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DEPARTMENT OF
FINANCIAL SERVICES

NPCI
भारतीय राष्ट्रीय भुगतान निगम
NATIONAL PAYMENTS CORPORATION OF INDIA

Socio-Economic Impact Analysis

of Incentive Scheme for Promotion of RuPay Debit Card and Low-Value BHIM-UPI Transactions (P2M)

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Department of Financial Services
Ministry of Finance
Government of India

Message

India's digital payments ecosystem has witnessed rapid and substantive advancement in recent years, transforming the country's financial landscape. When the Unified Payments Interface (UPI) was launched in 2016, it marked a foundational moment in India's digital journey. At the time, the objective was clear but ambitious: to create a payment system that was simple to use, interoperable by design, and capable of operating at the scale of the nation. UPI was conceived as public digital infrastructure, meant to be dependable, inclusive, and accessible across institutions, technologies, and geographies.

Over the past decade, India has emerged as a global leader in real-time digital payments, accounting for approximately half of the world's instant payment transactions. Within this landscape, UPI has evolved steadily from a novel payment mechanism into a foundational layer of India's economic activity. Its widespread adoption reflects not only the technological robustness of the platform, but also the deep trust it has earned among citizens, businesses and financial institutions. This rapid growth has been enabled by a collaborative ecosystem: banks, technology providers, regulators and platform builders; working within a unified and interoperable framework rather than in isolation.

UPI's significance lies not just in its reach, but in what it has enabled. It has reduced friction in everyday transactions, supported small businesses and entrepreneurs, and expanded access to formal financial systems without adding complexity for users. By lowering entry barriers and standardising digital payments, it has helped create a more efficient, transparent, and responsive economic environment.

India's experience with UPI has also influenced global thinking on digital public infrastructure. It has demonstrated that payment systems can be built to serve public objectives while remaining scalable, secure, and innovation-friendly. This has positioned India as a credible contributor to international discussions on the future of digital finance.

As UPI enters its second decade, its scale brings with it heightened responsibility. Sustaining trust, strengthening safeguards, and ensuring reliability will be as important as continued innovation. The enduring value of UPI will ultimately be measured by how consistently it serves citizens and supports the broader economy in the years ahead.

Shri M. Nagaraju
Secretary
Department of Financial Services
Government of India

India's digital payments journey is a powerful example of how policy innovation can transform financial inclusion and economic formalization. Over the past decade, India has witnessed an unprecedented shift from cash-based transactions to digital payments, driven by visionary initiatives such as the Incentive Scheme for RuPay and UPI. This scheme has played a pivotal role in removing cost barriers for merchants and acquiring banks, accelerating adoption, and building trust across diverse socio-economic segments. By incentivizing stakeholders, the scheme has ensured that digital payments are not only accessible but also sustainable, creating a robust foundation for inclusive growth.

The findings of this socio-economic impact study reaffirm the success of these interventions and highlight their role in creating a secure, interoperable, and user-friendly payment ecosystem. UPI and RuPay have emerged as transformative platforms, enabling millions of Indians to transact seamlessly and securely. Moving forward, our focus will be on bridging digital literacy gaps, promoting advanced features and ensuring equitable participation across urban and rural areas. These efforts will help position digital payments as a universal public good, empowering citizens and businesses while driving India's economic transformation.

The success of UPI and RuPay demonstrates that collaborative efforts between government, regulators, and industry can create a payment system that benefits all stakeholders. As we look ahead, we aim to build on this foundation by fostering innovation, improving user experience, and ensuring that every Indian has access to safe, reliable, and convenient digital payment options. This is not just a financial revolution—it is a social and economic transformation for the nation, paving the way for a future where digital payments are synonymous with trust, convenience, and inclusivity.

Dr. Abhijit Phukon
Economic Advisor
Department of Financial Services
Government of India

Digital payments are central to India's vision of a transparent, resilient, and inclusive financial system. The findings of this study underscore the transformative role of UPI and RuPay in reducing cash dependency, improving liquidity efficiency, and fostering trust in digital transactions. RBI remains committed to strengthening payment infrastructure, enhancing security frameworks, and promoting interoperability to ensure seamless experiences for all users. Our priority is to maintain safety, reliability, and universal accessibility while encouraging innovation that meets evolving consumer needs.

Initiatives such as UPI Lite, AutoPay, and credit-linked features will further deepen adoption and convenience. At the same time, we will continue to focus on risk mitigation through AI-driven fraud detection and robust grievance redressal mechanisms. These measures will help India sustain its leadership in digital payments globally and create a strong foundation for inclusive economic growth.

The journey ahead will require collaboration across stakeholders to ensure that digital payments remain secure, scalable, and accessible to every citizen.

RBI's vision is to create a payment ecosystem that not only meets domestic needs but also positions India as a global leader in digital financial innovation. Together, we will ensure that digital payments become a trusted enabler of economic progress, empowering individuals and businesses alike. This transformation is critical for achieving a cash-light economy, improving transparency, and fostering financial resilience across all segments of society.

Shri Gunveer Singh
Chief General Manager
In-Charge, DPSS
Reserve Bank of India

UPI and RuPay have transformed India's payment ecosystem into one of the most inclusive and interoperable platforms globally. This report highlights how collaborative efforts between government, industry, and NPCI have enabled secure, instant, and accessible payments for millions of users and merchants. Our continued focus will be on driving innovation, expanding merchant acceptance, and deepening digital literacy to ensure every Indian benefits from a seamless digital experience.

Initiatives such as UPI Lite, Credit Line on UPI, and AutoPay will unlock new use cases and enhance convenience. At NPCI, we are committed to strengthening trust through advanced security measures and promoting feature adoption through awareness campaigns. By leveraging technology and partnerships, we aim to create a future-ready ecosystem that empowers individuals and businesses alike. Together, we will shape the next phase of India's digital payments journey, ensuring that it remains inclusive, secure, and sustainable for generations to come.

The success of UPI and RuPay is a testament to India's ability to innovate at scale and deliver solutions that meet global benchmarks. Our mission is clear: to make digital payments a universal experience that drives economic growth, fosters financial inclusion, and builds a digitally empowered society. As we move forward, NPCI will continue to collaborate with stakeholders to enhance interoperability, strengthen infrastructure, and deliver cutting-edge solutions that redefine convenience and trust in digital transactions.

Shri Dilip Asbe
MD & CEO
National Payments Corporation of India

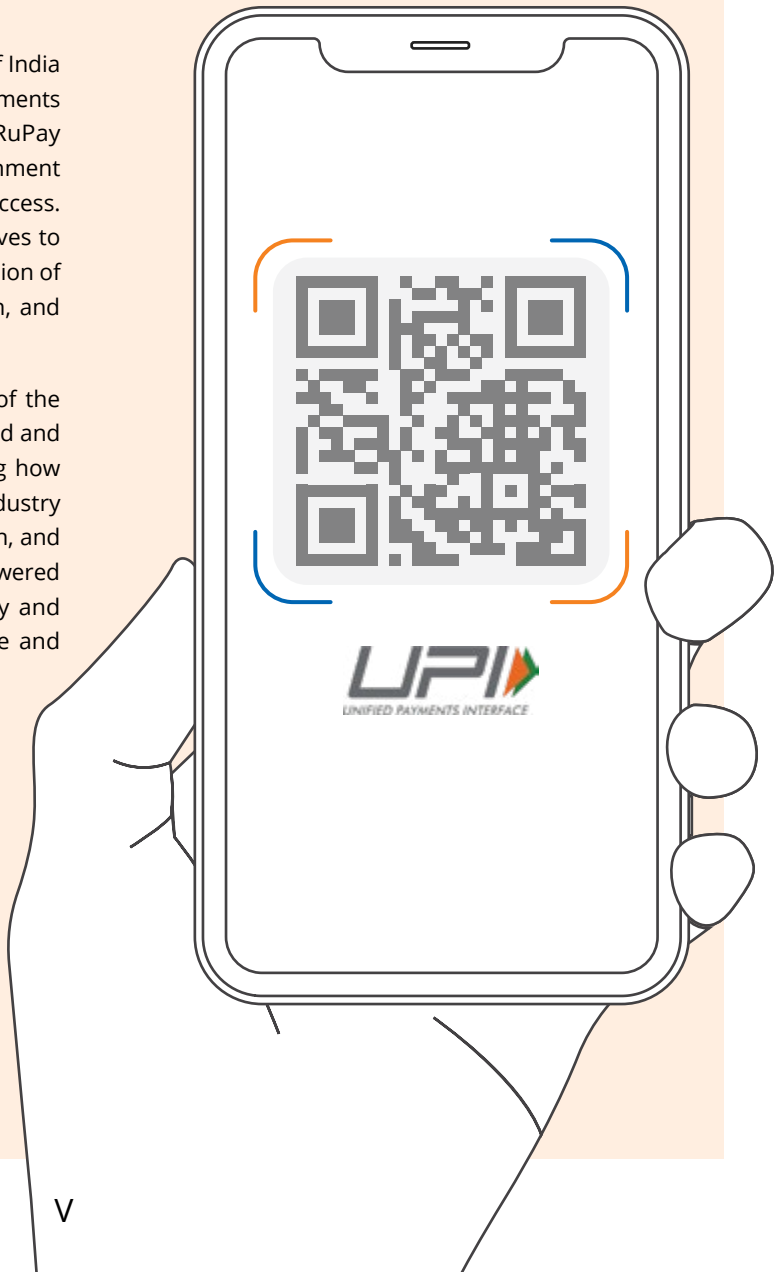
Preface

India's digital payments journey has evolved from early electronic banking initiatives to one of the world's most advanced and inclusive payment ecosystems. The establishment of the National Payments Corporation of India (NPCI) marked a major turning point, enabling the creation of robust digital public infrastructure such as RuPay, AePS, IMPS, and especially UPI, which revolutionized instant, interoperable, and secure payments.

Industry stakeholders including banks, fintechs, technology providers, and merchants have been instrumental in expanding acceptance, enhancing user experience, and driving innovation that helped embed digital payments into daily economic life across urban and rural India.

Throughout this transformation, the Government of India has remained committed to ensuring that digital payments function as a public good. By keeping UPI and RuPay Debit Card transactions free for citizens, the Government eliminated cost barriers and promoted universal access. The Government has introduced budgetary incentives to support banks and acquirers, enabling rapid expansion of merchant infrastructure, greater financial inclusion, and reduction in cash based transactions.

This report evaluates the socio economic impact of the Incentive Scheme for Promotion of RuPay Debit Card and Low Value BHIM UPI Transactions (P2M), assessing how coordinated efforts of Government, NPCI, and industry partners have strengthened trust, boosted adoption, and advanced India's vision of a less cash, digitally empowered economy. The findings aim to guide future policy and reinforce the nation's commitment to an inclusive and resilient digital payments ecosystem.



Executive Summary

The Socio Economic Impact Analysis, an initiative of the Department of Financial Services (DFS) in consultation with the National Payments Corporation of India (NPCI) and based on the study carried out by Ipsos Research Pvt. Ltd. as the independent third party agency, assesses the impact and effectiveness of the Government of India's Incentive Scheme for Promotion of RuPay Debit Card and Low value BHIM UPI transactions (P2M).

To ensure holistic and representative insights, the study adopted a carefully structured sampling framework spanning five geographical zones—North, South, East, West, and North East—covering both urban and semi urban locations. A total of 10,378 respondents were surveyed across 15 states, comprising 6,167 users, 2,199 merchants, and 2,012 service providers, representing the key stakeholder groups that form the foundation of India's digital transaction ecosystem.

Fieldwork was conducted from 22nd July 2025 to 25th August 2025, using face to face Computer Assisted Personal Interviews (CAPI) to ensure accurate, reliable, and high quality data collection. Drawing on this comprehensive dataset, Ipsos undertook an in depth analysis of the scheme's design and implementation, stakeholder behavior and usage patterns, and the broader socio economic impact of the incentive programme. This report examines the evolving dynamics of India's digital payments landscape, evaluates adoption trends across stakeholder cohorts, and highlights the transformative role of incentives in accelerating digital payment usage. It also presents key insights and actionable recommendations aimed at further strengthening digital payment penetration and informing future policy direction.

The evaluation of the scheme indicates a substantial increase in the adoption of digital payments across diverse socio-economic segments of the population. Among the surveyed users, UPI has emerged as the most preferred mode of transaction (57%), surpassing cash (38%), primarily due to its ease of use and instant transfer capability. While cash continues to be relevant among older demographics and in specific categories such as healthcare, digital payments dominate everyday usage, with 65% of UPI users doing multiple digital transactions daily. It was also observed that the UPI preference is high particularly among younger users (18–25 years) (66%).

Speed of payment remains the key advantage cited by (74%) UPI users, followed by convenience and reliability for using digital payments. Cashback incentives are a significant motivation (52%) for UPI adoption. RuPay debit card are highly preferred for secure and convenient transactions, with 66% of respondents rating them superior to other card networks.

90% of UPI users report increased confidence in digital payments after using UPI and RuPay card, accompanied by a marked decline in cash and ATM withdrawals. Compared to last year, digital transaction usage has shown positive impact on user spending behavior, particularly among younger cohorts. Awareness and reliance on advanced UPI features such as AutoPay and UPI Number (mobile number-based identifier) continue to rise, further solidifying UPI's position as the predominant mode of financial transactions.

Among the surveyed merchants, UPI adoption stands as one of the prominent mode of transaction (94%), underscoring its strong integration, ease of acceptance, and widespread preference. While smaller vendors, particularly street sellers and small merchants exhibit high acceptance of digital payments (94%+), larger merchants report near-universal acceptance of digital payments (100%) indicating opportunities for targeted awareness and incentive programs. Aggregate, 72% of merchants express satisfaction with digital payments, citing faster transactions, improved record-keeping, and the convenience of not handling cash. However, challenges such as poor connectivity, fraud risks, and limited financial literacy continue to hinder seamless adoption.

Digital payments have positively impacted business operations, with 57% of merchants reporting increased sales and 37% noting improved efficiency. Ease of use and instant UPI transfers remain reasons for top preference of UPI. Merchants also suggested features such as smoother navigation, scheduled payments, and stronger fraud detection for further enhancing their UPI experience.

From a service provider perspective, UPI remains the most preferred transaction mode (75%), driven by simplicity and instant fund transfers, with high satisfaction levels (82%) supported by speed, security, and cashback incentives. However, providers highlight persistent challenges including technical issues, cyber security risks, and dependence on reliable internet connectivity. In the absence of UPI, cash remains the primary alternative (47%), followed by net banking and debit cards. While awareness of advanced features such as UPI AutoPay is high, low adoption underscores the need for stronger user education and enhanced capabilities such as fraud detection and smoother navigation.

In conclusion, the findings reaffirm that while digital payments have significantly transformed India's payment ecosystem, continued efforts will be essential to sustain and deepen the digital momentum.

Digital India has given new strength to India's economy. Platforms like UPI have transformed everyday life. Technology is empowering the poor, the middle class and entrepreneurs, and is becoming the backbone of India's socio-economic transformation.

Shri Narendra Modi
Hon'ble Prime Minister

Note to Readers: All percentage figures represent proportions within the respective respondent segments (such as among users, merchants or service providers) and are based on the total responses within each segment, unless otherwise indicated. List of definitions and abbreviations are added at end of report.

Contents

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Introduction

1.1 Background of the scheme

The Incentive Scheme for Promotion of RuPay Debit Cards and Low-Value BHIM-UPI (P2M) Transactions was conceptualised as part of the Government of India's broader thrust toward universal digital payments adoption, financial inclusion, and formalisation of routine economic activity. To ensure that digital payments remained accessible to every citizen and that no one was left out of India's digital revolution, the Government made a decision to introduce a structured incentive framework starting FY 2021 22, which has been continued through FY 2024 25. This approach ensured sustainability for payment providers while upholding the Government's commitment to universal, affordable, and frictionless digital payments.

As the scheme promotes products (RuPay debit card and UPI) which are owned by National Payments Corporation of India (NPCI), the government has consulted NPCI for information and suggestions during designing and implementation of the last four incentive scheme and last three incentive scheme for UPI and RuPay respectively.

1.2 Budgetary disbursal pattern of the scheme

Under the scheme, dedicated budgetary allocations were earmarked separately for UPI and RuPay, and fund disbursals were carried out through a structured claim verification process involving DFS, NPCI, issuing and acquiring banks, PSPs, and TPAPs. Over the years, the incentive sharing model was refined to better distribute ecosystem responsibilities, promote merchant enablement, and drive growth in small value digital payments. The incentive schemes for FY 2021 22, FY 2022 23, FY 2023 24, and FY 2024 25 received formal approval, and disbursements of ₹1,389 crore, ₹2,210 crore, ₹3,631 crore, and ₹1,046 Crore (as of November 2025) respectively were made to banks, payment system operators, and app providers. The corresponding budgetary allocations and expenditure trends under the scheme are presented below.

Table 1: Funds disbursed to acquirers under incentive scheme

Funds disbursed by DFS under UPI component				
FY	2021-22	2022-23	2023-24	2024-25
Incentive (in ₹ Crore)	957	1802	3268	1046

Funds disbursed by DFS under RuPay Debit Card component				
FY	2021-22	2022-23	2023-24	2024-25
Incentive (in ₹ Crore)	432	408	363	-

1.3 Implementation of the scheme

1.3.1. Scheme approval

The scheme approval follows a structured government process: stakeholder consultation, formulation and clearance of financial and administrative proposals (EFC), Cabinet consideration and approval, and formal launch through notification and guidelines. Post-approval, an incentive-sharing framework is finalized to operationalize the scheme across stakeholders.

1.3.2. Claim submission and disbursement

Following approval, DFS initiates the disbursal phase by coordinating with NPCI and banks for quarterly submissions on the DigiPay/NIC portal. In this process, both NPCI and the acquiring banks submit their incentive claims independently on the portal, and after applying performance parameters, the lower of the two submitted amounts is treated as the admissible claim. DFS then uses these validated claims for releasing sanctions through the government payment systems.

1.3.3. Incentive settlement amongst ecosystem participants

NPCI handles settlement by preparing verified datasets, establishing issuer–acquirer responsibilities, applying performance criteria, and confirming figures with participating banks. NPCI generates the settlement files, executes the accounting entries, and communicates settlement results and MIS updates to banks and DFS. This closes the cycle with full transparency and audit readiness.

1.4 Incentive allocation structure under the Incentive Scheme

Incentive sharing under the scheme is determined by predefined and approved incentive rates applicable to acquiring banks, with the structure remaining unchanged from FY 2021 22 through FY 2023 24. For FY 2024 25, the incentive framework for UPI was revised to better align with evolving ecosystem needs, shifting transaction patterns, and the strategic priorities of the Government. These revisions were introduced to ensure that incentives continue to effectively support digital payment expansion while maintaining sustainability for ecosystem participants, and the year wise incentive rate details are presented below:

Table 2: Incentive allocation structure under Incentive Scheme

From FY 2021-22 to FY 2023-24

Particulars	Industry Program Transactions	Non-Industry Program Transactions
RuPay Debit Cards	0.15%, capped at ₹ 6 (Specific sectors like insurance, government payments, education, etc.)	0.40% per transaction, capped at ₹ 100
BHIM-UPI (Transaction up to ₹ 2,000)	0.15%	0.25%

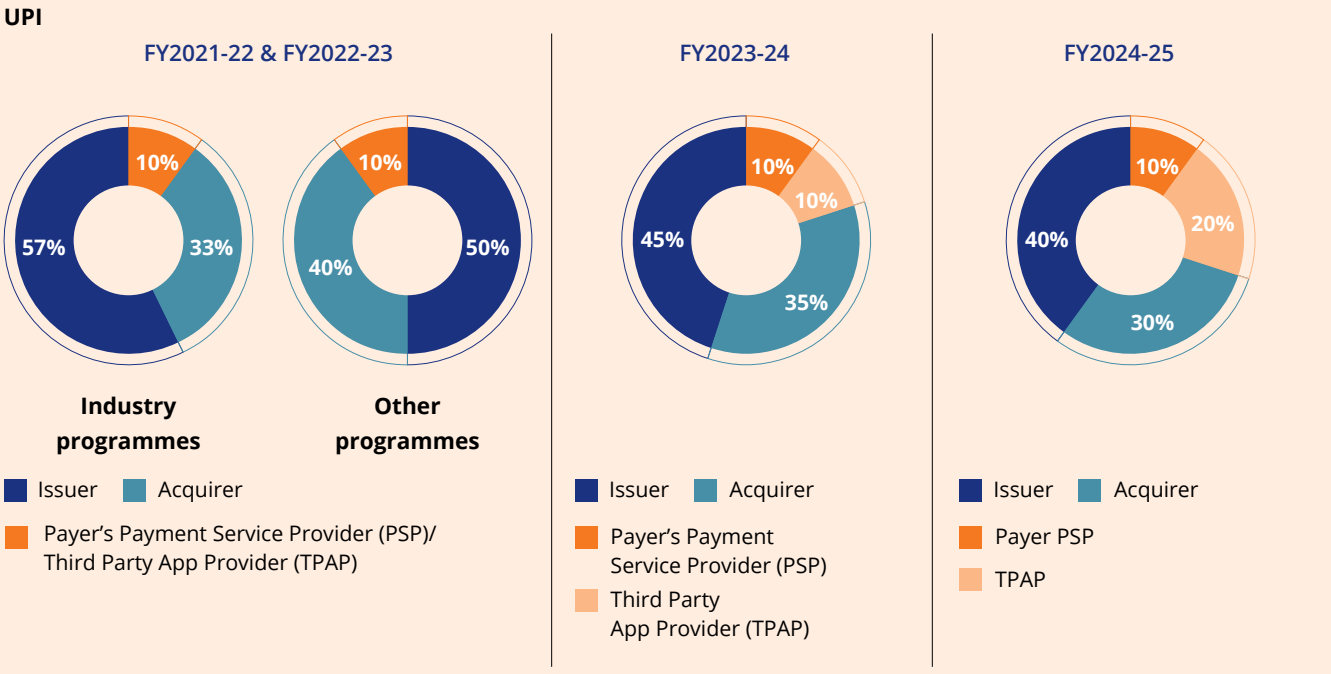
For FY 2024-25

Category	Incentive rate per transaction
BHIM-UPI P2M transactions (up to ₹ 2,000)	
Small Merchant*	0.15%

* Small merchants: with turnover upto ₹ 20 lakh during the previous financial year, as defined by RBI

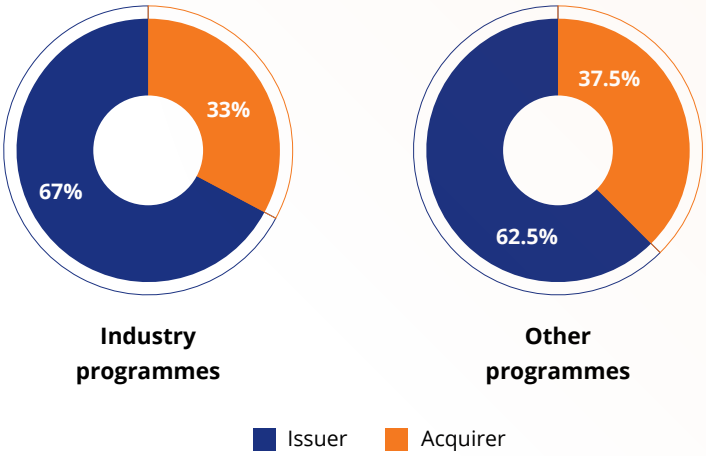
The incentive sharing framework under the Incentive Scheme outlines how the total incentive amount is distributed among various ecosystem stakeholders, including issuer banks, acquirer banks, PSPs, and TPAPs. The broad allocation structure, refined over different financial years based on stakeholder consultations and evolving ecosystem needs, is summarized in the chart below-

Figure 1: Incentive allocation structure under Incentive Scheme



RuPay Debit Card

FY2021-22, FY2022-23 & FY2023-2024



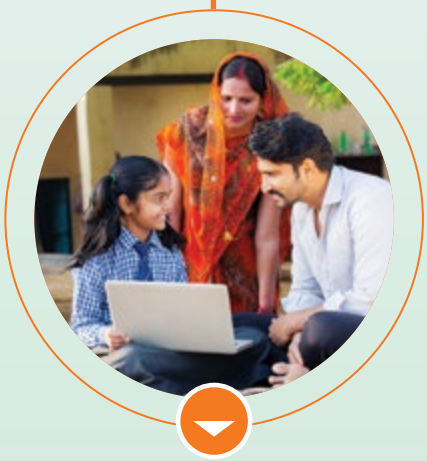
1.5 Advantages of digital payment

Digital payments have delivered transformative benefits by enabling financial inclusion, fostering transparency, and accelerating the formalization of the economy. They have boosted transaction efficiency, stimulated fintech innovation, and created a resilient digital ecosystem. Beyond economic gains, digital payments enhance governance, reduce fraud, and empower merchants and users through improved access, convenience, and digital literacy.

Collectively these outcomes strengthen the digital public infrastructure and lay the groundwork for a more inclusive and efficient financial ecosystem.

1

Social Benefits



Inclusion of marginalized communities

Behavioural shift towards transparency

Community level digital literacy

2

Economic Benefits

Formalization of informal economy

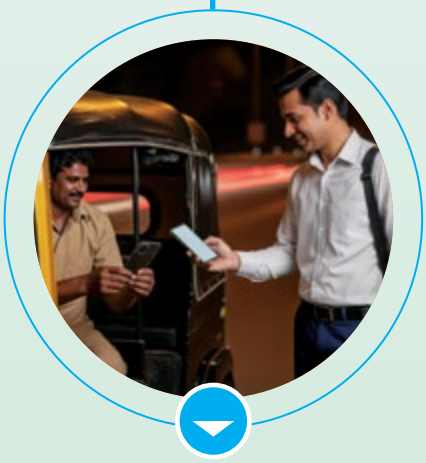
Increased velocity of money

Stimulus for Fintech Innovation

Digital payments are strengthening the formal economy. Small traders, street vendors and self-employed citizens are joining the digital ecosystem.

Shri Narendra Modi
Hon'ble Prime Minister

3 Administrative Benefits



- Streamlined Public Service Delivery
- Enhanced Policy Monitoring and Evaluation
- Reduction in Fraud and Leakages

4 Segment-Specific Benefits

For Merchants

- Business Credibility and Growth
- Access to Financial Products
- Operational Simplicity

For Users

- Secure and Convenient Transactions
- Budgeting and Expense Tracking
- Incentive-Driven Engagement

5 Ecosystem-Wide Benefits

- Strengthened Interoperability
- Resilience Against Disruptions
- Data-Driven Ecosystem Growth
- Competitive Market Dynamics

1.6 Summary of past evaluation since inception of scheme

The Government of India's incentive scheme from FY 2021–22 to FY 2023–24 aimed to promote digital payments through RuPay Debit Cards and BHIM-UPI for low-value person-to-merchant transactions. During FY 2023–24, UPI P2M transactions grew by 57% in volume and 44% in value, reflecting strong adoption. In contrast, RuPay Debit Card transactions declined by 30.6% in volume and 18.8% in value, despite incentives. The scheme provided payouts to acquiring banks, which were shared with issuers, PSPs, and TPAPs in UPI, while issuers consistently received a higher share of payouts under both UPI and RuPay.

Infrastructure growth during the scheme period was significant. The number of banks live on UPI increased from 216 in March 2021 to 572 by March 2024, more than doubling in three years. UPI QR code deployment surged from 9.24 crore in March 2021 to 34 crore by March 2024, enabling widespread merchant acceptance. RuPay card issuance grew from 62 crore in FY 2020–21 to 68 crore in FY 2023–24, while POS terminal deployment expanded from 0.5 crore to 0.9 crore during the same period, strengthening the digital payment infrastructure.

Despite these achievements, certain structural challenges were observed. RuPay transactions continued to decline even under the incentive scheme, and POS deployment in rural and semi-urban areas remained insufficient. Small and micro-businesses in underserved regions were hesitant to adopt digital payments due to concerns about failed transactions. Public sector banks accounted for 80–82% of RuPay cards, while private banks favoured premium offerings like ICS 1 (International Card Scheme 1) and ICS 2 (International Card Scheme 2) for urban customers. Additionally, the requirement for banks to demonstrate 5% growth in RuPay transactions to qualify for incentives created hurdles in a declining transaction environment.

Recommendations from the evaluation focused on improving merchant adoption in Tier 2 and Tier 3 cities through customized UPI solutions for small vendors and training programs with incentives like cashbacks. Promotion of low-value transactions via UPI Lite in public transportation, quick-service restaurants, and small retail was advised. Strengthening RuPay usage through enhanced security features, contactless payments, and improved banking apps in public sector banks was recommended. Leveraging financial inclusion initiatives such as PMJDY, which has a large rural customer base, was highlighted as a key enabler for RuPay adoption.

Overall, the scheme delivered strong results in UPI growth and infrastructure expansion, positioning India as a leader in real-time payments. However, RuPay adoption lagged, requiring targeted interventions to reverse declining trends. Continued focus on merchant onboarding, rural infrastructure, and low-value transaction promotion will be critical to sustaining momentum. The evaluation underscores the need for differentiated strategies for UPI and RuPay to achieve balanced growth and advance the vision of a cash-lite economy.

1.7 Need for the current evaluation

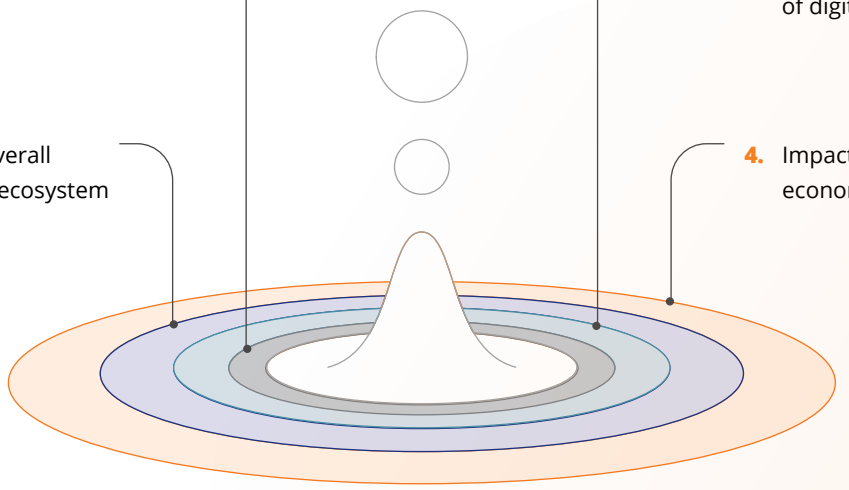
The Incentive Scheme for Promotion of RuPay Debit Cards and Low-Value BHIM-UPI (P2M) Transactions represents a proactive and progressive policy measure to strengthen India's digital payments ecosystem. This policy decision aims to remove financial barriers, increase affordability, support merchant viability, and establish digital payments as a default choice for routine and commercial transactions across the country.

With this foundation in place, a socio-economic impact evaluation is necessary to understand how effectively the incentive support to banks and payment providers, is translating into wider adoption. The study seeks to assess whether the intervention is improving account access, encouraging digital transactions in low-connectivity and underserved geographies, and supporting inclusion for communities that historically depended on cash. Understanding these outcomes will help determine—whether households are shifting toward regular UPI usage, whether merchants are more willing to accept digital payments, and whether this is contributing to confidence and habit formation.

The evaluation is also required to capture the broader ecosystem benefits intended by the government—growth in QR-based acceptance points, improved merchant onboarding experience, enhanced service availability for feature-phone users through UPI Lite/123Pay, and deeper institutional participation by banks, PSPs and TPAPs. These developments are expected to contribute to the formalisation of economic flows, increased transparency, and integration of informal trade into the mainstream financial system.

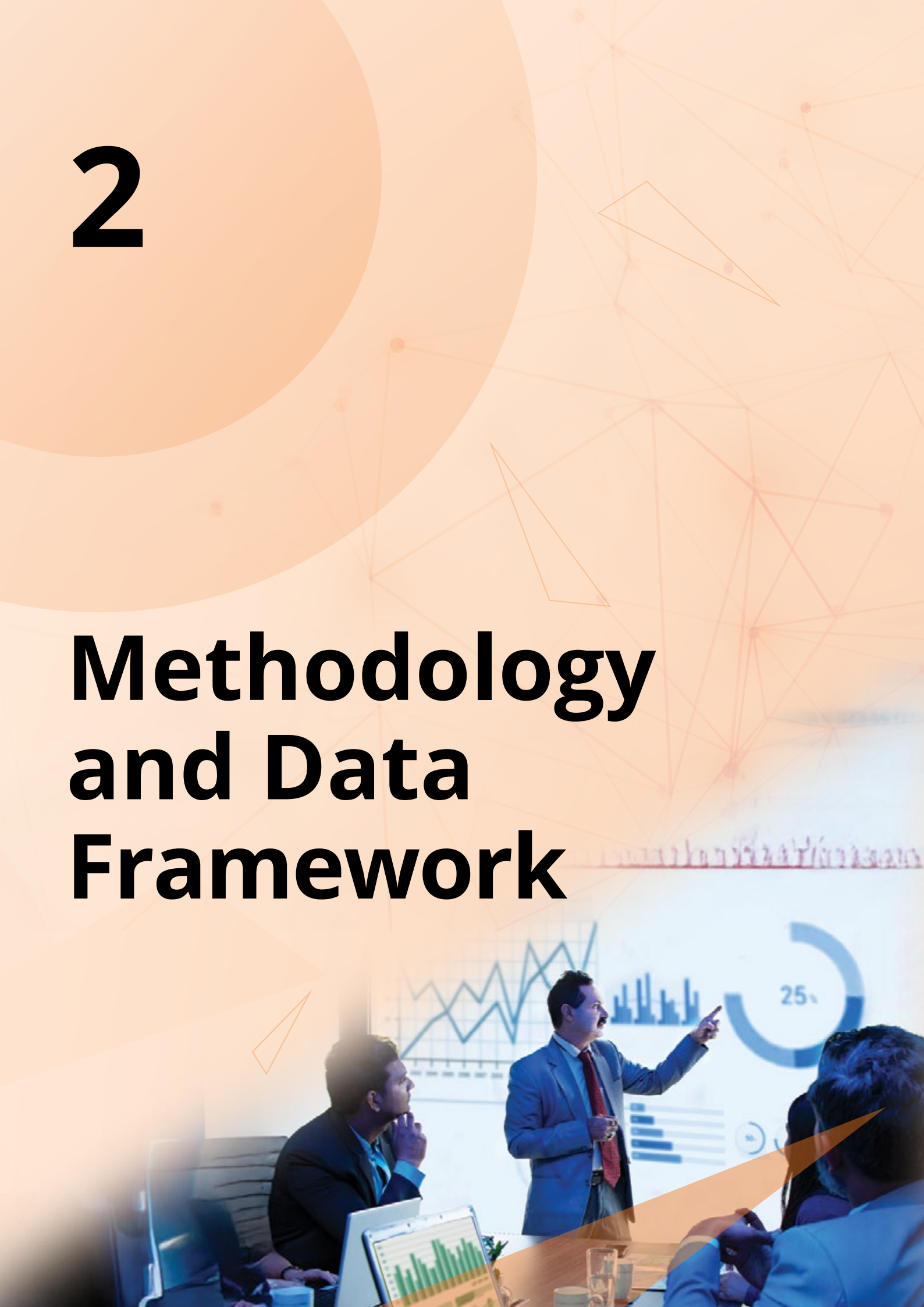
By reviewing socio-economic outcomes, behavioural changes, and ecosystem strengthening, the study aims to identify where the scheme is delivering the highest value, where additional support may be required, and how policy continuity can further accelerate digital uptake. For the aforementioned study, NPCI engaged Ipsos Research Private Limited as an independent external agency to assess and document the following key objectives-

1. Benefits to different stakeholders – end users/ customers, merchants etc.
2. Impact on the overall digital payment ecosystem
3. Impact on online access of financial accounts, socio-economic gap in use of digital payments and rural-urban gap in use of digital payments
4. Impact on the economy in general



2

Methodology and Data Framework



2.1 Sample design and respondent base

The sampling design for this study was meticulously structured to ensure a holistic and representative understanding of the digital payment ecosystem in India. A total of 10,378 respondents were surveyed, comprising 6,167 users, 2,199 merchants, and 2,012 service providers—the three key stakeholder groups that together form the backbone of the digital transaction landscape.

Table 3: Respondent base of the study

Stakeholder Group	Respondent Count	Purpose of Inclusion
Users / Consumers	6,167	Understand usage levels and behavioural comfort
Merchants	2,199	Identify acceptance readiness and onboarding experience
Service Providers (Banks, PSPs, TPAPs)	2,012	Capture institutional facilitation, delivery enablement & support ecosystem response

The user's cohort was further segmented into three groups for analysis:

UPI Users Cohort

Individuals who primarily rely on UPI for conducting transactions, including sending or receiving money from customers, merchants, and personal contacts.

RuPay Debit Card Users Cohort

Individuals who mainly use their RuPay debit cards for carrying out transactions, especially for payments involving customers and merchants.

Aggregate Cohort

A combined group that includes participants from both the UPI and RuPay Debit Card user segments.

By structuring the design this way, the study captures the full circuit of digital interaction: the payer, the acceptance point, and the facilitating institution.

2.2 Geographic coverage and representation

Digital adoption cannot be accurately assessed without factoring in location-based disparities. To reflect India's socio-economic diversity, the sample was distributed across five geographical zones—North, South, East, West, and North-East—covering metropolitan, semi-urban, rural, and tribal belts. This supports comparison between high-connectivity regions and geographies where digital payments are still transitioning from early-stage usage to mainstream adoption.

Table 4: Sample distribution / cohorts

Zones	Sample Distribution		
	User	Merchant	Service Provider
North	1,442	525	403
East	1,299	525	407
West	1,356	473	400
South	1,428	448	684
North-East	642	228	118
Total Sample Achieved	**6,167**	**2,199**	**2,012**

This zoning structure enables a clear assessment of how the Incentive Scheme is helping bridge digital access gaps across different regions and population groups. To ensure comprehensive representation, the sample was further stratified by urbanization tiers—from Tier 1 metropolitan cities to Tier 6 rural areas—capturing India's diverse levels of technological access, financial inclusion, and digital literacy.

The sampling frame was designed to be inclusive of all major demographic and geographic segments, enable meaningful comparison across zones, tiers, and stakeholder types, and ensure statistical reliability through a sufficiently large and diverse respondent base.

This layered approach allowed the study to capture both broad national trends and finer behavioural differences in digital payment usage, integrating factors such as region, urban–rural classification, stakeholder category, and socio economic background.

2.3 Sampling approach and field selection procedure

The sampling framework was meticulously designed to ensure diverse and representative inputs across various demographics. The geographical distribution was also crafted with 5 zones viz., North, South, East, West and Northeast ensuring each region within the city was represented in the sample.

The sample was structured to enable comparisons across regions, stakeholders, and usage contexts.

For each of the three cohorts studied in the research, the following sampling process was undertaken:

Group	Sampling Methodology	Rationale
Consumers	Systematic selection: every 4th household	Ensures randomness while retaining population diversity
Merchants	Systematic targeting with skip-interval of 2 outlets	Represents functioning commercial establishments across scale

This approach enables the dataset to capture regular users, new adopters, and low-frequency participants, providing a more realistic picture of evolving digital habits under the scheme.

2.4 Overview of fieldwork activities

Fieldwork for the study began on 22nd July 2025 and concluded on 25th August 2025. Throughout the data collection period, all standard field quality control protocols were rigorously applied, including periodic on ground and system based checks. These measures ensured that the data captured remained accurate, consistent, and reliable, thereby upholding the methodological integrity of the study.

2.4.1 Mode of data collection

The evaluation for this study was conducted through Face to Face Computer Assisted Personal Interviews (CAPI), enabling collection of detailed quantitative insights directly from respondents in their natural environment, thus strengthening the authenticity and reliability of responses. CAPI supported real time data capture, minimized manual-entry errors, and allowed for GPS tagging and audio recording to ensure data integrity. Interviews, lasting 20–30 minutes, were conducted in English or in the local vernacular to ensure inclusiveness and ease of comprehension. For the user cohort, CATI (telephonic interviews) was additionally used to understand

the relationship between cash and digital payment usage. A structured questionnaire formed the basis of all interviews and was translated into state-specific vernacular languages, with language experts validating each translation for consistency. Overall, CAPI-based face-to-face interviews served as the primary and most effective mode of data collection for this study.

2.4.2 Translation of survey questionnaire

The survey questionnaire was translated into 9 local languages predominantly spoken in the respondent's states to ensure better comprehension and accurate responses. All translations were carefully reviewed by language experts to confirm that the meaning of the questions remained consistent and unaltered.

2.4.3 Orientation and briefing of survey teams

Prior to the commencement of fieldwork, a detailed briefing was conducted for the selected management team members of the survey agency. This session provided guidance on the survey design, structure of the questionnaire, sequencing of questions, and underlying logic.

This session also focused on preparing field interviewers, supervisors, and field executives-in-charge on various operational aspects of the survey, while also addressing their queries.

2.5 Data sources and analytical tools

Alongside the primary research conducted through CAPI based face to face interviews, secondary research was incorporated to build a comprehensive and data supported view of India's payments ecosystem. For currency in circulation, the analysis used data on ATM deployment, geographic distribution, and trends in cash withdrawals and transaction volumes. For digital payments, secondary inputs covered POS terminal growth, QR code adoption, and merchant acceptance patterns, offering insights into the expanding low cost digital acceptance infrastructure. The study also examined recent trends from the UPI ecosystem, including growth in unique users, transaction volumes and values, frequency of repeat usage, and emerging use cases. To assess the geographical penetration of the Incentive Scheme, state wise data available on NPCI's website was leveraged to evaluate how effectively the scheme expanded coverage across different states. Together, the CAPI based primary findings and extensive secondary research provide a holistic understanding of payment infrastructure, regional disparities, and the broader evolution of India's payments landscape.

Primary data

- Household and merchant interviews
- User experience responses on transaction ease and trust
- Institutional feedback from acquiring banks, issuer banks, PSPs & TPAPs

Secondary data

- NPCI datasets (transaction volumes, values, merchant acceptance footprint)
- Reports on ATM footprint, QR expansion, and PoS availability
- RBI's reports

2.6 Quality control

Quality control was anchored through the use of Ipsos' iField platform, which enabled scripting, interviewing, and centralized field management within a unified system. The platform supported real time monitoring, interviewer assignment tracking, automated outcome coding, and secure digital data capture, supplemented by GPS tagging and audio recording for enhanced verification. All sampling information, questionnaires, metadata, and respondent details were consolidated in a single framework, with metadata covering interview duration, timestamps at both questionnaire and section levels, and technical parameters such as device type and operating system.

