of financial services. The average deposit per account, which was recorded to be Rs. 1,665 during the year 2016 reached its all-time high at Rs. 3,091 at the end of March 2020.

**Table: 1.3: Progress in PMJDY over last 5 – Years**

Particulars	2016	2017	2018	2019	2020
1. Total Number of Account Opened (crore)	21.43	28.17	31.44	35.27	38.32
1.1. Out of which, Rural & Semi - Urban Accounts (crore)	13.17 (61)	16.87 (60)	18.52(59)	20.90 (59)	22.63(59)
1.3. Urban & Metro Centre (crore)	8.26 (39)	11.30 (40)	12.92(41)	14.37 (41)	15.69 (41)
2. Deposit in accounts (crore)	35,672	62,972	78,494	96,107	1,18,434
2.1. Average deposit per account (Rs.)	1,665	2,235	2,497	2,725	3,091
3. Rupay Debit Cards issued	17.75	21.99	23.65	27.91	29.30
3.1. % of Ruray Debit Card Issued (% of account holders)	82.83	78.06	79.13	79.13	76.46

Source: <https://pmjdy.gov.in/Archive> (Figures in the parenthesis represents % share in total)

<sup>1</sup> <http://finclusion.org>

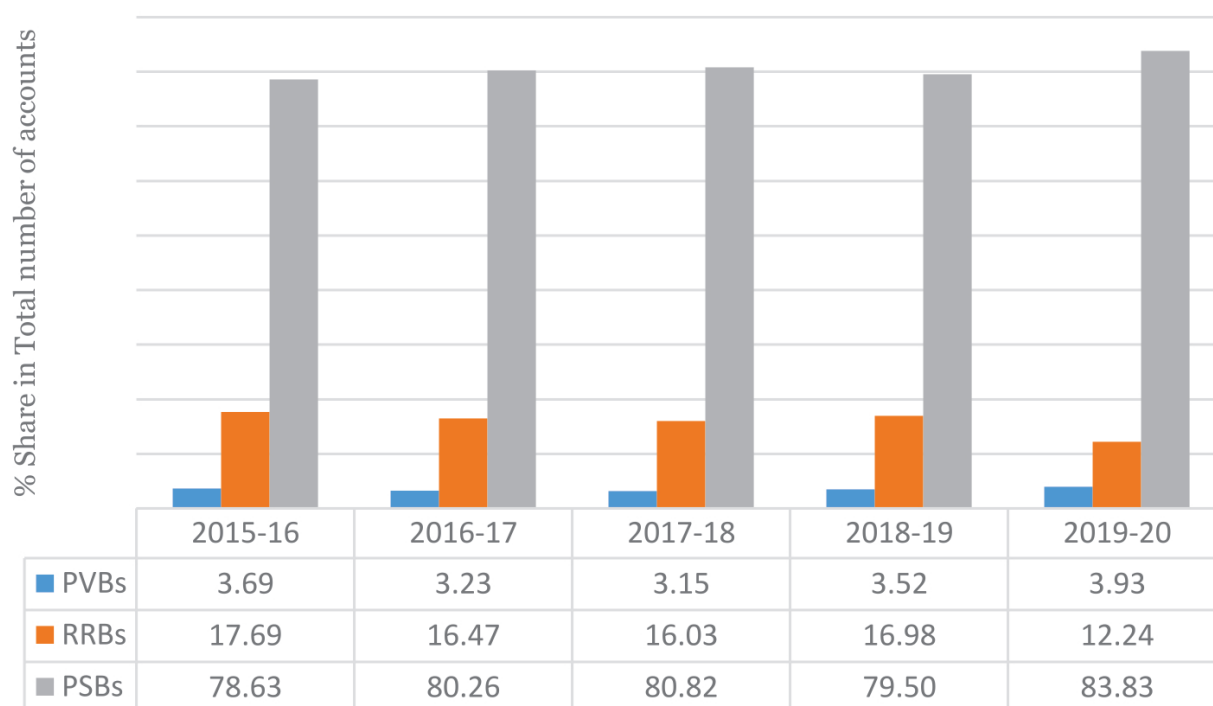
Further, to facilitate banking transactions, 29.30 crore (about 76 percent of account holders) *RuPay* Debit cards with an in-built accident insurance coverage have been issued to beneficiaries of PMJDY, as of March 2020.

### 1.2.2. Bank Group wise Progress

Public Sector Banks, by virtue of their vast network, take the lead in opening of accounts under PMJDY (Figure: 1.1). As on March, 2020 almost 84 percent of PMJDY accounts across the country are opened through Public sector banks followed by RRBs (12 percent) and Private Sector Banks (4 percent).

State Bank of India has taken the lead by opening over 1204 lakh accounts followed by Bank of Baroda (410.46 lakh) (Figure: 1.2). The other key players among the public sector banks are<sup>1</sup> Bank of India, Punjab National Bank, Central Banks of India, United Bank of India, Allahabad Bank, Union Bank of India, UCO Bank and Canara Bank.

**Figure: 1.1: Bank Group wise share in opening of PMJDY (% of total A/Cs)**

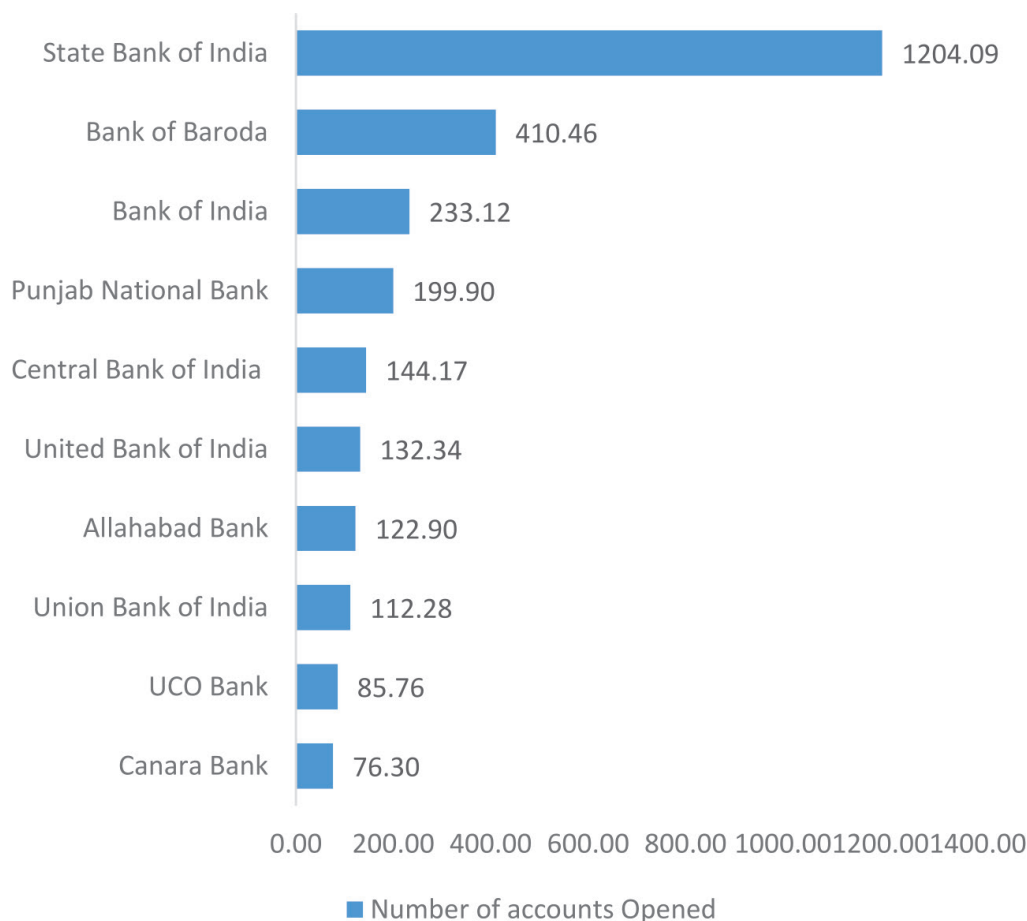


Source: <https://pmjdy.gov.in/Archive>

- Percentages are rounded off up to 2 decimals, therefore totals may not be exact 100

