

GOVERNMENT OF INDIA
MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY
LOK SABHA
UNSTARRED QUESTION NO. 1055
TO BE ANSWERED ON: 08.02.2023

DIGITAL TRANSACTION

1055. SHRI RAJESHBHAI CHUDASAMA:

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

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

ANSWER

MINISTER OF STATE FOR ELECTRONICS AND INFORMATION TECHNOLOGY
(SHRI RAJEEV CHANDRASEKHAR)

(a): Government of India is committed to expand digital transactions in the Indian economy, and thereby enhance the quality and strength of the financial sector, as well as ease of living for citizens. Digital payment transactions have significantly increased as a result of coordinated efforts of the Government as a whole, along with all stake holders concerned, from 2,071 crore transactions in FY 2017-18 to 8,840 crore transactions in FY 2021-22 (Source: RBI, NPCI and banks).

During last five years, various easy and convenient modes of digital payments, including Bharat Interface for Money-Unified Payments Interface (BHIM-UPI), Immediate Payment Service (IMPS), and National Electronic Toll Collection (NETC) have registered substantial growth and have transformed digital payment ecosystem by increasing person-to-person (P2P) as well as person-to-merchant (P2M) payments. BHIM UPI has emerged as the preferred payment mode of the citizens and has recorded 803.6 crore digital payment transactions with the value of ₹ 12.98 lakh crore in January 2023.

The total number of digital payment transactions undertaken during the last five financial years and the current financial year are as under:

Financial Year (FY)	Total number of digital transactions (in crore)[#]
2017-18	2,071
2018-19	3,134
2019-20	4,572
2020-21	5,554
2021-22	8,840
2022-23	9192*

* Data till 31st December 2022

Note: Digital payment modes considered are BHIM-UPI, IMPS, NACH, AePS, NETC, debit cards, credit cards, NEFT, RTGS, PPI and others.

Source: RBI, NPCI and banks

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

Financial Year (FY)	Total value of digital transactions (in lakh crore) [#]
2017-18	1,962
2018-19	2,482
2019-20	2,953
2020-21	3,000
2021-22	3,021
2022-23	2,050*

*Data till 31st December 2022

Note: Digital payment modes considered are BHIM-UPI, IMPS, NACH, AePS, NETC, debit cards, credit cards, NEFT, RTGS, PPI and others.

Source: RBI, NPCI and Banks

(c): Growth of Digital Payments in India and availability of various easy and convenient digital payment solutions have facilitated ease of living for citizens, financial inclusion, and growth of business and economy. During the Pandemic, availability of contactless digital payment solutions such as BHIM-UPI facilitated social distancing and continuity of businesses, including small merchants. The benefits of using digital payments are as follows:

- **Instant and convenient mode of payment:** Unlike cash, money can be instantaneously transferred to the beneficiary account using digital modes like BHIM-UPI and IMPS. Moreover, using the BHIM-UPI mode, one can effect a digital transaction via mobile phone using mobile number or easy-to-remember virtual payment address (email-like address). BHIM-UPI has enabled access to multiple Bank accounts in a single mobile app, facilitating ease of payments.
- **Enhanced financial inclusion:** Digital payments offer anytime, anywhere access to accounts, thus making it easy for citizens to receive payments in their accounts and to also make payments using their phone. People who may have been deterred by the time, and travelling cost involved in physically accessing a bank outlet for transactions can now conveniently access the bank account digitally and get various benefits of being part of the formal banking system and becoming financially included. Recently launched UPI 123PAY enables feature phone users to make digital transactions through UPI in assisted voice mode, facilitating digital transactions and financial inclusion in rural areas.
- **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, benefits are directly transferred to target beneficiary (direct benefit transfer) account through digital modes of payments.
- **Improved speed and timely delivery:** In contrast to a cash payments 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.
- **National Electronic Toll Collection (NETC) system:** NETC system enables the customer to make electronic payments at NETC-enabled toll plazas on the highway without stopping at the toll, using Radio Frequency Identification technology.
- **Bharat Bill Payment System:** Bharat Bill Payment System (BBPS) provides an interoperable and easily accessible bill payment service to consumers via multiple

channels like Internet banking, mobile banking, mobile apps, BHIM-UPI etc. Citizens can make easy bill payments anytime, anywhere through BBPS.

- **Enhanced Credit Access:** Unlike cash payments, digital payments automatically establish a user's financial footprint, thereby increasing access to formal financial services, including credit. Banks and other lending institutions can utilise digital transaction histories to take cashflow-based lending decisions for both retail lending and lending to businesses, including small businesses who may face difficulty in getting credit in the absence of verifiable cashflows.
- **Safe and secure:** Recipients of cash payments not only often have to travel considerable distances to receive their payments, but are also particularly vulnerable to theft. Digital payments across India are secure as multiple levels of authentication are required for making transactions.
