

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
RAJYA SABHA

UNSTARRED QUESTION NO. 2609

ANSWERED ON TUESDAY, DECEMBER 21, 2021 / 30 AGRAHAYANA, 1943 (SAKA)

Digital transactions in rural and tribal areas

2609. Shri. Narayana Koragappa:

Will the Minister of FINANCE be pleased to state:

- (a) whether digital transactions have increased in rural areas and tribal areas;
- (b) if so, the details thereof;
- (c) whether digital plastic cards have ease of usage in those areas;
- (d) whether any plan to introduce biometric authentication alongwith OTP has been envisaged to prevent frauds in digital transactions;
- (e) whether RUPAY credit card and debit cards are used for both domestic and international payment gateways; and
- (f) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(DR BHAGWAT KARAD)

(a) to (c) The digital transaction platform is a pan India platform with a facility of “anytime anywhere” banking. Accordingly, the data is captured only at the National level.

To promote digital transaction in the country, RuPay debit cards are issued to Jan-Dhan account holders under Pradhan Mantri Jan-Dhan Yojana (PMJDY). As on 08.12.2021, 31.17 crore RuPay debit cards have been issued to PMJDY account holders. As digital payment is one of the priorities of the Government to facilitate hassle free and seamless banking transactions in the country, several other initiatives have been taken by Government of India through its various programs/agencies, Reserve Bank of India (RBI) and banks, to promote and create awareness about digital payments in rural areas.

As a result of the initiatives 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 volume of digital transactions during the last 3 years since 2018-19.

As per the data sourced from National Payments Corporation of India (NPCI), India's own payment platform, UPI has emerged as the 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 a 9-fold growth, over the past 4 years.

(d) The Unique Identification Authority of India (UIDAI) issues the Aadhaar numbers to the residents of the country and provides authentication services for establishing identity of the individual. UIDAI already provides for various modes of authentication namely biometric (which includes fingerprint, iris), One Time Pin-based (OTP) and demographic authentication. These can be used in a single factor or multi-factor mode. Any user agency/ department can opt for one or a combination of these modes depending upon their security/ risk assessment of their respective systems.

(e) & (f) As apprised by NPCI, RuPay Debit and Credit cards are used at both domestic and international payment gateways. These international and domestic transactions are facilitated by NPCI's International network partners and domestic tie-ups. In addition, acquiring banks also have their own payment gateways that work with RuPay cards.