<sup>2</sup> Figures are taken before merger of public sector banks

**Figure: 1.2: Top 10 PSBs having PMJDY Outreach as on March, 2020 (in lakh)**

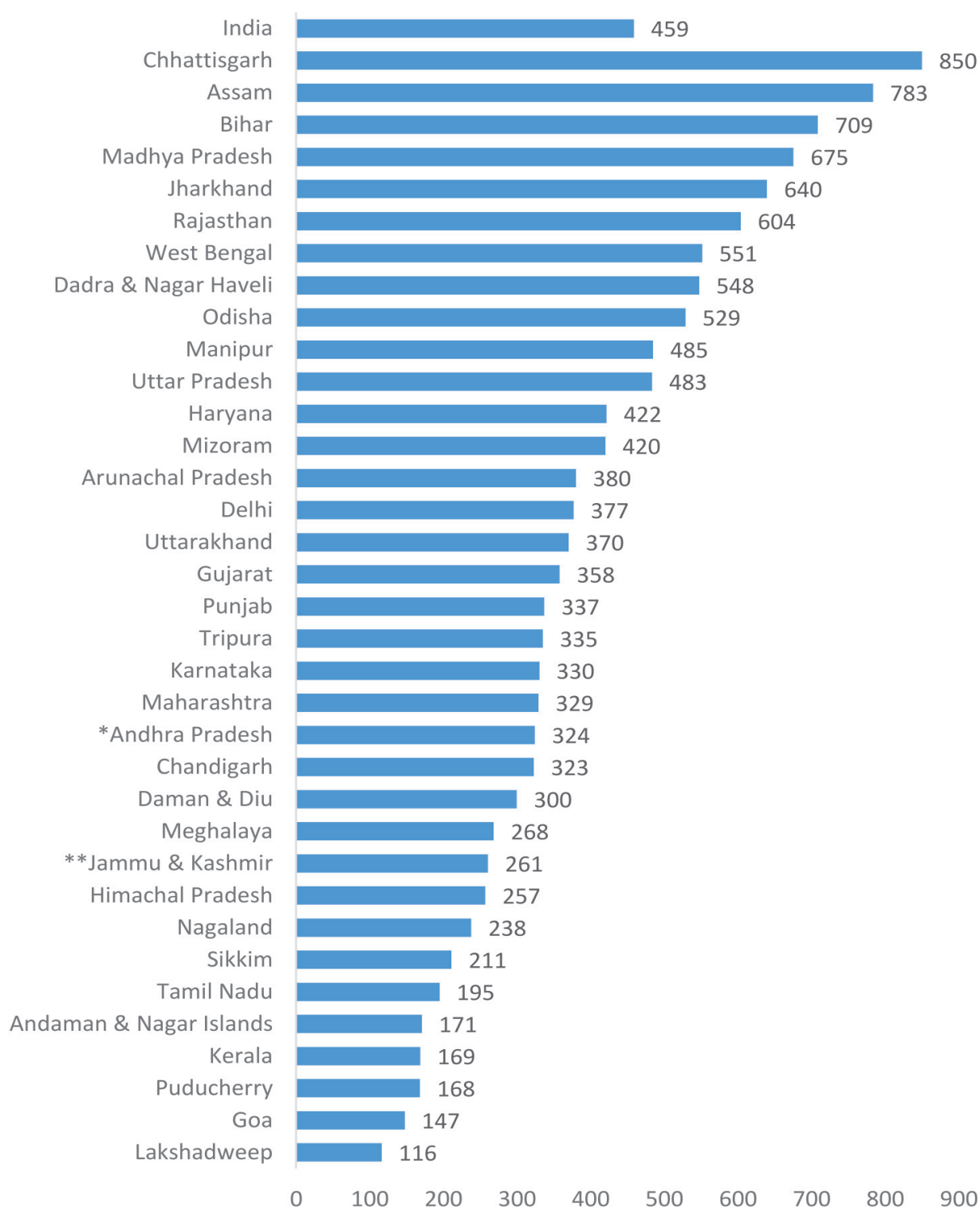


Source: <https://pmjdy.gov.in> (Accessed on 02 September 2020)

### 1.2.3. Account Penetration – State wise tally

With the aim of deepening the financial inclusion interventions in the country, further from August, 2018 onwards, PMJDY scheme has shifted the focus from opening of account for “every household” to “every unbanked adult”. State wise tally in account penetration, i.e., accounts per thousand adult population (15 + Years) shows that at all India level, there are 459 PMJDY accounts as of March 2020. Among the states, Chhattisgarh occupied the highest (850) followed by Assam (783).

**Figure: 1.3: PMJDY beneficiaries per thousand adult population (as of March, 2020)**



Source: Compiled from <https://pmjdy.gov.in>

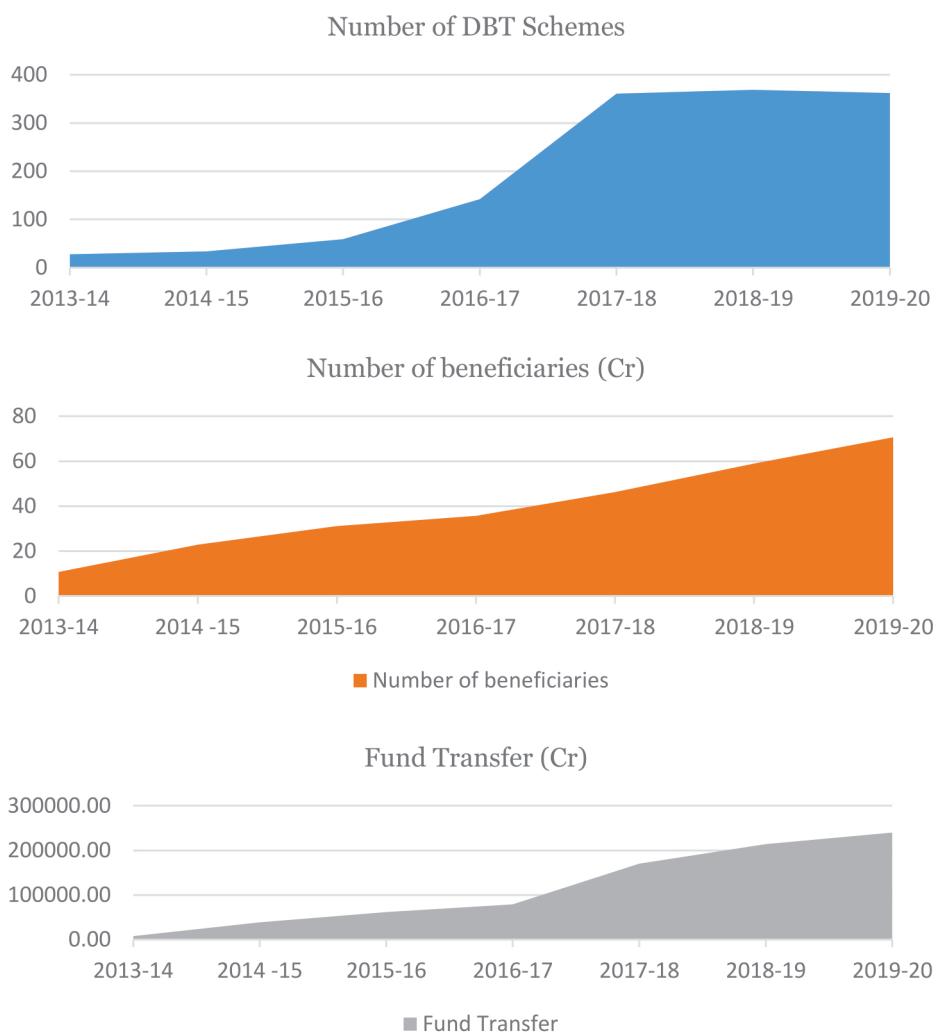
- \*: Data includes Telengana, \*\*: Data includes Ladakh - due to not availability of population figure.
- Population figures as per Census: 2011 data.

The other states which have crossed the all India level figure are: Bihar, Madhya Pradesh, Jharkhand, Rajasthan, West Bengal, Dadra & Nagar Haveli, Jharkhand, Odisha, Manipur and Uttar Pradesh.

### 1.2.4. PMJDY and Direct Benefit Transfer

In order to transfer the government benefits, viz., subsidies, pensions, scholarships, insurances etc. directly to the bank account of the concerned beneficiary, in a leakage-proof, well-targeted and cashless manner, the concept of JAM or Jan-Dhan, Aadhaar and mobile was introduced. The JAM trinity has enabled India to make substantial progress in financial inclusion. In 2013 – 14, with the introduction of JAM, the direct benefit transfer (DBT) was implemented for 28 Govt. schemes only. It has remarkably improved over the years, and as of March, 2020 DBT covers about 362 Govt. schemes and almost half of Indian population by transferring Rs. 2,39,729.40 crore.

**Figure: 1.4 Direct Benefit Transfers**



Source: <https://dbtbharat.gov.in/>

Initiatives such as Pratyaksh Hanstantrit Labh (PAHAL, the DBT scheme for cooking gas subsidy) and wages under the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) facilitated the financial inclusion of the poorest among the poor.

