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# Trade and Payment Policies in India

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**ABSTRACT:** The Indian Trade Service (ITdS) is a civil service<sup>[1]</sup> under Group A of the Central Civil Services of the executive branch of the Government of India. It was created as a specialized cadre to handle India's international trade & commerce on the basis of the recommendations of the Mathur Committee (Study Team on the Import and Export Trade Control Organization headed by Sri H.C. Mathur, Member of Parliament) in 1965. At present Directorate General of Foreign Trade (DGFT),<sup>[3]</sup> under Ministry of Commerce, is the cadre controlling authority of the ITS. DGFT has 38 regional offices<sup>[4]</sup> across India, and plays a significant role in promoting India's international trade with its policy formulation and implementation.

The Department of commerce is headed by a Secretary<sup>[5]</sup> who is assisted by a Special Secretary & Financial Adviser, three Additional Secretaries, thirteen Joint Secretaries and Joint Secretary level officers and a number of other senior officers. Keeping in view the large increase in workload in matters related to World Trade Organization (WTO), Regional Trade Agreements (RTAs), free trade agreements (FTAs), Special Economic Zones (SEZs), joint study groups (JSGs) etc., two posts each of Joint Secretaries and Directors were created in the department during 2008–09.

The department is functionally organized into the following nine Divisions:<sup>[6]</sup>

1. International Trade Policy Division
2. Foreign Trade Territorial Division
3. Export Products Division
4. Export Industries Division
5. Export Services Division
6. Economic Division
7. Administration & General Service Division
8. Finance Division
9. Supply Division

**KEYWORDS:** trade, payment, policy, India, service, economic

## I. INTRODUCTION

The recruitment to Indian Trade Service is through Civil Services examinations conducted by UPSC.<sup>[7][8]</sup> In addition, departmental candidates are also promoted as ITS through career progression.

### Role of Indian Trade Service

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The main role of ITS officers can be divided into five parts:

1. Policy formulation in the area of International trade
2. Trade Policy implementation
3. Export promotion through various initiatives
4. International trade negotiations and commercial diplomacy
5. Miscellaneous and allied responsibilities

#### Policy formulation

ITS officers contribute to the making of International Trade Policy formulation for India. India's foreign trade policy (FTP) is a five-year policy document, revised midway after two and half years.<sup>[9]</sup> The current foreign trade policy in effect is the FTP 2015–20.<sup>[10]</sup> The foreign trade policy of India is a single document that strives to provide a stable and sustainable policy environment for foreign trade in both merchandise and services. It aims to help various sectors of Indian economy to gain global competitiveness.<sup>[11]</sup>

Indian Trade Service officers are involved in formulation and drafting of the policy. They also provide key inputs from the field offices regarding international trade matters which is subsequently taken up for review while making of the policy.

Apart from making the trade policy for the country, ITS officers also involve themselves in coordinating with various other ministries for taking stands on trade matters at international forums such as World Trade Organisation. For this purpose, there is a WTO cell at the Directorate General of foreign Trade. In addition, coordination for board of trade for inter state and central government consultation in the area of international trade policy formulation is also managed by ITS officers.<sup>[12]</sup>

There has been a study by Frost and Sullivan recently where it has been recommended that role of ITS officers may be increased further in the area of policy formulation in coming future.<sup>[13]</sup>

#### Trade Policy Implementation

Foreign Trade Policy of India is implemented in the country through 38 field offices of DGFT, commonly known as Regional Authorities (RAs).<sup>[14]</sup> These field offices are manned and headed by ITS officers who facilitate international trade from India. In addition many Special Economic Zones are also headed by ITS officers. Under current Foreign Trade Policy of India, the gamut of implementation includes:

- Implementation of export from India schemes - for both merchandise and services exports
- Implementation of Duty nullification schemes for export products
- Implementation of Export promotion capital goods scheme
- Refund schemes for various deemed exports
- Heading committee on quality complaints and trade disputes - to act as arbiter and enforcer of rules in international commercial disputes
- Acting as quasi-judicial authority in cases pertaining to Foreign Trade Development and Regulation Act 1992.
- Handling miscellaneous matters related to international trade such as issuing licenses for trading in sensitive/nuclear/defense related items

#### Export promotion thorough various initiatives

Indian trade service officers are involved in developing entrepreneurs in the area of international trade through various training and development initiatives. The initiatives are popularly known as 'Niryat Bandhu' initiatives which translates into 'Friends of exporters'. It is a part of push by Government of India under various schemes such as 'Skill India' and 'Make in India'. Under Niryat Bandhu scheme, ITS officers undertake various development activities such as:

- Development of training modules - text, videos and presentations
- Live training and interactions with budding entrepreneurs in the area of international trade
- One to One counselling with new entrepreneurs and officers from Indian Trade Service
- Active hand-holding of entrepreneurs from launch of the project until the first export consignment
- Association with various export promotion bodies and state agencies for training and development<sup>[15]</sup>
- Documenting lessons learnt for future use of new entrepreneurs

In addition, officers in the field level conduct policy level studies for providing inputs for future policy making in the area for export promotion.



International trade and diplomacy

- Conducting trade policy negotiations for India at the multilateral forum of the World Trade Organization. ITS officers, as part of various delegations from department of commerce, and also as part of various negotiation teams, have been representing India at various WTO forums.
- ITS officers are playing a key role in trade negotiations with various countries. They are important part of the negotiation team representing India at various Free Trade Agreements and Preferential Trade Agreements.
- ITS officers man positions at select international bodies such as UNESCAP, WTO etc. where they either work for the international organizations or represent the country at such forums.

Miscellaneous and allied responsibilities

- ITS officers are currently posted in Directorate General of Anti-Dumping as investigating officers for anti-dumping cases. They recommend anti-dumping duties under WTO rules after completing investigations.<sup>[16]</sup>
- On encadered positions in various ministries such as ministry of external affairs and ministry of agriculture.
- As development commissioners at various Special Economic Zones of India.<sup>[17]</sup>
- As directors of foreign trade at ministry of commerce.<sup>[18]</sup>
- ITS officers in field act as conduit between state government initiatives and central government schemes by acting as local advisors in policy matters.

