

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS
LOK SABHA UNSTARRED QUESTION NO. 3529
TO BE ANSWERED ON MONDAY, 11TH AUGUST 2025 / SRAVANA 20, 1947 (SAKA)

Increase in Circulation of Currency

3529. Shri Sanjay Dina Patil:
Prof. Varsha Eknath Gaikwad:
Smt. Supriya Sule:
Shri Bhaskar Murlidhar Bhagare:
Shri Mohite Patil Dhairyasheel Rajsinh:
Dr. Amol Ramsing Kolhe:

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

- (a) whether it is a fact that the total currency in circulation has significantly increased from Rs. 13.35 lakh crore in March 2017 to Rs. 35.15 lakh crore by March 2024 and if so, the details thereof;
- (b) whether the Government is aware that during the same period, digital transactions via the Unified Payments Interface (UPI) have risen sharply with around 172 billion UPI transactions recorded in the calendar year 2024;
- (c) the reasons identified for such a steep rise in circulation of currency particularly in States like Maharashtra;
- (d) whether the Government or the Reserve Bank of India has conducted any study to analyze the trend of increasing cash usage alongside digital payment growth and if so, the findings thereof; and
- (e) the corrective steps taken by the Government to ensure a gradual transition towards a less-cash economy while maintaining financial inclusion and economic accessibility?

ANSWER

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

(a) to (c): As per the Reserve Bank of India (RBI), the details of currency in circulation from Financial Year 2016-17 to Financial Year 2023-24 are as follows:

As on	Currency in circulation (₹ crore)
March 31, 2016	16,63,300
March 31, 2017	13,35,200
March 31, 2018	18,29,318
March 31, 2019	21,36,736
March 31, 2020	24,47,280
March 31, 2021	28,53,733
March 31, 2022	31,33,691
March 31, 2023	33,78,486
March 31, 2024	35,11,428

The volume of UPI transactions has increased from 92 crores in FY 2017-18 to 13,116 crores in FY 2023-24, with 172 billion UPI transactions processed in the year 2024.

As per RBI, the increase in currency in circulation is a function of demand of a growing economy, and is driven by the growth in GDP, inflation, interest rate, etc. State-wise data on currency in circulation is not maintained by the Reserve Bank of India (RBI).

(d) & (e): Government of India or RBI has not commissioned / conducted any study specifically analysing the trend of cash usage vis-à-vis growth in digital payments. The Government, RBI and the National Payments Corporation of India (NPCI) have been taking up various initiatives to promote digital payment transactions. These inter alia, include incentive scheme for promotion of RuPay Debit Cards and low-value BHIM-UPI transactions (P2M), Payments Infrastructure Development Fund (PIDF) to support deployment of digital payment infrastructure in underserved regions. Besides, certain provisions / amendments have been made in the Income Tax Act, 1961, the Income Tax Rules, 1962, and the Payment and Settlement Systems Act, 2007, to incentivise digital transactions and to discourage the use of cash for high-value transactions.
