

# ***DIGITAL INDIA***

## ***IMPACT ON BUSINESS MODELS & THE ECONOMY***

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***MD & CEO, IFCI &  
Chairman, MDI***

**1<sup>st</sup> November, 2019**

# INDIA'S LEADERS ON DIGITAL INDIA



**Shri Narendra Modi**  
*Hon'ble Prime Minister of India*

*“Digital India is an enterprise for India’s transformation on a scale that is perhaps unmatched in human history.”*

*“Digital India is more for the poor and the underprivileged. It aims to bridge the gap between the digital haves and have-nots by using technology for the citizen.”*



**Shri Ravi Shankar Prasad**  
*Hon'ble Union Minister for Electronics and IT  
& Law and Justice*

# INDUSTRY LEADERS ON DIGITAL INDIA



*“The new trifecta of a bank account, digital identity and smartphone for everyone will drive economic change.”*

**Nandan Nilekani**  
*Co-founder of Infosys &  
First Chairman of UIDAI*



**Satya Nadella**  
*CEO, Microsoft*


*“Everything that’s happening in marketing is digitised. Everything that’s happening in finance is digitised. So Pretty much every function in every industry, has a huge element that’s driven by information technology. Its no longer discreet.”*



*“We’ve learned that that when we solve for a place like India, we solve for everyone around the world. #DigitalUnlocked”*

**Sundar Pichai**  
*CEO, Google*

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- Digital India - Landscape & Potential
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- A Case on Digitization in Agriculture & Logistics
- A Case on Digitization in Education
- Digitization in the Energy Sector
- Focus of the Government on Digitization

# DIGITAL INDIA – LANDSCAPE AND POTENTIAL

## Enablers

1191.8 million telecom subscribers (Teledensity 90.3%)

615.4 million Broadband Subscriber

1.2 billion digital identities registered (Aadhaar)

373 million beneficiaries of Jan Dhan Accounts

Worlds highest data user per smartphone (9.5GB)

Source: TRAI

## Govt. Initiative

Digital India

Digitation of Social Welfare Distribution

100% FDI with approval in Telecom, Digital Payments

Evolving Regulation for E-Commerce & Fintech

## Economy & Demographic

World's fastest growing economy

Fast technological absorption

60% active working population & 50% below 30 yrs.

Growing population of middle class families

India no. 1 globally

1.2b

people enrolled in the world's largest unique digital identity program

India no. 2 globally, behind China



12.3b

app downloads in 2018



1.17b

wireless phone subscribers



560m

internet subscribers



354m

smartphone devices



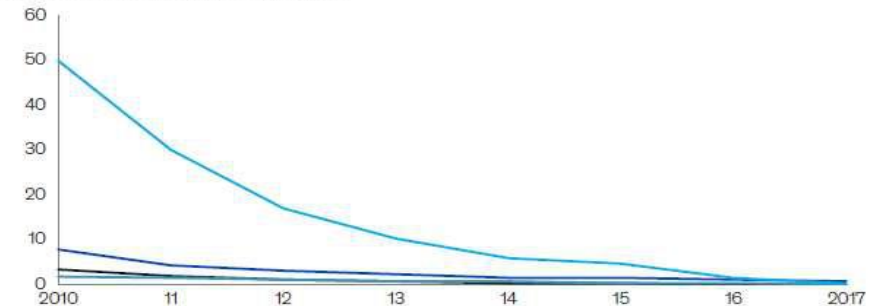
294m

users engaged in social media

United States Brazil China India

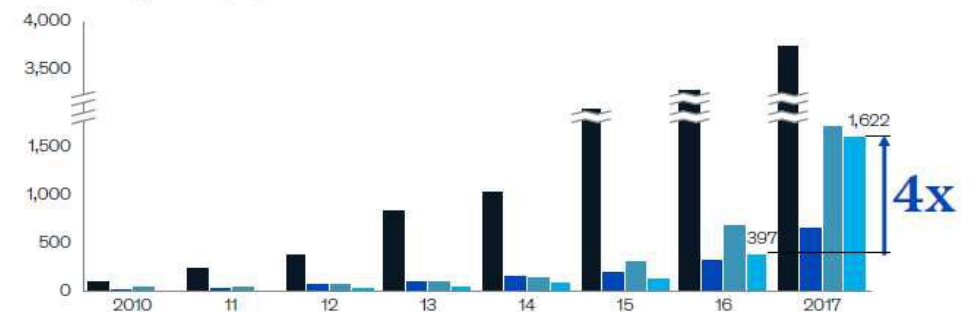
### Data price

Per GB of data (% of monthly GDP per capita)



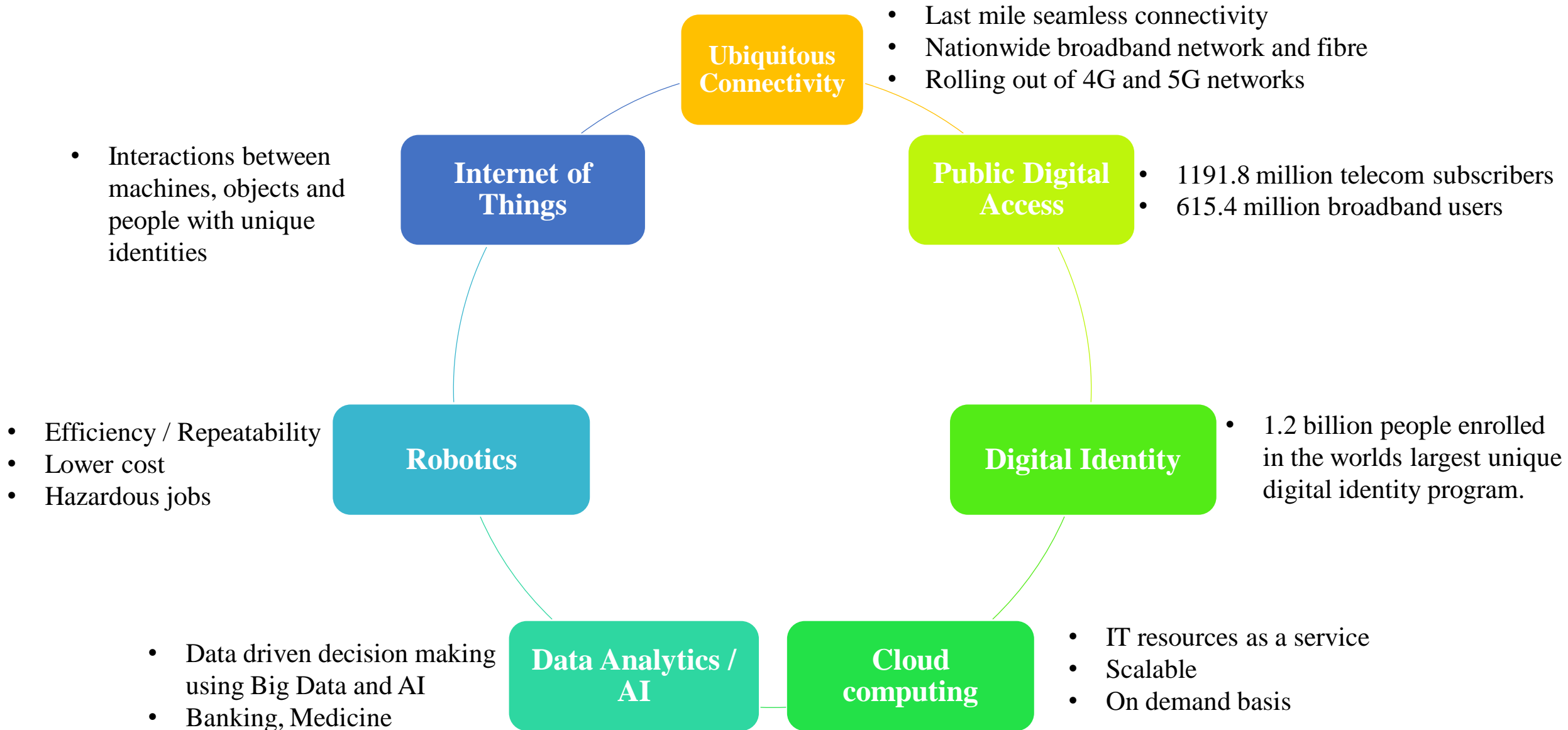
### Data consumption

Per connection, per month (MB)