Career progression and other roles of ITS officers

Career progression chart for ITS officers		
Grade	Position/Role	Years of service
Addl Director General of Foreign Trade (JS level)	Policy makers in the area of international trade. Heads of Zones. Development commissioners at various special economic zones etc.	19th year onwards
Jt. Director General of Foreign Trade - Director scale	Providing inputs for policy making at department of commerce and DGFT. Heading various field offices of DGFT. Handling responsibilities at various multilateral and international organizations. Part of key negotiation teams at international forums in the matter of trade.	14 year onwards
Joint Director General of Foreign Trade	Field postings at DGFT field offices, implementing foreign trade policy of India, Export promotion activities, providing policy inputs for policy making in the area of international trade, Interacting with state governments, export promotion bodies, running training programs. At department of commerce, acting as key players in negotiation teams, as investigating officer for anti-dumping investigations and at various divisions of department of commerce. Part of policy making if posted at DGFT headquarters.	9th year to 14th year
Deputy Director General of	Field postings at DGFT field offices, implementing foreign trade policy of India, Export promotion activities, providing policy inputs for policy making in the area of	4th year to



Foreign Trade	international trade, Interacting with state governments, export promotion bodies, running training programs. At department of commerce, acting as part of negotiation team at international level, as investigating officer for anti-dumping investigations and at various divisions of department of commerce	9th year
Assistant Director General of Foreign Trade	Probation, training and posting at field offices (RAs) of DGFT, Department of commerce	Initial

## II. DISCUSSION

Payment and Settlement Systems are used for financial transactions in India. Covered by the Payment and Settlement Systems Act of 2007 (PSS Act), legislated in December 2007, they are regulated by the Reserve Bank of India (RBI) and the Board for Regulation and Supervision of Payment and Settlement Systems.<sup>[1]</sup>

India has multiple payments and settlement systems, both gross and net settlement systems. For gross settlement India has a real-time gross settlement (RTGS) system called by the same name. Its net settlement systems include the Electronic Clearing Services (ECS Credit), Electronic Clearing Services (ECS Debit), credit cards, debit cards, the National Electronic Fund Transfer (NEFT) system, Immediate Payment Service, and Unified Payments Interface (UPI).

According to a survey by Celent, the use of e-payments instead of paper-based transactions increased considerably between 2004 and 2008 because of technological developments as well as increasing consumer awareness of and comfort with internet and mobile transactions.<sup>[2]</sup>

The RBI is encouraging alternative methods of payments to make the financial payment and settlement process in India more secure and efficient. It has made RTGS compulsory for high-value transactions. It introduced NEFT and NECS (National Electronic Clearing Services) to encourage individuals and businesses to switch from paper to electronic transactions.

When it comes to payment card transactions, India is one of the fastest-growing countries in the Asia-Pacific region. Growing internet accessibility and usage also is likely to lead Indian customers to make more use of electronic financial systems. Currently India has about 32 million PC users, 68% of whom have access to the Internet. However, many customers still prefer to pay "in line" rather than online, with 63% payments still being made in cash. E-payments have to be continuously promoted showing consumers the various routes through which they can make these payments like ATM's, the internet, mobile phones, and drop boxes.

Due to RBI efforts and the [??] (BPSS), now over 75% of all transaction volume is electronic, including both large-value and retail payments. Out of this 75%, 98% come from the RTGS (large-value payments) whereas a meager 2% come from retail payments. This means consumers have not yet accepted this as a regular means of paying their bills and still prefer conventional methods. Retail payments if made via electronic modes are done by ECS (debit and credit), EFT and card payments.<sup>[2]</sup> The Reserve Bank on Monday asked banks to put in place additional arrangements for export and import transactions in Indian rupees in view of increasing interest of the global trading community in the domestic currency. Before putting in place this mechanism, banks will require prior approval from the Foreign Exchange Department of the Reserve Bank of India (RBI), the central bank said in a circular.<sup>[3]</sup>

### Real-time gross settlement

The acronym 'RTGS' stands for Real-time gross settlement. The Reserve Bank of India (India's Central Bank) maintains this payment network. Real-time gross settlement is a funds transfer mechanism where transfer of money takes place from one bank to another on a 'real time' and on 'gross' basis. This is the fastest possible money transfer system through the banking channel. Settlement in 'real time' means payment transaction is not subjected to any waiting period. The transactions are settled as soon as they are processed. 'Gross settlement' means the transaction is settled on one to one basis without bunching with any other transaction. Considering that money transfer takes place in the books of the Reserve Bank of India, the payment is taken as final and irrevocable.



Fees for RTGS vary from bank to bank. RBI has prescribed upper limit for the fees which can be charged by all banks both for NEFT and RTGS. Both the remitting and receiving must have core banking in place to enter into RTGS transactions. Core Banking enabled banks and branches are assigned an Indian Financial System Code (IFSC) for RTGS and NEFT purposes. This is an eleven digit alphanumeric code and unique to each branch of bank. The first four letters indicate the identity of the bank and remaining seven numerals indicate a single branch. This code is provided on the cheque books, which are required for transactions along with recipient's account number.

RTGS is a large value (minimum value of transaction should be ₹2,00,000) funds transfer system whereby financial intermediaries can settle interbank transfers for their own account as well as for their customers. The system effects final settlement of interbank funds transfers on a continuous, transaction-by-transaction basis throughout the processing day. Customers can access the RTGS facility between 9 am to 4:30 pm (Interbank up to 6:30 pm) on weekdays and 9 am to 2:00 pm (Interbank up to 3:00 pm) on Saturdays. However, the timings that the banks follow may vary depending on the bank branch. Time-varying charges has been introduced w.e.f. 1 October 2011 by RBI. The basic purpose of RTGS is to facilitate the transactions which need immediate access for the completion of the transaction.

Banks could use balances maintained under the cash reserve ratio (CRR) and the intra-day liquidity (IDL) to be supplied by the central bank, for meeting any eventuality arising out of the real time gross settlement (RTGS). The RBI fixed the IDL limit for banks to three times their net owned fund (NOF).

The IDL will be charged at ₹25 per transaction entered into by the bank on the RTGS platform. The marketable securities and treasury bills will have to be placed as collateral with a margin of five per cent. However, the apex bank will also impose severe penalties if the IDL is not paid back at the end of the day.

