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India's Digital Payments

2017-2022

Data Guide - July 2022

Digital Payments



The Digital India programme is a flagship programme of the Government of India with a vision to transform India into a digitally empowered society and knowledge economy. “Faceless, Paperless, Cashless” is one of professed role of Digital India.

As part of promoting cashless transactions and converting India into less-cash society, various modes of digital payments are available – Banking cards, USSD, UPI, AePS, Wallets, Mobile Banking, Internet Banking, Point of Sale (PoS) etc.

This data guide covers analysis on the volume and value of transactions on various digital payment platforms ***especially in the month of March every year.***

Definitions

- **Unified Payments Interface (UPI):** Launched by National Payments Corporation of India, Unified Payments Interface (UPI) is a system that powers multiple bank accounts into a single mobile application (of any participating bank), merging several banking features, seamless fund routing & merchant payments into one hood. It also caters to the “**Peer to Peer**” collect request which can be scheduled and paid as per requirement and convenience.
- **BHIM:** Pioneered and Developed By NPCI, Bharat Interface for Money (BHIM) is a payment app that lets make simple, easy and quick transactions using **Unified Payments Interface (UPI)**. You can make direct bank payments to anyone on UPI using their UPI ID or scanning their QR with the BHIM app. You can also request money through the app from a UPI ID. BHIM has been conceived and launched to bring in Financial Inclusion to the nation and a digitally empowered society.
- **USSD:** *99#, a USSD based mobile banking service of NPCI was initially launched in November 2012. Understanding the importance of mobile banking in financial inclusion in general and of *99# in particular, various regulatory/trade bodies came together to ensure on boarding of all TSPs on *99# (USSD 1.0). With the wider ecosystem (11 TSPs), *99# allows the Banks and TSPs to seamlessly integrate with each other to provide banking services to the customers at large over the mobile phones (basic as well as smartphone).

Definitions



NETC FASTag: Developed by NPCI, the National Electronic Toll Collection (NETC) program to meet the electronic tolling requirements of the Indian market. It offers an interoperable nationwide toll payment solution encompasses a common set of processes, business rules and technical specifications which enable a customer to use their FASTag as payment mode on any of the toll plazas.

Aadhaar Enabled Payment Systems(AePS): AePS is a bank led model which allows online interoperable financial inclusion transaction at PoS (MicroATM) through the Business correspondent of any bank using the Aadhaar authentication.

National Automated Clearing House (NACH): NACH is a service offered by NPCI to banks which aims at facilitating interbank high volume, low value debit/credit transactions, which are repetitive and electronic in nature.

Prepaid Payment Instruments (PPI): PPI are payment instruments that facilitate purchase of goods and services, including funds transfer, against the value stored on such instruments. The value stored on such instruments represents the value paid for by the holders by cash, by debit to a bank account, or by credit card. The pre-paid instruments can be issued as smart cards, magnetic stripe cards, internet accounts, internet wallets, mobile accounts, mobile wallets, paper vouchers.

Definitions



Credit Card: A credit card is a card issued by a financial company which enables the cardholder to borrow funds. The funds may be used as payment for goods and services, with a condition that the cardholder will pay back the original, borrowed amount plus any additional agreed-upon charges.

Debit Card: A debit card is a payment card that deducts money directly from a consumer's bank account to pay for a purchase. But unlike credit cards, they do not allow the user to go into debt, except perhaps for small negative balances that might be incurred if the account holder has signed up for overdraft coverage.

Wallet: Digital wallets are **online payment tools, usually in the form of an app**. They store your payment options, such as credit and debit cards, allowing one to conveniently use their smartphone or smartwatch to make a purchase. In other words, one don't need to enter your card details or carry a physical card at all to make payments.

POS: The term Point of Sale(POS) describes the place where retail transactions are made. Think of it as the equivalent of a cash register. POS includes the hardware and software related to transactions, such as the cash drawer, credit card swipe bar, barcode scanners, receipt printers, and more.

Definitions



National electronic funds transfer (NEFT): NEFT is a nation-wide payment system facilitating one-to-one funds transfer. Under this Scheme, individuals, firms and corporates can electronically transfer funds from any bank branch to any individual, firm or corporate having an account with any other bank branch in the country participating in the Scheme. Under NEFT, the transactions are processed and settled in batches.

Immediate Payment Service (IMPS): IMPS offers an instant, 24X7, interbank electronic fund transfer service through mobile phones. IMPS transfers money instantly within banks across India through mobile, internet and ATMs

Real Time Gross Settlement(RTGS): RTGS is defined as the continuous (real-time) settlement of funds transfers individually on an order by order basis (without netting). 'Real Time' means the processing of instructions at the time they are received rather than at some later time; The minimum amount to be remitted through RTGS is ` 2 lakh. For inter-bank fund transfer there is no floor.

Data Sources:

- Reserve Bank of India (RBI)
- National Payments Corporation of India
- Telecom Regulatory Authority of India (TRAI)

Acronyms:

- NPCI – National Payments Corporation of India
- RBI – Reserve Bank of India
- POS – Point of Sale
- PPIs - Pre-paid Payment Indicators
- UPI – Unified Payments Interface
- BHIM - Bharat Interface for Money
- NACH - National Automated Clearing House
- IMPS - Immediate Payment Service
- NEFT - National electronic funds transfer
- RTGS - Real Time Gross Settlement
- AePS - Aadhaar Enabled Payment System
- Volume – Number of transactions
- Value – Value/Amount contributed by transactions in Crores Rupees
- Average value per transaction(INR) - Value/Volume

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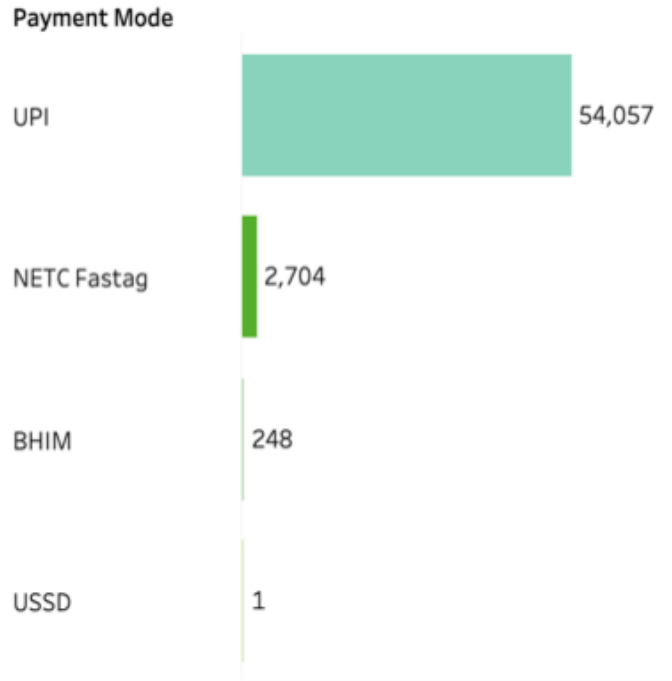
Digital Payments in the month of March

Digital Payments (NPCI)

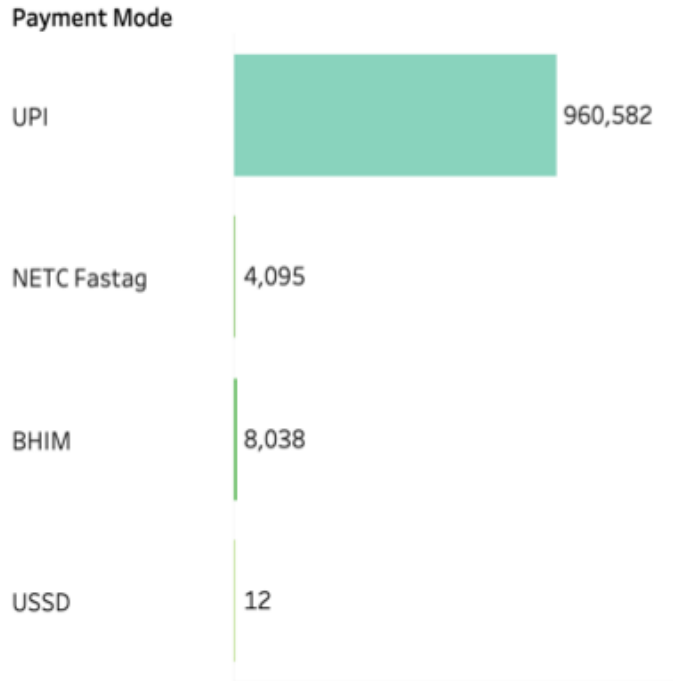
Total Transactions: Digital Payment Systems(March, 2022)



Volume of Transactions(in Lakhs)



Value of Transaction(In Crores)



