

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
LOK SABHA
UNSTARRED QUESTION NO-6
ANSWERED ON- 19/07/2021

PROMOTION OF DIGITAL BANKING

6. SHRI SUDHAKAR TUKARAM SHRANGARE
SHRI RAMESH BIDHURI

Will the Minister of FINANCE be pleased to state:-

- (a) whether the Government is considering to set up a Digital Banking Infrastructure Corporation;
- (b) if so, the details thereof; and
- (c) the steps taken by the Government to facilitate digital banking, door step banking services, and also digital lending platforms to the people across the country?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(DR. BHAGWAT KARAD)

(a) to (c): Government has taken a number of steps to facilitate digital banking, doorstep banking services and digital lending platforms. These include, *inter-alia*, the following:

- (1) Initiation of digital lending has been made contactless through *PSBloansin59minutes.com*, using triangulation of credit bureau, income-tax and goods and services tax (GST) data, to provide online in principle approval for MSME loans.
- (2) Online bill discounting for MSMEs has been enabled on a competitive basis through Public Sector Banks (PSBs) onboarding onto the Trade Receivables Discounting System (TReDS) platform and the proportion of online discounted bills has grown rapidly.
- (3) Government's 'Jeevan Pramaan' initiative for pensioners has enabled senior citizen pensioners the facility to update their annual life certificate online.
- (4) Under the Government-initiated PSB Reforms Agenda,—
 - (i) Enhanced access to Mobile and Internet banking has been enabled through an increase in the average number of services offered (43), customer-friendly features (135) and regional language customer-interface (8);
 - (ii) End-to-end automated digital lending has been introduced in larger PSBs for unsecured personal loans (in five PSBs), loans to micro-enterprises ("Shishu Mudra", in five PSBs) and renewals of loans to micro, small and medium enterprises (in three PSBs);

- (iii) Digital retail loan request initiation through digital channels has been enabled in all the seven large PSBs, with retail disbursements from loan requests so initiated in the financial year (FY) 2020-21 amounting to Rs. 40,819 crore;
- (iv) Customer-need-driven, analytics-based credit offers have been given an impetus, resulting in Rs. 49,777 crore of fresh retail loan disbursements by the seven larger PSBs in the financial year (FY) 2020-21.

As a result, nearly 72% of financial transactions of PSBs are now done through digital channels, with doubling of customers active on digital channels from 3.4 crore in FY2019-20 to 7.6 crore in FY2020-21, and the share of financial transactions undertaken through home and mobile channels has increased from 29% in FY2018-19 to 76% in FY2020-21.

- (5) PSB Alliance, an initiative of all PSBs and Indian Banks' Association, has launched doorstep banking services for all customers, including senior citizens, through call centre (1800-121-3721 and 1800-103-7188), web portal (<https://psbdsb.in/> and <https://doorstepbanks.com/>) mobile app (Google Play Store). At present 13 services are being offered in 100 cities across the country, which include cash withdrawal or deposit, pick-up of cheque or demand draft or pay order etc., pick-up of cheque-book requisition slip, pick-up of income-tax forms no. 15G/15H, pick-up of income-tax/GST challan, and delivery of tax deduction at source (TDS) and Form-16 certificates for income-tax purposes.

There is no proposal under consideration of the Government for setting up of a Digital Banking Infrastructure Corporation (DBIC). As per inputs from banks, some PSBs have held discussions to set up a corporation to create a common digital infrastructure platform as a joint initiative of the banks, with a view to enable enhanced access to consumers and businesses for credit offerings.