Since 26 August 2019, the RTGS service window for customers' transactions is available from 7:00 AM to 6:00 PM from Monday to Saturday (except the second and fourth Saturday of each month). No transactions are settled on Sundays and bank holidays.<sup>[4]</sup> The service is scheduled to become available 24 hours a day starting in December 2020.<sup>[5]</sup>

The RBI announced on 11 June 2019 that 'all charges for payments via RTGS and National Electronic Funds Transfer (NEFT) collected from banks would be waived from 1 July 2019, and asked banks to pass on the benefits to customers.'<sup>[6]</sup>

RTGS Timings

RTGS Timings [ In India 24 Hours]	
Open for Business	7:00 AM
Initial Cut-off (Customer Transaction)	6:00 PM
Final Cut-off (Inter Bank Transaction)	7:45 PM
Intra-day liquidity (IDL) Reversal	7:45 PM to 8:00 PM
End of the Day	8:00 PM <sup>[7]</sup>

Service Charge for RTGS

(a) Inward transaction– no charge to be levied.

(b) Outward transactions –  
 - For transactions of ₹2 lakhs to ₹5 lakhs -up to ₹25 per transaction plus applicable Time Varying Charges (₹1/- to ₹5/-); total not exceeding ₹30 per transaction, (+ GST).  
 - Above ₹5 lakhs - ₹50 per transaction plus applicable Time Varying Charges (₹1/- to ₹5/-); total charges not exceeding ₹55 per transaction, (+ GST).

No time varying charges are applicable for RTGS transactions settled up to 1300 hrs.

On 6 June 2019

To push digital transactions RBI has removed charges for payments via NEFT and RTGS and asked banks to pass on the benefits to customers. This means that payments via NEFT and RTGS would become either free or charges would be drastically reduced.<sup>[8][9]</sup>

#### 24x7 Availability of Real Time Gross Settlement (RTGS) System

In a major development, Reserve Bank of India (RBI) Governor Shaktikanta Das has confirmed that RTGS facility is now operational 24x7.<sup>[10]</sup>

#### National Electronic Funds Transfer (NEFT)

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Started in November 2005,<sup>[11]</sup> the National Electronic Fund Transfer (NEFT) system is a nationwide system that facilitates individuals, firms and corporates to electronically transfer funds from any bank branch to any individual, firm or corporate having an account with any other bank branch in the country. It is done via electronic messages. Even though it is not on real time basis like RTGS (Real Time Gross Settlement), half hourly batches are run in order to speed up the transactions.<sup>[11][12]</sup>

For being part of the NEFT funds transfer network, a bank branch has to be NEFT-enabled. NEFT has gained popularity due to it saving on time and the ease with which the transactions can be concluded. As at 31 January 2011, 74,680 branches or offices of 101 banks in the country (out of around 82,400 bank branches) were NEFT-enabled. Steps are being taken to further widen the coverage both in terms of banks and branches offices. As on 30 December 2017 total number of NEFT enabled branches was increased to 139682 of 188 banks.<sup>[13]</sup>

#### Indo-Nepal Remittance Facility Scheme

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Indo-Nepal Remittance Facility is a cross-border remittance scheme to transfer funds from India to Nepal, enabled under the NEFT Scheme. The scheme was launched to provide a safe and cost-efficient avenue to migrant Nepalese workers in India to remit money back to their families in Nepal. A remitter can transfer funds up to ₹50,000 (maximum permissible amount) from any of the NEFT-enabled branches in India. The beneficiary would receive funds in Nepalese Rupees.

#### Immediate Payment Service (IMPS)

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Immediate Payment Service (IMPS) is an initiative of National Payments Corporation of India (NPCI). It is a service through which money can be transferred immediately from one account to the other account, within the same bank or accounts across other banks. Upon registration, both the individuals are issued an MMID (Mobile Money Identifier) Code from their respective banks. This is a 7-digit numeric code. To initiate the transaction, the sender in his mobile banking application need to enter the registered mobile number of the receiver, MMID of the receiver and amount to be transferred. Upon successful transaction, the money gets credited in the account of the receiver instantly. This facility is available 24/7 and can be used through mobile banking application. Some banks have also started providing this service through internet banking profile of their customers. Though most banks offer this facility free of cost to encourage paperless payment system, ICICI bank and Axis bank charge for it as per their respective NEFT charges.

Money through this service can be transferred directly also by using the receiver's bank account number and IFS code. In such case, neither the receiver of the money need to be registered for mobile banking service of his bank, nor does he need MMID code. IMPS facility differs from NEFT and RTGS as there is no time limit to carry out the transaction. This facility can be availed 24/7 and on all public and bank holidays including RBI holidays.

#### Unified Payments Interface

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Unified Payments Interface (UPI) is an instant real-time payment system developed by National Payments Corporation of India facilitating inter-bank transactions. The interface is regulated by the Reserve Bank of India and works by instantly transferring funds between two bank accounts on a mobile platform. The Unified Payment Interface (UPI) can be thought of like an email ID for your money. It will be a unique identifier that your bank uses to transfer money and make payments using the IMPS (Immediate Payments Service). IMPS is faster than NEFT and lets you transfer money immediately and unlike NEFT, it works 24/7. This means that the online payments will become much easier without requiring a digital wallet or credit or debit card.

#### Bharat Bill Payment System

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Bharat Bill Payment System (BBPS) is an integrated bill payment system in India offering interoperable and accessible bill payment service to customers through a network of agents, enabling multiple payment modes, and providing instant

confirmation of payment.<sup>[14]</sup> This is still<sup>[when?]</sup> in the implementation stage. Guidelines for implementation of this system were issued on November 28, 2014.

#### Comparison

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The key difference between RTGS and NEFT is that while RTGS is on gross settlement basis, NEFT is on net settlement basis. Besides, RTGS facilitates real-time ("push") transfer, while NEFT involves regular settlements and is operating 24/7/365 since December 2019. Customers can access the RTGS facility between 9 am to 4:30 pm on weekdays and 9 am to 1:30 pm on Saturday. RTGS is available 24/7/365 from 00.30 hours on December 14, 2020. Round the clock availability of RTGS will provide extended flexibility to businesses for effecting payments.

RTGS facility is available in over 1,13,000 branches across India, while NEFT is available in little over 1,15,000 branches of a 100 banks.

### III. RESULTS

The economic liberalisation in India refers to the series of policy changes aimed at opening up the country's economy to the world, with the objective of making it more market-oriented and consumption-driven. The goal was to expand the role of private and foreign investment, which was seen as a means of achieving economic growth and development.<sup>[1][2]</sup> Although some attempts at liberalisation were made in 1966 and the early 1980s, a more thorough liberalisation was initiated in 1991.