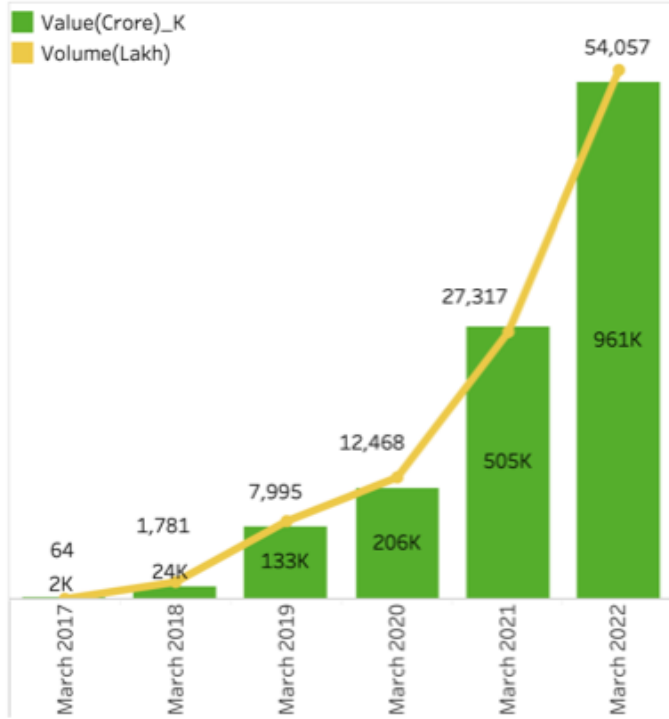
UPI has the largest share of digital payment transactions.

In the month of Mar '22, ~54 thousand lakh transactions worth of 960 thousand crores was done on UPI platform.

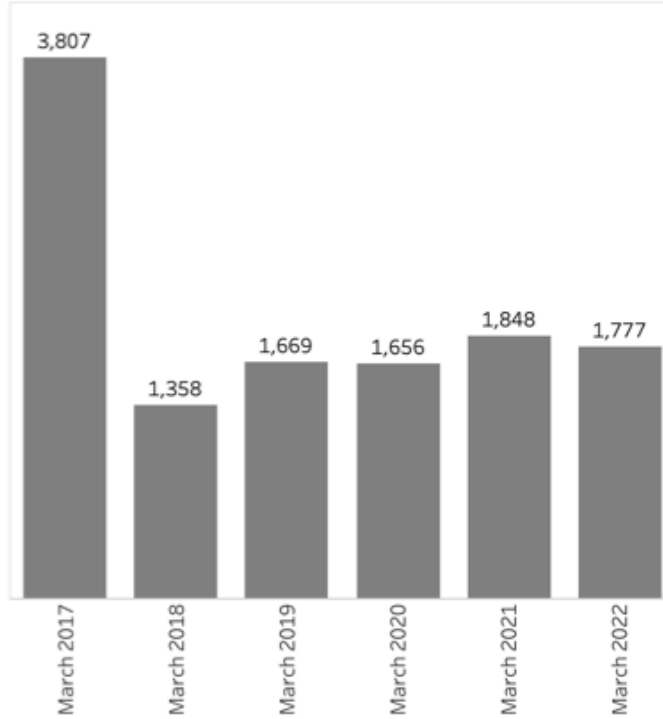
UPI - Transactions details for the month of March



Volume and Value Transaction details



Average amount per Transaction (INR)



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~1 Million Crores of money transacted on UPI in Mar '22.

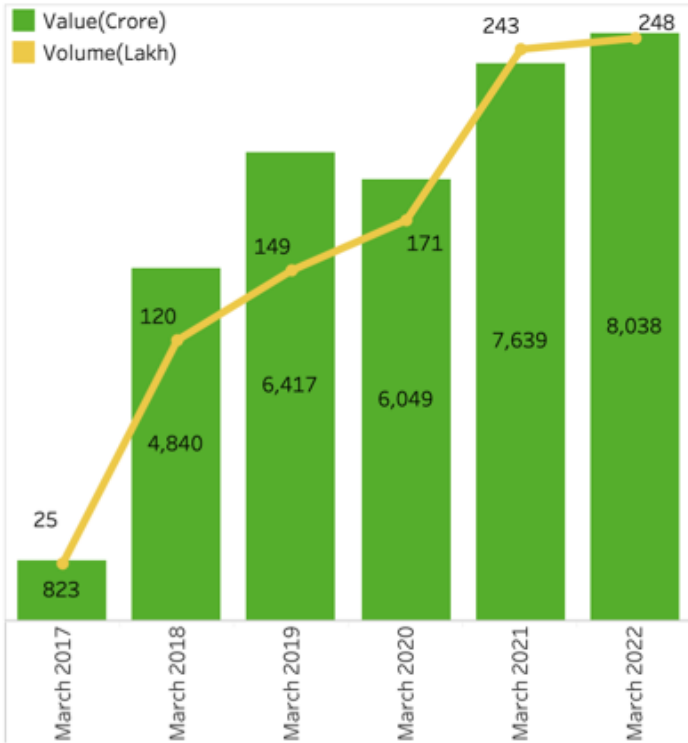
The UPI ecosystem saw an exceptional growth in 6 years which facilitated hassle free transactions to grow the volume by 846 times.

Since 2018, in the month of March, average amount per UPI transaction has been around Rs. 1600.

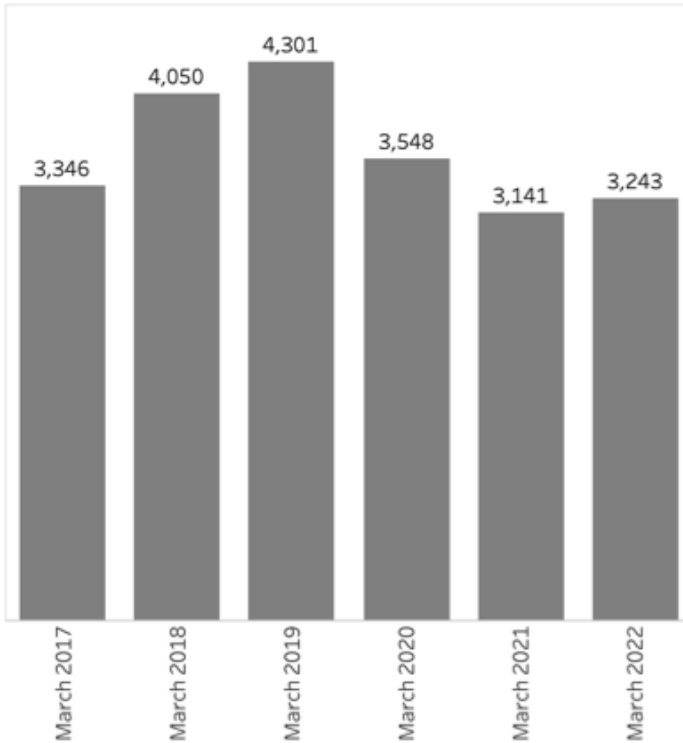
BHIM - Transactions details for the month of March



Volume and Value Transaction details(Lakhs)



Average amount per Transaction(INR)

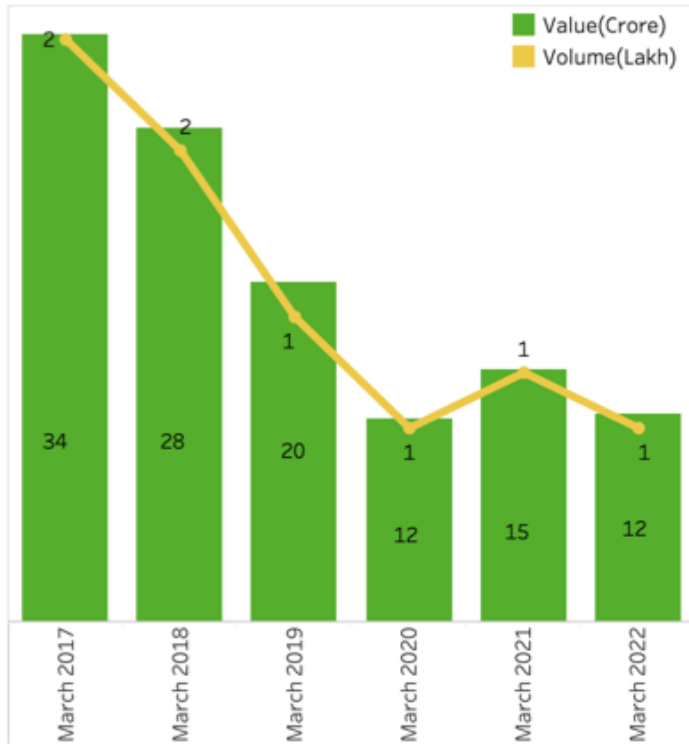


- Volume and value of BHIM transactions in the month of March has grown by 10 times in the span of 6 years (2017-2022)
- The average amount per BHIM transaction in the month of March has been between INR 3100-4300.

