GOVERNMENT OF INDIA
MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY
LOK SABHA
UNSTARRED QUESTION No. 2578
TO BE ANSWERED ON 04.12.2019

DIGITAL PAYMENT

2578 SHRI NIHAL CHAND:

Will the Minister of Electronics and Information Technology be pleased to state:

(a) whether there has been significant increase in the number of digital payments after its promotion in the country;
(b) if so, the details thereof along with the number of digital payment reported in the country during each of the last 3 years, State/UT-wise;
(c) whether the Union Government has conducted any comparative study on digital payment in the country and the other nations of the world and if so, the details and the outcome thereof;
(d) whether the Government has taken adequate steps for safety and security of various platforms of digital transactions operating in the country at present; and
(e) if so, the details thereof?

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

(a)   and (b): Yes, Sir. Digital payment transactions are increasing on year on year basis. Number of Digital payment transactions during last three financial year are as below:

Year	Total Digital Payment (Volume in Cr)
FY 2016-17	1004
FY 2017-18	2071
FY 2018-19	3134

State/UT-wise details of most modes of digital payment transactions are not captured. However, details of digital transactions for FY 2017-18 & 2018-19 State/UT-wise for BHIM App, Rupay Debit Card & USSD (Unstructured Supplementary Service Data) are as below:

		STATE/UT WISE DIGITAL PAYMENT					
		Volume in thousands for FY 2017-18			Volume in thousands for FY 2018-19		
Sl No.	State	BHIM	Rupay Debit Card	USSD	BHIM	Rupay Debit Card	USSD
1	Andaman and Nicobar	96.9	274.47	2.67	581.08	159.2	1.79
2	Andhra Pradesh	189273.12	14864.35	119.4	940552.66	22460.57	76.13
3	Arunachal Pradesh	190.2	65.59	2.11	1598.43	151.39	1.63
4	Assam	3635.36	9742.22	19.26	28212.41	23475.07	11.54
5	Bihar	23788.11	9039.60	172.95	145483.88	12268.54	130.18
6	Chandigarh	7735.5	1927.55	52.34	42492.47	3227.57	29.15
7	Chhattisgarh	385.69	3675.12	2.38	2667.01	5914.17	1.02
8	Dadra and Nagar Haveli	418.68	569.08	3.07	2034.72	836.55	1.24
9	Daman and Diu	256.22	411.05	1.44	1189.03	700.12	1.02
10	Delhi	17011.58	28528.43	64.41	115859.87	47224.82	44.33
11	Goa	828.51	1796.1	2.91	5186.03	3260.91	2.58
12	Gujarat	27903.26	14160.37	101.06	129081.81	23168.72	54.16
13	Haryana	45335.61	30556.5	122.57	313441.21	68728	83.82
14	Himachal Pradesh	2930.24	2249.85	19.38	16963.97	3783.71	13.78
15	Jammu and Kashmir	1529.53	662.6	5.84	10224.76	1230.65	4.16
16	Jharkhand	10846.5	3077.5	63.37	60905.4	5330.39	44.19
17	Karnataka	59260.73	35147.12	98.22	382348.33	79505.78	60.02
18	Kerala	16608.33	9271.68	23.13	84908	19566.94	22.08
19	Lakshadweep	9.94	0.14	3.79	96.81	0.36	10.41
20	Madhya Pradesh	31713.05	8185.59	133.36	161339.61	14157.56	86.47
21	Maharashtra	84020.28	149799.68	237.51	487493.67	279264.58	162.98
22	Manipur	311.9	101.01	1.39	2362.63	185.34	0.98
23	Meghalaya	231.1	363	1.7	1672.84	633.36	0.73
24	Mizoram	91.78	29.87	0.22	645.86	60.06	0.24
25	Nagaland	154.34	36.77	0.81	1397.77	63.31	0.48
26	Odisha	27607.59	36842.96	101.53	171034.68	43095.25	52.43
27	Puducherry	622.59	1218.28	1.4	4061.13	2276.42	0.79
28	Punjab	7647.3	8754.82	49.9	43817.72	13688.08	33.04
29	Rajasthan	29716.75	7983.77	83.08	179371.97	15408.64	63.82
30	Sikkim	195.24	121	6.39	1188.72	213.22	4.62
31	Tamil Nadu	30406.27	37955.5	62.42	196556.38	65638.15	39.38
32	Telangana	6063.87	25727.22	2.53	38191.29	41652.27	1.5
33	Tripura	496.9	308.2	2.76	4203.58	531.84	1.54
34	Uttar Pradesh	232208.99	139782.84	391.91	1414760.14	194661.99	295.6
35	Uttarakhand	6490.81	4697.81	44.03	33949.36	7742.98	30.59
36	West Bengal	22728.18	58884.63	117.7	175280.13	90618.62	79.24

