

F. No.21(8)/2016 – Comp. Cell

Government of India

Ministry of Consumer Affairs, Food and Public Distribution

Department of Food & Public Distribution

R.No. 275, Krishi Bhawan, New Delhi – 110001

Dated: #Approved Date#

To

Principal Secretary / Secretary,
Food & Civil Supplies Department,
Government / Administration of – All States/UTs.

**Subject: Promotion of digital/cashless transactions in Public Distribution System (PDS)–
reg.**

Madam/Sir,

As you are aware that in line with the decision of Government to promote the use of digital payment mechanisms, this Department is regularly pursuing with all States/UTs for the promotion and use of digital methods for receiving and making payments in the Public Distribution System (PDS). The progress of digital payment transactions is continuously monitored by the Ministry of Electronics and Information Technology (MeitY).

2. In this endeavor, a letter dated 13th June 2019 issued by MeitY has been received in this Department, copy enclosed, giving a target of 20 crore digital transactions under Public Distribution System for the year 2019-20. Thus, the assigned target is distributed proportionally among all States/UTs as per targets given in Annex-I.

3. It is therefore essential on part of all States/UTs to ensure that mechanisms for digital payment transactions are enabled in all FPSs and practice of digital/less-cash transactions using digital payment methods is promoted widely among the PDS beneficiaries and FPS dealers. Details of different digital payment modes such as BHIM/UPI BHIM QR Code, Rupay Cards, AePS, etc. are available at Annexure-II of the enclosed letter. **However, the Aadhaar enabled Payment System (AePS) is the preferred mechanism for digital payments in PDS.**

3. A list of activities suggested by MeitY, as applicable, may be considered and incorporated at the level of Food & Civil Supplies Departments in all States/UTs to ensure the assigned targets for FY 2019-20 are met timely. In this regard a nodal officer may be nominated for regular coordination and monthly submission of digital transaction details to this Department, for further reporting of details at the national level on DigiDhan dashboard of MeitY.

4. It is therefore, requested to take necessary action for promotion and use digital payment transactions under PDS operations. Details of nodal officer and month wise details of digital transactions happened in the last quarter may also be shared with this Department latest by 12.07.2019. Similarly, same information for period July 2019 onward may also be shared at the end of each month regularly .

Yours faithfully,

Digitally signed by DINESH KUP
GUPTA
Date: 2019.07.14 11:08:51 +05'30
Reason: Approved

(D. K. Gupta)

Director (PD)

011-23070429

Copy to:

Sh. B.V.C. Rao, Sr. Technical Director and HoD, NIC-HQ, New Delhi – for reporting on Annavitran portal.

Annex-I**State/UT wise targets for digital payment transactions in PDS for FY 2019-20**

| SN | State | Target for Digital Payment Transactions for 2019-20 |
|----|----------------------|---|
| 1 | Andaman & Nicobar | 10,000 |
| 2 | Andhra Pradesh | 1,50,00,000 |
| 3 | Arunachal Pradesh | 2,00,000 |
| 4 | Assam | 50,00,000 |
| 5 | Bihar | 1,00,00,000 |
| 6 | Chandigarh (DBT) | 60,000 |
| 7 | Chhattisgarh | 45,00,000 |
| 8 | Dadra & Nagar Haveli | 50,000 |
| 9 | Daman & Diu | 20,000 |
| 10 | Delhi | 15,00,000 |
| 11 | Goa | 1,25,000 |
| 12 | Gujarat | 60,00,000 |
| 13 | Haryana | 25,00,000 |
| 14 | Himachal Pradesh | 6,00,000 |
| 15 | Jammu & Kashmir | 15,00,000 |
| 16 | Jharkhand | 50,00,000 |
| 17 | Karnataka | 1,00,00,000 |
| 18 | Kerala | 30,00,000 |
| 19 | Lakshadweep | 5,000 |
| 20 | Madhya Pradesh | 1,00,00,000 |
| 21 | Maharashtra | 1,00,00,000 |
| 22 | Manipur | 50,000 |
| 23 | Meghalaya | 50,000 |
| 24 | Mizoram | 50,000 |
| 25 | Nagaland | 50,000 |
| 26 | Odisha | 75,00,000 |
| 27 | Puducherry (DBT) | 1,50,000 |
| 28 | Punjab | 30,00,000 |
| 29 | Rajasthan | 90,00,000 |
| 30 | Sikkim | 80,000 |
| 31 | Tamil Nadu | 90,00,000 |
| 32 | Telangana | 45,00,000 |
| 33 | Tripura | 5,00,000 |
| 34 | Uttar Pradesh | 3,00,00,000 |
| 35 | Uttarakhand | 10,00,000 |
| 36 | West Bengal | 5,00,00,000 |
| | Total | 20,00,00,000 |