### 1.2.5. Progress under Social Security Schemes

PMJDY has also provided a platform for micro insurances to the beneficiaries for accidental and life risk cover, pension scheme for support during old age. Three social security schemes viz. Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), Pradhan Mantri Suraksha Bima Yojana (PMSBY), Atal Pension Yojana (APY) were implemented in Phase-II during May 2015. Features of the schemes are given in box: 1.1.

#### Box: 1.1 Features of PMJJBY & PMSBY

Particulars	PMJJBY	PMSBY
Term	Life insurance term plan for one year, renewable year after year	Personal accidental scheme for one year
Eligibility	Individual in the age group of 18–50 years (life cover up to age 55) having a savings bank account are eligible for this scheme. Account holders need to give consent to join and enable auto-debit.	Individual in the age group of 18–70 years and having a savings bank account. Account holders have to give their consent to join the scheme
Coverage	Covers death (either accidental or natural causes) during the coverage period. Any type of disability suffered is not covered under the plan.	Covers only accidental deaths, permanent total disability and permanent partial disability. Natural deaths are not covered in this scheme
Benefit payable	Rs. 2.00 lakh	<ul style="list-style-type: none"> <li>Accidental death/permanent disability: Rs. 2.00 lakh.</li> <li>Partial Disability due to accident: Rs. 1 lakh</li> </ul>
Premium	Rs. 330/-per annum per member	Rs. 12/- per annum per member

Source: <https://jansuraksha.gov.in>

**Table: 1.4: Progress in PMJJBY and PMSBY**

Scheme	End of March 2018	End of March 2019	End of March 2020*
<b>PMJJBY</b>			
<b>Gross Enrolment(cr.)</b>	5.33	5.92	6.91
<b>Total Nos. of Claims Received</b>	98,163	1,45,763	-
<b>Nos. of Claims Disbursed</b>	89,708	1,35,212	1,78,189
<b>% of Claim Disbursed against Received</b>	91.39	92.76	-
<b>PMSBY</b>			
<b>Total Nos. of Person Enrolled (cr.)</b>	13.48	15.47	18.54
<b>Total Nos. of Claims Received</b>	21,137	40,749	-
<b>Nos. of Claims Disbursed</b>	16,430	32,176	39,969
<b>% of Claim Disbursed against Received</b>	77.73	78.96	-

Source: <https://jansuraksha.gov.in/> and \*: DFS

As on March 2020, 6.91 crore account holders have been enrolled for PMJJBY. This is only about one fifth of the PMJDY accounts. However, the enrolment figures are much higher in case of PMSBY. Over 18 crore account holders are insured under PMSBY as on March, 2020. This indicates that Indian customers are price sensitive in availing insurance benefit.

### **1.2.6. Pradhan Mantri MUDRA Yojana (PMMY)**

The Micro Units Development & Refinance Agency Ltd (MUDRA) was set up and Pradhan Mantri Mudra Yojana (PMMY) was launched during April 2015 with an objective of ensuring the flow of credit in small business sector. These loans are extended through various agencies, viz., Banks, Non-Banking Financial Companies (NBFCs) and Micro-Finance Institutions (MFIs). The collateral free Loans up to Rs. 10 lakh under PMMY have been categorised as i) Shishu: covering loans upto Rs. 50,000/, ii) Kishore: covering loans above Rs. 50,000/- and upto Rs. 5 lakh and iii) Tarun: covering loans above Rs. 5 lakh and upto Rs. 10 lakh. The scheme has completed 5 years of its implementation and reached out to 24.48 crore micro borrowers with a cumulative credit support of Rs. 12.30 crore.

Table: 1.5 shows the progress of the scheme over the last three years. During the F.Y year 2019 – 20, about Rs. 3.37 lakh crore loans have been sanctioned which has benefitted about 6.24 crore enterprises. Among various financing agencies, public sector banks have played a key role in extending collateral free loans under PMMY. Private sector banks have also recorded considerable progress over the last three years. In 2019 – 20, private sector banks have sanctioned over 90 crore loan and registered a growth of 43 percent over previous year. NBFC – MFIs also emerged as a major contributor in PMMY with a sanction of Rs. 57,967 crore.

In terms of different categories of the enterprise financed, majority (88 percent) of units are in Shishu category followed by Kishore (10 percent) and Tarun (2 percent).

Women entrepreneurs continued to have the largest share in terms of unit financed over the last three years. During 2019 – 20, 63 percent of units are owned by women. Further, scheme has also benefited to a large extent to weaker section (SC/ST/OBC) of the society. The share of weaker section out of total enterprise financed stood at 48 percent. Out of which, 16 percent are SC, 6 percent are ST and 26 percent belonged to OBC categories.

**Table: 1.5: Progress of PMMY over last 3 Years**

Parameter	During 2018	During 2019	During 2020
<b>A. Overall Progress :</b>			
No. of enterprises financed	4,81,30,593	5,98,70,318	6,22,47,606
Amount Sanction (Cr.)	2,53,677	3,21,721	3,37,495
Average loan size (Rs.)	52,706	53,736	54,218
<b>B. By Financing Agency (Amount Sanction in crore)</b>			
Public Sector Banks (incl. Regional Rural Banks)	1,07,947	1,17,282	1,17,729
Private Sector Banks (incl. Foreign Banks)	49,545	64,037	91,780
Small Finance Banks	19,023	29,794	29,501
Micro Finance Institutions	50,144	63,471	57,967
Non-Banking Finance Companies	27,018	47,137	40,518
<b>c. By Enterprise Category (Nos. of enterprises financed)</b>			
Shishu: (Up to Rs. 50000)	4,26,69,795 (89)	5,15,07,438 (86)	5,44,90,617 (88)
Kishore: (loans above Rs. 50,000 and up to Rs. 5 lakh)	46,53,874 (10)	66,06,009 (11)	64,71,873 (10)
Tarun: (loans above Rs. 5 lakh and upto Rs. 10 lakh)	80,69,24 (2)	17,56,871 (3)	12,85,116 (2)
<b>D. By Social Category</b>			
General	21906479 (46)	31735223 (53)	3,24,97,506 (52)
SC	8506161 (18)	9452519 (16)	1,02,81,553 (16)
ST	2539307 (5)	3341329 (6)	38,89,696 (6)
OBC	15178646 (32)	15341247 (26)	1,55,78,851 (26)
<b>E. Coverage</b>			
Women	33558238 (70)	37062562 (62)	3,91,03,349 (63)
New Entrepreneurs	12559327 (26)	13393802 (22)	1,19,13,903 (19)

Source: <https://www.mudra.org.in>

- Figures in parenthesis indicate the share in percentage.

## 2. Bank Branch Network

Bank branch network has played a key role in facilitating banking services, building trust and credibility, providing financial advice, offering convenience, and easing the transition to digital channels. In India, expansion of bank branch network of all commercial banks continued over the years. Table: 2.1 shows that total number of brick and mortar branches of all commercial banks which were reported to be 1,35,355 in March 2016 increased to 1,49,971 at the end of March 2020. About, 63 percent of branches are concentrated in rural and semi urban areas (35 percent in rural & 28 percent in semi – urban) and remaining 37 percent are located in urban and metropolitan area.

**Table: 2.1 Growth Rates of Branches of Commercial Banks by Region**

	March 2016	March 2017	March 2018	March 2019	March 2020
*Number of Brick and Mortar Branches of Commercial Banks:					
<b>Rural</b>	48280 (35.67)	49856 (35.51)	50773 (35.70)	51539 (35.30)	52314 (34.88)
<b>Semi-urban</b>	37635 (27.80)	39042 (27.81)	39683 (27.90)	41117 (28.16)	42317 (28.22)
<b>Urban</b>	24036 (17.76)	25073 (17.86)	25401 (17.86)	26344 (18.04)	27299 (18.20)
<b>Metropolitan</b>	25404 (18.77)	26422 (18.82)	26381 (18.55)	27014 (18.50)	28041 (18.70)
<b>Total</b>	<b>135355 (100)</b>	<b>140393 (100)</b>	<b>142238 (100)</b>	<b>146014 (100)</b>	<b>149971 (100)</b>
<b>Rural banking outlets- branchless</b>	<b>5,34,477</b>	<b>5,47,233</b>	<b>5,18,742</b>	<b>5,41,129</b>	<b>5,41,175</b>

Source: <https://dbie.rbi.org.in/DBIE/dbie.rbi?site=publications#!17> - Accessed on 17th Sep 2020

