AGENDA- FIRST MEETING OF THE "CASHLESS MISSION" GOVT. OF M.P. DATED 6TH APRIL 2017

STRUCTURE OF "CASHLESS MISSION"

In order to promote cashless payments in the state, the Government of Madhya Pradesh has constituted a 'Digital Payment Mission' under the Chairmanship of Additional Chief Secretary-Finance, GoMP. Structure and function of the mission is as under:

सामान्य प्रशासन विभाग
मंत्रालय
वल्लभ भवन, भोपाल—462004

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:: आदेश ::

भोपाल दिनांक ७1 मार्च, 2017

कमांक : एफ 19—05 / 2017 / 1 / 4 :: राज्य शासन एतद द्वारा राज्य स्तर पर वित्त विभाग के अधीन डिजिटल पेमेंट्स में वृद्धि / कैशलेस हेतु एक मिशन गठित करती है। उक्त मिशन के संचालन की जिम्मेदारी संचालन समिति में वैष्ठित रहेगी। संचालन समिति का स्वरूप निम्नानुसार रहेगा :—

1	अपर मुख्य सचिव, वित्त विभाग	मिशन प्रमुख
2	कृषि उत्पादन आयुक्त, किसान कल्याण एवं कृषि विकास	सदस्य
3	अपर मुख्य सचिव, पंचायत एवं ग्रामीण विकास विभाग	सदस्य
4	अपर मुख्य सचिव, श्रम विभाग	सदस्य
5	प्रमुख सचिव / सचिव, वाणिज्यिक कर विभाग	सदस्य
6	प्रमुख सचिव / सचिव, धार्मिक न्यास एवं धर्मस्व विभाग	सदस्य
7	प्रमुख सचिव / सचिव, संस्कृति विभाग	सदस्य
8	प्रमुख सचिव / सचिव, आयुष विभाग	सदस्य
9	प्रमुख सचिव / सचिव, चिकित्सा शिक्षा विभाग	सदस्य
10	प्रमुख सचिव / सचिव, विज्ञान एवं प्रौद्योगिकी विभाग	सदस्य
11	प्रमुख सचिव / सचिव, उच्च शिक्षा विभाग	सदस्य
12	प्रमुख सचिव / सचिव, किसान कल्याण एवं कृषि विकास विभाग	सदस्य
13	प्रमुख सचिव / सचिव, नगरीय विकास एवं आवास विभाग	सदस्य
14	प्रमुख सचिव / सचिव, सहकारिता विभाग	सदस्य
15	प्रमुख सचिव / सचिव, लोक निर्माण विभाग	सदस्य
16	प्रमुख सचिव / सचिव, जन सम्पर्क विभाग	सदस्य
17	प्रमुख सचिव / सचिव, खाद्य एवं नागरिक आपूर्ति विभाग	सदस्य
18	प्रमुख सचिव / सचिव, तकनीकि शिक्षा विभाग	सदस्य
19	प्रमुख सचिव / सचिव, स्कूल शिक्षा विभाग	सदस्य
20	प्रमुख सचिव / सचिव, पर्यटन विभाग	सदस्य
21	आयुक्त, कोष एवं लेखा	सदस्य
22	आयुक्त सह संचालक, संस्थागत वित्त	मिशन निदेशक
23	संयोजक, राज्य स्तरीय बैंकर्स समिति, म.प्र.	सदस्य सचिव

2/ मिशन की संदर्भ शर्तें निम्नानुसार रहेंगीः—

1— प्रदेश में विविध माध्यमों से प्रशिक्षण हेतु की गई व्यवस्था की समीक्षा एवं मॉनिटरिंग करना।

2— बैंको द्वारा आवश्यक अधोसंरचना विकसित करने हेतु की गई कार्यवाही की समीक्षा एवं मॉनिटरिंग करना।

3— टेलिकॉम कम्पनियों के साथ समन्वय करते हुए कनेक्टिविटी हेतु आवश्यक अधोसंरचना एवं डाटा अधोसंरचना की समीक्षा एवं मॉनिटरिंग करना।

4— राज्य शासन द्वारा गठित समिति के प्रतिवेदन पर विभागों द्वारा की गई कार्यवाही की प्रगति की समीक्षा करना।

5— प्रदेश में आवश्यकतानुसार पी.ओ.एस. मशीनों की उपलब्धता की समीक्षा एवं मॉनिटरिंग करना।

6— जनसम्पर्क विभाग द्वारा डिजिटल पेमेंट्स के बढावे हेतु प्रचार—प्रसार हेतु की गई व्यवस्था की समीक्षा एवं मॉनिटरिंग करना।

मिशन की बैठक नियमित रूप से आयोजित की जावेगी और उपरोक्त बिन्दुओं पर प्रदेश में हुई प्रगति की समीक्षा की जावेगी।