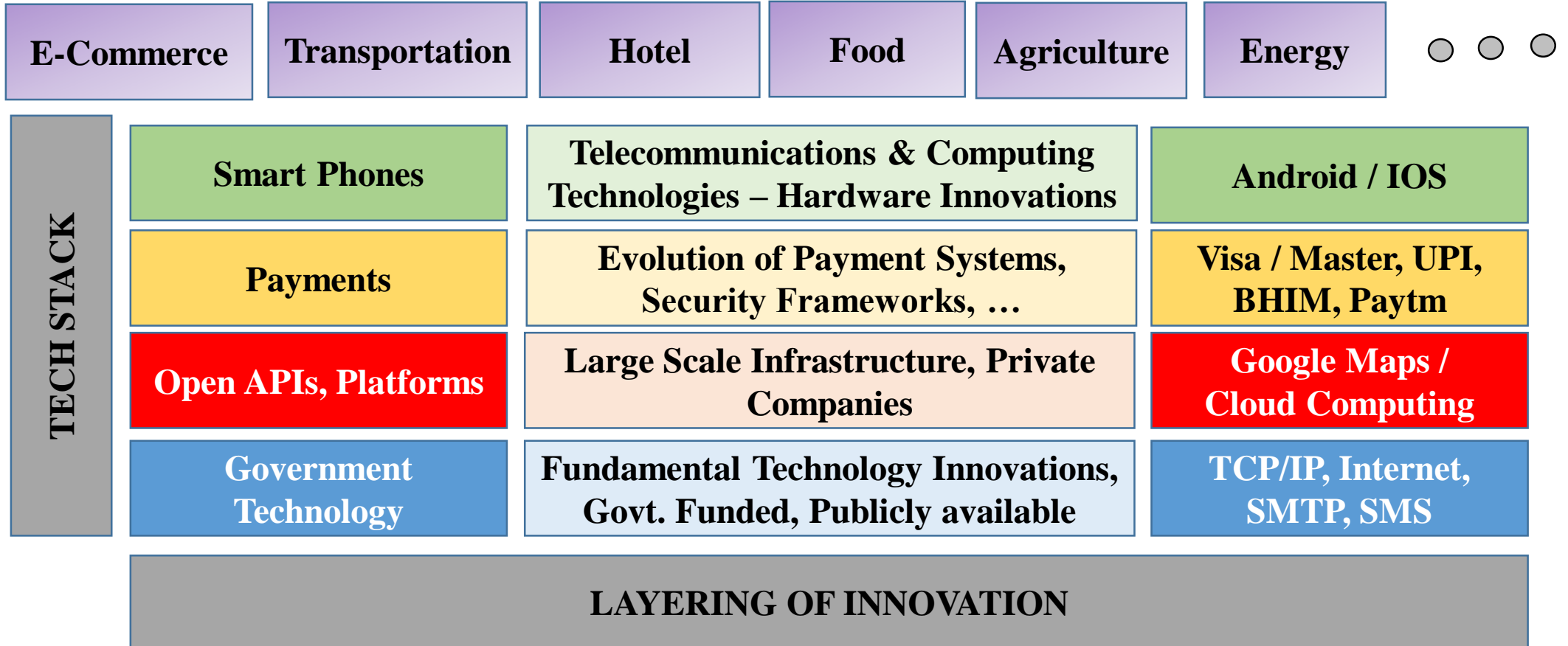


Source: Technology to transform a connected nation - McKinsey Global Institute

# DIGITAL INFRASTRUCTURE ECO-SYSTEM

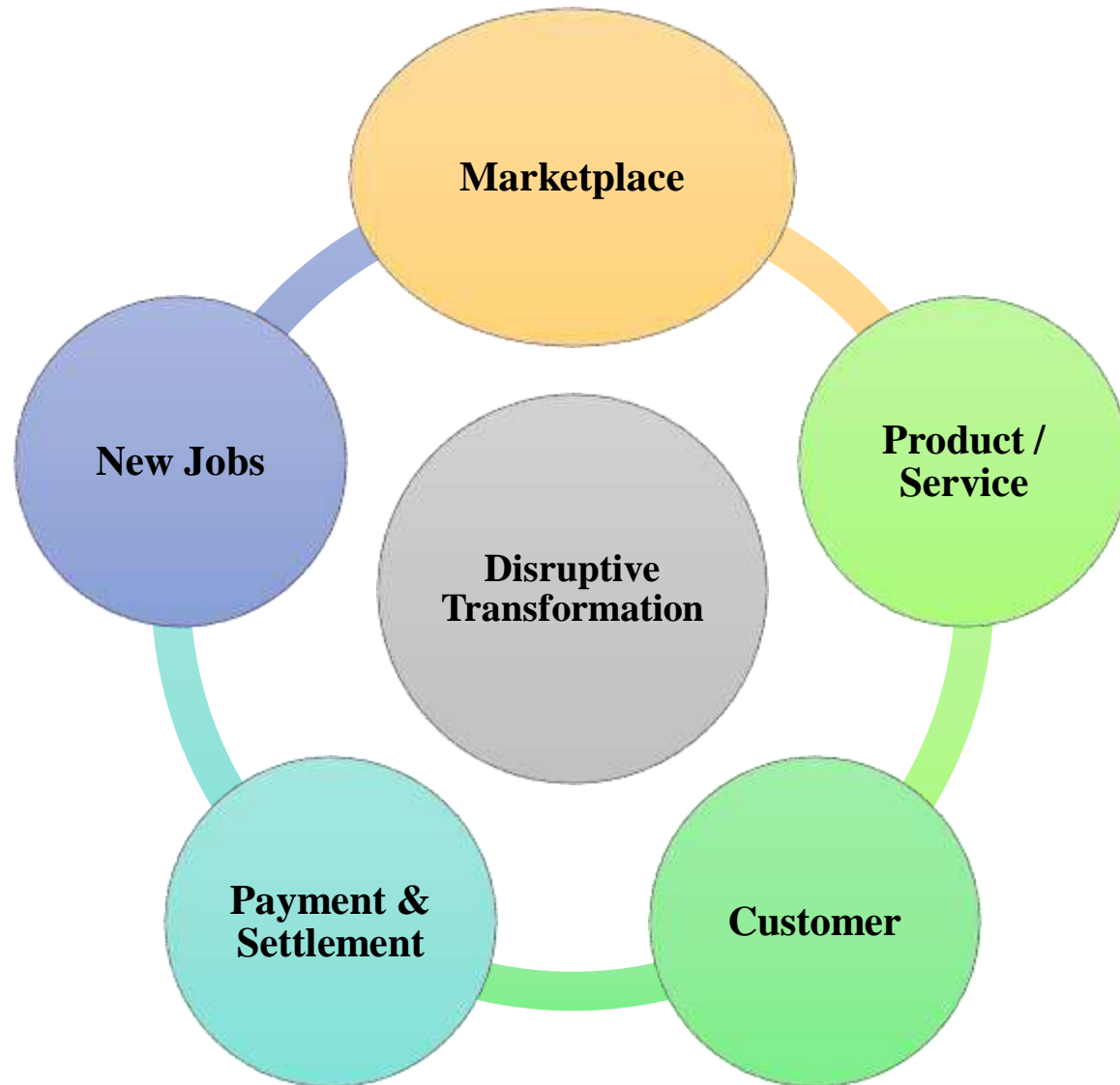


# DIGITAL BUSINESS MODELS





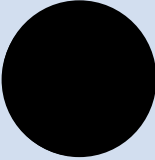
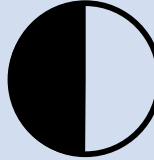
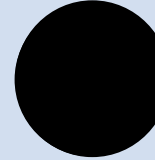
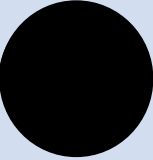
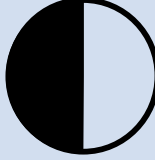
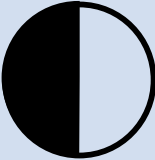
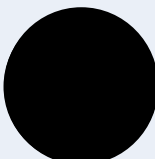
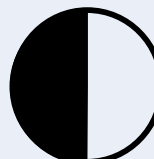
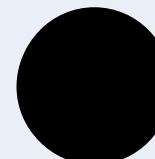
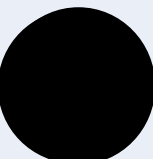
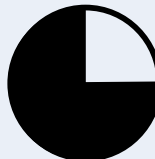
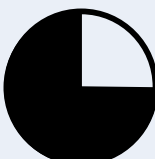
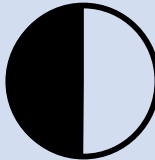
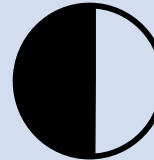
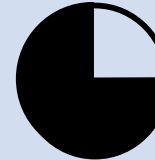
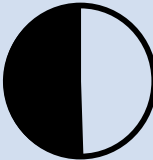
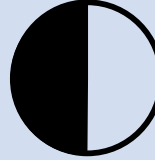
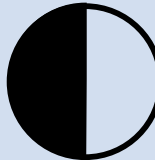
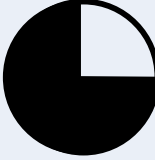
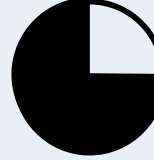