Gopalakrishnan S., IAS

Joint Secretary

Tel.: 011-24363075

Email: js.gopal@meity.gov.in

No. 12/(11)/2017-DPD (Pt.-2)

दूरभाष / Tele:

अ. स. पत्र सं.

D.O.No.

दिनांक / Dated..... 13.06.2019

Dear Sir,

I would like to thank all the Ministries/Departments for their active participation in promotion of Digital Payments. As a result of co-ordinated efforts of all concerned stakeholders, a significant growth in digital payment transactions has been observed from 2,071 Cr. in FY 2017-18 to more than 3,000 crore in FY 2018-19. (Data Source: DigiDhan Dashboard, URL: www.digipay.gov.in).

2. For the financial year 2019-20, a target of 4,000 crore transactions has been set for all Ministries/Departments with potential for digital payments. **Department of Food and Public Distribution has been assigned a target of 20 crore digital transactions for the FY 2019-20.**

3. It is requested to enable digital payment acceptance infrastructure wherever cash transfer takes place. The idea is to promote digital payment for achieving a less cash society. A suggested list of activities which may be considered and incorporated in all organisations concerned with your Ministry/ Department for promotion of digital payments is at Annexure I. Details of various modes of digital payment are at Annexure II.

4. A dedicated page "Digital Ministry" has been created on the DigiDhan Dashboard which can be used by all Ministries/Departments to submit digital payment data on monthly basis. This will help to easily assess the percentage digital payment across various government sectors and will provide key inputs for prioritization of efforts for promotion of Digital Payments. The UserID and Password for login on the Dashboard has already been sent vide MeitY DO No. 12(11)2017-DPD (Pt. 3) dated 14.02.2019 (enclosed for ready reference).

5. An officer at the rank of Joint Secretary/Director may also kindly be nominated for coordination of digital payment activities with MeitY including regular update of

digital payment data on the DigiDhan Dashboard, from April-2019 onwards.
Necessary instructions may please be issued to all subordinate organizations.

6. We look forward to your co-operation in this regard.

With regards,

Yours sincerely,



(Gopalakrishnan S.)

Encl.: As above

Shri Ravikant,
Secretary,
Department of Food and Public Distribution,
Ministry of Consumer Affairs, Food and Public Distribution,
Krishi Bhavan, New Delhi-110001

Suggested Actions for promotion of Digital Payments

1. Formation of committee for co-ordination of digital payment promotional activities and enabling digital payment acceptance infrastructure
2. Enabling online payment systems with **BHIM/UPI, BHIM QR code and Rupay Card.**
3. On-boarding of all Billers on Bharat Bill Payment System (BBPS)
4. Printing of BHIM QR code (preferably dynamic) on all utility bills, invoices etc
5. Enabling open loop National Common Mobility Card (NCMC) card in all Public Transport including Metros, State Road Transport Undertakings, Urban Bus Services etc. along with Tolls, Parkings, Temples and Retails
6. Enabling appropriate payment options in all physical payment receipt counters, such as:
 - a) Prominent display of printed static **BHIM QR** code at the payment receipt counter to enable customer to scan and pay
 - b) Dynamic BHIM QR code on a display facing the customer
 - c) NCMC compliant **PoS devices** which can accept payment in offline contactless mode from NCMC card issued by any Bank
 - d) Enabling payment receipt through BHIM Aadhaar PoS machines, particularly in rural/semi-urban areas.
 - e) Pull request through Mobile no. /Virtual Payment address (VPA) wherein a payment request of desired amount is received on BHIM/UPI enabled App of the customer
7. Offer a visible discount on digital payment vis-à-vis cash
8. Organizing campaign for promotion of Digital Payments
9. Recognizing/awarding the initiatives for promotion of digital payments
10. Development of appropriate mechanism for reporting of Digital payment transactions
11. Assigning target to subordinate organisations for achieving at least <50%> payment/receipt transactions through digital payment modes

Different modes of Digital Payments

1. Debit Card

A bank account linked payment facility which offers a domestic / international, open loop, multilateral payment option that allows the banks, financial institutions and customer to participate in digital payments. Debit cards in India are issued mainly by three card schemes viz. RuPay, Visa and MasterCard to the customers through banks. Debit cards provide universal access to payment systems and are accepted at point of sale (POS) and by online merchants in the country.

