

**Digital transactions**

2166. SHRI DEVENDER GOUD T.: Will the Minister of ELECTRONICS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether it is a fact that growth in digital transactions is not picking up and in some cases, is slower than what was seen before November, 2016; and

(b) the reaction of the Ministry to experts' opinion that this fall is in urban areas and is due to high transaction fee charged at the end point and due to lack of basic physical digital devices in rural areas like swipe machines and seamless internet connection?

THE MINISTER OF STATE IN THE MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY (SHRI K.J. ALPHONS): (a) No, Sir. On the contrary, the number of digital payment transactions has increased from 91 crore in November, 2016 to 153 crore in the October, 2017 as tabulated below:

(Number in Crores)											
Month	Dec.15	Jan.16	Feb.16	Mar.16	Apr.16	May16	Jun.16	July16	Aug.16	Sept.16	Oct.16
Digital Payments Transactions	60.7	58.9	59.7	64.8	64.3	66.5	66.6	70.5	70.5	71.2	79.0

(Number in crores)												
Month	Nov.16	Dec.16	Jan.17	Feb.17	Mar.17	Apr.17	May17	Junel7	July17	Aug.17	Sept.17	Oct.17
Digital Payments Transactions	91.0	132.1	124.1	109.5	129.1	146.0	141.6	138.1	141.9	144.3	144.9	153.0

Source: RBI, NPCI, 38 Banks & Closed loop PPIs (DMRC)

The average monthly growth rate during the period from Dec., 2015 to Nov., 2016 was 2.75% and whereas average monthly growth rate from November, 2016 to Oct., 2017 was 5.8%.

(b) There is no overall fall in growth of digital transactions after November, 2016. Government of India has taken initiatives to reduce transaction charges and to increase availability of Point of Sale (PoS) machines:

- (i) **Transaction charges:** Ministry of Electronics and IT, Government of India *vide* notification number 6(19)/2017-DPD-1 dated 28th December, 2017, has

decided to reimburse to absorb the MDR charges for all the digital transactions using debit cards, BHIM-UPI and BHIM Aadhaar Pay of value less than or equal to ₹ 2000. This subsidization will be applicable from 1st January, 2018 to 31st December, 2019.

- (ii) **On Low Availability of Point of Sale (PoS) machine :** As per RBI report on ATM PoS statistics (available at the link below), the number of PoS devices has increased from 15.11 Lakh devices in October, 2016 to 29.58 Lakh devices in October, 2017. In addition, Banks have deployed 1,70,865 BHIM Aadhaar PoS machines till 22.12.2017.
- (iii) **Alternatives of Point of Sale Devices for Rural merchants and citizens:** For rural areas, numerous payment solutions with low capital and operational cost are available, as follows:
  - (a) **Unstructured Supplementary Service Data (USSD) :** Unstructured Supplementary Service Data (USSD) can be used by citizens and merchants to accept/receive payments using feature phones where no internet connectivity is required for transactions.
  - (b) **BHIM Aadhaar pay :** BHIM Aadhaar pay can be used by merchants for accepting payments using biometric authentication of citizens having bank account seeded with Aadhaar number. The key advantage of BHIM Aadhaar Pay is customers are not required to carry debit cards and PIN.
  - (c) **BharatQR and BHIM QR Code :** BharatQR code and BHIM QR code are 'scan and pay' solutions where in customers are required to scan QR code using mobile phones for making payments to merchants.
  - (d) **Bharat Interface For Money (BHIM) - Unified Payments Interface (UPI):** BHIM-UPI platform has been developed for making real time payments using smart phones. These solutions effectively reduce the need of PoS machines.

#### **New electronics and software products policy**

2167. SHRI K.C. RAMAMURTHY: Will the Minister of ELECTRONICS AND INFORMATION TECHNOLOGY be pleased to state:

- (a) whether the Ministry is implementing any scheme for a new electronics and software products policy;