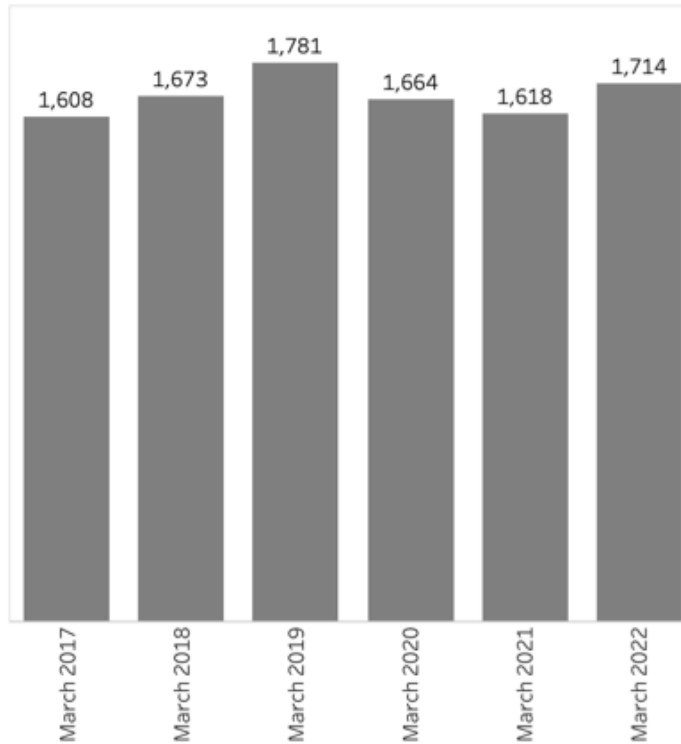
USSD - Transactions details for the month of March



Volume and Value Transaction details



Average amount per Transaction (INR)



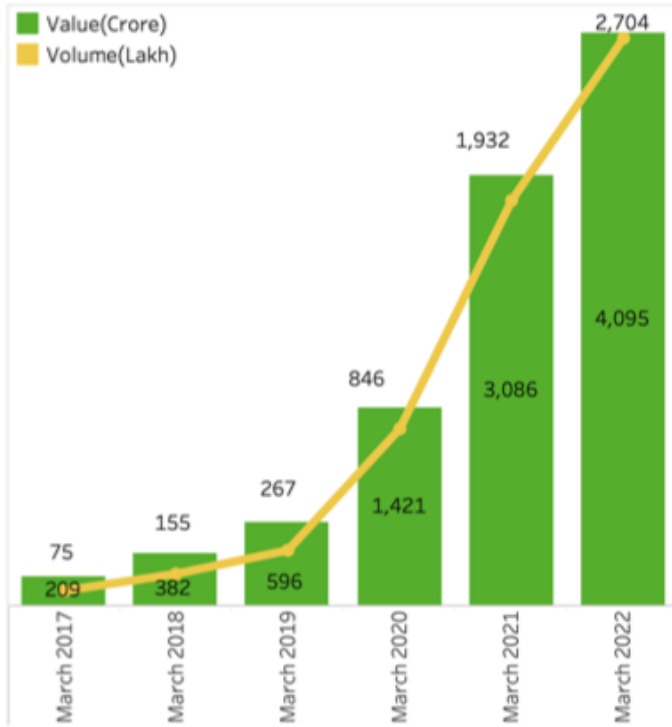
Volume of USSD transactions in the month of March has halved and the value of transactions has shrunk by 1/3rd.

However the average amount per transaction has remained constant – in the range of INR 1600-1700.

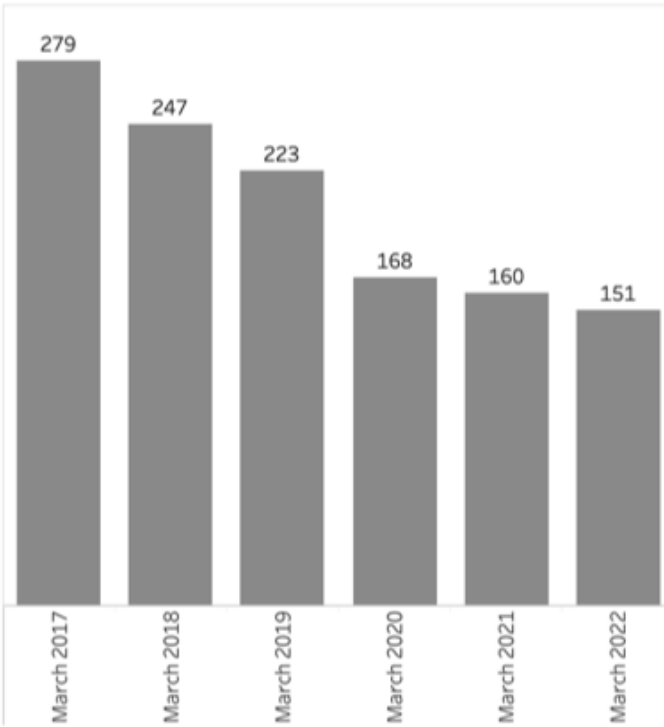
NETC FASTag - Transactions details for the month of March



Volume and Value Transaction details



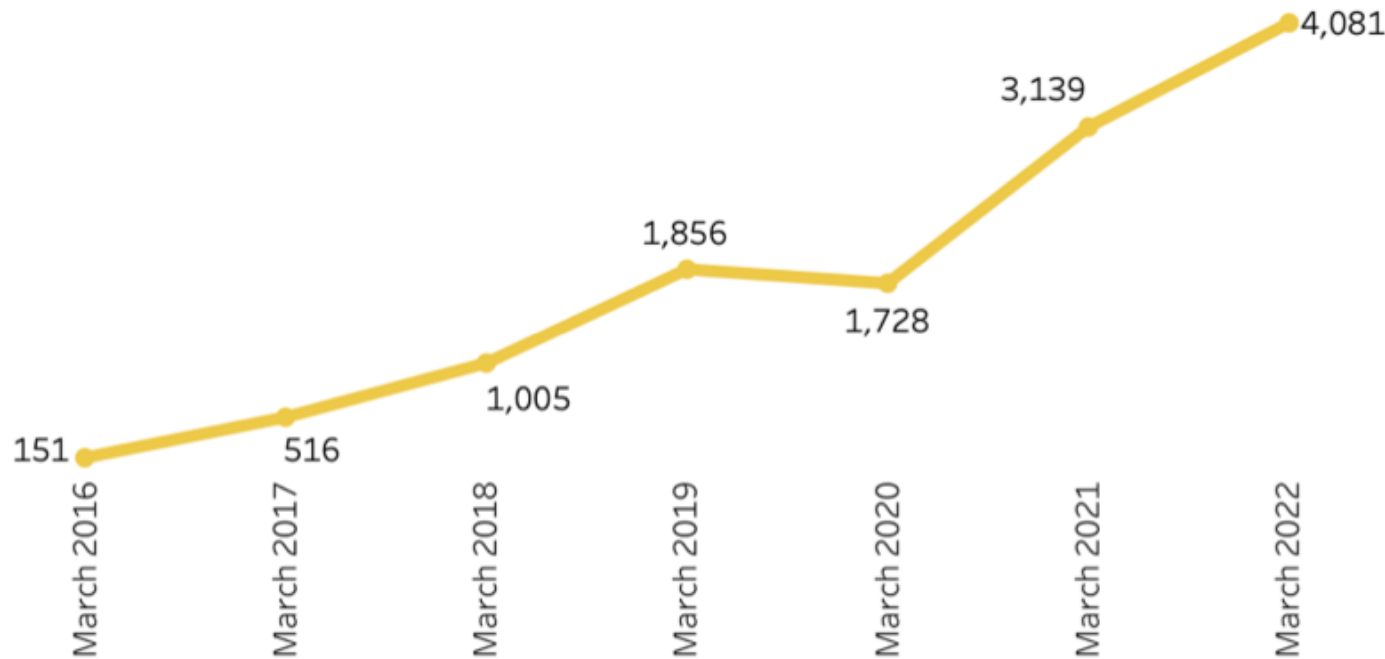
Average amount per Transaction(INR)



NETC Fastag won a fair share in market with its exponential growth of volume by 356 times in the span of 6 years

However, the Average amount per transaction saw a decline of 45%.

AePS - Transactions details for the month of March (Volume in Lakhs)



Aadhaar enabled Payment Service (AePS) transactions in the month of March has increased by more than 25 times (2604.17%) from 2017 to 2022.

In Mar '22, more than 400 million transactions were done on AePS.

