

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES

**LOK SABHA**  
**UNSTARRED QUESTION NO. 2116**

ANSWERED ON MONDAY, AUGUST 05, 2024/SHRAVANA 14, 1946 (SAKA)

**Risks Involved in UPI Cash Deposit Facility**

2116. SHRI AASHTIKAR PATIL NAGESH BAPURAO:  
SHRI BHASKAR MURLIDHAR BHAGARE:  
SHRI MOHITE PATIL DHAIRYASHEEL RAJSINH:  
SMT. SUPRIYA SULE:  
SHRI AMAR SHARADRAO KALE:  
SHRI NILESH DNYANDEV LANKE:  
PROF. VARSHA EKNATH GAIKWAD:  
SHRI BAJRANG MANOHAR SONWANE:  
SHRI SANJAY DINA PATIL:  
DR. AMOL RAMSING KOLHE:  
SMT. DELKAR KALABEN MOHANBHAI:

Will the Minister of FINANCE be pleased to state:

- (a) the number of Unified Payment Interface (UPI) transaction conducted in the country including Maharashtra and UTs of Dadra and Nagar Haveli and Daman and Diu during the last three years and the current year, month-wise and State/UT-wise along with the potential challenge and risks involved in UPI cash deposit;
- (b) whether the Government has ensured the safety of such UPI transaction and prevent fraud in transactions and if so, the details thereof;
- (c) whether the Reserve Bank of India (RBI)/Government proposes to link UPI with fast payment systems of other countries for cross border payments and if so, whether the steps of the Government is going to be helpful for individuals or financial sector user for ease of payments;
- (d) whether linking of UPI with fast payment systems of the other countries will give boost to remittance economy of the country;
- (e) if so, whether the foreign investors are allowed to invest in IFSC Green bond and to launch mobile app for Retail Direct Scheme and if so, the details thereof; and
- (f) whether it will affect our financial system and if so, the details thereof and the measures taken/being taken by the Government/RBI to popularize the digital payment mode?

## **Answer**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(SHRI PANKAJ CHAUDHARY)

(a) & (b) Reserve Bank of India (RBI) has informed that the UPI transactions do not capture the geographical location. However, the UPI transactions (both in volume and value terms) financial year-wise and month-wise for the last three financial years and current year is attached as Annexure – I.

A facility of cardless cash deposits on inter-operable basis has been extended through UPI. Presently, this facility has been made available by select few banks. In order to ensure safety and security of cash deposits through UPI, the following conditions have been prescribed:

- i. A customer is permitted to deposit a maximum of ₹50,000 per transaction using this facility. Banks are permitted to fix a lower limit based on their risk management policies.
- ii. National Payments Corporation of India (NPCI) has been advised to prescribe the permissible number of Interoperable Cash Deposit (ICD) transactions for a depositor, at the level of Payer PSP or NPCI.
- iii. Beneficiary banks are advised to prescribe permissible number of deposit transactions.
- iv. Transaction message shall capture the details of the depositor and clearly stipulate that it is a cash deposit transaction.

(c) & (d) RBI's Payments Vision Document 2025 has outlined expanding the global outreach of UPI and RuPay cards as one of the key objectives under the internationalisation pillar. RBI has been collaborating with various stakeholders for expanding the outreach of UPI through following modes:

- a. Interlinking of UPI with Fast Payment System (FPS) of other countries for personal remittances on reciprocal basis.
- b. Acceptance of UPI Apps via QR codes at merchant locations abroad and vice-versa, and
- c. Deployment of UPI-like infrastructure in other countries.

Leveraging the expansion of UPI to other countries will help in enhancing cross-border payments flowing to and from India by addressing the four key challenges of cost, speed, access and transparency. Faster, cheaper, more transparent and more inclusive cross-border payment

services would in turn deliver widespread benefits for citizens and economies worldwide, supporting economic growth and financial inclusion.

(e) The Retail Direct Scheme (RDS) is outside the purview of International Financial Services Centres Authority (IFSCA) and accordingly, the green bonds listed on the recognised stock exchanges in the IFSC are not available for trading on the RDS.

(f) Since RDS is not permitted, there are no impact on the financial system. However, to encourage customers to adopt digital payments, RBI has been conducting Electronic Banking Awareness and Training (e-BAAT) programmes across the country.

### **Annexure I**

The details of UPI transactions financial year-wise and month-wise for last three years and current year is provided in the table below:

| Month            | Financial Year    |                       |                   |                       |                   |                       |                   |                       |
|------------------|-------------------|-----------------------|-------------------|-----------------------|-------------------|-----------------------|-------------------|-----------------------|
|                  | 2021-22           |                       | 2022-23           |                       | 2023-24           |                       | 2024-25           |                       |
|                  | Volume (in Crore) | Value (in Lakh Crore) | Volume (in Crore) | Value (in Lakh Crore) | Volume (in Crore) | Value (in Lakh Crore) | Volume (in Crore) | Value (in Lakh Crore) |
| <b>April</b>     | 264               | 5                     | 558               | 10                    | 886               | 14                    | 1,330             | 20                    |
| <b>May</b>       | 253               | 5                     | 595               | 10                    | 942               | 15                    | 1,404             | 20                    |
| <b>June</b>      | 281               | 5                     | 586               | 10                    | 934               | 15                    | 1,389             | 20                    |
| <b>July</b>      | 325               | 6                     | 629               | 11                    | 996               | 15                    | -                 | -                     |
| <b>August</b>    | 356               | 6                     | 658               | 11                    | 1,059             | 16                    | -                 | -                     |
| <b>September</b> | 366               | 7                     | 678               | 11                    | 1,056             | 16                    | -                 | -                     |
| <b>October</b>   | 422               | 8                     | 731               | 12                    | 1,141             | 17                    | -                 | -                     |
| <b>November</b>  | 419               | 8                     | 731               | 12                    | 1,124             | 17                    | -                 | -                     |
| <b>December</b>  | 457               | 8                     | 783               | 13                    | 1,202             | 18                    | -                 | -                     |
| <b>January</b>   | 462               | 8                     | 804               | 13                    | 1,220             | 18                    | -                 | -                     |
| <b>February</b>  | 453               | 8                     | 753               | 12                    | 1,210             | 18                    | -                 | -                     |
| <b>March</b>     | 541               | 10                    | 865               | 14                    | 1,344             | 20                    | -                 | -                     |
| <b>Total</b>     | <b>4,596</b>      | <b>84</b>             | <b>8,371</b>      | <b>139</b>            | <b>13,113</b>     | <b>200</b>            | <b>4,122</b>      | <b>60</b>             |

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