2. Credit Card

Credit card offers the convenience of buying goods or services now and paying later at a scheduled date specified by the card issuer, as per the card billing cycle. Credit cards offer convenience and security along with a host of other privileges like welcome offers, access to airport lounges, cashbacks and concierge services. Like Debit cards, Credit cards are also accepted at point of sale (POS) and by online merchants in the country and are similarly issued by card networks like RuPay, Visa, MasterCard and AMEX among others.

3. National Common Mobility Card (NCMC)

National Common Mobility Card (NCMC) is an offline contactless payment mechanism which provides an easy, convenient, fast and fail-proof method of digital payment to the citizens for all routine low value transactions including public transport and retail. It can be issued in the form of in the form of Credit/Debit/Pre-paid card. NCMC has unique stored value feature which makes it an ideal solution for Metro/Bus ticketing, Toll Plazas, Parking and Retail in rural/sub-urban areas, as it can operate in areas with limited network connectivity. NCMC is interoperable and will enable a single card for payment in all Metros and Bus services along with retail.

4. Unified Payments Interface (UPI)

Unified Payments Interface (UPI) enables access of multiple bank accounts into a single mobile application (of any participating bank or third party Apps), merging several banking features, seamless fund routing and merchant payments under one hood. UPI as a payment option makes money transfer as easy as sending a text message. The money transfer is instant, available round the clock and 365 days a year. UPI uses Virtual Payment Address (VPA) for additional security and there is no requirement to enter the details such as Account number, IFSC, Card no etc. Users can send money, request money and scan & pay using UPI as a payment channel. Multiple UPI enabled Apps are available for making digital payment such as Bharat Interface for Money (BHIM), Bank BHIM Apps, Google Pay, PhonePe, PayTM, Mobikwik etc. UPI can be used in following way:

a) Peer to Peer Payment

- Payment can be made to Virtual Payment Address (VPA) of any person through any UPI enabled App
- Payment request can be sent to VPA of any person through any UPI enabled App. The request needs to be authorized by the concerned person for making payment, through his UPI enabled App

b) Merchant Payment at Counter

- Scan & Pay by scanning the UPI QR code of the merchant
- Merchant generates pull request by entering the VPA of the customer. Customer needs to authorise the request in his UPI enabled App to make the payment

c) Online merchant payment

- Customer needs to enter his VPA in the website/App of the merchant and subsequently needs to authorise the request in his UPI enabled App to make the payment
- Scan & Pay by scanning the UPI QR code displayed on the merchant's website

5. Bharat Interface for Money (BHIM)

Bharat Interface for Money (BHIM) is an app that lets you make simple, easy and quick payment transactions using Unified Payments Interface (UPI). You can make instant bank-to-bank payments and Pay and collect money using just Mobile number or Virtual Payment Address (UPI ID). The following are the features of BHIM:

- **Send Money:** Send money by entering Virtual Payment Address (UPI ID), Account number and QR Scan.
- **Request Money:** Collect money by entering Virtual Payment Address (UPI ID). Additionally through BHIM App, one can also transfer money using Mobile No. (Mobile No should be registered with BHIM or *99# and account should be linked).
- **Scan & Pay:** Pay by scanning the QR code through Scan & Pay or generate your to let others make easy payments to you.
- **Transactions:** Check your transaction history and also pending UPI collect requests (if any) You can raise complaint for the declined transactions by clicking on report issue in transactions.
- **Profile:** You can view the static QR code and Payment addresses linked to your account. You can also share the QR code through various messenger applications like WhatsApp, Email etc. available on phone and can also download the QR code.
- **Bank Account:** Switch between multiple bank accounts linked with your BHIM App. You can set/change your UPI PIN or check your balance.
- **Language:** Currently BHIM is available in 13 languages, i.e., Hindi, English, Tamil, Telugu, Malayalam, Bengali, Odia, Kannada, Gujarati, Marathi, Assamese and Bengali.
- **Block User:** Block/Spam users who are sending you collect requests from illicit sources.
- **Privacy:** Allow a user to disable and enable mobilenumbers@upi in the profile if a secondary UPI ID is created (QR for the disabled UPI ID is also disabled).

