

**GOVERNMENT OF INDIA
MINISTRY OF COMMUNICATIONS
DEPARTMENT OF TELECOMMUNICATIONS**

**LOK SABHA
UNSTARRED QUESTION NO. 3626
TO BE ANSWERED ON 8TH AUGUST, 2018**

DIGITAL TRANSACTION OF CASH

3626. SHRI E.T. MOHAMMED BASHEER:

Will the Minister of COMMUNICATIONS be pleased to state the steps taken by the Government for digital transaction of cash in various sectors, sector-wise?

ANSWER

**THE MINISTER OF STATE (IC) OF THE MINISTRY OF COMMUNICATIONS &
MINISTER OF STATE IN THE MINISTRY OF RAILWAYS
(SHRI MANOJ SINHA)**

The steps taken by the Government for Digital Transaction of cash in various sectors as per inputs from Ministry of Electronics and Information Technology (MEITY), the nodal ministry for digital transactions are:-

Government of India has been working with various stakeholders including Ministries/Departments/State Governments/Banks to promote digital payment transactions to make it more convenient for the citizens. A dedicated DigiDhan mission was set up with an aim to promote digital transactions. Digital payment App 'BHIM-Bharat Interface for Money' was launched on 30th December, 2016. Government has taken following initiatives to encourage digital transactions in the country:

1. 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 33.20 Lakh PoS (till May 2018) terminals have been deployed in the country. Ministry of Electronics and Information Technology (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 smart phones to make digital payments by using biometric authentication. Around 5.56 Lakh BHIM Aadhaar PoS have been deployed by the Banks till May 2018.
- Bharat QR 4.0 with a provision of accepting QR based payment payments using UPI was launched on 10th August 2017. By 30th April 2018, 26 Banks have been made live on Bharat QR as acquirer and 38 Banks have been made live on BHIM UPI PSP App. Till May 2018, Bharat QR was installed at 11.08 Lakh merchant locations.

1. 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 based 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 re-launched and the incentive has been increased from 0.25% to 0.5%. The scheme is operational 1st April 2018 till March 2019. In this scheme merchant can earn an incentive up-to Rs 2000 per month.
- To give impetus to the deployment of BHIM Aadhaar PoS devices, 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.

2. Coordination with Banks

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

3. 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 digital 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.

Publicity Campaign

- Ministry of Electronics and Information Technology has initiated the publicity campaign through following mediums till now:
 1. Radio(Wireless Media)
 2. Newspaper(Print Media)
 3. Website(Digital Media)

4. 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>.

- In coordination with Department of Financial Services, 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.

Additionally, for promotion of Digital Payments the following steps have been taken by the Department of Telecom: -

1. The Department of Telecom was assigned a target of 563 cr. transactions, which was distributed among the TSPs based on their market share.
2. **Incentives were given to promote Digital Payments** - The Department instructed TSPs to incentivize digital transactions in the form of cash backs, extra talk time and/or extra data to shift customers from cash based to cashless mode.
3. **Advisories were issued to PSUs/TSPs/ISPs on Digital Payments for: -**
 - a. Integration of their system with BHIM/UPI to enable interoperability of applications.
 - b. On boarding the Bharat Bill Payment System (BBPS) to enable single window for all utilities.
 - c. Display of BHIM QR / BHARAT QR on its physical/e-bills, retail stores and touch points.
 - d. Circulation and Promotion of MeitY incentive schemes on BHIM and BHIM Merchant Pay to all TSPs/ ISPs for dissemination to their consumer base for wider circulation among the public.
 - e. Inclusion of Digital Payments topics as an agenda item in Consumer Advocacy group meetings.
 - f. Advertisements of digital payments through SMS blasts, workshops, display of incentives at touch points (like YouTube, hoardings, visual ads etc) of TSPs etc.
4. National level workshops were organized by DOT HQ and regional workshops across India were conducted in telecom circles.
5. **For the Department of Telecom :-**
 - a) 100% of government receipts to DoT have been enabled digitally via Non Tax Revenue Portal. Collection of DoT revenue is received through the non-tax revenue portal (NTRP) only.

- b) Digital Payments constitute 99.3% of all payments from the Department of Telecom.

6. As a result of the steps taken in 2017-18 –

- a) All TSPs have on boarded UPI.
- b) TSPs promoted the mandated payment systems by way of SMS blasts issued to their subscribers without any charges.
- c) All TSPs except one, offering postpaid services, are on BBPS
- d) The target achieved on all digital transactions is 212 crore. by including transactions through mobile balances, the figure comes to 1246 cr transactions, which has exceeded digital transaction targets.

7. For the current year 2018-19 additional activities will include: -

- a) Launching e-learning module for middle management level officers in conjunction with Niti Aayog at the National Institute of Communication Finance, Delhi.

- b) **Digital Payments Mission For Smart Cities** project monitored by the PMO will be launched with special focus on retailers in each telecom circle. Special efforts are being taken by DoT HQ and field offices to collect retailer information, digital enablement and promote digital use at retailer front to ensure acceptance infrastructure is optimum for use of telecom customers.