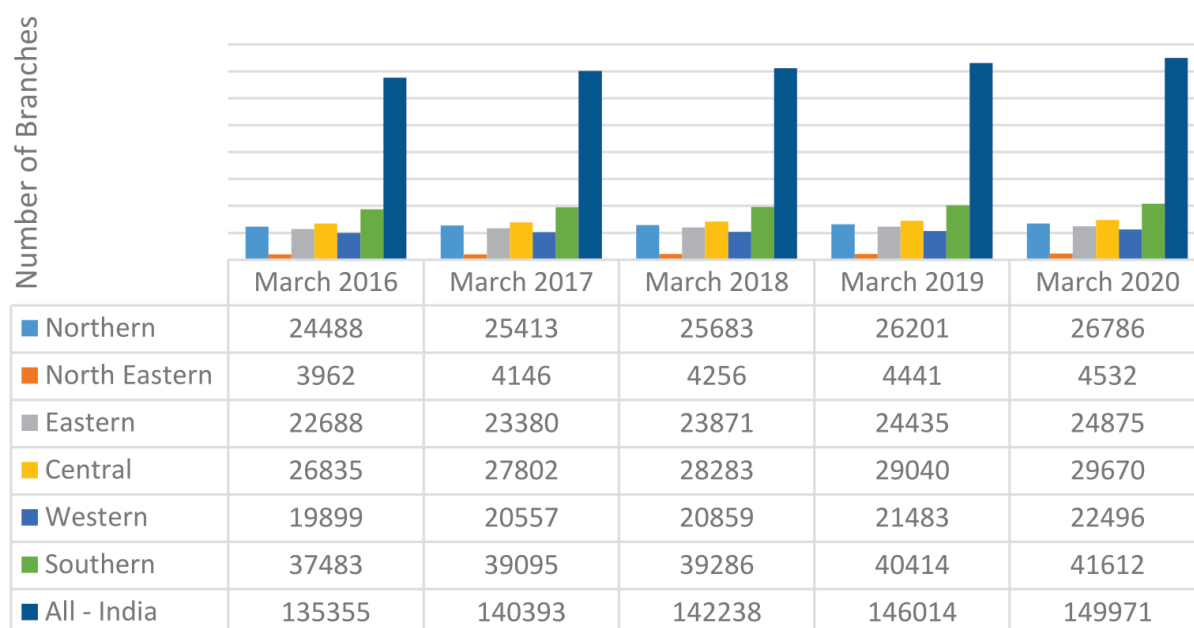
- \*: Data excludes administrative offices
- Figures in the parenthesis represents percentage share

In addition to brick and mortar branches, unbanked rural areas have also been served through “banking outlet” which is a fixed-point service delivery unit manned by either the bank’s staff or its BC where services of acceptance of deposits, encashment of cheques/cash withdrawal, or lending of money are provided for a minimum of 4 hours per day for at least 5 days in a week. In order to ensure delivery of banking services, the rural banking outlets in the branchless mode has witnessed increasing trend over the last 5 years (except during 2018). As of March 2020, over 5.41 lakh BC points were reported across the country to offer doorstep banking services to poor.

## 2.1 Regional Outreach of Bank Branch Network

Regional spread of bank branch network shows that (Figure: 2.1) Southern Region followed by Central continue their dominance in number of bank branches across the country over the last five years. They together account for 47 percent of total number of brick and mortar branches in India as of March 2020. Northern region (18 percent, 26786) has occupied 3rd position in the country in terms of branch penetration, followed by Eastern (15 percent, 24875) and Western (15 percent, 22496) Region. North East witnessed lowest penetration of brick and mortar branches over the years.

**Figure: 2.1: Trend in Regional Outreach of Bank branch Network (Nos)**



Source: <https://dbie.rbi.org.in/DBIE/dbie.rbi?site=publications#!17> - Accessed on 17th Sep 2020

## 2.2 Geographical Penetration of Bank Branch – Branches per 1,000 Sq.KM

Availability of bank branches per 1000 sq. km measures extent of geographical penetration of banking sector services across the country. It measures the average distance that a customer needs to cover to reach the nearest bank branch. Higher the geographical penetration less is the distance required to be travelled by an individual to reach the bank and vice versa.

Table: 2.2 shows that in India, geographical penetration of bank branches has increased over the last five years. There were 41.17 bank branches per thousand sq. km in 2016 and this has increased to 45.62 at the end of March 2020. This indicates that people are required to travel less in 2020 as compared to 2016, to visit the nearest bank branch. However, variation has been observed amongst the states. As there are only 2.04 bank branches per 1,000 sq. km, Arunachal Pradesh is ranked lowest among the states. On the other hand, Kerala (if we exclude Goa as smallest state) occupied the highest position (170.34) at the end of March 2020. Nineteen states are below the national average of 45.62 bank branches per thousand sq. km.

**Table: 2.2 Trend in CBs Branch Penetration per 1,000 sq. km (By State)**

States	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20
Chandigarh	3271.93	3412.28	3412.28	3333.33	3464.91
NCT of Delhi	2296.70	2375.59	2370.20	2405.26	2457.18
Puducherry	467.35	487.76	508.16	526.53	538.78
Lakshadweep	433.33	433.33	433.33	466.67	466.67
Dadra & Nagar Haveli And Daman & Diu	171.10	179.40	179.40	177.74	186.05
Goa	177.20	182.60	182.06	181.79	183.14
Kerala	159.63	163.96	164.50	166.86	170.34
Punjab	122.12	126.76	127.62	128.75	130.44
Haryana	103.12	108.00	109.11	112.25	115.24
West Bengal	94.61	97.06	98.60	100.40	101.37
Tamil Nadu	76.87	80.66	82.47	86.01	89.22
Bihar	70.51	72.79	74.76	76.93	78.52
Uttar Pradesh	67.54	69.85	70.80	72.13	73.15
Karnataka	50.13	52.41	51.92	53.68	55.13
Tripura	48.92	49.97	51.50	53.02	53.79
Telangana	42.43	44.12	43.78	44.78	46.36
Andhra Pradesh	40.91	42.85	43.20	43.91	45.03
Gujarat	36.82	38.20	39.29	40.33	43.31
Maharashtra	38.72	39.90	40.19	41.56	42.92
Uttarakhand	37.00	38.03	38.70	39.71	40.03
Jharkhand	35.70	36.89	37.55	38.36	38.89
Assam	31.69	33.13	34.08	35.31	36.16
Odisha	29.59	30.62	31.30	32.11	33.10
Himachal Pradesh	27.82	28.94	28.78	29.12	29.30
Madhya Pradesh	20.11	20.94	21.46	22.27	23.04
Sikkim	18.88	19.31	20.43	21.56	22.41
Rajasthan	19.67	20.47	20.98	21.61	22.32
Chhattisgarh	17.63	18.36	18.79	19.78	20.74
Jammu & Kashmir*	16.95	17.02	17.21	17.66	17.88
Meghalaya	15.11	15.43	15.47	16.14	16.23
Nagaland	9.17	10.01	10.01	10.74	10.98
Mizoram	8.21	9.06	9.16	9.53	9.68
Manipur	6.85	7.57	8.20	9.23	9.45
A & N Islands	7.88	8.00	8.24	8.36	8.61
Arunachal Pradesh	1.74	1.80	1.84	2.01	2.04
<b>All India</b>	<b>41.17</b>	<b>42.71</b>	<b>43.27</b>	<b>44.42</b>	<b>45.62</b>

Source: Compiled from bank branch statistics of RBI

- \*: Data includes Ladakh
- Geographical area as per Census 2011

## 2.2.2. Demographical Penetration – Branches per lakh population

Number of bank branches per lakh population measures the extent of demographical penetration of bank branches. More branches per lakh population indicates adequate supply of banking services for more number of clients thus enabling better outreach of opportunity for extending financial services to people for business or individual need.