In addition to system based controls, field observations were conducted during the initial phase to assess interviewer conduct and response recording practices. These observations allowed supervisors to provide targeted feedback and reinforce adherence to survey protocols. A structured risk management process was also implemented to address operational challenges associated with a survey of this scale. Risks were identified early, and mitigation measures were integrated into ongoing field operations, ensuring that data collection remained accurate, consistent, and reliable throughout the study.

3

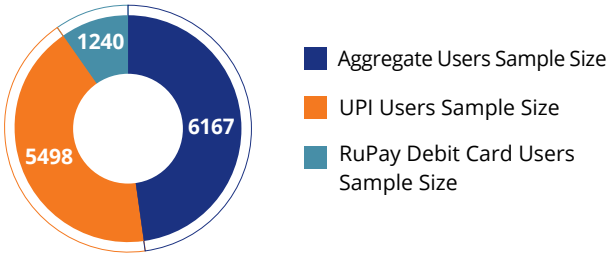
Demographic Composition

The demographic composition reflects the mix of users, merchants, and ecosystem service providers who participated in the study. The respondent base was intentionally structured to capture variations across age groups, gender distribution, occupational profiles, regional spread, and institutional participation. This composition ensures that observations on socio-economic impact and behavioural change originate from a respondent set that represents real payment usage conditions—urban and rural, low-income and middle-income, micro-enterprise and organised retail, early adopters and late adopters—across diverse operating environments.

3.1 Profile of users

The Users cohort consists of UPI users referring to individuals who primarily use Unified Payments Interface (UPI) for financial transactions such as sending or receiving money from customers, merchants, friends, family, relatives, or colleagues. RuPay Debit Card users, on the other hand, are individuals who prefer using their RuPay debit card as their main mode of performing similar financial transactions and aggregate cohort is the combination of both the UPI and RuPay Debit Card Users.

Figure 2: Profile of users



A total of 5,498 UPI users and 1,240 RuPay Debit Card users were surveyed. Among UPI users, 67% were male and 33% were female. In comparison, RuPay Debit Card users comprised 56% males and 44% females.

Table 5: Gender of respondents

Gender	UPI Users	RuPay DC Users
Base	5498	1240
Male	67%	56%
Female	33%	44%

Among UPI users, the age distribution shows that young and mid-aged individuals are the core drivers of digital payment adoption. Half of the users (50%) fall within the 26–40 age group, clearly positioning this cohort as the dominant force in UPI usage. The 18–25 segment contributes 37%, indicating strong adoption among younger, digitally savvy users. Meanwhile, individuals aged 40 and above account for 13%, reflecting comparatively lower penetration in the older demographic.

For RuPay Debit Card users, the adoption pattern similarly skews toward younger and middle-aged segments. A substantial 83% of users are below 40, reinforcing that digital payment preferences are strongest among younger, tech-comfortable populations. The largest group—those aged 26–40 years (50%)—represents working professionals and early adopters who typically have higher purchasing power and frequent transactional needs.

Table 6: Age of respondents

Age Group	UPI Users	RuPay DC Users
Base	5498	1240
18-25 years	37%	33%
26-40 years	50%	50%
40 + years	13%	17%

Among UPI users, the occupational distribution indicates a diverse mix of economic backgrounds. Daily wage earners make up the largest share at 23%, followed closely by students at 22%. Homemakers and salaried employees each account for 20% of respondents, reflecting balanced participation from both non-earning and formally employed groups. Farmers represent 8% of the user base, while 5% reported being unemployed.

For RuPay Debit Card users, the occupational profile highlights homemakers as the largest segment at 25%, indicating strong preference for card-based transactions within this group. Salaried employees form 21% of the sample, while daily wage earners (20%) and students (18%) also represent significant proportions. This pattern underscores the wide economic diversity among RuPay users and suggests that card-based payments continue to hold relevance across varied livelihood profiles.

Table 7: Occupation of respondents

Occupation	UPI Users	RuPay DC Users
Base	5498	1240
Daily wage earners	23%	25%
Student	22%	21%
Homemaker	20%	20%
Salaried employee	20%	18%
Farmer	8%	8%
Unemployed	5%	8%

The National Consumer Classification System (NCCS)—a consumer-centric socio-economic segmentation framework based on the education level of the chief earner and ownership of consumer durables.

For UPI users, it reveals a strong skew toward higher socio-economic groups. NCCS A constitutes the largest segment at 43%, indicating substantial digital payment adoption among affluent and well-educated households. NCCS B accounts for 32%, demonstrating robust participation from mid-tier consumers. Meanwhile, NCCS C represents 25%, signaling growing penetration of UPI usage among lower socio-economic groups.

For RuPay Debit Card users, the socio-economic profile shows a similar trend. NCCS A forms a significant 42% of respondents, underscoring strong representation from higher socio-economic classes. This is followed by 28% in NCCS B and 30% in NCCS C, highlighting balanced participation across segments and reaffirming the platform's reach across diverse socio-economic strata.

Table 8: Socio economic profile of respondents

Device	UPI Users	RuPay DC Users
Base	5498	1240
NCCS A	43%	42%
NCCS B	32%	28%
NCCS C	25%	30%

For UPI users, decision-making around digital payments is largely driven by individual autonomy. A significant 74% of respondents report that they are the sole decision-makers in choosing and using digital payment methods, underscoring strong personal ownership in financial behaviour. The remaining 26% state that they are one among multiple decision-makers within the household, indicating shared financial influence in some families.

For RuPay Debit Card users, the pattern is similar but slightly more pronounced. Here, 77% of respondents are the sole decision-makers for payment-related choices, while 23% participate as part of a shared decision-making group. This reinforces the broader trend of high individual independence in payment decisions across both user groups.

Table 9: Key decision maker profile of respondents

Device	UPI Users	RuPay DC Users
Base	5498	1240
Sole decision maker	74%	77%
One of the decision makers	26%	23%

For UPI users, device ownership is overwhelmingly skewed toward smartphones, with 98% of respondents reporting access to one. Additionally, 18% own a feature phone, suggesting some overlap in multi-device usage. Access to laptops is comparatively low, with only 3% of respondents reporting ownership.

For RuPay Debit Card users, device access also shows strong penetration of modern mobile technology. A sizable 90% of respondents own a smartphone, while 28% use a basic or feature phone. A smaller segment—5%—reported owning a laptop or desktop computer. This distribution reflects a broad spectrum of digital accessibility across user types.

Table 10: Access to digital devices for respondents

Device	UPI Users	RuPay DC Users
Base	5498	1240
Smartphone	98%	90%
Feature phone	18%	28%
Laptop	3%	5%

For UPI users, the majority (92%) reported being long-term digital payment users with more than six months of experience.

For RuPay Debit Card users, a similar pattern of digital maturity is observed, with 93% of respondents also having used digital payments for more than six months.

Smartphone access is near-universal among surveyed users.

Table 11: Respondent composition: existing vs new users

Device	UPI Users	RuPay DC Users
Base	5498	1240
Existing user	92%	93%
New user	8%	7%

For UPI users, the vast majority (98%) are current city residents, with only 2% identified as visitors to the city while for RuPay Debit Card users, a similar pattern is observed, with 99% of respondents residing in the city and just 1% travelling or visiting the city at the time of the survey.

Table 12: Residential status of respondents

Device	UPI Users	RuPay DC Users
Base	5498	1240
Living in the city	98%	99%
Visiting to the city	2%	1%

3.2 Profile of merchants

A total of 2199 Merchants were surveyed. with male respondents comprising a dominant 86% of the, while female respondents represent only 14%.

Table 13: Gender of respondents (Merchants)

Gender	Percentage
Base	2199
Male	86%
Female	14%

A majority of merchants are in the 31–50 years age group, accounting for 53%. The younger 18–30 years cohort represents 39%, while merchants aged 51–60 years and 60+ years constitute only 7% and 2%, respectively. This indicates that digital payment adoption and engagement among merchants are concentrated in the prime working-age population, who are likely more tech-savvy and open to integrating digital payment solutions into their businesses.

Table 14: Age of respondents (Merchants)

Age Group	Percentage
Base	2199
18-30 Years	39%
31-50 Years	53%
51-60 Years	7%
60+ Years	2%

The occupational profile of merchants highlights that petty traders form the largest segment, representing 50%, followed by kirana stores and other retail stores at 27%. Self-employed professionals such as CAs, doctors, lawyers, and financial consultants account for 11%, while street vendors constitute 8%, and manufacturers make up a minimal 4%.

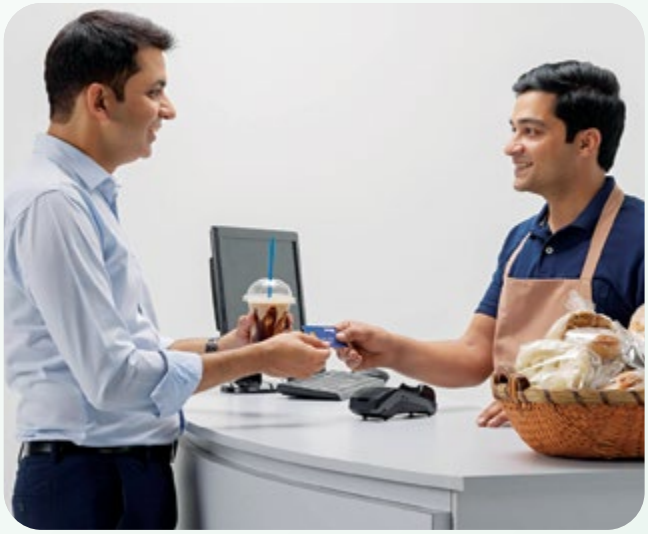


Table 15: Occupation of respondents (Merchants)

Occupation	Percentage
Base	2199
Manufacturer	4%
Kirana Stores/Other retail stores	27%
Street Vendors	8%
Petty Traders	50%
Self Employed professional (CA, Doctor, Lawyers, Financial consultants etc.)	11%

The majority of merchants are very small merchants, constituting 57.5% of the total. Micro merchants (P2PM) represent 25.8%, small merchants account for 14.4%, while midsized and large merchants are only 1.8% and 0.4%, respectively.

Table 16: Type of merchants

Merchant type	Percentage
Base	2199
P2PM - Micro Merchants	25.8%
Very Small Merchants	57.5%
Small Merchants	14.4%
Midsized Merchants	1.8%
Large Merchants	0.4%

The majority operate in the services sector—including retail, hospitality, healthcare, and trading—accounting for 54% of the total. Manufacturing-related businesses make up 35%, while agriculture businesses constitute 11%.

Most surveyed merchants operate in services-led sectors.

Table 17: Business activity (Merchants)

Business activity	Percentage
Base	2199
Agriculture/Farming related (Primary)	11%
Manufacturing related (Secondary)	35%
Services - retail, hospitality, healthcare, trading (Tertiary)	54%

3.3 Profile of service provider

The gender distribution for the service provider group was male accounting for 79% of the total, while females constitute 21%

Table 18: Gender of respondents (Service Provider)

Gender	Percentage
Base	2012
Male	79%
Female	21%

A majority, 59%, have held their current role for more than three years, reflecting a stable and seasoned workforce. Meanwhile, 30% have worked between one to three years, and a smaller segment of 11% has been in their role for a year or less.

Table 19: Tenure in current role (Service provider)

Tenure in current role	Percentage
Base	2012
More than 3 Years	59%
1 year to 3 Years	30%
6 months to <1 Year	9%
Less than 6 months	2%

Service providers primarily support payment acceptance, institutional operations, and customer enablement.

A significant portion, 35%, serve as payment aggregators or QR code deployment staff, indicating a focus on facilitating payment acceptance and infrastructure development. About 25% are bank employees involved in UPI or RuPay-related work, showcasing the integration of these technologies within traditional banking roles. Fintech employees account for 14%, reflecting a presence within the digital payment company's sphere. Additionally, 15% handle UPI grievances redressal, indicating the importance of customer support and service quality in the payment ecosystem. Meanwhile, 12% are engaged in onboarding UPI customers, underscoring efforts to expand user adoption of digital payment solutions.

Table 20: Role in digital payment ecosystem (Service provider)

Role in digital payment ecosystem	Percentage
Base	2012
Payment aggregator / QR code deployment staff	35%
Bank employee (engaged into UPI/RuPay related work only)	25%
UPI Grievances Redressal department	15%
Fintech employee	14%
Onboarding UPI Customer	12%

The primary responsibilities related to digital payments among service providers in India cover a variety of essential functions. Transaction support is a significant focus, with 24% of respondents noting it as their main responsibility. Customer education also plays a crucial role, highlighted by 15% of respondents, pointing to efforts in enhancing user understanding and capability in digital transactions. Compliance and reporting, and dispute resolution follow, with 13% and 11% respectively addressing the regulatory and resolution aspects of digital payments. Other areas like merchant onboarding and fraud monitoring each have sizeable representation at 8%, while technical infrastructure and marketing and adoption are noted by 7% of respondents each. A small group at 6% handles all these responsibilities, showcasing their comprehensive involvement in the digital payment.

Table 21: Responsibility related to digital payments (Service Provider)

Responsibility	Percentage
Base	2012
Transaction support	24%
Customer education	15%
Compliance and Reporting	13%
Dispute resolution	11%
Merchant onboarding	8%
Fraud monitoring and prevention	8%
Technical infrastructure	7%
Marketing and Adoption	7%
All of the above	6%

The demographic composition presented in this section confirms that the study is anchored in a respondent base that reflects the practical realities of India's digital payments landscape. With representation across users, merchants, and service-enabling institutions—and geographic coverage spanning metropolitan centres to rural and tribal markets, the cohort offers sufficient breadth for examining inclusion, behavioural progression, and ecosystem readiness. The age, occupation, and sectoral mix of respondents align with segments most directly engaged in everyday digital transactions. As a result, the subsequent assessment of socio-economic outcomes can be interpreted with contextual accuracy, rooted in who participates in the system, where they operate, and how they engage with digital instruments. This demographic foundation therefore provides the analytical bridge to the next chapter, where the socio-economic and behavioural impact of the intervention is evaluated.

4

Findings & Analysis

The analysis draws on extensive primary and secondary research to evaluate the scheme's outcomes. It reviews benefits for different stakeholders, assesses major digital payment instruments like RuPay and UPI, and studies their adoption trends and user experiences. The discussion also considers the wider implications for the digital payments landscape, financial inclusion, and the Indian economy, while highlighting existing challenges and potential areas for improvement.

I Benefits to stakeholders

Understanding stakeholder-level benefits is essential for evaluating the effectiveness and inclusiveness of digital payments. Each participant in the ecosystem—customers, merchants, service providers—experiences different frictions and incentives. Analysing these benefits provides clarity on how digital payment solutions address pain points such as transaction convenience, cost efficiencies, settlement speed, and security. It also helps identify gaps in user experience and acceptance, particularly for small merchants who rely heavily on low-cost, interoperable infrastructure like QR codes.

Assessing stakeholder impact provides clarity on whether current digital payment interventions are delivering measurable value, promoting wider adoption, and reducing reliance on cash-based transactions. These insights are fundamental for designing targeted improvements that enhance adoption, trust, and operational efficiency across the ecosystem.

II Impact on Indian economy and digital payment ecosystem

The evaluation of systemic impact is critical to understanding how digital payment innovations influence the broader financial and payments landscape. This includes assessing changes in transaction volumes, infrastructure development, interoperability, and innovation cycles. Through such analysis, it can be determined whether digital payment mechanisms are delivering improvements in operational efficiency, reducing transaction costs, and fostering competitive dynamics among service providers.

This assessment provides strategic insights into how emerging products, regulatory measures, and market developments contribute to strengthening ecosystem stability and scalability. It also enables identification of potential constraints—such as infrastructure deficiencies or regulatory complexities—that may hinder adoption. A comprehensive understanding of these factors supports evidence-based decision-making for future interventions and policy recalibration.

At the macroeconomic level, digital payments exert a significant influence by enhancing transaction transparency, reducing cash-handling costs, enabling efficient government transfers, and stimulating innovation in credit, insurance, and commerce. Analyzing these effects facilitates quantification of their contribution to GDP growth, compliance, financial-sector development, and the overall ease of doing business.

III Impact of digital payments and evolving adoption patterns

Digital payments have emerged as a critical enabler of financial inclusion, serving as an entry point to formal financial services. Their adoption influences account utilization, savings behavior, credit access, and overall financial participation. Evaluating these patterns provides clarity on whether digital tools are effectively deepening financial engagement and reducing reliance on cash transactions. Furthermore, analyzing rural–urban and socio-economic disparities is essential to determine whether adoption is equitable or if structural gaps persist, such as limited digital literacy, inadequate connectivity, or low merchant acceptance.

Identifying these barriers is vital for designing targeted interventions that address underserved segments, particularly low-income and rural populations. Insights from this analysis support the development of inclusion-focused strategies that extend the benefits of digital payments beyond urban and affluent users, thereby strengthening ecosystem resilience and scalability. By ensuring equitable access and fostering trust, digital payments can accelerate economic participation, enhance transparency, and contribute to sustainable growth within the digital economy.

4.1

Benefits to Stakeholders

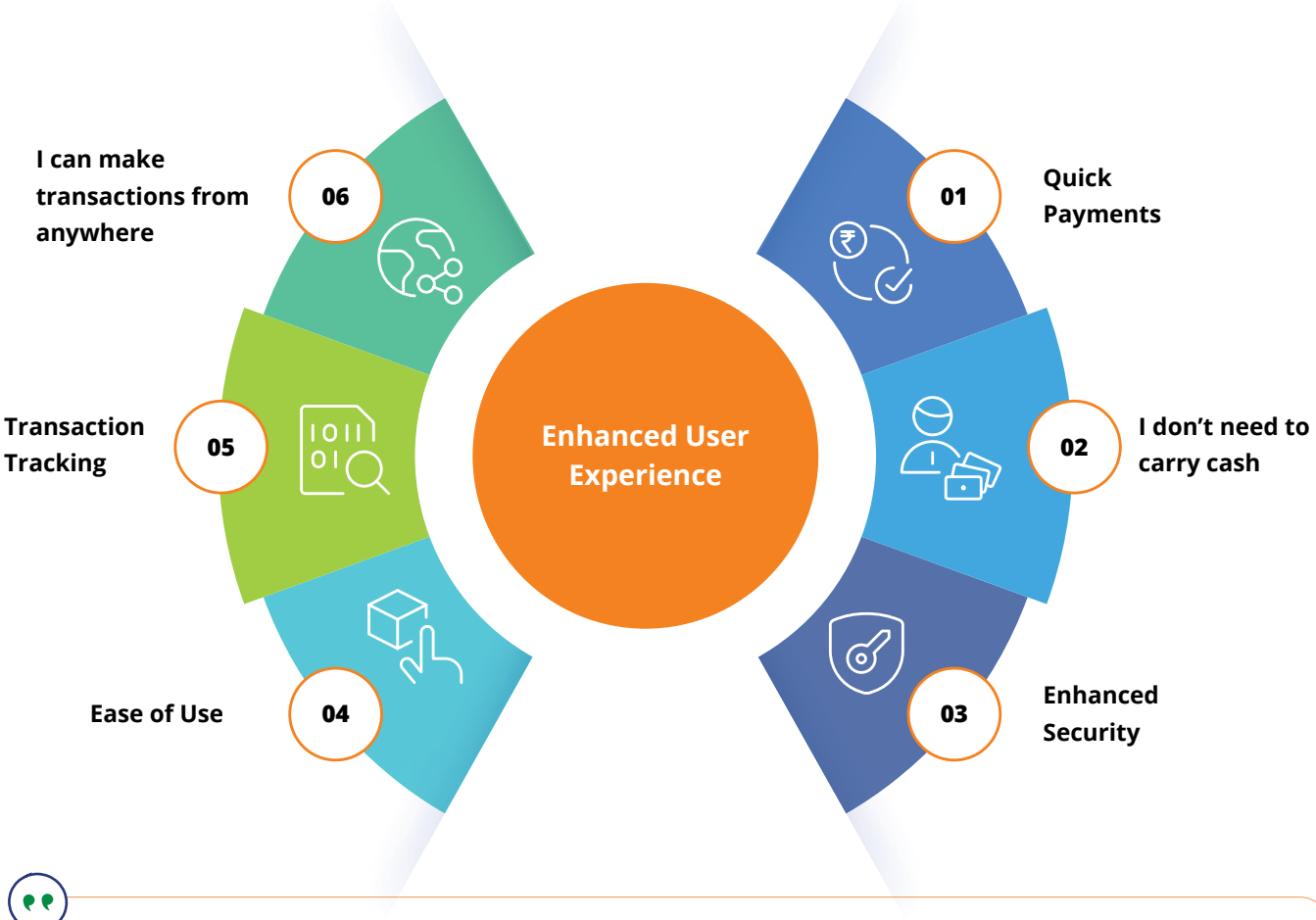
The discussion focuses on the benefits of digital payments for key stakeholders—end users, merchants, and service providers—while analyzing the factors influencing adoption. It assesses RuPay and UPI against critical performance parameters and outlines the advantages these platforms offer in terms of convenience, security, and cost efficiency. Additionally, it reviews preferred payment methods across segments, usage trends, and awareness of UPI features, providing an integrated perspective on how digital payments are transforming transactional behavior.

4.1.1 Benefits of digital payments

For UPI users, respondents associate digital payments with a broad spectrum of functional and motivational benefits. The most widely recognized advantage is quick payments (74%), confirming speed as the strongest driver of adoption. This is followed by not needing to carry cash (59%), enhanced security (53%), and overall convenience/ease of use (52%), reflecting high user appreciation for safety, flexibility, and seamlessness. Mobility benefits such as the ability to transact from anywhere (39%) demonstrate the value placed on accessibility. Users also highlight features that support financial control—transaction tracking and management (30%), digital proof and confirmations (25%), and incentives like cashbacks, multiple payment options (24%), and discounts/rewards (23%). A smaller yet meaningful share of respondents recognizes broader impacts, such as boosting the economy (18%), improving the digital payment ecosystem (17%), enhancing credit access (16%), and reducing financial inequality (14%), signalling growing awareness of digital payments' systemic benefits. While quick payments are valued equally across genders (74%), women rate convenience slightly higher (55% vs. 50%). Younger users (18–25) show the strongest appreciation for speed (76%), and new users place greater importance on not carrying cash (68%). Features like transaction tracking are found especially helpful among new users (38%), reflecting digital tools' role in shaping emerging financial habits. Socio-economic differences are modest, though NCCS A users show higher preference for incentives such as cashback and reward points (25% vs. 21% in NCCS C). Details are available in annexure I.

Security and reliability strongly influence user perception of digital payments.

Figure 3: Top 6 benefits of digital payments (UPI Users)



Speed of transactions is the most cited benefit of digital payments among UPI users.

For RuPay Debit Card users, benefits are similarly centred on practicality and everyday convenience. Ease and convenience of use (51%) stand out as the top-cited advantage, with even higher emphasis among respondents from Tier 5 and 6 towns (67%), underscoring strong appreciation in smaller markets.

Speed and reduced dependence on cash emerge as equally significant motivators, each cited by 56% of respondents. Accessibility—specifically, the ability to make payments from anywhere (35%)—further reinforces the value of digital flexibility. Trust and safety also play a major role, with 46% highlighting enhanced security as a key advantage. Financial management features are valued too, with 33% appreciating the ability to track transactions, 27% valuing digital proof, and 26% highlighting diverse online/offline payment options and retailer integration. Incentives such as cashback and discounts (24%) add to the appeal, and 18% recognize digital payments' role in building financial history. Together, these insights show that RuPay users view digital payments as convenient, fast, secure, and increasingly beneficial for managing finances, particularly in semi-urban and rural contexts where digital inclusion continues to expand.

Figure 4: Top 6 benefits of digital payments (Merchants)

For Merchants, the most widely acknowledged benefit of digital payments is speed, with 68% highlighting quick payments as the top advantage. This is followed by reduced dependency on cash (48%), convenience and ease of use (46%), and enhanced security (43%). A significant share also note that digital payments align with customer demand and preference (38%) and provide the ability to transact from anywhere (33%). Functional benefits such as easier tracking of transactions (28%) and access to credit (25%) further underscore the role of digital payments in improving business operations. While secondary drivers such as cashback/rewards (19%), integration with retailers (17%), and digital proof of transactions (21%) are less prominent, they add to the overall value proposition. Broader systemic benefits such as boosting the national economy (16%), driving societal digitalization (16%), and reducing financial inequality (11%) are also recognized, reflecting growing awareness of the wider impact of digital adoption.

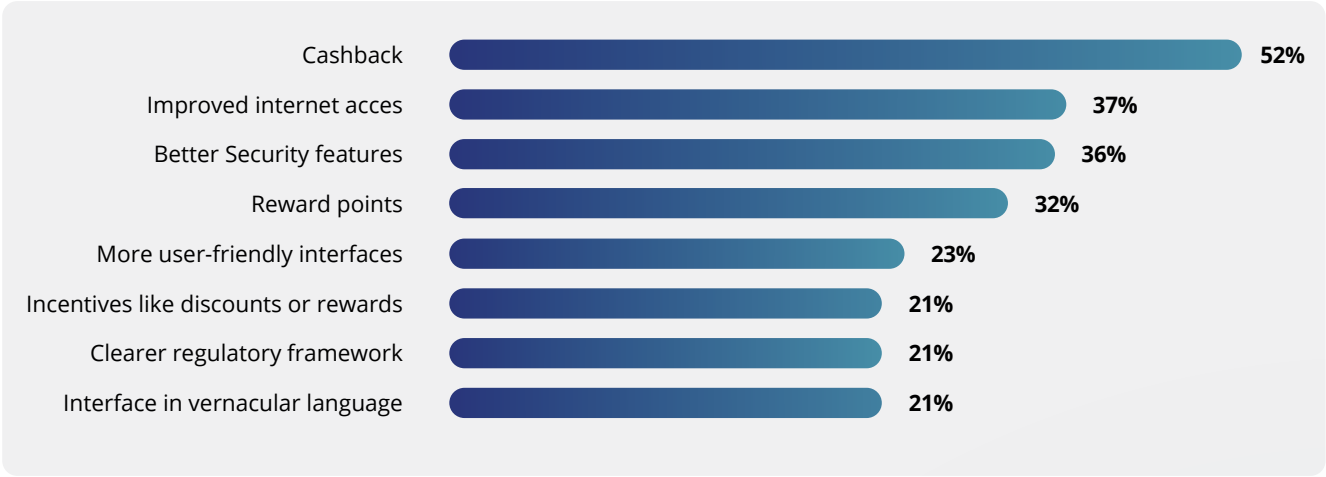
> **Digital payments reduce cash handling and simplify day-to-day business operations.**

Across business sizes, quick payments remain the top driver, particularly strong among self-employed professionals (71%) and very small merchants (70%). The appeal of reduced cash handling is most evident among kirana stores (55%) and self-employed professionals (54%), while street vendors (36%) show relatively lower reliance on this benefit. Convenience and ease of use resonates more with self-employed professionals (51%) and very small merchants (50%), indicating its importance in operational efficiency. Security considerations are especially pronounced among kirana stores (54%), whereas self-employed professionals (31%) appear less concerned. In terms of business type, tertiary business report higher emphasis on benefits such as quick payments (72%), no need to carry cash (55%) and ease of use (53%), reflecting deeper integration into their workflows. By contrast, primary business shows lower awareness of benefits such as digital proof (9%) or business growth enablers (8%). Category C merchants place stronger weight on ecosystem-level benefits—such as enhanced security (47%), customer preference (44%), and integration with more retailers (21%)—compared to Category A or B. Details are available in annexure IV.

4.1.2 Factors encouraging use of digital payments

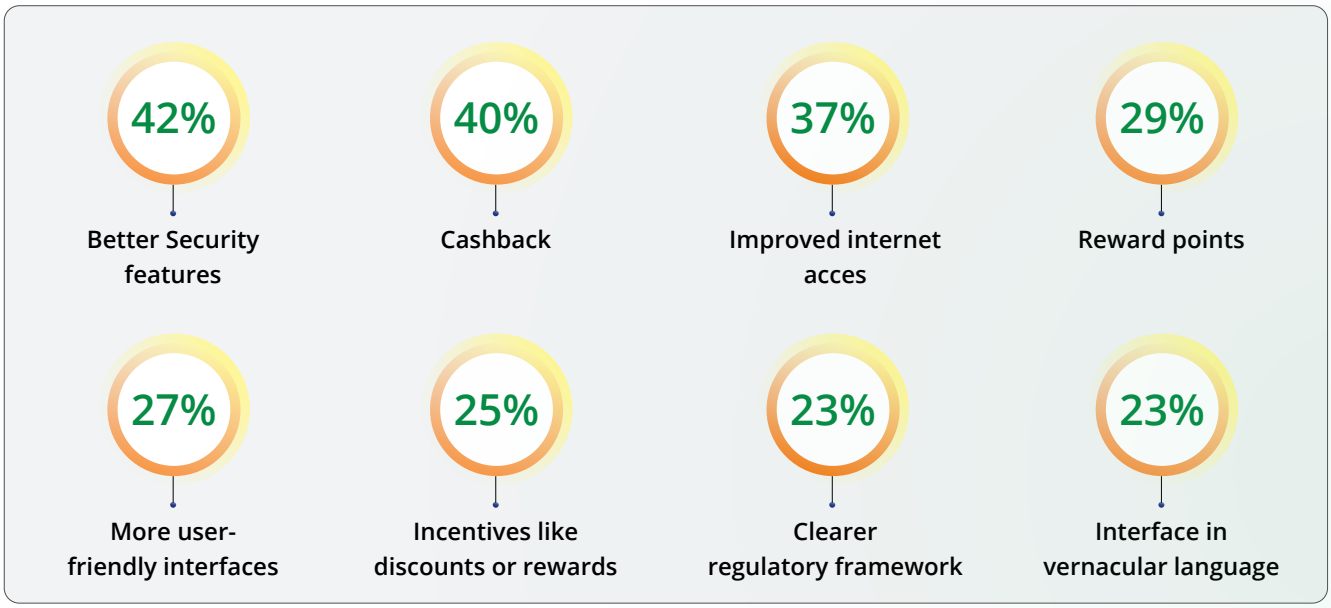
For UPI users, respondents highlight a combination of financial incentives, trust enhancers, and usability improvements as key motivators for increasing digital payment usage. Cashback (52%) stands out as the strongest driver, followed by improved internet access (37%) and enhanced security features (36%), indicating that users value tangible rewards, reliable connectivity, and transaction safety above all. Other important motivators include reward points (32%), more user-friendly interfaces (23%), discounts or rewards (21%), clearer regulatory frameworks (21%), and vernacular language options (21%), reflecting the importance of accessibility and clarity. Demographically, cashback is the most influential factor across all groups, with slightly higher traction among men (53%), users above 40 (54%), NCCS B (54%), and new users (54%), reinforcing its universal appeal. Improved internet access ranks higher among younger users (39%) and NCCS A (40%), highlighting the need for consistent connectivity. Security enhancements matter most to new users (38%) and Category C (43%), indicating the role of trust in deepening engagement. Meanwhile, older users (40+) show stronger affinity for reward points (37%), and accessibility enablers—such as interfaces in local languages and simpler app designs—are particularly important for Category C and NCCS C users, underscoring the need for inclusive, intuitive design. More details at annexure I.

Figure 5: Factors encouraging use of digital payments (UPI Users)



For RuPay Debit Card users, similar priorities emerge, though with slightly different intensities. The most influential motivator is better security features (42%), especially among users 40+ and those in Tier 5+6 towns, highlighting heightened sensitivity toward data protection. Improved internet access (37%) remains crucial, particularly among males and older adults, reinforcing connectivity as a critical enabler for seamless digital use. Cashback incentives (40%) strongly appeal to users—especially older respondents and those in smaller towns—demonstrating the effectiveness of financial rewards in driving frequency of use. Additionally, user-friendly interfaces (27%) and reward points (29%) indicate that platform simplicity and loyalty programs are valued across demographics. Lastly, clearer regulations (23%) and vernacular language options (23%) highlight the importance of trust, transparency, and linguistic accessibility for building confidence, particularly among regional users and lower socioeconomic groups.

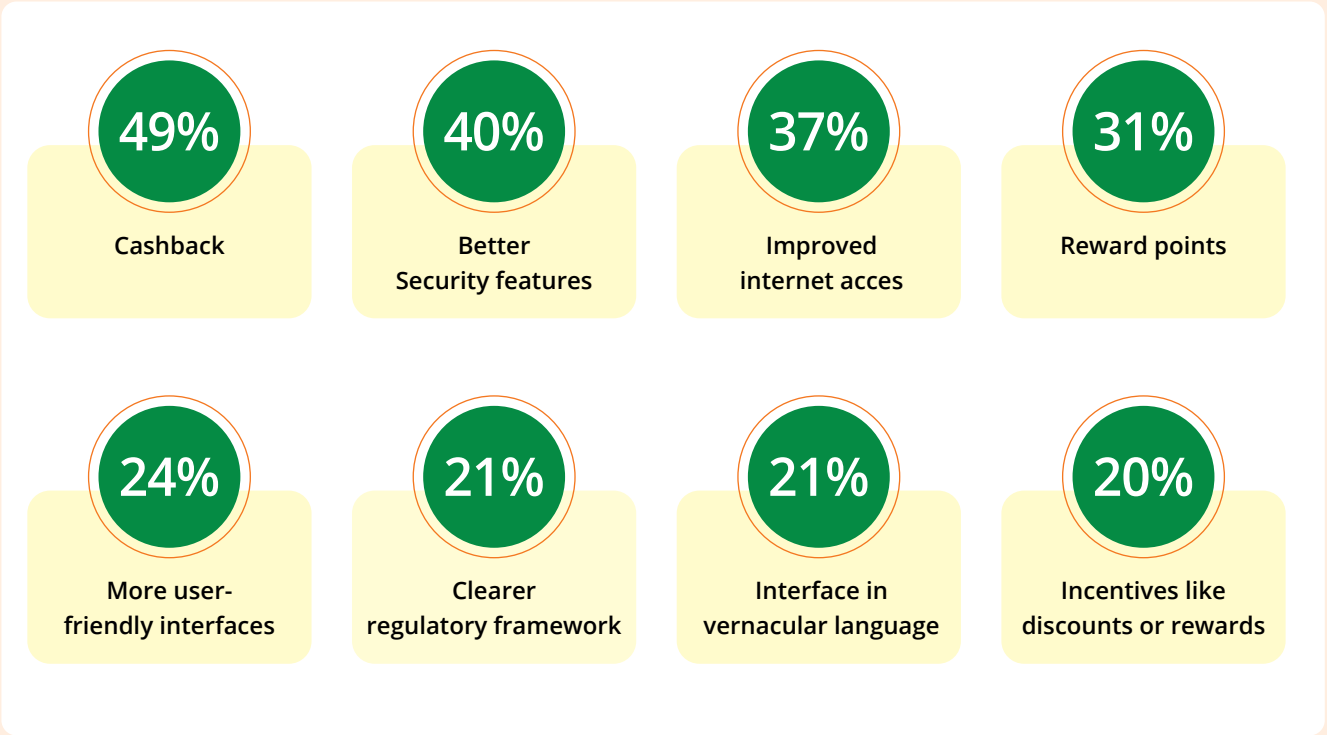
Figure 6: Factors encouraging use of digital payment methods (RuPay debit card users)



Collectively, these insights show that enhancing security, improving connectivity, simplifying interfaces, and offering meaningful rewards can significantly deepen digital adoption across diverse user segments.

The study indicates that financial incentives remain the strongest motivator for merchants to increase the use of digital transactions. Nearly half of the merchants (49%) identified cashback offers as a key factor, followed by better security features (40%) and improved internet access (37%).

Figure 7: Factors encouraging use of digital payments (Merchants)



Other significant motivators include reward points (31%), more user-friendly interfaces (24%), and clearer regulatory frameworks (21%). Merchants also highlighted the importance of interface availability in vernacular languages (21%) and additional incentives such as discounts or rewards (20%). These findings suggest that a combination of financial, technological, and usability improvements can effectively drive higher adoption of digital payment methods across merchant segments.

Analysis of factors that could enhance digital payment adoption shows that cashback remains the top motivator across all demographics (49% overall), with kirana stores leading at 54% and self-employed professionals relatively lower at 43%. Better security features are highly valued, particularly by small merchants (45%) and tertiary sector merchants (43%), highlighting trust as a key adoption driver. Improved internet access is critical for self-employed professionals (43%) and small merchants (43%), while micro merchants report lower emphasis on this (29%). Reward points are more appealing to self-employed professionals (37%) and Category B towns (36%). User-friendly interfaces, clearer regulatory frameworks, and vernacular language options are increasingly relevant for small merchants and tertiary/Category C towns, reflecting the need for accessible and understandable digital payment solutions. Incentives such as discounts or rewards are effective, especially for small merchants (32%), suggesting that combining financial benefits with improved usability and security could significantly boost adoption among diverse merchant segments. Details are available in annexure IV.

4.1.3 Preferred mode of payment across various categories

For UPI users, the findings clearly demonstrate UPI's expanding dominance across a wide range of transaction categories. It is the most preferred mode for online shopping (64%), subscriptions (61%), and bill payments (58%), signaling its strong foothold in recurring, digital-first, and high-frequency transactions. UPI also performs strongly in offline shopping (53%) and food & entertainment (53%), indicating widespread comfort in using it for both planned and spontaneous spending. Notably, even in traditionally cash-heavy categories such as groceries and daily essentials (48%), UPI has become the top choice, illustrating a meaningful shift toward seamless, contactless, and quick payment habits.

Table 22: Preferred mode of payment (UPI Users)

Preferred mode of payment (N=5498)	Cash	UPI	Credit Card	Net Banking	RuPay Debit Card	RuPay Credit Card	Wallet	Debit Card
Groceries and daily essentials	43%	48%	2%	1%	1%	2%	2%	1%
Transportation	50%	41%	2%	1%	1%	2%	2%	1%
Food & entertainment	38%	53%	2%	1%	2%	2%	1%	1%
Subscriptions	29%	61%	2%	1%	2%	2%	2%	1%
Bill Payments	32%	58%	2%	1%	2%	2%	2%	1%
Health Expenses	49%	41%	2%	1%	1%	2%	2%	2%
Travel	43%	47%	2%	1%	2%	2%	2%	1%
Education Expenses	47%	44%	2%	1%	2%	2%	1%	1%
Offline Shopping	38%	53%	2%	1%	1%	2%	2%	1%
Online Shopping	27%	64%	2%	1%	1%	2%	1%	2%
Govt. Services	44%	45%	2%	2%	2%	2%	2%	1%

UPI is the most preferred mode for online shopping, subscriptions, and bill payments and is being increasingly used for offline and everyday spending categories.

Cash retains its lead in categories requiring immediate physical payments or where digital penetration is still maturing i.e. transportation (50%), health expenses (49%), and education expenses (47%). However, UPI is rapidly closing the gap, especially in travel (47% UPI vs. 43% cash) and education (44% UPI vs. 47% cash), showing clear momentum toward digital adoption. Meanwhile, credit card, net banking, and wallets remain niche across categories, with usage not exceeding 2%, suggesting that UPI has effectively absorbed most of the digital transaction share. Overall, the data underscores a strong ongoing shift toward digital payments, with UPI acting as the primary catalyst driving this transformation across both online and offline contexts.

For RuPay Debit Card users, spending preferences present a more balanced mix but still reflect clear digital growth. Cash continues to dominate everyday essential categories such as groceries, transportation, and healthcare, reaffirming its entrenched role in routine transactions. In contrast, UPI is strongly preferred for online shopping, subscriptions, and bill payments, highlighting its suitability for digital, automated, and recurring transactions. The contrast between cash-heavy essentials and UPI-driven digital categories points to an ecosystem transitioning at different speeds depending on context and user confidence.

Table 23: Preferred mode of payment across various categories

(RuPay debit card users)

Preferred mode of payment (N-1240)	Cash	UPI	Credit Card	Net Banking	RuPay Debit Card	RuPay Credit Card	Wallet	Debit Card
Groceries and daily essentials	41%	30%	4%	2%	6%	9%	4%	5%
Transportation	46%	25%	4%	2%	6%	9%	2%	6%
Food & entertainment	37%	34%	4%	2%	6%	9%	3%	7%
Subscriptions	32%	37%	3%	2%	5%	9%	4%	7%
Bill Payments	34%	36%	4%	2%	6%	8%	3%	7%
Health Expenses	44%	26%	3%	3%	5%	9%	4%	7%
Travel	41%	29%	4%	3%	6%	9%	3%	6%
Education Expenses	44%	25%	3%	3%	6%	9%	3%	7%
Offline Shopping	37%	32%	4%	2%	5%	8%	3%	7%
Online Shopping	29%	40%	4%	2%	6%	8%	2%	8%
Govt. Services	44%	26%	3%	3%	6%	9%	3%	7%

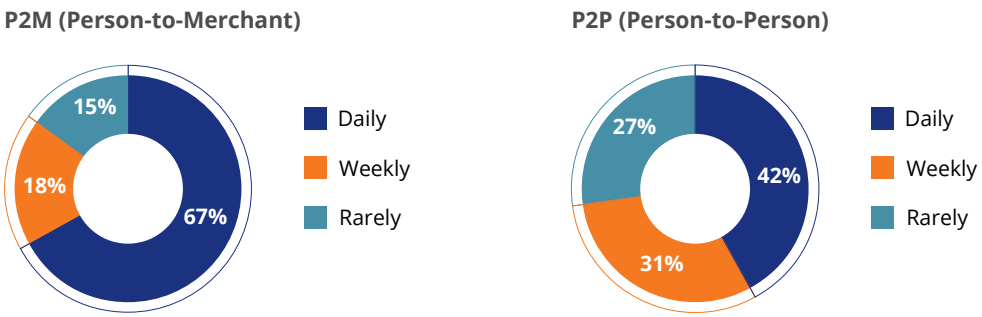
Credit card and net banking show limited appeal among RuPay users, suggesting that consumers prefer more direct, instant payment methods such as UPI or RuPay Debit Card. Meanwhile, debit card and RuPay credit card maintain steady, niche usage across various categories but do not emerge as dominant payment modes. These insights indicate significant potential to further accelerate digital adoption—particularly in categories where cash still leads—by enhancing awareness, strengthening digital infrastructure, and offering targeted incentives to encourage the use of underutilized digital payment modes.

Payment preferences vary by transaction context rather than a single dominant mode.

4.1.4 Usage of UPI

For Merchants, the data highlights frequency of UPI usage across transaction types. For P2M (Person-to-Merchant) transactions, UPI is used daily by a substantial 67% of merchants, indicating that merchants have widely adopted UPI for routine purchases and payments. Weekly usage is reported by 18%, while 15% use it rarely, suggesting that P2M transactions are increasingly becoming habitual and integral to everyday commerce.