The liberalisation process was prompted by a balance of payments crisis that had led to a severe recession, and the need to fulfill structural adjustment programs required to receive loans from international financial institutions such as the IMF and World Bank. The crisis in 1991 served as a catalyst for the government to initiate a more comprehensive economic reform agenda, including Liberalisation, Privatisation and Globalisation referred to as LPG reforms.

The reform process had significant effects on the Indian economy, leading to an increase in foreign investment and a shift towards a more services-oriented economy. The impact of India's economic liberalisation policies on various sectors and social groups has been a topic of ongoing debate. While the policies have been credited with attracting foreign investment, some have expressed concerns about their potential negative consequences. One area of concern has been the environmental impact of the liberalisation policies, as industries have expanded and regulations have been relaxed to attract investment. Additionally, some critics argue that the policies have contributed to widening income inequality and social disparities, as the benefits of economic growth have not been equally distributed across the population.

#### Pre-liberalisation policies

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Indian economic policy after independence was influenced by the colonial experience (which was exploitative in nature) and by those leaders', particularly prime minister Nehru's exposure to Fabian socialism.<sup>[3]</sup> Under the Congress party governments of Nehru, and his successors policy tended towards protectionism, with a strong emphasis on import substitution industrialization under state monitoring, state intervention at the micro level in all businesses especially in labour and financial markets, a large public sector, business regulation, and central planning.<sup>[4]</sup> Five-Year Plans of India resembled central planning in the Soviet Union. Under the Industrial Development Regulation Act of 1951, steel, mining, machine tools, water, telecommunications, insurance, and electrical plants, among other industries, were effectively nationalised. Elaborate licenses, regulations, and bureaucracy were also introduced to ensure that businesses operated within the framework of national goals and priorities. These policies were intended to promote self-sufficiency and reduce the country's dependence on foreign powers. The resulting economic system is commonly referred to as Dirigism, characterized by state intervention and central planning. These policies were seen by some as restraining economic growth.<sup>[5][6]</sup>

Only four or five licences would be given for steel, electrical power and communications, allowing license owners to build huge and powerful empires without competition.<sup>[7]</sup> A significant public sector emerged in India during this period, where the state took ownership of several key industries. These state-owned enterprises were not necessarily expected to generate a profit, but instead to serve social and developmental objectives. As a result, they sometimes incurred losses without being shut down. However, this approach also meant that the government was responsible for covering the losses, which contributed to the financial burden on the state.<sup>[7]</sup> The lack of competition due to licensing and slow

business growth resulted in poor infrastructure development in some areas, which further impeded economic progress.<sup>[7]</sup>

During the brief rule by the Janata party in late 1970s, the government seeking to promote economic self-reliance and indigenous industries, required multi-national corporations to go into partnership with Indian corporations. The policy proved controversial, diminishing foreign investment and led to the high-profile exit of corporations such as Coca-Cola and IBM from India.<sup>[8]</sup>

In the 1990s, Coca-Cola re-entered the Indian market and faced competition from domestic cola companies such as Pure Drinks Group and Parle Bisleri. However, the multinational company's marketing and distribution networks enabled it to gain a significant share of the market, leading to financial difficulties for some domestic companies, ultimately resulting in the decline and closure of much of Pure Drinks Group bottling plants and Parle Bisleri selling much of its business to Coca-Cola.

The annual growth rate of the Indian economy had averaged around 4% from the 1950s to 1980s, while per-capita income growth averaged 1.3%.<sup>[9]</sup>

#### Reforms before 1991

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##### 1966 liberalisation attempt

In 1966, due to rapid inflation caused by an increasing budget deficit accompanying the Sino-Indian War and severe drought, the Indian government was forced to seek monetary aid from the International Monetary Fund (IMF) and World Bank.<sup>[10]</sup> Pressure from aid donors caused a shift towards economic liberalisation, wherein the rupee was devalued to combat inflation and cheapen exports and the former system of tariffs and export subsidies was abolished.<sup>[11]</sup> However, a second poor harvest and subsequent industrial recession helped fuel political backlash against liberalisation, characterised by resentment at foreign involvement in the Indian economy and fear that it might signal a broader shift away from socialist policies.<sup>[12]</sup> As a result, trade restrictions were reintroduced and the Foreign Investments Board was established in 1968 to scrutinise companies investing in India with more than 40% foreign equity participation.<sup>[11]</sup>

World Bank loans continued to be taken for agricultural projects since 1972, and these continued as international seed companies that were able to enter Indian markets after the 1991 liberalisation.<sup>[13]</sup>

##### Economic reforms during the 1980s

As it became evident that the Indian economy was lagging behind its East and Southeast Asian neighbours, the governments of Indira Gandhi and subsequently Rajiv Gandhi began pursuing economic liberalisation.<sup>[14]</sup> The governments loosened restrictions on business creation and import controls while also promoting the growth of the automobile, digitalization, telecommunications and software industries.<sup>[15]</sup> Reforms under lead to an increase in the average GDP growth rate from 2.9 percent in the 1970s to 5.6 per cent, although they failed to fix systemic issues with the Licence Raj.<sup>[14]</sup> Despite Rajiv Gandhi's dream for more systemic reforms, the Bofors scandal tarnished his government's reputation and impeded his liberalisation efforts.<sup>[16]</sup>

##### Chandra Shekhar Singh reforms

##### Liberalisation of 1991

By 1991, India still had a fixed exchange rate system, where the rupee was pegged to the value of a basket of currencies of major trading partners. India started having balance of payments problems in 1985, and by the end of 1990, the state of India was in a serious economic crisis. Although a fixed exchange rate system helped India to achieve currency stability, it also necessitated that the Indian Government utilize its foreign exchange reserves in the event of currency pressures in order to avoid a breach of the currency peg. The government was close to default,<sup>[18][19]</sup> its central bank had refused new credit, and foreign exchange reserves had reduced to the point that India could barely finance two weeks' worth of imports.