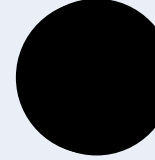
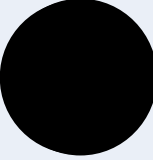
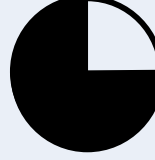
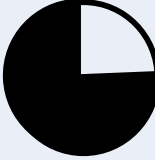
# TRANSFORMATION OF MARKET STRUCTURE



- ❑ **Marketplace** – Concept of physical marketplace moving towards a virtual marketplace. Truly global, competitive and information symmetric market (i.e. moving towards market perfection & Price Discovery).  
  
Complementing traditional ‘Brick & Mortar’ businesses.
- ❑ **Product** – More competitive, widely accepted with top notch performance. New product evolving with wide market and cost competitiveness.
- ❑ **Customer** – More informed than ever about product, pricing and substitutes.
- ❑ **Payment & Settlement** – Digital payment & settlement is a big enabler for digitalisation.
- ❑ **New Jobs** – Skilling of employees to operate in a digital economy, more interaction between man and system / system and system.



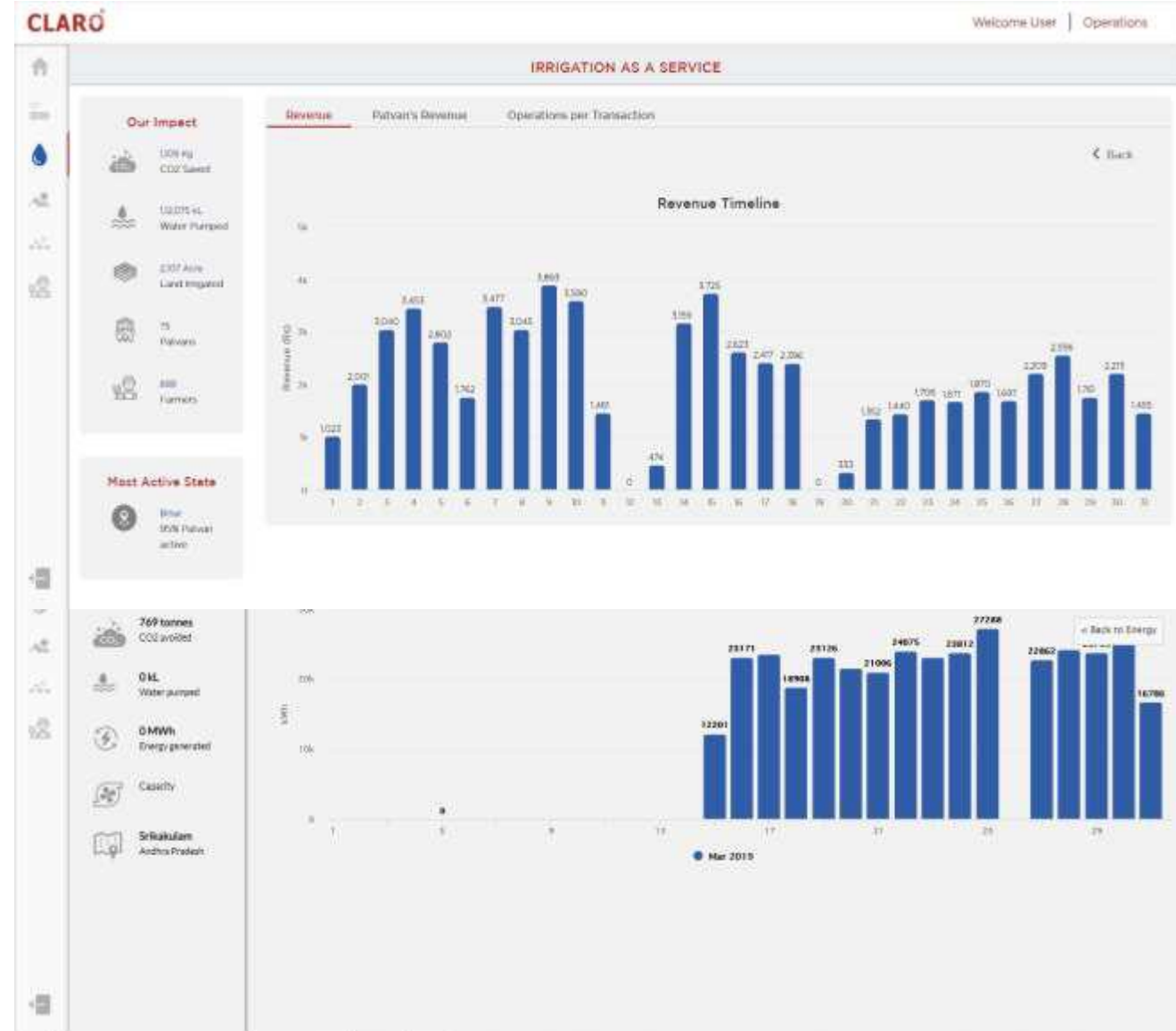
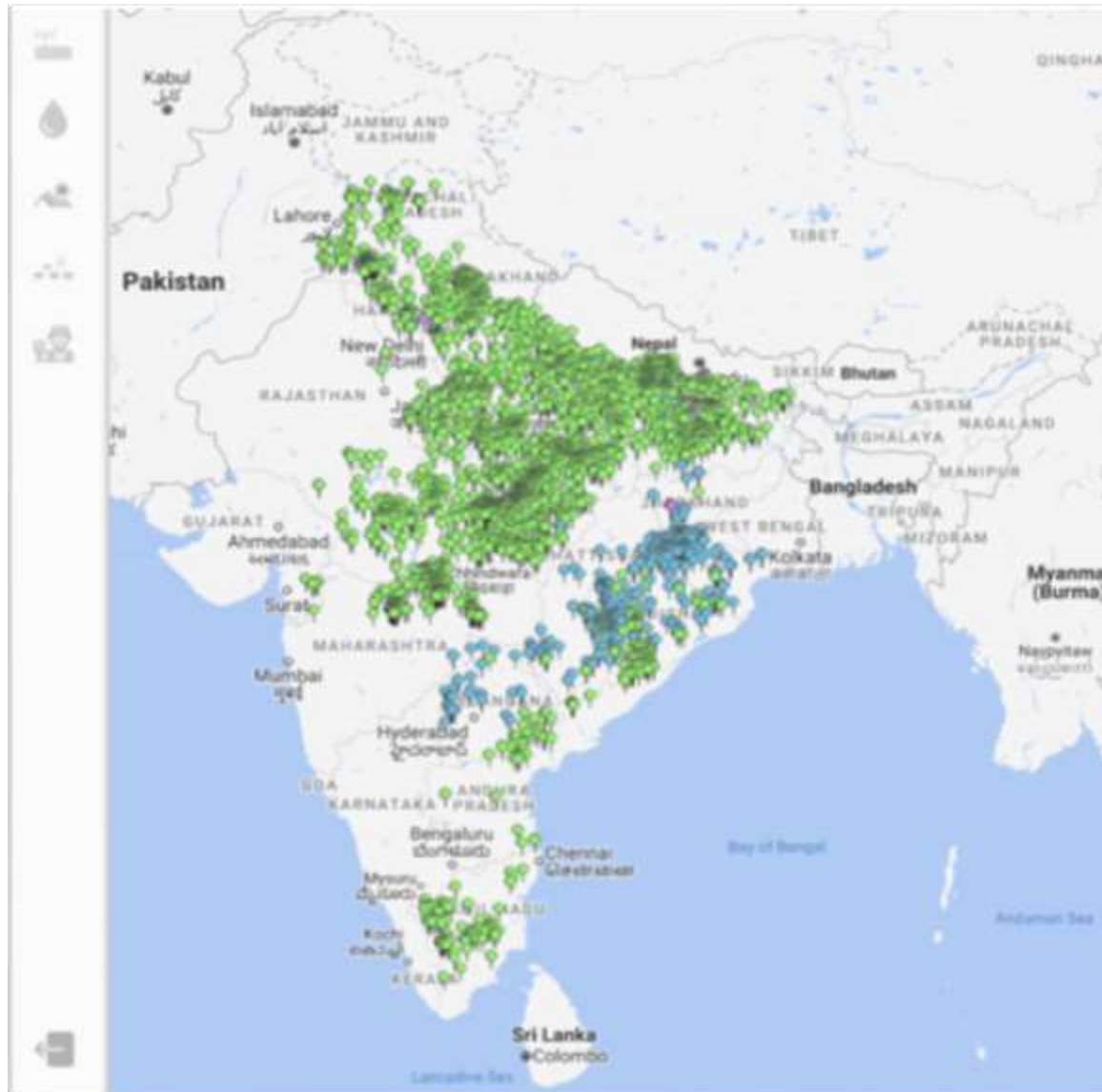
# DIGITAL IMPACT ON BUSINESS MODELS