**Table: 2.3: Trend in SCBs Branch per 1,00,000 Population (By State)**

States	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20
Goa	44.98	46.35	46.21	46.14	46.48
Chandigarh	35.34	36.86	36.86	36.00	37.42
Sikkim	21.95	22.44	23.75	25.06	26.04
Himachal Pradesh	22.57	23.47	23.34	23.61	23.76
Punjab	22.17	23.01	23.17	23.37	23.68
Lakshadweep	20.16	20.16	20.16	21.71	21.71
Nct of Delhi	20.29	20.99	20.94	21.25	21.71
Uttarakhand	19.62	20.17	20.52	21.06	21.23
Puducherry	18.35	19.15	19.95	20.67	21.15
Haryana	17.98	18.84	19.03	19.58	20.10
Kerala	18.57	19.07	19.13	19.41	19.81
Dadra & Nagar Haveli And Daman & Diu	17.55	18.40	18.40	18.23	19.08
Andaman & Nicobar Islands	17.08	17.34	17.87	18.13	18.66
Mizoram	15.77	17.41	17.59	18.32	18.59
Karnataka	15.74	16.45	16.30	16.85	17.31
Tamil Nadu	13.86	14.54	14.87	15.50	16.08
Tripura	13.96	14.26	14.70	15.13	15.35
Telangana	13.85	14.40	14.29	14.61	15.13
Andhra Pradesh	13.27	13.90	14.01	14.24	14.61
Jammu & Kashmir	13.71	13.76	13.91	14.28	14.46
Gujarat	11.95	12.40	12.76	13.10	14.06
Arunachal Pradesh	10.55	10.91	11.13	12.14	12.36
Odisha	10.98	11.36	11.61	11.91	12.28
Meghalaya	11.43	11.66	11.70	12.20	12.27
Maharashtra	10.60	10.93	11.00	11.38	11.75
Rajasthan	9.82	10.22	10.48	10.79	11.14
Chhattisgarh	9.33	9.72	9.94	10.47	10.98
West Bengal	9.20	9.44	9.59	9.76	9.86
Madhya Pradesh	8.54	8.89	9.11	9.45	9.78
Jharkhand	8.63	8.92	9.07	9.27	9.40
Nagaland	7.68	8.39	8.39	9.00	9.20
Assam	7.97	8.33	8.57	8.88	9.09
Uttar Pradesh	8.14	8.42	8.54	8.70	8.82
Manipur	5.36	5.92	6.41	7.21	7.39
Bihar	6.38	6.58	6.76	6.96	7.10
<b>All India</b>	<b>11.18</b>	<b>11.59</b>	<b>11.75</b>	<b>12.06</b>	<b>12.39</b>

Source: Compiled from bank branch statistics of RBI available at <https://dbie.rbi.org.in/DBIE/dbie.rbi>

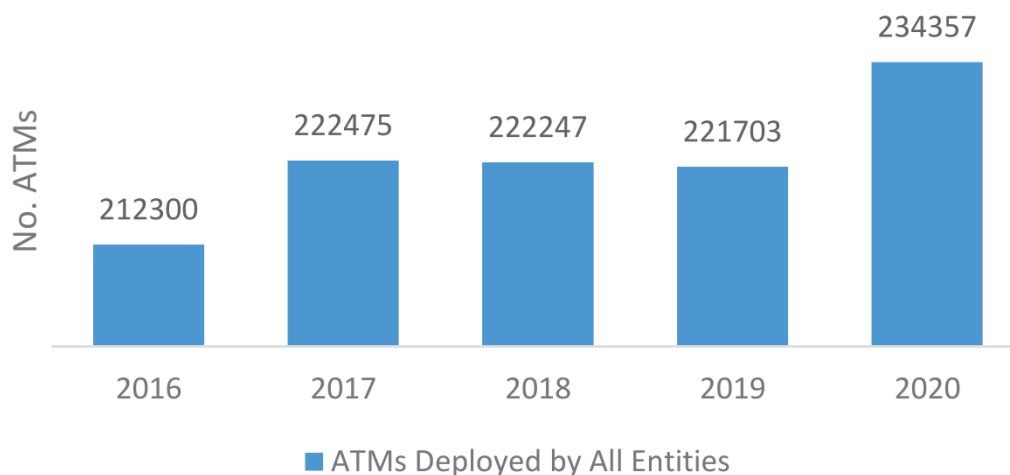
- Population figure as per Census 2011

Over the last five years demographical penetration of bank branches has increased from 11.18 in 2016 to 12.39 in 2020. However, in 2020 there are some states which have recorded below the national average of 12.39 branches per one lakh population. These states are Arunachal Pradesh (12.36), Odisha (12.28), Meghalaya (12.28), Maharashtra (11.75), Rajasthan (11.14), Chhattisgarh (10.98), West Bengal (9.86), Madhya Pradesh (9.78), Jharkhand (9.40), Nagaland (9.20), Assam (9.09), Uttar Pradesh (8.82), Manipur (7.39) and Bihar (7.10). Surprisingly, barring Arunachal Pradesh, Meghalaya and Nagaland, these states have recorded higher than national average of account penetration of PMJDY (Para: 1.3.4). This indicates, branches of these states have extended their services to considerably large number of unbanked population.

### 3. Deployment of ATMs

During the current year, the number of ATMs deployed by all the entities in India increased, contrary to the trend in the previous years (2017 – 2019). As on March, 2020 over 2.34 lakh ATMs are deployed across the country to facilitate account holders in accessing cash “anywhere anytime”. This indicates about 6 percent growth over previous year. This is mainly on account of placement of more ATMs by private sector banks and WLAs (White label ATMs). During 2017 – 2019, the reasons for decrease in total number of ATMs in India were possibly due to stipulation of putting restrictions on number of cash withdrawals, increasing use of credit and debit cards for retail payments, etc.

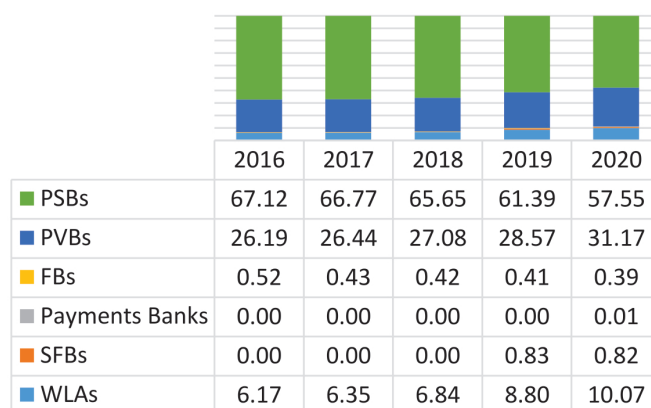
**Figure: 3.1 Trend in ATMs Deployment by All Entities**



Source: 2016: CMIE, 2017 – 2020: RBI

As on March 2020, public sector banks (PSBs) have about 58 percent of total share of ATM deployment, private sector banks have about 31 percent ATMs and WLAs have about 10 percent ATMs in India. Foreign Banks, Payment Banks and SFBs together account for only 1 percent of total ATMs.

**Figure: 3.2 Trend in ATM deployment by various entities (% Share)**



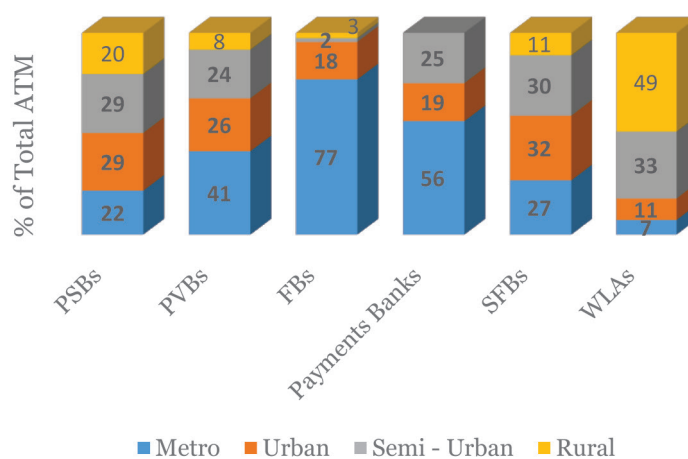
Source: 2016: CMIE, 2017 – 2020: RBI

Deployment of ATMs by private sector banks and WLAs witnessed an increasing trend over the last five years. However, it has declined in case of public sector banks and foreign banks.

### 3.1. Sector wise – Geographical region wise ATM deployment in India

Public sector banks have evenly deployed about 50 percent of their ATMs in metro/urban centers and remaining 50 percent ATMs in semi-urban/rural centers. However, ATMs of private sector banks, foreign banks and payments banks are mostly urban/metro centric, accounting for about 67 percent, 95 percent and 75 percent respectively. Rural areas are mostly served by WLAs, as about 82 percent (19000 ATMs) ATMs deployed by WLAs are concentrated in rural and semi – urban areas.