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##### Liberalisation of 1991

The collapse of the Chandra Shekhar government in the midst of the crisis and the assassination of Rajiv Gandhi led to the election of a new Congress government led by P. V. Narasimha Rao.<sup>[20]</sup> He selected Amar Nath Verma to be his Principal Secretary and Manmohan Singh to be finance minister and gave them complete support in doing whatever

they thought was necessary to solve the crisis.<sup>[20]</sup> Verma helped draft the New Industrial Policy alongside Chief Economic Advisor Rakesh Mohan, and it laid out a plan to foster Indian industry in five points.<sup>[21][22]</sup>

- Firstly, it abolished the License Raj by removing licensing restrictions for all industries except for 18 that "related to security and strategic concerns, social reasons, problems related to safety and overriding environmental issues."<sup>[21]</sup>
- To incentivise foreign investment, it laid out a plan to pre-approve all investment up to 51% foreign equity participation, allowing foreign companies to bring modern technology and industrial development.<sup>[20][21]</sup> To further incentivise technological advancement, the old policy of government approval for foreign technology agreements was scrapped.
- The fourth point proposed to dismantle public monopolies by floating shares of public sector companies and limiting public sector growth to essential infrastructure, goods and services, mineral exploration, and defense manufacturing.<sup>[20][21]</sup>
- Finally the concept of an MRTP company, where companies whose assets surpassed a certain value were placed under government supervision, was scrapped.<sup>[20][23]</sup>

Meanwhile, Manmohan Singh worked on a new budget that would come to be known as the Epochal Budget.<sup>[24]</sup> The primary concern was getting the fiscal deficit under control, and he sought to do this by curbing government expenses. Part of this was the disinvestment in public sector companies, but accompanying this was a reduction in subsidies for fertilizer and abolition of subsidies for sugar.<sup>[25]</sup> He also dealt with the depletion of foreign exchange reserves during the crisis with a 19 per cent devaluation of the rupee with respect to the US dollar, a change which sought to make exports cheaper and accordingly provide the necessary foreign exchange reserves.<sup>[26][27]</sup> The devaluation made petroleum more expensive to import, so Singh proposed to lower the price of kerosene to benefit the poorer citizens who depended on it while raising petroleum prices for industry and fuel.<sup>[28]</sup> On 24 July 1991, Manmohan Singh presented the budget alongside his outline for broader reform.<sup>[24]</sup> During the speech he laid out a new trade policy oriented towards promoting exports and removing import controls.<sup>[29]</sup> Specifically, he proposed limiting tariff rates to no more than 150 percent while also lowering rates across the board, reducing excise duties, and abolishing export subsidies.<sup>[29]</sup>

In August 1991, the Reserve Bank of India (RBI) Governor established the Narasimham Committee to recommend changes to the financial system.<sup>[30]</sup> Recommendations included reducing the statutory liquidity ratio (SLR) and cash reserve ratio (CRR) from 38.5% and 15% respectively to 25% and 10% respectively, allowing market forces to dictate interest rates instead of the government, placing banks under the sole control of the RBI, and reducing the number of public sector banks.<sup>[31]</sup> The government heeded some of these suggestions, including cutting the SLR and CRR rates, liberalizing interest rates, loosening restrictions on private banks, and allowing banks to open branches free from government mandate.<sup>[32][25]</sup>

On 12 November 1991, based on an application from the Government of India, World Bank sanctioned a structural adjustment loan/credit that consisted of two components – an IBRD loan of \$250 million to be paid over 20 years, and an IDA credit of SDR 183.8 million (equivalent to \$250 million) with 35 years maturity, through India's ministry of finance, with the President of India as the borrower. The loan was meant primarily to support the government's program of stabilization and economic reform. This specified deregulation, increased foreign direct investment, liberalisation of the trade regime, reforming domestic interest rates, strengthening capital markets (stock exchanges), and initiating public enterprise reform (selling off public enterprises).<sup>[33]</sup> As part of a bailout deal with the IMF, India was forced to pledge 20 tonnes of gold to Union Bank of Switzerland and 47 tonnes to the Bank of England and Bank of Japan.<sup>[34]</sup>

The reforms drew heavy scrutiny from opposition leaders. The New Industrial Policy and 1991 Budget was decried by opposition leaders as "command budget from the IMF" and worried that withdrawal of subsidies for fertilizers and hikes in oil prices would harm lower and middle-class citizens.<sup>[24]</sup> Critics also derided devaluation, fearing it would worsen runaway inflation that would hit the poorest citizens the hardest while doing nothing to fix the trade deficit.<sup>[35]</sup> In the face of vocal opposition, the support and political will of the prime minister was crucial in order to see through the reforms.<sup>[36]</sup> Rao was often referred to as Chanakya for his ability to steer tough economic and political legislation through the parliament at a time when he headed a minority government.<sup>[37][38]</sup>

#### Impact

Reforms in India in the 1990s and 2000s aimed to increase international competitiveness in various sectors, including auto components, telecommunications, software, pharmaceuticals, biotechnology, research and development, and

professional services. These reforms included reducing import tariffs, deregulating markets, and lowering taxes, which led to an increase in foreign investment and high economic growth. From 1992 to 2005, foreign investment increased by 316.9%, and India's GDP grew from \$266 billion in 1991 to \$2.3 trillion in 2018.<sup>[39][40]</sup>

According to one study, wages rose on the whole, as well as wages as the labor-to-capital relative share.<sup>[41]</sup> GDP, however, has been criticized by some to be flawed as it doesn't show inequality or living standards.

Extreme poverty reduced from 36 percent in 1993–94 to 24.1 percent in 1999–2000.<sup>[42]</sup> However, these poverty figures have been criticised as not representing the true picture of poverty.<sup>[43]</sup> According to one report, the wealthiest one percent of the country earns between 5 and 7 percent of the national income, while approximately 15 percent of the working population earns less than ₹ 5,000 (about \$64) per month.<sup>[44]</sup>

The liberalisation policies have also been criticised for increasing income inequality, concentrating wealth, worsening rural living standards, causing unemployment, and leading to an increase in farmer suicides.<sup>[45][46]</sup>

India also increasingly integrated its economy with the global economy. The ratio of total exports of goods and services to GDP in India approximately doubled from 7.3 percent in 1990 to 14 percent in 2000.<sup>[47]</sup> This rise was less dramatic on the import side but was significant, from 9.9 percent in 1990 to 16.6 percent in 2000. Within 10 years, the ratio of total goods and services trade to GDP rose from 17.2 percent to 30.6 percent.<sup>[42]</sup> India, however, continues to have a trade deficit, relying on foreign capital to maintain its balance of payments and as such, makes it vulnerable to external shocks.<sup>[48]</sup>

Foreign investment in India in form of foreign direct investment, portfolio investment, and investment raised on international capital markets increased significantly, from US\$132 million in 1991–92 to \$5.3 billion in 1995–96.

