GOVERNMENT OF INDIA
MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY
LOK SABHA
UNSTARRED QUESTION NO. 4614
TO BE ANSWERED ON: 29.03.2023

PROMOTION OF DIGITAL TRANSACTION

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

  (a) the details of digital transactions in the country during the last three years;
  (b) the increase in value of these digital transaction over the last three years;
  (c) the details of the benefits of these rising digital transactions and the steps taken by the Government to promote digital transactions in the country;
  (d) the time by which paperless system in Government offices is targeted to be implemented; and
  (e) the efforts being made to provide reliable internet services in all gram panchayats?

ANSWER

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

(a): During the last three years, digital payment transactions have registered unprecedented growth in India. Easy and convenient modes of digital payment, such as Bharat Interface for Money-Unified Payments Interface (BHIM-UPI), Immediate Payment Service (IMPS), pre-paid payment instruments (PPIs) and National Electronic Toll Collection (NETC) system 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 pre-existing payment modes such as debit cards, credit cards, National Electronic Funds Transfer (NEFT) and Real-Time Gross Settlement (RTGS) have also grown at a fast pace. BHIM-UPI has emerged as the preferred payment mode of users. The total number of digital payment transactions undertaken during the last three financial years and the current financial year are as under:

Financial year (FY)	Total number of digital transactions (in crore)[#]
FY 2019-20	4,572
FY 2020-21	5,554
FY 2021-22	8,840
FY 2022-23 *(till 23rd March, 2023)	12,735

Note: Digital payment modes considered are BHIM-UPI, IMPS, NACH, AePS, NETC, debit cards, credit cards, NEFT, RTGS, PPI and others.
* Provisional data
Source: RBI, NPCI and banks

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

Financial year (FY)	Total value of digital transactions (in Rs lakh crore)[#]
FY2019-20	2,953
FY2020-21	3,000
FY2021-22	3,021
FY2022-23	2,812

Note: Digital payment modes considered are BHIM-UPI, IMPS, NACH, AePS, NETC, debit cards, credit cards, NEFT, RTGS, PPI and others.
 * Provisional data
Source: RBI, NPCI and Banks

(c): The digital payment landscape in India has been transformed. Indian consumers have displayed great affinity to digital technology, leading to rapid growth in 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 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 easy-to-remember email-like address, called virtual payment address.

(ii) **Increased financial inclusion**: Digital payments offer anytime, anywhere access to accounts, thus making it easy for persons to receive payments in their accounts and to also make payments using their phone. People who may have been deterred by the time, travelling cost and opportunity cost involved in physically accessing a bank outlet for transactions can now conveniently access the same digitally by using an account and in the process various benefits of being part of the banking system and becoming financially included.

(iii) **Increased acceptance during COVID-19 pandemic:** The COVID-19 pandemic has brought out the benefits of digital payments in enabling healthcare. Contactless modes of digital payments like UPI QR code and Near Field Communication (NFC) enabled cards enable observance of social distancing.

(iv) **Fostering innovation in payments**: India's indigenously developed BHIM-UPI, which enables digital payments using mobile apps, is directly linked to achieving the goals of universal electronic payments, a less-cash society and financial inclusion. BHIM-UPI utilises a set of standard Application Programming Interfaces (APIs) to facilitate next generation online real-time payments by leveraging trends such as increasing smartphone adoption, Indian language interfaces and universal access to Internet and data.

(v) **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.

(vi) **Faster adoption of QR code technology**: Post demonetisation, the acceptance infrastructure for QR codes has seen tremendous growth. As a result, QR based payments are increasing rapidly. One can simply scan a QR code to pay for utility bills, fuel, grocery, food and travel as well as to merchants offering various other goods and services.

(vii) **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.

(viii) **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.

(ix) **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 very secure as multiple levels of authentication are required for making transactions.

(x) **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.

(xi) **Lending:** Unlikecash 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.

(xii) **Promotion of Fintechs**: Fintechs play a key role in the growth of digital transactions by enabling transparent, secure, swift and cost-effective mechanisms benefiting the entire digital payments ecosystem. Fintechs have transformed the digital payments ecosystem by increasing P2P and P2M payments.

(d): NIC (National Informatics Centre), an attached office to Ministry of Electronics & IT has designed and developed eOffice Product (A Digital Workplace Solution) in accordance with Central Secretariat Manual of Office Procedure (CSMOP) formulated by Department of Administrative Reforms and Public Grievances (DAR&PG), the Line Department responsible for implementation of eOffice in Central Government Ministries / Departments. At present, eOffice has been rolled-out in all 84 Central Government Ministries / Departments.

(e): BharatNet Project is being implemented by Department of Telecommunications in a phased manner to create network to connect Gram Panchayats (GPs)/ Villages with broadband in the country. This infrastructure is leased to Telecom Service Providers (TSPs)/ Internet Services Providers (ISPs) for provision of internet connectivity in GPs /rural areas including villages/ Government institutions, schools and private areas. As of Feb 2023, 189256 GPs have been made service ready for providing broadband connectivity in rural area under BharatNet Project. On 30.06.2021, Union Cabinet has accorded in principle approval for extending BharatNet beyond GPs upto villages in the country. The target for completion of BharatNet project is 2025.

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