Figure 8: Usage of UPI (Merchants)



In contrast, for P2P (Person-to-Person) transactions, daily usage is lower at 42%, with 31% using it weekly and 27% rarely. This indicates that while UPI is well-established for peer-to-peer transfers, its adoption is slightly less frequent compared to merchant payments, potentially reflecting fewer recurring obligations or less immediate necessity in personal transfers

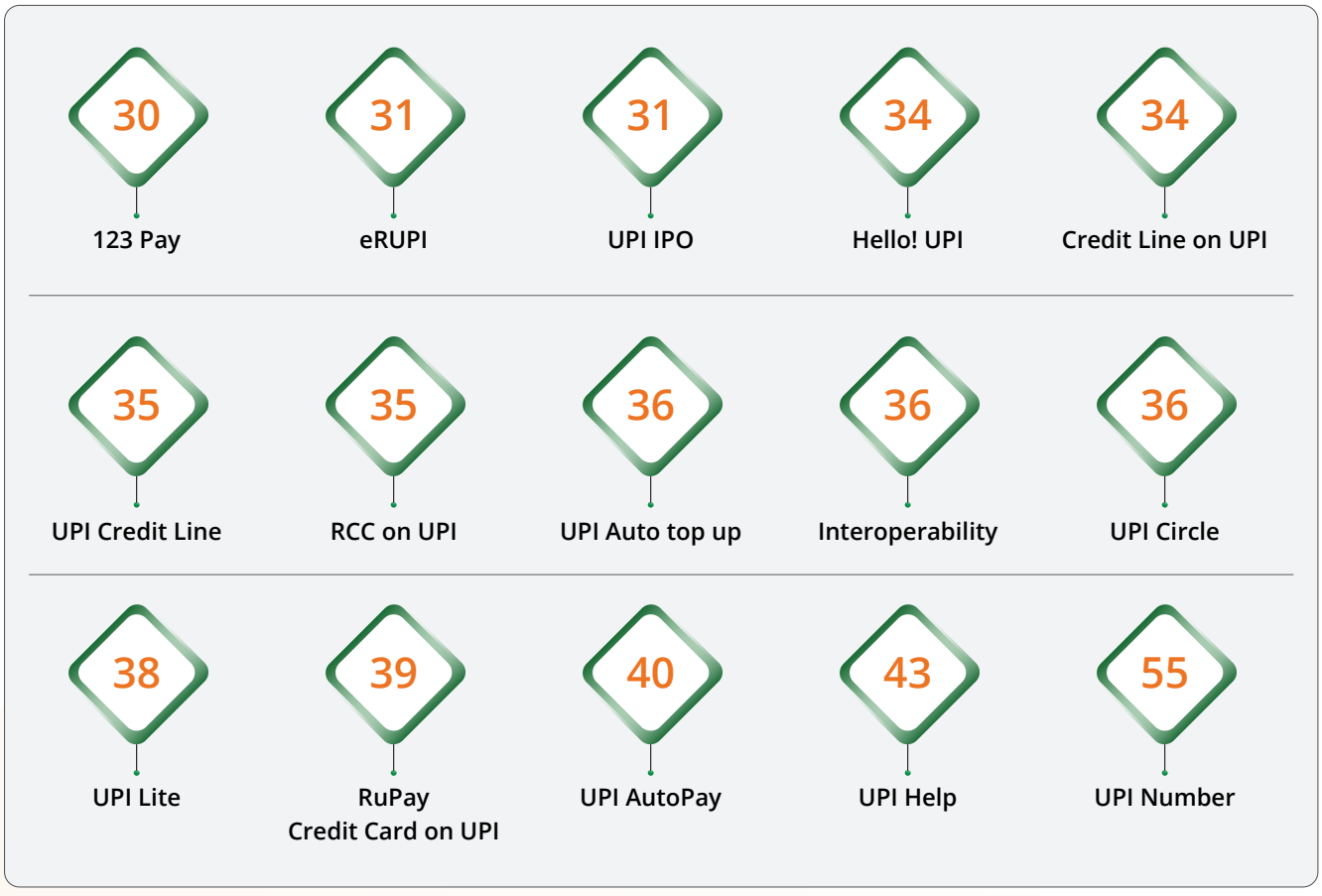
4.1.5 About UPI features

For UPI Users, overall awareness of core UPI functionalities remains moderate, with the highest recognition observed for the basic UPI Number (55%), followed by UPI Help (43%) and UPI AutoPay (40%). Specialized offerings, such as eRUPI (31%), 123Pay (30%), and UPI IPO (31%), exhibit relatively lower awareness, indicating potential gaps in outreach and user education.

Among respondents aware of these features, actual usage is considerably lower, highlighting a substantial awareness–usage gap. Traditional and widely applicable features like UPI Number (38%) and RCC on UPI (22%) demonstrate higher adoption, while niche features such as UPI Auto top up (6%), Credit Line on UPI (7%), and Hello! UPI (5%) show limited traction. This pattern suggests that users primarily engage with features offering immediate transactional utility, whereas advanced or less-promoted functionalities have not yet reached mainstream usage.

UPI Number emerges as the most preferred UPI feature among users.

Figure 9: UPI feature awareness amongst UPI users

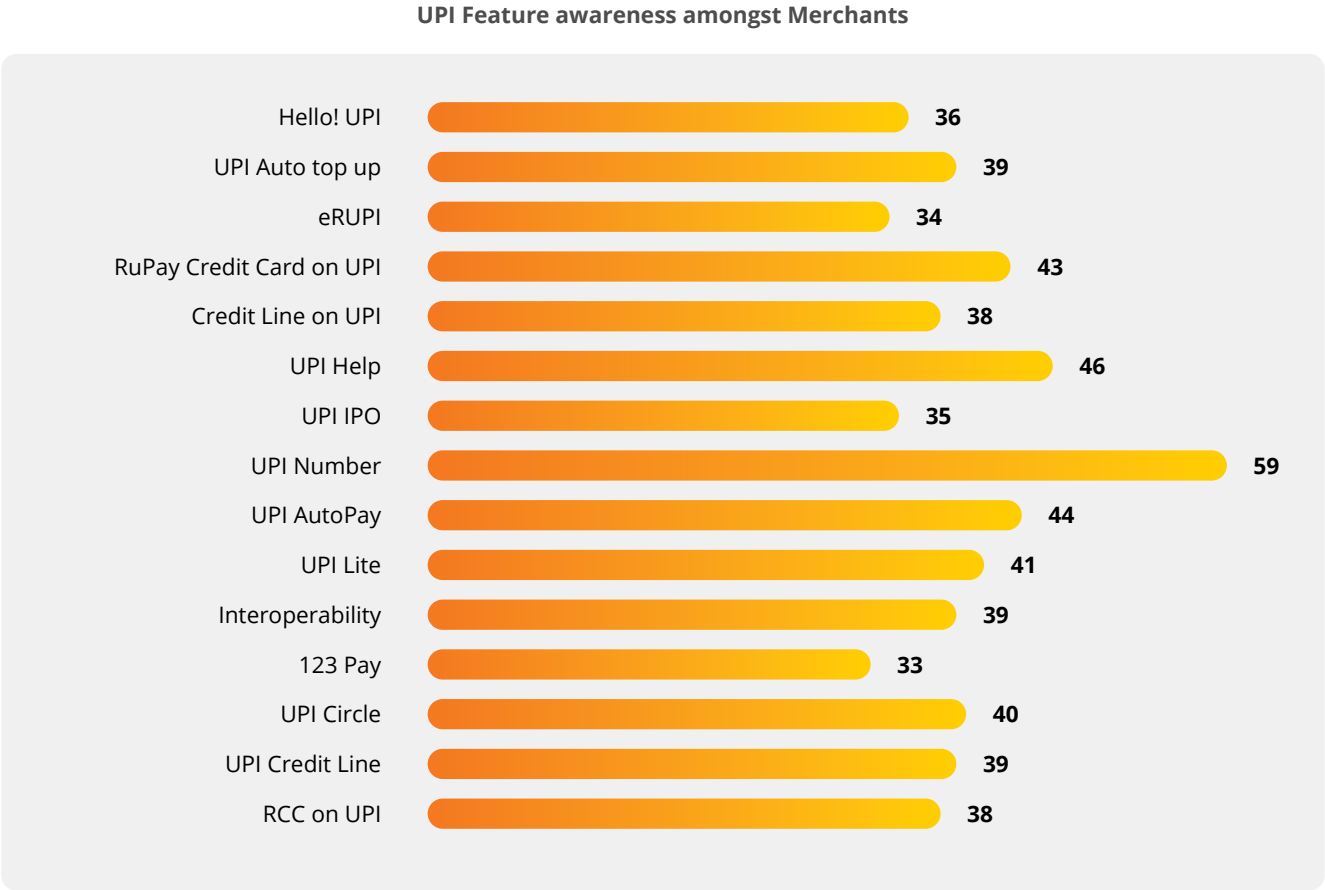


Preference among users mirrors the usage trends, with UPI Number emerging as the most preferred feature (28% of users), followed by RCC on UPI (13%) and UPI Circle (10%). Features like Credit Line on UPI, UPI IPO, and eRUPI register minimal preference (1%), reinforcing the need for targeted awareness campaigns and simplified onboarding for these offerings.

While awareness of foundational UPI features is satisfactory, adoption and preference are concentrated around core functionalities.

Among Merchants, awareness is highest for core features such as UPI Number (59%), followed by UPI Help (46%), UPI AutoPay (44%), and RuPay Credit Card on UPI (43%), indicating that users are most familiar with foundational payment functionalities. Awareness of more specialized features like Hello! UPI (36%), UPI IPO (35%), eRUPI (34%), and 123Pay (33%) remains comparatively lower, reflecting potential opportunities for further promotion and education.

Figure 10: UPI feature awareness amongst Merchants



Among those aware, familiarity is strong across all features, with 77–84% reporting they are "very familiar" or "familiar." UPI Number, UPI Circle, and RCC on UPI have the highest familiarity (84%), demonstrating that users are comfortable navigating commonly used features. Usage in the last three months shows a clear drop-off from familiarity levels: UPI Number leads at 34%, RCC on UPI (26%), UPI Circle (24%), and UPI Credit Line (22%), while specialized features such as Hello! UPI, UPI IPO, and eRUPI have minimal usage (4–7%), suggesting that despite awareness, adoption of niche features is still limited.

When it comes to most preferred features among those used, the classic transactional tools dominate, UPI Number (24%) and RCC on UPI (15%) are the top choices, followed by UPI Circle (11%) and UPI Credit Line (9%). All other features register low preference (≤8%), highlighting that users prioritize simplicity, reliability, and features that facilitate everyday payments.

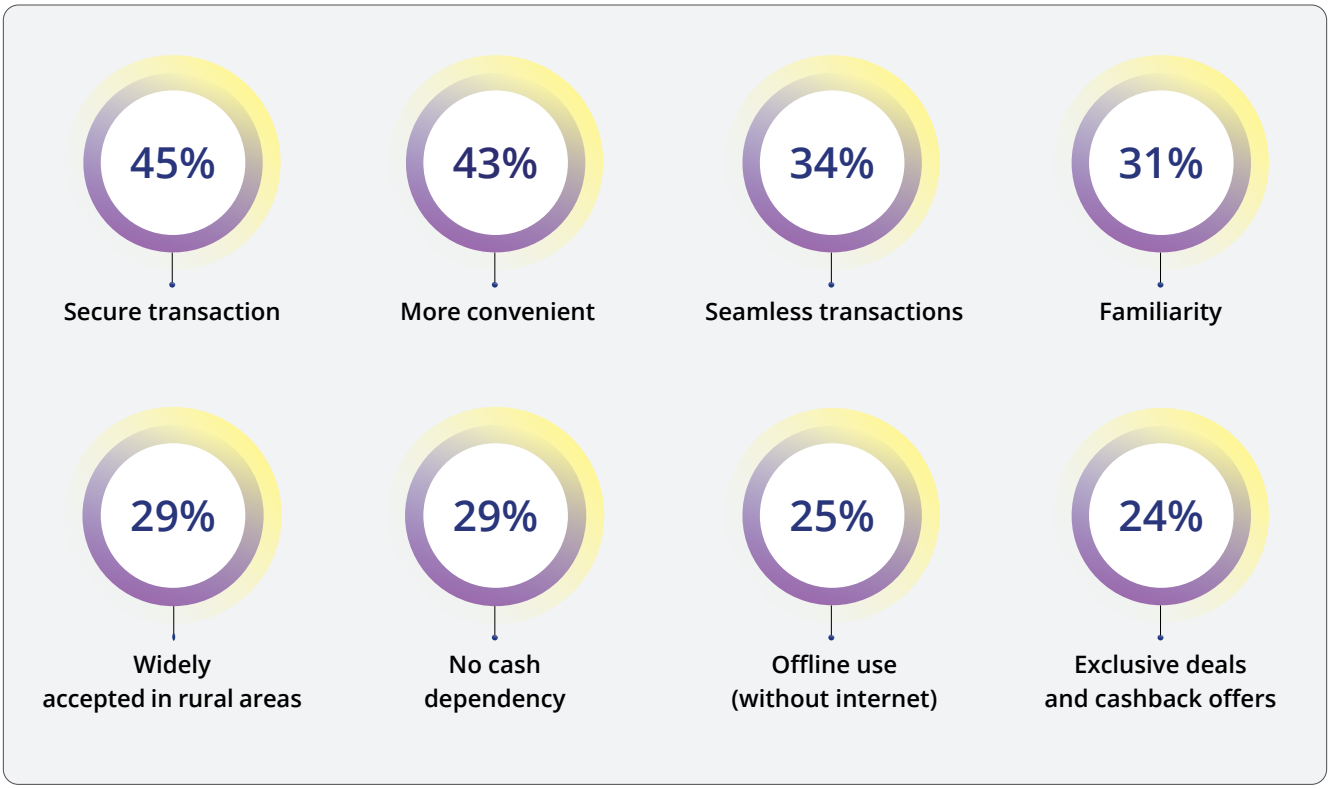
Usage over the last three months, however, shows a notable drop compared to awareness and familiarity. The most frequently used features include UPI Credit Line (36%), RCC on UPI (35%), and UPI Number (34%), whereas advanced or niche offerings like UPI IPO (11%), Hello! UPI (8%), and eRUPI (10%) see limited adoption. Preference patterns further emphasize that standard payment features dominate, with UPI Number (16%) and RCC on UPI (10%) being the most preferred, while specialized features such as Hello! UPI (2%) and eRUPI (1%) are less favoured. Details at annexure I.

In summary, while awareness and familiarity of UPI features are generally high, actual usage and preference are concentrated on a few core functionalities.

4.1.6 Reason for preferring RuPay debit/credit card

For RuPay Debit Card users, consumers' preferences for RuPay card as payment methods are primarily influenced by a mix of security, convenience, and familiarity. Secure transactions stand out as the most compelling factor, preferred by 45% of respondents, underscoring the priority users place on safeguarding their financial information. Alongside security, 43% value the convenience of seamless, hassle-free transactions, while 31% rely on familiarity, indicating comfort with known systems. Furthermore, 34% opt for payment methods that ensure smooth transactions, highlighting the importance of user experience. Acceptance in rural areas also plays a significant role for 29% of users, enhancing the appeal of flexible methods. Additionally, 24% are drawn to exclusive deals and cashback offers, showcasing that financial incentives effectively drive consumer choice. Offline use capabilities without internet connection appeal to 25%, promoting accessibility in varied connectivity environments. The desire to reduce cash dependency resonates with 29%, reflecting an increasing shift towards digital, cashless solutions. To build on these findings, further exploration into how these preferences differ across demographic segments could provide deeper insights into consumer behaviour.

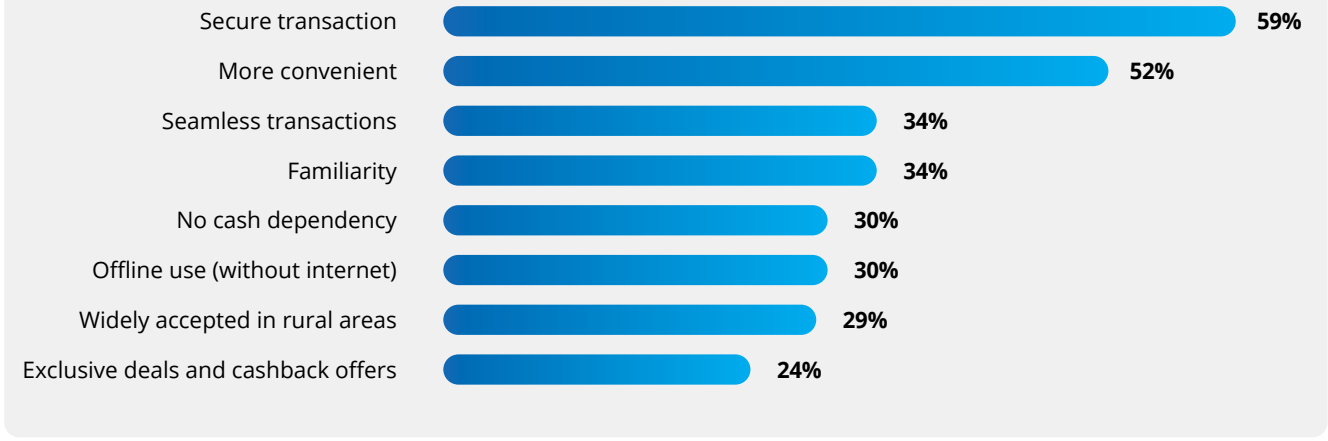
Figure 11: Reason for preferring RuPay (Debit/Credit) card (RuPay debit card users)



Security and convenience consistently anchor RuPay card preference across users and merchants.

For Merchants, the key drivers of preference are security and convenience. Secure transactions are the top reason (59%), followed by convenience (52%), reflecting a strong perception of RuPay as a safe and user-friendly payment option. Familiarity (34%) and seamless transaction experience (34%) also play an important role, indicating that habitual usage and trust contribute significantly to card preference. Practical considerations such as offline usability (30%) and reduction in cash dependency (30%) highlight the value of RuPay cards in areas with inconsistent internet connectivity. Additionally, 29% of respondents cited wide acceptance in rural areas, showcasing RuPay's reach beyond urban markets. Interestingly, 24% mentioned exclusive deals and cashback offers as a motivator, suggesting that reward-based incentives still have potential to increase engagement.

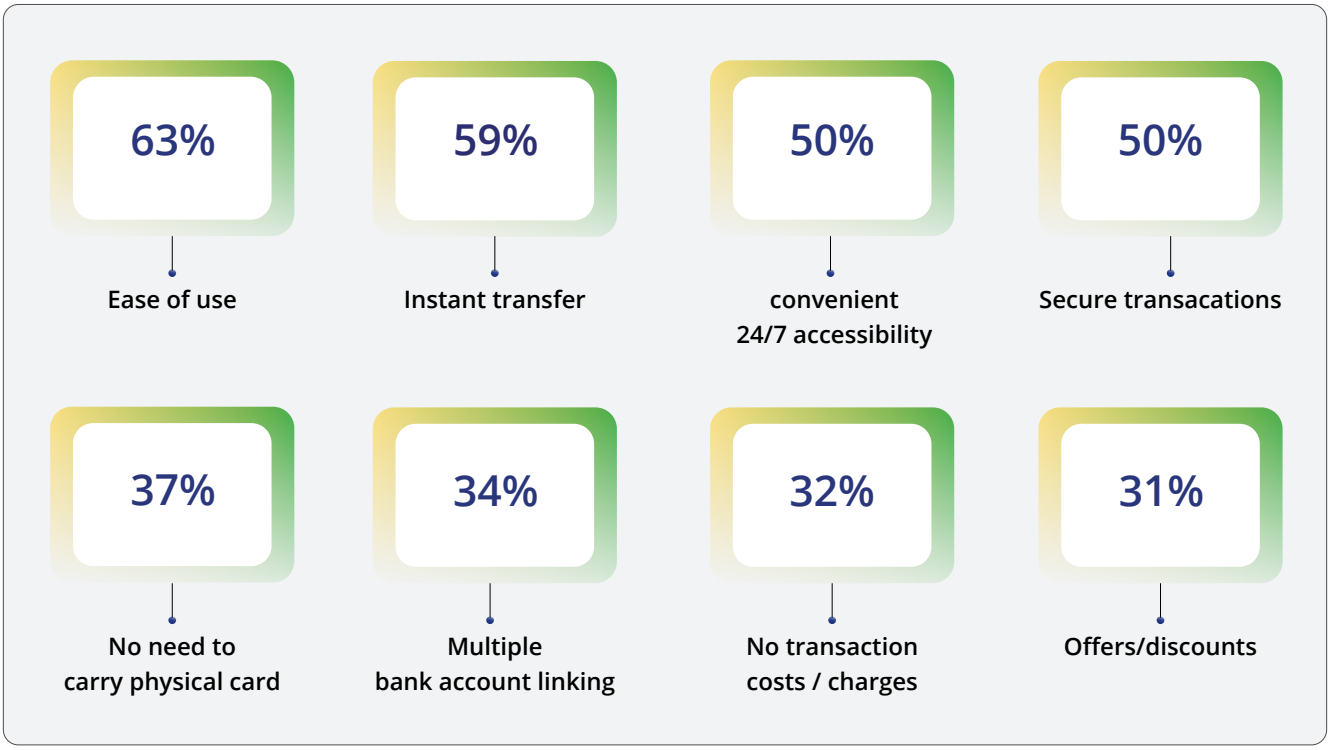
Figure 12: Reason for preferring RuPay (Debit/Credit) cards (Merchants)



4.1.7 Reason for preferring UPI

For UPI Users, among respondents who prefer UPI, the leading driver is ease of use (63%), followed by instant transfer capability (59%)—underscoring that simplicity and speed are the core pillars of UPI's popularity. 24/7 accessibility (50%) and secure transactions (50%) are equally critical motivators, highlighting that users value both convenience and trust when choosing UPI. Functional benefits such as no need to carry a physical card (37%) and ability to link multiple bank accounts (34%) further enhance UPI's appeal as an integrated, card-free solution. Zero transaction cost (32%) and offers/discounts (31%) are also relevant, suggesting that cost efficiency and rewards help reinforce user stickiness but are secondary to usability and speed.

Figure 13: Reason for preferring UPI (UPI Users)

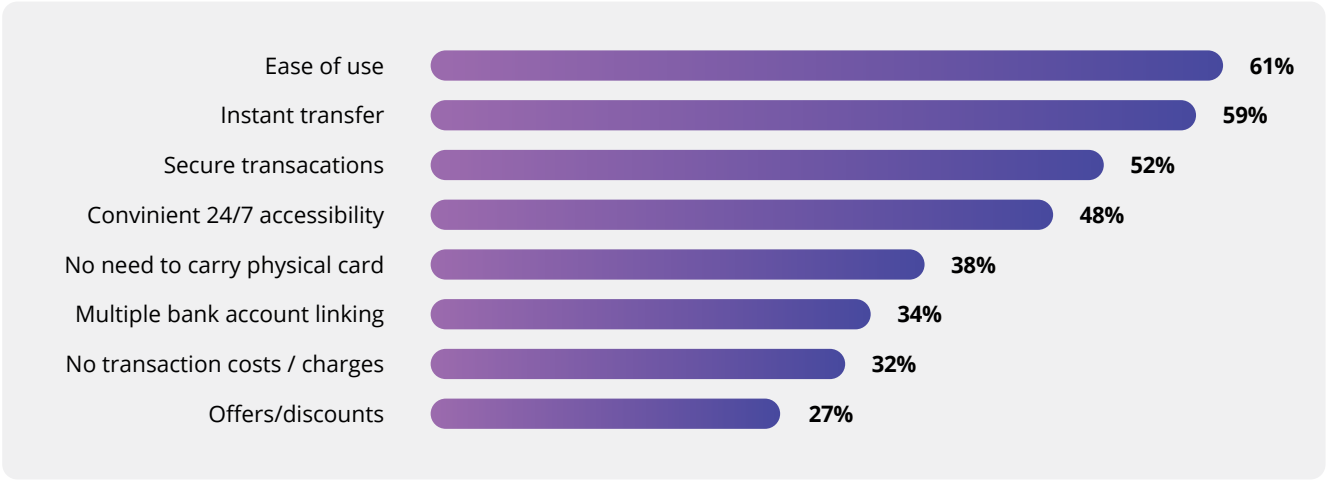


Across demographics, ease of use is the leading driver of UPI. Females place slightly higher emphasis on ease of use (65%) and Instant transfer (60%), indicating that communication reinforcing UPI's simplicity can further strengthen adoption among female users. Young respondents (18–25 years) show the highest preference for instant transfer (63%) and secure transactions (53%), suggesting that speed and trust are critical hooks for younger cohorts.

Ease of use and speed form the core pillars of UPI preference across users.

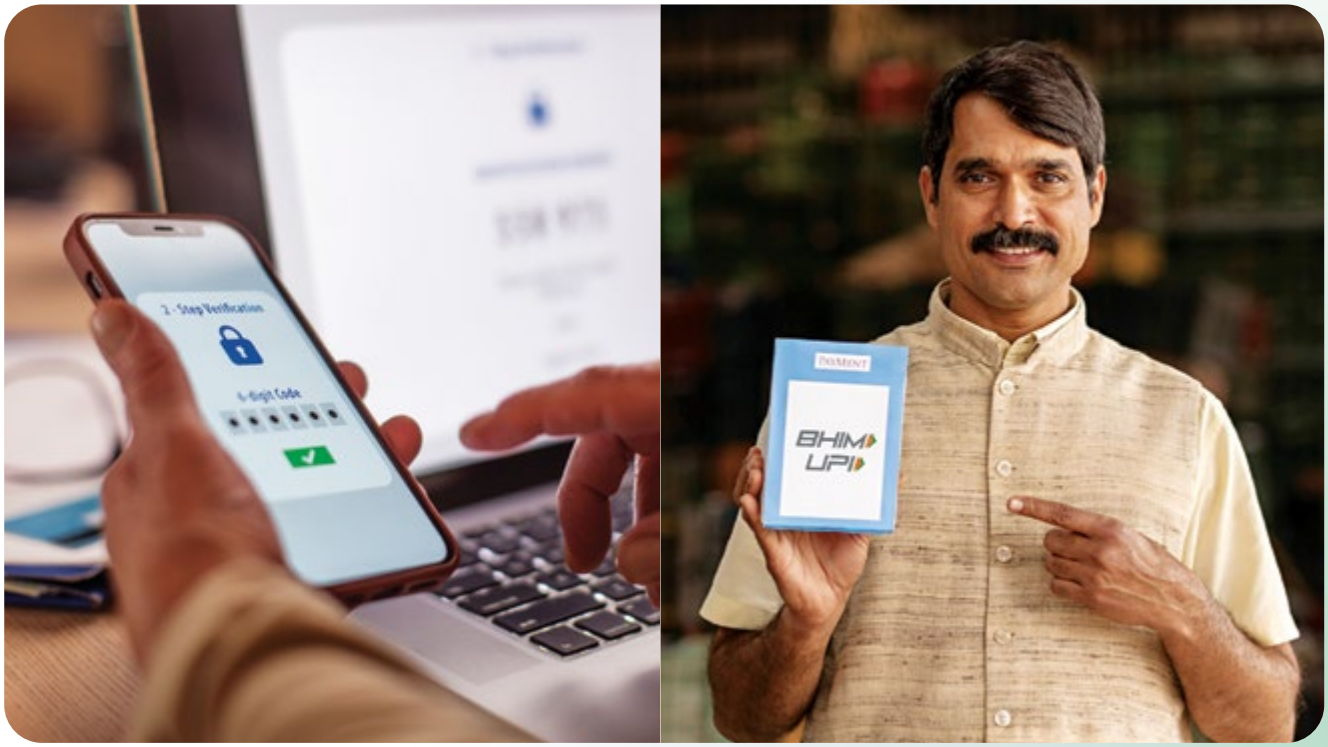
For Merchants who prefer UPI, the top drivers of preference are ease of use (61%) and instant transfers (59%), clearly positioning UPI as a frictionless and time-saving payment solution. Security (52%) and 24/7 accessibility (48%) further reinforce its image as a reliable and always-available platform. Practical benefits like not needing a physical card (38%) and the ability to link multiple bank accounts (34%) add to the appeal, particularly for users seeking flexibility and convenience. Cost-related motivators such as no transaction charges (32%) and offers/discounts (27%) also play a role, demonstrating that UPI is not just convenient but also economically attractive.

Figure 14: Reason for preferring UPI (Merchants)



UPI's ease of use is highly valued across segments, with strong preference among Kirana stores (62%), self-employed professionals (65%), and small merchants (65%), highlighting its importance for merchants who handle frequent daily transactions. Instant transfers see their highest endorsement among Kirana stores (67%) and very small merchants (64%), underscoring the relevance of real-time settlements for cash flow management in small businesses. Security is a particularly strong driver among tertiary businesses (56%) and very small merchants (55%), suggesting trust-building campaigns have resonated well with service-oriented and micro-business segments.

Convenience of 24/7 accessibility is a major factor for self-employed professionals (60%) and small merchants (53%), who place high importance on the ability to make and receive payments at any time. The absence of a physical card and multiple bank account linking features are especially appreciated by small merchants (46% and 42%, respectively), reflecting their need for operational simplicity and consolidated banking. Interestingly, no transaction charges are most influential for small merchants (42%) and self-employed professionals (41%), highlighting cost sensitivity in these groups. Town-class analysis shows that ease of use is the leading factor in Category B towns (68%), significantly higher than Category A (58%) and C (59%), indicating that user-friendly interfaces play a crucial role in driving adoption in mid-sized towns. Instant transfer capability resonates strongest in Category A towns (64%), where faster settlement may be critical for higher transaction volumes, while Category B and C towns (53% and 58%) still show strong appreciation for this feature.



4.2

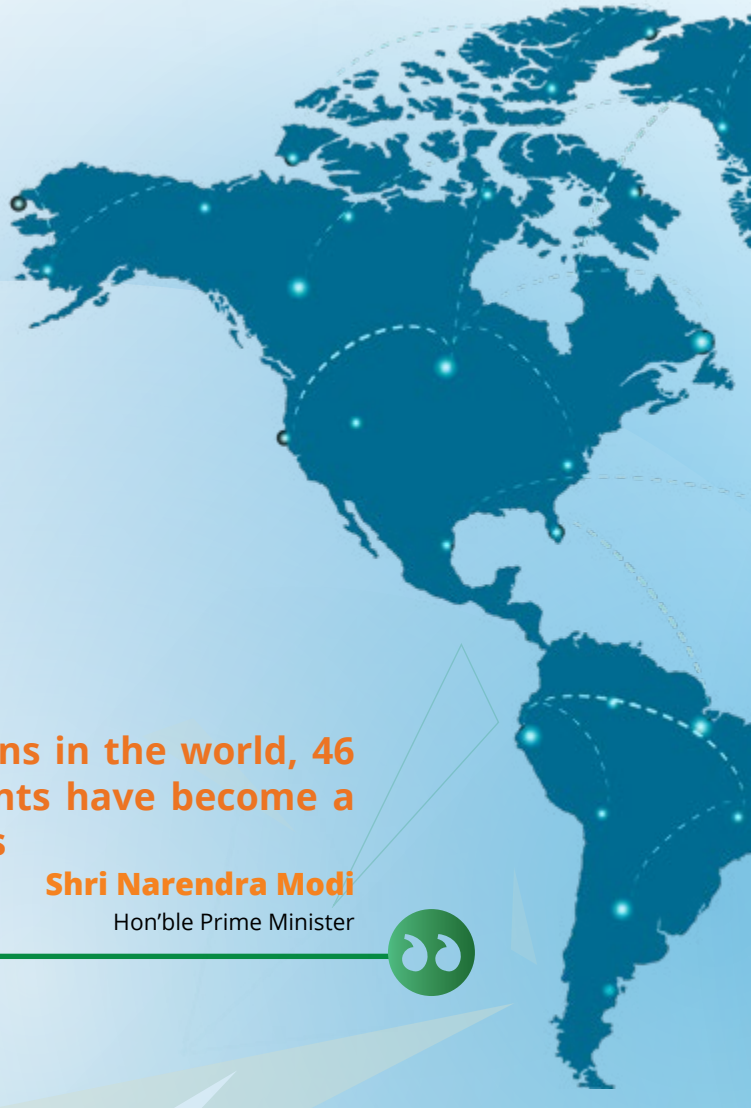
Impact on Indian Economy and Digital Payment Ecosystem

Digital payments are not just changing transaction habits—they are influencing India's economic fundamentals. This section explores how UPI and other digital rails contribute to GDP growth, improve liquidity efficiency, and reduce informal employment, reinforcing the role of payment digitization in driving sustainable economic formalization.

4.2.1 India as global leader in Real-time payments

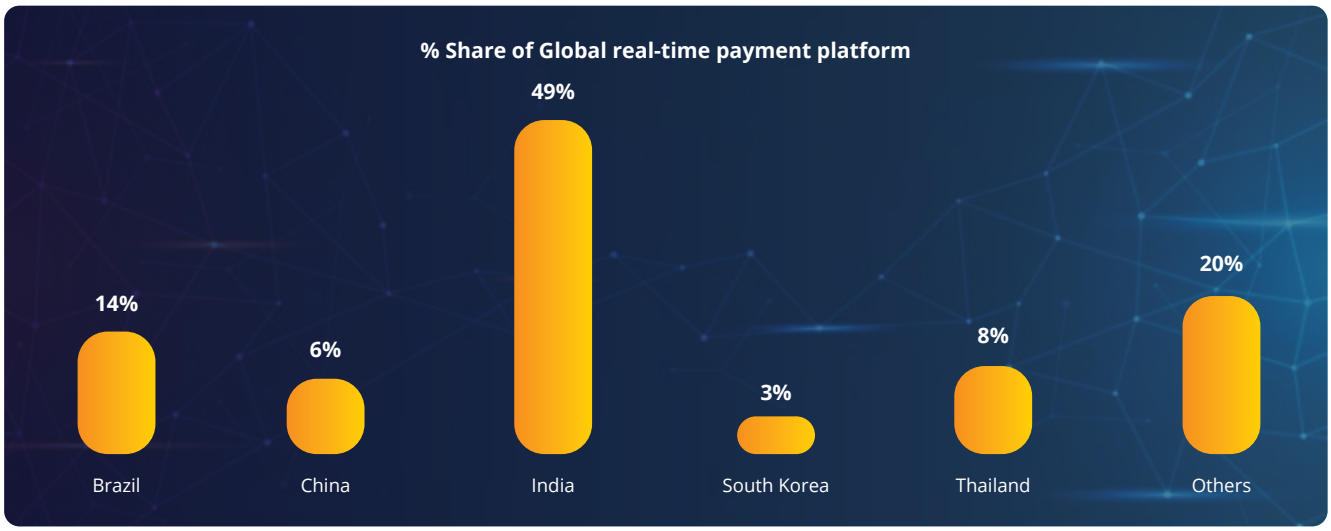
India's digital payment journey has not only transformed domestic transactions but has also drawn global recognition for its scale and innovation. The country's interoperable, real-time payment infrastructure has become a benchmark for efficiency and inclusivity, positioning India as a leader in the global payments landscape.

The International Monetary Fund (IMF) report on 'Growing Retail Digital Payments (The Value of Interoperability)' dated June 2025 had recognized Unified Payments Interface (UPI) as the world's largest retail fast-payment system (FPS) by transaction volume. Further, as per ACI Worldwide report on 'Prime Time for Real-Time' 2024, UPI has around 49% share in the global real-time payment system transaction volume.



> **Out of every 100 digital transactions in the world, 46 take place in India. Digital payments have become a part of the lives of crores of Indians**
>
> **Shri Narendra Modi**
> Hon'ble Prime Minister

Figure 15: Percentage Share of global real-time payment platform



Source: ACI Worldwide report on 'Prime Time for Real-Time' 2024

India dominates with ~49% of global real-time payment volumes—larger than the combined share of Brazil (14%), Thailand (8%), China (6%) and South Korea (3%), with "Others" at 20%. The outsize contribution reflects UPI's interoperability, low cost, and merchant ubiquity, making India the anchor market for fast-payment systems worldwide. Future-back implication: India's scale advantage can catalyze cross-border linkages and acceptance infrastructure upgrades in peer markets.

Extending this leadership beyond domestic boundaries, India is now taking its digital payments architecture global through the international expansion of UPI and RuPay. UPI has already gone live in eight countries—including the UAE, Singapore,

Bhutan, Nepal, Sri Lanka, France, Qatar and Mauritius—enabling Indians abroad to make secure, real time payments and facilitating smoother cross border transactions. In parallel, RuPay debit cards are accepted in six countries such as the UAE, Singapore, Bhutan, Nepal, Maldives, and Mauritius, providing Indian travellers and residents with wider access to convenient, low cost payment options. This growing global footprint is strengthening remittance corridors, improving access to digital financial services, and further elevating India's standing in the international payments ecosystem. With India already accounting for a substantial share of global real time payment activity, the continued expansion of UPI and RuPay underscores the nation's role in shaping the future of inclusive and interoperable digital finance.

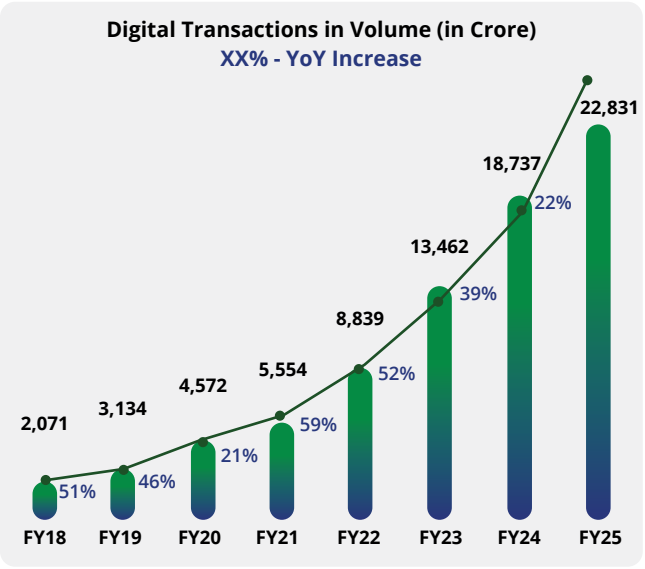
4.2.2 Impact on digital payment ecosystem

The rapid adoption of digital payments in India has fundamentally altered the way transactions occur, creating a robust ecosystem that spans consumers, merchants, and financial institutions. This section delves into the drivers of this transformation—ranging from exponential growth in transaction volumes to the expansion of acceptance infrastructure—and highlights UPI's pivotal role in shaping payment behavior.

By examining trends across instruments, merchant digitization, and user adoption, we uncover how digital rails are fostering inclusion, efficiency, and transparency at scale.

4.2.2.1 Exponential growth in digital payments

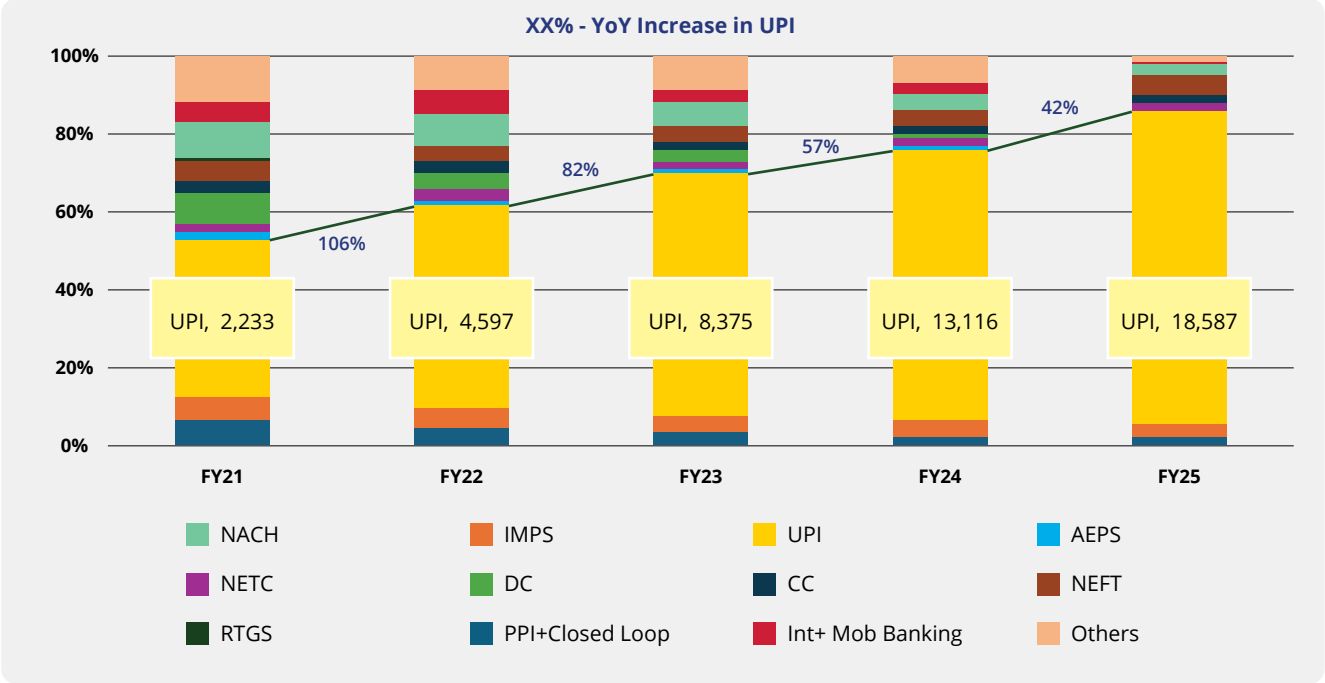
Figure 16: Digital transactions in volume (in Crore)



Source: National Payments Corporation of India (NPCI)

Total digital payment transactions surged from ~2,071 to ~22,831, an ~11× increase over eight fiscal years. The curve steepens from FY20–21 onward, aligning with UPI's rapid scale-up and broader digitization across payment rails. The total digital transactions have grown at a CAGR of 43% between FY 2020-21 to FY 2024-25, as compared to the CAGR of 39% between FY 2017-18 to FY 2020-21. This sustained momentum signals deepening consumer and merchant adoption, backed by policy push and acceptance infrastructure. The compounding trend underscores how interoperable, low-cost rails are converting everyday spends to digital.

