

GOVERNMENT OF INDIA
MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY
RAJYA SABHA
STARRED QUESTION NO. *109
TO BE ANSWERED ON 27.07.2018

SHARP DECLINE IN DIGITAL TRANSACTIONS

***109. CH. SUKHRAM SINGH YADAV:**

Will the Minister of ELECTRONICS AND INFORMATION TECHNOLOGY be pleased to state:

- (a) whether it is a fact that a sharp decline is being recorded in digital transactions which happened during the demonetization;
- (b) the percentage of digital transactions during the demonetization and the percentage of digital transactions at present;
- (c) the details of the steps taken by Government to enhance digital transactions and whether there has been any positive impact of the same; and
- (d) the present status thereof?

ANSWER

MINISTER FOR ELECTRONICS AND INFORMATION TECHNOLOGY
(SHRI RAVI SHANKAR PRASAD)

(a) to (d): A statement is laid on the Table of the House.

**STATEMENT REFERRED TO IN REPLY TO RAJYA SABHA STARRED
QUESTION NO.*109 FOR 27.07.2018 REGARDING SHARP DECLINE IN
DIGITAL TRANSACTIONS**

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(a): No, Sir. Since demonetization substantial growth has been observed in digital transactions in both volume and value. Please refer the data provided in Annexure I.

(b): The average percentage of monthly growth rate in Volume and Value of digital transactions has been 5.97% and 4.20% respectively (Refer Annexure II). However, data for non-digital transactions (Cash transactions) is not maintained & published by RBI, NPCI and Banks. Hence, percentage of digital transaction with respect to total transactions is not available.

(c): Government of India has been working with various stakeholders including Ministries, Departments, States, Smart Cities, Banks and Payment Service Providers to promote digital payment transactions. A dedicated DIGIDHAN mission has been set up with an aim to promote digital transactions. Digital payment App 'BHIM (Bharat Interface for Money)' was launched on 30th December, 2016. To encourage cashless/digital payments by variety of modes like Internet banking, mobile banking, and mobile applications etc. including use of BHIM, integrate on-line payment portals with BHIM/UPI/QR-code/Rupay Card, following measures have been taken by the Government and there has been a significant growth in digital transactions with Government initiatives. (Refer Annexure I)

(d): The present status of various initiatives is as follows:

i. Expansion of payment acceptance infrastructure:

- As per the budget announcement for FY 2017-18, Banks were allocated a target to deploy 10 Lakh additional Point of Sales (PoS) terminals. Against this target, Banks installed 12.33 Lakh new PoS terminal. Currently a total of 34.00 Lakh PoS (till June 2018) terminals have been deployed in the country. MeitY has further allocated a target to deploy 20 Lakh additional PoS terminals by the Banks in FY 2018-19.
- BHIM Aadhaar Pay enables citizens without smartphones to make digital payments by using biometric authentication. Around 5.50 Lakh BHIM Aadhaar PoS have been deployed by the Banks in till June 2018. Banks are in the process of deploying and activating 20 Lakh Aadhaar based BHIM Aadhaar PoS in FY 2018-19.
- Bharat QR 4.0 with a provision of accepting QR based payment payments using UPI was launched on 10th August 2017. By 30th June 2018, 27 Banks have been made live on Bharat QR as acquirer and 47 Banks have been made live on BHIM UPI PSP App. Till June 2018, Bharat QR was installed at 11.18 Lakh merchant locations.
- Around 22.45 Lakh merchants have been on-boarded on the UPI platform based apps by the Banks till June 2018.

ii. Incentive Schemes

- MeitY vide gazette notification No 6(19)/2017-DPD-1 dated 27th December 2017 has notified the reimbursement of Merchant Discount Rate (MDR)

charges on Debit cards/BHIM-UPI/BHIM Aadhaar Pay transactions of value less than Rs 2000 to the Banks for a period of two years starting from 1st Jan 2018.

- The reimbursement of MDR is aimed to improve the adoption of digital payments by merchants specially the small and micro merchants.
- ‘BHIM Cashback Scheme for Individuals’ has been launched to popularize payments through BHIM APP. The scheme have been modified and is operational till March 2019.
- The customer on BHIM app can earn an incentive up-to Rs 150 on 10 unique transactions over the BHIM app.

