

## 1. Robust Digital Infrastructure Enabling Prompt Transfer of Cash

### Payment

**Prelims Syllabus:** Governance - E-Governance

**Mains Syllabus:** GS-II Government Policies and Interventions for Development in Various Sectors and Issues Arising out of their Design and Implementation.

### Why in News?

- A digital pipeline has been laid to provide the necessary backbone for DBT flows, adoption of social security/pension schemes, etc. under the Pradhan Mantri Garib Kalyan Package.

### Highlights:

- A digital pipeline has been established through linking of Jan-Dhan accounts as well as other accounts with the account holders' mobile numbers and Aadhaar [Jan DhanAadhaar-Mobile (JAM)]. Jan Dhan Yojana (PMJDY) was launched in August, 2014 with an aim to provide bank accounts to unbanked persons.
- Out of around 126 crore operative current accounts saving accounts (CASA), more than 38 crores have been opened under PMJDY.

### Purpose of Creating Digital Infrastructure:

- Enablement of interoperable, speedy and **Accurate Transactions:**
- The bank accounts are enabled to carry out both cash and digital transactions at bank branches, Business Correspondent (BC) points, merchant locations and on the internet.
- Using biometric ID, highly cost-effective payments solutions like AePS/ Bhim Aadhaar Pay have been created both for banking services and for retail payments.

### The Digital Payment Ecosystem includes the Following Modes:

- **Aadhar enabled Payment System (AePS):** helps in cash withdrawal by using Aadhaar authentication at branch/BC locations.
- **Bhim Aadhaar Pay:** enables payment to merchants using Aadhaar authentication
- **RuPay debit cards:** As on 31<sup>st</sup> March 2020, a total of 60.4crore RuPay cards have been issued including 29 crore issued in PMJDY accounts. These cards could be used at ATMs for cash withdrawal and at Points of Sale (PoS) & e-commerce for digital payments.
- **Unified Payment Interface (UPI):** Immediate real time payment system which helps in both person to person (P2P) and Person to Merchant (P2M) transactions.

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- **Bharat Bill Payment System (BBPS):** helps in payment of utility bills through internet & BC locations both by using cash & digital modes.
  - According to the Union Finance Ministry, using the digital payment infrastructure mentioned above, more than 30 crore poor people have received financial assistance of Rs. 28,256 crore under the Pradhan Mantri Garib Kalyan Package, in order to protect them from the impact of the lockdown due to COVID 19.