Figure 17: Year on year financial digital payments (P2P+P2M+B2B)- In crore



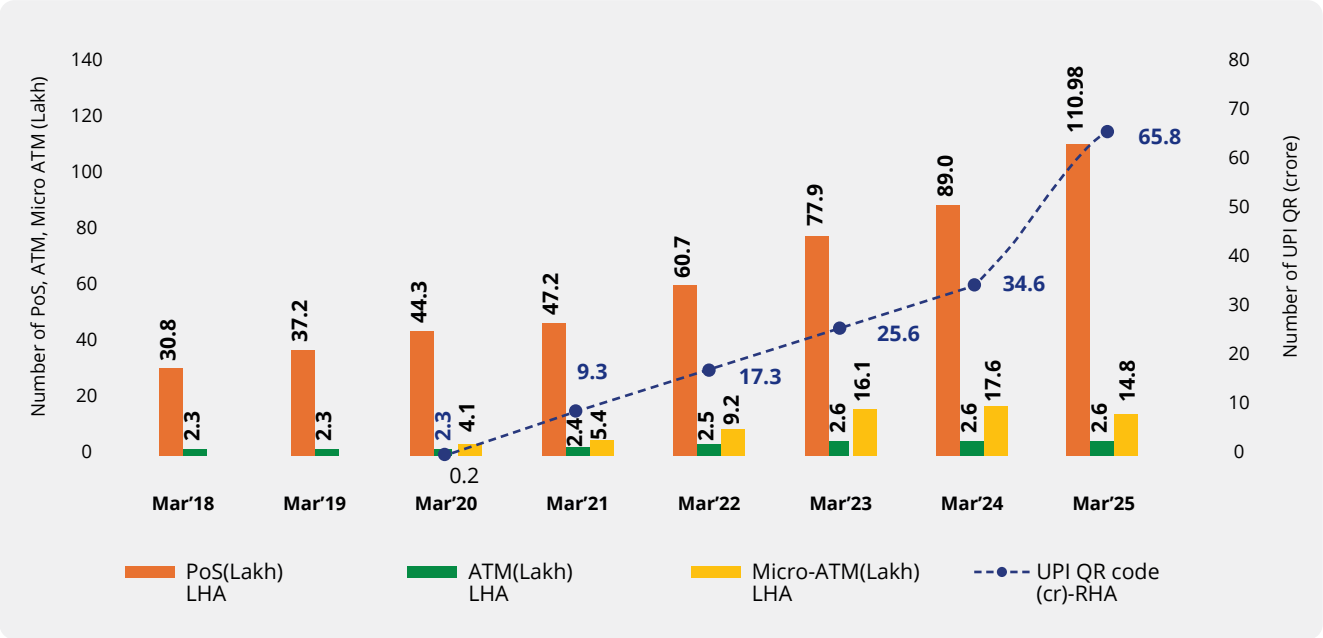
Source: Total Digital Payments DigiDhan Mission

UPI scales ~8×—from ~2.23k to ~18.59k crore transactions—becoming the dominant payment rail. In contrast, debit card and AePS usage declines, and IMPS growth plateaus after FY22–23, indicating migration of everyday payments to UPI. NEFT, NACH, and NETC show steady, utility-led growth. By FY2024–25, UPI accounts for ~80% of total digital transactions, consolidating both micro-payments and P2M flows. The share of UPI was ~4% of the total digital transactions in FY 2017-18.

UPI accounts for ~80% of total digital transactions by FY25.

4.2.2.2 Growth in acceptance infrastructure

Figure 18: Payment Infrastructure (Data till Mar'25)



Source: Reserve Bank of India (RBI)

Physical PoS terminals more than tripled (≈31 lakh → ≈111 lakh), while ATMs stayed broadly flat (~2.3–2.6 lakh), reflecting limited expansion in cash infrastructure. Micro-ATMs rose sharply till March 2022 (~17.3 lakh) and then eased to ~14.8 lakh, suggesting substitution by app-based payments. The standout is UPI QR, exploding from 0.2 crore (March 2020) to ~65.8 crore (March 2025), marking a decisive shift to low-cost, QR-led merchant acceptance, especially in long-tail segments and smaller towns.

The Payments Infrastructure Development Fund (PIDF), another major initiatives for promoting acceptance infrastructure, launched by the Reserve Bank of India in January 2021 and extended till December 2025, aims to accelerate digital payments by creating around 3 million new acceptance touchpoints annually, primarily across Tier 3 to Tier 6 centres, the Northeast, and UTs of Jammu & Kashmir and Ladakh.

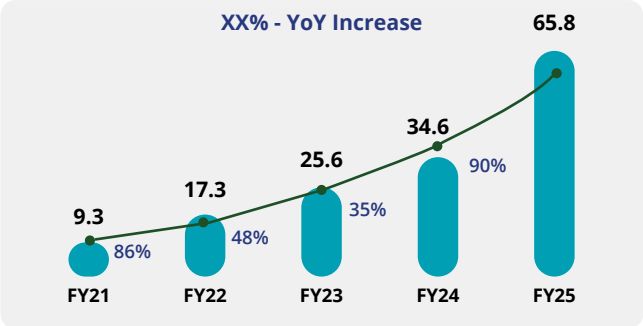
The scheme provides subsidies for deploying physical PoS devices, QR codes, soundboxes, and Aadhaar-enabled biometric devices, with differentiated support for physical, digital, and contemporary devices.

> **UPI QR codes expanded from 0.2 crore (Mar'20) to 65.8 crore (Mar'25)**

PIDF also covers PM SVANidhi beneficiaries in Tier 1 and Tier 2 cities and PM Vishwakarma beneficiaries nationwide, focusing on merchants without existing digital acceptance tools in essential sectors such as transport, fuel, healthcare, kirana shops, artisans, and street vendors. Funded through mandatory annual contributions from card networks and issuing banks along with RBI's support. As of October 31, 2025, approximately 5.45 crore digital touch points have been deployed through PIDF in tier-3 to 6 centers.[1]

4.2.2.3 Growth in UPI acceptance infrastructure

Figure 19: QR deployed (in crore)

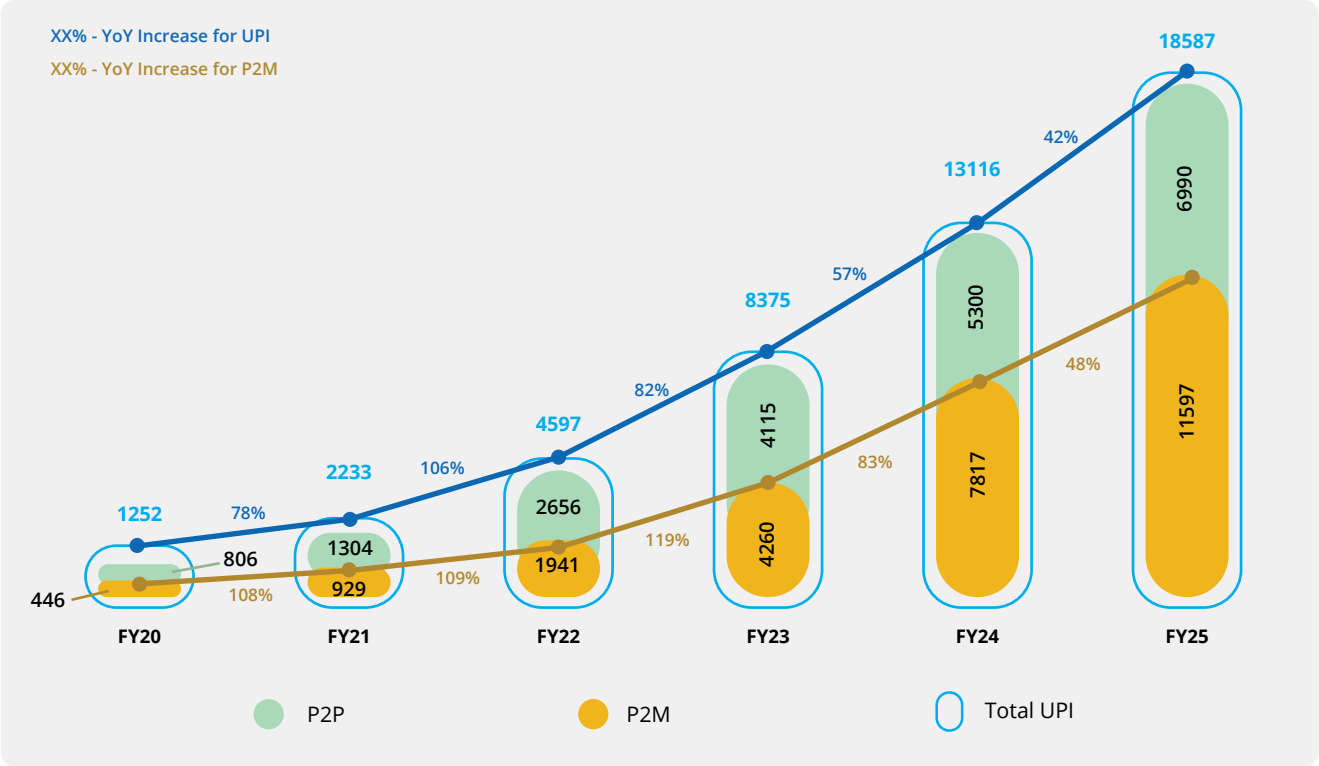


UPI QR deployment scaled from ~ from 0.2 crore (March 2020) to ~65.8 crore (March 2025) a ~330× expansion in five years, with a sharp step-up after FY23–24 (34.62 crore). The surge reflects low-cost merchant onboarding (QRs, soundboxes) and targeted pushes in Tier-3 to Tier-6 markets, enabling dense last-mile acceptance. This footprint is a key driver of UPI P2M growth and a structural nudge away from cash for everyday spends.

[1]Press Release: Press Information Bureau

4.2.2.4 Growth in UPI transactions

Figure 20: UPI transactions volume (in crore)

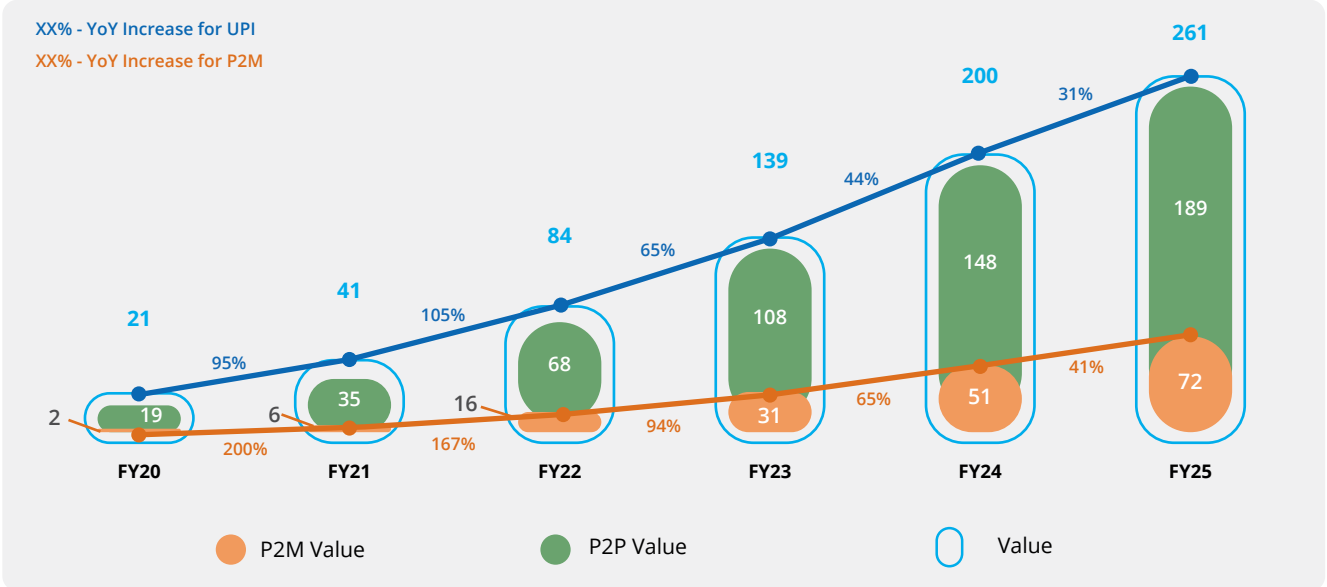


Source: National Payments Corporation of India (NPCI)

Total UPI transaction volume expanded **~15×** in last 7 years; **P2M grew ~26×** and **P2P ~9×**, underscoring rapid merchant digitization and habitual use in low ticket, high frequency spends

Total UPI transaction volume expanded over 15× in the last seven years.

Figure 21: UPI transactions value (in INR Lakh crore)

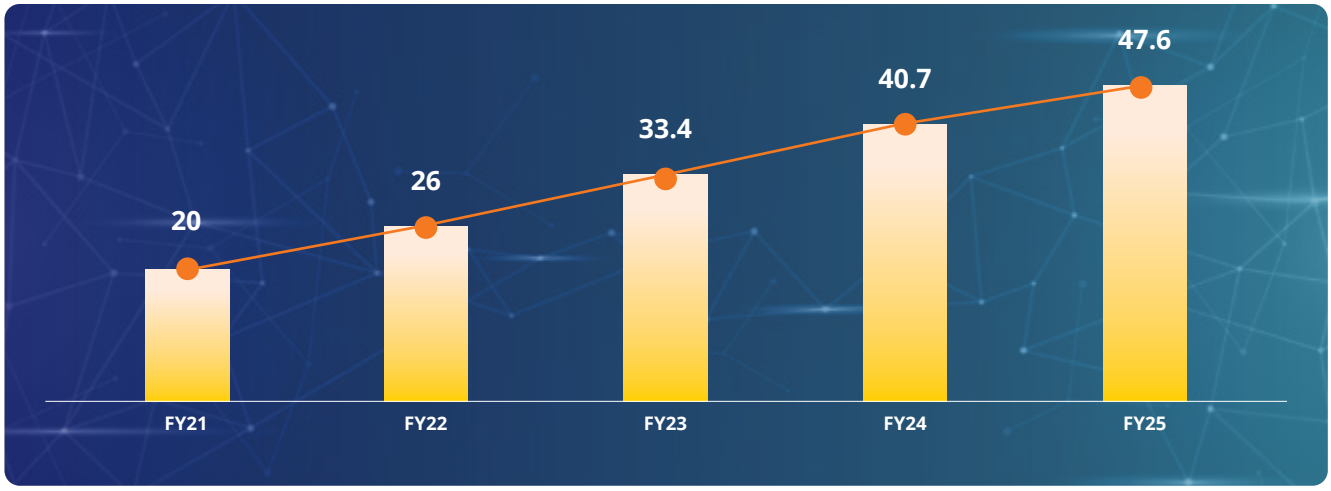


Source: National Payments Corporation of India (NPCI)

Total UPI value rose **~12×**, led by **P2M surging ~33×** (QR led merchant payments), while **P2P climbed ~10×**—signalling UPI's shift from peer transfers to everyday commerce at scale.

4.2.2.5 UPI user since inception

Figure 22: Unique UPI users since inception (in Crore)

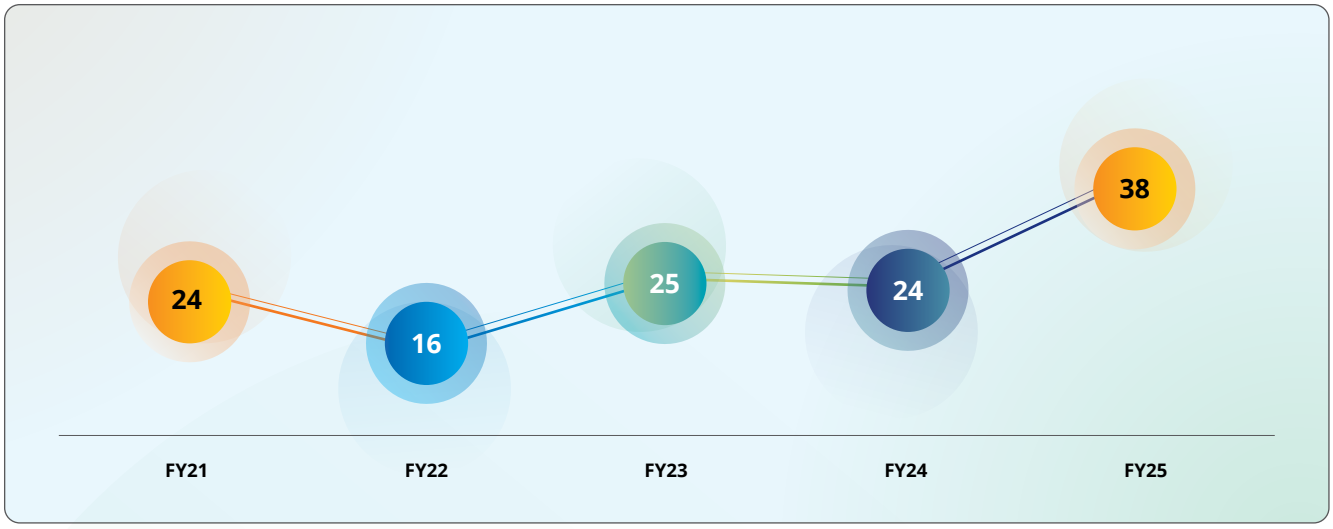


Source: National Payments Corporation of India (NPCI)

UPI's unique customer base expanded from ~20 crore to ~47.6 crore, adding ~27.6 crore users in four years. The trajectory is consistently upward, with ~6–7 crore net additions each year, indicating mainstream adoption beyond metros. This widening base underpins rising P2M usage and the shift of everyday transactions from cash to digital.

4.2.2.6 Number of TPAPs

Figure 23: Number of TPAPs

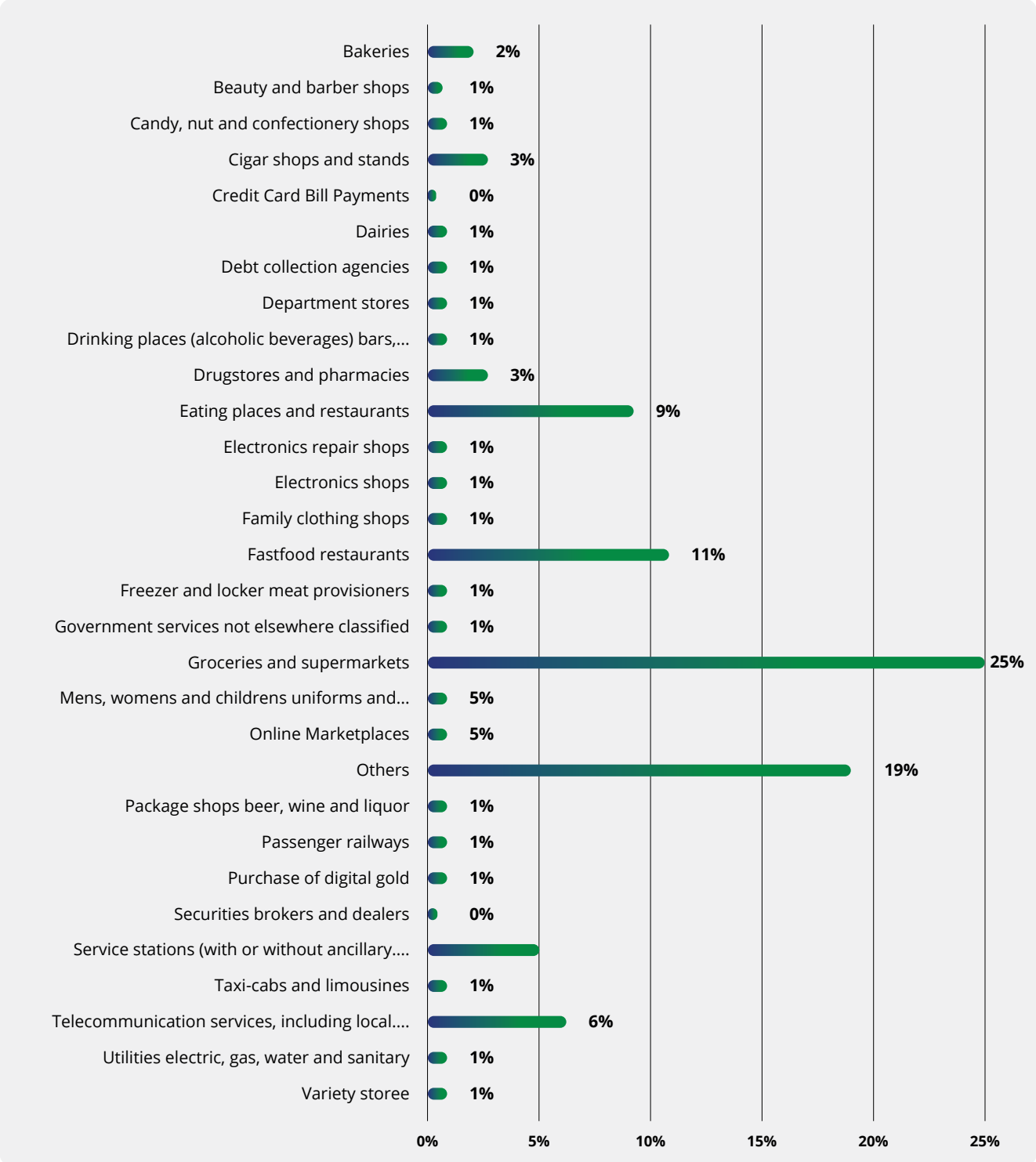


Source: National Payments Corporation of India (NPCI)

TPAPs dipped to 16 in FY2021–22 (from 24), then expanded to a high of 38 by FY2024–25, indicating renewed ecosystem entry and diversification. The rebound suggests wider participation from banks and fintechs, fostering competition and feature innovation on UPI. A larger TPAP base typically correlates with broader customer reach and faster merchant acquisition, reinforcing network effects

4.2.2.7 MCC wise UPI volume (March 2025)

Figure 24: MCC wise UPI volume (March 2025)

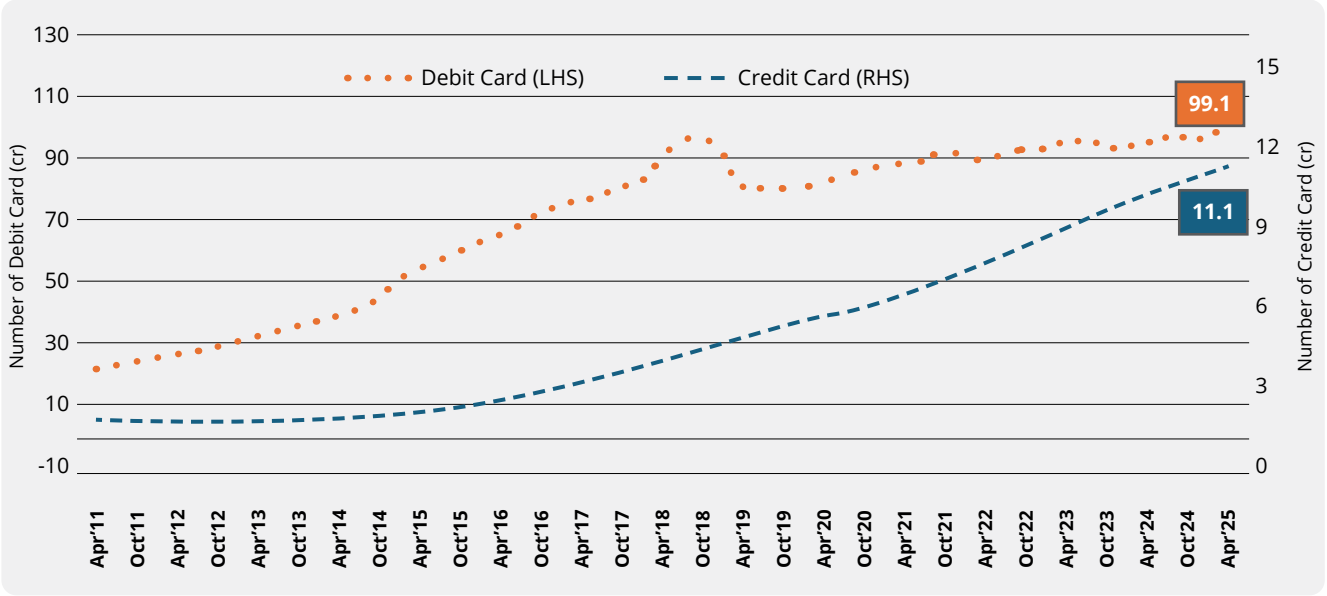


Source: National Payments Corporation of India (NPCI) Corporation of India (NPCI)

UPI usage is concentrated in everyday spends, led by Groceries & Supermarkets (~25%), with Fast food (~11%) and Restaurants (~9%) together nearing ~20%. Telecom (~6.4%), Fuel/Service stations (~5.1%), and Pharmacies (~2.5%) reflect routine bill-pay and essential categories going digital. The "Others" (~19%) bucket signals a long-tail of small merchants now transacting via QR. Overall, the mix underscores UPI's dominance in low-ticket, high-frequency P2M flows.

4.2.2.8 Card issuance trend

Figure 25: Debit card & credit card issuance



Source: Reserve Bank of India (RBI)

> **Everyday payments increasingly migrate to UPI and QR-led P2M, despite card growth.**

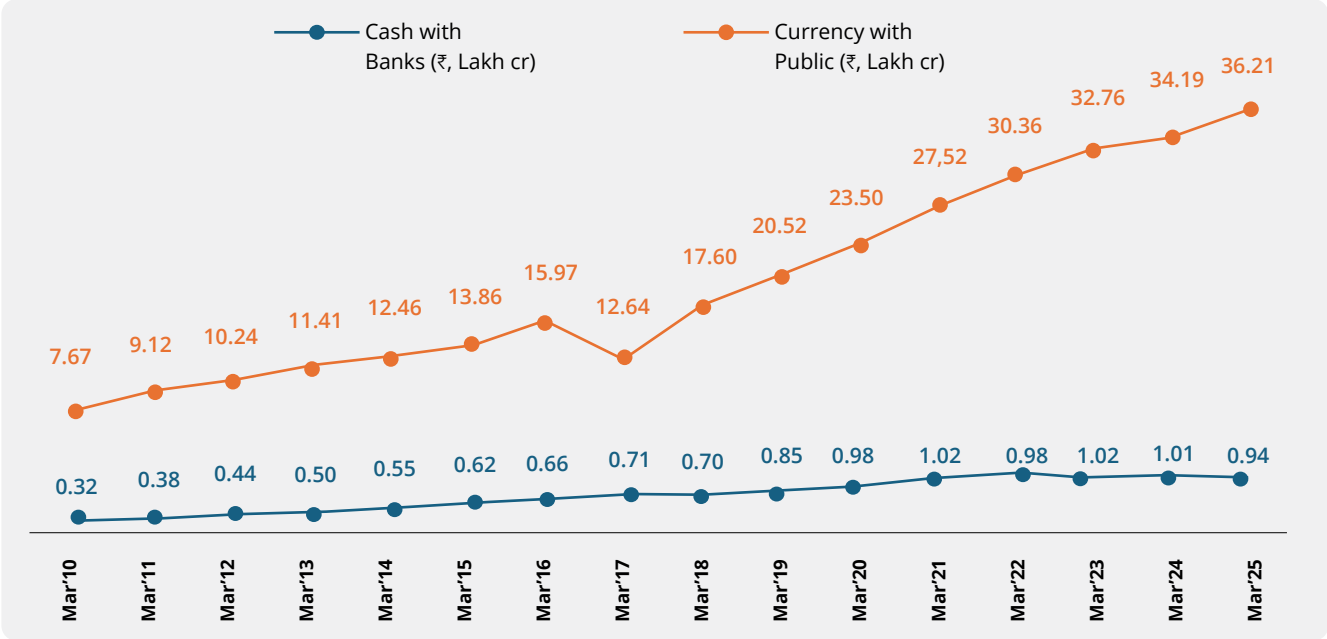
Debit cards grew from ~23 crore (April 2011) to ~99 crore (April 2025), with a strong step-up post-2016 and a brief consolidation in late-2024 before new highs in 2025. Credit cards rose from ~1.78 crore (April 2011) to ~11.12 crore (April 2025), compounding steadily with clear acceleration after 2018. The pattern suggests cards increasingly serve as account access/credit instruments, while everyday payments migrate to UPI and QR-led P2M, reducing reliance on cash and swipes.

4.2.3 Reducing cash

Digital payments are steadily displacing cash in India, reshaping spending habits and currency demand. This section highlights trends in currency circulation, denomination shifts, and ATM withdrawals, showing how UPI and QR-led acceptance are driving a cash-light economy.

4.2.3.1 Currency in circulation

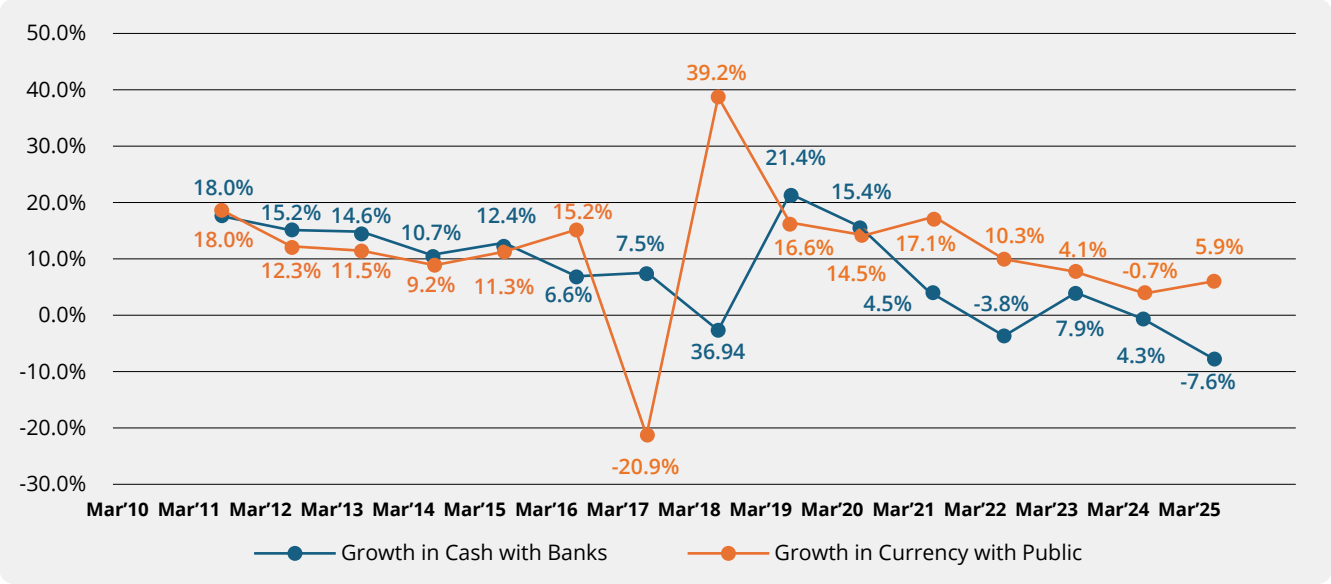
Figure 26: Cash in circulation



Source: Reserve Bank of India (RBI)

Currency with the public rose from ~₹7.67 lakh crore (March 10) to ~₹36.21 lakh crore (March 25), indicating a moderation in cash demand. A temporary contraction appears around Mar'17, followed by a multi-year rebound and pandemic-era acceleration. Cash with banks increased more gradually (₹0.32 → ~₹0.99 lakh crore), keeping most cash outside the banking system.

Figure 27: Trends – cash in circulation

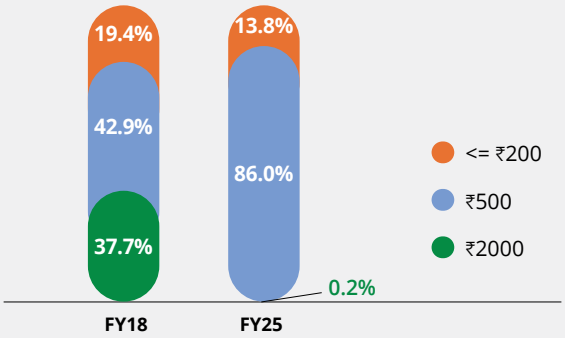


Source: Reserve Bank of India (RBI)

Growth in currency with the public slows from high double-digits (pre-2016) to low single-digits post-2022, —a sign of moderating cash intensity. Cash with banks shows short spikes (around Mar'19–Mar'20) turning marginally negative by Mar'25 but broadly eases thereafter, with small upticks in Apr–May'25. Together, the series point to tempered incremental demand for cash, consistent with rising digital payment usage.

Digital adoption shows an inverse relationship with currency usage.

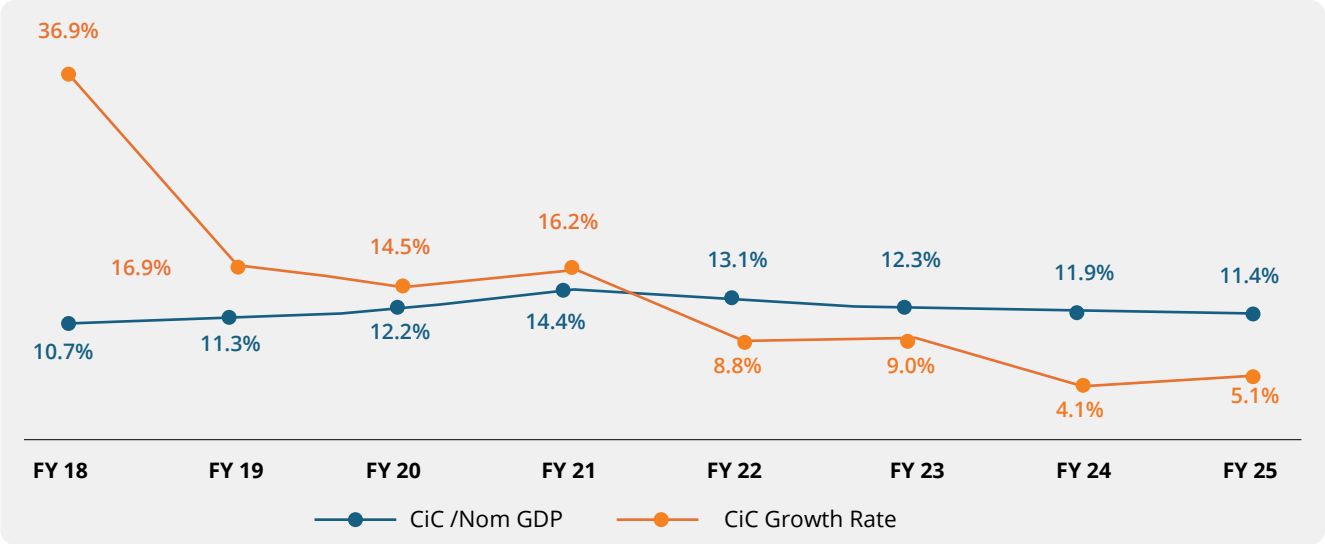
Figure 28: Trend analysis of currency in circulation



The RBI paper "Cash versus Digital Payment Transactions in India: Decoding the Currency Demand Paradox" finds that digital payments have a strong inverse and statistically significant relationship with currency usage, indicating that higher digital adoption reduces reliance on cash. Despite this trend, cash continues to serve as a hedge during uncertain periods and, in some cases, as a savings instrument. To maintain the momentum of digital transactions, it is essential to ensure cost-effective payment options and universal access to enablers such as smartphones and internet connectivity. The study also highlights a behavioral shift toward digital micro-payments, with nearly half of all UPI transactions valued at ₹200 or less. This growing preference for low-ticket digital payments has led to a decline in the share of ₹200 and smaller denomination notes in circulation—from 19.5% in FY18 to 13.8% in FY25—underscoring a gradual transition away from cash-based exchanges.

The macroeconomic influence of this shift is further evident in the trends of aggregate cash in circulation (CiC). The growth rate of CiC has consistently lagged behind the growth of nominal GDP, indicating that digital payment systems are absorbing an increasing share of transaction volumes that would otherwise rely on cash. This decoupling of CiC growth from nominal GDP highlights the expanding role of digital infrastructure in facilitating economic activity while maintaining efficiency, traceability, and transparency in financial flows.

Figure 29: Trend analysis of CiC growth rate and cash to GDP



Declining Cash-to-GDP ratio reflects increasing reliance on digital payment modes.

Reduction in the ratio of cash in circulation to nominal GDP can be viewed as a measurable outcome of payment digitization. A sustained decline in this ratio reflects an economy's increasing reliance on formal and traceable payment modes, leading to greater liquidity efficiency and reduced friction in monetary transmission. Over time, this shift can improve fiscal visibility, lower the cost of currency management, and enhance the velocity of money through faster and more secure electronic transfers.

Furthermore, targeting a lower CiC-to-GDP ratio can serve as a macro-level performance indicator for digital financial initiatives. Continuous monitoring of this metric, alongside adoption indicators such as UPI transaction growth, RuPay usage, and merchant digitization levels, can provide valuable insights into the systemic effectiveness of digital payment ecosystems. A progressive decline in cash intensity thus signals a healthier, more inclusive, and technologically resilient economy—one that leverages digital infrastructure to drive sustainable economic formalization.

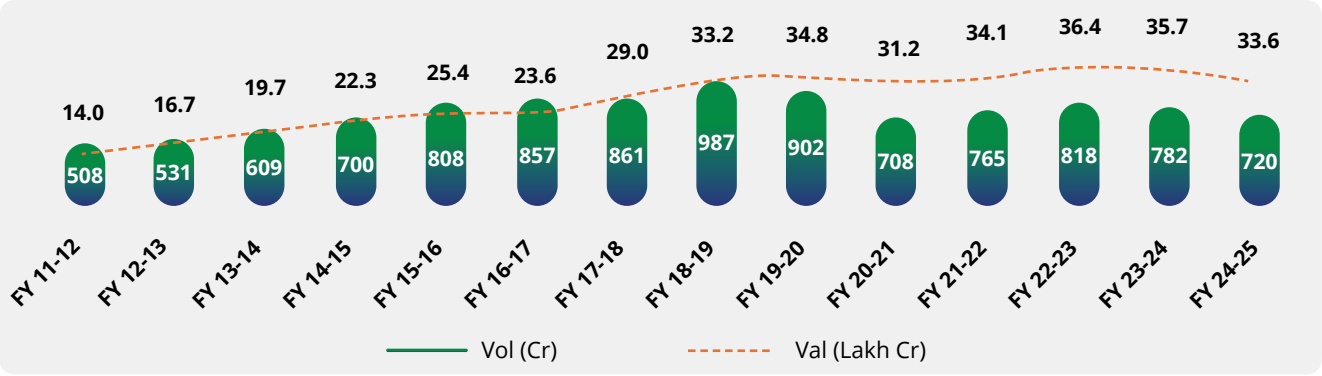
Source: UPI – The Global Benchmark for Digital Payments, NPCI & BCG report

India is embracing a cashless revolution with world-class digital initiatives like Unified Payments Interface (UPI).

Smt. Nirmala Sitharaman
Financial Minister of India

4.2.3.2 Decline in ATM + microATM cash withdrawal volume and value

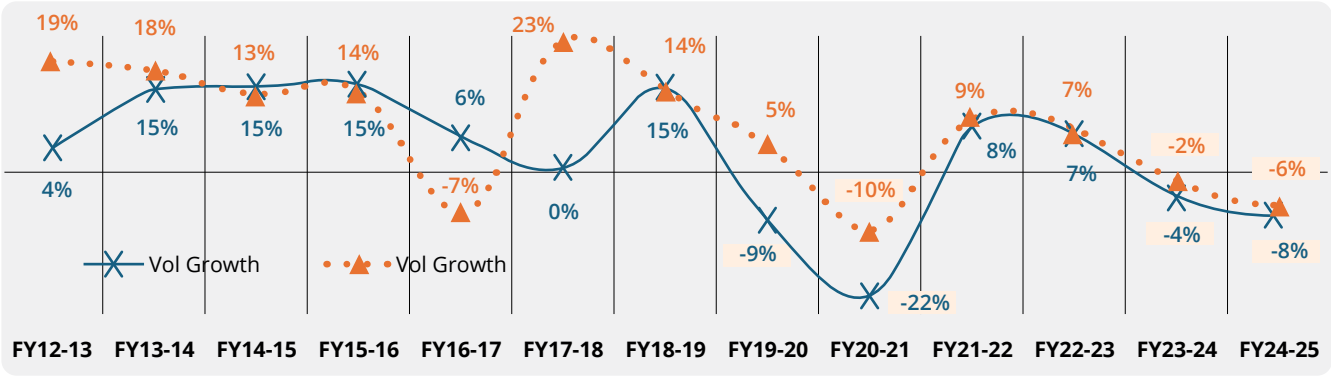
Figure 30: ATM + microATM cash withdrawal volume & value trend



Source: Reserve Bank of India (RBI)

Withdrawal volume rose from ~508 cr (FY11–12) to a peak ~987 cr (FY18–19), then declined to ~720 cr (FY24–25), a ~27% drop from the peak. Value similarly climbed to ~₹36.36 lakh cr (FY22–23) and moderated to ~₹33.60 lakh cr (FY24–25). The downtrend signals lower cash-out dependence as UPI and QR-led acceptance absorb everyday spends, with micro-ATMs serving localized cash needs.

Figure 31: ATM volume & value growth (%)

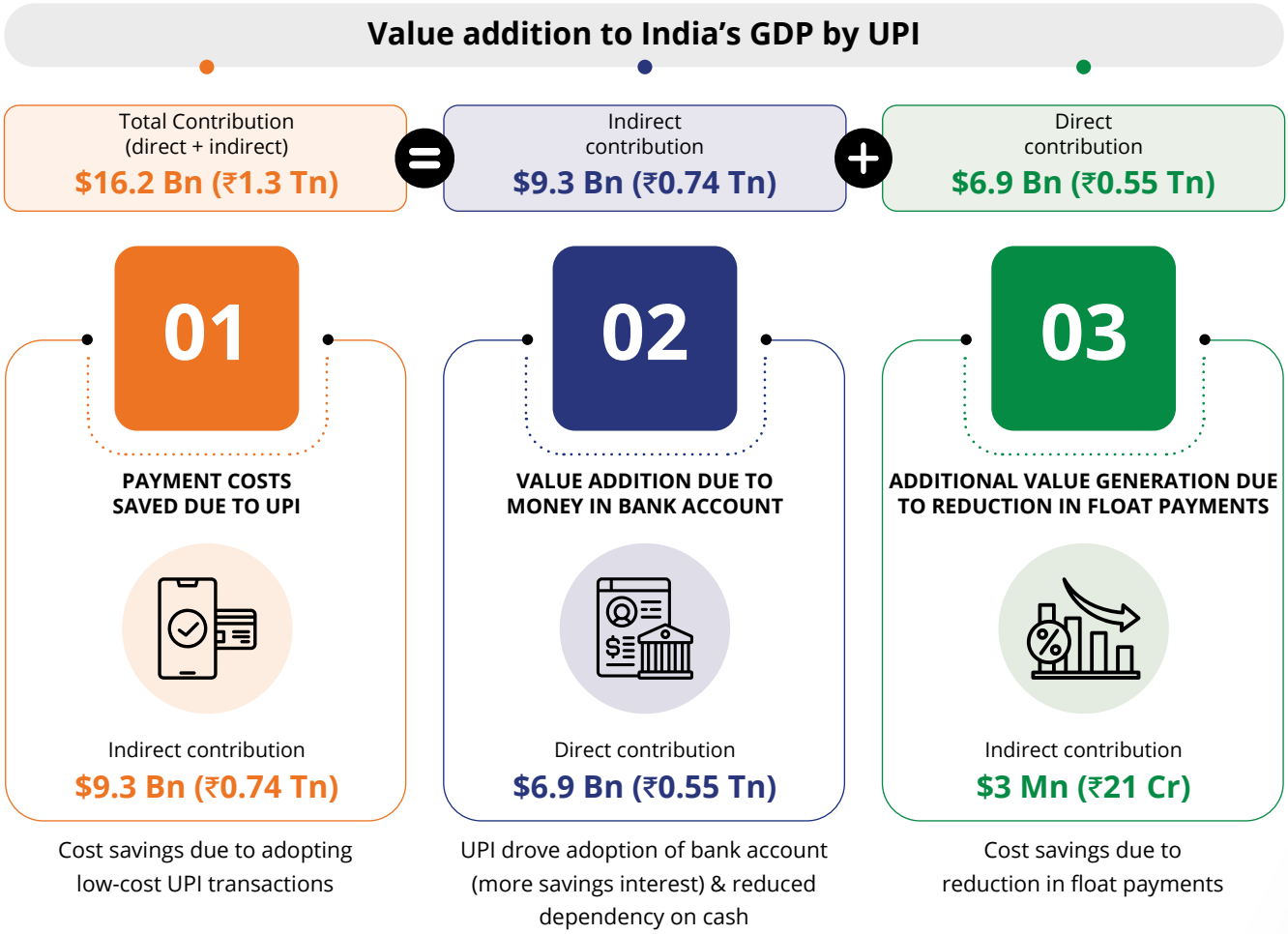


Source: Reserve Bank of India (RBI)

Growth in withdrawal volume shifts from double-digit positives (FY13–16) to consecutive negatives in FY19–21, with further dips in FY23–25, signalling a structural decline in cash-out reliance. Value growth also moderates—turning negative in FY16–17, FY20–21, and again in FY23–25, even as nominal spending rose. Together, the series indicate everyday transactions migrating to UPI/QR, with cash increasingly reserved for specific, localized needs.

