

GOVERNMENT OF INDIA  
MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY  
**RAJYA SABHA**  
**UNSTARRED QUESTION NO. 2877**  
TO BE ANSWERED ON: 18.07.2019

**REDUCING FRICTION IN DIGITAL PAYMENTS**

**2877                      SHRI MD. NADIMUL HAQUE:**

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

- (a) whether Government is aware of the problem of friction in digital payments;
- (b) if so, the details thereof along with the steps taken to rectify the above problem; and
- (c) whether Government has any plans of collaborating with educational or policy institutions to come up with alternate modes of digital payments and if so, the details thereof?

**ANSWER**

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

(a) and (b): No, Sir. There is no such friction in digital payments and transactions are increasing year on year. Details of digital transactions in terms of volume and percentage of digital transactions during each of the last three years are as mentioned below in **Fig 1**. The steps taken/being taken by government to promote digital payments are mentioned in **Annexure**.

| 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 <sup>th</sup> Apr 2019) | 313.05 crores              | -   |

**Fig 1**

(c): No, Sir. Presently government has no any plans of collaborating with educational or policy institutions to come up with alternate modes of digital payments

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## Annexure

**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.

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