

Indian digital payment landscape witnesses over 65,000 crore digital transactions amounting to more than Rs. 12,000 lakh crore in last 6 Financial years

The growing adoption of digital payments has revolutionized access to financial services, particularly for underserved and unserved communities

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The Government has been closely working with different stakeholders including the Reserve Bank of India (RBI), National Payments Corporation of India (NPCI), fintechs, banks and State Governments to increase the adoption rates of digital payments in the country including in tier-2 and tier-3 cities. RBI has setup a Payments Infrastructure Development Fund (PIDF) in 2021 to encourage deployment of digital payments acceptance infrastructure in tier-3 to 6 cities, North-Eastern States and Jammu & Kashmir. As on May 31, 2025, around 4.77 Crore digital touch points have been deployed through PIDF. Transactions during the last six financial years, i.e. FY 2019-20 to FY 2024-25 have seen a phenomenal increase. Over 65,000 crore digital transactions have taken place in the last 6 years amounting to more than Rs. 12,000 lakh crore.

The RBI has developed the Digital Payments Index (RBI-DPI) to measure the extent of digitisation of payments across the country. The index is published semi-annually and is based on March 2018 as the base period (Index = 100). As per the latest release, the RBI-DPI stood at 465.33 for September 2024, reflecting continued growth in digital payment adoption, infrastructure, and performance across the country.

In order to support small businesses and MSMEs in adopting digital payment systems to expand their customer base and improve efficiency, various initiatives have been taken by the Government, RBI and NPCI from time to time. These, inter alia, includes incentive scheme for promotion of low value BHIM-UPI transactions for small merchants, Trade Receivables Discounting System (TReDS) guidelines that allows for MSMEs to get their invoices discounted on the TReDS platform at competitive rates and rationalization of Merchant Discount Rate (MDR) for Debit Card Transactions.

The growing adoption of digital payments has revolutionized access to financial services, particularly for underserved and unserved communities. By enabling seamless, traceable transactions through platforms like UPI, digital payments have created a robust financial footprint for individuals and businesses. These footprints serve as alternative data points for financial institutions, allowing them to assess creditworthiness even in the absence of traditional documentation. As a result, more people are able to access formal credit channels, which not only empowers economic participation but also brings more entities into the formal financial ecosystem. Digital platforms like UPI have enabled citizens including small vendors and rural users to accept digital payments, reducing cash dependency and increasing formal economic participation.

This information was given by Minister of State in the Ministry of Finance Shri Pankaj Chaudhary in a written reply to a question in Lok Sabha today.

NB/AD

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