4.2.3.3 Impact on GDP growth rate

As per Digital Payment Infrastructure Report 2024[2], UPI has replaced cash transactions as well as electronic transfers across sectors. Three use cases are identified for the analysis for value addition to GDP. UPI has added additional $16.2 Bn in GDP in the year 2022.



[2]Digital Public Infrastructure 22-2-2024_compressed.pdf

The use cases for calculating UPI's contribution to GDP include:

- **Payment cost saved due to UPI:** While UPI is replacing cash based and electronic transactions, it saves on cash-handling expenses as well as the markups paid on electronic transfers. Presently, UPI does not charge anything from merchants or users for sending or accepting payments.
- **Value addition due to extra interest earned from bank accounts:** As more retail transactions are conducted online with UPI, users' dependency on cash reduced. This resulted in extra interest earned on their bank accounts due to the just-in-time nature of these transactions.
- **Value addition due to reduction in float payments:** Electronic payments earlier used to take more than 1 day to reflect, which resulted in money staying in float accounts with the bank. With UPI, this transfer is immediate, hence users can earn extra interest.

As per BIS Working Paper[3] 1% rise in digital payments use is associated with increases in growth rates of GDP per capita of 0.10 percentage points (or 0.05 percentage points annually) over a two-year period. Digital payments are also associated with lower estimated informal employment, with a reduction by 0.06 percentage points (or 0.03 percentage points annually) over a two-year period. This suggests that digital payments contribute to economic growth while also reducing informal employment. The findings reinforce the importance of government policies to encourage digital payments and enhance access to the financial sector and information technology.

4.2.4 Digital transaction behaviour

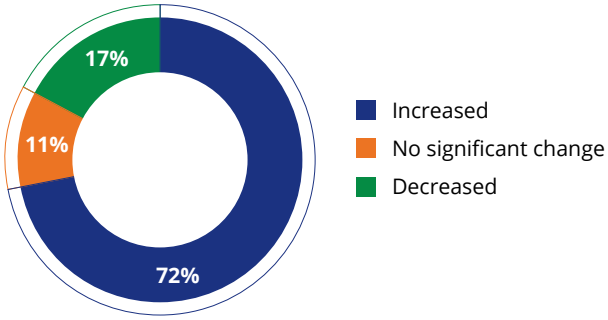
This subsection examines year-on-year changes in digital transaction behavior across all respondent cohorts. It captures whether users reported an increase, decrease, or no change in their digital payment usage compared to the previous year, providing insights into adoption momentum and segment-specific trends.

72% of UPI users reported an increase in digital transactions year-on-year.

4.2.4.1 Change in digital transaction vis-à-vis last year

For UPI Users, the findings indicate a significant upward trajectory in digital transaction usage over the past year. 72% of respondents reported an increase in their number of transactions via UPI, debit, or credit card, while 11% experienced a decrease and 17% reported no significant change. This underscores the growing reliance on digital payments, reflecting increasing trust, convenience, and accessibility of the digital payment ecosystem.

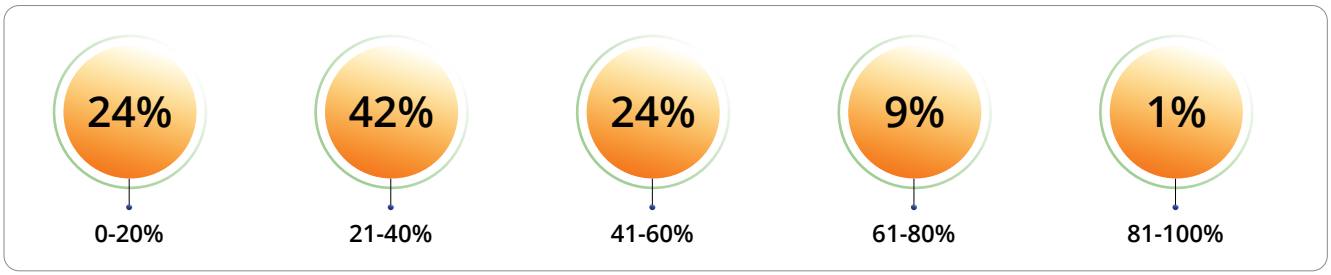
Figure 32: Change in digital transaction as compared to last year (UPI Users)



Across demographics, younger users (18–25 years) reported the highest increase (76%), indicating they are the most responsive segment to digital payment adoption. In contrast, users aged 26–40 years (69%) and 40+ years (71%) showed relatively lower, but still substantial, growth. NCCS A respondents (75%) lead in transaction growth, showing higher adoption intensity, followed by NCCS B (72%) and NCCS C (66%). Interestingly, new users (59%) reported lower increases compared to existing users (73%), which is expected as transaction frequency for new adopters may grow gradually. At a category level, Category A users (79%) registered the highest growth, far exceeding Category B (64%) and Category C (72%), positioning them as the most engaged cohort. Overall, these trends reflect that digital payments are driving incremental transaction volume most strongly among youth, higher NCCS groups, and established digital users.

[3]Digital payments, informality and economic growth

Figure 33: Percentage by which transaction increased/decreased compared to last year (UPI Users)



Among those who reported an increase or decrease in transactions, the largest share (42%) experienced a 21–40% change, indicating that most users saw a moderate shift in transaction volumes post-adoption of digital payments. About 24% reported a change of up to 20%, suggesting a smaller impact for nearly one-fourth of respondents. Another 24% experienced a 41–60% change, showing that a considerable segment reported a strong behavioral shift. High-intensity changes (61% and above) were comparatively lower, with 9% reporting 61–80% change and just 1% reporting 81–100% change, highlighting that extreme shifts remain niche. Overall, the data indicates that digital payments have primarily driven moderate, steady increases in transaction volumes rather than extreme surges for most users.

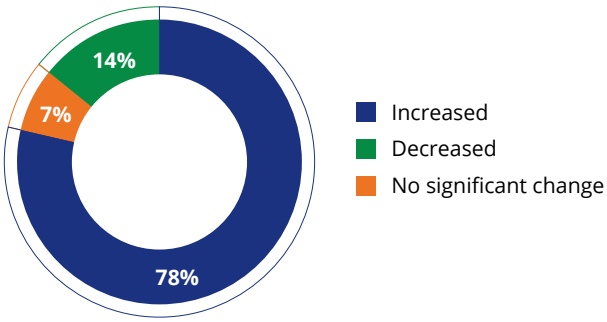
Demographically, women (27%) and NCCS A (26%) report a higher share of 41–60% growth, suggesting that these groups are driving deeper engagement with digital transactions. NCCS B (44%) and NCCS C (43%) users are most concentrated in the 21–40% growth bracket, reflecting a consistent expansion of usage. Interestingly, new users report the highest proportion of lower growth (0–20% at 32%) but also show a greater presence in the 61–80% bracket (13%), indicating that while many are still in the early stages of adoption, a small but significant subset is quickly scaling usage.

78% of merchants reported an increase in digital transactions year-on-year.

The study of merchant responses indicates a strong upward trajectory in digital transaction adoption among merchants, with 78% of merchants reporting an increase in the number of digital transactions (UPI, debit, or credit cards) compared to last year. Only a small proportion (7%) experienced a decrease, while 14% reported no significant change. This reflects continued momentum in the adoption of digital payments, driven by factors such as convenience, security, and increasing customer preference for contactless payment methods. The data suggest that UPI and card-based transactions are becoming more integral to day-to-day business operations across merchant segments.

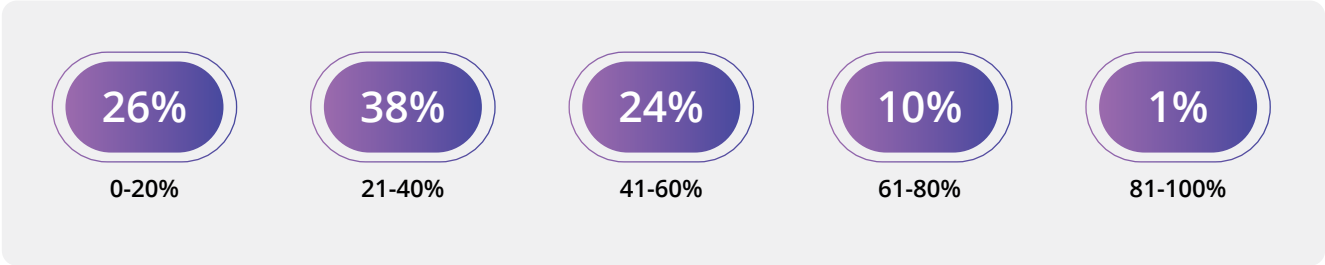
Kirana stores (80%) and self-employed professionals (81%) report the highest increases, reflecting strong adoption in high-volume and professional payment contexts. Street vendors (69%) show relatively lower growth, suggesting slower penetration in informal or small-scale retail settings. Among merchant sizes, very small merchants (79%) indicate adoption gains, highlighting the increasing reliance of smaller enterprises on digital channels. Sectoral and town analysis shows that tertiary sector merchants (82%) and Category C towns (81%) are experiencing the most significant increase. Overall, the data underscore a positive trend in digital transaction volumes across geographies and merchant categories.

Figure 34: Change in digital transaction (Merchants)



Among merchants who reported a change in digital transactions, the majority experienced moderate growth. Specifically, 38% reported a 21–40% increase, followed by 26% reporting 0–20% growth, and 24% seeing 41–60% growth. Higher increments of 61–80% and 81–100% were reported by smaller proportions, 10% and 1% respectively. This indicates that while most merchants are increasing their digital transaction volumes, the pace of growth is generally moderate rather than exponential. Only a very small share experienced very high growth, highlighting that adoption is becoming more consistent and widespread across daily operations.

Figure 35: Percentage by which transaction increased/decreased compared to last year (Merchants)



Breaking down by merchant category and town class, Kirana stores (44%) and very small merchants (42%) most frequently report 21–40% growth, reflecting steady adoption in high-volume operations. Street vendors (40%) largely report modest growth of 0–20%, indicating slower penetration in informal or micro-retail segments. Self-employed professionals (30%) show a higher share in the 41–60% range, highlighting adoption in professional and transactional services. Micro merchants also report notable growth in the lower bracket (43% at 0–20%), suggesting that incremental adoption is occurring as digital payments become integrated into everyday transactions. Town class analysis indicates Category A predominantly experience moderate growth (42% in 21–40%), while Category C towns show slightly higher adoption in the lowest growth bracket (27% in 0–20%). Overall, digital transactions are increasing steadily across all segments, with moderate growth being the norm and very high increases limited to a small subset of merchants.

4.2.4.2 Impact on transaction post using UPI

The introduction and rapid adoption of UPI have had a significant substitution effect on traditional payment methods, leading to a clear decline in cash usage and banking transactions.

UPI usage has reduced cash transactions for 59% of users.

Figure 36: Impact on transaction post using UPI (UPI Users)

A majority of UPI users report a decrease in cash transactions (59%), ATM withdrawals (62%), and visits to the bank (69%), demonstrating how UPI has reduced the dependency on physical cash and in-person banking.

Similarly, debit/credit card usage has decreased for 60% of respondents, suggesting that UPI is increasingly becoming the default option, overtaking card-based payments due to its convenience, interoperability, and near-instant settlement. Traditional payment instruments like cheques and demand drafts have seen a decline for 62% of respondents, while RTGS/IMPS/NEFT transfers decreased for 58%, reinforcing that UPI is not just competing with cash but also replacing high-value interbank transfer modes for everyday peer-to-peer transactions.

Figure 37: Impact on transaction post using UPI (Merchants)

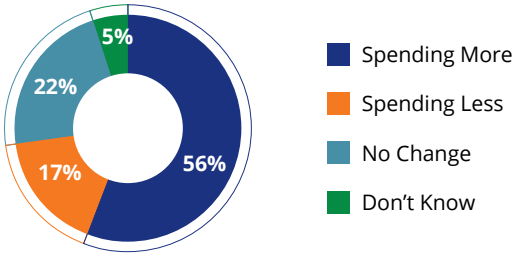
A majority of merchants report a decrease in conventional payment modes post-using UPI, indicating a clear shift towards digital payments. Specifically, cash transactions have decreased for 57% of merchants, reflecting UPI's role in reducing dependency on cash for everyday payments. Similarly, ATM withdrawals (61%), visits to banks (66%), debit/credit card usage (58%), RTGS/IMPS/NEFT transfers (57%), and demand draft/ cheque usage (59%) have all seen notable declines, underscoring UPI's ability to streamline financial transactions and reduce the reliance on physical banking channels.

While some merchants indicated no impact (ranging 22–30%) and a small share reported an increase in these traditional methods (12–18%), the overarching trend demonstrates that UPI has significantly substituted traditional payment instruments, contributing to greater convenience and efficiency in financial transactions.

4.2.4.3 Impact on spending

A majority of UPI users (56%) indicated that they are spending more after adopting digital payments, reflecting the convenience and ease of transactions as a driver for increased financial activity. Conversely, 17% reported spending less, and 22% observed no change in their expenditure, while a small segment (5%) was uncertain. The data suggests that digital payments have a notable impact on consumer spending behaviour, with increased liquidity and seamless payment options likely contributing to higher spending levels.

Figure 38: Impact on spending (UPI Users)



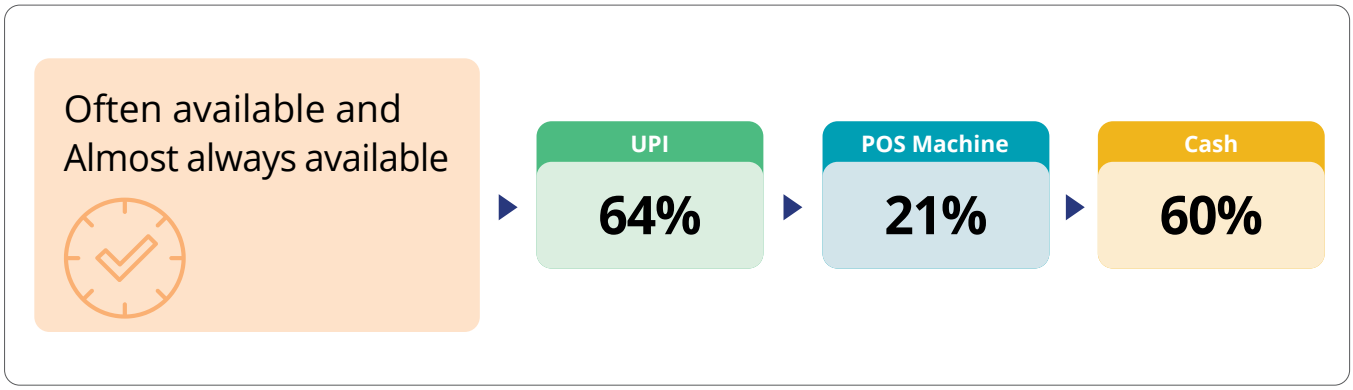
The trend of increased spending is consistent across demographics, with females (59%) and younger users aged 18–25 years (59%) slightly more likely to report higher spending, compared to males (55%) and older users. Socio-economic analysis shows that NCCS A users (60%) and Category A users (60%) report the highest increase in spending, indicating that higher-income segments are more responsive to the convenience of digital payments. Among user types, existing users (57%) are more likely to report spending more than new users (44%), suggesting that habitual use of digital payments reinforces increased expenditure patterns. (Details are available in annexure I)

Half of the respondents (50%) believe they are spending more after using digital payments. This could be attributed to the convenience and ease of making transactions digitally, which might lead to increased frequency of purchases. Conversely, 31% of respondents feel they are spending less, possibly due to easier tracking and control over expenses with digital records. Meanwhile, 17% report no change in their spending habits, and 3% are unsure about the impact.

4.2.4.4 Payment options available in the stores

For UPI users, the availability of UPI as a payment option is the most prevalent across stores, with 64% of UPI Users reporting that it is available "often" or "almost always" in the stores they visit. This indicates a strong penetration of QR codes and UPI-enabled solutions across merchant categories, driven by low-cost deployment and increasing customer demand for contactless, instant payments.

Figure 39: Payment method availability in stores (UPI users)



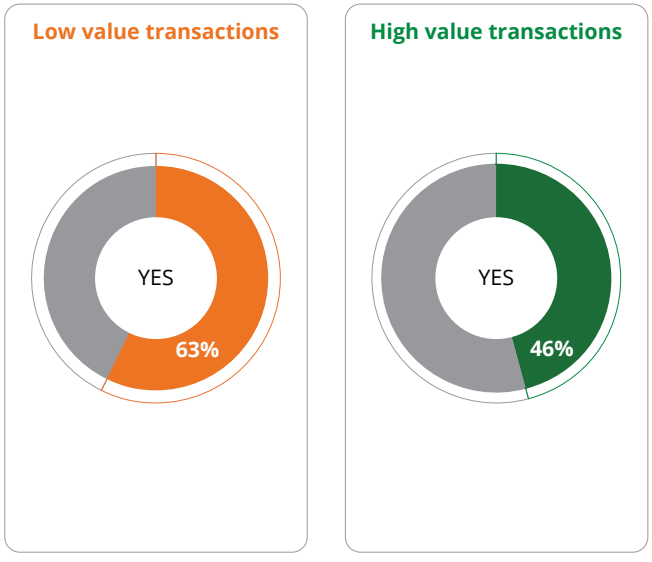
In contrast, POS machine availability remains limited, with nearly half of respondents (49%) saying they "rarely" see POS terminals in stores and only 21% reporting seeing them "often" or "almost always." This reinforces the notion that merchant adoption of physical card acceptance infrastructure is comparatively low, potentially due to higher installation and maintenance costs.

Cash continues to remain widely available, with 60% of respondents saying they encounter cash acceptance "often" or "almost always" — reflecting that while digital adoption is rising, cash still serves as a universal fallback option across most merchant segments.

4.2.4.5 If UPI wasn't available, would you still be making digital transactions as frequently as you do now?

A substantial proportion of UPI Users would continue to make low-value digital transactions (<₹1,000) even if UPI were unavailable, with 63% affirming they would maintain the frequency of such transactions. For high-value transactions (₹1,000+), the intent drops to 46%, indicating that UPI plays a more critical role in enabling higher-value payments. This demonstrates that while digital payment adoption is robust, UPI has become a central enabler, particularly for large transactions.

Figure 40: Digital transactions frequency in absence of UPI (UPI users)



Without UPI, 54% of users would opt out of digital payments for high-value transactions.

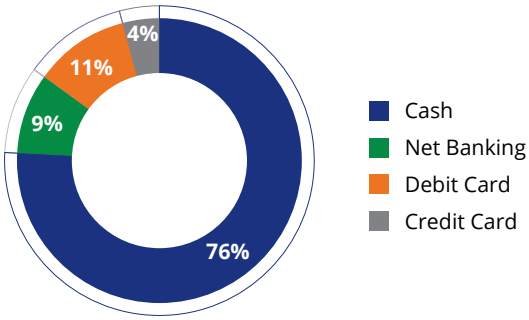
Demographically among UPI Users, men are more likely than women to continue both low-value (65% vs. 60%) and high-value (49% vs. 40%) transactions without UPI, suggesting greater confidence with alternative digital modes. Younger users (18–25 years) show slightly higher willingness to continue high-value (47%) transactions, underlining their comfort with digital payments in general. NCCS A respondents have the highest willingness to sustain high-value payments (48%), reflecting better access to and familiarity with alternative payment channels.

Notably, new users show the strongest intent to continue low-value (79%) and high-value (52%) transactions even without UPI, indicating that their adoption is not solely UPI-dependent but reflects a broader digital shift. Users in Category C show the highest willingness to continue low-value (77%) and high-value (54%) transactions, suggesting that this group may be more motivated by the overall utility of digital payments rather than UPI alone. (details are available at annexure I)

4.2.4.6 Alternative to UPI

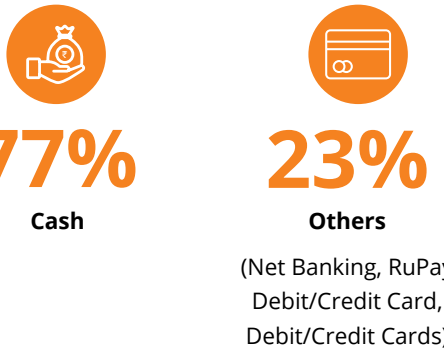
In the absence of UPI, a clear majority of UPI Users (76%) would revert to cash for their transactions, highlighting that cash remains the most preferred fallback option despite growing digital adoption. Net banking (NEFT/IMPS) emerges as the next most likely alternative at 9%, while other digital payment instruments, including debit card (6%), RuPay debit card (5%), RuPay credit card (3%), and credit card (2%), see relatively limited preference. This indicates that while digital infrastructure exists, users still see cash as the most accessible and reliable medium when UPI is unavailable.

Figure 41: Alternative to UPI (UPI users)



Demographically, men (78%) are slightly more likely than women (70%) to revert to cash, while women show marginally higher preference for net banking (13%) and debit card usage (5%). Older users (40+ years) display the highest inclination toward cash (80%), emphasizing comfort with familiar, tangible payment methods. New users also stand out with the highest reliance on cash (84%), reflecting a cautious approach when familiar digital alternatives are unavailable. Other digital alternatives, including debit and credit card, see limited uptake across all demographics, indicating that UPI has become the preferred, convenient mode, especially for everyday transactions.

Figure 42: Alternative to UPI (Merchants)



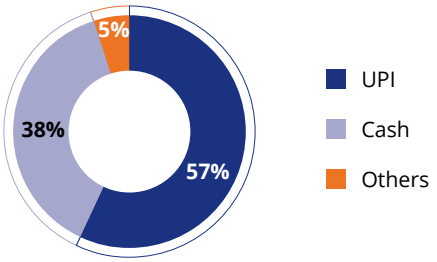
The results underscore UPI's role as the default mode for digital transactions, with 77% of merchants indicating they would revert to cash in its absence. Only 23% mention other digital alternatives (such as debit/credit cards, wallets, or net banking), reinforcing UPI's dominance in driving digital payment adoption. This suggests that without UPI, the digital payments ecosystem risks regression toward cash dependence, especially for day-to-day, low-value transactions.

By size of business, micro merchants (84%) and kirana stores (81%) show the highest likelihood of reverting to cash, emphasizing that UPI has become their mainstay for seamless transactions. Conversely, self-employed professionals (36%) and small merchants (38%) exhibit greater inclination toward alternative digital modes, likely due to higher digital maturity and access to POS/card infrastructure. By sector and town class, Category C merchants (84%) are most cash-reliant, while Category B (31% alternatives) shows a higher shift potential to other digital channels.

4.2.4.7 Preferred mode of financial transactions

For surveyed users, when asked about their most preferred mode of financial transactions, UPI emerged as the clear leader with 57% preference, reaffirming its dominant position as the go-to digital payment option for consumers. Cash continues to remain relevant at 38%, indicating that while digital penetration is strong, cash still holds significance in specific contexts, particularly for smaller or informal transactions. The findings reflect that UPI has successfully become the default mode for most users, but there remains a sizable population that continues to prioritize cash.

Figure 43: Preferred mode of financial transactions (Aggregate users)



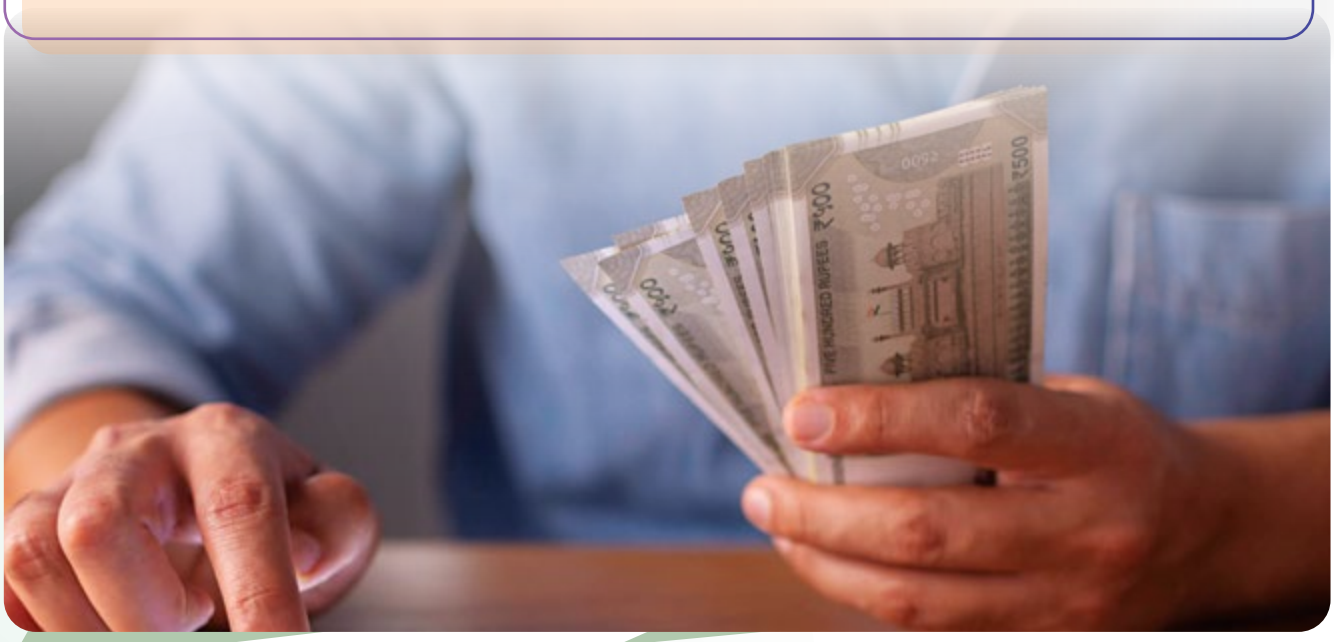
For UPI users, preference for UPI remains consistently strong across demographic groups, with slightly higher inclination observed among female users (66%) and younger respondents aged 18–25 (66%). Affluent consumers demonstrate the highest digital affinity, as reflected in NCCS A users showing a 71% preference for UPI, while NCCS C users record the lowest preference (54%) and the highest dependence on cash (44%). This indicates that socio-economic barriers continue to influence digital payment adoption. Age also plays a decisive role: users aged 40+ show only 54% preference for UPI, alongside elevated cash reliance (44%), pointing toward clear generational gaps in digital comfort and trust. Additionally, new users remain more cash-oriented (43%) compared to existing users (33%), highlighting the importance of sustained onboarding and habit-building interventions. Category A respondents lead with the highest UPI preference (71%), while Categories B and C show greater reliance on cash (39% and 38% respectively). Overall, UPI is firmly entrenched as the preferred transaction mode, yet targeted efforts are needed to reduce cash dependence among lower NCCS groups, older consumers, and new adopters.

Table 24: Preferred mode of financial transactions (UPI users)

	Overall	Male	Female	18-25 Years	26-40 Years	40+ Years	NCCS A	NCCS B	NCCS C	New User	Existing User	Category A	Category B	Category C
Base	5,498	3,661	1,837	2,027	2741	730	2,368	1,776	1,354	417	5,081	1,977	1,680	1,841
Cash	34%	35%	32%	32%	33%	44%	27%	36%	44%	43%	33%	26%	39%	38%
UPI	64%	63%	66%	66%	65%	54%	71%	62%	54%	53%	65%	71%	59%	60%

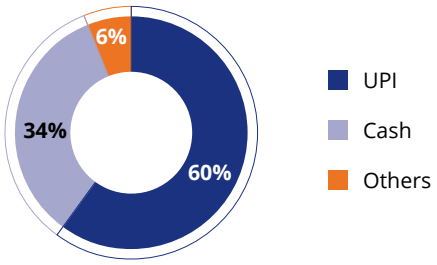
Others -2% (Digital Wallets, Cheques, Debit card, Mobile banking, etc)

UPI preference is highest among younger users and higher NCCS segments



For UPI users, RuPay emerges as the leading card network among debit and credit card users, with 67% identifying it as their primary choice—underscoring its strong market penetration and widespread acceptance. ICS 1 follows at 22%, ICS 2 at 10%, and ICS 3 (International Card Scheme 3) remains niche at just 1%. This distribution highlights RuPay's significant reach within the domestic card ecosystem and positions it as the preferred option for card-based payments among UPI users. Demographically, RuPay's dominance is especially pronounced among female respondents (72%), NCCS C consumers (71%), and Category B users (71%), reinforcing its resonance with mass-market and financially inclusive segments. Younger users (18–25 years) also show strong adoption at 69%, indicating RuPay's popularity among digital-native audiences. ICS 1 and ICS 2 show comparatively higher preference among male respondents (25% and 12% respectively), while ICS 2 usage peaks among Category A respondents (20%), pointing to its stronger appeal among relatively premium user groups. Overall, the insights reaffirm RuPay's leadership in driving financial inclusion and extensive domestic adoption, while ICS 1 and ICS 2 continue to appeal more to higher-income, urban consumers.

Figure 44: Preferred mode of financial transactions (Merchants)



When asked about merchant's most preferred mode of financial transaction, UPI emerges as the clear leader with 60% of respondents selecting it. Cash continues to play a substantial role, with 34% preferring it, highlighting that while digital adoption is strong, cash remains a critical mode for convenience or informal transactions. All other payment methods—including debit cards, cheques, mobile banking, RuPay debit card, digital wallets and Internet banking—are chosen by only 1%

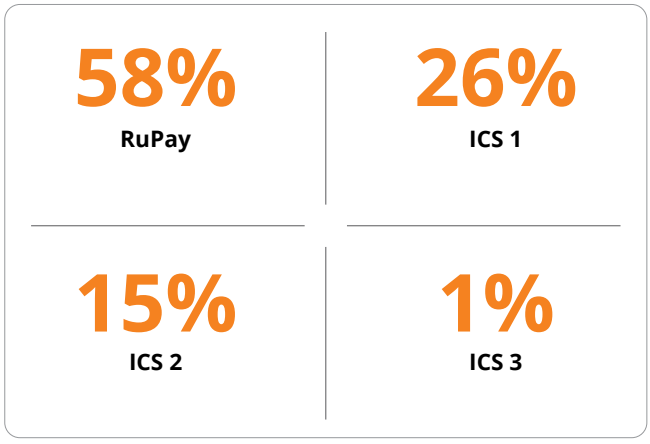
respondents, indicating negligible preference. This reinforces the position of UPI as the dominant transaction method, supported by its speed, convenience, and interoperability across banks and platforms.

Preference for UPI is highest among self-employed professionals (70%), primary sector merchants (70%), and small merchants (73%), highlighting strong adoption among formalized and digitally aware segments. Cash preference remains strongest among kirana/retail stores (41%), micro-merchants (42%), very small merchants (36%), and Category C towns (41%), showing its persistent relevance in traditional and rural setups. Preference for other digital modes remains negligible across segments. Town-class analysis shows UPI preference peaking in Category A towns (66%), while cash preference is highest in Category C towns (41%), suggesting that urban areas are leading the shift towards digital, whereas rural areas still rely more heavily on cash.

4.2.4.8 Preferred card networks

Among the surveyed merchants, RuPay emerges as the most commonly used card network, cited by 58% of respondents, followed by ICS 1 (26%) and ICS 2 (15%), while ICS 3 is rarely used (1%). The data indicates a clear preference for RuPay among card among respondents, reflecting its increasing penetration, accessibility, and cost-effectiveness. Overall, RuPay is consolidating its position as the leading domestic card network across diverse user groups.

Figure 45: Preferred card network (Merchants)



RuPay usage is highest among respondents in secondary sector (60%) and shows strong adoption across all town classes, peaking in Category C (62%). ICS 1 is more popular among tertiary sector merchants (32%) and merchants in Category B towns (32%), suggesting a greater preference for global card networks in more formalized business environments. These findings suggest that RuPay has successfully built a strong base among merchants, particularly in rural areas, but there remains space for global networks like ICS 1 and ICS 2 among more urban segment.

4.2.4.9 Use of POS machine

POS machine penetration among merchants remains moderate, with 36% reporting usage and a majority (64%) still not adopting this channel. This indicates that while digital payments are widespread through UPI and other modes, POS machines continue to have limited reach, possibly due to factors such as cost of installation, maintenance, or preference for more convenient alternatives like QR codes. The relatively low usage highlights scope for further integration of POS solutions, especially in sectors where card-based transactions remain relevant.

Figure 46: Use of POS machine across merchant categories

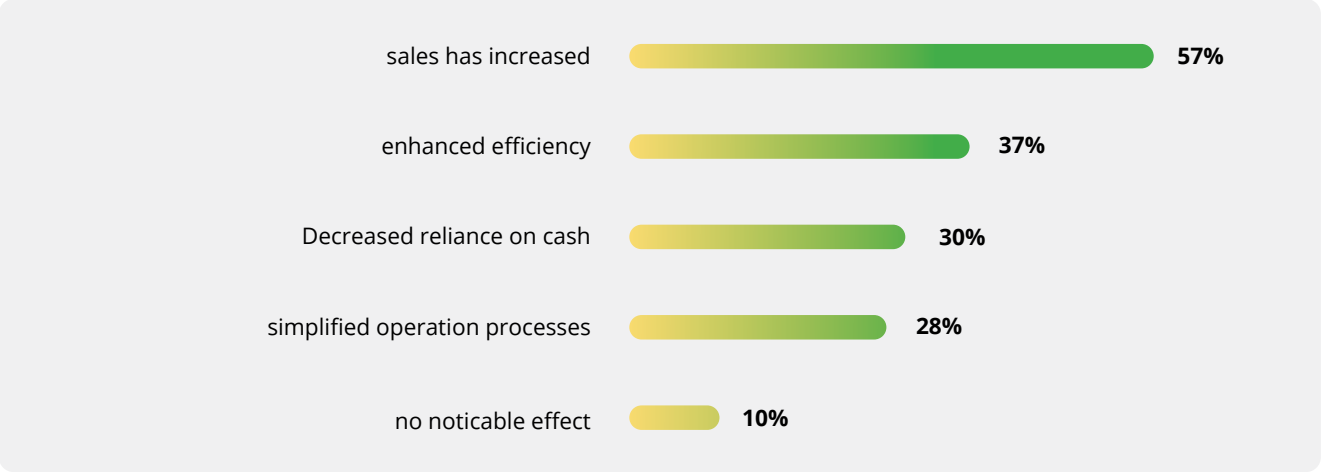
Adoption levels are fairly consistent across categories, though some differences emerge. Micro merchants (41%) show relatively higher adoption, reflecting the need for structured payment infrastructure. Kirana stores (38%) and street vendors (35%) follow closely, indicating retail relevance but also pointing to reliance on UPI/QR-based solutions. Self-employed professionals (34%) and petty traders (35%) remain slightly below average, likely due to transaction size and customer preference for mobile-based payments. Across sectors, secondary sector report higher adoption (39%) compared to primary (33%) and tertiary (34%) markets. Category-wise, POS usage is relatively higher in Category C towns (39%), while Category B (31%) shows the lowest adoption, pointing to regional disparities in infrastructure and demand.

57%
of merchants report increased sales after adopting digital payments.

4.2.4.10 Impact of digital payments on business operations

Digital payments have delivered significant positive business impact, with 57% of merchants reporting increased sales, making it the single largest benefit. Beyond sales, digital adoption has enhanced operational aspects—37% cite improved efficiency, 30% highlight reduced reliance on cash handling, and 28% report simplified processes. Only 10% observed no noticeable effect, underscoring that for most merchants, digital payments have directly supported growth and streamlined daily operations. The data suggests that UPI and other digital modes are not only expanding customer reach but also driving structural improvements in business management.

Figure 47: Impact of digital payments on business operations (Merchants)



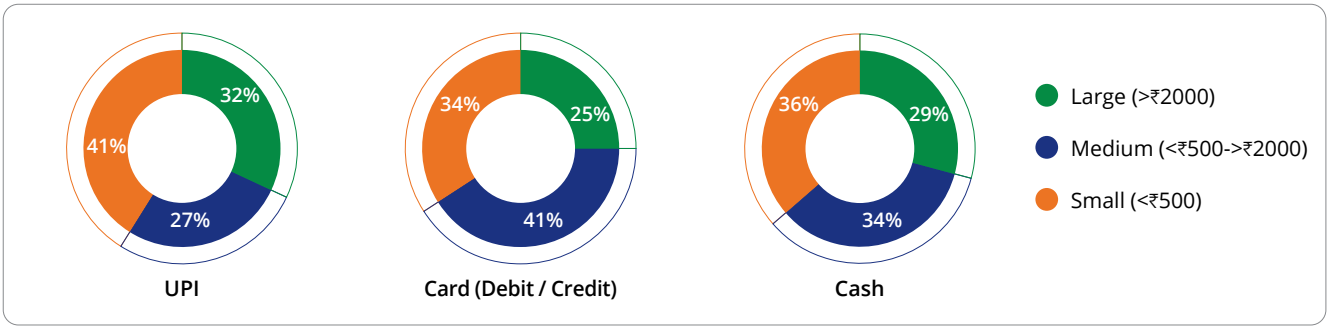
The benefits of digital adoption vary across merchant segments. By size of business, Kirana stores (59%) and petty traders (58%) report above-average sales growth, while self-employed professionals (53%) show slightly lower uplift, indicating digital adoption may be more impactful in consumer-facing, high-frequency transaction categories. Small merchants (41%) lead in reduced reliance on cash, reflecting their stronger shift to digital-first operations compared to micro and very small merchants. Efficiency gains are higher among Kirana stores (40%) and small merchants (44%), pointing to streamlined checkout and record-keeping advantages in structured businesses. (detail available in annexure IV)

Town-class differences are also notable, Category A towns (61%) report higher sales increase, while Category B towns reflect stronger improvements in operational efficiency (39%) and cash handling reduction (37%), indicating digital payments are contributing differently across market tiers.

4.2.4.11 Type of payment preferred basis transaction amount

Transaction patterns indicate a clear differentiation by payment mode. UPI is predominantly used for small-value transactions (<₹500), with 41% of transactions falling in this range, reflecting its convenience and instant transfer capability for everyday payments. Medium-value transactions (₹500–₹2000) are more common on cards (41%), suggesting that debit and credit cards are preferred for moderately higher payments, possibly due to cashback or reward benefits.

Figure 48: Type of payment preferred basis transaction amount (Merchants)



Cash remains relevant across all ranges, though slightly higher in small-value transactions (36%), highlighting its continued role for routine payments. Large-value transactions (>₹2000) see greater adoption of UPI (32%) compared to cards (25%) and cash (29%), underscoring the growing trust in digital methods for high-value payments.

4.3

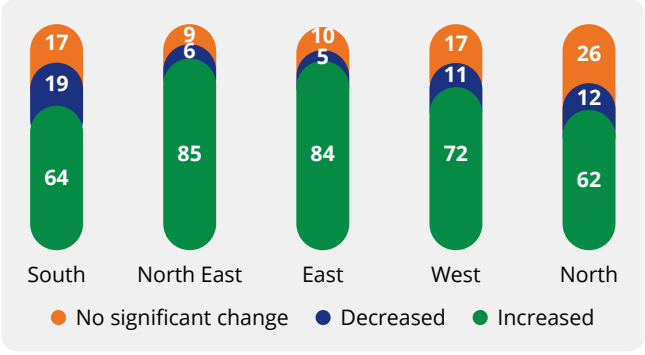
Impact of Digital Payments and Evolving Adoption Patterns

Digital payments have become a cornerstone of India's financial ecosystem, driving convenience, transparency, and efficiency across transactions. Platforms like UPI and RuPay have accelerated adoption, fostering inclusion and reshaping consumer and merchant behavior nationwide. The growing preference for instant, low-value digital transactions reflects a strong shift toward cashless practices, supported by expanding infrastructure and innovation. While opportunities for deeper penetration remain, the overall trajectory signals sustained progress and a robust foundation for future growth.

4.3.1 Impact of scheme (a pre vs post analysis)

The impact of the scheme is assessed using change in digital transactions (over previous year) as a benchmark. The zone wise analysis is presented below for aggregate digital payment transactions and from a UPI lens.

Figure 49: Zonal analysis for % change in digital transactions over previous year



The zonal analysis reveals a consistent upward trend in digital transactions across all regions, though the pace of growth varies significantly. The North-East zone leads with the highest increase, indicating strong adoption momentum, while the North zone shows the largest proportion of no significant change, suggesting slower penetration and possible infrastructure or awareness gaps. Southern and Western regions demonstrate robust growth, driven by higher smartphone penetration and better connectivity, whereas Eastern regions reflect moderate progress. Overall, the data underscores a nationwide shift toward digital payments, but regional disparities highlight the need for targeted interventions such as improving digital infrastructure, enhancing merchant onboarding, and driving user education in zones with limited change.