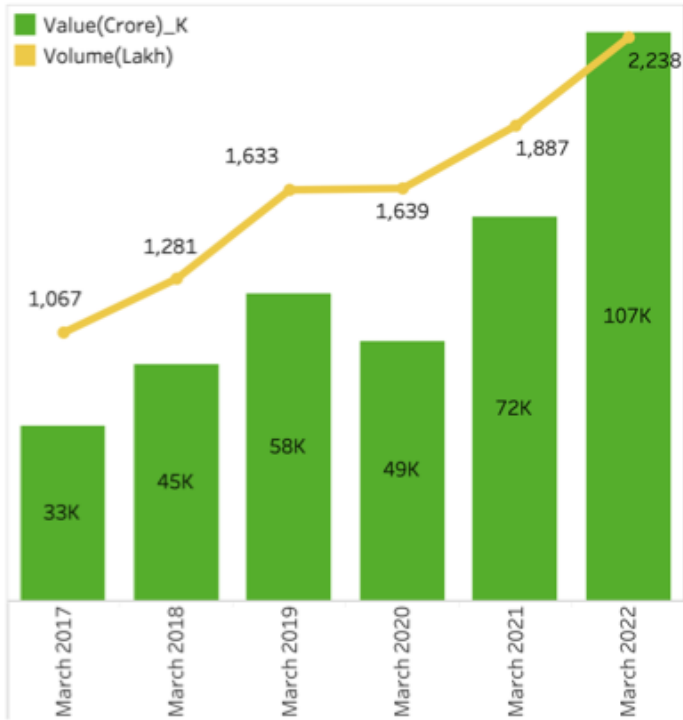
Digital Payments in the month of March

Payment Systems (RBI)

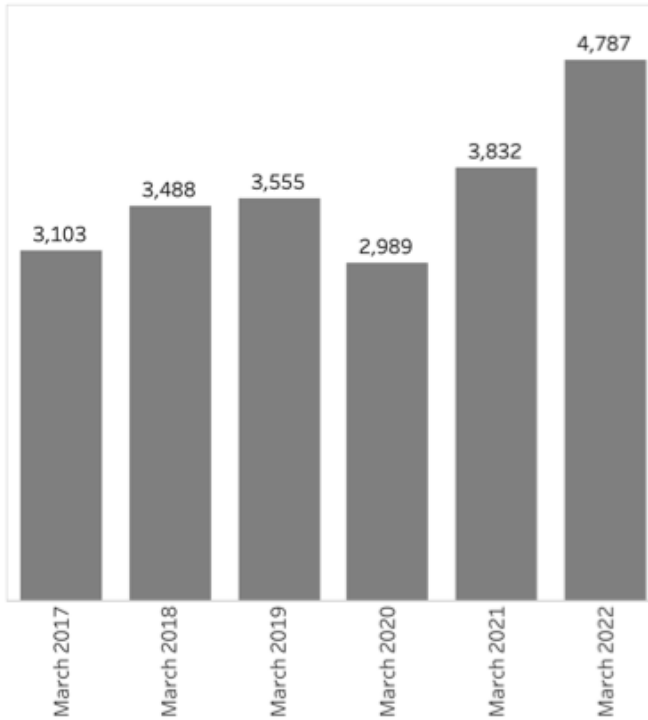
Credit Cards - Transactions details for the month of March



Volume and Value Transaction details



Average amount per Transaction(INR)



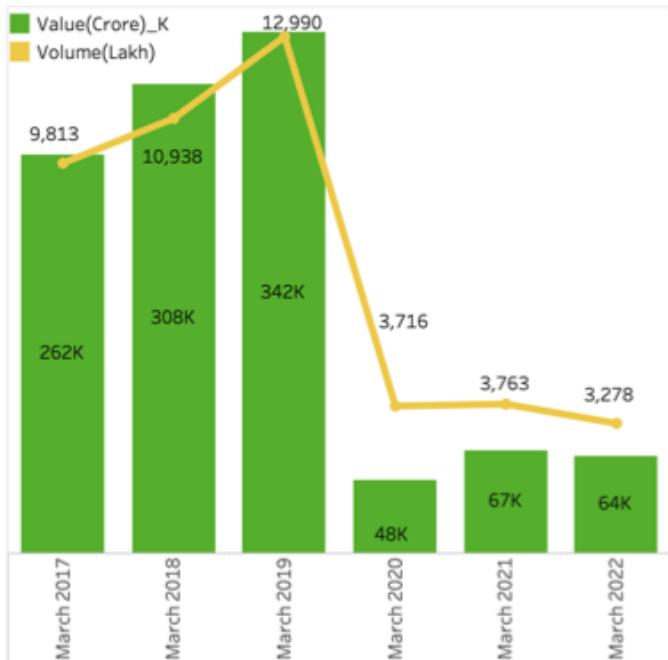
Number of Credit card transactions in the month of March has doubled in the last 6 years. During the same the time frame, the transaction value has tripled.

The Average amount per transaction plummeted in 202. However post that it has foreseen a growth of 46.24% by 2022.

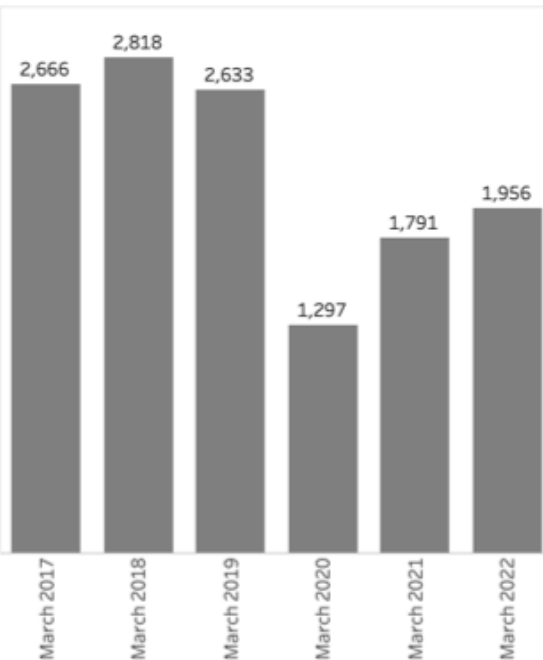
Debit Cards - Transactions details for the month of March



Volume and Value Transaction details



Average amount per Transaction(INR)

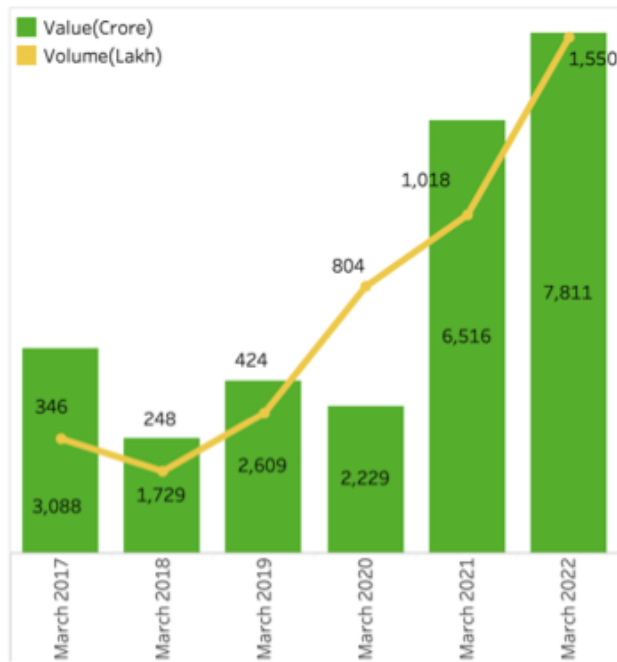


Debit Card transactions embraced a steady growth during the month of March between 2017-2019. However the growth has tumbled since 2020 (decreased by 4 folds).

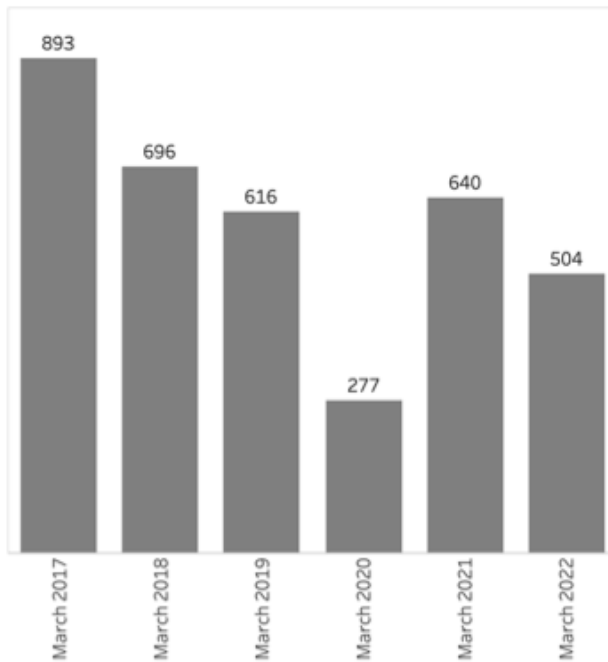
The average amount per transaction peaked in Mar '18 and was consistent in Mar '19. However, it plunged by 67.98% during Mar '20 and has been steadily increasing.