**Figure: 3.3: Bank - sector wise spread of ATMs as on March, 2020**



Source: RBI

### 3.2. Geographical and Demographical Penetration of ATMs

The usage of ATMs in India by the account holders has gone up considerably over the last decade and half. However, the ATM access in India lags in comparison to most of the emerging markets and large economies like Russia, Brazil, China, South Africa, US, UK, etc. (RBI: 2019). In India, about 19 ATMs

**Table: 3.1: ATM Penetration as on March, 2020**

Sl	State	Demographical Penetration (ATMs Per lakh Population#)	Geographical Penetration (ATMs Per thousand Sq.Km #)
1	Andaman & Nicobar Islands	31.53	14.55
2	Andhra Pradesh	22.37	68.97
3	Arunachal Pradesh	17.99	2.97
4	Assam	12.58	50.05
5	Bihar	7.91	87.45
6	Chandigarh	63.20	5850.88
7	Chhattisgarh	14.07	26.58
8	Dadra & Nagar Haveli And Daman & Diu	48.21	470.10
9	Goa	68.63	270.39
10	Gujarat	20.04	61.71
11	Haryana	27.49	157.60
12	Himachal Pradesh	27.02	33.32
13	Jammu & Kashmir*	21.45	26.53
14	Jharkhand	11.00	45.52
15	Karnataka	29.29	93.31
16	Kerala	29.73	255.61
17	Lakshadweep	27.92	600.00
18	Madhya Pradesh	14.56	34.31
19	Maharashtra	24.82	90.63
20	Manipur	11.80	15.09
21	Meghalaya	13.72	18.15
22	Mizoram	15.77	8.21
23	Nagaland	16.02	19.12
24	Nct of Delhi	50.98	5771.41
25	Odisha	16.84	45.39
26	Puducherry	49.92	1271.43
27	Punjab	26.81	147.67
28	Rajasthan	16.26	32.58
29	Sikkim	32.76	28.18
30	Tamil Nadu	37.27	206.77
31	Telangana	30.93	94.78
32	Tripura	15.87	55.60
33	Uttar Pradesh	10.99	91.18
34	Uttarakhand	27.57	52.00
35	West Bengal	13.47	138.50
36	<b>All India</b>	<b>19.35</b>	<b>71.29</b>

Source: Compiled from RBI (#: As per Census, 2011, \*: Includes data of Ladakh)

are available per 1,00,000 population in the year 2020 (Table: 3.1) with wide interstate variation. In Bihar, there are only 8 ATMs available per one lakh population whereas it is 69 in Goa. The states which are below the national average of 19.35 are: Uttar Pradesh (10.99), Jharkhand (11.00), West Bengal (13.47), Madhya Pradesh (14.56) and Assam (12.58). Similarly, geographical penetration of ATMs i.e. availability ATMs per thousand sq.km shows that 71 ATMs are available per thousand sq.km. All the four UTs have occupied the top position in terms of geographical proximity of ATMs. Among the states it is higher in Goa (270.39) followed by Kerala (255.61) and Tamil Nadu (206.77) and significantly lower in majority of north eastern states.

## 4. Credit outreach by Commercial Banks

Credit outreach (Number of accounts) by SCBs over the last five years have increased across the country at various population groups. At All India level, number of credit accounts which were reported at 13.90 crore during March 2016 increased to 27.25 crore at the end of March 2020, registering two folds increase during the last five years. Rural and semi urban areas have continued its dominance in share of total credit accounts across the country. As on March, 2020, over 50 percent of total credit accounts are in rural and semi – urban areas followed by metropolitan centres (26 percent). About 19 percent credit accounts are utilised in urban centres.

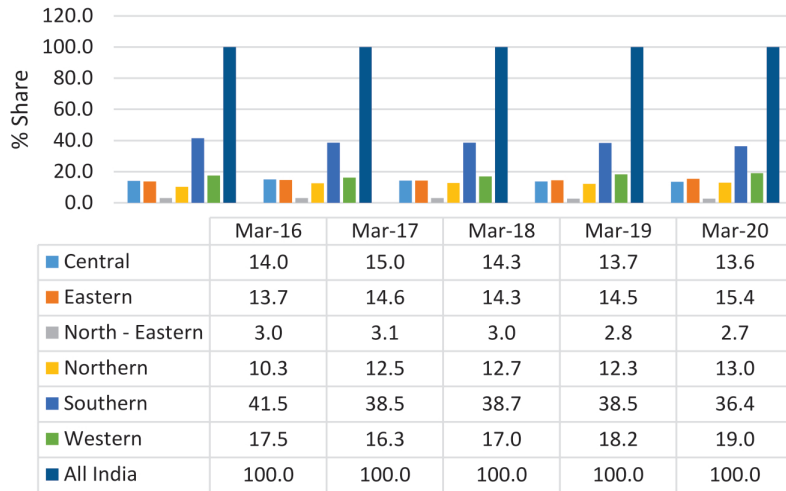
**Table: 4.1: Trend in Credit outreach by all SCBs (Nos. of accounts)**

Population Group	Mar - 16	Mar-17	Mar-18	Mar-19	Mar-20
Rural	3,75,57,082	5,88,63,874	5,91,97,332	6,65,78,765	7,93,65,624
% of Total	27	34	30	29	29
Semi-urban	4,00,80,901	4,70,18,739	5,32,45,332	6,12,89,882	6,88,31,576
% of Total	29	27	27	26	25
Urban	2,35,67,331	2,87,94,891	3,72,04,375	4,38,01,017	5,27,14,295
% of Total	17	17	19	19	19
Metropolitan	3,77,99,678	3,77,06,014	4,73,30,061	6,06,32,235	7,16,08,688
% of Total	27	22	24	26	26
<b>All - India</b>	<b>13,90,04,992</b>	<b>17,23,83,518</b>	<b>19,69,77,100</b>	<b>23,23,01,899</b>	<b>27,25,20,183</b>

Source: <https://dbie.rbi.org.in/DBIE/dbie.rbi?site=publications#!5>

- Data indicates place of credit utilisation for various population groups
- Rural: All centres with population of less than 10,000
- Semi-urban: Centres with population of 10,000 and above but less than 0.1 million
- Urban: Centres with population of 0.1 million and above, but less than 1 million
- Metropolitan: Centres with population of 1 million and more

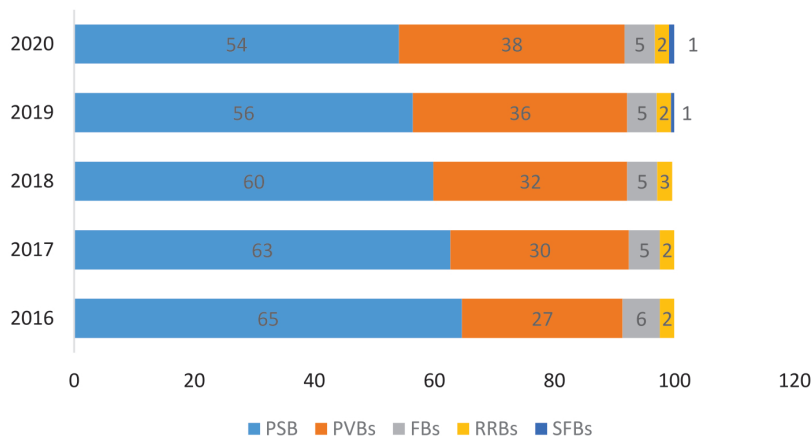
**Figure: 4.1: Regional share in credit outreach as on March, 2020**



Source: <https://dbie.rbi.org.in/DBIE/dbie.rbi?site=publications#!5>

Among the different regions, Southern Region recorded highest share in credit outreach during the past years (Figure: 4.1). As on March 2020, Southern Region accounted for 36 per cent of total credit accounts followed by Western Region (19.0 per cent), Eastern Region (15.4 per cent), Central Region (13.6 per cent) and Northern Region (13.0 per cent). The North Eastern Region had the lowest share of 2.7 percent of total credit accounts in the country. Among different bank groups, public sector banks take a lead role in extending credit to borrowers (Figure: 4.2). During 2019 – 20, more than half (54 percent) credit limit are extended by public sector banks followed by private sector banks (38 percent). However, share of public sector banks have slackened while the same has continued to increase over past years for private sector banks.

**Figure: 4.2 Share in credit by Bank Group (% Share of total credit limit)**



Source: RBI: <https://dbie.rbi.org.in/DBIE/dbie.rbi?site=publications#!5>

## 4.1 Trend in per capita credit

In India, per capita bank credit has increased during the last few years with wide interstate variation. The per capita bank credit was Rs. 59,281.90 in 2015 – 16. It has shot up to Rs. 79,318.10 at the end of March, 2020 (Table: 4.2). State wise tally shows that Maharashtra and Tamil Nadu continued their dominance in

per capita bank credit whereas it is significantly lower in Bihar (Rs. 12,880.60), Nagaland (Rs. 18,748.60), Jharkhand (Rs. 20,141.50), Assam (Rs. 21,548.30), Uttar Pradesh (Rs. 21,931.50). The increase in per capita bank credit was mainly due to various policy measures, viz., inclusion of credit guarantee scheme by PSUs, one-time restructuring schemes, external benchmarking, etc. Such increase in per capita credit has impact at both individual level and as well as bank level. At individual level it has improved the average loan access and in bank level it has given opportunity to banks to expand their business activities.