However, the liberalization did not benefit all parts of India equally, with urban areas benefiting more than rural areas.<sup>[49]</sup> Additionally, some states with pro-worker labor laws saw slower industry expansion than those with pro-employer labor laws.

After the reforms, life expectancy and literacy rates continued to increase at roughly the same rate as before the reforms.<sup>[50][51]</sup> For the first 10 years after the 1991 reforms, GDP also continued to increase at roughly the same rate as before the reforms.<sup>[52][53]</sup>

By 1997, it became evident that no governing coalition would try to dismantle liberalisation, although governments avoided taking on trade unions and farmers on contentious issues such as reforming labour laws and reducing agricultural subsidies.<sup>[54]</sup> By the turn of the 21st century, India had progressed towards a free-market economy, with a substantial reduction in state control of the economy and increased financial liberalisation.<sup>[55]</sup>

Institutions like the OECD which promote neoliberal free-market economics<sup>[56]</sup> applauded the changes:

Its annual growth in GDP per capita accelerated from just 1¼ per cent in the three decades after Independence to 7½ per cent currently, a rate of growth that will double the average income in a decade.... In service sectors where government regulation has been eased significantly or is less burdensome—such as communications, insurance, asset management and information technology—output has grown rapidly, with exports of information technology-enabled services particularly strong. In those infrastructure sectors which have been opened to competition, such as telecoms and civil aviation, the private sector has proven to be extremely effective and growth has been phenomenal.

—OECD<sup>[57]</sup>

In 2006 India recorded its highest GDP growth rate of 9.6%<sup>[58]</sup> becoming the second fastest growing major economy in the world, next only to China.<sup>[59]</sup> The growth rate slowed significantly in the first half of 2012.<sup>[60]</sup>

The economy then rebounded to 7.3% growth in 2015, 7.9% in 2015 and 8.2% in 2016 before falling to 6.7% in 2017, 6.5% in 2018 and 4% in 2019.<sup>[61]</sup>

Sluggish growth since 2016

Stagnation in Indian Railways' Passengers Carried (Million Passenger-km) in a Country Since 2016<sup>[62]</sup>

India's GDP growth experienced a slowdown since 2016 due to a combination of factors such as:

1. Demonetization: In November 2016, the Indian government invalidated high denomination currency notes (₹500 and ₹1,000) with the stated goal of combating corruption and black money. This move disrupted the

- cash-dependent informal sector, causing a contraction in economic activity and a slowdown in GDP growth.<sup>[63]</sup>
2. Goods and Services Tax (GST) implementation: The introduction of the GST in July 2017 aimed to streamline India's tax system. However, challenges in its implementation, including complex rules, confusion about tax rates, and technology issues led to disruptions in supply chains and compliance burdens for small businesses which negatively impacted GDP growth. GST is also sometimes considered a regressive tax as it arguably disproportionately affects the poor more than the rich. It also led to a decrease in fiscal autonomy of Indian state governments.<sup>[64]</sup>
  3. Banking sector woes: The Indian banking sector has been grappling with a high level of non-performing assets (NPAs) or bad loans. This has led to a credit crunch, with banks becoming more cautious in lending, which in turn has constrained investment and growth in the country.<sup>[65]</sup>
  4. Global economic factors: The US-China trade war which continued under Joe Biden, volatile oil prices, and a slowdown in global economic growth have impacted India's economy. These factors have contributed to reduced exports and investments, as well as currency volatility.<sup>[66]</sup>
  5. Weak private investment: India has experienced a decline in private investment, a perceived "unfavourable" business environment, and the aforementioned credit crunch. This has had a dampening effect on GDP growth.
  6. Rural distress and consumption slowdown: The rural economy in India, which largely depends on agriculture, has been under stress due to low crop prices, high input costs, poor rainfall, and mounting farmer debt. This has led to reduced rural consumption and a slowdown in overall consumer spending.<sup>[67]</sup>
  7. Income inequality: The increase in income inequality in India as a result of economic reforms has contributed to a decrease in the purchasing power of low-income individuals. This decrease in purchasing power has led to a relatively low demand for goods and services in certain sectors.<sup>[68]</sup>

#### Later reforms

During the Atal Bihari Vajpayee administration, there were extensive liberal reforms, with the NDA Coalition beginning the privatisation of government-owned businesses, including hotels, VSNL, Maruti Suzuki, and airports. The coalition also implemented tax reduction policies, enacted fiscal policies aimed at reducing deficits and debts, and increased initiatives for public works.<sup>[69][70]</sup>

In 2011, the second UPA Coalition Government led by Manmohan Singh proposed the introduction of 51% Foreign Direct Investment in the retail sector. However, the decision was delayed due to pressure from coalition parties and the opposition, and it was ultimately approved in December 2012.<sup>[71]</sup>

After coming to power in 2014, the Narendra Modi led government launched several initiatives aimed at promoting economic growth and development. One of the notable programs was the "Make in India" campaign, which sought to encourage domestic and foreign companies to invest in manufacturing and production in India. The program aimed to create employment opportunities and enhance the country's manufacturing capabilities.

#### Privatisation of airports

After 2014, the Indian government under the leadership of Prime Minister Narendra Modi initiated the privatisation of airports in India as part of its policy of economic liberalisation and development. Under this policy, the Airports Authority of India (AAI) has been engaging in Public-Private Partnerships (PPP) with private companies for the development, management, and operation of airports in India. This has led to the privatisation of several airports across the country, including those in Ahmedabad, Lucknow, Jaipur, Guwahati, Thiruvananthapuram, and Mangaluru.<sup>[72]</sup>

While the privatisation of airports has been hailed as a step towards modernisation and efficiency, there have also been concerns about the potential impact on workers and the local communities. Critics have argued that the privatisation of airports may lead to job losses and a decline in wages, and that the focus on profit-making may lead to neglect of social and environmental concerns. There have also been controversies around the awarding of contracts to private companies, with allegations of corruption and favouritism in the selection process. However, the government has defended its privatisation policy as a necessary step towards achieving economic growth and development in the country.<sup>[73]</sup>

Under the second NDA Government, the coal industry was opened up through the passing of the Coal Mines (Special Provisions) Bill of 2015. This effectively ended the state monopoly over the mining of the coal sector and opened it up for private, foreign investments, as well as private sector mining of coal.<sup>[72]</sup>

In the 2016 budget session of Parliament, the Narendra Modi led NDA Government pushed through the Insolvency and Bankruptcy Code to create time-bound processes for insolvency resolution of companies and individuals.<sup>[74]</sup>

