

Business Standard

Nabard plans to provide RuPay cards to over 34 million farmers

To deploy 200,000 PoS machines in 100,000 villages

Vimukt Dave | Ahmedabad December 21, 2016 Last Updated at 00:36 IST



The advertisement features the NPCI logo at the top left, with the text 'POWERED BY NPCI NATIONAL INSTANT COORDINATION OF INDIA'. The central text reads 'RuPay The currency for cash-free India'. To the right is a blue RuPay Debit Card with a red octagonal badge that says 'Accepted across all POS & online'. Below the card are icons for Shopping, Wallets, Rail Bookings, Gas & Electricity, Fuel, and Recharges. At the bottom, it says 'Use your RuPay Debit Card now at any merchant POS, online stores and ATMs. For further details on activation and offers, contact your bank immediately.' The RuPay logo and tagline 'Kaamyabi Manaao, Haq Se.' are also present. At the very bottom, there are three sections: 'More cash-free payment options' with the IMPS logo, 'Manage all payments with a single ID. Available on Google Playstore' with the UPI logo, and 'Mobile banking without Internet. Dial from your bank registered mobile no.' with the *99# logo.

With the

government pushing for digital payments ecosystem even in rural areas and agriculture sector, National Bank for Agriculture and Rural Development (Nabard) has planned to provide RuPay cards to over 34 million farmers in villages across India. These cards will be provided through cooperative banks and farmers' credit cooperative societies.

Nabard has already asked credit societies and cooperative banks to open saving accounts directly or under Jan Dhan. Through RuPay cards, farmers can buy seeds, fertilisers and other farming equipment. Nabard has already planned to deploy 200,000 point-of-sale (PoS) machines in 100,000 villages, for which it has allotted funds of Rs 120 crore. These PoS machines will be installed by commercial banks. Nabard will give Rs 6,000 per equipment incentive to the commercial banks for purchase of PoS machines.

"Our aim is to enable farmers for cashless transactions. Generally, farmers buy seeds, fertilisers and other farming related things on cash or on credit as technology has not yet fully reached rural areas. By providing RuPay cards, they will also be able to go cashless soon," said H R Dave, deputy managing director of Nabard.

Cooperative banks and farmers' credit cooperative societies will open accounts and issue RuPay cards to the farmers. Farmers who have bank accounts will also get these cards. According to Nabard, the nodal bank is looking to provide RuPay card over 34 million farmers across India.

Dave said, "We have spoken to respected states cooperative banks and farmers' credit cooperative societies and they will open accounts under Jan Dhan or normal accounts. All new and existing account holder farmers will get RuPay cards to do cashless transaction as per their requirements."

To increase digital payment infrastructure in rural areas, the central government through Nabard will extend financial support to eligible banks for deployment of two PoS devices each in 100,000 villages with population of less than 10,000. These POS machines are intended to be deployed at primary cooperative societies, milk societies and agricultural input dealers to facilitate agri-related transactions through digital means. With this, farmers will have cashless transaction facilities in their villages for their farming requirements.

However, Nabard has not set any time limit to complete the project but aims to distribute RuPay cards within a year.

Dave said, "Nabard is providing financial assistance of Rs 6,000 per PoS to the commercial banks. We believe that in the current scenario demand for PoS machines from merchants will grow quickly and we may have to fix 200,000 machines and distribution of RuPay cards in next one year."