Prepaid Card - Transactions details for the month of March

Volume and Value Transaction details



Average amount per Transaction (INR)



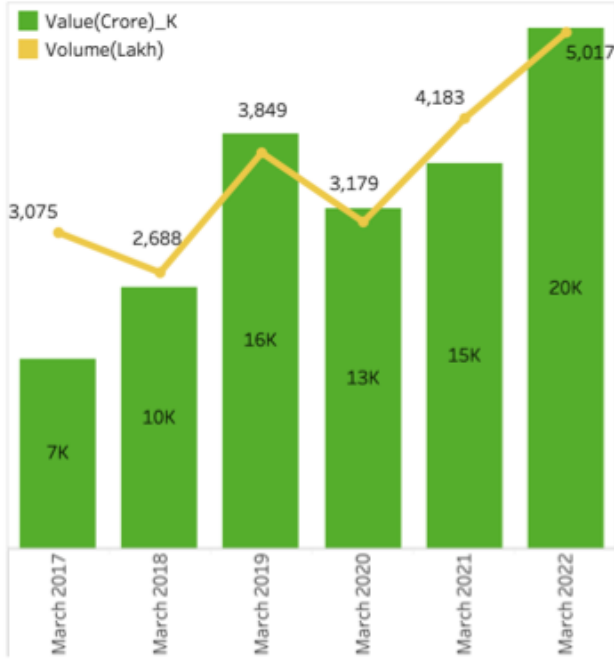
Volume of pre-paid card transaction in the month of March has been on a rise since 2018. It has increased by more than 6 times since Mar '18.

INR 500-600 has been the average amount per transaction in the month of Mar – expect in the year 2020.

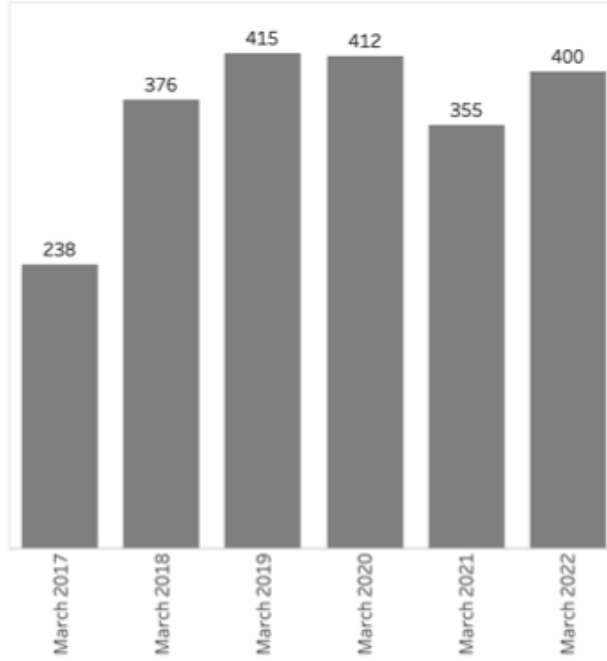
Wallets - Transactions details for the month of March



Volume and Value Transaction details



Average amount per Transaction(INR)



In Mar '22, there were more than 5000 Wallet transactions worth 20 thousand crore value.

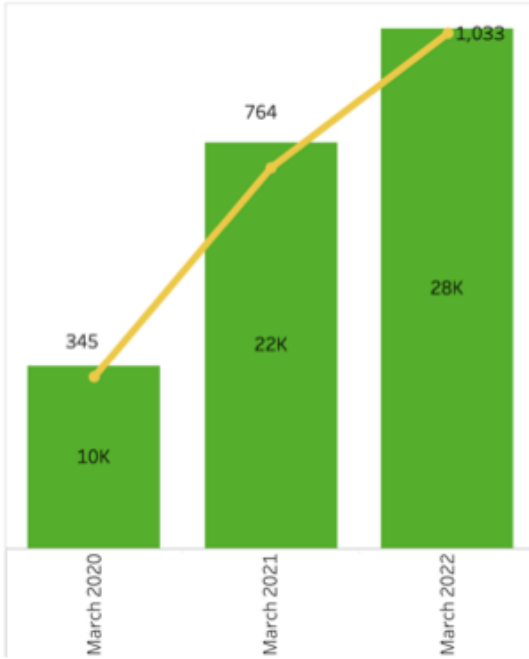
Average amount per transaction has been around INR 400 since 2018.

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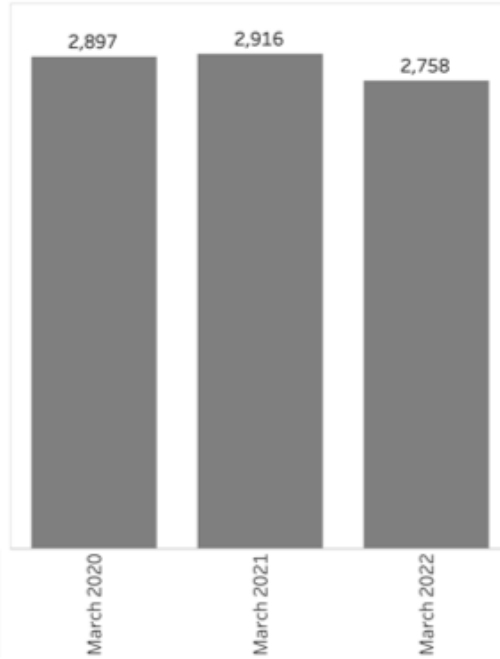
Micro-ATMs - Transactions details for the month of March

Value(Crore)_K
Volume(Lakh)

Volume and Value Transaction details



Average amount per Transaction(INR)

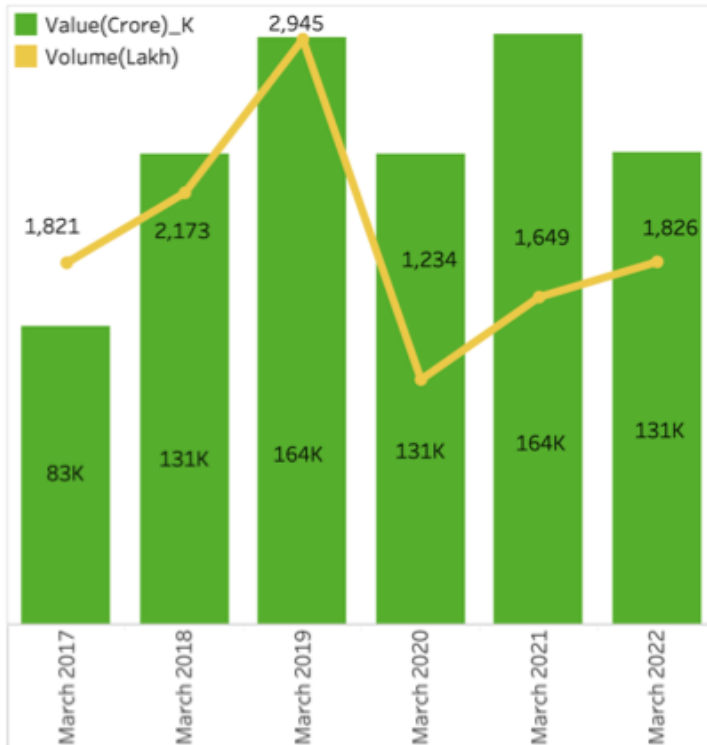


Volume and Value of transactions on Micro-ATMs in the month of March has increased 3 folds since 2020.

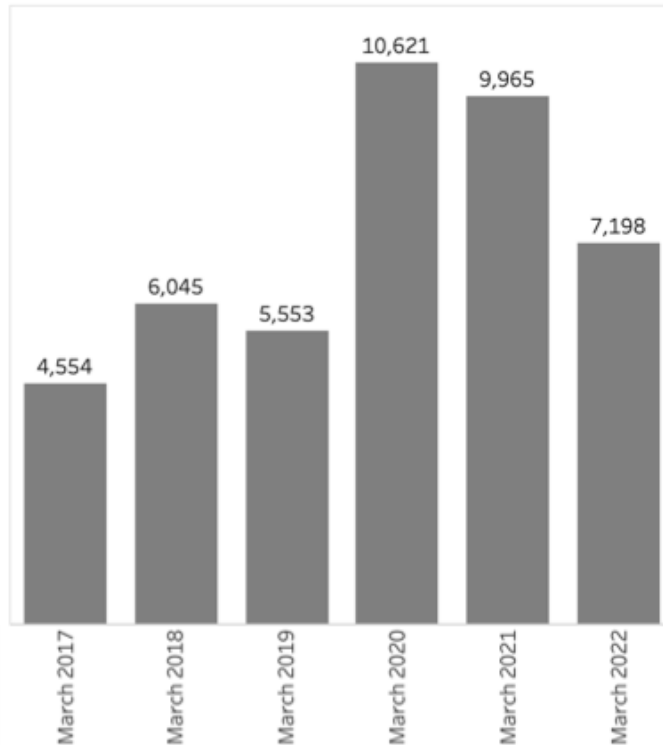
However, the average amount per transaction has been consistent in the month of March across these years.