| Parameters            | Retail  | Power   | Telecom   | Airlines  | Logistics   | Agriculture   |
|-----------------------|---|---|---|---|---|---|
| Competition           |    |    |    |    |    |    |
| Private participation |    |    |    |    |    |    |
| Policy & Regulation   |   |   |   |   |   |   |
| Market outreach       |  |  |  |  |  |  |

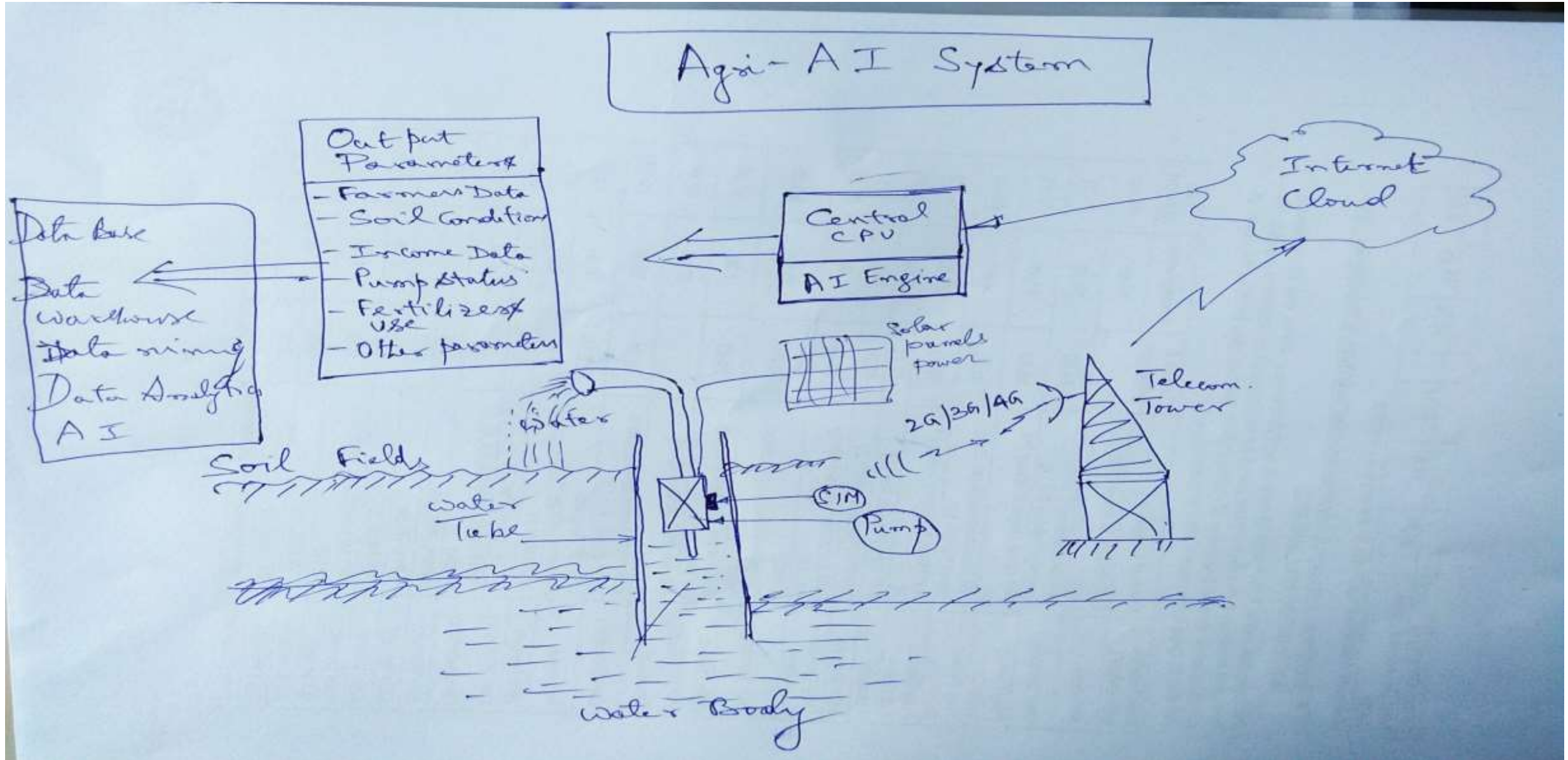
**Good Policy + Good Regulation = Good Governance & Progress**