For the below analysis, please note the following:

Category A	**Tier 1 and Tier 2 cities**
Category B	**Tier 3 and Tier 4 cities**
Category C	**Tier 5 and Tier 6 cities**

> **North East zone leads with 85% increase in digital transaction over previous year.**

Figure 50: Tier wise analysis for % change in digital transactions over previous year

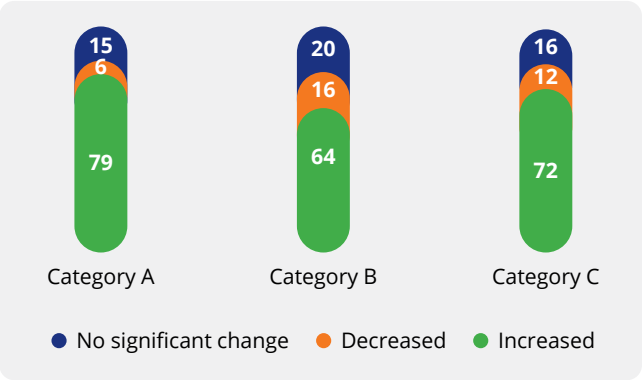
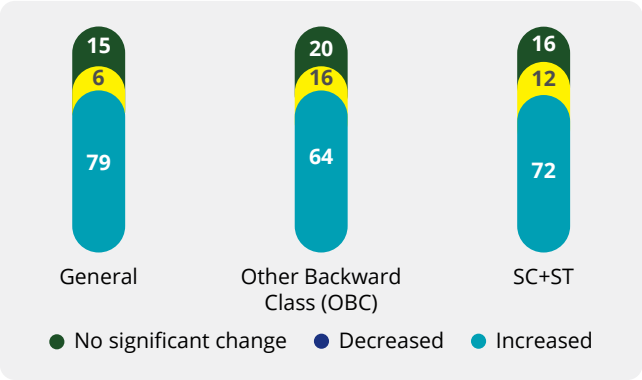


Figure 51: Caste wise analysis for % change in digital transactions over previous year



The tier-wise comparison of digital transactions over the previous year shows a strong upward trend across all categories, though the extent of growth varies. Category A leads with the highest increase at 79%, reflecting robust adoption, while Category B lags with 64%, coupled with the highest share of declines at 16%, indicating possible structural or behavioral challenges. Category C demonstrates moderate progress with 72% growth and a relatively balanced distribution of decreases and stability. Overall, the data underscores a positive shift toward digital payments across tiers, but the disparities suggest the need for targeted interventions—such as improving infrastructure and user engagement—in lower-performing segments.

The caste-wise analysis of changes in digital transactions over the previous year shows a broadly positive trend across all groups, with the majority reporting increased usage. The General category leads slightly with 73% reporting an increase, followed closely by OBC at 72% and SC/ST at 70%, indicating widespread adoption. Overall, the data reflects a strong behavioral shift toward digital payments across social segments, though targeted measures may be needed to address gaps in inclusion for marginalized groups.

4.3.2 Most used and preferred UPI app

Among UPI users, PhonePe (64%) and Google Pay (60%) dominate the market, together accounting for the vast majority of usage. Paytm (26%) remains a distant third player but continues to hold a meaningful share. Other UPI apps such as Amazon Pay (6%), BHIM (4%), and WhatsApp Pay (4%) are used by a small proportion of respondents, suggesting that while they have niche adoption, their contribution to overall UPI transaction volume is comparatively limited. The findings underline a highly concentrated UPI ecosystem, where a few players lead user engagement and drive most transactions.

Figure 52: Most used and preferred UPI app (UPI users)

	UPI Apps Used (Multiple Response)	UPI Apps Most preferred (Single Response)
PhonePe	64%	45%
Amazon Pay	60%	42%
Paytm	26%	11%
Amazon Pay	6%	1%
BHIM UPI	4%	1%
WhatsApp	4%	0%

*To be read column wise

When asked about their most preferred UPI app, PhonePe (45%) and Google Pay (42%) emerge as the clear leaders. Paytm is preferred by 11% of users, securing a distant but stable third position. Other players such as Amazon Pay (1%), BHIM (1%), and WhatsApp Pay (0%) have negligible preference share, indicating that their role in user engagement remains very limited compared to the top two platforms. This demonstrates that the UPI ecosystem is highly concentrated, with PhonePe and Google Pay driving the majority of user loyalty and transaction share.

PhonePe leads across most demographics, with its highest adoption among Category C respondents (71%), showing strong penetration in mass-market segments. Google Pay is particularly strong among NCCS B respondents (64%) and females (61%), signalling its popularity among urban and affluent users. Paytm maintains a consistent share across segments (24–28%) but shows lower penetration among new users (16%), indicating that it may face challenges in attracting first-time digital adopters. Amazon Pay and BHIM see relatively higher uptake among new users (7% and 6% respectively), suggesting they may serve as entry points for some segments. WhatsApp Pay's adoption remains uniform (4%). Overall, the data highlights that PhonePe and Google Pay are the dominant UPI players.

PhonePe preference peaks among NCCS C respondents (50%) and Category C users (53%), reaffirming its dominance in mass-market. Google Pay shows stronger preference among female (46%), NCCS A respondents (45%), and Category B users (50%), suggesting that it resonates more with urban and affluent groups. Paytm retains slightly higher preference among older users (40+: 13%) and Category A respondents (15%), which may reflect its early-mover advantage and perceived reliability. Overall, the findings underscore that PhonePe leads in mass adoption, while Google Pay remains strong among affluent users.

4.3.3 Evaluation of UPI on key parameters

For UPI Users, UPI continues to be perceived as a highly effective and reliable payment platform, with strong ratings across all evaluated dimensions. Faster payments (81%) and smartphone compatibility (80%) emerge as the most appreciated features, underscoring UPI's efficiency and convenience for users. Close behind, integration with multiple banks (78%), ease of tracking payments (78%), and trustworthiness (78%) indicate that users value both interoperability and security. Merchant acceptance (76%), accessibility across preferred devices (76%), and cost-effectiveness (76%) highlight UPI's reach, convenience, and affordability. Features that enhance transactional flexibility, such as scheduled/auto bill payments (75%) and split expense functionality (75%), also receive positive ratings, showing growing user appreciation for convenience-oriented innovations. Overall, these high scores reinforce UPI's position as a fast, accessible, secure, and user-friendly digital payment solution.

Figure 53: Evaluation of UPI attributes (UPI users)

Most Valued UPI Attributes (Top 2)

Faster Payments

81% of users rate UPI as excellent or good for faster payments.

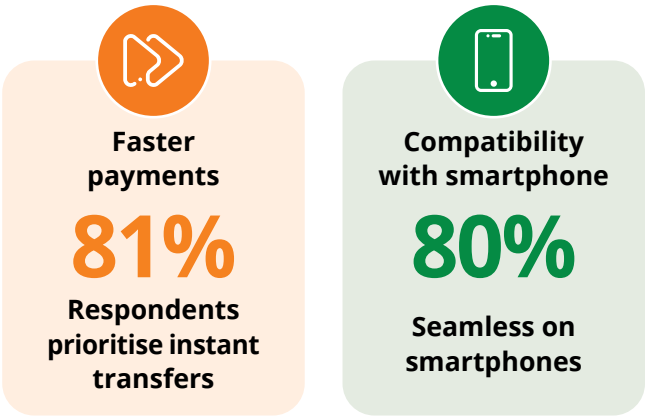
Smartphone Compatibility

80% of users find UPI excellent or good for smartphone compatibility.

The evaluation of UPI on key parameters reveals distinct preferences across demographics. Faster payments are rated highly across the board, with males (82%) valuing this slightly more than females (78%). Age-wise, users between 26-40 years express the highest satisfaction (82%) compared to other age groups. Compatibility with smartphones and integration with several banks are generally appreciated with similar distributions, though users in the NCCS A socio-economic class show slightly higher satisfaction levels at 83% and 80% respectively. Trustworthiness is another key factor, scoring highly with similar patterns, noting a peak among new users (82%) who appear to trust the platform slightly more than their experienced counterparts.

There are several parameters where Category C respondents show comparatively higher satisfaction, such as the split expenses feature and affordability, both registering a notable 81% and 82%, respectively.

Figure 54: Most valued UPI attribute (Top 2) (Merchants)



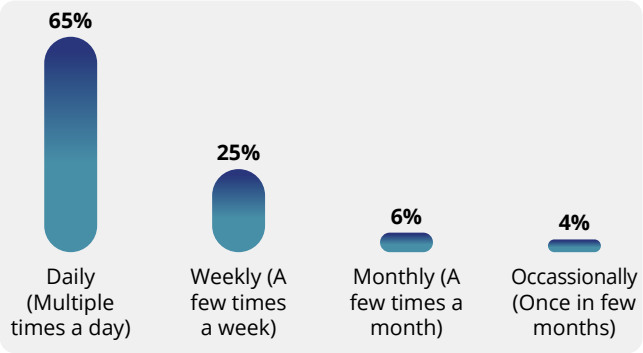
Merchants across segments perceive UPI as a highly efficient and reliable payment solution. Faster payments lead the positive ratings, with 81% of respondents rating it as excellent or good, closely followed by compatibility with smartphones (80%) and integration with multiple banks (78%). Other key strengths include trustworthiness of UPI as a payment mode (78%), ease of tracking payments (77%), and wide acceptance across merchants and service providers (76%). Features such as scheduled/auto bill payments (75%), affordability (75%), ease of accessibility (74%), and the split expenses feature (73%) are also well-regarded, indicating that UPI successfully combines speed, reliability, and convenience, thereby reinforcing its adoption among merchants.

Faster payments stand out as a highly appreciated feature, especially among Self Employed professionals (85%) and Very Small Merchants (84%). Compatibility with smartphones also shows high satisfaction, with Small Merchants demonstrating the highest approval (87%). Trust in UPI's reliability as a payment mode is highly regarded among Small Merchants (87%) as well, suggesting that larger entities see greater value in the robustness of UPI. Smaller entities like Petty Traders and Street Vendors are slightly less responsive across all factors, with ratings such as 69% for the trustworthy payment mode for Street Vendors indicating potential areas for growth.

4.3.4 Frequency of using digital payment

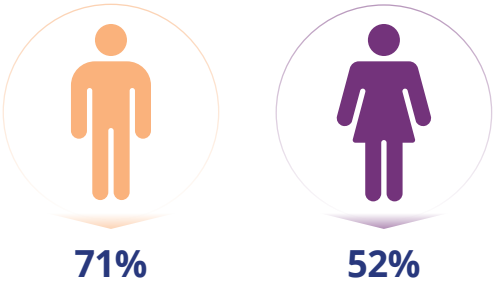
For UPI users, digital payments have become a deeply ingrained habit, with 65% using them daily for sending or receiving money. An additional 25% transact weekly, meaning that nine out of ten UPI users engage with digital payments at least once a week. Monthly (6%) and occasional (4%) usage remain low, reinforcing that digital payments have firmly transitioned into mainstream, routine behavior.

Figure 55: Frequency of using digital payment (UPI users)



However, demographic differences reveal varying levels of maturity. Daily usage is significantly higher among males (71%) than females (52%), indicating a visible gender gap in digital engagement.

Figure 56: Gender wise daily usage of digital payments

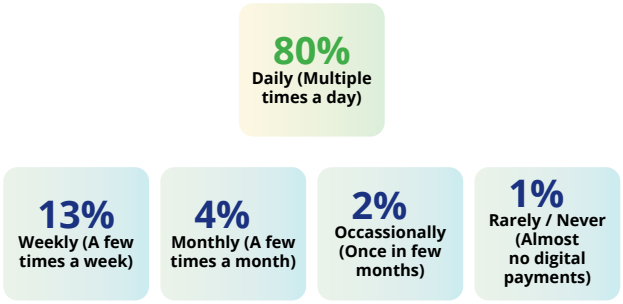


Younger users aged 18–40 report similarly high daily usage (65–66%), while those 40+ show reduced daily dependence (59%) and slightly higher weekly usage, suggesting more practical, need-based digital adoption among older cohorts. Socioeconomically, NCCS A leads with 70% daily usage, followed by NCCS B (62%) and NCCS C (58%), pointing to continued opportunities to deepen digital behavior in lower segments. New UPI users are still forming habits—only 39% use digital payments daily, while 41% use them weekly, whereas existing

users are far more entrenched, with 67% transacting daily. Category-wise, Category A users show the highest daily usage at 73%, compared to 57% in Category B and 62% in Category C, highlighting stronger digital maturity among more affluent and tech-confident groups.

For Merchants, digital payments have become a routine part of transactions for the majority of users, with 80% of respondents reporting daily usage, often multiple times a day. Weekly usage is reported by 13%, while monthly, occasional, or rare usage is minimal (7% combined), indicating that most merchants and professionals have integrated digital payments into their regular operations. This highlights the strong adoption and habitual use of digital payment platforms across business types and sectors.

Figure 57: Frequency of using digital payment (Merchants)



Daily usage is highest among street vendors (87%) and kirana stores (85%), reflecting rapid digital adoption even among small-scale merchants. Very small merchants (80%) and small merchants (83%) also show high daily engagement, emphasizing penetration among micro and small businesses

4.3.5 Impact of UPI or card transactions on increasing confidence on using digital payments

For UPI users, confidence levels in digital payments remain consistently high across demographic segments. (considering slightly more and much more confident) Both genders report nearly identical boosts in confidence, with males at 90% and females at 91%, indicating widespread trust and comfort with digital transactions. Age-wise differences are marginal—users aged 40+ show slightly lower confidence (88%), likely reflecting comparatively lower digital familiarity among older cohorts. Socio-economically, NCCS A users (93%) exhibit the highest confidence—driven by greater exposure to digital financial products—while NCCS C users (86%) report slightly lower confidence, suggesting that awareness and education efforts could further strengthen trust in lower-income segments. New users show comparatively lower confidence gains (81%) compared to existing users (91%), reinforcing the importance of experience and familiarity in building trust. Notably, confidence remains strong even among lower-income groups, with Category C users reporting 91%, demonstrating that once users begin engaging with UPI and card-based payments, their confidence improves significantly regardless of socioeconomic status.

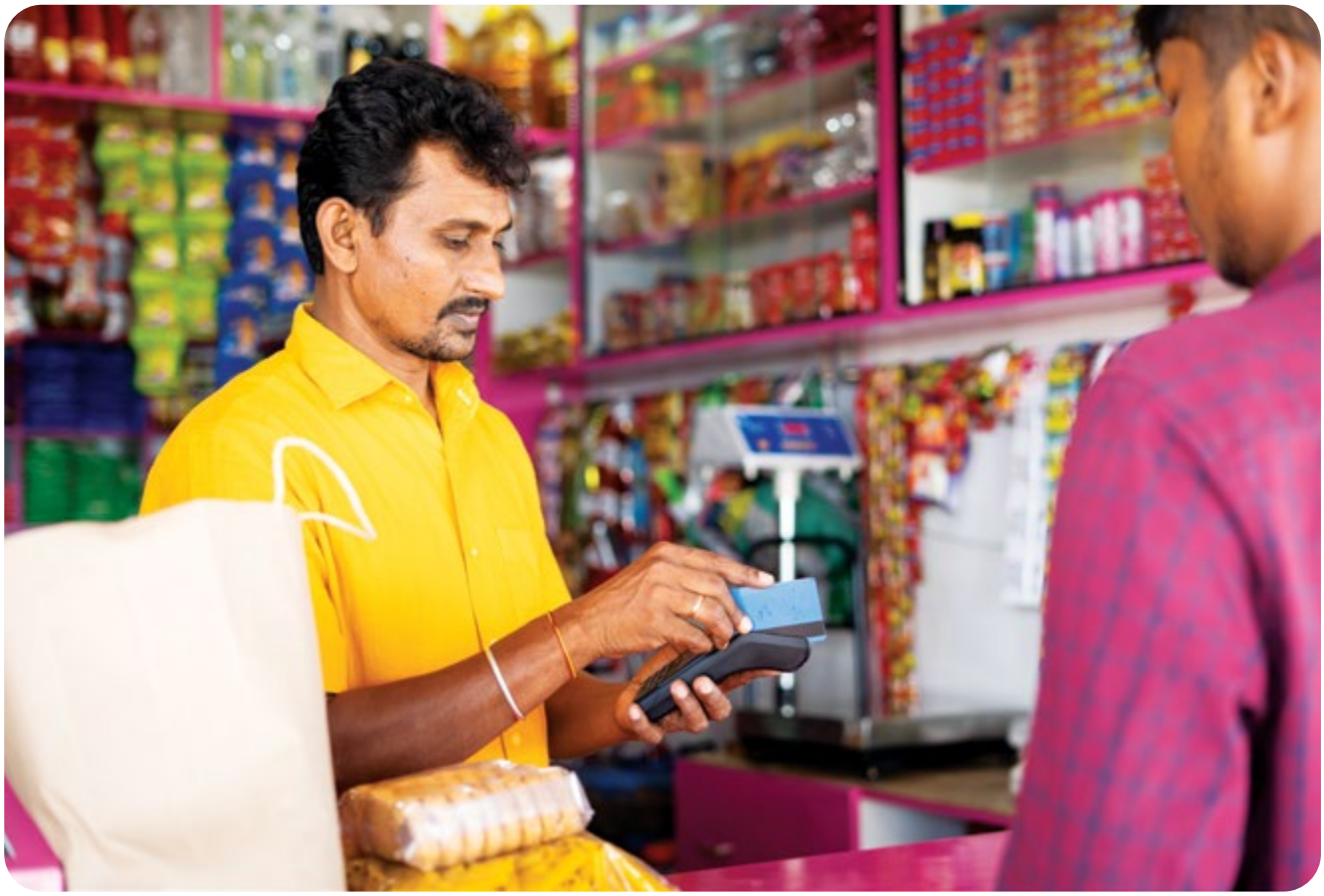
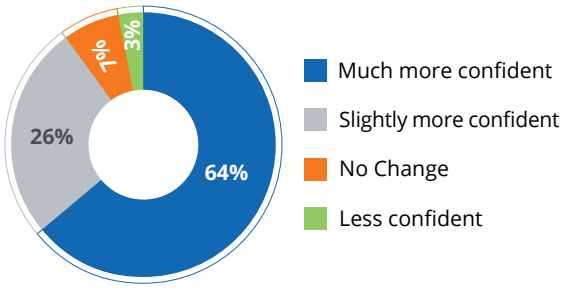
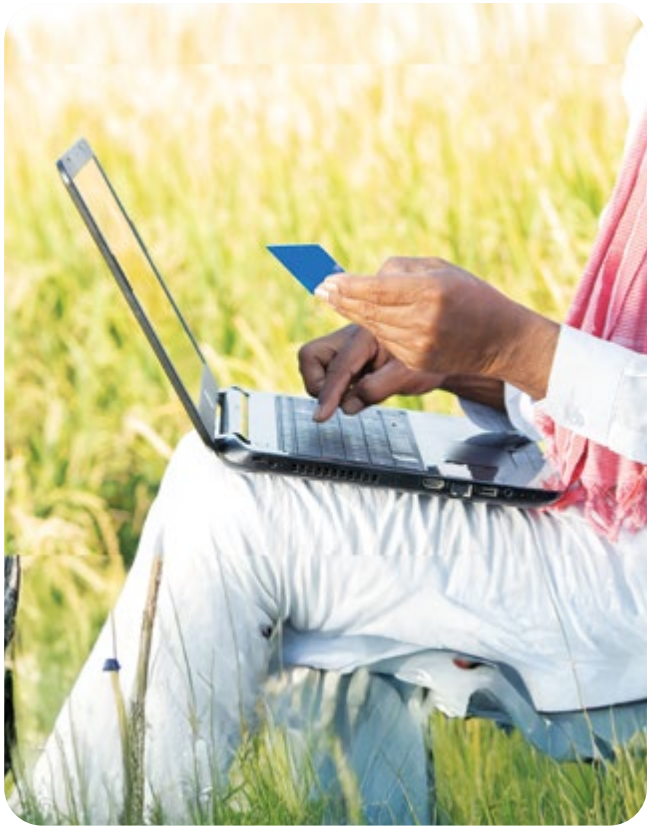


Figure 58: Impact of UPI or card transactions on increasing confidence on using digital payments (UPI users)



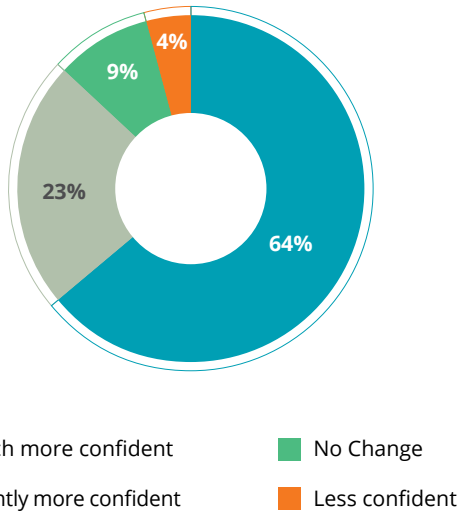
For RuPay Debit Card users, digital payments also generate substantial confidence, driven by the accessibility, convenience, and perceived security of UPI and card transactions. A strong 63% of respondents feel "much more confident", and an additional 29% feel "slightly more confident", meaning 92% report increased confidence overall. Confidence is particularly high among NCCS A users (67%) and residents of Tier 1 & 2 towns (74%), reflecting stronger exposure to digital ecosystems and service reliability in these markets.

Over 90% of users report increased confidence after using UPI or cards.



Only 6% report no change, and 3% feel "less confident," with slightly higher concern among new users and those aged 40+ (4%), indicating areas where targeted interventions—for example, enhanced security education, simplified interfaces, and improved support—could further ease apprehensions. Overall, the findings suggest that digital payment use significantly boosts user confidence, but there remains room to strengthen trust among older consumers and first-time digital adopters.

Figure 59: Impact of UPI or card transactions on increasing confidence on using digital payments (Merchants)



For Merchants, digital payment usage through UPI or debit/ credit cards has significantly enhanced user confidence, with 64% of respondents reporting being "much more confident" and an additional 23% indicating they are "slightly more confident", demonstrating a strong positive impact of digital payments on trust and adoption. Only a small proportion of respondents reported no change (9%) or decreased confidence (4%), underscoring that UPI and card usage is largely effective in reinforcing trust in digital transactions across merchant segments.

Street vendors (73%) and small merchants (72%) report the highest confidence scores, highlighting that digital payments are particularly impactful for smaller, daily transaction-driven businesses. Among business sectors, the Primary sector (77%)

shows the highest increase in confidence, followed by Secondary (66%) and Tertiary (60%) sectors, suggesting that UPI and card adoption builds greater trust in core commercial operations. Across town classes, Category A towns (67%) and Category B towns (71%) demonstrate higher confidence gains compared to Category C towns (56%), indicating slightly lower but still positive adoption effects in less urbanized areas. Overall, these findings underscore that UPI and card transactions are instrumental in strengthening trust and encouraging continued digital payment adoption.

4.3.6 Aspects liked and disliked about UPI

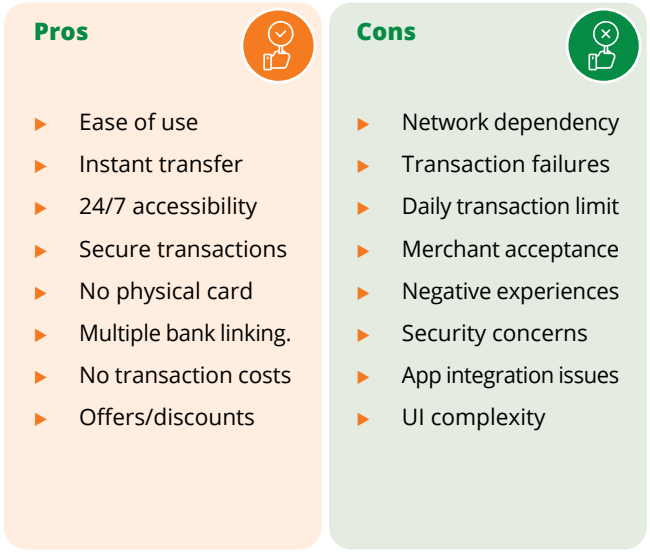
UPI users highlight ease of use (62%), instant transfers (58%), and convenient 24/7 accessibility (50%) as the most appreciated aspects, reflecting a clear preference for speed, simplicity, and anytime availability. Secure transactions (50%) also feature prominently, underlining user confidence in UPI's safety. Additional benefits include no need to carry a physical card (37%), multiple bank account linking (34%), no transaction costs/charges (32%), and offers/discounts (31%), signalling that users value both practical convenience and financial incentives.

24×7 accessibility and secure transactions drive trust in UPI.

While UPI is widely appreciated for its ease, speed, and security, users report certain challenges that impact the experience. Network dependency (51%) emerges as the most cited concern, followed by transaction failures (42%), reflecting the critical role of stable connectivity in seamless UPI usage. Users also report limitations such as daily transaction limits (22%) and merchant acceptance gaps (20%), indicating operational constraints. Other less common concerns include negative past experiences (12%), security concerns (11%), and app integration/compatibility issues (9%). Notably, 31% of users reported no issues, highlighting that while the majority are satisfied, a significant proportion still encounters problems.

Figure 60: Aspects liked and disliked about UPI (UPI users)

What Users Like vs What They Don't



The aspects that UPI users appreciate about UPI vary across demographics. Overall, ease of use is a major draw, particularly among females (64%) and those aged over 40 (66%). Instant transfers are more favoured by younger users (18-25 years, 63%) than older age groups. Convenient 24/7 accessibility appeals notably to females (53%) and younger users, illustrating the importance of constant availability. Furthermore, secure transactions hold a steady appeal across all demographics. Interestingly, the ability to forego physical card is more important to females (40%) and younger age group (39%).

Linking multiple bank accounts seems more essential to females (36%) and users aged 18-25 years (36%), presumably due to their more dispersed banking relationships. Offers and discounts offer slight variations in interest, with Category C (34%) favouring them possibly due to socio-economic factors.

The network and connectivity issues are more pronounced among younger users (18–25 years, 55%) and Category C users (66%), likely reflecting higher usage frequency and rural or semi-urban internet variability. Transaction failures concern younger (45%) and new users (43%), suggesting the need for enhanced reliability for first-time or frequent users. Daily transaction limits are more of a concern among younger users (18-25 years, 24%) and Category C users (31%), while merchant acceptance limitations are notable among females (22%) and Category C users (30%), reflecting UPI adoption is still evolving. Security and app integration concerns are relatively low across all demographics, indicating that the platform is largely trusted and technically compatible for most users.

Overall, network stability, transaction reliability, and broader merchant acceptance are the key areas requiring attention to further enhance user satisfaction and drive wider adoption of UPI.

The study highlights that ease of use (60%) and instant transfer (59%) emerge as the top drivers for UPI adoption among merchants. Security is also a key consideration, with over half of the respondents (51%) acknowledging secure transactions as a benefit. Convenience, particularly 24/7 accessibility, resonates with nearly half (48%) of the respondents, indicating the value of round-the-clock digital payment capabilities. Features such as no need to carry physical cards (38%), multiple bank account linking (35%), and offers or discounts (28%) have moderate appeal, reflecting secondary motivators for UPI adoption. Overall, UPI is perceived as a convenient, secure, and instant payment mechanism that reduces reliance on physical instruments while offering additional functional benefits like multi-bank account integration and cost efficiency.

Figure 61: Aspects liked and disliked about UPI (Merchants)

Aspects liked about UPI

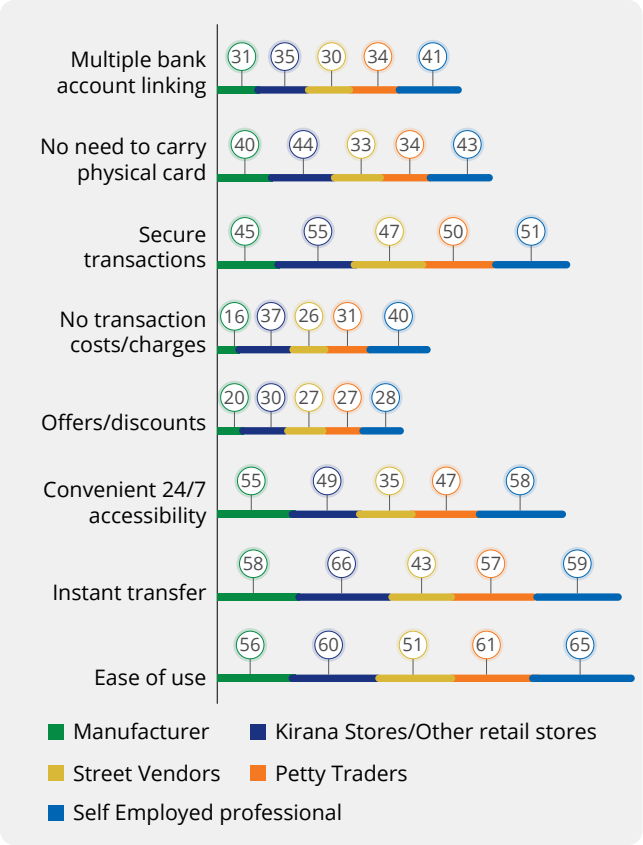
1. Ease of use
2. Instant transfer
3. Secure transactions
4. 24/7 accessibility
5. No physical card
6. Multiple banks linking
7. No transaction costs
8. Offers/discounts

Aspects disliked about UPI

1. Network dependency
2. Transaction failures
3. Daily transaction limit
4. Merchants acceptance
5. Negative experience
6. Security concerns
7. App integrations issues
8. UI complexity

While UPI is widely appreciated for its ease, speed, and security, respondents report certain challenges that impact the experience. Network dependency is the most cited, with over half of respondents (53%) indicating it as a concern, followed closely by transaction failures (46%). Limitations on daily transaction amounts (26%) and merchant acceptance of UPI (22%) are also notable barriers, highlighting operational and ecosystem-related constraints. Negative experiences with transactions or the app (13%), security concerns (11%), and issues with app integrations or compatibility (11%) affect a smaller but significant portion of respondents. Difficulty in understanding the user interface is minimal (4%), indicating that most merchants are comfortable navigating UPI applications. Notably, 24% of respondents reported no issues, reflecting a sizable segment that is largely satisfied with the current UPI experience. Overall, the key pain points relate to network reliability, transaction continuity, and structural limitations within the digital payments ecosystem rather than usability or user interface challenges.

Figure 62: Merchant category wise aspects liked % about UPI



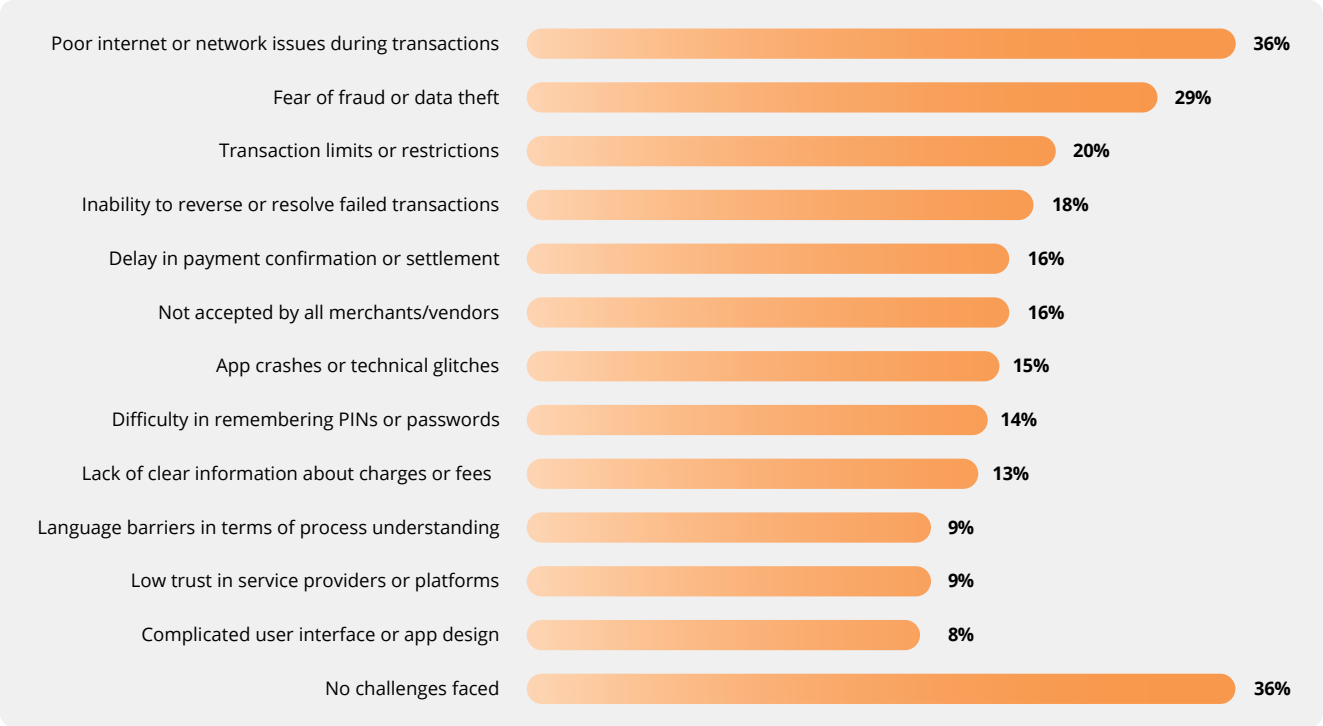
Ease of Use is the most appreciated feature overall (60%),with instant transfers especially valued by Kirana Stores/Other Retail Stores (66%), suggesting these businesses prioritize speed in transactions. Secure Transactions hold solid ground, particularly with Very Small Merchants (55%), indicating the importance of safety and trust. However, features like No need to carry physical card, Multiple bank account linking, and No transaction costs/charges show relatively lower appreciation, especially among Street Vendors and Petty Traders. It suggests these groups may require more awareness or perceived benefit from these features.

Dislikes toward UPI vary notably. Network dependency is the most common concern overall (53%), particularly among tertiary sector merchants (58%) and Category C towns (65%), suggesting that infrastructure gaps remain a key barrier in lower-tier areas. Transaction failures (46%) are consistently high across groups, but slightly higher among tertiary sector (49%) and very small merchants (47%), showing vulnerability among smaller operators. Limits on daily transaction amounts are more problematic for self-employed professionals (31%), small merchants (29%), reflecting usage intensity. These insights suggest UPI adoption efforts should prioritize infrastructure reliability in lower-tier towns, enhance transaction stability for smaller merchants, and address security apprehensions.

4.3.7 Challenge faced when using UPI payment

UPI users identify several operational and technical challenges that can affect their payment experience. Poor internet or network connectivity (36%) is the most cited issue, underscoring the dependency of digital payments on reliable infrastructure. Fear of fraud or data theft (29%) also remains a significant concern.

Figure 63: Challenges faced when using UPI payments (UPI users)



Other notable challenges include transaction limits/restrictions (20%), inability to reverse or resolve failed transactions (18%), and delays in payment confirmation or settlement (16%). Additional issues such as limited merchant acceptance (16%), app crashes or technical glitches (15%), difficulty remembering PINs/passwords (14%), and unclear fee structures (13%) highlight usability and operational gaps. Despite these, 36% of users report facing no challenges, suggesting that UPI usage is smooth for a sizable portion of users.

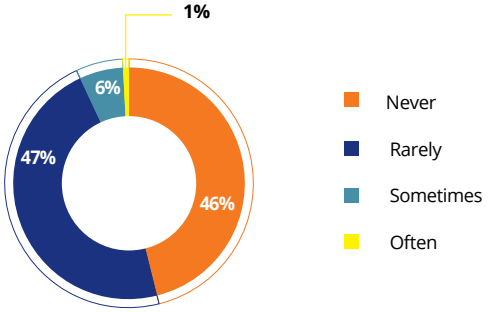
Network and connectivity challenges are more pronounced among younger users (18–25 years, 39%) and Category C users (44%), likely linked to higher usage frequency and varying internet quality in semi-urban/rural regions. Fear of fraud or data theft is particularly noted by Category C users (39%). Transaction limits are more concerning for older users (40+ years, 23%) and Category C users (26%), while reversing failed transactions is a notable issue for younger users (20%) and Category C (24%), emphasizing the need for improved grievance redressal. Technical glitches, difficulty remembering PINs, and unclear fees affect subsets across demographics but are less widespread. The relatively high proportion of users reporting no issues among existing users (44%) suggests that familiarity and experience reduce perceived challenges.

Overall, the data indicates that enhancing network reliability, improving security perception, simplifying transaction processes, and expanding merchant acceptance are key focus areas to further boost confidence and adoption of UPI.

4.3.8 How often do you experience downtime or service unavailability with UPI?

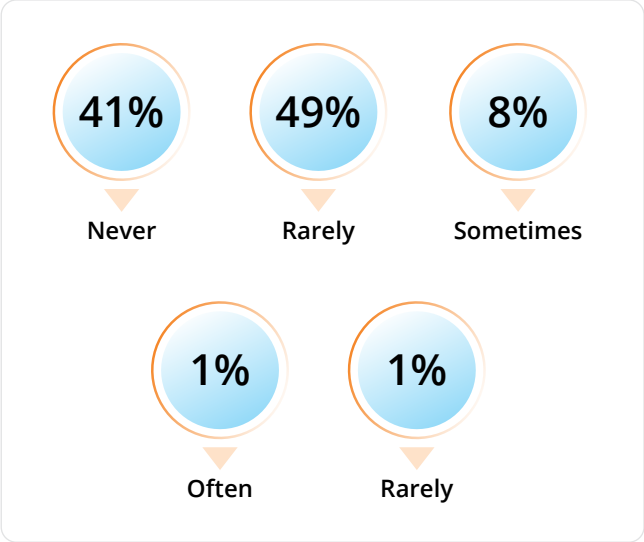
UPI demonstrates high service reliability, with a majority of UPI users experiencing minimal downtime with only a small proportion of users (~7%) reporting sometimes (6%) or often (1%) experiencing downtime, highlighting that service disruptions are infrequent and affect a limited number of users.

Figure 64: Experience downtime or service unavailability with UPI (UPI users)



The experience of downtime or service unavailability with UPI varies across different demographics, with a notable majority indicating either 'never' or 'rarely' experiencing such issues. Overall, 46% of users report never encountering downtime, with females (47%) slightly more likely than males (45%) to report no service issues. Notably, those aged 40 and above report the lowest incidence of unavailability (48% never). Socio-economic segments show variation, with NCCS C users more frequently indicating 'never' (50%) compared to NCCS A (42%). Among new users, 50% report never experiencing downtime, suggesting fewer initial hurdles compared to existing users (45%). However, Category C more likely to experience occasional service issues, potentially due to infrastructure constraints.

Figure 65: Experience downtime or service unavailability with UPI (Merchants)



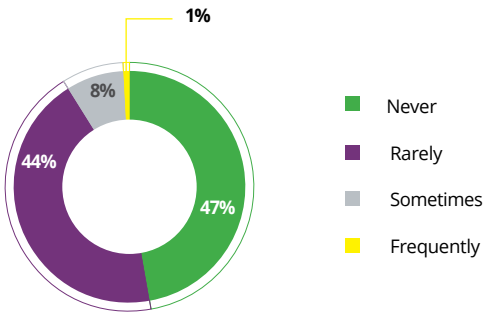
For Merchants, the findings indicate that downtime or service unavailability is not a major concern for most respondents. Most of the merchants report experiencing disruptions rarely (49%), while a significant proportion (41%) state that they never face such issues. Only 8% encounter downtime sometimes, and a minimal share of 1% each experience it often or always. This suggests that the UPI platform is largely reliable, with only occasional service interruptions affecting a small segment of respondents.

Downtime with UPI is not a frequent concern for most merchants, but the patterns highlight where reliability gaps remain. Never experiencing downtime stands at 41% overall, peaking among primary sector merchants (50%) and Category B towns (48%), but lower in kirana stores (38%) and Category C towns (36%), pointing to stronger infrastructure in more developed markets. Rare downtime dominates at 49% overall, especially high for kirana stores (53%) and Category C towns (58%), showing that service interruptions are present but not severe in rural areas. Occasional downtime ("sometimes") is higher among petty traders (9%) and small merchants (10%), and notably in Category B towns (12%), indicating that mid-scale operators face more frequent disruptions. Very few merchants report frequent downtime ("often" or "always") at just 1% each, suggesting systemic stability. These insights indicate that while UPI is generally reliable, efforts should focus on reducing occasional service disruptions.

4.3.9 Frequency of the issues when a transaction fails or a payment is deducted but not received by the recipient

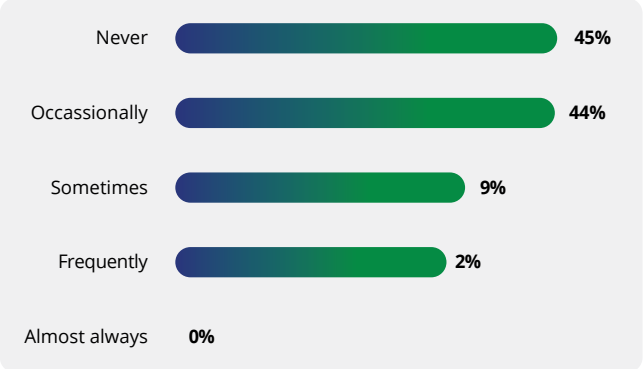
UPI demonstrates high transaction reliability, with nearly half of the UPI users (47%) reporting that they never experience transaction failures or issues where payments are deducted but not received. An additional 44% of users encounter such issues occasionally, suggesting that while most transactions are completed successfully, a minor proportion of transactions may face intermittent delays or technical glitches. Only a small fraction of users report experiencing these issues sometimes (8%) or frequently (1%), indicating that severe or recurring failures are rare.

Figure 66: Frequency of the issues when a transaction fails or a payment is deducted but not received by the recipient (UPI users)



The likelihood of never facing transaction failure is highest among NCCS C (52%) and Category A (50%) respondents, signalling stronger confidence or smoother experiences in these segments. Occasional failures are slightly more common among men (45%), younger users (45%), and NCCS A (46%), suggesting that these more digitally active cohorts encounter technical glitches more often due to higher transaction volumes.