NACH(Credit) - Transactions details for the month of March

Volume and Value Transaction details



Average amount per Transaction(INR)

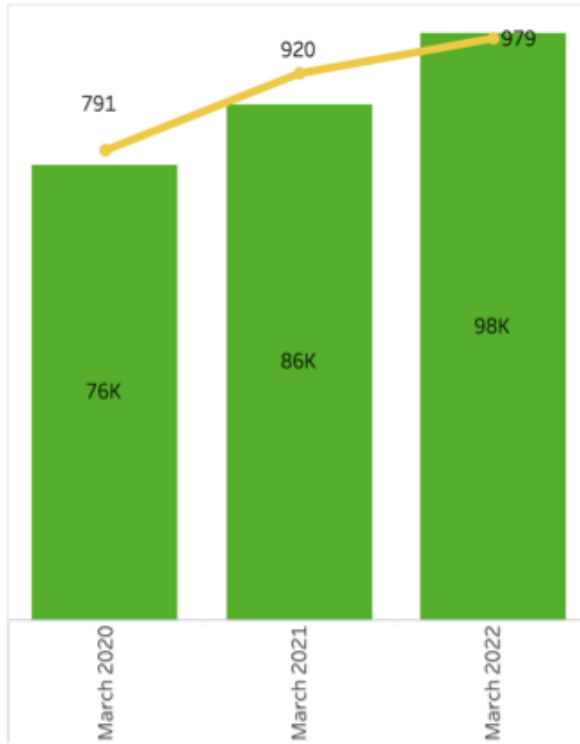


NACH(Debit) - Transactions details for the month of March

Value(Crore)_K
Volume(Lakh)



Volume and Value Transaction details



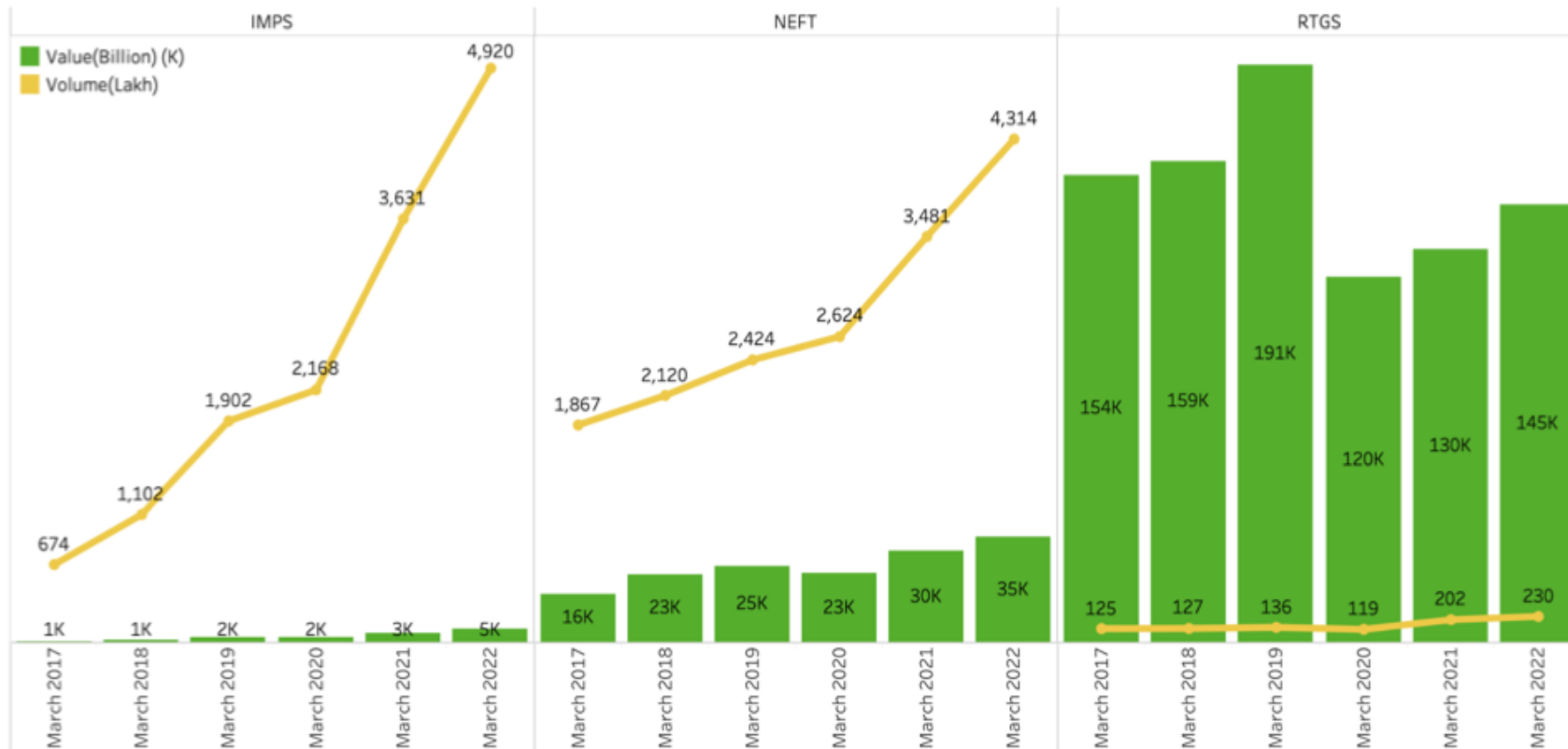
Average amount per Transaction(INR)



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Electronic Fund Transfer(NEFT, RTGS and IMPS) - Transactions details for the month of March

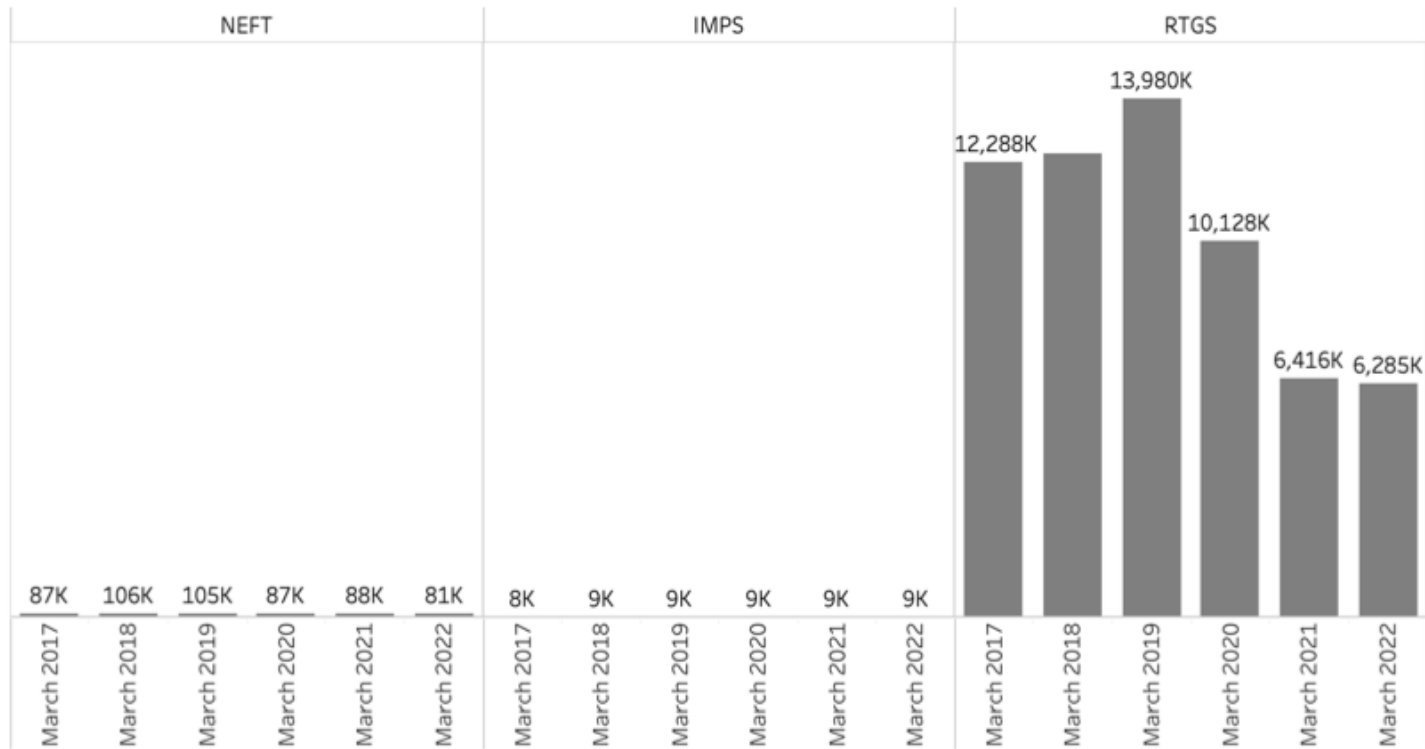
Volume(Lakh) and Value(Billion) Transaction details