# CASE: AGRICULTURE & LOGISTICS

## Mapping Solar Irrigation Assets Remotely



# CASE: ARTIFICIAL INTELLIGENCE IN AGRICULTURE





# CASE: AGRICULTURE & IRRIGATION





# CASE: AGRICULTURE & LOGISTICS

Leveraging Technology to make F&V Chain Efficient and Low-Cost

**FARMER**

ADD NEW PRODUCTS

Product Name

Product Weight

Price

Add Product Image

Product Description

➔



**Building internal Ag stack for efficient fast moving supply chain operation**

**Purchase Details**

Product ID: BANA-1-24-Jun-2019

Date of Purchase: 25-Jun-2019

Name of Seller: Ram Singh

Total Invoice Amount: 15000 INR

Rate: 10.75 INR

Collection Date

Mode of Payment: Credit

Cash Payment: 0.00 INR

Credit Payment: INR

**Transporter Details**

Driver Name: Ram Yadav

Driver Contact Number: 9810021235

Photo of Transporter

Transporter Name: PARVEEN KHARRHODA

Advance Paid (if any): 3000 INR

Number of Pallets

Truck Number: MH-02-AD-2956

Signature of Transporter

Submit

**Add Customer**

Type of Customer: Individual

Customer ID

Customer Name: Shyam Suresh

Contact Number: +91 81234 56789

Email

Address Number: 2452752465

Picture of Address Card

PIH Card

Picture of PIH Card

GST Number

Customer Choice For Credit Limit or Outstanding Balance

Letter with Dem. attached

Picture of Customer

Picture of Physical Process

**Sales Details**

Product: Bananas

Rate: 20

Customer Name: Pankaj

Weight (kg): 2000

Invoice Amount: 40000 INR

Invoice Picture

Mode of Payment: - Select -

Cash Payment: INR

Credit Payment: INR

**RETAILER**

HOME

Product Name 01

Available Qty: 100kg

Product Name 02

Available Qty: 100kg

Product Name 03

Available Qty: 100kg

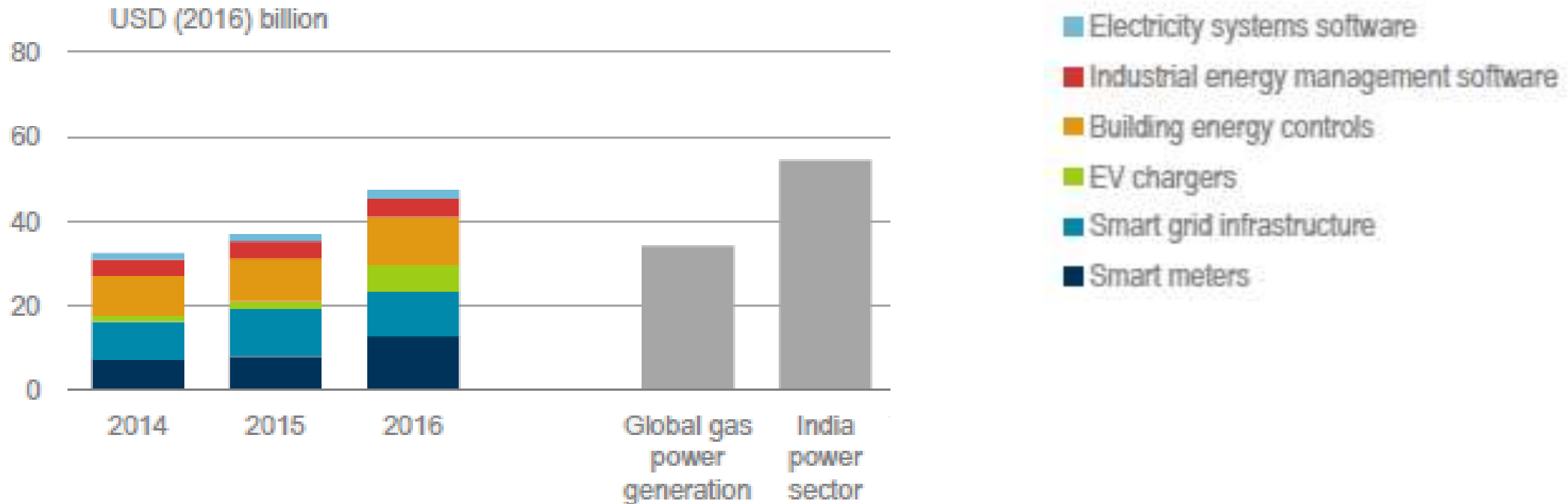
Product Name 04

Available Qty: 100kg



# DIGITIZATION IN THE ENERGY SECTOR

Investment in digital electricity infrastructure and software grew over 20% annually between 2014 and 2016, overtaking global investment in gas-fired power generation.



Source: Digitalization and Energy, International Energy Agency (IEA)

# EVOLVING DIGITIZATION IN THE ENERGY SECTOR

## Coal / Oil & Gas

- Geological modelling - Improved exploration / discovery
- Optimized production and processes automation

## Power Generation

- SCADA Systems
- Predictive Maintenance / Condition based monitoring
- Reduction of unplanned outages
- Improved plant efficiency and Reduced O&M Costs

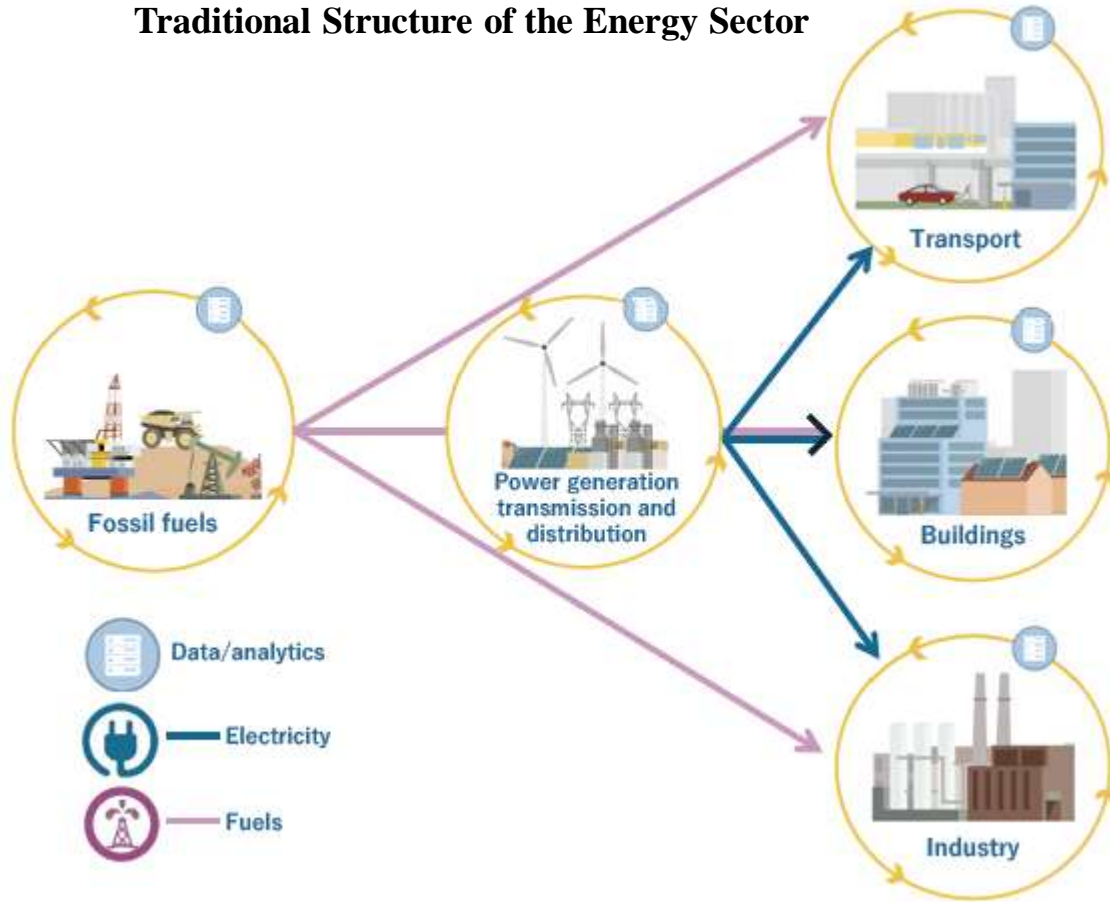
## Transmission & Distribution

- Load Balancing / Energy management software (LDC)
- Smart grid infrastructure
- Smart meters