मध्यप्रदेश के राज्यपाल के नाम से
तथा आदेशानुसार

(श्याम बाई धुर्वे)
अवर सचिव
मध्यप्रदेश शासन,
सामान्य प्रशासन विभाग

भोपाल, दिनांक 01 मार्च 2017

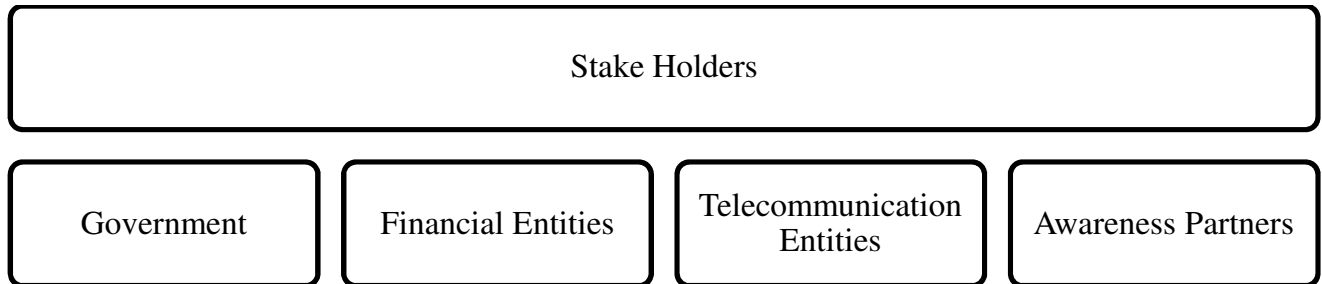पृ. कमांकः एफ 19—05 / 2017 / 1 / 4

प्रतिलिपिः—

1. मिशन प्रमुख / सदस्य / मिशन निदेशक / सदस्य सचिव
2. प्रमुख सचिव, मुख्यमंत्री सचिवालय, मंत्रालय, भोपाल
3. प्रमुख सचिव (समन्वय), मुख्य सचिव कार्यालय मंत्रालय, भोपाल।
4. वित्त विभाग की ओर जारी आदेश के साथ मूल नस्ती सहित।
5. मिशन संयोजक की और अग्रेषित कर लेख है कि निर्धारित अन्तराल पर मिशन प्रमुख की अनुमति से मिशन की बैठक आयोजित करने का कष्ट करें।
6. उपसंचालक, जनसम्पर्क मंत्रालय भोपाल।

की ओर सूचनार्थ एवं आवश्यक कार्यवाही हेतु अग्रेषित ।

अवर सचिव
मध्यप्रदेश शासन
सामान्य प्रशासन विभाग

ROLE OF THE STAKE HOLDERS

Stake Holders

Government	Financial Entities	Telecommunication Entities	Awareness Partners

The proposed actions will require concerted and coordinated efforts across a broad spectrum of stakeholders, including

- **Government**, leading the way, giving overall direction, policy decisions and execution;
- **Financial entities,** like RBI, NABARD, Banks, Payment gateway providers, NPCI to expand the technical infrastructure and strengthening security;
- **Telecommunication entities**, like TRAI, Telecom Companies, Smartphone Companies, in expanding infrastructure and strengthening security; and
- **Awareness partners**, including a broad spectrum of entities who needs to be roped in as partners in driving awareness like the Microfinance institutions, NGOs, Corporates, Panchayati Raj institutions etc.

1. <u>ROLE OF THE GOVERNMENT</u>

Government actions need to be on following lines:
   a. Set targets with clear milestones and a monitoring system for follow-up
   b. Expand and strengthen the physical infrastructure, including originating and acceptance infrastructure, network connectivity, etc.;
   c. Formulate an incentive structure that makes digital payments more attractive option vis-à-vis cash and remove all disincentives currently associated with digital transactions;
   d. Formulate institutional, policy, regulatory changes that promote adoption of digital payment mode;
   e. Formulate a strong cyber security policy for digital payments.
   f. Formulate a dispute settlement mechanism and insurance policy on digital payments;
   g. Adopting new technologies like India QR, Aadhaar Pay etc.
   h. Create awareness and spread financial literacy.

Progress in Madhya Pradesh

Steps taken by different departments of the State Government

- All payments are being made through cashless mode and even it is receiving around 70 per cent revenue via the same medium.
- The State Government has relaxed VAT and entry tax on POS machines and also waived stamp duties for inking merchant agreement.
- 100% payments of Treasuries are being made through cashless.
- Payment of scholarship to school children through digital mode.
- Charges/fees collection at all Lok Seva Kendra in the state through cashless mode.
- E-tax collection facility has been introduced in Indore, Bhopal & Burhanpur Nagar Nigam.
- NEFT/RTGS charges have been waived off in the State Cooperative Banks.

  Training

- Digi-Dhan fair was organized in Bhopal, Indore, Gwalior, Dewas, Ujjain & Jabalpur on 19th, 24th, 30th January , 6th March, 11th March & 2nd April 2017 respectively to create awareness on digital transactions.
- Common Service Centres under the Dept. of Electronics and Information Technology have trained ….. citizens and ….. merchants in the state so far for carrying out transactions through digital payment systems.

