

GOVERNMENT OF INDIA
MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY
LOK SABHA
UNSTARRED QUESTION NO. 2939
TO BE ANSWERED ON: 10.07.2019

DIGITAL TRANSACTION

**2939 : SHRI SUNIL KUMAR MONDAL:
SHRI HEMANT TUKARAM GODSE:**

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

- (a) whether there has been a noticeable increase in the use of the digital payments in the country since demonetization and if so, the details thereof along with the volume and percentage of digital transactions during each of the last three years
- (b) whether the said growth in digital transactions has met the target fixed by the Government in this regard, if so, the details thereof and if not the reasons therefor;
- (c) whether the Government has conducted any comparative study on the digital transactions carried out across the world and if so, the details and the findings thereof, country-wise;
- (d) the steps taken by the Government for ensuring safe and secure digital transactions; and
- (e) the measures taken/being taken by the Government to incentivise digital transaction and promote digital economy/ literacy, especially in rural regions of the country?

ANSWER

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

(a): Yes, Sir. There has been a significant increase in the use of the digital payments in the country since demonetization. The details in terms of volume and percentage of digital transactions during each of the last three years are as mentioned below in **Fig 1**.

| Financial Year (FY) | Total Digital Transactions | Year on Year Growth % of Digital transactions |
|---|-----------------------------------|--|
| FY 2016-17 | 1013 crores | - |
| FY 2017-18 | 2070.39 crores | 104.38% |
| FY 2018-19 | 3133.58 crores | 51.35% |
| FY 2019-20 (till 30 th Apr 2019) | 313.05 crores | - |

Fig 1

(b): Government of India has set target for Digital transactions from FY 2017-18 onwards. Yearwise achievement alongwith targets is as mentioned below in **Fig 2**:

| Financial Year(FY) | Target for Digital Transaction | Total Digital Transactions |
|---|---------------------------------------|-----------------------------------|
| FY 2017-18 | 2500 crores | 2070.39 crores |
| FY 2018-19 | 3013 crores | 3133.58 crores |
| FY 2019-20 (till 30 th Apr 2019) | 4019 crores | 313.05 crores |

| Financial Year(FY) | Target for Digital Transaction | Total Digital Transactions |
|--------------------|--------------------------------|----------------------------------|
| Apr 2019) | | (till 30 th Apr 2019) |

Fig 2

FY data for 2018-19 shows that government surpassed the target set for Digital payments and data for FY 2019-20 also shows a positive trend.

(c): The Reserve Bank of India has undertaken an exercise of benchmarking India's Payment Systems vis-à-vis payment systems in comparable, Asian economies and BRICS nations. The analysis was attempted under 41 indicators covering 21 broad areas including regulation, oversight, payment systems, payment instruments, payment infrastructure, utility payments, Government payments, customer protection and grievance redressal, securities settlement and clearing systems and cross border personal remittances. The study found that India has a strong regulatory system and robust large value and retail payment systems which have contributed to the rapid growth in the volume of transactions in these payment systems. There has been substantial growth in e-payments by Government and also in digital infrastructure in terms of mobile networks.

(d): Government of India has taken several steps to ensure safe and secure digital transactions. The details are placed in **Annexure 1**

(e): In order to promote Digital payments ecosystem in the country, Government has taken several steps to:

1. To incentivize the digital transactions
2. To promote the Digital economy and
3. To promote digital literacy among the citizens in rural areas.

The details of each part is as mentioned below:

1: Incentivization of Digital transactions:

I. Lucky Grahak Yojana for consumers & Digidhan Vyapar Yojana for merchants:

Soon after Demonetization, Government of India launched two schemes: Lucky Grahak Yojana for consumers & Digidhan Vyapar Yojana for merchants that were running till April 2017. The primary aim of these schemes was to incentivize digital transactions so that electronic payments are adopted by all sections of the society, especially the poor and the middle class. These were designed keeping in mind all sections of the society and their usage patterns.

II. Referral Bonus Scheme for individuals & Cashback Scheme for merchants: As per budget announcement for FY 2017-18 and in order to encourage citizens to undertake digital transactions through use of BHIM-UPI (Bharat Interface for Money-Unified Payments Interface) platform, Government of India launched two schemes BHIM Cashback scheme for Individuals & BHIM Incentive Scheme for Merchants, that were operational till June, 2018 & March 2019 respectively.

III. BHIM Aadhaar Merchant Incentive scheme: In order to encourage Aadhaar based biometric transactions at merchant locations, the Government of India introduced a

scheme called 'BHIM Aadhaar Merchant Incentive Scheme' in FY 2017-18 that ran till 31st March, 2019.

- IV. Enablement of Merchants on BHIM App:** In order to increase the Digital payments acceptance infrastructure at merchant end on PAN India basis, government launched the incentive scheme supporting banks to onboard merchants subject to certain terms and conditions. The scheme is valid upto 30th September, 2019.

2: Promotion of Digital economy:

Measures taken/being taken by government to promote digital economy are mentioned in **Annexure II**.