Figure 67: Frequency of the issues when a transaction fails or a payment is deducted but not received by the recipient (Merchants)

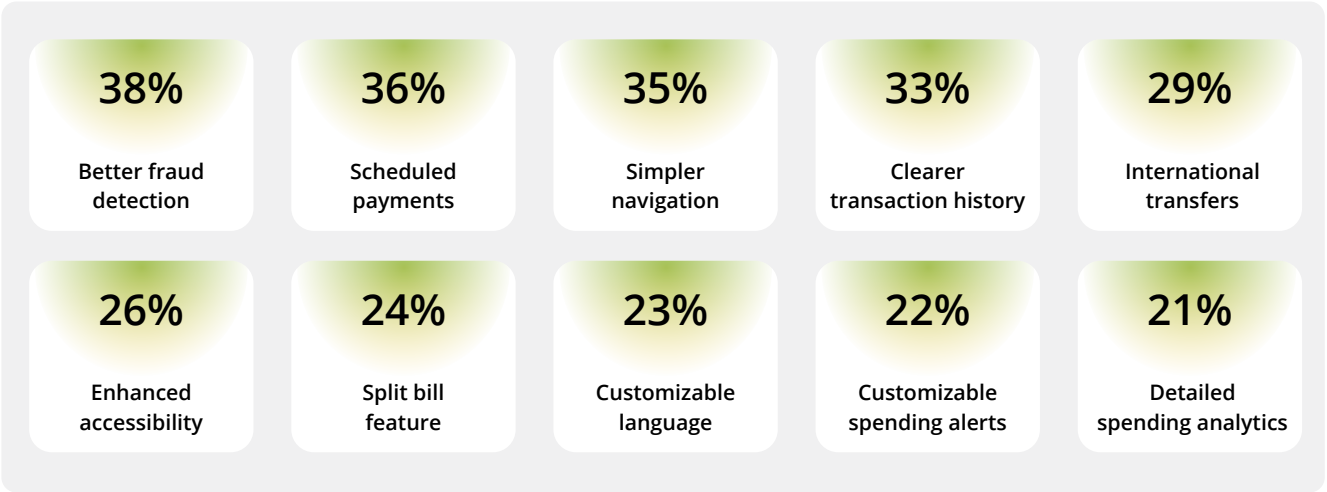


For Merchants, transaction failures leading to payment deductions are reported infrequently but remain a concern for a notable segment. Nearly half of merchants (45%) indicate that they never face such issues, while 44% experience them occasionally. A smaller share (9%) encounters such problems sometimes, and only 2% report facing them frequently. These findings suggest that while UPI is largely dependable, transaction reversals and failed settlements still affect confidence and highlight the need for continued improvements in transaction reliability and grievance redressal mechanisms.

4.3.10 User interface improvement

UPI users indicate that enhancements in the user interface could significantly improve their overall experience. The top priority is better fraud detection (38%), reflecting user concerns regarding transaction security and trust. This is closely followed by scheduled payments (36%) and simpler navigation (35%), suggesting that users value automation and ease of use to streamline routine transactions.

Figure 68: User interface improvement (UPI users)



Additional improvements such as clearer transaction history (33%), support for international transfers (29%), and enhanced accessibility features (26%) were also highlighted. Features like split bill functionality (24%), customizable language options (23%), spending alerts (22%), and detailed spending analytics (21%) indicate user interest in personalization and financial management tools within the UPI interface.

Security and automation enhancements are prioritized across all demographics, with younger users (18–25 years) emphasizing better fraud detection (41%) and older users (40+ years) showing stronger preference for simpler navigation (39%). Scheduled payments are consistently valued across socio-economic classes, with NCCS A users (38%) placing slightly more emphasis on this feature.

Overall, while UPI is widely adopted and trusted, there is clear scope to enhance security, simplify navigation, and offer more personalized, user-friendly features to meet evolving user expectations and further increase adoption.

Figure 69: User interface improvement (Service provider)

Service Providers indicate that enhancements in security, simplicity, and functionality would most improve the UPI experience. The leading priority is better fraud detection (49%), reflecting concerns around transactional safety. Simpler navigation (46%) and international transfer capabilities (43%) are also important, highlighting the need for intuitive interfaces and expanded service offerings. Other frequently cited improvements include scheduled payments (41%), clearer transaction history (39%), and enhanced accessibility features (38%), indicating that both usability and inclusivity are key considerations. Features like customizable language options, split bill functionality, detailed spending analytics, and customizable alerts (36–37%) further reflect growing expectations for personalized, transparent, and value-added digital payment experiences.

4.3.11 Satisfaction with the current digital payment modes available

For UPI users, overall satisfaction with digital payment options is notably high, with 77% reporting that they are very satisfied or somewhat satisfied. This strong approval reflects broad trust in the convenience, reliability, and security of UPI and other digital modes. Satisfaction is slightly higher among male users (79%) compared to females (73%), suggesting modest gender-based differences in perceived ease of use. Age-wise, younger users demonstrate higher satisfaction — 79% among 18–25-year-olds and 78% among 26–40-year-olds — while satisfaction dips slightly among users 40+ (74%), indicating potential to further optimize the experience for older individuals. Satisfaction levels are consistent across socioeconomic groups, with NCCS A at 76%, NCCS B at 78%, and NCCS C at 78%, highlighting that digital payment systems are meeting expectations broadly across income tiers. However, new users report lower satisfaction (68%) compared to existing users (78%), revealing an opportunity to strengthen onboarding, guidance, and reassurance for first-time digital adopters.

Table 25: Satisfaction with digital payment (UPI users)

	Overall	Male	Female	18-25 Years	26-40 Years	40+ Years	NCCS A	NCCS B	NCCS C	New USer	Existing User	Category A	Category B	Category C
User Base	5498	3661	1837	2027	2741	730	2368	1776	1354	417	5081	1977	1680	1841
Very Satisfied + Somewhat satisfied	77%	80%	73%	79%	77%	74%	76%	78%	79%	68%	78%	79%	77%	76%

4.3.12 Challenges in promotion of digital literacy

The data highlights that fear of cyber threats (47%) is the largest barrier to promoting digital literacy among merchants, followed by limited internet access (38%) and high costs of technology (34%). Beyond infrastructural barriers, challenges such as lack of understanding of digital tools (27%), lack of confidence in using technology (27%), and resistance to adoption (26%) also persist. This mix of security concerns, infrastructure gaps, and behavioral resistance underscores the need for a multi-pronged strategy—strengthening trust in digital payments, improving accessibility.

Figure 70: Challenges in promoting digital literacy (Merchants)

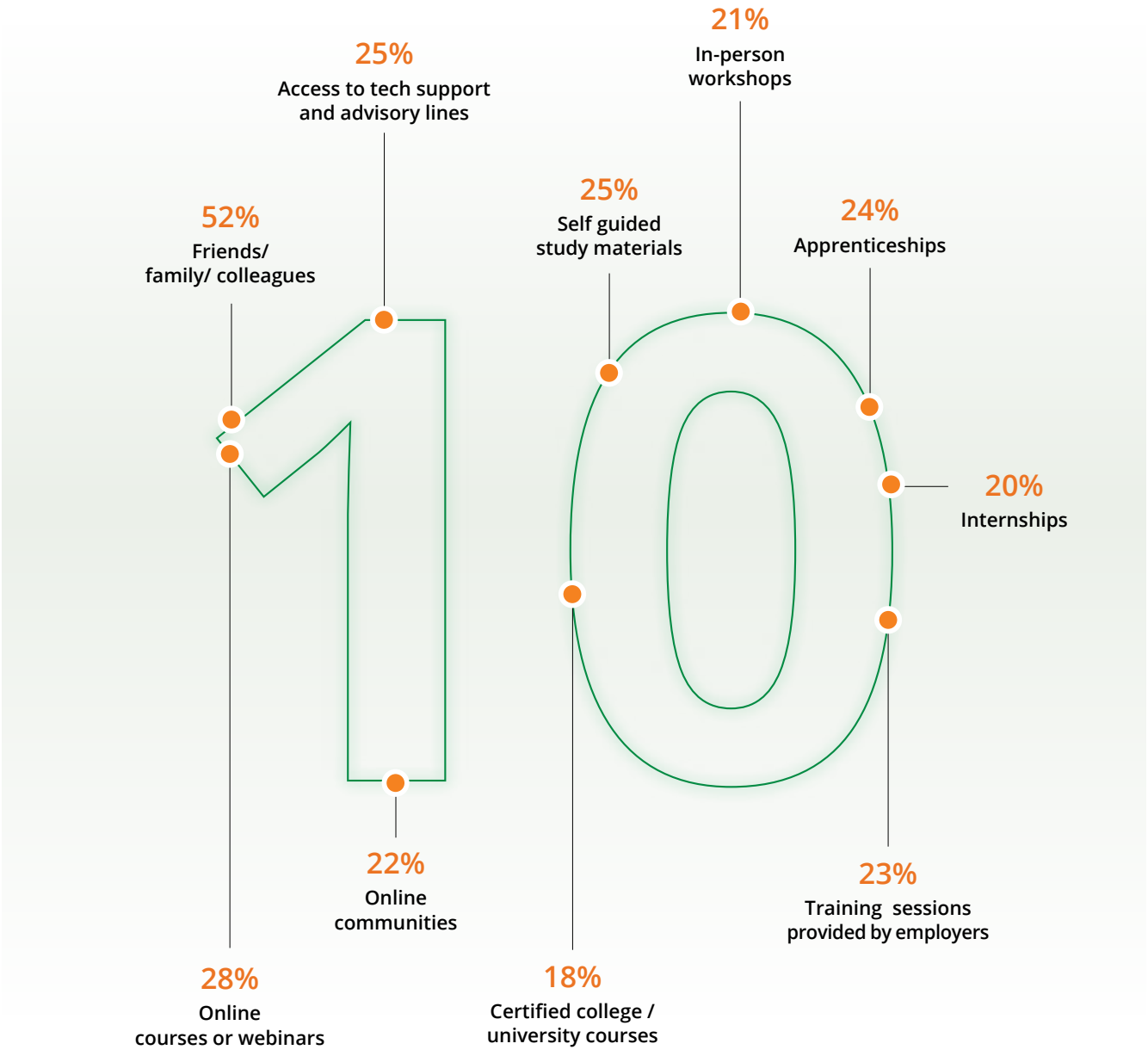
In promoting digital literacy, the challenges identified highlight a range of socio-economic and infrastructural issues. The fear of cyber threats is prevalent across most segments, notably among Micro Merchants (51%) and Primary sector (56%), indicating a significant barrier to digital adoption. Limited internet access remains a considerable hurdle, especially in Tertiary sector (41%). The high costs of technology are a concern for Kirana Stores (38%) and Small Merchants (37%), suggesting financial constraints are a barrier to digital tool usage. A lack of understanding and confidence in using digital tools is notably higher among Small Merchants (36%) and Secondary sector (31%), pointing to a need for focused educational initiatives.

4.3.13 Educational programs or resources needed to improve digital literacy

The findings indicate that informal, peer-driven learning is the most preferred source, with 52% of merchants relying on friends, family, or colleagues for support in improving digital literacy. Structured formats like online courses or webinars (28%), self-guided study materials (25%), and tech-support/advisory lines (25%) are also valued, showing demand for flexible, easily accessible resources. Hands-on opportunities such as apprenticeships (24%), employer-provided training sessions (23%), and in-person workshops (21%) hold significant relevance.

Peer learning through friends, family, and colleagues is the most preferred education method.

Figure 71: Educational programs or resources needed (Merchants)



The data reveals that educational resources or programs for improving digital literacy vary in preference across different demographics. Informal learning through 'Friends/family/colleagues' is the most favored method across the board, with the highest preference in Tertiary sector (57%) and other retail settings like Kirana stores (54%). 'Online courses or webinars' are particularly appealing to Street Vendors (36%) and Micro Merchants (33%), suggesting an interest in flexible, remote learning options. 'Self-guided study materials' are more popular among Small Merchants (32%), indicating a preference for independent learning. For tech support and advisory needs, Small Merchants (29%) show a higher demand, reflecting the necessity for ongoing technical assistance. Interestingly, 'In-person workshops or seminars' hold substantial value in category B (26%) underscoring the importance of direct, hands-on learning experiences in less urbanized areas.

4.3.14 Methods to educate consumers about UPI features

For Service Providers, the findings indicate that voice calls (59%) and WhatsApp tutorials (53%) are the most commonly used methods for educating consumers about UPI features, reflecting the preference for direct and easily accessible communication channels. In-person training (47%) and social media campaigns (44%) are also significant, demonstrating a balance between personal engagement and digital outreach. On-ground activities such as seminars, awareness camps, and booths (42%), as well as online training/webinars (35%), show moderate adoption, while posters, leaflets (32%), and SMS/email alerts (26%) are the least utilized methods. Overall, the data suggests that personalized and interactive methods remain more effective in educating consumers compared to passive communication approaches.

Figure 72: Methods to educate consumers about UPI features (Service provider)

5

Conclusion

India's digital payment journey has been transformative and pioneering. From bustling metros to remote islands, UPI and RuPay have rewritten the rules of financial inclusion. The trends captured here reveal not just impressive growth but a shift in behavior, infrastructure, and trust—painting a picture of progress with plenty of room for innovation and investment.

India's digital payment ecosystem: at a glance

Gender

Males consistently lead in digital payment adoption, with 71% reporting daily usage, compared to 52% of females. However, female users show growing engagement, especially with app-based platforms like Google Pay and PhonePe. Targeted onboarding and trust-building initiatives can help close this gap.

Socio-Economic class (NCCS)

Higher NCCS groups (A and B) exhibit greater digital affinity and confidence, while NCCS C users show higher cash dependency and face more barriers like fraud concerns and limited internet access. Inclusion strategies must focus on affordability, awareness, and trust-building.

North-East Region

Despite infrastructure challenges, the North-East shows promising UPI growth (~63% CAGR) in past 2 years. However, usage of advanced features like AutoPay and UPI Number remains low, highlighting the need for localized digital literacy and infrastructure support

Occupation

Students and salaried professionals are frequent users, with daily usage rates above 65%, while daily wage earners, homemakers, and farmers show moderate to low engagement. Tailored outreach and simplified onboarding can improve adoption among economically vulnerable groups.

Tier-Wise (Urbanization)

Digital payment adoption is led by users in Tier 1 and Tier 2 towns, which have recorded a strong 79% growth. In comparison, Tier 3–4 towns (64%) and Tier 5–6 towns (72%) are expanding at a slower pace, largely due to infrastructure limitations and lower digital literacy. To accelerate penetration in these regions, hybrid onboarding models and robust vernacular-language support will be critical.

Social indicators (Digital literacy & device access)

Smartphone access is nearly universal (98%) among the survey users, but barriers like fear of fraud (31%), lack of confidence (27%) persist. Peer-led learning and vernacular content are preferred methods for improving digital literacy.

Age

Young adults (18–25 years) are the most active users, with 76% reporting increased digital transactions over the past year. Middle-aged users (26–40 years) also show strong engagement (69% growth), while older users (40+) remain more cash-reliant. Simplified interfaces and targeted education can help bridge generational gaps.

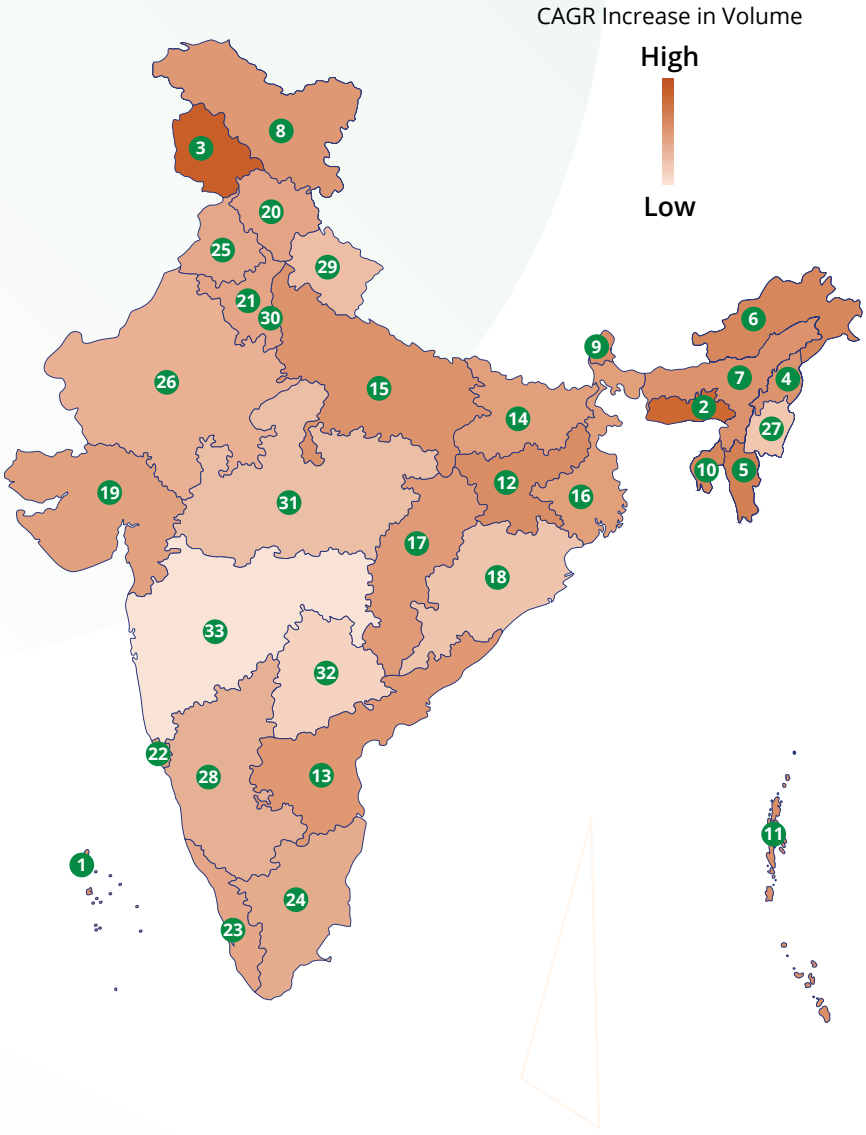
Merchants

Among the surveyed merchants, UPI adoption stands as one of the prominent mode of transaction (94%), underscoring its strong integration, ease of acceptance, and widespread preference. While smaller vendors, particularly street sellers and small merchants exhibit high acceptance of digital payments (94%+), larger merchants report near-universal acceptance of digital payments (100%). UPI demonstrates high service reliability, with a majority of users experiencing minimal downtime with only a small proportion of users (~7%) reporting sometimes (6%) or often (1%) experiencing downtime, highlighting that service disruptions are infrequent and affect a limited number of users.

> UPI adoption is expanding beyond metros, with emerging momentum in smaller towns and regions.

UPI adoption: from urban dominance to rural integration

UPI transaction volume growth rate (April 2023-April 2025)



1. Lakshadweep - 136%
2. Meghalaya - 83%
3. Jammu and Kashmir - 76%
4. Nagaland - 73%
5. Mizoram - 73%
6. Arunachal Pradesh - 67%
7. Assam - 64%
8. Ladakh - 62%
9. Sikkim - 59%
10. Tripura - 59%
11. Andaman and Nicobar - 54%
12. Jharkhand - 49%
13. Andhra Pradesh - 47%
14. Bihar - 47%
15. Uttar Pradesh - 46%
16. West Bengal - 46%
17. Chhattisgarh - 40%
18. Odisha - 40%
19. Gujarat - 38%
20. Himachal Pradesh - 36%
21. Haryana - 35%
22. Goa - 35%
23. Kerala - 34%
24. Tamil Nadu - 34%
25. Punjab - 31%
26. Rajasthan - 31%
27. Manipur - 28%
28. Karnataka - 28%
29. Uttarakhand - 26%
30. Delhi - 26%
31. Madhya Pradesh - 24%
32. Telangana - 18%
33. Maharashtra - 13%

Figure 73: UPI transaction volume growth rate

the state-wise CAGR analysis of UPI transactions between April 2023 and April 2025 reflects strong momentum in both volume and value, signaling deeper penetration of digital payments across India. Remote regions such as Lakshadweep with 136% volume & 61% value growth, Meghalaya with 83% volume & 52% value growth, and Jammu & Kashmir with 76% volume &, 55% value growth lead the surge, while Tier-2 and Tier-3 states like Arunachal Pradesh with 67% volume & 40% value growth and Mizoram with 73% volume & 42% value growth are emerging as high-opportunity zones. In contrast, metro states such as Maharashtra and Telangana show moderate growth due to market saturation. This divergence highlights the inclusivity of UPI adoption beyond urban centers. However, despite impressive growth rates, the ecosystem still faces infrastructure gaps and reliability challenges that require significant investment.

UPI transaction value growth rate (April 2023-April 2025)

1. Lakshadweep - 61%
2. Jammu and Kashmir - 55%
3. Meghalaya - 52%
4. Jharkhand - 49%
5. Mizoram - 42%
6. Arunachal Pradesh - 40%
7. Tripura - 40%
8. Sikkim - 36%
9. Andaman and Nicobar - 36%
10. Assam - 35%
11. Uttar Pradesh - 35%
12. Kerala - 34%
13. Nagaland - 34%
14. Andhra Pradesh - 33%
15. Ladakh - 33%
16. Chhattisgarh - 32%
17. West Bengal - 31%
18. Bihar - 30%
19. Goa - 30%
20. Gujarat - 29%
21. Himachal Pradesh - 28%
22. Haryana - 28%
23. Punjab - 27%
24. Odisha - 26%
25. Tamil Nadu - 25%
26. Karnataka - 23%
27. Rajasthan - 23%
28. Madhya Pradesh - 18%
29. Uttarakhand - 18%
30. Delhi - 17%
31. Manipur - 15%
32. Telangana - 10%
33. Maharashtra - 3%

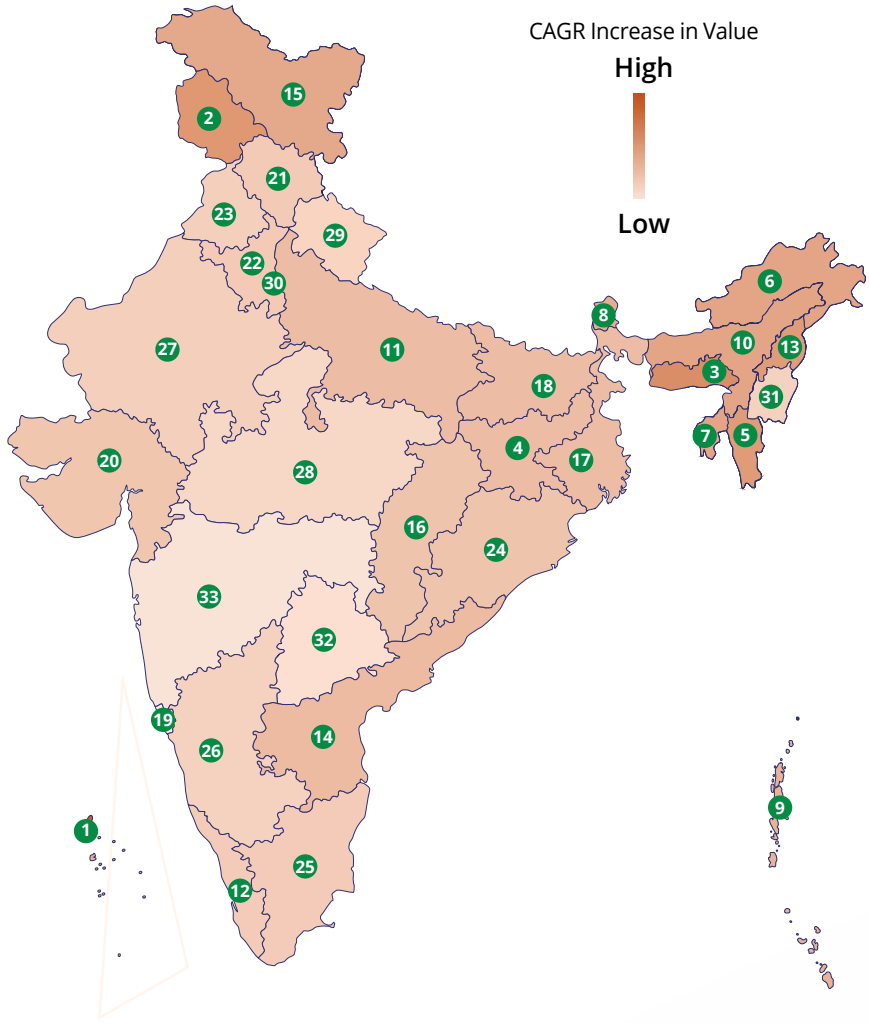


Figure 74: UPI transaction value growth rate

While the growth trajectory validates the report's conclusion that UPI adoption is no longer urban-centric but increasingly inclusive, the potential remains far from fully realized. Rising transaction values in high-growth states indicate economic empowerment, yet rural clusters need stronger merchant enablement, fraud mitigation, and bandwidth optimization. Sustaining this momentum will demand targeted investments in digital infrastructure, feature awareness, and security frameworks to ensure scalability and trust. Strategic interventions such as monetary incentive for onboarding, UPI Lite and vernacular education campaigns can accelerate adoption further. In essence, India's digital payment ecosystem is at an inflection point—high growth achieved, but vast untapped potential requiring focused capital and policy support.

5.1 Key observations

The incentive scheme has driven remarkable growth in digital payments between FY2020-21 and FY2024-25, reflected in UPI transaction volumes, user penetration, and infrastructure expansion. These indicators demonstrate strong progress toward a cash-lite economy, though further innovation and investment remain critical.

Table 26: Incentive Scheme: baseline vs achievement

Objective	Indicator	Scheme Start Actuals (FY2020-21)	Scheme end Actuals (FY2024-25)
Growth in RuPay debit card issuance and BHIM-UPI (P2M) transactions	**RuPay Debit Card**		
	Issuance	62 crore	69 crore
	BHIM-UPI		
	Volume (P2M)	929 crore	11,597 crore
Increase UPI penetration	Number of UPI users	18.5 crore	47 crore
	Number of merchants onboarded	-	6.5 crore
Digital payment infrastructure	PoS machine	0.6 crore	0.9 crore
	QR codes deployed	9.8 crore	66.7 crore

5.1.1 Key observations based on survey

The survey paints a vivid picture of India's digital payment revolution, capturing how speed, convenience, and trust have become the cornerstones of adoption. From consumers valuing instant payments and cashback rewards to merchants leveraging digital tools for efficiency and credit access, the benefits are both functional and motivational. UPI has emerged as the preferred mode across categories—from online shopping to daily essentials—while awareness of advanced features like AutoPay and 123Pay remains moderate, signaling scope for education. These insights reveal not just behavioral shifts but also the economic and operational impact of digital payments on businesses and households alike.

A. Benefits to stakeholders

Speed as key driver

Quick payments cited by **74%** respondents, making speed the strongest adoption motivator.

User appreciation for convenience

No need to carry cash **(59%)**, enhanced security **(53%)**, and convenience **(52%)** reflect strong user preference for safety and ease.

Merchant advantages

Easier transaction tracking **(28%)** and access to credit **(25%)** benefits underscore the role of digital payments in improving business operations.

Consumer motivators

Cashback **(52%)** is the leading incentive; trust factors like security matter most to new users **(38%)** and Category C users **(43%)**.

UPI preference across categories

Dominates online shopping **(64%)**, subscriptions **(61%)**, and bill payments **(58%)**; even groceries show **48%** preference.

B. Impact on Indian economy and digital payment ecosystem

Business
impact

57% merchants report increased sales as the biggest benefit; operational gains include improved efficiency **(37%)**, reduced cash handling **(30%)**, and simplified processes **(28%)**.

Reduced cash
dependency

59% users report fewer cash transactions, **62%** fewer ATM withdrawals, and **69%** fewer bank visits; merchants also confirm decline in conventional payment modes.

UPI availability vs
POS

UPI widely accessible—**64%** users see it "often" or "almost always" in stores; POS remains limited with **49%** saying "rarely" and only **21%** seeing it frequently.

Preferred payment
mode

UPI leads with **57%** user preference and **60%** merchant preference; cash still relevant at **38%** for users and **34%** for merchants, especially for small/informal transactions.

POS
penetration

Only **36%** merchants use POS machines; **64%** have not adopted due to cost, maintenance, and preference for QR-based solutions.

Boosts GDP
growth

UPI accelerates the velocity of money, contributing to economic growth; **37%** of respondents said they would not have completed a transaction without UPI.

Critical to
Digital India

UPI is the flagship of India's digital payment ecosystem, enabling financial inclusion and seamless transactions nationwide.

Cash dependency in absence of
UPI

A clear majority **(76% of respondents)** would revert to cash if UPI were unavailable, underscoring its indispensability.

C. Impact of Digital Payments and Evolving Adoption Patterns

Regional & demographic growth

Digital transactions surged across segments

Zones:	Tier-wise (Category):	Caste-wise:
North-East **(85%)**	A **(79%)**	General **(73%)**
East **(84%)**	B **(64%)**	OBC **(72%)**
South **(64%)**	C **(72%)**	SC/ST **(70%)**

High user & merchant ratings

UPI scores strongly for speed **(81%)**, smartphone compatibility **(80%)**, and trust/multi-bank integration **(78%)**; satisfaction consistent across demographics, especially among smaller merchants.

Daily usage patterns

65% of users and **80%** of merchants use digital payments daily; highest among younger, affluent, and Category A users. Small retailers lead adoption—street vendors **(87%)** and kirana stores **(85%)**. Gender gap persists: males **(71%)** vs females **(52%)**.

Trust & confidence gains

UPI and cards boost confidence—**90%+** users and **87%** merchants feel secure; strongest gains among street vendors, small merchants, and primary-sector businesses.

UPI feature priorities

Instant transfers valued by kirana/retail stores **(66%)**; secure transactions critical for very small merchants **(55%)**.

Reliability

UPI highly dependable—**93%** users and **90%+** merchants report "never" or "rarely" facing downtime; occasional issues (6–8%) in Category C towns due to weak connectivity.

Feature awareness gaps

Core features like UPI Number **(55%)** and AutoPay **(40%)** have moderate recognition; advanced features such as 123Pay **(30%)** and UPI IPO **(31%)** remain less known, signaling outreach needs.

5.1.2 Key Observations based on secondary research

The secondary research provides a macro-level perspective on India's digital payment ecosystem, highlighting structural shifts, infrastructure growth, and behavioral trends that complement survey findings. These insights underscore UPI's transformative role and the evolving dynamics of RuPay and cash usage.

Economic impact

UPI added **$16.2 Bn** to GDP, replacing cash and electronic transfers across sectors.

* Digital Public Infrastructure 2024 report-NASSCOM

Explosive growth

Digital transactions surged ~11× from ~2,071 crore to **~22,831 crore** over eight years; CAGR rose to **43%** (FY21–25) vs 39% (FY18–21), driven by UPI scale-up.

UPI dominance

Share of UPI in total digital transactions jumped from ~4% (FY17–18) to **~80%** (FY24–25), making it the primary payment rail.

Infrastructure shift

Physical PoS tripled (≈31 lakh --> ≈111 lakh), ATMs flat (~2.3–2.6 lakh); UPI QR exploded from 0.2 crore (Mar'20) to **~65.8 crore** (Mar'25), signaling QR-led merchant acceptance.

Transaction mix

UPI volume grew **~15×** (FY19–25); P2M surged ~26×, P2P ~9×, highlighting rapid merchant digitization.

User base expansion

UPI customers rose from ~20 crore to **~47.6 crore**, adding ~27.6 crore in four years (~6–7 crore annually).

Ecosystem diversification

TPAPs rebounded from 16 (FY21–22) to **38** (FY24–25), indicating renewed fintech and bank participation.

Usage patterns

UPI most used in groceries **(~25%)**, fast food **(~11%)**, and restaurants **(~9%)**, together nearing **20%** of retail spend.

Cash moderation

Reduction in share of **₹200** and below denomination by **7.4%** (FY18-25) post wide adoption of UPI in everyday life; ATM withdrawals fell **~27%** (987 cr to 720 cr).

Behavioural shift

Share of **₹200** and lower denomination notes dropped from 19.5% (FY18) to **13.8%** (FY25), driven by low-ticket UPI transactions.

UPI: Setting the Global Benchmark

IMF (June 2025) recognizes UPI as the world's largest retail fast-payment system; ACI Worldwide (2024) reports UPI holds **~49%** global real-time payment share, surpassing Brazil **(14%)**, Thailand **(8%)**, China **(6%)**, and South Korea **(3%)**.

5.2 Recommendations

India's digital payments ecosystem has reached a pivotal stage, marked by rapid UPI adoption, expanding merchant networks, and evolving consumer behaviors. While transaction volumes continue to surge, sustaining this growth requires a shift from pure scale to holistic ecosystem development—focusing on trust, security, merchant enablement, and inclusive innovation. Strategic interventions must address gaps in digital literacy, infrastructure resilience, and feature adoption to ensure long-term sustainability and equitable participation across urban and rural segments. The following recommendations aim to strengthen these foundations and accelerate the next phase of digital payments maturity.

i Infrastructure & reliability

Expand merchant acceptance

- Extend support for QR and soundbox deployment in Tier 3–6 towns on the lines of PIDF beyond 2025.
- Subsidize POS terminals integrated with UPI QR for hybrid acceptance.

Offline capability

- Scale UPI Lite and 123Pay for low-bandwidth zones; partner with telcos for USSD-based fallback.

ii Security & trust

Fraud prevention

- Deploy AI-driven anomaly detection and real-time alerts across PSPs and TPAPs.

Grievance redressal

- Implement 24x7 multilingual support and publish SLA dashboards for transparency.
- Grievance to be addressed in time-bound manner.

iii RuPay revitalization

Value proposition enhancement

- Introduce tiered cashback programs for RuPay transactions in Tier 2–6 cities.
- Enable contactless RuPay cards (NFC) and improve international acceptance via global partnerships.

Financial inclusion

- Bundle RuPay with PMJDY benefits (insurance, overdraft) and government subsidy disbursements.

iv Feature adoption & product innovation

Promote advanced UPI features

- Gamify onboarding for AutoPay, Credit Line, and UPI Lite via in-app tutorials and rewards.
- Enable scheduled payments and recurring billing for education, healthcare, and OTT subscriptions.

v Merchant enablement & digital literacy

Localized training

- Conduct vernacular workshops and video-based tutorials for micro-merchants.
- Incentivize participation with cashback credits and gamified learning modules.

vi Financial inclusion & social impact

UPI for government schemes

- Integrate UPI with DBT programs for subsidies and welfare payments.

Women-Centric digital literacy

- Launch UPI digital literacy program targeting female entrepreneurs in rural areas.

Green payments

- Incentivize paperless billing and e-receipts to reduce environmental footprint

vii Policy & regulatory support

Ecosystem sustainability

- Explore cost-sharing and recovery models for sustainability of ecosystem players.

Data-Driven governance

- Establish real-time dashboards for adoption, fraud trends, and infrastructure gaps.

Data Localization compliance

- Strengthen real-time monitoring for adherence to RBI norms on data storage.

Recognition of good performing acquirers

- Include a dedicated award category in the Digital Payments Awards for acquirers excelling in localized merchant training for digital literacy

viii Implementation process

The implementation process of the scheme involves the acquirer banks to raise a claim basis the guidelines specified in the scheme document. Post verification of the claims as per the bank and NPCI records, the specified reimbursement amount is disbursed to the acquirer banks.

As per the fund flow mechanism and the pre-decided incentive sharing percentage split (as referred in DFS notification/ guidelines based on the recommendation of the incentive sharing committee) NPCI distributes the incentive disbursed to acquiring bank in manner and proportion as specified in the notification by DFS amongst all participating parties. The current implementation process is functioning efficiently, with timely disbursal and adherence to scheme guidelines. However, the use of the aforementioned reconciliation method, where both, banks and NPCI have to perform the same process at their end , may be reconsidered for further enhancing operational efficiency.

5.3 Vision for the future

The Incentive Scheme represents a pivotal step in India's journey toward a digitally empowered economy. To ensure the scheme reaches its full potential, a comprehensive and forward-looking vision must be adopted—one that integrates financial inclusion, technological innovation, and stakeholder collaboration. India's digital payment ecosystem stands at an inflection point, having achieved unprecedented scale yet revealing vast untapped potential. The next phase must focus on universal adoption, particularly among semi-urban and rural merchants where infrastructure and literacy gaps persist. Simplified onboarding, vernacular interfaces, and voice-enabled solutions will be critical to bridging these divides. By prioritizing inclusivity, the ecosystem can transform digital payments from an urban convenience into a nationwide norm, accelerating India's ambition for a truly cash-lite economy.

As adoption deepens, trust will become the cornerstone of sustainability. While UPI enjoys high reliability (93% uptime), occasional failures in Category C towns highlight the need for network resilience and fraud prevention. Investments in AI-driven anomaly detection, real-time alerts, and robust grievance redressal will reinforce user confidence. Cybersecurity frameworks must evolve to counter emerging threats, ensuring compliance with RBI's data localization norms. Transparent governance through real-time dashboards will enable policymakers to monitor adoption, fraud trends, and infrastructure gaps effectively. Building trust is not just a technical imperative—it is a social contract that underpins the future of digital finance.

The future of UPI and RuPay lies in value-added services that go beyond transactional convenience. Integrating micro-credit, insurance, and loyalty programs within payment platforms can deepen engagement and drive financial inclusion. Advanced features like AutoPay, Credit Line, and UPI IPO must be promoted through gamified onboarding and targeted campaigns to close awareness gaps. Scheduled payments for education, healthcare, and OTT subscriptions can unlock new use cases, making digital payments indispensable in everyday life. Collaboration with fintechs and regional banks will accelerate innovation, ensuring solutions cater to diverse merchant and consumer needs. This evolution will position India as a global leader in payment innovation.

Long-term success demands a balanced, sustainable model that supports all ecosystem players. Cost-sharing frameworks for QR deployment and PoS expansion can reduce onboarding barriers for small merchants. Policy interventions should incentivize acquirers and fintechs while promoting interoperability and competition. Environmental considerations, such as paperless billing and e-receipts, can align digital growth with sustainability goals. Finally, continuous investment in digital literacy—especially for women entrepreneurs and micro-merchants—will ensure equitable participation. By integrating technology, policy, and community engagement, India can shape a resilient, inclusive, and innovation-led payment ecosystem that drives economic growth and social empowerment.

India's digital payments success story is a collective effort of stakeholders - banks, fintechs and citizens. To achieve the goal of a developed India, we must push boundaries and set new milestones while ensuring digital payments reach the remotest areas of the country.

Smt. Nirmala Sitharaman
Hon'ble Finance Minister

Association of Officials throughout the Report

Sincere appreciation is hereby extended to all individuals and institutions whose contributions enabled the successful completion of this report. The report has been developed through the collective expertise and coordinated efforts of multiple teams aligned toward the shared objective of advancing India's digital payment ecosystem. Strategic direction and guidance provided by the Department of Financial Services (DFS), along with the contributions of its internal teams, were integral to the formulation of the study's framework and objectives. The National Payments Corporation of India (NPCI) is acknowledged for enabling access to ecosystem insights, facilitating stakeholder interactions and supporting the assessment of policy impact. The primary survey for the study was undertaken by Ipsos Research Pvt. Ltd. under the guidance of Mr. Gajanand Periwal.