On 1 July 2017, the NDA Government under Modi approved the Goods and Services Tax Act, which had been first proposed 17 years earlier under the NDA Government in 2000. The act aimed to replace multiple indirect taxes with a unified tax structure.<sup>[75][76]</sup>

In 2019, Finance Minister Nirmala Sitharaman announced a reduction in the base corporate tax rate from 30% to 22% for companies that do not seek exemptions, and the tax rate for new manufacturing companies was reduced from 25% to 15%. The Indian government proposed agricultural and labor reforms in 2020, but faced backlash from farmers who protested against the proposed agricultural bills. Eventually, due to the sustained protests, the government repealed the agricultural bills.<sup>[77][78]</sup>

#### Criticisms

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##### Top 10% and bottom 50% income shares in India 1900–2021

The liberalisation of the Indian economy was followed by a large increase in inequality with the income share of the top 10% of the population increasing from 35% in 1991 to 57.1% in 2014. Likewise, the income share of the bottom 50% decreased from 20.1% in 1991 to 13.1% in 2014.<sup>[79]</sup> It has also been criticised for decreasing rural living standards, rural employment and an increase in farmer suicides.<sup>[46]</sup>

Despite economic reforms, decline in poverty has been slow in India compared to its neighbours like China which didn't liberalise to the same extent.

Poverty continues to persist in India, before the COVID-19 pandemic there were 59 million Indians living below \$2 a day and 1,162 million living between \$2.01 and \$10 a day.<sup>[80]</sup> Low government expenditure on healthcare has resulted in a healthcare quality divide between rich and poor as well as between the rural and urban population.<sup>[81]</sup>

Growth during the 1980s was higher than in the preceding decades but fragile. It not only culminated in a crisis in June 1991 but also exhibited significantly higher variance than growth in the 1990s. Central to the high growth rate in the 1980s was the super high growth of 7.6 percent during 1988–91.<sup>[82]</sup>

The fragile but faster growth during the 1980s took place in the context of significant reforms throughout the decade but especially starting in 1985. The liberalization pushed industrial growth to a hefty 9.2 percent during the crucial high growth period of 1988–91.<sup>[83]</sup>

After 1991, the Indian government removed some restrictions on imports of agricultural products causing a price crash while cutting subsidies for the farmers to keep government intervention to the minimum as per neoliberal ideals causing further farmer distress.<sup>[46]</sup>

2020–2021 Indian farmers' protests forced the Indian government to repeal three laws meant to further liberalize Indian agriculture sector.<sup>[84]</sup>

India is highly dependent on indirect taxes, especially the tax levied on the sale and manufacture of goods and services that ordinary Indians depend upon.<sup>[85]</sup>

The liberalization of the economy made India more vulnerable to global market forces, such as fluctuations in commodity prices, exchange rates and global demand for exports. This increased the country's dependence on global market forces, as it became more susceptible to external shocks and economic crises.<sup>[86]</sup> A commonly cited example of this is the 2008 Financial Crisis; although the Indian banking sector had low exposure to US banking sector, the crisis still had a negative impact on the Indian economy due to lower global demand, decline in foreign investment and tightening of credit.<sup>[87]</sup>

#### IV. CONCLUSION

The National Payments Corporation of India is an umbrella organization for operating retail payments and settlement systems in India, is an initiative of the Reserve Bank of India (RBI) and Indian Banks' Association (IBA) under the provisions of the Payment and Settlement Systems Act, 2007, for creating a robust Payment & Settlement Infrastructure in India.<sup>[6]</sup> It was created by RBI for operating retail payments and settlement systems in India.<sup>[7]</sup>

## Organisation

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Founded in December 2008, the NPCI is a not-for-profit organisation registered under Section 8 of the Companies Act 2013, established by the Reserve Bank of India and Indian Banks' Association. The organisation is owned by a consortium of major banks,<sup>[8]</sup> and has been promoted by the country's central bank, the Reserve Bank of India. The NPCI was incorporated in December 2008 and the Certificate of Commencement of Business was issued in April 2009. The authorised capital has been pegged at ₹3 billion (US\$38 million) and paid-up capital is ₹1 billion (US\$13 million).

Initially, there were ten promoter banks viz. State Bank of India, Punjab National Bank, Canara Bank, Bank of Baroda, Union Bank of India, Bank of India, ICICI Bank, HDFC Bank, Citibank and HSBC. In 2016, the shareholding was diluted to include 13 additional public sector banks, 15 additional private sector banks, 1 additional foreign bank, 10 multi-state co-operative banks and 7 regional rural banks. The Board consists of Biswamohan Mahapatra as the Non Executive Chairman, Nominees from the Reserve Bank of India and Nominees from ten core promoter banks.<sup>[9]</sup> Dilip Asbe is the current managing director and chief executive officer of the NPCI after A. P. Hota, who retired from the post on 10 August 2017.<sup>[10]</sup>

### NPCI International Payments Limited (NIPL)

NPCI has created a separate subsidiary to take its product to global market. The organization is getting offers from nations around Asia, Africa and the Middle East to improve their payment infrastructure. Internationalization of RuPay and Unified Payment Interface (UPI) are the primary focus of the NPCI International Payments Limited (NIPL).<sup>[11][12]</sup>

In 2021, Malaysian company Merchantrade Asia partnered with NIPL to send remittance in India through UPI infrastructure.<sup>[13]</sup>

### NPCI Bharat BillPay Limited (NBBL)

From April 2021, NPCI created a new subsidiary for Bharat Bill Payment System (BBPS) to increase growth especially in business to consumer segment for small businesses. This is done in view of growing traffic and workload from UPI, IMPS, Aadhaar Enabled Payment System and National Electronic Toll Collections. NBBL is a public company registered in December 2020.<sup>[14][15]</sup>

## Services

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The corporation's current and future service portfolio includes:

### Aadhaar Enabled Payment System

A network of Micro ATMs using Aadhaar authentication. National Payments Corporation of India (NPCI) announced the transactions of Aadhaar Enabled Payment System (AePS) for the month of July 2019 have crossed the milestone number of 200 million. AePS is a bank-led model which allows basic interoperable banking transactions at PoS (MicroATM) through the Business correspondent of any bank by using Aadhaar authentication.<sup>[16]</sup>