6. BHIM QR code (UPI QR code)

BHIM QR code is an easy method for enabling digital payment by a merchant. It does not require any upfront investment in the purchase of PoS devices. Merchant is simply required to contact his bank and provide KYC details to obtain his BHIM QR code, which can be displayed in the shop for receiving payments. BHIM QR code is of two types:

- a) **Static BHIM QR code** – It can be printed on a paper and is also feasible to print on plastic or metal sheet. Customer has to simply scan the QR and enter the amount followed by UPI PIN to make the payment.
- b) **Dynamic BHIM QR code** – It is a dynamic QR code with the amount embedded in it. Customer is only required to scan the Dynamic BHIM QR code followed by UPI PIN to make the payment. There is no need to enter the amount. Dynamic BHIM QR requires an electronic screen for display.

7. Bharat Bill Payment System (BBPS)

Bharat Bill Payment System (BBPS) is a national integrated bill payment system providing a one-stop, interoperable and accessible bill payment platform to all customers across the country for paying any bill “Anytime, Anywhere” with utmost ease, certainty, reliability and safety of transactions. BBPS aggregates multiple billers onto a single platform and allows multiple modes of payment like UPI, debit cards, credit cards, net banking etc. BBPS covers all important categories of utility bill payments, spanning across electricity, telecom, DTH, gas and water through a single window.

8. National Electronic Funds Transfer (NEFT)

National Electronic Funds Transfer (NEFT) is a nation-wide payment system facilitating one-to-one funds transfer. Under this payment system, individuals, firms, corporate and Government can electronically transfer funds from a bank account in a bank branch to any individual, firm or corporate having an account with any other bank branch in the country participating in the system. Individuals who do not have a bank account (walk-in customers) can also deposit cash (Maximum Rs. 50,000/-) at the NEFT enabled bank branches with instructions to transfer funds using NEFT. NEFT transactions can be executed anytime during the weekdays. However, the transactions are settled in half hourly batches. There are twenty three half-hourly settlement batches which run from 8 am to 7 pm on all working days of week (Except 2nd and 4th Saturday of the month).

9. Real Time Gross Settlement (RTGS)

Real Time Gross Settlement (RTGS) is a real time fund transfer system which facilitates the user to transfer funds from one bank account to another bank account in real time. The payment transaction is not queued up and gets executed instantly. The transferred amount is instantly deducted from the bank account of the remitter and credited to the bank account of the beneficiary instantaneously. Users such as individuals, companies, firms or Government can transfer high value amount using the RTGS system. The minimum value that can be transferred using RTGS is Rs. 2 lakhs. However, there is no upper cap on the amount that can be transacted.

10. Immediate Payment Service (IMPS)

IMPS is an innovative, real time payment service that is available round the clock to the users. The service empowers customers to transfer money instantly through banks and RBI authorized Prepaid Payment Instrument Issuers (PPI) across India to over 190 banks. Some of the key features of IMPS include:

- Instant money transfer
- Round-the-clock service (even on weekends & bank holidays)
- Debit & credit confirmation by SMS to remitter and beneficiary

11. BHIM Aadhaar

BHIM Aadhaar is a mobile application that enables a merchant to accept payments from customers using the Aadhaar number and biometric authentication. The service allows the merchant to accept payments from customers of any bank, by authenticating his/her biometrics (presently only fingerprints). Customer is required to input their Aadhaar number, followed by selecting their respective bank. The transaction is then validated through the scan of the consumer's fingerprint, which acts as their password or pin. The Aadhaar Linked bank account of customer is debited and the amount is instantaneously received in the merchant bank account. Merchant should have an android mobile with the BHIM Aadhaar App installed and a certified biometric scanner attached with the mobile phone via USB port for accepting payment through BHIM Aadhaar.