3: Scheme for digital literacy in rural India:

I. Pradhan Mantri Gramin Digital Saksharta Abhiyan (PMGDISHA) :

The Government of India has approved a scheme titled "Pradhan Mantri Gramin Digital Saksharta Abhiyan (PMGDISHA)" to usher in digital literacy in rural India by covering 6 crore rural households (one person per household) by 31.03.2020. To ensure equitable geographical reach, each of the 2,50,000 Gram Panchayats across the country are registering an average of 200-300 candidates.

Special focus of the said Scheme is on training the beneficiaries on use of Electronic Payment System. The outcome measurement criteria include undertaking at least 5 electronic payments transactions by each beneficiary using UPI (including BHIM app), USSD, PoS, AEPS, Cards, Internet Banking.

The total outlay of the above Scheme is Rs. 2,351.38 Crore (approx.). It is being implemented as a Central Sector Scheme by the Ministry of Electronics & Information Technology through an implementing agency namely CSC e-Governance Services India Limited, with active collaboration of all the State Governments and UT Administrations.

The Implementing Agency of the Scheme has so far conducted 90 state level workshops and 894 district level awareness workshops for the training centres. As on 04th July, 2019, more than 2.31 crore candidates have been enrolled and around 2.21 crore have been trained, out of which more than 1.35 crore candidates have been certified under the PMGDISHA Scheme.

II. Digital Financial Inclusion Awareness and Access (DFIAA):

The DIFFA scheme was initiated in November 2016 under the Digital Saksharta Abhiyan (DISHA) for conducting awareness sessions on digital finance options available for rural citizens as well as enabling various mechanisms of digital financial services such as Unstructured Supplementary Service Data (USSD), Unified Payment Interface (UPI), Cards/Point of Sales (PoS), Aadhaar Enabled Payment System (AEPS) and e-Wallet etc. Under this programme, more than 2 crore beneficiaries and more than 27 lakh Merchants were trained/enabled. In addition, sensitization drives were carried out at 650 Districts and 5,735 Blocks throughout the country. This initiative is closed now as the set targets were successfully achieved.

1. The Indian Computer Emergency Response Team (CERT-In) issues alerts and advisories regarding latest cyber threats and countermeasures on regular basis to ensure safe usage of digital technologies.
2. All authorised entities/ banks issuing PPIs in the country have been advised by CERT-In through Reserve bank of India to carry out special audit by empanelled auditors of CERT-In on a priority basis and to take immediate steps thereafter to comply with the findings of the audit report and ensure implementation of security best practices.
3. Government has issued guidelines for Chief Information Security Officers (CISOs) regarding their key roles and responsibilities for securing applications / infrastructure and compliance.
4. Government has empanelled security auditing organizations to support and audit implementation of Information Security Best Practices.
5. All organizations providing digital services have been mandated to report cyber security incidents to CERT-In expeditiously.
6. Government has formulated Crisis Management Plan for countering cyber attacks and cyber terrorism for implementation by all Ministries/ Departments of Central Government, State Governments and their organizations and critical sectors.
7. Cyber security mock drills and exercises are being conducted regularly to enable assessment of cyber security posture and preparedness of organizations in Government and critical sectors such as Finance, Defence, Power, Telecom, Transport, Energy, Space, IT/ITeSetc participated.
8. CERT-In conducts regular training programmes for network / system administrators and Chief Information Security Officers (CISOs) of Government and critical sector organisations regarding securing the IT infrastructure and mitigating cyber attacks.
9. Government has launched the Cyber Swachhta Kendra (Botnet Cleaning and Malware Analysis Centre). The centre is providing detection of malicious programs and free tools to remove the same.
10. Government has initiated setting up of National Cyber Coordination Centre (NCCC) to generate necessary situational awareness of existing and potential cyber security threats and enable timely information sharing for proactive, preventive and protective actions by individual entities. Phase-I of NCCC has been made operational.
11. Under the Information Security Education and Awareness (ISEA) Project, candidates are trained in various formal/non-formal courses in Information Security.
12. Department of Payment and Settlement Systems (DPSS), Reserve Bank of India (RBI) has issued circulars/ guidelines related to security and risk mitigation measures for securing digital / online payment transactions.
13. RBI has advised the banks to provide online alerts for all card transactions {Card Present (CP) and Card Not Present (CNP)}, vide, RBI circular dated March 29, 2011.
14. RBI has also issued circulars dated September 22, 2011, February 28, 2013 and June 24, 2013 for securing electronic (online and e-banking) transactions advising banks to introduce additional security measures, as follows:
 - All new debit and credit cards to be issued only for domestic usage unless international use is specifically sought by the customers. Such cards enabling international usage will have to essentially be EMV Chip and PIN enabled.
 - Issuing banks should convert all existing MagStripe cards to EMV Chip card for all customers who have used their card internationally atleast once (for/ through e-commerce/ATM/POS).
 - Banks should ensure that the terminals installed at the merchants for capturing card payments (including the double swipe terminals used) should be certified for PCI-DSS (Payment Card

Industry-Data Security Standards) and PA-DSS (Payment Applications-Data Security Standards).