(c): Yes, Sir. a comprehensive exercise for benchmarking India's Payment Systems was undertaken by RBI by selecting a mix of 21 countries (including advanced economy countries, Asian economies and BRICS (Brazil, Russia, India, China and South Africa) nations spread across all the continents where payment systems are considered robust, diverse and efficient. The executive summary of the report is placed at **Annexure I**. The complete report is available at the link given below: https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=47222

(d) and (e): To build trust and confidence in the society towards Digital Payments, the Government of India has taken several steps to create awareness as well as to further strengthen the security system. These steps have been listed in **Annexure-II**. In addition, the steps taken by Reserve Bank of India (RBI) in respect of digital payments security and awareness are mentioned in **Annexure-III**.

Annexure I

Executive Summary of RBI Report on "Benchmarking India's Payment System"

The past decade has witnessed several innovations in retail payments across the globe including India. Benchmarking India's Payment Systems facilitates an assessment of India's progress against payment systems and instruments in major countries and provides further impetus to the planned efforts for deepening the digitisation of payments.

2. A comprehensive exercise for benchmarking India's Payment Systems was undertaken by selecting a mix of 21 countries (including advanced economy countries, Asian economies and BRICS (Brazil, Russia, India, China and South Africa) nations spread across all the continents where payment systems are considered robust, diverse and efficient. The countries include Australia, Brazil, Canada, China, France, Germany, Hong Kong, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, Singapore, South Africa, South Korea, Sweden, Turkey, United Kingdom and the United States of America.

3. Reserve Bank of India (RBI) has relied on publicly available information in this report and has made every effort to ensure that the information contained in the report is accurate.

4. Payment Systems have been rated on the basis of categories, which are as under:
(a) "Leader": ranked 1st or 2nd or 3rd;
(b) "Strong": in the top rungs of the countries other than the leaders (4th to 9th);
(c) "Moderate": ranked in the middle (10th to 15th); and,
(d) "Weak": in the lowest rungs (16th to 21st).

5. The benchmarking exercise aims to provide an understanding of the payment systems in place in India and how their usage preferences compare with other countries. It is also a starting point for a meaningful analysis of the efficiency levels of India's payment systems.

6. The benchmarking has been done over a range of 21 areas and 41 indicators as indicated below. A snapshot of India's position, details of which are in the report, is as follows:

Rating	Indicator	Area
Leader	Regulation of costs of payment systems	Regulation
	Features available in Cheque instruments	Cheques
	Number of debit cards issued	Debit and Credit Cards
	Number of ATMs deployed across the country. Per capita cash withdrawal at ATMs	Cash & ATM
	Share of Credit Transfers in payment systems	Credit transfers
	Availability of alternate payment systems; Share of e-Money in payment systems	e-Money
	Citizen to Government (C2G) e-payments; Business to Government (B2G) e-payments; Government to Business (G2B) e-payments	Government e-payments
	Oversight by the Central Bank	Oversight
	Cross border personal remittance flows	Cross Border Personal Remittances
Strong	Laws in place and scope of regulation	Regulation
	Cash in Circulation per capita	Cash
	Number of Point of Sale (PoS) terminals deployed across the country	Debit and Credit Cards
	Volume and growth of Credit Transfers	Credit transfers
	Real Time Gross Settlement System (RTGS)	Large Value Payment Systems
	Fast payment systems available in the country	Fast payments
	Volume and growth of e-Money	e-Money
	Mobile and Broadband subscriptions	Digital Infrastructure
	Customer safety and Authentication Standards; Ombudsman scheme for Complaints Redress	Customer Protection & Complaint Redress
	Central Counterparty operational in the country	Securities Settlement & Clearing System
Moderate	Cash in Circulation as percentage of GDP	Cash
	Overall Payment Systems transactions volume and growth; Value of payment systems transactions to cash in circulation	Payment Systems Transactions
	Number of credit cards issued	Debit and Credit Cards
	Debit and Credit Card usage at PoS terminals and online	Debit and Credit Cards
	Presence of domestic Card Network and its share	Domestic Card Network
	Government e-payments in the country; Government to Citizen (G2C) e-payments	Government e-payments
	Regulation of Payment Aggregators	Aggregators
	Costs of cross border personal remittances	Cross Border Personal Remittances
Weak	Rate of decline of cheques; Ratio of Cheque	Cheques

