

2 As the use of cash has risen alongside spike in digital  
3 payments, more needs to be done to promote UPI. Discuss

The currency with public use 71%  
since the demonetisation. The use in digital  
transaction is growing up along side currency  
in circulation which is 137% of GDP.

### Rise in digital transactions

As per the Economic survey 2021 4-6  
billion united payment interface transactions  
happened and of which 50% was below  
₹200. Due to the effect of QR based apps  
and UPI the volume of transactions increased  
from 293 crores in 2020 to 500 crores  
in 2022

### Reasons for rising currency in circulation

- ① People's preference to cash over digital transactions as it is simple and no third party involvement.
- ② 15 crore people do not have bank accounts

limiting their benefits from digital transition.

③ Only 20% of Indians use digital transactions.

Initiatives taken to boost digital transactions

① Rupay debit cards for Jan Dhan account holders to access their digital benefits.

② UPI 123 pay by Reserve Bank for people not having smartphones. E-RUPI

QR code based beneficiary scheme to prevent wastage of resource.

③ Testing of Central Bank Digital Currency which can provide greater transparency and traceability.

The benefits such as curbing fake currency, allowing people to invest, borrow and track their expenditure and improved tax collections are offered by digital payments. Adequate investment in back end support and capacity building can improve digital footprint.