- Banks should ensure that all acquiring infrastructure that is currently operational on IP (Internet Protocol) based solutions are mandatorily made to go through PCI-DSS and PA-DSS certification. This should include acquirers, processors / aggregators and large merchants.
- 15. RBI has directed banks to mandatorily put in place an Additional Factor of Authentication (AFA) for all CNP transactions w.e.f. 01.05.2013 failing which the issuer bank shall reimburse the loss to customer without demur.
- 16. All authorised card payment networks are permitted to offer card tokenisation services to any token requestor (i.e., third party app provider), subject to certain conditions. All extant instructions of RBI on safety and security of card transactions, Including the mandate for Additional Factor of Authentication (AFA) / PIN entry shall be applicable for tokenised card transactions also (DPSS.CO.PD No.1463/02.14.003/2018-19) dated January 08, 2019).
- 17. The systems and procedures in banks must be designed to make customers feel safe about carrying out electronic banking transactions.
- 18. RBI has issued circular on 'Security and Risk Mitigation Measures for Electronic Payment Transactions' (DPSS.CO.PD No.1462 /02.14.003 /2012-13) dated February 28, 2013. Vide this circular, RBI has required banks to introduce following additional measures to secure electronic mode of payments like RTGS, NEFT and IMPS.
- 19. RBI has issued 'Master Direction on Issuance and Operation of PPIs' (MD on PPIs) (DPSS.CO. PD. No.1164/02.14.006/2017-18) dated October 11, 2017 (updated as on December 29, 2017).
- 20. RBI has issued circular no. DBR.No. Leg.BC.78/09.07.005/2017-18 dated July 06, 2017 limiting the liability of customers on unauthorized electronic banking transactions.
- 21. RBI has issued circular no. DPSS.CO.PD.No.1417/02.14.006/2018-19 dated January 04, 2019 limiting the liability of customers in unauthorized electronic banking transactions in PPIs issued by Authorised Non-banks.

Annexure-II

The steps taken by the Government to promote digital payments in Ministries/Departments/States are as follows:

- a) Digital Payments Dashboard (digipay.gov.in) launched on 13th February, 2018 during the conference of State IT Ministers and State IT Secretaries.
- b) DigiVaarta was launched in Delhi on 28th September, 2018, with the express intention of spreading awareness on DigiDhan, and also to spread popularity of BHIM's barcode-based merchant payment mode with merchants and traders at large. This launch has two components:
 - A. A SMS application which operates from NIC's SMS Gateway on a special Short-code service allotted for this purpose by DoT with the number "14444". Citizens will receive SMS messages which are pre-approved by experts and the response messages will be made available for further action, analysis and research. The Government proposes initially to pay

for the citizen's response so as to promote citizen's engagement and make the awareness program completely free for the citizen.

B. A Mobile application version of DigiVaarta, which can be accessed and used by smart phone users. This app can perform many more function beyond chat, offers audio-video tutorials etc.

c) A campaign was undertaken in 100 smart cities in coordination with 9 Ministries/ Departments for promotion of digital payments during the period from 1st July, 2018 to 31st October, 2018. Smart Cities are reporting total payment collection vs. digital collection from citizens on the Digidhan Dashboard.

d) An awareness campaign was organized in the SMART Cities of North East to promote digital payments.

e) Advisories are issued for the following: :

- i. To enable online payment systems with BHIM/UPI, BHIM QR code and Rupay Card.
- ii. To enable BHIM QR in their concerned physical payment receipt counters.
- iii. Utilities (Electricity/Water/Gas/Telecom/DTH) to on-board on Bharat Bill Payment System (BBPS and printing of BHIM QR code on all utility bills

f) Government has waived off Merchant Discount Rate (MDR) applicable on Debit Card/BHIM UPI/Aadhaar-Pay transactions less than or equal to Rs. 2000/- in value for a period of two years with effect from 1st January, 2018.

g) Government of India has initiated incentive schemes such as BHIM cashback scheme for individuals, BHIM incentive scheme for merchants, BHIM Aadhaar merchant incentive scheme for promotion and wider adoption of digital payment.

h) Government is co-ordinating with Ministries/Departments/States to enable digital payment acceptance infrastructure:

- Utilities (Electricity/Water/Gas/Telecom/DTH) have been requested for on-boarding on Bharat Bill Payment System (BBPS) for easy accessibility to digital payments.
- All Public transport operators have been requested to enable National Common Mobility Card (NCMC) for digital payments.

Following steps has been taken by the Govt. to promote payments through BHIM UPI.

i) In order to promote and enable acceptance of UPI based payments at the small and micro merchants, Ministry of Electronics and Information Technology (MeitY) vide gazette notification No 6(19)/2017-DPD-1 dated 27th December 2017 has notified the reimbursement of MDR charges on Debit cards/BHIM-UPI and BHIM Aadhaar Pay transactions of value up-to Rs 2000 for two years effective from 1st Jan 2018.

Promotion and Publicity in Digital Payment

j) Meity is also working with IRCTC to promote digital payments into their website

k) MeitY is working with leading newspapers in India to promote digital payments across India.

l) MeitY ran various FM campaigns and hoarding campaigns to promote digital payments.