Electronic Fund Transfer(NEFT, RTGS and IMPS)

- Transactions details for the month of March

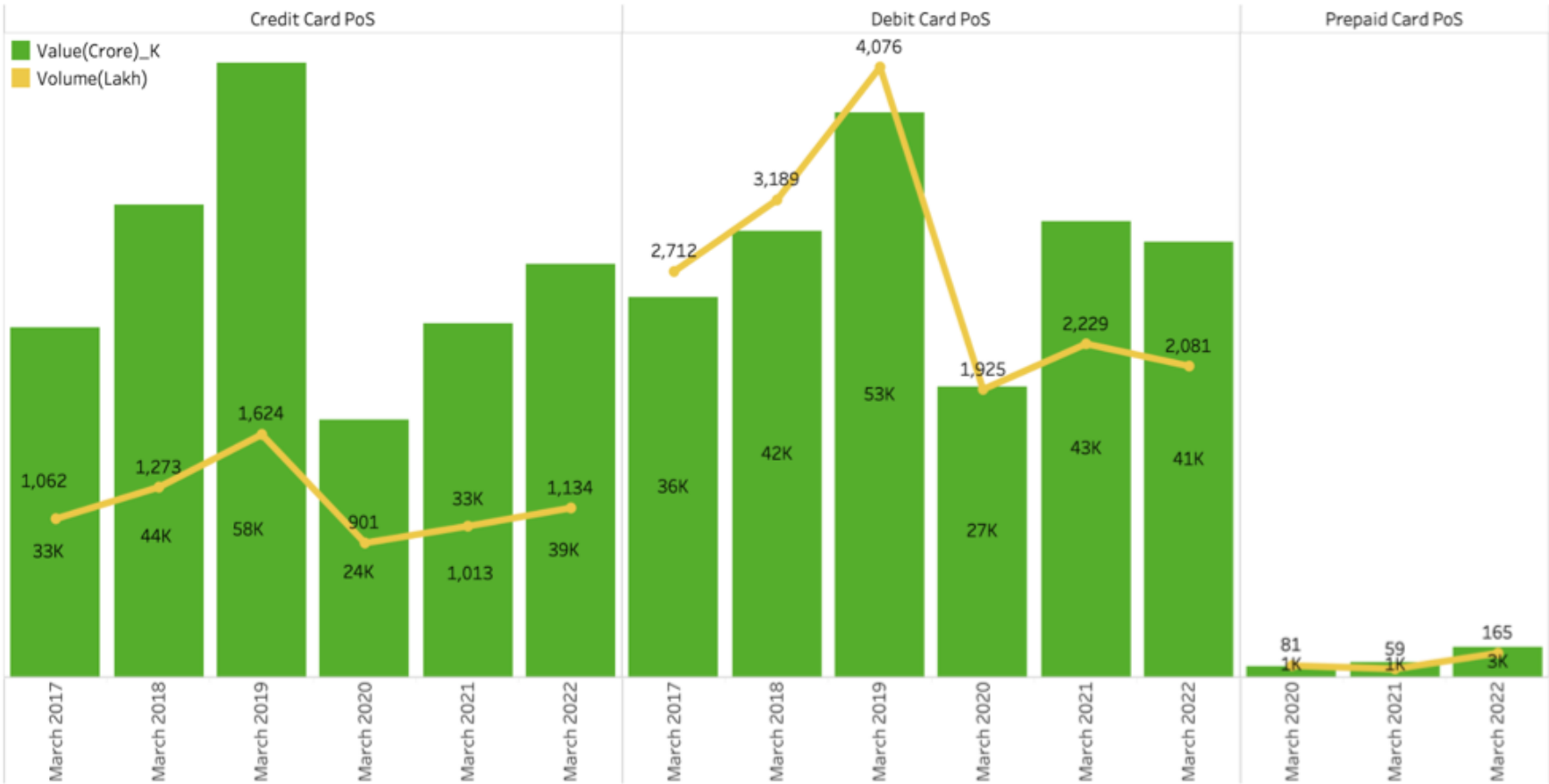
Average amount per Transaction(INR)



PoS(Credit, Debit and Prepaid Cards) -Transactions details for the month of March

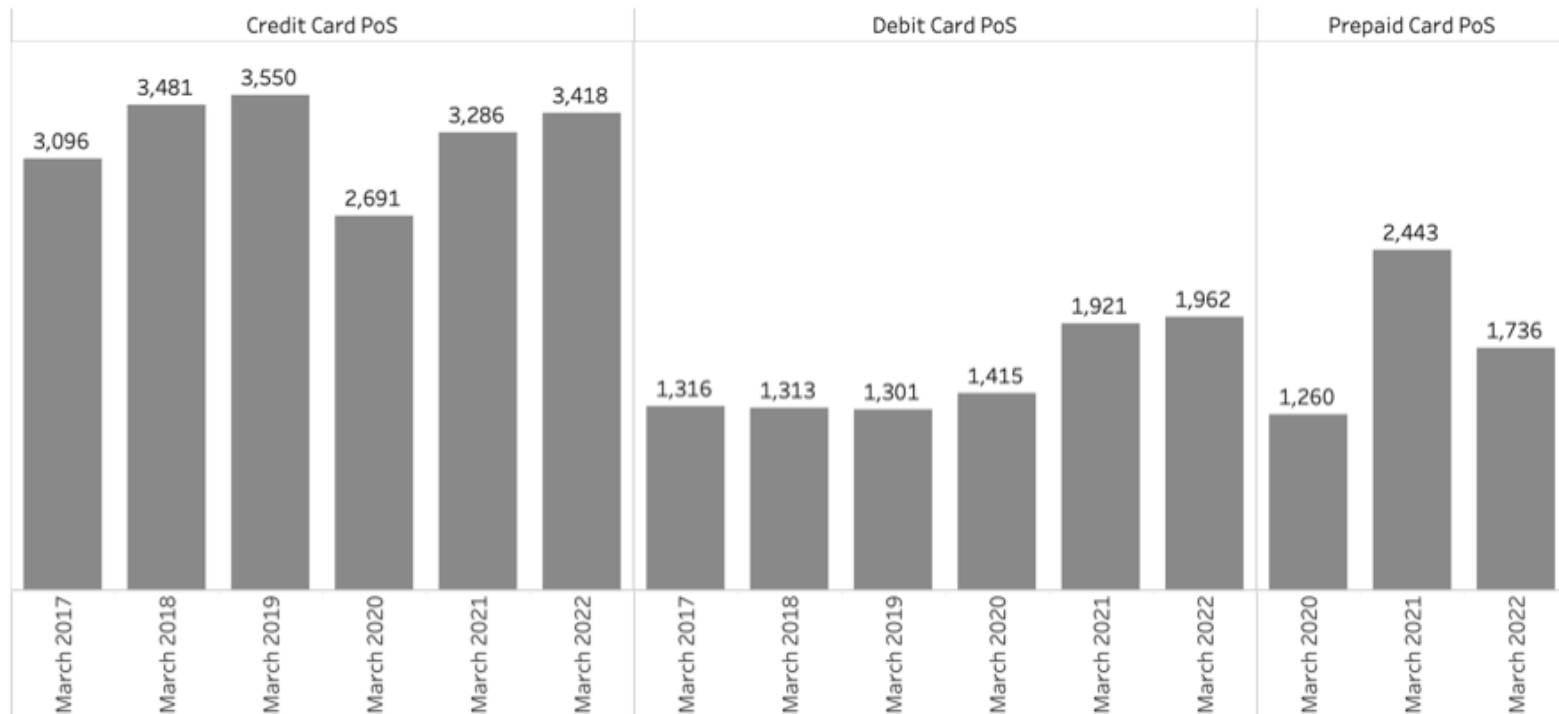


Volume and Value Transaction details



PoS(Credit, Debit and Prepaid Cards) - Transactions details for the month of March

Average amount per Transaction(INR)

