

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA
STARRED QUESTION NO. *208

ANSWERED ON MONDAY, DECEMBER 13, 2021 / AGRAHAYANA 22, 1943 (SAKA)

PROMOTION OF DIGITAL BANKING

***208. SHRI ADALA PRABHAKARA REDDY:**

Will the Minister of **FINANCE** be pleased to state:

- (a) whether the Government is aware that most of the rural customers are not well versed with digital banking or the rules/procedures of using e-banking services and if so, the details thereof;
- (b) whether the Government is taking any steps to guide the rural population in availing digital banking services; and
- (c) if so, the details thereof and if not, the reasons therefor?

ANSWER

FINANCE MINISTER
(Smt. Nirmala Sitharaman)

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

STATEMENT REFERRED IN REPLY TO THE LOK SABHA STARRED QUESTION NO. *208 BY SHRI ADALA PRABHAKARA REDDY ANSWERED ON 13th DECEMBER, 2021 REGARDING “PROMOTION OF DIGITAL BANKING”

- (a) A pan-India Financial Literacy and Inclusion survey has been conducted by Reserve Bank of India (RBI), based on 3 parameters namely, financial knowledge, attitude and behaviour. As per the survey done by RBI on a total score of 21, the average urban & rural score for different zones is provided below:

Zone	Urban	Rural
North	11.5	11.5
East	12.1	12.1
Central	12.5	12.1
West	12.6	12.5
South	11.2	10.3

- (b) & (c) 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 through its various programs/agencies, RBI and banks, to promote and create awareness about digital payments in rural areas. The details of some of these initiatives are **Annexed**.

As a result of the initiative 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 three financial years as illustrated below:

Financial Year	Volume (in lakhs)
2018-19	2,32,602
2019-20	3,40,025
2020-21	4,37,445

Source: RBI

As observed from the above table, there has been a growth of 88% in digital payment volume during the last 3 years since 2018-19. Further, as per the data sourced from National Payments Corporation of India (NPCI), India's own payment platform UPI has emerged as country's favourite digital payment choice, with over 22 billion transactions registered during FY 2020-21, showing 4 times growth over the last 3 years. Also, AePS inter-bank transactions during FY 2020-21 registered 9-fold growth, over the past 4 years.

Annexure as referred to in part (b) & (c) of the Lok Sabha Starred Question No. *208 for answer on 13.12.2021 regarding “Promotion of Digital Banking”.

Initiatives taken to promote and create awareness digital payments are as under:

A. Schemes of Government of India:

- i. **The Digital Finance for Rural India: Creating Awareness and Access (DFIAA)** scheme was initiated in November 2016 under the Digital Saksharta Abhiyan (DISHA) for conducting awareness sessions on digital finance options available for rural citizens as well as enabling various mechanisms of digital financial services such as Unstructured Supplementary Service Data (USSD), Unified Payment Interface (UPI), Cards/Point of Sales (PoS), Aadhaar Enabled Payment System (AEPS) and e-Wallet etc. Under this programme, more than 2 crore beneficiaries and more than 27 lakh Merchants were trained/enabled. In addition, sensitization drives were carried out at 650 Districts and 5,735 Blocks throughout the country.
- ii. **Pradhan Mantri Gramin Digital Saksharta Abhiyan’ (PMGDISHA) Scheme:** The scheme is implemented as a Central Sector Scheme by Ministry of Electronics & Information Technology (MeitY) through CSC e-Governance Services India Limited, with active collaboration of all the State Governments and UT Administrations. The scheme was launched in February 2017 with the objective to impart digital literacy in rural India by covering 6 crore rural households (one person per household) at a total outlay of Rs. 2,351.38 crore (approx.). Under the Scheme, to ensure equitable geographical reach, each of the 2,50,000 Gram Panchayats across the country are envisaged to register an average of 200-300 candidates. Special focus of the said Scheme is on training the beneficiaries on use of Electronic Payment System. Under the Scheme, as on 08th December 2021, a total of more than 5.39 crore candidates have been registered; 4.57 crore have been trained, out of which more than 3.39 crore candidates have been duly certified for implementing this scheme.

B. Initiatives taken by RBI:

- i. **RBI conducts Electronic Banking Awareness and Training (e-BAAT) programmes** through its regional offices to create awareness about digital payments and target audience includes rural area population. The focus of this training includes topics on safe practices while using digital payment products, Cyber hygiene, customer protection, grievance redressal mechanisms etc.
- ii. **RBI has been also carrying out multi-channel public awareness media campaigns** under the aegis of ‘**RBI Kehta Hai**’ by television, radio, online, SMS and social media posts, whereby public is sensitised about how to be vigilant while using digital products such as mobile banking, ATMs, internet banking, etc., and how digital frauds could be averted.
- iii. **RBI has carried out multi-lingual media campaigns** on themes like ‘Convenience of Digital Banking’, ‘Switch On / Off and Setting Transaction Limits’ facility for card transactions, and

‘Safety of Digital Banking’ among others, through various advertisements issued in major newsprints.

- iv. **Centre for Financial Literacy (CFL) project:** To have an exclusive focus on financial literacy at the block level through brick and mortar Centres, CFLs have been set up at the block level. The pilot project was initiated by RBI in 2017 in 80 blocks across nine states across the country and was subsequently extended in 20 tribal/ economically backward blocks in these states in 2019. The outreach of the CFLs is now being scaled up across the country with 1058 CFLs operationalized in 30 states/UTs serving 3174 blocks as on 01.12.2021. Awareness about digital banking is one of the areas covered under the CFL project.

C. Initiatives taken by Banks:

- i. **FLCs:** Banks have been advised to conduct special camps through their FLCs (2 camps per month on “Going Digital” through UPI and *99# (USSD) including tailored camps for different target groups viz., farmers, Micro and Small entrepreneurs, school children, Self Help Groups and Senior citizens.
- ii. **Rural Branches of banks** are required to conduct one camp per month covering all the messages that are part of Financial Awareness Messages (FAME) booklet and the two digital platforms UPI and *99# (USSD).
- D. Banking Correspondents (BCs) led initiative:** A strong network of about 3.4 lakh BCs, representing the last mile connect in the Banking Services delivery system is also creating awareness while facilitating transactions in the rural areas, because of their familiarity with Local/Rural population.