**Table: 4.2 Trend in per capita credit in India over last five years (Amount in Rs.)**

States	2015-16	2016-17	2017-18	2018-19	2019-20
NCT of Delhi	4,67,373.60	4,58,425.50	4,89,379.50	5,67,330.80	5,75,368.30
Chandigarh	3,12,825.20	3,31,993.30	3,68,304.80	3,84,398.90	3,67,585.00
Maharashtra	1,66,087.50	1,69,828.30	1,75,449.20	1,95,175.90	1,99,751.10
Tamil Nadu	97,162.40	99,557.50	1,13,378.40	1,26,667.50	1,39,012.60
Karnataka	84,095.30	88,614.20	99,696.20	1,09,746.90	1,15,174.30
Haryana	75,978.60	76,747.00	87,640.60	97,402.90	1,06,219.70
Kerala	64,672.10	70,164.20	80,293.30	92,394.60	99,119.00
Gujarat	67,972.90	71,516.70	81,953.00	91,157.90	93,313.00
Goa	82,155.60	84,229.20	88,709.00	91,715.70	92,837.50
Punjab	71,438.60	80,277.70	80,171.30	79,084.80	81,079.50
Puducherry	52,743.50	55,851.20	60,351.80	66,185.20	68,529.00
Uttarakhand	32,524.90	37,425.00	42,547.20	48,170.50	50,814.10
Sikkim	34,577.00	33,618.10	38,370.70	43,795.50	47,778.90
Andhra Pradesh	26,088.60	29,227.30	34,919.80	41,356.40	46,051.10
Rajasthan	27,096.80	30,396.70	35,977.00	42,891.20	45,913.20
West Bengal	37,364.30	37,992.40	40,666.90	42,145.00	44,416.60
Himachal Pradesh	31,395.00	34,102.70	37,412.90	41,785.60	44,216.80
Andaman & Nicobar	25,561.60	30,884.90	34,817.60	37,089.50	42,605.20
Chhattisgarh	26,793.20	29,523.60	32,960.30	35,248.90	38,663.70
Mizoram	23,213.40	25,229.10	29,804.60	35,006.10	37,735.40
Madhya Pradesh	23,059.60	25,146.70	28,878.40	32,318.30	34,819.80
Odisha	21,317.60	23,183.00	25,257.00	29,377.40	32,877.50
Arunachal Pradesh	19,331.70	22,404.40	30,341.40	28,572.90	31,735.30
Meghalaya	16,488.30	19,168.80	23,350.90	26,041.30	29,217.80
Tripura	16,259.20	19,349.00	23,362.20	26,515.60	28,485.00
Manipur	9,843.20	11,780.80	15,388.80	18,502.10	22,717.00
Uttar Pradesh	16,888.10	17,184.30	18,624.40	20,611.00	21,931.50
Assam	13,670.50	15,537.90	17,808.90	20,098.00	21,548.30
Jharkhand	14,579.30	15,732.10	17,393.20	18,127.50	20,141.50
Nagaland	11,275.60	12,961.30	14,352.30	16,263.40	18,748.60
Bihar	8,080.30	8,998.30	10,070.40	11,649.90	12,880.60
Lakshadweep	9,767.70	9,829.60	8,591.10	10,694.00	11,368.20
Jammu & Kashmir	-	-	-	-	-
Ladakh	-	-	-	-	-
Telangana	-	-	-	-	-
Dadra & Nagar Haveli and Daman & Diu	-	-	-	-	-
<b>All India</b>	<b>59,281.90</b>	<b>61,684.90</b>	<b>67,540.00</b>	<b>75,425.20</b>	<b>79,318.10</b>

Source: CMIE

## 5. Debit and Credit Cards – Trend in issuance

Globally, debit and credit cards are used by majority of the bank account holders. In recent years a shift in pattern has been observed among the account holders in replacing cheques and cash based transaction by cards. India is second only to China in terms of number of debit cards issued (RBI: 2017). As far as issuance of credit card is concerned the number of credit cards issued is low as compared to debit card. At the end of March, 2020, there are only 6.97 credit cards are available per hundred debit cards. Such low usage of credit cards in India is due to, engagement of large section of the labour force in unorganised sector, which prevents banks to issue credit cards to such people with high credit risk. A total of 8,863.07 lakh debit cards and 577.45 lakh credit cards are in circulation at the end of March 2020. The total number of outstanding cards in 2020 has declined contrary to the past years (2016 – 2019). This drop in number of debit cards in 2020 is due to migration of magnetic stripe cards to EMV chip cards. *RuPay* cards issued under the Pradhan Mantri Jan Dhan Yojana (PMJDY) was the key driver of increase in issuance of number of debit cards in India.

**Table: 5.1 Trend in Card issuance in India**

**(in lakh)**

Particulars	End of March 2016	End of March 2017	End of March 2018	End of March 2019	End of March 2020
<b>Total Card Outstanding</b>	<b>6,860.41</b>	<b>8,014.91</b>	<b>8,985.61</b>	<b>9,528.62</b>	<b>8,863.07</b>
Out of which Debit cards	6,615.36	7,716.49	8,610.76	9,058.13	8,285.62
Out of which Credit cards	245.05	298.42	374.85	470.49	577.45
Credit cards per hundred Debit cards	3.70	3.87	4.35	5.19	6.97

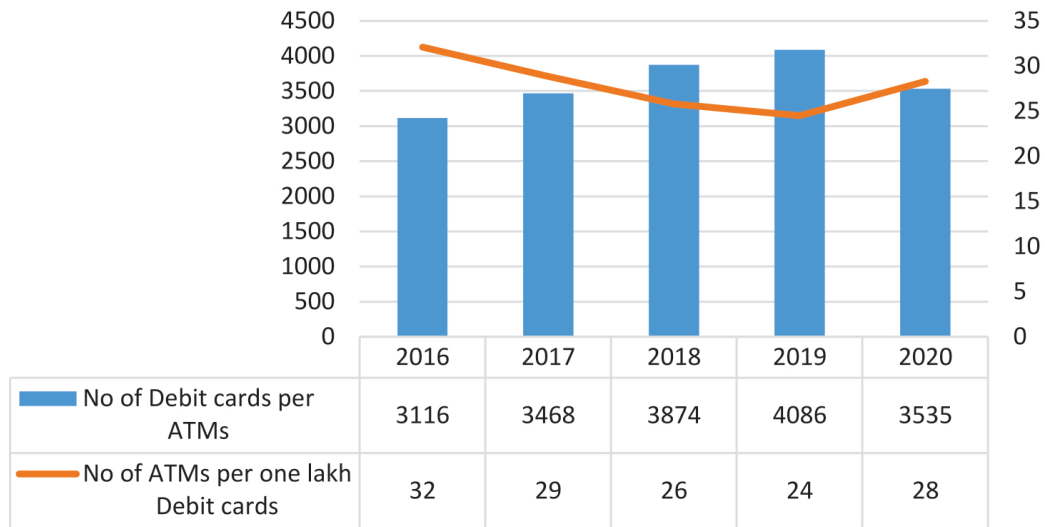
Source: <https://dbie.rbi.org.in/DBIE/dbie.rbi?site=publications#!5>, Accessed on 7 Dec 2020

- Data includes only outstanding cards

### 5.1. Debit cards to ATM ratio

Over the years, issuance of debit cards has shown an increasing trend, mostly by public sector banks in rural and semi urban areas by using the BC – Network. There were about 3,116 functional debit cards per ATM in March 2016 which has increased to 3,535 at the end of March 2020 (Fig: 5.1). But availability of ATMs per one lakh debit cards was only 32 in March, 2016, which has further reduced to only 28 ATMs in March, 2020. The reduction in coverage of ATMs as proportion of debit cards is due to the issuance of *RuPay* cards to a vast section of the unbanked households under PMJDY. This has led to increase in number of debit card users in India. It shows that coverage of ATMs is low in India to complement debit cards issued.

