

## Disincentives for Cash Payments on Cards, says Prasad

**A**fter the carrot, the government now plans to wield the stick to ring in a less-cash economy. Certain 'disincentives' for cash payments may be rolled out in the coming year, Law and IT Minister Ravi Shankar Prasad told **Surabhi Agarwal** in an interview. The minister said Aadhaar-enabled payments would be "a gamechanger" as these only require a smartphone with a biometric sensor. Prasad said over 5.8 lakh ration shops will be equipped to accept Aadhaar-based payments. With more people adopting e-payments, Prasad stressed the need for a robust cybersecurity ecosystem and a stronger IT Act.



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**RAVI S PRASAD**  
*Law & IT Minister*

**FULL INTERVIEW**  
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# Businesses Can Soon Cash in on Aadhaar-enabled Payments

ET Q&A

After unveiling a slew of 'incentives' for digital

payment, the government may roll out certain 'disincentives' for cash payments as well in the coming year, said **Law and IT minister Ravi Shankar Prasad** in an exclusive interview to **ET's Surabhi Agarwal**. Prasad spoke about measures that the government is taking to push cashless transactions, the need for an overarching privacy law and why the IT Act needs to be strengthened. **Edited Excerpts:**

## How would you rate the success of the cashless drive started in November?

There are 105 crore mobile phones, 109 crore Aadhaar numbers, 50 crore internet users, there is a booming startup culture in India. This creates a profound ecosystem for

digital payments. We have two lakh plus common service centres, twenty days ago we asked them to do digital training of around 80 lakh people for which they will be given incentives, they have already crossed 1 crore 17 lakh people and over 3 crore merchants. And I had thought that it will take at least two to three months to reach the target. India is changing on the ground, we sitting in Delhi are not willing to acknowledge it.

## People accept that India needed to reduce its parallel cash economy but there is also a great deal of suffering. Why did the government not create some basic infrastructure before announcing demonetisation?

It was done with so much of secrecy and confidentiality yet the system brokers broke it. They are being caught on a daily basis - from bank officials to lawyers to hawala operators. Had we started doing these things early, clever people would have sensed that something is going to change. Past initiatives such as evisa or eticketing or scholarship were going on but digital payment as a consequence of putting ₹500 and ₹1,000 out of legal tender has to be done as a part of the package. And the PM was honest enough to share with the people *ki aapko kuch pain hoga* (There will be some pain). The very fact that Indians have chosen to bear that pain, it is because of their trust in this government and Narendra Modi.

## Is the government also considering some disincentives for cash payments apart from incentives for digital payments?

That idea is also open - incentive for digital payment, disincentive for cash payment. Let's await the finance minister's observation on that. Like we have come up with so many ideas for incentivising digital payments, there will be certain ideas for disincentivising cash payments also. I think it's a good idea. We have been told that post November 8, number of air travels have risen in India, tourist number has risen, even seeding of crops has shown big growth.

## ADDING IT UP

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## What are the other initiatives for furthering digital payments on the anvil?

We are in talks with the ministry of food and civil supplies, there are almost 5.8 lakh ration shops in the country, we are finalising the architecture to make them Aadhaar enabled. All banks have accepted Aadhaar-enabled payments and they are going to educate 100 shopkeepers in their vicinity. I am going to write letters soon to all the chief justices of high courts to ensure digital payments in all the subordinate courts under their charge. I

## ON DEMONETISATION

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have heard that about 1,100 Mother Daily and Safal outlets in Delhi are going to accept Aadhaar-enabled payments very soon.

## Do you feel the need for a privacy law since there is so much sensitive citizen data being generated due to the cashless drive?

There is already a law on Aadhaar where privacy issue is very seriously addressed. We have set up a digital payments division in CERT-In. All banks have been directed to report any unusual movement to CERT-In. Cyber security drills are going on in a big way with all the organisations. Then cyber security auditors are being appointed by CERT-In. We have come with a new technology centre Botnet, where anyone's system having a malware will get removed automatically. A cyber coordination centre is coming up. I have also told the Secretary IT to revisit the IT law, and if it requires some reinforcement in the wake of digital payment, then it should be done.

## But, don't you think we need a separate overarching privacy law given so many new payment firms have sprouted?

I am open to that. But we are very particular from the IT ministry to insist upon sacredness of data, anyone trying to flout data (privacy), the IT provisions, are strong enough to take care of that. We will have to work with some government departments (on this) because privacy is a larger issue, which is not only digital transaction centric.

## The government is placing big bets on Aadhaar, what is the plan?

Aadhaar-enabled payment is going to become a gamechanger. The customer need not have a mobile phone. Only one (biometric) smartphone with the shopkeeper, enter your Aadhaar number and press your thumb, and the payment is done. We are just finalising it, the entire architecture, the ownership etc, (after which) we will launch it. Almost 30 crore Indians don't have mobile phones, this is a transformative measure which will make everything transparent.