- The BHIM Aadhaar merchant incentive scheme has been revised and the incentive has been increased from 0.25% to 0.5%. The scheme is operational till March 2019. In this scheme, merchant can earn an incentive up-to Rs 2000 per month.
- To give stimulus to the deployment of BHIM Aadhaar PoS devices, Government through Department of Financial Services has launched a scheme to provide an incentive of up-to Rs 1800 to the Banks on the procurement of each BHIM Aadhaar PoS.

iii. Coordination with Banks

- Digital payment transaction targets have been allocated to the Public and Private Sector Banks for FY 2018-19. MeitY has set targets of 3013 Crore digital payment transactions.
- The performance of the Banks is also monitored and evaluated regularly by MeitY through a performance scorecard and a Bank ranking system.

iv. Advisories to Ministries/Departments

- Government of India has issued advisories to Central Ministries/Departments and States/UTs to improve payments acceptance infrastructure, enable the citizens to pay by a variety of modes such as Internet banking, mobile banking, and mobile applications etc. including use of BHIM, integrate on-line payment portals with BHIM/UPI/QR-code/Rupay Card, printing of QR code on bills, incentivisation of digital payments and publicity and creation of awareness about digital payments among citizens.

v. Publicity Campaign

In terms of Digital Payment, the Government is working closely on ‘Promotion of Digital Payments’ and ‘Awareness of Digital Payments’. In view of that, the Ministry of Electronics and Information Technology have till date chosen the following mediums for the publicity campaign:

- Radio(Wireless Media)
- Newspaper(Print Media)
- Website(Digital Media)

vi. Monitoring, Analysis and Grievances

- In order to create a platform for accurate reporting, monitoring and analysis of all digital payment transactions being carried out across the country, GOI has developed a National Digital Payment Dashboard, which was launched by Hon’ble Minister of Electronics and IT on 13th February, 2018. The same could be accessed at <http://www.digipay.gov.in>.

- MeitY has integrated Digital Payment Grievances along with Ministry of Consumer Affairs (MoCA) for utilizing it with National Consumer Helpline (NCH) platform of Department of Consumer Affairs (DoCA) in addition to the existing Grievance Redressal Mechanism of digital payments with the respective Banks. With the help of DFS, necessary instructions have been issued to on board all Banks, Payment Banks and PPI (Pre Paid Instrument) Service Providers in the National Consumer Helpline (NCH) platform for becoming as convergence partners. Accordingly, almost 56 Banks and other financial service institutions have been on boarded into NCH Platform. NPCI has also been integrated as a convergence partner in National Consumer Helpline (NCH) platform. Thus the NCH platform is live and receiving Digital Payment related grievances.
- MeitY has initiated a Digital payments campaign for 100 smart cities in collaboration with Ministry of Housing and Urban Affairs, Department of Post, Ministry of Road Transport and Highways, Ministry of Railways, Ministry of Civil Aviation, Ministry of Petroleum and Natural Gas, Ministry of Power, Department of Telecom and Department of Financial Services.

Annexure I

Growth of Digital Payments Transactions		
Month/Year	Volume (Cr)	Value (in Lakh Crores)
Oct'16	79.67	108.7
Nov'16	91.83	112.27
Dec'16	132.93	124.57
Jan'17	125.61	113.94
Feb'17	111.37	107.98
Mar'17	130.64	172.61
April'17	159.74	148.43
May'17	156.78	151.45
June'17	152.92	154.43
July'17	156.62	145.76
Aug'17	158.27	151.15
Sep'17	158.52	169.2
Oct'17	168.97	156.44

Growth of Digital Payments Transactions		
Month/Year	Volume (Cr)	Value (in Lakh Crores)
Nov'17	174.53	165.07
Dec'17	193.93	169.44
Jan'18	199.05	182.04
Feb'18	191.28	152.16
Mar'18	202.90	216.86
Apr'18	208.26	163.67
May'18	214.31	179.83

Please see following is the list of modes used for digital transaction calculation as above:

- a) NACH: National Automated Clearing House
- b) IMPS: Immediate Payment Service
- c) UPI: Unified Payments Interface
- d) BHIM: Bharat Interface for Money
- e) USSD: Unstructured Supplementary Service Data
- f) Debit Cards
- g) Credit Card
- h) AEPS: Aadhaar Enabled Payment System
- i) BBPS: Bharat Bill Payment System
- j) NETC: National Electronic Toll Collection
- k) NEFT: National Electronic Funds Transfer
- l) M-Wallet: Mobile Wallet
- m) RTGS: Real Time Gross Settlement
- n) PPC: Pre-Paid Cards
- o) Closed Loop

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e II

Month/Year	Volume (Cr)	Value (in Lakh Crores)
Oct'16	79.67	108.7
Nov'16	91.83	112.27
Dec'16	132.93	124.57
Jan'17	125.61	113.94
Feb'17	111.37	107.98

Month/Year	Volume (Cr)	Value (in Lakh Crores)
Mar'17	130.64	172.61
April'17	159.74	148.43
May'17	156.89	151.45
June'17	153.02	154.43
July'17	156.71	145.76
Aug'17	158.37	151.15
Sep'17	158.62	169.2
Oct'17	169.1	156.44
Nov'17	174.64	165.07
Dec'17	194.03	169.44
Jan'18	199.01	182.04
Feb'18	191.23	152.16
Mar'18	199.74	216.86
Apr'18	208.26	163.67
May'18	214.31	179.83

#NOTE: For month of Jun'18 & Jul'18 RBI data not published, hence has not been included.

Source: RBI, NPCI, Banks and Closed loop service providers
