

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

The Central Government takes various decisions for the benefit of farmers in the current Rabi Season and to promote digital payments in the economy.

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Following the cancellation of legal tender character of old Rs. 500 and Rs.1000 notes, a number of measures have been announced by the Union Government, taking into consideration the requirements of various sections of society. Special measures like higher cash drawal limits for farmers and registered traders in APMC markets/Mandis, extension of time limit for payment of crop insurance premium, purchase of seeds with old high denomination bank notes of Rs. 500 from certain select Government Centres etc., have already been announced for the benefit of the farmers. Steps have been taken to ensure availability of cash in rural branches of Banks and 1.55 lakh Post Offices. Network of Banking Correspondents has also been activated with higher cash holding limits to meet the requirements of people in the rural areas.

On further review of the matter, the Government has taken certain decisions for the benefit of farmers in the current Rabi season and to promote digital payments in the economy. These are in the nature of operational measures and are as follows :

- (i) NABARD has made available Rs.21,000 crores limit to the District Central Cooperative Banks (DCCBs) through State Cooperative Banks for Rabi agricultural operations. This will enable the DCCBs to sanction and disburse crop loans to the farmers through the network of Primary Agricultural Cooperative Societies (PACS). This will benefit more than 40% of the small and marginal farmers

who avail institutional credit/crop loans. Further, additional limits will be provided by NABARD as per requirement.

- (ii) RBI and the Banks have been advised to make the required cash available to the DCCBs. This will ensure quick and unhindered flow of credit and required cash to the farmers, especially for sowing and other agricultural operations during the current Rabi season.
- (iii) As a relief to small borrowers (i.e., loans upto Rs. 1 crore), RBI has already decided to provide additional 60 days time for repayment of dues. This will be applicable to personal and crop loans including housing and agricultural loans, taken from banks, NBFCs, DCCBs, PACS or NBFC- MFIs.
- (iv) There are 30 crore RuPay Debit Cards which have been issued, including those issued to Jan Dhan Account holders. There is a growth of nearly 300% in use of RuPay cards in the last 12 days. To facilitate the use of this debit card, the Banks have decided to waive transaction charges (MDR) up to 31st December, 2016. National Payments Council of India (NPCI) has already waived switching charges for RuPay Cards. Together, these steps will improve the acceptance of debit cards at different establishments.
- (v) To promote greater use of Debit Cards, Public Sector Banks and some of the private sector Banks have decided to waive the MDR charges till 31.12.2016. Other private sector Banks are expected to do likewise. Consequently, the transaction charges – including the charges for switching services – stand waived till 31.12.2016.

- (vi) To promote greater usage of payments through e-wallets, RBI has decided to increase the monthly transaction limit for individuals from Rs.10,000 to Rs.20,000. Similar enhancements have also been announced by RBI for merchants.
- (vii) For convenience of passengers, Indian Railways have decided not to levy service charges of Rs.20 for second class and Rs.40 for upper classes on purchase of reserved E-tickets upto 31st December, 2016. This would facilitate and encourage the passengers to buy E-tickets instead of across the counter purchase through cash.

Daily average number of passengers buying E-tickets online is 58% and across the counter in cash is 42% of the total purchase of tickets. The effort now is to increase the purchase of E-tickets. It is expected that the above measure will encourage people to migrate to cashless transactions.

- (viii) TRAI has decided to reduce the USSD charges from the current Rs.1.50 per session to Rs.0.50 per session for transactions relating to Banking and payments. They have also increased the stages from current five to eight. The Telecom Companies have also agreed to waive the above 50 paise USSD charge per session for the period upto 31.12.2016. Consequently, USSD charges up to 31.12.2016 will be NIL. This will provide a very cost effective method of digital financial transaction, especially to the poor people with feature phones (which are currently 65% of the total phones in the country).
- (ix) A lot of time is spent by vehicles at the check posts and toll plazas. While GST will address the problem at the check posts, certain

measures are necessary for ease of payment at the toll plazas on the National Highways. Ministry of Road Transport and Highways is therefore advising the automobile manufacturers to provide ETC compliant RFID in all new vehicles.

- (x) All Government organizations, public sector undertakings and other Government authorities have been advised to use only digital payment methods such as internet banking, unified payment interface, cards, Aadhar enabled payment system etc. to make payments to all stakeholders and employees. At the point of disbursing the payments, it will be necessary for the authorities to provide the option of payments through cards, internet banking, unified payment interface, cards, Aadhar enabled payment system etc.