### Bharat Bill Payment System (BBPS)

The Bharat Bill Payment System is a Reserve Bank of India (RBI) conceptualised system driven by the NPCI. It is a one-stop ecosystem for payment of all bills, providing an interoperable and accessible "Anytime Anywhere" bill payment service to all customers across India with certainty, reliability and safety. Bharat BillPay has multiple modes of payment and provides instant confirmation of payment via an SMS or receipt. It offers myriad bill collection categories like electricity, telecom, DTH, gas, water bills etc. through a single window. More categories may be added in the future, to include insurance premium, mutual funds, school fees, institution fees, credit cards, local taxes, invoice payments, etc. An effective mechanism for handling consumer complaints has also been put in place. Bharat BillPay transactions can be initiated through multiple payment channels like Internet, Internet Banking, Mobile, Mobile-Banking, POS (Point of Sale terminal), Mobile Wallets, MPOS (Mobile Point of Sale terminal), Kiosk, ATM, Bank Branch, Agents and Business Correspondents. Bharat BillPay supports multiple payment modes. This includes Cards (Credit, Debit and Prepaid), NEFT Internet Banking, UPI, Wallets, Aadhaar based Payments and Cash.<sup>[17]</sup>

### BharatQR

A common QR code developed by NPCI in collaboration with American Express, Mastercard and Visa for ease of payments and interoperability.<sup>[18]</sup>

## BHIM

BHIM is a mobile app to act as Client software for the Unified Payments Interface.<sup>[19]</sup>

## BHIM Aadhaar Pay

BHIM Aadhaar pay is an Aadhaar based payments interface which allows real time payments to Merchants using Aadhaar number of Customer & authenticating them through their biometrics.<sup>[20]</sup>

## Cheque Truncation System (CTS)

CTS is based on a cheque truncation or online image-based cheque clearing system where cheque images and magnetic ink character recognition (MICR) data are captured at the collecting bank branch and transmitted electronically.<sup>[21]</sup>

## Digital Rupee

The Digital Rupee (₹) or eINR or E-Rupee is a tokenised digital version of the Indian Rupee, to be issued by the Reserve Bank of India (RBI) as a central bank digital currency (CBDC). The Digital Rupee was proposed in January 2017 and will be launched in financial year. The plan is to incorporate distributed ledger into Digital Rupee.

Like banknotes it will be uniquely identifiable and regulated by Central Bank. Liability lies with RBI. Plans include online and offline accessibility. RBI will launch Digital Rupee for Wholesale (₹-W) catering to financial institutions for interbank settlements and Digital Rupee for Retail (₹-R) for consumer and business transactions. CBDC will remove ₹4,984.80 crore security printing cost borne by the general public, businesses, banks, and RBI on physical currency.

## Immediate Payment Service (IMPS)

Immediate Payment Service is a real time inter bank payment system.<sup>[22]</sup>

- Mobile number & MMID: Send money to bank accounts mapped using mobile number.
- Account number & IFSC: Send money to bank accounts.

## National Automated Clearing House

A centralised clearing service that aims at providing interbank high volume, low value transactions that are repetitive and periodic in nature.<sup>[23]</sup>

## National Common Mobility Card - Rupay Contactless

Rupay Contactless is a contactless payment technology that allows cardholders to wave their card in front of contactless payment terminals without the need to physically swipe or insert the card into a point-of-sale device.<sup>[24]</sup>

## National Electronic Toll Collection

FASTag is a device that employs Radio Frequency Identification (RFID) technology for making toll payments directly while the vehicle is in motion. FASTag (RFID Tag) is affixed on the windscreen of the vehicle and enables a customer to make the toll payments directly from the account which is linked to FASTag. The latest version 2.0 can also be used to buy fuel. IDFC First Bank has become the first one to get an approval from the RBI.<sup>[25]</sup> The Ministry of Road Transport and Highways (MoRTH) has declared that all lanes at all toll plazas on national highways across the country will be dedicated Fastag lanes from 1, December 2019.<sup>[26]</sup>

## National Financial Switch

Network of shared automated teller machines in India.<sup>[27]</sup>

## RuPay

RuPay is a domestic card scheme of India. The card has Magnetic stripe (for Backward compatibility) and an EMV chip. The RuPay card is now accepted at all ATMs, Point-of-Sale terminals and most online merchants in the country. More than 300 cooperative banks and Regional Rural Banks (RRBs) in the country have also issued RuPay ATM cards.<sup>[28]</sup>

### Unified Payments Interface (UPI)

Unified Payments Interface is a real-time interbank payment system for sending or receiving money. It is integrated with more than 358 banks in India. Consumers can participate in P2P transfer as long as they both have an account in one of the registered banks. To initiate fund transfer, users have to use any UPI supporting Android or iOS app, link their bank accounts and generate BHIM UPI PIN. Funds can be transferred via the following methods:

- Virtual Payment Address (VPA): Send or request money from/to bank account mapped using VPA.
- Account number & IFSC: Send money to bank account.
- QR code: Send money by scanning QR code with enclosed VPA or Account number & IFSC.
- Mobile number: Send or request money from/to the bank account mapped using mobile number.
- Aadhaar: Send money to the bank account mapped using Aadhaar number.

Once the fund transfer is initiated, money is debited from payer's bank account and deposited in the recipient's bank account in real-time. This system works 24x7, including weekends and bank holidays.<sup>[29]</sup>

### \*99# USSD

An USSD channel service for UPI mobile banking launched in November 2012. Only public sector telecom service provider Bharat Sanchar Nigam Limited BSNL and Mahanagar Telephone Nigam Limited MTNL are offering this service. It uses quick codes for transactions and doesn't require smartphone and access to internet. The interface is developed by National Unified USSD Platform (NUUP) to overcome the problem of poor internet connectivity in rural areas with 12 regional languages. This service is being currently offered by 51 banks. BHIM app also supports USSD features. Understanding the importance of mobile banking in financial inclusion in general and of \*99# in particular, various regulatory/trade bodies came together to ensure on boarding of all TSPs on \*99# (USSD 1.0). With the wider ecosystem (11 TSPs), \*99# was launched by Prime minister Narendra Modi on 28 August 2014, as part of Pradhan Mantri Jan Dhan Yojna.<sup>[30]</sup>

### UPI 123PAY

It a 3-step method to initiate and execute UPI services for feature phone users without the use of internet connection or USSD channel. It is based on Interactive voice response (IVR) technology which is good specially for rural areas. It is launched by RBI.[1]

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