

GOVERNMENT OF INDIA
MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY
RAJYA SABHA
STARRED QUESTION NO. *108
TO BE ANSWERED ON: 11.02.2022

RISING DIGITAL TRANSACTIONS

***108. SHRI PRAKASH JAVADEKAR:**

Will the Minister of ELECTRONICS AND INFORMATION TECHNOLOGY be pleased to state:

- (a) the details of digital transactions in the last three years;;
- (b) the increase in value of these digital transactions over the last three years; and
- (c) the benefits of rising digital transactions?

ANSWER

MINISTER FOR ELECTRONICS AND INFORMATION TECHNOLOGY
(SHRI ASHWINI VAISHNAW)

- (a) to (c): A statement is laid on the Table of the House.

**STATEMENT REFERRED TO IN REPLY TO RAJYA SABHA STARRED QUESTION
NO. *108 FOR 11-02-2022 REGARDING RISING DIGITAL TRANSACTIONS**

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(a): India has emerged as a World leader in Fintech and digital payments Innovation. The common Indian has shown immense trust in our Fintech ecosystem by embracing digital payments and it is further expected that we will continue to grow in this sector.

During the last three years, digital payment transactions have registered tremendous growth in India. Easy and convenient Digital payment modes such as Bharat Interface for Money-Unified Payments Interface (BHIM-UPI), Immediate Payment Service (IMPS), Prepaid Payment Instruments (PPIs), NETC (National Electronic Toll Collection) have registered substantial growth and have transformed digital payment ecosystem by increasing Person to Person (P2P) as well as Person to Merchant (P2M) payments. At the same time existing payment modes such as Debit cards, Credit cards, NEFT (National Electronic Funds Transfer), RTGS (Real-Time Gross Settlement) have also grown at a fast pace. BHIM-UPI has emerged as the preferred payment mode of the citizens and has achieved a record of 461.71 crore digital payment transactions with the value of Rs 8.31 lakh crore in January 2022.

The total number of digital payment transactions undertaken during the last three financial years and in the current financial year is as under:

Financial Year (FY)	Total number of Digital Transactions-Volume (In Crore)#
FY 2018-19	3134
FY 2019-20	4572
FY 2020-21	5554
FY-2021-22 (till 6 th February 2022)*	6754

Source: RBI, NPCI & Banks

Note: Digital Payments modes considered: BHIM-UPI, IMPS, NACH, AePS, and NETC, Debit cards, Credit cards, NEFT, RTGS, PPI and others.

* Provisional data.

(b): The total value of digital payments undertaken during the last three financial year and in the current financial year is as under:

Financial Year (FY)	Total value of Digital Transactions- (In Lakh Crore)#
FY 2018-19	2482

FY 2019-20	2953
FY 2020-21	3000
FY-2021-22 (till 6 th February 2022)*	2266

Source: RBI, NPCI & Banks

Note: Digital Payments modes considered: BHIM-UPI, IMPS, NACH, AePS, NETC, Debit cards, Credit cards, NEFT, RTGS, PPI and others.

* Provisional data.

(c): The digital payment landscape in India is undergoing a massive transformation. Indian consumers have shown tremendous affinity to digital technology leading to rapid growth of digital payment infrastructure. The benefits of using Digital Payments are as follows:

- i. **Instant and convenient mode of payment:** Unlike cash, money can be instantaneously transferred to beneficiary account using digital modes like BHIM-UPI, IMPS. Moreover, using BHIM-UPI mode, one can enable the digital transaction using Mobile phone that too with email type address called VPA (Virtual private address).
- ii. **Increased financial inclusion:** For enabling the Digital Payment, individual requires bank account wherefrom he can make or accept the payment. Hence, by adopting the digital payment, Financial inclusion is also increasing ie more unbanked persons are brought under banking system.
- iii. **Increased acceptance during COVID-19 pandemic:** The Covid19 pandemic has taught us one more benefit of digital payments, its role in enabling healthcare. Equipped with contactless payment modes like UPI QR code, NFC (Near Field Communication) enabled cards, digital payments is complimenting the “new normal” of social distancing. During the coronavirus crisis, digital payments have been keeping economy running and helping people reduce contact with virus.
- iv. **Fostering Innovation in payments:** India’s indigenously developed BHIM-UPI enables the digital payments using Mobile app is directly linked to achieving the goals of universal electronic payments, a less cash society, and financial inclusion. BHIM-UPI is utilizing a set of standard APIs (Application Programming Interface) to facilitate the next generation online immediate payments leveraging trends such as increasing smartphone adoption, Indian language interfaces and universal access to Internet and data.
- v. **National Electronic Toll Collection (NETC):** National Electronic Toll Collection (NETC) system enables the customer to make the electronic payment at NETC enabled toll plaza on the highway without stopping at the toll using RFID (Radio Frequency Identification) technology. Volume of NETC transaction has increased from 74.1 lakh in April 2017 to 2,310.1 lakh in January 2022.

- vi. **Bharat Bill Payment System:** Bharat Bill Payment System (BBPS) provides an interoperable and easily accessible recurring and bill payment service to consumers via multiple channels like Internet Banking, Mobile Banking, Mobile Apps, BHIM-UPI, etc. At present, billers from 20 categories across India are being on-boarded on BBPS. BBPS has witnessed significant growth in past few years, volume of BBPS transaction has increased from 7.6 lakh in October 2017 to 627.1 lakh in January 2022.
- vii. **Faster adoption of QR Code technology:** Post demonetization, the acceptance infrastructure for QR codes has seen tremendous growth. As a result, QR based payments are rapidly increasing. One can simply scan a QR code to pay utility bills, fuel, grocery, food, travel, and several other categories.
- viii. **Improved speed and timely delivery:** In contrast to a cash payment that travels at the speed of its carrier, digital payments can be virtually instantaneous, regardless of whether the sender and receiver are in the same town, district, or country.
- ix. **Increased transparency in government system:** Earlier cash payments were subject to “leakage” (payments that do not reach the recipient in full) and “ghost” (fake) recipients particularly in the context of social security benefits by government transfers. Now, the benefits are directly transferred to target beneficiary (Direct benefit Transfer) account through digital modes of payments. During FY 2021-2022 transaction of value of Rs 4.6 lakh crores under 312 schemes have been made through DBT.
- x. **Safe & Secure:** Recipients of cash payments not only often have to travel considerable distances to receive their payments, but also are particularly vulnerable to theft, Digital payments across India are very secure – multiple levels of authentication are required for making transactions.
- xi. **Globalisation of Digital payments:** India’s indigenously developed BHIM-UPI(Bharat Interface for Money-Unified Payments Interface) and Rupay cards are world class platforms for enabling digital payments. Global tech-giant, Google has also recommended India's UPI-like platform to US Federal Reserve for digital payments.
- xii. **Lending:** Earlier cash domination in economy continues to persist which reduces the possibility to establish citizen’s financial foot-print. Now Digital payments increase citizen’s access to formal financial services including credit. Small-scale entrepreneurs often have limited access to formal credit. Banks and new lending companies will be able to review Digital transaction history, and offer loans to citizens.

- xiii. Promotion of Fintech:** Fintech have played a key role in the growth of digital transactions by enabling transparent, secure, swift and cost-effective mechanism benefitting the entire digital payment ecosystem. FINTECH have transformed digital payment ecosystem by increasing Person to Person (P2P) as well as Person to Merchant (P2M) payments.
