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Hundred less cash townships in three months: GNFC

A township is declared less cash if it conducts 80-100% of transactions using digital means
Press Trust of India | New Delhi

April 16, 2017 Last Updated at 13:42 IST

Hundred more establishments of oil companies, security personnel, fertiliser companies and others are expected to become less cash townships in next three months, a top official of Gujarat Narmada Valley Fertilizers & Chemicals (GNFC) said.



A township of GNFC at Bharuch has been declared as India's first 100 per cent cashless town and the government has decided to replicate GNFC's model in other big townships to promote digital payments.

Now the company acts as an advisor to entities interested in setting up less cash ecosystem around their facilities.

A township is declared less cash once it starts conducting 80-100 per cent of transactions using digital means.

"There is potential of setting up of thousands of less cash townships in the country. We, as nodal agency of Niti Aayog, have received numerous interest for this. We expect there will be at least another 100 less cash townships in next 2-3 months," GNFC Managing Director Rajiv Kumar Gupta told PTI.

He said that 81 less cash townships have been approved as on April 14 which will account for at least about Rs 9 crore digital transactions per year.

"Niti Aayog is working with the Human Resource Development Ministry to establish less-cash townships in collaboration with educational institutes. We are working on converting universities and their colonies into less-cash townships," Gupta said.

"We earlier went around training and motivating people to use digital wallets. Now the Prime Minister has launched BHIM app linked Aadhar where only thumb impression is required and there are no transaction charges. We will now insist people to use this app," Gupta said.

He said that GNFC is working with Niti Aayog to convert six townships of BSF and five of Central Reserve Police Force into less cash establishments.

"The new townships will include colonies and facilities of oil, steel and other fertiliser companies. This will be mainly driven by public sector units because we feel the ecosystem can be easily established in controlled environment," Gupta said.

Niti Aayog is promoting less cash townships as part of its efforts to achieve the target of 2,500 crore digital transactions in the current financial year. Prime Minister Narendra Modi on Saturday launched 75 cashless/less-cash townships, with an overwhelming 56 of them being in Gujarat.

These townships are likely to generate over 1.5 lakh digital transactions every day thereby leading to about 5.5 crore digital transactions in a year. To qualify as a less-cash township, the establishment must have completed deployment of a payment acceptance infrastructure, and all the families residing there would have to be covered under training programmes. Also, more than 80 per cent of the total number of transactions must have been done through digital modes of payments.