Way ahead

- Creation of a Virtual Payment Address (VPA) for all government departments, Universities, Schools, block offices etc. so that government can lead the way in adoption of Aadhaar Pay/UPI based payments. The VPA is an address given to the user of UPI payment system. The VPA replaces the bank account details.
- Enabling all the departments and educational institutions to receive payment of fee through digital mode.
- Concentrating the places like Petrol Pumps, Hospitals/Nursing homes etc., where cash transactions are more for encouraging the people to do digital transactions.
- Creating an environment to bring small merchants under the purview of tax system so that they cannot deny accepting payment through digital modes.

2. ROLE OF FINANCIAL ENTITIES

Banks
- Expanding digitized payment system in the state.
- Soon after demonetization move, people started adapting to modern ways of cashless payment. There are many cashless payment options available but following cashless payment options are trending nowadays.

<div style="margin-left:2em">

(i)   Plastic Money – Debit/Credit Cards

(ii)   Internet Banking

(iii)   NEFT/RTGS

(iv)   Point of Sale (PoS)

(v)   E Wallets

(vi)   Unified payments Interface Apps (UPI)

(vii)   Aadhaar Enabled Payment System

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- There are around 5.44 crores operative savings accounts in the state, out of which, around 2.55 crores people are using debit cards.
- There are 8958 ATMs installed in the State by 31st Dec-16. Every 8372 persons have one ATM.
- There are 26.83 lac internet banking users of major 10 banks in M.P. till 31st March 2017.
- 15.29 lac* customers are availing mobile banking services till 31st March 2017.
- 1.91 lac* customers are using UPI app by 31st March 2017.
- 4.41 lac* credit cards have been issued by banks till 31st March 2017.
- 0.48 lac* Point of sale machines (POS) have been deployed by banks up to 31st March 2017. Out of total PoS deployment in the state, share of ICICI Bank, HDFC Bank, Axis Bank & SBI is 97%.   ***Data of major 10 banks in the state.***

  Bank wise status is given below

Sr.No	Bank	No. of PoS machines deployed	No. of Net Banking users	No. of Mobile Banking users	No. of UPI users	No. of Credit card issued
1	Allahabad Bank	28	37106	178987	15031	0
2	Axis Bank	3803	113035	102970	8132	97743
3	Bank of Baroda	1595	110000	65170	55670	1831
4	Bank of India	930	259401	8503	5423	16099
5	Canara Bank	278	147225	144999	15700	5650
6	Central Bank of India	68	205913	75301	2473	664
7	HDFC Bank	8265	160745	162057	15117	138055
8	ICICI Bank	7910	176423	156774	26700	144711
9	State Bank of India	26513	1620363	878817	117511	38177
10	Union Bank of India	0	0	0	0	0
	Grand Total	**47795**	**2683105**	**1529421**	**191056**	**441099**

- There are 10443 Business Correspondents in the state, out of which 8937 BCs have interoperable micro ATMs.

- **IndiaQR-** This system replaces the need of having POS machines to accept payments by credit or debit cards. It is a QR code (Quick Response Code) which stores the bank details of a merchant which can be scanned by a smartphone to transfer a certain amount to merchant's account. All this is done by a smartphone app developed for

this purpose. This system has been developed jointly by Mastercard Inc, Visa, and RuPay. Initially 5-8 banks will go live in the first phase.

Setting a target and monitoring mechanism

- In order to assess the status of digital transactions (covering all modes), there should be benchmark targets for financial institutions and the governments' departments and the progress should be monitored on a real-time basis.
- A standardized format needs to be designed to monitor the performance.
- MIS (Monthly Information System), based on the format should be generated by IT department of banks and it should be shared with the individual banks.
- 3 Regional Rural Banks (RRBs) & Co-operative Banks should also be a part of interoperable AEPS, UPI and other modes of digital transactions. Presently, there is no ATM of the RRBs.

NABARD

- NABARD needs to provide technological support to RRBs for adapting ATMs and digital payment modes.
- A portion of Financial Inclusion Fund of NABARD may be utilized to impart training and publicity of digital payment modes.

RBI

- Development of Monthly Information System (MIS), generating state wise and banks wise report of digital transactions. Presently, banks are not able to extract report of digital transactions.
- It should be made mandatorily for opening of account with aadhaar or e-KYC.
- All banks and their PPIs (e-wallets) should be interoperable using the UPI backend to create a network effect.
- Small merchants below a given threshold of transaction volume/value (turnover up to Rs. 2 lakh per month), should be permitted to self-board on UPI/ AEPS modes and accept payments without any MDR.

Post Office

- To reach remote rural areas, the infrastructure of 8219 post offices in the state needs to be leveraged by completing installation of interoperable Aadhaar-enabled micro ATMs in the post offices.

- Expanding Indian Post Payment Bank and enabling them to do interoperable transactions.

3. **ROLE OF TELECOMMUNICATION PARTNERS**

- Sharing information about grey areas in the state and expanding technical infrastructure for digital transactions.
- Rationalizing the cost of digital transactions.

4. **ROLE OF AWARENESS PARTNERS**

- Large scale public awareness campaign to be launched. All forms of media to be leveraged. Mass celebrities to be enrolled.
- Educational hoardings to be installed at block offices, post offices, hospitals and main markets in each gram panchayat/village.
- Setting up a "digital help desk" in the state to support on digital transactions.