

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA
UNSTARRED QUESTION NO. 56
ANSWERED ON MONDAY, 3rd FEBRUARY, 2025/MAGHA 14, 1946 (SAKA)

PROMOTION OF DIGITAL PAYMENT SYSTEM

56. SHRI. KALI CHARAN SINGH:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has assessed the unprecedented rise in digital transactions, particularly through UPI, IMPS and NETC FASTag and if so, the key findings of such assessment;
- (b) the steps taken by the Government to ensure the security, reliability and scalability of digital payment platforms in light of the surge in transaction volumes;
- (c) the initiatives taken to promote the adoption of digital payment systems, particularly among rural and underserved population, to enhance financial inclusivity;
- (d) whether the Government is collaborating with banks and financial institutions to improve the penetration and infrastructure for UPI, IMPS and FASTag across the country, and if so, the details thereof; and
- (e) the funds allocated and utilized for the development and promotion of digital payment systems in the last five years, year-wise and State-wise?

Answer

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

- (a) There has been substantial growth in digital payment transactions, surging from 2,071 crore in FY 2017-18 to 18,737 crore in FY 2023-24, achieving a Compound Annual Growth Rate (CAGR) of 44%. While IMPS and NETC have shown remarkable growth, UPI has been the major driving force in the overall growth of digital payment transactions in the country.
- (b) To ensure the security, reliability, and scalability of digital payment platforms, several measures have been taken by Government, Reserve Bank of India (RBI), and National Payments Corporation of India (NPCI). These include device binding, two-factor authentication, transaction limits, and awareness campaigns. NPCI has emphasized QR code safety and conducted training in villages, while the Ministry of Home Affairs launched the National Cybercrime Reporting Portal and helpline (1930). Additionally, the Department of Telecommunications introduced Digital Intelligence Platform (DIP) and "Chakshu" to report fraudulent mobile numbers by citizens.

(c) to (e) To promote the adoption of digital payment systems (including rural and underserved populations), the Government has undertaken several initiatives. These, inter-alia include:

- I. Incentive Scheme for Promotion of RuPay Debit Cards and Low-Value BHIM-UPI Transactions (P2M) with following financial outlay.

FY	Financial outlay (Cr)
2021-22	₹ 1,300
2022-23	₹ 2,600
2023-24	₹ 3,500

- II. The Payments Infrastructure Development Fund (PIDF) was operationalized by the RBI in January 2021 to support digital payments infrastructure in tier-3 to tier-6 centres and northeastern states, these efforts have led to the deployment of 4.08 crore touch points as on November 30, 2024.
- III. In order to facilitate digital payment transactions in areas with low connectivity and individuals without smart phones, NPCI has launched innovative products like UPI123Pay and Hello! UPI.