volume vs payment systems volume	
Share of debit and credit card payments in payment systems; Number of people per PoS terminal	Debit and Credit Cards
Value of debit and credit card payments to cash in circulation	Cash vs Debit and Credit Cards
Number of people per ATM; Ratio of ATM Withdrawal vs cash in circulation	Cash & ATM
Volume and year on year growth of direct debits; Share of direct debits in payment systems	Direct Debits
Digital payment of utility bills; Public Mass Transportation systems in the country	Digital Utility Payments
Availability of channels and operators for cross border personal remittances	Cross Border Personal Remittances

Annexure-II

Initiatives by the Government of India

1. The Indian Computer Emergency Response Team (CERT-In) issues 34 advisories regarding latest cyber threats and countermeasures 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.
3. Government has issued guidelines for Chief Information Security Officers (CISOs) regarding their key roles and responsibilities for securing applications / infrastructure and compliance. All organizations providing digital services have been mandated to report cyber security incidents to CERT-In expeditiously.
4. Government has empanelled 84 security auditing organizations to support and audit implementation of Information Security Best Practices.
5. 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.
6. Forty four Cyber security mock drills are being conducted regularly to enable assessment of cyber security posture and preparedness of organizations in Government and critical sectors.
7. CERT-In have conducted nineteen 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. Government has launched the Cyber Swachhta Kendra (Botnet Cleaning and Malware Analysis Centre).
8. 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.
9. Under the Information Security Education and Awareness (ISEA) Project Phase-I (2005-2014), more than 44,000 candidates were trained in various formal/non-formal courses in Information Security through 40 institutions. Around 100 Government officials were trained as Master Trainers in the area of Information Security.

Annexure-III

Steps taken by RBI

1. Securing Card Transactions: (i) Banks have been advised to provide online alerts for all card transactions, vide, RBI circular dated March 29, 2011. **(ii)** RBI has also issued circulars dated September 22, 2011, February 28, 2013 and June 24, 2013 for securing electronic transactions advising banks to introduce additional security measures. **(iii)** RBI has directed banks to mandatorily put in place an Additional Factor of Authentication for all Card not present transaction w.e.f. 01.05.2013 failing which the issuer bank shall

reimburse the loss to customer without demur. **(iv)** All authorised card payment networks are permitted to offer card tokenisation services to any token requestor, subject to certain conditions.

2. Securing Payments through Internet Banking / Electronic Payments: 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.

3. Prepaid Payment Instruments (PPIs): 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). As per para 15.3 of MD on PPI issuers were instructed to put in place a framework to address the safety and security concerns, and for risk mitigation and fraud prevention.

4. Limiting Customer Liability on Unauthorized Electronic Banking Transactions: 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.

5. Limiting Customer Liability in Unauthorized Electronic Banking Transactions in PPIs issued by Authorised Non-banks: 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.

6. For the purpose of creating awareness RBI is holding e-BAAT program at various locations wherein audience are sensitised about safe digital payments. Also, a campaign named "RBI Kehta Hai" is undertaken through print and electronic media to create awareness in this regard.

****