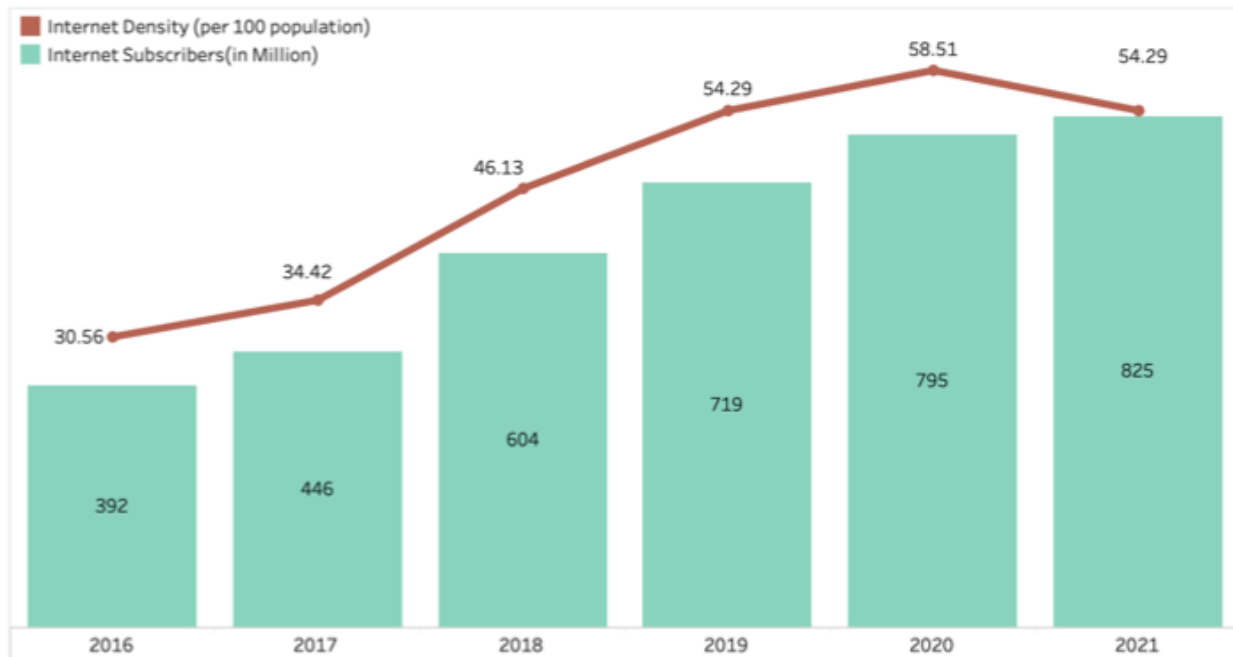


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Digital Payments

Mobile Banking

Internet Subscribers (in Million) & Internet Density(Susbcribers per 100 population)

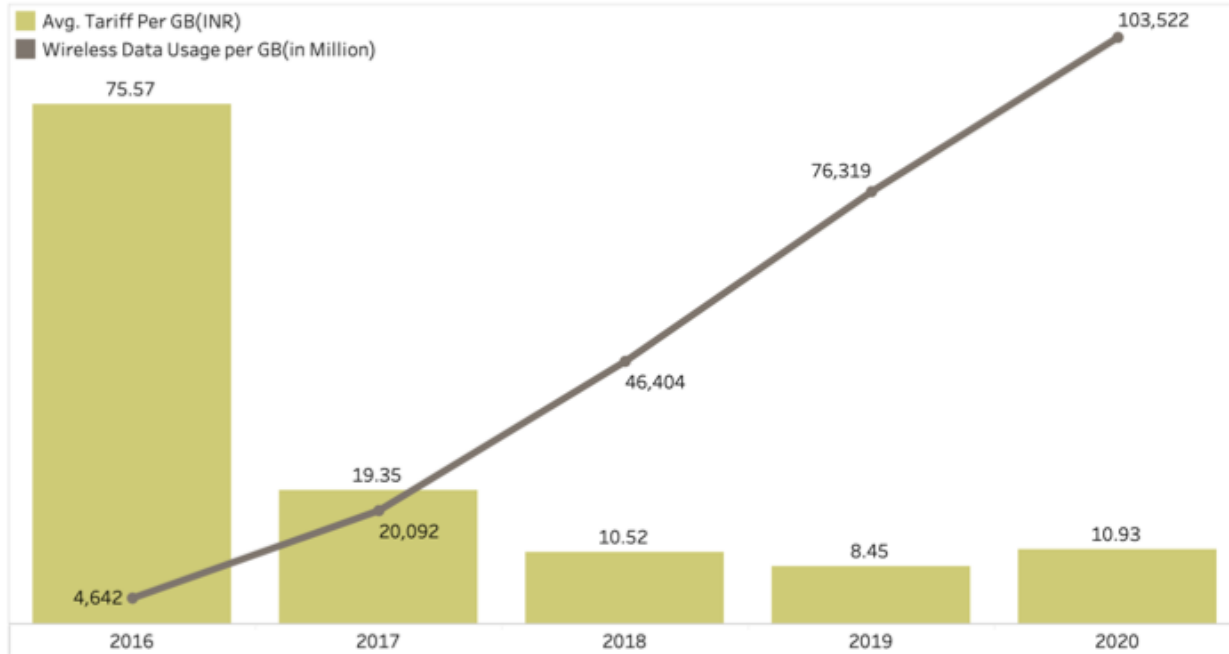


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The Internet subscriber base has more than doubled since 2016.

Internet density has also increased from 30.56 in **2016** to 54.29 subscribers per 100 population in **2021**

Wireless Data Usage per GB(in Million) & Avg. Tariff(outgoing) Per GB Wireless Data(INR)



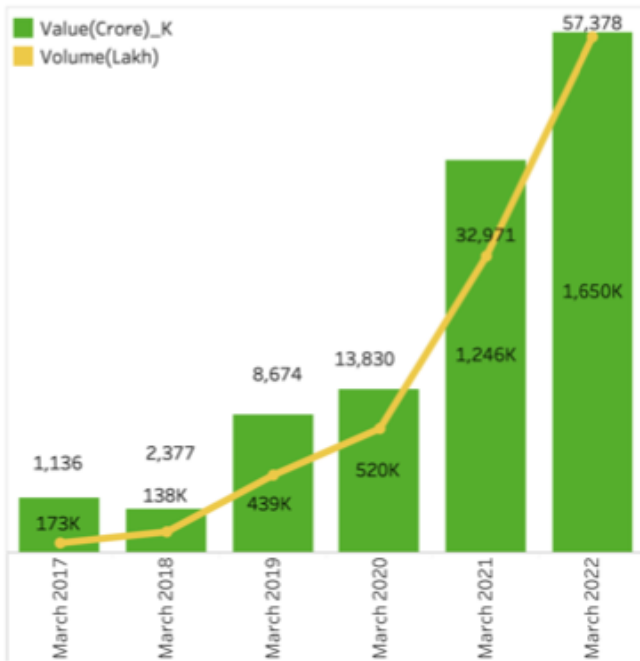
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The wireless data usage has skyrocketed from 4.64 thousand million GB in 2016 to 103.52 thousand million GB in 2020.

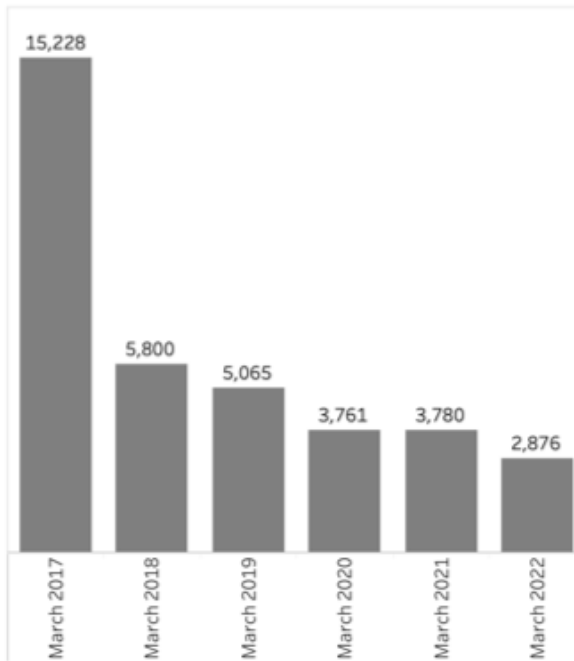
Average Tariff(outgoing) per GB of wireless data has significantly decreased from 75.57 rupees in 2016 to mere 10.93 rupees in 2020.

Mobile Banking - Transactions details for the month of March

Volume and Value Transaction details



Average amount per Transaction(INR)



The mobile Banking value and volume grown magnificently by 49 times and 8.5 times respectively since Mar '17.

However, the average amount per transaction plunged by 81.11% during the same period highlighting that large number of mobile banking transactions are being done even with small value.



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