**Figure: 5.1: Trend in debit cards to ATMs ratio**

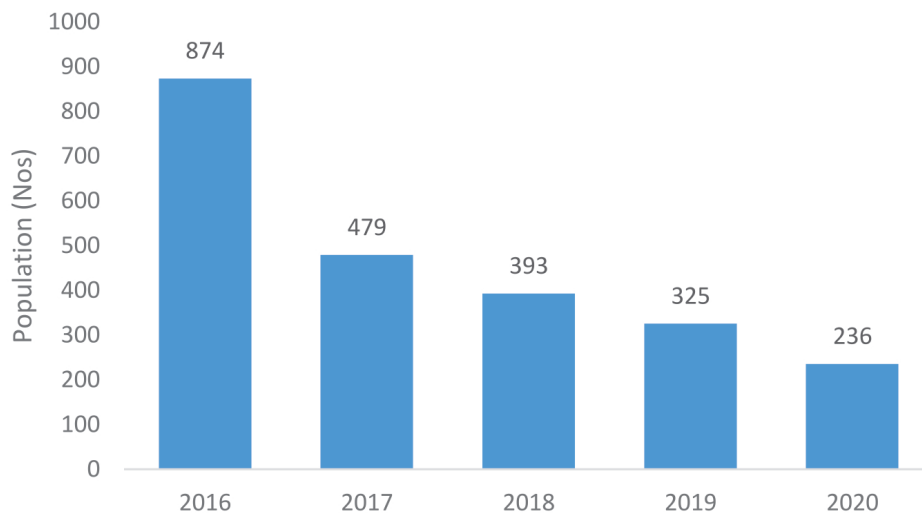


Source: Compiled from: <https://dbie.rbi.org.in/DBIE/dbie.rbi?site=publications#!5>,

## 5.2 Trend in deployment of Point of Sale (PoS) Terminals

India has made considerable progress in deployment of PoS terminals over the last five years. The number of point of sale (PoS) terminals increased to 51.38 lakh in March 2020 from 37.22 lakh in March 2019 marking an increase by 38.04 percent over previous year.

**Figure: 5.2: Availability of PoS per Population (Nos)**



Source: Compiled from: <https://dbie.rbi.org.in/DBIE/dbie.rbi?site=publications#!5>,

As far as availability of PoS terminals to consumers is concerned, in the year 2016, 13.86 lakhs PoS terminal were available to serve the population of 121.10 crore. This indicates one PoS terminal served a population of 874 people. Over the years, number of people served per PoS machine has significantly improved. In 2020, about 236 people are being catered by one PoS terminal. This shows that more PoS are available to meet the growing demand of cashless economy.

### 5.3 Pre-paid Payment Instruments (PPIs)

The usage of pre-paid instruments for remittances as well as for payment for goods and services has shown an increasing trend. The pre-paid payment instruments includes mobile wallet, PPI cards and paper vouchers. However, as per RBI circular, dated 11<sup>th</sup> Oct 2017, no PPI vouchers were to be issued after February, 2018.

The volume of PPI has notably increased to 53318.12 lakh in 2019-20 from 46072.29 lakh in 2018-19. M-wallet is found to have an increasing contribution in the volume of transactions meaning that the growth rate in the number of transactions of this type of instrument is the highest among all the three. Share of m-Wallet out of total volume of PPI transactions varies between 80 percent to 87 percent over the last three years. However, the same trend also is observed for PPI cards. During 2019 – 20, average transaction through m-wallet and PPI cards stood at Rs. 427.58 and Rs. 313.57 respectively. It is to be mentioned that as per RBI guidelines the maximum value of pre-paid payment instruments at any point of time should not exceed Rs. 1,00,000.

**Table: 5.2: Trend in PPIs over last three years**

PPIs	During 2017 – 18			During 2018 – 19			During 2019 – 20		
	Volume (Lakh)	Value (Cr.)	Ticket Size (Rs.)	Volume (Lakh)	Value (Cr.)	Ticket Size (Rs.)	Volume (Lakh)	Value (Cr.)	Ticket Size (Rs.)
<b>Total</b>	<b>34590.46</b>	<b>141634.21</b>	<b>409.46</b>	<b>46072.29</b>	<b>213323.34</b>	<b>463.02</b>	<b>53318.12</b>	<b>215558.03</b>	<b>404.29</b>
<b>Out of which m-Wallet</b>	30259.82	108674.76	359.14	41412.86	183295.06	442.60	42425.62	181402.89	427.58
<b>m-Wallet: % of total</b>	87	77	-	90	86	-	80	84	-
<b>Out of which PPI Cards</b>	4326.26	31040.56	717.49	4658.88	29940.83	642.66	10892.50	34155.75	313.57
<b>PPI Cards: % of total</b>	13	22	-	10	14	-	20	16	-
<b>Paper Vouchers</b>	4.38	1918.88	43810.05	0.54	87.45	16194	-	-	-
<b>Paper Vouchers: % of total</b>	Negligible	1	-	Negligible	Negligible	-	-	-	-

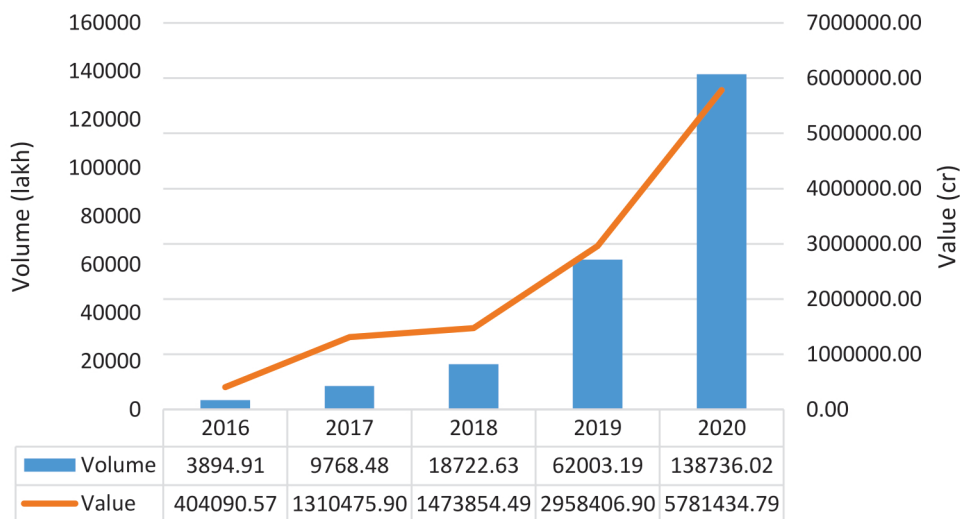
Source: <https://dbie.rbi.org.in/DBIE/dbie.rbi?site=publications#!5>

### 5.4 Mobile Banking in India

Under the Payment and Settlement Systems Act, 2007 the Reserve Bank has given approval for mobile banking services to 80 banks. In recent years, the mobile banking has been reflecting a growing trend in both volume and value of transaction. The number of mobile banking payments across India in fiscal year 2020 accounted for approximately 1,38,736.02 lakh, an increase of 123.76 percent over previous year. Similarly, value of transactions has also increased by 95.42 percent over previous year.

The reason for such tremendous increase in usage of mobile banking in India is possibly due to the adoption of digital banking system during post demonetisation period.

**Figure: 5.3 Growth of Mobile Banking**



Source: <https://dbie.rbi.org.in/DBIE/dbie.rbi?site=publications#!5>

## 6. Conclusion

Over the years, in India, significant progress has been made in all parameters of financial inclusion. More banking outlets are in place to reach unbanked population, banking outlets with branchless BC mode are deployed to serve the doorstep banking services. Further, to serve the unbanked population with minimum banking facilities, more stress is given upon opening of BSBD accounts. PMJDY played a key role in reaching unbanked households with minimum banking facilities. It has improved the ownership of bank account and reduced the gender inequality in financial inclusion. Moreover, Jan – Dhan, Aadhaar and mobile trinity (JAM) has enabled country to make substantial progress in financial inclusion by way of direct benefit transfer (DBT) to concerned beneficiary. Benefits of social security schemes, PMSBY, PMJJBY in the form of micro insurance has reached out to a large section of population. Both geographical and demographical penetration of bank branches have improved. It has reduced the distance, the people have to travel to reach the nearest bank branch. The increase in bank branch network has significantly improved the credit outreach, average loan access by people and also given banks a chance to enhance their business opportunity. To facilitate day to transaction of accountholders, ATMs have been deployed. However, variation has been observed in availability of ATMs among different states, geographical regions. Increase in account penetration has also improved the debit card issuance over the years. Further, the country has moved towards less cash economy with adoption of more digital transactions viz., PPIs, mobile banking etc.





### **Centre for Research on Financial Inclusion and Microfinance (CRFIM)**

Centre for Research on Financial Inclusion and Microfinance (formerly CMR) was set up within BIRD to take up research activities in the field of financial inclusion and microfinance for facilitating policy initiatives and improvements in design and delivery system of financial inclusion and microfinance services. The vision and mission is to emerge as a centre of reference for information, knowledge and valued opinion related to the financial inclusion and microfinance sector, strengthen the sector through research inputs that facilitate policy initiatives as also improvement in design and delivery systems that provide poor with sustainable access to quality financial services. So far, the centre has conducted 47 studies, brought out 12 issues of the journal, THE MICROFINANCE REVIEW and conducted series of seminars & consultative workshops on issues related to financial inclusion and microfinance. The journals and study reports are available at <http://www.birdlucknow.in/center-of-excellence/cmr/>.

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