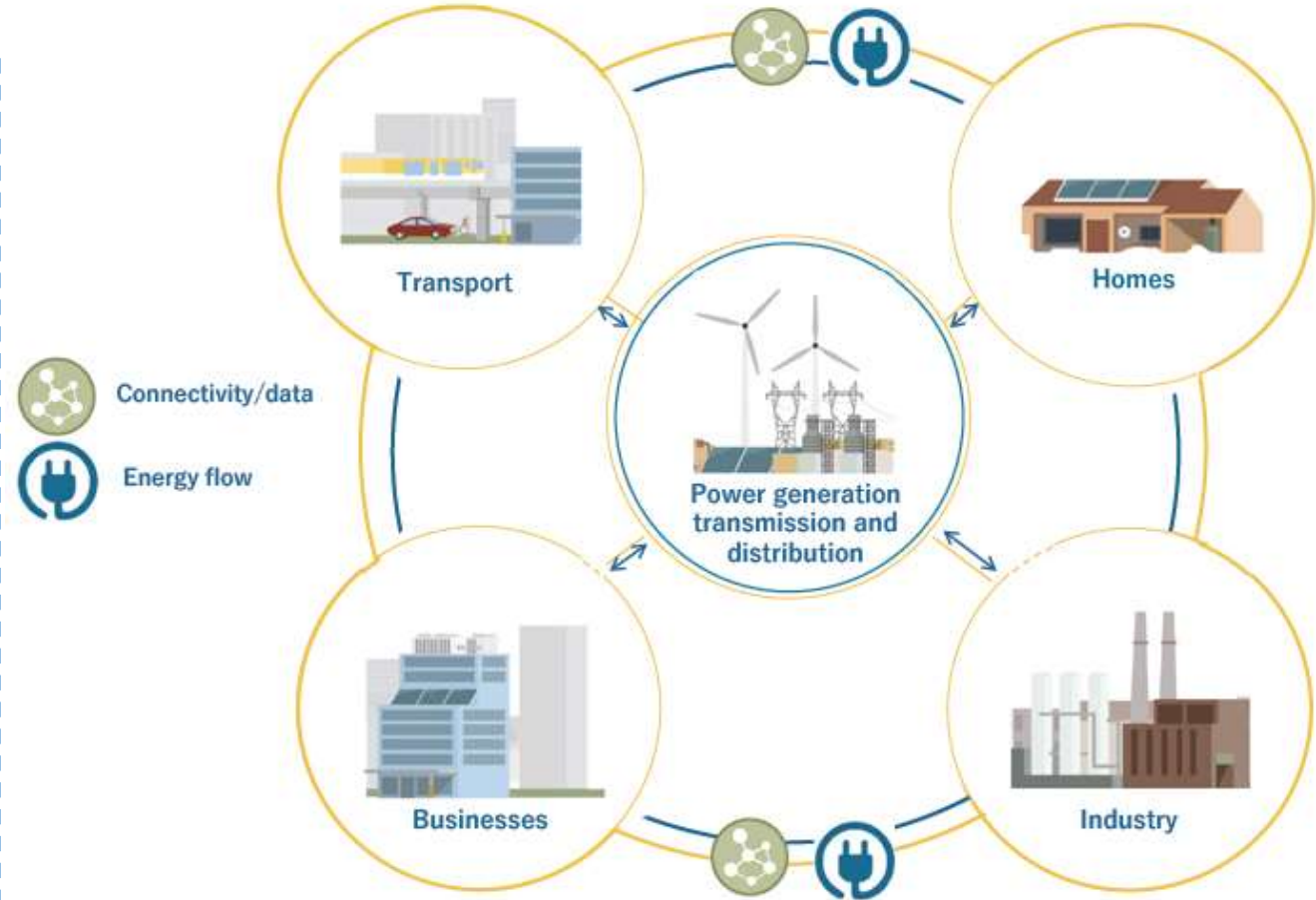


# FUTURE OF DIGITIZATION IN THE ENERGY SECTOR

## Traditional Structure of the Energy Sector



## Evolving Structure of the Energy Sector



Source: Digitalization and Energy, International Energy Agency (IEA)

Data and analytics can improve performance and enable cost savings, but, without connectivity, do not fundamentally change the way the electricity sector functions

Connectivity, combined with electrification and decentralisation, holds the potential to create a highly interconnected system, transforming the way electricity is supplied and consumed.

