

**ABSTRACT****FEASIBILITY OF AADHAR-ENABLED RUPAY CARD FEASIBILITY AND THE EFFECT OF DEMONETISATION ON IT****\* RIYANKA ROY CHOUDHURY**

Aadhaar-enabled RuPay cards have to overcome various challenges in bringing about financial inclusion, also in relation to its competitive markets and the effect of demonetisation on it. According to data from the Ministry of Finance 26.8 million RuPay Cards have been allocated on October 15<sup>th</sup> 2014, 25.8 million by public banks, 726,000 by rural banks and 281,000 by private banks<sup>1</sup>. Out of the 44.6 million debit cards in circulation, it represents 58% (and 39.9% out of debit and credit cards (20 million) in circulation)<sup>2</sup>. The Jan Dhan Yojana has given RuPay Card a big boost as every account-holder is getting the RuPay card. The direct benefits transfer scheme has also helped in making the RuPay cards active. This paper is a study on India's economy which aims to emphasize on the successes and problems encountered in the development of Rupay Card in the country. The results presented are based on an in-depth literature review along with analysis of primary and public secondary data. In the first section Indian initiatives for financial inclusion which started a decade ago and its current status with own sets of problems have been discussed, while in the second section the focus is more on recent initiatives centred on Digitization whilst analysing various economic annual reports related to Rupay cards. While we are lacking outlook to assess the effect of demonetisation on Rupay Cards but the preliminary results are encouraging and new schemes and policy are being set up in this path.

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<sup>1</sup> Eyes Wide Shut - Global Insights and Actions for Banks in the Digital Age. (2014). Retrieved April 20, 2015, from [https://www.pwc.com/im/en/publications/assets/banking/global\\_digital\\_banking\\_survey1.pdf](https://www.pwc.com/im/en/publications/assets/banking/global_digital_banking_survey1.pdf) and Mazzotta, B., Chakravorti, B., Bijapurkar, R., Shukla, R., Ramesha, K., Bapat, D., & Roy, D. (2014). The Cost of Cash in India. Retrieved April 20, 2015, from <http://fletcher.tufts.edu/CostofCash/~media/Fletcher/Microsites/Cost of Cash/COC-India-lowres.pdf>

<sup>2</sup> Bridging the Gap with Digital. (2014, December). Retrieved April 20, 2015, from [https://www.pwc.in/en\\_IN/in/assets/pdfs/publications/2014/cii-financial-distribution-report-bridging-the-gap-with-digital.pdf](https://www.pwc.in/en_IN/in/assets/pdfs/publications/2014/cii-financial-distribution-report-bridging-the-gap-with-digital.pdf) and Future of India - The Winning Leap. (2014, November). Retrieved April 20, 2015, from [http://www.pwc.in/en\\_in/in/assets/pdfs/future-of-india/future-of-india-the-winning-leap.pdf](http://www.pwc.in/en_in/in/assets/pdfs/future-of-india/future-of-india-the-winning-leap.pdf)