12. Aadhaar Enabled Payment System (AePS)

Aadhaar Enabled Payment System (AePS) is a payment service empowering a bank customer to use Aadhaar as his/her identity to access his/her Aadhaar enabled bank account and perform basic banking transactions like balance enquiry, cash withdrawal, remittances through a Business Correspondent. Under AePS, following services are currently offered to customers both in inter-bank and intra-bank modes.

- Balance Enquiry
- Aadhaar to Aadhaar Fund Transfer
- Cash Withdrawal
- Cash Deposit
- Best Finger Detection (BFD)

13. USSD (*99#)

*99# service, which works on Unstructured Supplementary Service Data (USSD), has been launched envisioning the potential of mobile banking and the need for immediate low value remittances which help in financial deepening and inclusion of under – banked society in the mainstream banking services. The service works without internet and uses voice connectivity, available round the clock (works even on holidays), accessible through a common code *99# across all TSPs, and works across all GSM service providers and across all mobile handsets.

14. National Automated Clearing House (NACH)

National Automated Clearing House (NACH) is a centralized payment system, launched with an aim to consolidate multiple ECS (Electronic Clearing System) running across the country. NACH system can be used for making bulk credit transactions like distribution of subsidies, dividends, interest, salaries, pension etc. and also for bulk collection of payments pertaining to telephone, electricity, water, loans, investments in mutual funds, insurance premium etc. Currently, more than 1300 banks are part of NACH network.

15. Aadhaar Payment Bridge Systems (APBS)

Aadhaar Payment Bridge System (APBS) is a unique payment channel which uses Aadhaar number as a central key for electronically channelizing the Government subsidies and benefits to the Aadhaar Enabled Bank Account (AeBA) of the intended beneficiaries. It is a payment system based on Aadhaar number and IIN (Institution Identification Number).

16. National Financial Switch (NFS)

National Financial Switch (NFS) connects all ATMs in the country and facilitates interbank ATM cash withdrawal along with a host of other non-financial services like balance enquiry, mini statement, pin change, fund transfer etc. NFS is a multilateral domestic ATM network which connects more than 2 lakh ATMs in the country.

17. National Electronic Toll Collection (NETC)

National Electronic Toll Collection (NETC) is based on an Intelligent Transportation System (ITS) application that ensures non-stop vehicle movement at toll plazas of National Highways across the country. Termed as FASTag, electronic toll collection has been rolled out in more than 350 toll plazas and helps eliminate congestion on tollways; thereby providing convenience to the users and enhancing operational efficiency for toll operators. FASTag employs Radio Frequency Identification (RFID) technology for making toll payments directly from a prepaid account linked to the FASTag device. This device is required to be affixed on the windscreen of the vehicle and enables users to drive through toll plazas.

18. Bharat QR Code

Bharat QR Code is a unique, low cost, interoperable payment solution jointly developed by payment networks like Visa, MasterCard, RuPay and American Express. This payment system is a first of its kind, interoperable solution, across the globe. BharatQR Code makes use of QR code technology for making payments across merchant outlets. It works as a common interface for the Visa / Master Card/ RuPay / Amex platform and enables users to make payments to merchant without using a merchant ID or number. BharatQR code has eliminated the need of using card swiping machines for making digital payments. For accepting payments using BharatQR Code, merchants are required to display BharatQR code in the outlet and the user can make payment by scanning the code. BharatQR code is of two types static and dynamic. In static QR Code the user has to first scan the code and then enter the amount to be paid. In dynamic QR Code, a new QR Code is generated in real time for every transaction. In this case, the user is not required to enter the amount. The payment can be made by scanning the QR code and entering the PIN.

19. Mobile wallets

Mobile wallets are essentially digital versions of traditional wallets that someone would carry in their pocket. They offer payment services through which the individuals / business can receive/ send money via mobile devices. While there are many variants, usually they can hold digital information about credit and debit cards for making payments, store details regarding coupons and loyalty programs, specific information about personal identity and more. People can shop online, book movie tickets, rail or flight tickets, and pay their utility and other bills by making payments through their mobile wallets. Wallets could be open loop (bank wallets), semi-closed loop (PayTM, MobiKwik) and closed-loop (Uber, Ola, Amazon).