# CASE: EDUCATION – STONES TO MILESTONES



Designed to help children learn to **READ**  
in English



**PERSONALISED  
CLOUD LIBRARY**



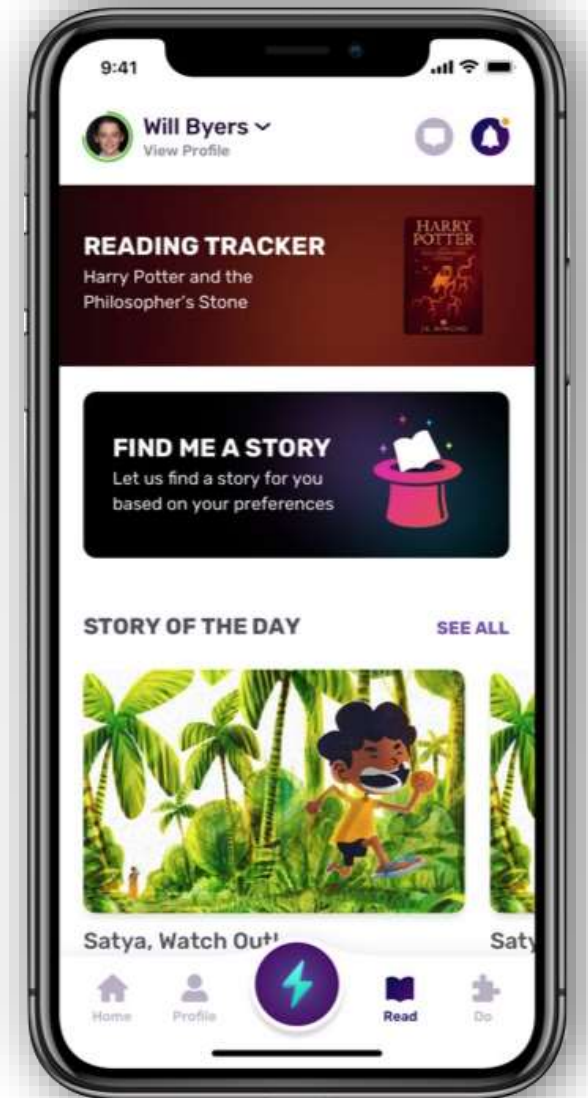
**ENGAGING  
ACTIVITIES**



**LEVELISED  
NEWS**



**GAMIFIED  
ENGAGEMENT**



# CASE: EDUCATION – STONES TO MILESTONES

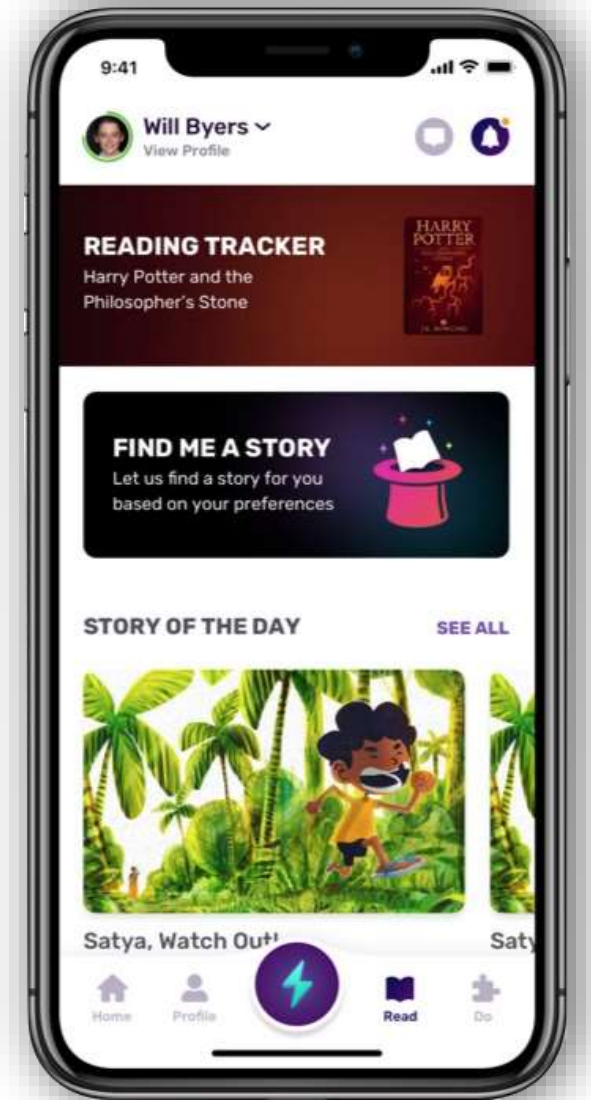
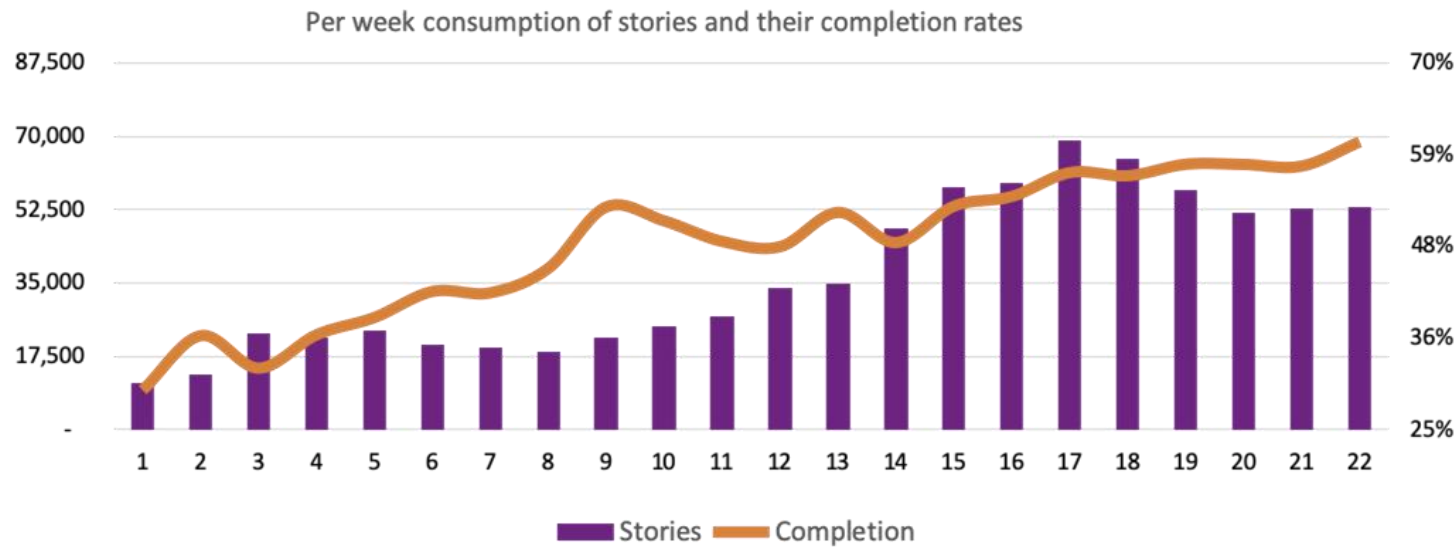


## Read Short Stories

Curated feed of stories based on child's reading level and interest via ML based recommendation engine

# 3,418

Stories are read on the app every day



# CASE: EDUCATION – STONES TO MILESTONES

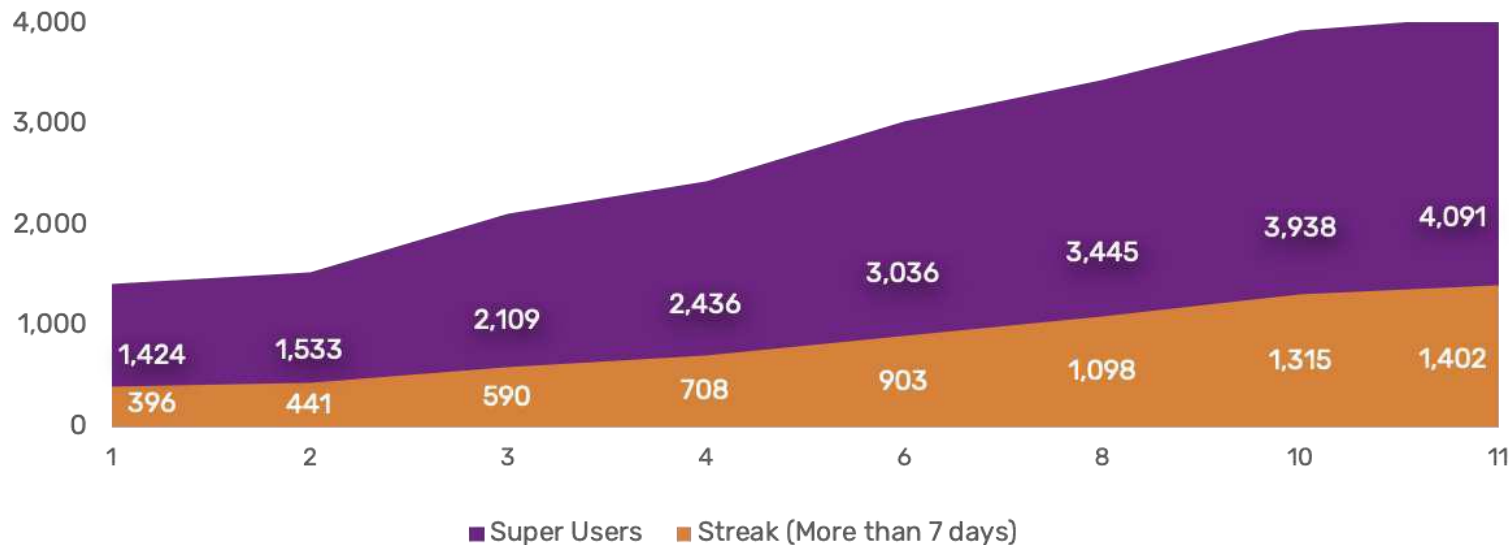
## Read Levelised News

Short inspirational and aspirational news delivered daily across topics at **4 different reading levels**

# 407

Day record streak of reading news by a child

Number of Super users and Streaks





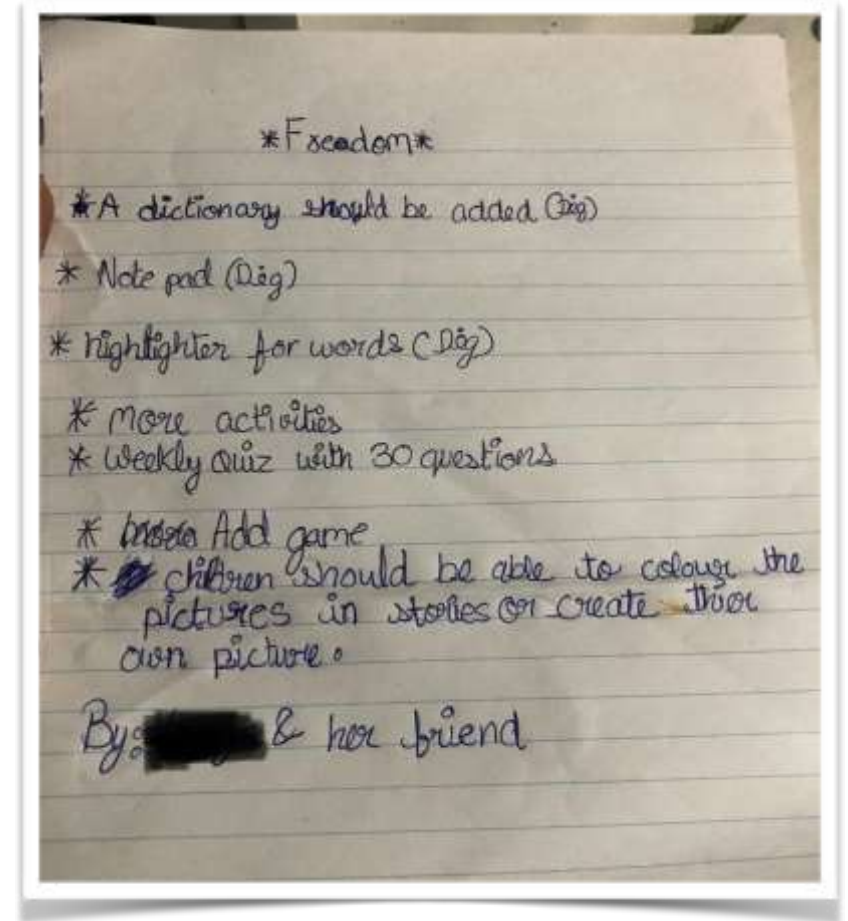
# CASE: EDUCATION – STONES TO MILESTONES

