

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
LOK SABHA

UNSTARRED QUESTION No. 1771

ANSWERED ON MONDAY, FEBRUARY 13, 2023/ MAGHA 24, 1944 (SAKA)

Promotion of Digital Payments

1771. SHRI BHARTRUHARI MAHTAB

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government is providing Banks with the incentives to promote digital payments to broaden and deepen alternatives to cash, if so, the details thereof;
- (b) whether the Unified Payments Interface (UPI) is functioning as a Lynchpin transaction enabler has been key in undergirding the transformation, if so, the total monthly volume of UPI-facilitated transactions aggregated during the last one year;
- (c) whether the banking sector is fully ready to leverage the payments ecosystem for its core business growth; and
- (d) if so, whether Government is providing any incentive to Banks in this regard and if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(DR BHAGWAT KARAD)

(a) to (d) For promotion of digital payments, Ministry of Electronics and Information Technology (MeitY) has introduced the Incentive Scheme for promotion of RuPay Debit Cards and low-value BHIM-UPI transactions for the current financial year. The Scheme provides financial incentive to Banks for promoting point-of-sale (PoS) and e-commerce transactions using RuPay Debit Cards and person-to- merchant (P2M) transactions of low value (i.e up to Rs.2,000) on the BHIM-UPI platform. The Scheme also promotes UPI lite and UPI 123 PAY as economical and user-friendly digital payment solutions. MeitY has allocated Rs. 2,600 crore for the Scheme for FY 2022-23.

The incentive Scheme has promoted digital payments by incentivising Banks to build a robust digital payments ecosystem and to promote RuPay Debit Cards and BHIM-UPI as low-cost digital payments mode across all sectors and segments of population.

Banks are adopting latest digital technologies to provide their customers with enhanced and hassle-free banking services in a digital mode. Further, promotion of digital payment is one of the priorities of the Government to facilitate hassle free and seamless banking transactions for the people of the country.

Several initiatives have been taken by Government of India, RBI, NPCI and Banks, to promote digital transactions and to create awareness about digital payments in the country. Some of the initiatives are BHIM-UPI, UPI-123, Aadhar Payment Bridge, AePS etc.

As a result of the various initiatives taken, there has been a paradigm shift in digital transactions in India which is reflected in terms of the increase in the volume of digital transactions over the last four financial years as illustrated below:

Financial Year	Volume (In crore)
2018-19	2326.02
2019-20	3400.25
2020-21	4374.45
2021-22	7197.68

Source: RBI

As observed from the above table, there has been a growth of more than 200% in digital payment volume during the last four years since 2018-19. Further, as per the data sourced from National Payments Corporation of India (NPCI), UPI transactions registered in FY 21-22 were 45 billion, showing 8 times growth in last 3 years and 50 times growth in last 4 years. The month-wise data for the UPI transactions registered during the last year i.e 2022 is as under:

Month	UPI Transactions Volume (In crore)
Jan-22	461.715
Feb-22	452.749
Mar-22	540.565
Apr-22	558.305
May-22	595.52
Jun-22	586.275
Jul-22	628.84
Aug-22	657.963
Sep-22	678.08
Oct-22	730.542
Nov-22	730.945
Dec-22	782.949

Source-NPCI