## Established Market Fit

Successful acceptance & engagement of a paid product in the target group via fanatical focus on the end user

|        | Product Adoption | Product Engagement |
|--------|------------------|--------------------|
| Tier 1 | 50%              | 42%                |
| Tier 2 | 42%              | 43%                |
| Tier 3 | 28%              | 64%                |

*\*Data from 3 month paid product beta between Jul-Sep'19 of 45,505 children in 130+ schools across all tiers in India*



One of the many Product roadmaps as requested by a 7yr old super user

# DIGITAL INDIA - GOVERNMENT INITIATIVES

- 1.2 bn. digital identity, largest in the world
- Enabler for big digital transformation and social empowerment

AADHAAR



- Online docs verification tool
- 31.46 mn. users with 3.5 bn docs
- Enabling paperless verification

DigiLocker



- Build on Unified payment interface
- 119 member banks
- Big enable for digital payment across service providers

BHIM-UPI



- Unified payment interface platform
- Seamless & secure digital payment
- Multiple Bank account through one App

UPI



- Biometric enabled digital life certificate for pensioners
- 26.3 mn. users submitted life certificate

Jeevan Praman



- Unified national market for agriculture products
- 585 Markets, 16 States, 2UTs and 1.64 crore farmers

E-NAM



- Promotion of start-ups
- Tax exemption and other benefits
- 24,227 no. of DPIIT recognised Start-up

Start-up India



- Largest IT network in the world for tax compliance
- Integrated IT interface with 100% paperless compliance

GST Network



# SOCIAL WELFARE DISTRIBUTION – DIRECT BENEFIT TRANSFER



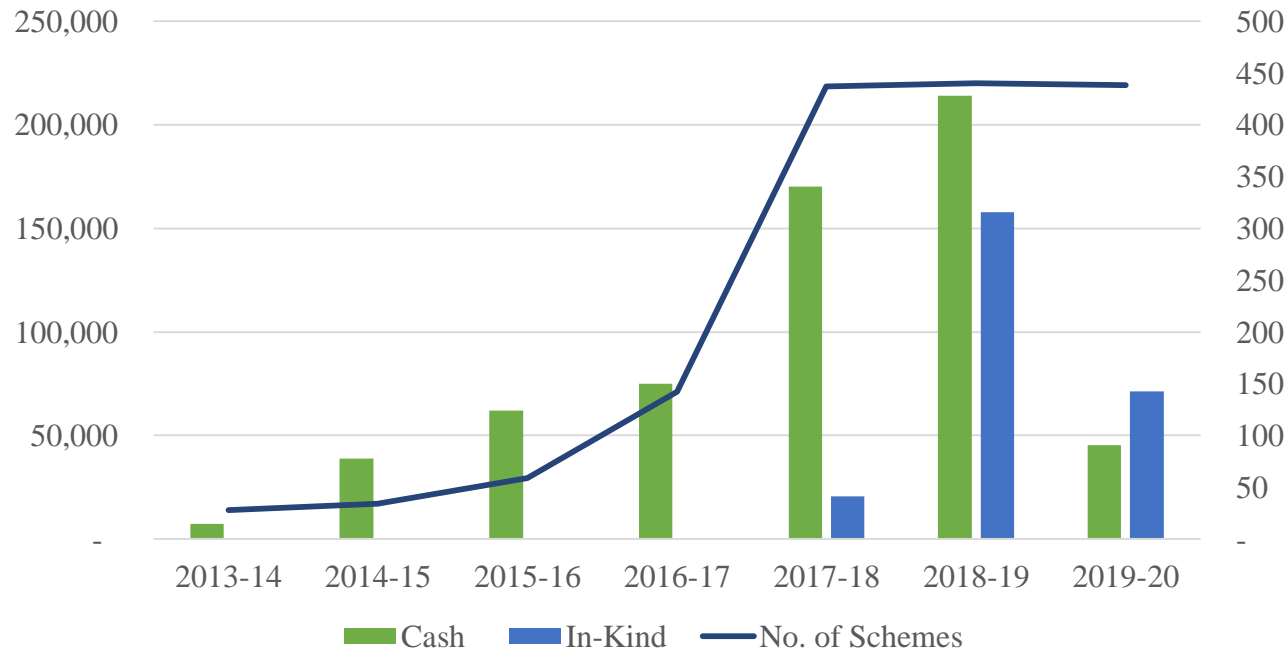
Direct transfer of Govt. subsidies to the bank account of beneficiary.

Largest Infrastructure in the world

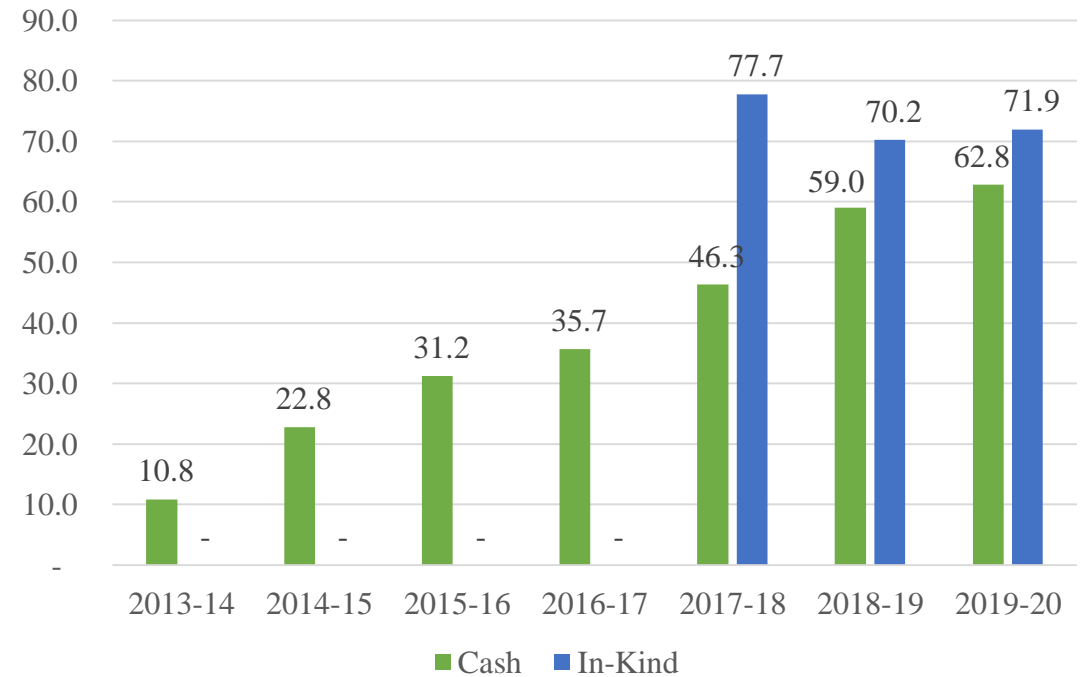
Mega Coverage: 438 scheme, 56 Ministries, Pan India Outreach

Cumulative Transfer under Scheme - ₹ 8.2 lakh crore

Year wise fund transfer (₹ in crore)



No. of Beneficiaries (in crore)





# GOODS & SERVICES TAX NETWORK



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Largest digital network of taxation compliance in the world

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Integrated IT interface for 100% paperless compliance

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Enormous potential with application of Big Data Analytics and Artificial Intelligence

---

To change the Fintech based lending space to MSME and businesses

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Digital initiative happening to automate the compliance will boost digital economy

# THANK YOU

**IFCI Ltd.**

*(IN DEVELOPMENT OF THE NATION SINCE 1948)*

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