> **"Based on the primary survey conducted by Ipsos research and outlined in the Socio-Economic Impact Analysis' report, significant insights have emerged regarding India's digital payments ecosystem. Surveying 10,378 respondents across 15 states, including users, merchants, and service providers, has showcased a pronounced shift towards digital payments."**

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Abbreviations & Definitions

123Pay	UPI for feature phones enabling payments via IVR, missed call, and voice without internet
ACI	ACI Worldwide—payments report referenced for real-time volumes
AePS	Aadhaar Enabled Payment System—interoperable banking services via Aadhaar authentication
AI	Artificial Intelligence—data-driven algorithms used for fraud/anomaly detection
ATM	Automated Teller Machine—cash dispensing/self-service banking terminal
B2B	Business-to-Business—payments between business entities
BCG	Boston Consulting Group—consulting firm coauthor on NPCI report
BHIM	Bharat Interface for Money—NPCI's UPI application for instant bank-to-bank transfers
BIS	Bank for International Settlements—international financial institution; research cited
BNPL	Buy Now, Pay Later—short-term credit facility enabling deferred payment at point of purchase
CAGR	Compound Annual Growth Rate—smoothed annualised growth rate across periods
CAPI	Computer-Assisted Personal Interviewing—face-to-face surveys captured digitally
CATI	Computer-Assisted Telephone Interviewing—telephone surveys captured digitally
CBDC	Central Bank Digital Currency—digital form of central bank money (e-Rupee)
CiC	Currency in Circulation—total currency held by the public outside banks
DBT	Direct Benefit Transfer—electronic transfer of government subsidies/welfare to beneficiaries
EFC	Expenditure Finance Committee—committee vetting expenditure proposals prior to Cabinet approval
GDP	Gross Domestic Product—aggregate value of goods and services produced domestically
GPS	Global Positioning System—location tagging used for fieldwork verification
Hello! UPI	Conversational/voice interface to initiate and authorise UPI payments using speech
ICS	International Card Scheme
IMF	International Monetary Fund—global financial institution; cited for FPS benchmarks
IMPS	Immediate Payment Service—real-time 24x7 interbank fund transfer system
Interoperability (UPI)	Ability to transact across any bank/app UPI ID—open ecosystem design
MCC	Merchant Category Code—four-digit code classifying merchant type for payments reporting
MIS	Management Information System—regular operational reporting and dashboards
NACH	National Automated Clearing House—bulk electronic clearing system for recurring credits/debits
NCCS	New Consumer Classification System—market research socio-economic segmentation based on education and durables ownership
NEFT	National Electronic Funds Transfer—deferred net settlement bank transfer system (near real-time batches)
NETC	National Electronic Toll Collection—FASTag-based electronic toll payment system
NFC	Near Field Communication—short-range wireless used for tap-to-pay
NIC	National Informatics Centre—government IT organisation; hosts DigiPay/NIC portals

OBC	Other Backward Classes—socially/economically disadvantaged groups as identified by government
OTT	Over-The-Top—internet-delivered content services (subscriptions billed digitally)
P2M	Person-to-Merchant—consumer payments to merchants (in-store/online)
P2P	Person-to-Person—peer fund transfers between individuals
PIDF	Payments Infrastructure Development Fund—RBI fund subsidising acceptance points in underserved areas
PMJDY	Pradhan Mantri Jan Dhan Yojana—financial inclusion programme to open basic bank accounts
POS	Point-of-Sale terminal used to accept card-present transactions
PPI	Prepaid Payment Instrument—store-of-value instrument (wallet/card) used to purchase goods and services
PSP	Payment Service Provider—bank entity providing UPI/IMPS acquiring and processing services
QR	Quick Response code used to encode payment information; UPI QR enables scan-and-pay at merchants
RCC on UPI	RuPay credit card on UPI - Recurring payment mandates via UPI for subscriptions/EMIs with auto-debit from linked account
RTGS	Real Time Gross Settlement—real-time high-value interbank transfers
RuPay DC	RuPay Debit Card
SC	Scheduled Castes—constitutionally recognised historically disadvantaged social group
ST	Scheduled Tribes—constitutionally recognised indigenous communities
SVANidhi	PM Street Vendor's AtmaNirbhar Nidhi—microcredit scheme for street vendors
TPAP	Third-Party App Provider—non-bank app integrating UPI via bank PSPs
UPI Auto top up	Automatic replenishment of UPI Lite balance when it falls below a set threshold
UPI AutoPay	UPI mandate framework enabling automatic recurring payments post one-time authorisation
UPI Circle	Group payment construct to split/collect bills among members within UPI apps
UPI Credit Line	Pre-approved revolving credit accessible via UPI for pay-now-repay-later use cases
UPI Help	In-app support flow to report and resolve UPI transaction issues centrally
UPI IPO	Facility to apply for IPOs using UPI, with funds blocked until allotment (ASBA-like)
UPI Lite	PIN-less small-value UPI payments from a pre-loaded on-device balance (typically ≤ ₹500)
UPI Number	Easy-to-remember identifier mapped to a bank account to receive payments without sharing account details
USSD	Unstructured Supplementary Service Data—session-based telecom channel used for feature-phone transactions
Vishwakarma	PM Vishwakarma—support scheme for traditional artisans and craftspeople

Annexures

Annexures I –
Consumers (UPI Users)

Annexure II –
Consumers (RuPay Debit Card Users)

Annexure III –
Service Providers

Annexure IV –
Merchants

Annexures I –

Consumers (UPI Users)

Table 1: Card network preference by sub-groups

	All India	Gender		Age				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**985**	**646**	**339**	**609**	**342**	**31**	**3**	**295**	**360**	**330**
ICS 1	22	25	18	21	25	19	33	18	21	27
ICS 2	10	12	7	10	11	0	0	20	5	7
RuPay	66	63	72	67	62	81	67	61	70	66
ICS 3 (Amex)	1	0	3	1	1	0	0	1	3	0
Diners Club	0	0	0	0	0	0	0	0	0	0

Table 2: Preferred mode of transaction by sub-groups

	All India	Gender		Age				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**5498**	**3661**	**1837**	**3255**	**2047**	**156**	**40**	**1977**	**1680**	**1841**
Cash	34	35	32	31	37	45	53	26	39	38
Cheque	0	0	0	0	0	0	3	0	1	0
Demand Draft (DD)	0	0	0	0	0	0	0	0	0	0
UPI (e.g., PhonePe, Google Pay, BHIM)	64	63	66	67	61	53	45	71	59	60
Debit Card	0	0	0	0	0	1	0	0	0	0
RuPay Debit Card	0	0	0	0	0	0	0	0	0	0
Digital Wallets (e.g., Paytm, Amazon Pay, Mobikwik)	0	0	1	0	0	0	0	1	0	0
Credit Card	0	0	0	0	0	1	0	0	0	0
Prepaid Card (e.g., gift card, metro card, Sodexo etc.)	0	0	0	0	0	0	0	0	0	0
Buy Now Pay Later (BNPL) (e.g., LazyPay, Simpl)	0	0	0	0	0	0	0	0	0	0
Internet Banking (NEFT/IMPS/RTGS)	0	0	0	0	0	0	0	0	0	0
Mobile Banking (bank apps)	0	0	0	0	0	0	0	0	0	0
Aadhaar Enabled Payment System (AePS)	0	0	0	0	0	0	0	0	0	0
E-Rupee (Digital Rupee/CBDC - Central Bank Digital Currency)	0	0	0	0	0	0	0	0	0	0
Cryptocurrency (e.g., Bitcoin)	0	0	0	0	0	0	0	0	0	0
Contactless Payments (Near field communication/tap-to-pay)	0	0	0	0	0	0	0	0	0	0
RuPay Credit Card	0	0	0	0	0	0	0	0	0	0

Table 3: Reasons for UPI by sub-groups

	All India	Gender		Age				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**5214**	**3458**	**1756**	**3075**	**1954**	**148**	**37**	**1899**	**1541**	**1774**
Ease of use	63	61	65	62	62	68	78	64	63	60
Instant transfer	59	58	60	61	57	52	43	62	57	57
Convenient 24/7 accessibility	50	48	53	51	47	60	49	41	48	60
Offers/discounts	31	31	31	30	31	33	22	27	32	34
No transaction costs/charges	32	32	32	32	32	29	32	28	31	37
Secure transactions	50	50	51	51	48	51	46	49	50	52
No need to carry physical card	37	36	40	38	36	40	24	31	40	41
Multiple bank account linking	34	33	36	34	32	43	32	25	35	42

Table 4: Usage of different UPI applications by sub-groups

	All India	Gender		Age				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**5498**	**3661**	**1837**	**3255**	**2047**	**156**	**40**	**1977**	**1680**	**1841**
BHIM	4	4	3	4	5	2	5	4	4	5
PhonePe	64	66	58	65	63	61	43	63	57	71
Google Pay (GPay)	60	60	61	61	60	51	60	55	64	62
Paytm	26	27	24	26	27	25	30	27	26	26
Amazon Pay	6	6	5	6	6	2	3	5	6	6
WhatsApp Pay	4	4	4	4	3	4	0	5	3	4

Table 5: UPI applications preference by sub-groups

	All India	Gender		Age				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**5498**	**3661**	**1837**	**3255**	**2047**	**156**	**40**	**1977**	**1680**	**1841**
BHIM	1	1	0	0	1	1	3	0	1	1
PhonePe	45	47	41	46	44	49	23	44	37	53
Google Pay (GPay)	42	39	46	42	42	37	53	40	50	36
Paytm	11	11	12	11	12	12	23	15	10	9
Amazon Pay	1	1	0	1	1	1	0	0	1	1
WhatsApp Pay	0	0	0	0	0	0	0	0	1	0

Table 6: Frequency of digital transaction by sub-groups

	All India	Gender		Age				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**5498**	**3661**	**1837**	**3255**	**2047**	**156**	**40**	**1977**	**1680**	**1841**
Daily (Multiple times a day)	65	71	52	66	64	53	63	73	57	62
Weekly (A few times a week)	25	21	32	24	25	32	25	20	28	28
Monthly (A few times a month)	6	5	9	6	7	8	8	4	9	6
Occasionally (Once in a few months)	4	3	7	4	3	6	3	2	6	4
Rarely/Never (Almost no digital payments)	0	0	0	0	0	2	3	0	0	0

Table 7: Level of satisfaction with current digital payment modes by sub-groups

	All India	Gender		Age				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**5498**	**3661**	**1837**	**3255**	**2047**	**156**	**40**	**1977**	**1680**	**1841**
Very dissatisfied	14	12	17	13	14	23	23	13	16	13
Somewhat dissatisfied	5	4	6	6	4	6	8	5	3	7
Neutral	4	4	3	3	4	3	8	3	5	4
Somewhat satisfied	26	26	25	26	26	28	20	22	25	32
Very Satisfied	51	53	48	52	52	40	43	57	52	45

Table 8: Benefits of using digital payments by sub-groups

	All India	Gender		Age				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**5498**	**3661**	**1837**	**3255**	**2047**	**156**	**40**	**1977**	**1680**	**1841**
It is convenient and easy to use	52	50	55	53	50	54	55	48	50	58
Quick payments	74	74	74	76	70	76	73	75	71	75
I can make transactions from anywhere (no need to be physically present)	39	37	41	39	38	42	30	32	40	45
I don't need to carry cash	59	57	64	60	57	62	55	61	64	54
Enhanced security	53	54	52	54	53	44	40	50	55	55
I get cashback, discounts, or reward points	23	21	27	24	21	29	15	24	20	25
I can easily track and manage my transactions	30	29	33	32	28	26	23	25	26	40
I get digital proof or confirmation of the transaction	25	23	29	26	23	28	20	21	21	32
It helps build my financial history or improve access to credit ((e.g., lenders check your UPItransaction records for loan approvals)	16	15	19	17	14	19	3	13	15	21
More diverse payment options	24	23	27	25	22	33	30	21	22	29

	All India	Gender		Age				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Integration with more retailers and small shops now accept UPI QRonline platforms like Amazon/Zomato support multiple payment methods)	21	19	24	23	18	28	13	16	21	27
Customization options for notifications and alerts	17	16	18	18	14	19	8	14	14	22
Customer demand and preference	0	0	0	0	0	0	0	0	0	0
Required for business growth and expansion	0	0	0	0	0	0	0	0	0	0
Tax benefits (easier GST tracking with digital records)	0	0	0	0	0	0	0	0	0	0
Access to credit	0	0	0	0	0	0	0	0	0	0
Widespread use of digital payments improves the payment ecosystem	17	16	19	18	14	19	13	15	14	21
Accepting digital payments benefits both merchants and customers	20	19	22	22	18	21	15	16	19	26
Increased digital payment usage drives overall societal digitalization	16	16	17	17	15	18	18	13	14	21
Digital payment adoption boosts the national economy	18	19	18	20	16	24	13	15	17	24
Digital payments reduce financial inequality by increasing accessibility	14	12	17	15	13	15	10	13	11	17

Table 9: Triggers for using digital payments by sub-groups

	All India	Gender		Age				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**5498**	**3661**	**1837**	**3255**	**2047**	**156**	**40**	**1977**	**1680**	**1841**
Better security features	36	35	36	36	34	35	40	31	33	43
More user-friendly interfaces	23	22	25	23	23	24	35	18	25	27
Improved internet access	37	37	38	38	36	40	35	38	34	39
Incentives like discounts or rewards	21	21	22	22	20	26	23	18	18	27
Clearer regulatory framework	21	21	23	21	21	22	18	18	19	27
Cashback	52	53	51	52	52	53	50	53	51	52
Reward Points	32	32	33	31	34	35	30	31	32	34
Interface in vernacular languages	21	20	21	20	21	28	25	17	19	26

Table 10: Top 2 Box (Good, Excellent) ratings for UPI by sub-groups

	All India	Gender		Age				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**5498**	**3661**	**1837**	**3255**	**2047**	**156**	**40**	**1977**	**1680**	**1841**
Acceptance of UPI across merchants and service providers	76	78	74	77	76	66	75	79	66	83
Accessibility [the ease with which you can access UPI through your preferred device(s)]	76	77	74	77	75	69	73	79	66	82
Affordability (cost-effectiveness of using UPI for transactions)	76	78	73	78	74	67	60	81	66	81
Integration with several banks	78	79	75	78	77	74	83	80	68	84
Scheduled bill payments/ Auto-payments	75	76	72	75	74	70	68	78	64	80
Faster payments	80	82	78	81	80	76	83	82	73	85
Ease of tracking payments	78	79	77	79	77	70	78	81	67	85
Compatibility with smart phone	80	81	77	81	79	74	78	81	72	85
Split expenses feature	75	76	72	76	74	65	70	78	64	81
Trustworthy payment mode	78	79	76	80	77	71	68	81	69	84

Table 11: Increase confidence in digital transaction by using UPI / Card by sub-groups

	All India	Gender		Age				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**5498**	**3661**	**1837**	**3255**	**2047**	**156**	**40**	**1977**	**1680**	**1841**
Much more confident	64	64	65	64	66	65	53	69	67	57
Slightly more confident	26	26	26	27	24	28	23	21	23	34
No Change	7	7	7	7	7	6	20	7	8	6
Less confident	3	3	2	3	3	1	5	3	3	3

Table 12: Aspects liked about using UPI by sub-groups

	All India	Gender		Age				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**5498**	**3661**	**1837**	**3255**	**2047**	**156**	**40**	**1977**	**1680**	**1841**
Ease of use	62	61	64	62	62	67	78	64	62	61
Instant transfer	58	58	60	61	56	52	45	61	56	57
Convenient 24/7 accessibility	50	49	53	51	48	58	48	42	48	61
Offers/discounts	31	31	31	31	31	34	20	27	32	34
No transaction costs/charges	32	32	33	32	32	30	35	28	31	37
Secure transactions	50	50	51	51	48	51	48	48	50	52
No need to carry physical card	37	36	40	38	36	38	25	31	39	42
Multiple bank account linking	34	33	36	34	32	44	30	25	34	43

Table 13: Aspects disliked about using UPI by sub-groups

	All India	Gender		Age				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**5498**	**3661**	**1837**	**3255**	**2047**	**156**	**40**	**1977**	**1680**	**1841**
Transaction failures	42	42	40	43	39	38	43	40	39	46
Difficulty in understanding the user interface	3	3	4	3	3	3	0	2	2	6
Security concerns	11	11	10	11	10	11	5	7	11	14
Limit on daily transaction amounts	22	22	22	23	21	26	28	16	20	31
Issues with app integrations or compatibility	9	8	12	9	10	10	10	5	8	16
Not all merchants accept UPI payments	20	19	22	20	20	18	20	10	21	30
Network dependency	51	51	50	53	48	52	50	42	46	66
Had a negative experience with UPI transactions or the app	12	10	15	12	12	17	13	7	9	19
None of the above	31	30	33	28	35	34	35	41	29	22

Table 14: Challenges faced while using UPI by sub-groups

	All India	Gender		Age				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**5498**	**3661**	**1837**	**3255**	**2047**	**156**	**40**	**1977**	**1680**	**1841**
Poor internet or network issues during transactions	36	35	36	37	33	40	38	30	33	44
App crashes or technical glitches	15	15	15	15	15	21	13	12	11	22
Delay in payment confirmation or settlement	16	15	19	16	16	23	8	13	14	21
Fear of fraud or data theft	29	28	30	29	28	28	33	24	23	39
Complicated user interface or app design	8	7	9	8	8	11	8	5	5	13
Inability to reverse or resolve failed transactions	18	17	18	18	16	21	13	16	12	24
Lack of clear information about charges or fees	13	12	14	13	12	13	20	10	9	19
Not accepted by all merchants/ vendors	16	15	18	16	15	19	10	8	16	24
Transaction limits or restrictions	20	20	20	20	19	24	28	17	18	26
Difficulty in remembering PINs or passwords	14	12	16	13	15	16	23	9	10	21
Language barriers in terms of process understanding	9	8	11	8	9	17	3	6	6	14
Low trust in service providers or platforms	9	9	10	10	9	10	8	6	6	16
No challenges faced	36	35	38	34	39	37	30	44	36	27

Table 15: Downtime or service unavailability for UPI by sub-groups

	All India	Gender		Age				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**5498**	**3661**	**1837**	**3255**	**2047**	**156**	**40**	**1977**	**1680**	**1841**
No issues at all transactions go through smoothly-Never	45	44	47	44	46	50	63	50	49	36
Issues in 1-2 out of every 10 transactions-Rarely	47	48	46	48	47	39	35	44	39	59
Issues in 3-5 out of every 10 transactions-Sometimes	6	6	6	7	6	8	3	5	10	5
Issues in 6-8 out of every 10 transactions-Often	1	1	1	1	1	3	0	1	1	1
Issues in almost all transactions 9 or more out of 10-Always	0	0	0	0	0	0	0	0	0	0

Table 15A: Frequency of issues while doing UPI transactions by sub-groups

	All India	Gender		Age				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**5498**	**3661**	**1837**	**3255**	**2047**	**156**	**40**	**1977**	**1680**	**1841**
0% (Never)	48	47	48	47	48	51	65	50	51	42
1-20% (Occasionally)	44	45	41	45	42	40	33	43	39	50
21-50% (Sometimes	8	6	10	7	8	8	3	6	10	7
51-80% (Frequently)	1	1	1	0	1	0	0	1	1	1
81â€“100% (Almost always)	0	0	0	0	0	0	0	0	0	0

Table 16: User interface improvements for UPI by sub-groups

	All India	Gender		Age				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**5498**	**3661**	**1837**	**3255**	**2047**	**156**	**40**	**1977**	**1680**	**1841**
Simpler navigation	35	35	34	34	35	41	40	32	33	40
Clearer transaction history	33	32	34	33	32	41	40	32	28	39
Customizable language options	23	23	24	22	25	25	33	15	27	27
Enhanced accessibility features	26	26	26	26	26	29	28	26	22	29
Scheduled payments	36	35	37	36	35	34	38	35	32	40
International transfers	29	29	30	29	30	37	25	25	27	36
Split bill feature	24	23	24	23	25	31	20	22	22	28
Better fraud detection	38	38	37	39	36	36	45	37	38	39
Customizable spending alerts	22	21	23	21	23	24	23	16	22	28
Detailed spending analytics	21	20	22	21	20	28	13	16	19	27

Table 16.1: Mode of payment preference for groceries and daily essentialsw (foodgrains, vegetables, etc) by sub-groups

	All India	Gender		Age				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**5498**	**3661**	**1837**	**3255**	**2047**	**156**	**40**	**1977**	**1680**	**1841**
Cash	43	44	41	42	43	63	63	36	40	54
UPI	48	48	47	49	46	34	33	56	44	42
Credit Card	2	2	3	2	3	0	0	2	4	1
Net Banking	1	1	1	1	1	0	0	1	2	1
RuPay Debit Card	1	1	2	1	1	1	3	1	2	1
Wallet	2	1	2	2	1	2	3	2	2	1
Debit Card	1	1	1	1	2	1	0	1	2	1
RuPay Credit Card	2	2	2	1	3	0	0	1	4	0

Table 16.2: Mode of payment preference for transportation (bus, train, metro, auto, taxi, etc) by sub-groups

	All India	Gender		Age				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**5498**	**3661**	**1837**	**3255**	**2047**	**156**	**40**	**1977**	**1680**	**1841**
Cash	50	51	49	49	51	60	50	45	46	59
UPI	41	41	39	43	37	38	40	47	38	37
Credit Card	2	2	3	2	2	1	0	2	4	1
Net Banking	1	1	2	1	1	1	0	1	2	1
RuPay Debit Card	1	1	2	1	1	0	5	2	2	0
Wallet	2	1	3	2	2	0	0	2	2	1
Debit Card	1	1	1	1	1	0	3	1	1	1
RuPay Credit Card	2	2	2	2	2	0	3	1	5	0

Table 16.3: Mode of payment preference for Food & entertainment (food delivery, movies/events) by sub-groups

	All India	Gender		Age				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**5498**	**3661**	**1837**	**3255**	**2047**	**156**	**40**	**1977**	**1680**	**1841**
Cash	38	39	35	35	40	57	48	27	39	47
UPI	53	53	54	56	49	38	43	64	45	48
Credit Card	2	2	2	2	2	2	3	1	4	1
Net Banking	1	1	1	1	1	0	3	1	2	1
RuPay Debit Card	2	1	2	1	2	2	3	2	3	1
Wallet	1	1	2	2	1	0	3	2	2	1
Debit Card	1	1	2	1	2	0	0	2	2	1
RuPay Credit Card	2	2	2	2	3	1	0	1	4	0

Table 16.4: Mode of payment preference for subscriptions (OTT, music, apps) by sub-groups

	All India	Gender		Age				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**5498**	**3661**	**1837**	**3255**	**2047**	**156**	**40**	**1977**	**1680**	**1841**
Cash	29	29	28	27	30	35	58	21	29	37
UPI	62	63	60	64	59	62	38	70	55	58
Credit Card	2	2	2	2	2	0	0	2	3	1
Net Banking	1	1	1	1	1	1	0	1	2	1
RuPay Debit Card	2	2	2	2	2	1	5	2	3	1
Wallet	2	1	3	2	2	0	0	2	2	1
Debit Card	1	1	1	1	1	0	0	1	2	1
RuPay Credit Card	2	2	2	2	3	1	0	2	4	1

Table 16.5: Mode of payment preference for bill payments (electricity, water, gas, etc) by sub-groups

	All India	Gender		Age				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**5498**	**3661**	**1837**	**3255**	**2047**	**156**	**40**	**1977**	**1680**	**1841**
Cash	32	32	31	30	33	45	40	23	31	42
UPI	58	58	58	61	55	50	50	68	51	53
Credit Card	2	2	2	2	3	1	3	2	4	1
Net Banking	1	1	2	1	1	1	0	1	2	1
RuPay Debit Card	2	1	2	2	2	1	3	1	3	1
Wallet	2	1	2	1	2	0	5	2	2	1
Debit Card	1	1	1	1	2	1	0	2	2	1
RuPay Credit Card	2	2	2	1	3	2	0	1	5	0

Table 16.6: Mode of payment preference for health expenses (doctor visits, medicines, etc) by sub-groups

	All India	Gender		Age				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**5498**	**3661**	**1837**	**3255**	**2047**	**156**	**40**	**1977**	**1680**	**1841**
Cash	49	50	46	47	51	56	60	44	44	58
UPI	42	42	42	44	38	38	30	48	39	38
Credit Card	2	2	3	2	2	3	0	2	3	1
Net Banking	1	1	1	1	1	0	0	1	2	0
RuPay Debit Card	1	1	2	1	2	1	3	1	2	1
Wallet	2	1	2	2	1	1	0	1	2	1
Debit Card	2	2	2	2	2	1	8	2	2	1
RuPay Credit Card	2	2	2	1	3	0	0	1	4	0

Table 16.7: Mode of payment preference for travel (train tickets, hotels, domestic flights) by sub-groups

	All India	Gender		Age				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**5498**	**3661**	**1837**	**3255**	**2047**	**156**	**40**	**1977**	**1680**	**1841**
Cash	43	45	41	42	45	50	48	38	40	52
UPI	47	47	47	49	43	48	45	53	44	43
Credit Card	2	2	2	2	2	0	0	2	3	1
Net Banking	1	1	1	1	2	0	5	1	2	1
RuPay Debit Card	2	1	2	2	2	0	3	2	3	1
Wallet	2	1	2	2	2	0	0	2	3	1
Debit Card	1	1	1	1	2	1	0	1	2	1
RuPay Credit Card	2	2	2	2	3	1	0	1	4	0

Table 16.8: Mode of payment preference for education expenses (School / college Fees, etc) by sub-groups

	All India	Gender		Age				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**5498**	**3661**	**1837**	**3255**	**2047**	**156**	**40**	**1977**	**1680**	**1841**
Cash	47	48	46	46	49	53	65	39	46	58
UPI	43	43	43	45	39	45	28	53	37	38
Credit Card	2	2	2	2	2	1	0	2	3	1
Net Banking	1	1	2	1	1	0	0	1	2	1
RuPay Debit Card	2	1	2	2	2	0	5	1	3	1
Wallet	1	1	2	1	1	1	0	1	2	1
Debit Card	1	1	2	1	2	0	3	2	2	1
RuPay Credit Card	2	2	2	2	3	1	0	1	5	0

Table 16.9: Mode of payment preference for offline shopping (From Malls, Retail Shops, etc) by sub-groups

	All India	Gender		Age				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**5498**	**3661**	**1837**	**3255**	**2047**	**156**	**40**	**1977**	**1680**	**1841**
Cash	38	39	35	35	40	52	58	29	35	49
UPI	53	52	54	55	50	46	33	64	47	46
Credit Card	2	2	2	2	2	0	5	1	4	1
Net Banking	1	1	1	1	1	0	0	1	2	0
RuPay Debit Card	1	1	2	1	2	1	3	2	2	1
Wallet	2	1	2	2	1	1	0	1	3	1
Debit Card	1	1	1	1	2	1	0	1	2	1
RuPay Credit Card	2	2	2	2	3	1	3	1	5	0

Table 16.10: Mode of payment preference for online shopping (E-commerce platforms) by sub-groups

	All India	Gender		Age				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**5498**	**3661**	**1837**	**3255**	**2047**	**156**	**40**	**1977**	**1680**	**1841**
Cash	26	27	24	25	28	40	45	20	26	34
UPI	64	64	64	66	61	54	50	72	57	61
Credit Card	2	2	3	2	3	2	3	2	4	1
Net Banking	1	1	1	1	1	0	0	1	2	1
RuPay Debit Card	1	1	2	1	2	1	3	2	2	1
Wallet	1	1	2	1	1	0	0	1	2	1
Debit Card	2	1	2	1	2	2	0	1	3	1
RuPay Credit Card	2	2	2	2	3	1	0	1	4	0

Table 16.11: Mode of payment preference for govt. Services (taxes, fines, etc) by sub-groups

	All India	Gender		Age				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**5498**	**3661**	**1837**	**3255**	**2047**	**156**	**40**	**1977**	**1680**	**1841**
Cash	44	45	43	42	46	60	63	37	44	52
UPI	45	45	45	48	42	35	28	54	39	41
Credit Card	2	2	2	2	3	1	0	1	4	1
Net Banking	2	2	2	2	2	4	3	1	2	2
RuPay Debit Card	2	2	2	2	2	0	8	2	3	1
Wallet	2	1	2	2	2	0	0	1	2	1
Debit Card	1	1	2	2	2	0	0	2	2	1
RuPay Credit Card	2	2	2	2	2	1	0	1	5	0

Table 17: Change in number of digital payments as compared to last year by sub-groups

	All India	Gender		Age				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**5498**	**3661**	**1837**	**3255**	**2047**	**156**	**40**	**1977**	**1680**	**1841**
Increased	72	72	71	75	68	76	65	79	64	72
Decreased	11	12	10	10	12	7	8	6	16	12
No significant change	17	16	19	15	20	17	28	15	20	16

Table 18: Percentage change in digital payments as compared to last year by sub-groups

	All India	Gender		Age				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**4572**	**3081**	**1491**	**2777**	**1636**	**130**	**29**	**1678**	**1342**	**1552**
0-20%	24	26	20	24	25	28	14	22	24	27
21-40%	42	41	42	41	42	37	45	46	43	35
41-60%	24	22	27	24	24	19	38	23	23	25
61-80%	9	9	10	10	8	15	3	8	9	11
81-100%	1	1	1	1	2	1	0	1	1	2

Table 18.1: Impact on Cash transaction post using UPI by sub-groups

	All India	Gender		Age				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**5498**	**3661**	**1837**	**3255**	**2047**	**156**	**40**	**1977**	**1680**	**1841**
Increased	14	13	16	14	15	12	13	18	13	11
No Impact	27	26	28	26	28	33	25	21	32	27
Decreased	59	61	56	61	57	55	63	61	55	62

Table 18.2: Impact on ATM withdrawals post using UPI by sub-groups

	All India	Gender		Age				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**5498**	**3661**	**1837**	**3255**	**2047**	**156**	**40**	**1977**	**1680**	**1841**
Increased	11	9	13	10	11	10	13	10	11	10
No Impact	27	27	29	26	29	37	20	24	32	27
Decreased	62	64	58	64	60	53	68	65	57	63

Table 18.3: Impact on visits to bank post using UPI by sub-groups

	All India	Gender		Age				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**5498**	**3661**	**1837**	**3255**	**2047**	**156**	**40**	**1977**	**1680**	**1841**
Increased	9	8	11	9	8	10	15	9	9	9
No Impact	22	21	23	19	25	28	28	19	29	17
Decreased	69	71	65	72	67	62	58	72	63	73

Table 18.4: Impact on debit / credit card usage post using UPI by sub-groups

	All India	Gender		Age				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**5498**	**3661**	**1837**	**3255**	**2047**	**156**	**40**	**1977**	**1680**	**1841**
Increased	10	9	12	11	8	9	15	10	10	9
No Impact	30	28	35	28	33	37	28	27	37	29
Decreased	60	63	53	61	59	54	58	63	53	62

Table 18.5: Impact on RTGS/IMPS/NEFT transfers post using UPI by sub-groups

	All India	Gender		Age				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**5498**	**3661**	**1837**	**3255**	**2047**	**156**	**40**	**1977**	**1680**	**1841**
Increased	11	10	14	11	12	12	8	9	13	12
No Impact	31	29	35	30	33	29	43	31	36	27
Decreased	57	61	51	59	56	58	50	59	51	61

Table 18.6: Impact on demand drafts/cheque usage post using UPI by sub-groups

	All India	Gender		Age				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**5498**	**3661**	**1837**	**3255**	**2047**	**156**	**40**	**1977**	**1680**	**1841**
Increased	8	8	9	9	8	8	10	8	8	8
No Impact	30	28	33	28	32	34	28	29	36	25
Decreased	62	64	58	63	61	58	63	63	56	67

Table 19 Impact on expenditure post using digital payments by sub-groups

	All India	Gender		Age				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**5498**	**3661**	**1837**	**3255**	**2047**	**156**	**40**	**1977**	**1680**	**1841**
Spending more	56	55	58	59	53	56	48	60	51	57
Spending less	17	17	17	17	17	15	18	13	21	18
No change	22	23	20	21	23	22	28	21	25	20
Don't know	5	5	4	4	7	6	8	6	3	5

Table 19.1: Availability of UPI at the stores by sub-groups

	All India	Gender		Age				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**5498**	**3661**	**1837**	**3255**	**2047**	**156**	**40**	**1977**	**1680**	**1841**
Rarely (0-20%)	16	18	13	16	17	13	20	11	14	24
Sometimes (21-60%)	19	19	20	19	20	22	30	21	22	15
Often (61-80%)	27	27	26	26	28	31	28	28	30	24
Almost Always (81-100%)	37	35	40	39	34	33	23	40	34	37

Table 19.2: Availability of POS machines at the stores by sub-groups

	All India	Gender		Age				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**5498**	**3661**	**1837**	**3255**	**2047**	**156**	**40**	**1977**	**1680**	**1841**
Rarely (0-20%)	49	50	47	49	48	44	45	51	48	47
Sometimes (21-60%)	31	31	30	29	33	31	28	26	32	35
Often (61-80%)	16	15	17	16	15	21	18	16	16	15
Almost Always (81-100%)	5	4	6	5	4	4	10	7	4	3

Table 19.3: Preference of Cash at the stores by sub-groups

	All India	Gender		Age				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**5498**	**3661**	**1837**	**3255**	**2047**	**156**	**40**	**1977**	**1680**	**1841**
Rarely (0-20%)	14	14	14	15	12	8	3	21	11	9
Sometimes (21-60%)	26	26	27	26	26	28	30	28	24	28
Often (61-80%)	26	26	26	24	29	27	30	22	22	35
Almost Always (81-100%)	34	34	33	34	33	37	38	30	44	29

Table 20: For Low-value transactions (less than INR 1000), willingness to use other payment methods frequently in absence of UPI by sub-groups

	All India	Gender		Age				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**5498**	**3661**	**1837**	**3255**	**2047**	**156**	**40**	**1977**	**1680**	**1841**
yes	63	65	60	63	64	71	73	53	60	77
no	37	35	40	37	36	29	28	47	40	23

Table 20.1: For High-value transactions (more than INR 1000), willingness to use other payment methods frequently in absence of UPI by sub-groups

	All India	Gender		Age				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**5498**	**3661**	**1837**	**3255**	**2047**	**156**	**40**	**1977**	**1680**	**1841**
yes	46	49	40	47	45	46	53	41	44	54
no	54	51	60	53	55	54	48	59	56	46

Table 20.2: Alternatives used in absence of UPI by sub-groups

	All India	Gender		Age				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**4006**	**2747**	**1259**	**2338**	**1515**	**122**	**31**	**1161**	**1246**	**1599**
Net Banking (NEFT/IMPS)	9	7	13	9	9	4	10	6	12	8
Debit Card	6	6	5	6	5	6	3	5	9	4
Credit Card	2	2	3	2	2	2	0	2	4	1
RuPay Debit Card	5	5	5	4	5	4	3	4	9	2
RuPay Credit Card	3	2	3	3	3	3	0	4	5	1
Cash	76	78	70	76	75	80	84	79	62	84

Table 21: Awareness of different UPI features by sub-groups

	All India	Gender		Age				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**5498**	**3661**	**1837**	**3255**	**2047**	**156**	**40**	**1977**	**1680**	**1841**
RCC on UPI	35	35	35	33	37	37	43	28	30	47
UPI Credit Line	35	36	34	35	36	37	50	31	26	49
UPI Circle	36	37	35	35	38	42	45	31	31	47
123Pay	30	30	30	29	32	34	33	26	20	43
Interoperability	36	36	36	35	39	36	43	32	30	48
UPI Lite	38	40	35	38	38	38	48	33	28	53
UPI AutoPay	40	42	36	40	40	44	43	36	28	56
UPI Number	55	57	52	56	54	60	65	51	45	70
UPI IPO	31	32	30	30	33	37	40	26	22	46
UPI Help	43	45	39	44	41	40	45	40	31	57
Credit Line on UPI	34	35	34	33	36	37	50	29	24	49
RuPay Credit Card on UPI	39	40	36	39	39	41	48	34	31	51
eRUPI	31	31	30	30	33	36	43	24	23	46
UPI Auto top up	36	37	33	35	36	38	45	29	27	51
Hello! UPI	34	34	32	32	35	37	48	28	23	49

Table 22: Levels of familiarity for RCC on UPI by sub-groups

	All India	Gender		Age				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**1920**	**1277**	**643**	**1085**	**760**	**58**	**17**	**560**	**498**	**862**
Top 2 Box (Very Familiar + Familiar)	83	84	80	83	81	90	82	79	73	90
Very familiar	25	24	26	26	22	36	24	28	24	23
Familiar	58	59	55	57	59	53	59	51	49	68
Neutral	10	10	11	10	11	3	18	13	15	6
Unfamiliar	4	5	4	4	5	2	0	4	8	3
Very unfamiliar	3	2	4	3	3	5	0	4	4	1

Table 22.1: Levels of familiarity for UPI credit Line by sub-groups

	All India	Gender		Age				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**1950**	**1325**	**625**	**1139**	**734**	**57**	**20**	**608**	**435**	**907**
Top 2 Box (Very Familiar + Familiar)	81	81	81	81	80	89	80	80	70	87
Very familiar	19	18	23	19	19	25	25	23	25	15
Familiar	62	63	58	62	61	65	55	57	46	73
Neutral	11	11	12	11	12	5	15	14	16	8
Unfamiliar	5	5	4	5	5	2	0	4	8	4
Very unfamiliar	3	3	3	3	3	4	5	3	6	2

Table 22.2: Levels of familiarity for UPI circle by sub-groups

	All India	Gender		Age				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**2001**	**1363**	**638**	**1134**	**784**	**65**	**18**	**617**	**520**	**864**
Top 2 Box (Very Familiar + Familiar)	83	84	81	82	84	86	83	79	78	89
Very familiar	34	36	30	32	36	32	28	27	28	42
Familiar	49	48	51	50	48	54	56	51	51	47
Neutral	10	9	11	10	9	11	11	16	11	5
Unfamiliar	5	5	5	5	4	0	6	3	6	5
Very unfamiliar	3	2	3	3	2	3	0	3	5	1

Table 22.3: Levels of familiarity for 123 pay by sub-groups

	All India	Gender		Age				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**1652**	**1110**	**542**	**938**	**648**	**53**	**13**	**522**	**332**	**798**
Top 2 Box (Very Familiar + Familiar)	75	75	77	77	73	81	54	78	66	78
Very familiar	22	20	27	22	22	25	15	23	28	19
Familiar	53	55	50	55	51	57	38	55	39	58
Neutral	16	18	13	14	20	9	15	15	16	17
Unfamiliar	5	5	6	6	4	4	23	4	11	3
Very unfamiliar	3	3	4	3	3	6	8	3	7	2

Table 22.4: Levels of familiarity for interoperability by sub-groups

	All India	Gender		Age				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**2002**	**1336**	**666**	**1130**	**799**	**56**	**17**	**627**	**500**	**875**
Top 2 Box (Very Familiar + Familiar)	76	74	81	79	72	80	88	79	72	77
Very familiar	24	23	27	25	22	30	41	27	23	23
Familiar	52	51	54	54	50	50	47	52	49	54
Neutral	15	18	11	14	19	13	6	14	16	16
Unfamiliar	6	6	5	5	7	2	6	4	7	5
Very unfamiliar	2	2	3	3	2	5	0	3	4	1

Table 22.5: Levels of familiarity for UPI lite by sub-groups

	All India	Gender		Age				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**2097**	**1457**	**640**	**1243**	**775**	**60**	**19**	**648**	**476**	**973**
Top 2 Box (Very Familiar + Familiar)	80	80	79	81	78	85	58	80	72	84
Very familiar	26	26	26	27	23	32	21	28	28	23
Familiar	54	55	53	54	55	53	37	51	44	61
Neutral	13	13	12	11	16	5	16	15	14	11
Unfamiliar	5	4	6	5	5	7	16	4	8	4
Very unfamiliar	2	2	3	3	1	3	11	2	6	1

Table 22.6: Levels of familiarity for UPI AutoPay by sub-groups

	All India	Gender		Age				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**2206**	**1541**	**665**	**1299**	**822**	**68**	**17**	**719**	**464**	**1023**
Top 2 Box (Very Familiar + Familiar)	81	81	80	82	78	87	82	82	69	86
Very familiar	24	24	26	26	21	35	18	26	23	24
Familiar	57	58	54	56	57	51	65	56	45	62
Neutral	11	11	12	11	13	7	6	13	15	9
Unfamiliar	5	6	5	5	6	3	6	3	12	4
Very unfamiliar	2	2	3	2	3	3	6	2	5	1

Table 22.7: Levels of familiarity for UPI number by sub-groups

	All India	Gender		Age				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**3049**	**2089**	**960**	**1819**	**1111**	**93**	**26**	**1007**	**754**	**1288**
Top 2 Box (Very Familiar + Familiar)	86	87	84	87	85	85	73	88	76	91
Very familiar	38	40	35	39	39	26	15	40	32	41
Familiar	48	47	49	48	46	59	58	47	44	50
Neutral	9	8	9	8	10	10	19	9	14	5
Unfamiliar	3	3	4	3	3	2	8	2	6	3
Very unfamiliar	2	2	3	2	2	3	0	2	4	1

Table 22.8: Levels of familiarity for UPI IPO by sub-groups

	All India	Gender		Age				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**1717**	**1163**	**554**	**967**	**677**	**57**	**16**	**517**	**362**	**838**
Top 2 Box (Very Familiar + Familiar)	76	75	79	77	74	75	63	74	67	81
Very familiar	22	20	27	22	22	26	31	24	23	21
Familiar	54	55	52	55	53	49	31	50	45	60
Neutral	16	17	13	14	18	14	19	20	16	14
Unfamiliar	5	6	5	6	5	5	19	4	11	4
Very unfamiliar	3	2	3	3	2	5	0	3	6	1

Table 22.9: Levels of familiarity for UPI help by sub-groups

	All India	Gender		Age				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**2348**	**1638**	**710**	**1424**	**843**	**63**	**18**	**785**	**515**	**1048**
Top 2 Box (Very Familiar + Familiar)	79	80	76	82	75	81	78	82	67	83
Very familiar	24	25	24	27	20	16	22	30	23	21
Familiar	55	56	52	54	55	65	56	52	44	62
Neutral	13	12	14	10	17	8	22	14	15	11
Unfamiliar	5	5	5	5	5	5	0	2	12	4
Very unfamiliar	3	2	5	3	3	6	0	2	6	2

Table 22.10: Levels of familiarity for credit line on UPI by sub-groups

	All India	Gender		Age				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**1889**	**1271**	**618**	**1083**	**728**	**58**	**20**	**583**	**402**	**904**
Top 2 Box (Very Familiar + Familiar)	78	78	76	79	75	81	80	76	71	82
Very familiar	21	21	23	21	21	28	20	24	23	19
Familiar	56	58	53	58	54	53	60	52	48	63
Neutral	13	14	12	11	16	10	10	17	12	11
Unfamiliar	6	5	8	6	6	3	5	4	9	5
Very unfamiliar	3	3	4	4	3	5	5	3	8	2

Table 22.11: Levels of familiarity for RuPay credit on UPI by sub-groups

	All India	Gender		Age				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**2136**	**1472**	**664**	**1254**	**799**	**64**	**19**	**672**	**526**	**938**
Top 2 Box (Very Familiar + Familiar)	79	79	79	79	79	83	63	80	71	84
Very familiar	23	22	23	24	21	25	21	25	27	19
Familiar	56	57	55	56	58	58	42	55	44	64
Neutral	12	12	12	11	14	6	16	14	13	10
Unfamiliar	6	6	8	7	5	6	16	5	10	5
Very unfamiliar	3	3	2	3	2	5	5	2	6	1

Table 22.12: Levels of familiarity for eRUPI by sub-groups

	All India	Gender		Age				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**1703**	**1146**	**557**	**962**	**668**	**56**	**17**	**477**	**382**	**844**
Top 2 Box (Very Familiar + Familiar)	76	75	79	78	72	80	65	75	69	79
Very familiar	21	20	24	23	18	25	12	22	25	19
Familiar	55	55	55	55	55	55	53	53	44	61
Neutral	13	15	10	11	17	5	18	17	13	12
Unfamiliar	8	8	8	8	8	9	12	6	12	7
Very unfamiliar	3	3	3	3	3	5	6	2	6	2

Table 22.13: Levels of familiarity for UPI auto Top-up by sub-groups

	All India	Gender		Age				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**1958**	**1356**	**602**	**1142**	**739**	**59**	**18**	**579**	**448**	**931**
Top 2 Box (Very Familiar + Familiar)	77	77	77	79	75	78	67	76	65	84
Very familiar	23	22	24	23	21	29	11	25	26	19
Familiar	55	55	53	56	54	49	56	51	39	64
Neutral	13	14	11	12	16	14	17	17	14	11
Unfamiliar	6	6	7	6	6	3	11	4	14	3
Very unfamiliar	3	3	5	3	3	5	6	3	7	2

Table 22.14: Levels of familiarity for hello! UPI by sub-groups

	All India	Gender		Age				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**1842**	**1258**	**584**	**1050**	**715**	**58**	**19**	**560**	**388**	**894**
Top 2 Box (Very Familiar + Familiar)	80	80	79	82	77	78	58	79	69	85
Very familiar	22	20	26	23	20	29	21	24	24	20
Familiar	58	60	53	59	57	48	37	55	45	65
Neutral	12	12	11	9	15	12	16	14	13	10
Unfamiliar	6	5	7	6	6	7	16	5	12	4
Very unfamiliar	3	3	3	3	2	3	11	3	7	1

Table 23: Usage in last 3 months for different UPI features by sub-groups

	All India	Gender		Age				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**4064**	**2786**	**1278**	**2444**	**1468**	**120**	**32**	**1396**	**1097**	**1571**
RCC on UPI	22	19	27	21	22	28	22	20	23	23
UPI Credit Line	19	19	19	18	21	17	25	18	14	23
UPI Circle	24	24	23	21	27	34	25	19	22	29
123Pay	16	15	18	15	17	24	16	15	12	19
Interoperability	18	17	19	17	20	15	16	18	13	21
UPI Lite	20	19	22	19	20	26	19	16	16	26
UPI AutoPay	16	16	16	16	17	17	0	16	9	21
UPI Number	38	38	36	39	36	31	31	38	33	40
UPI IPO	8	7	9	8	8	7	0	6	5	11
UPI Help	13	14	12	14	12	10	6	13	8	17
Credit Line on UPI	7	5	9	6	7	11	3	6	5	8
RuPay Credit Card on UPI	10	9	11	10	10	14	3	7	11	12
eRUPI	5	4	6	4	5	4	0	4	4	6
UPI Auto top up	6	6	8	6	6	8	6	4	5	9
Hello! UPI	5	5	7	5	6	6	3	4	4	7

Table 24: Most preferred UPI feature by sub-groups

	All India	Gender		Age				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**4064**	**2786**	**1278**	**2444**	**1468**	**120**	**32**	**1396**	**1097**	**1571**
RCC on UPI	13	11	16	13	13	16	13	10	14	14
UPI Credit Line	7	7	5	7	6	6	13	7	6	7
UPI Circle	11	12	10	10	13	12	16	8	13	13
123Pay	5	5	4	5	5	8	16	6	4	4
Interoperability	7	7	8	7	8	4	3	9	6	7
UPI Lite	9	8	9	9	8	11	9	7	9	10
UPI AutoPay	6	6	4	6	6	5	0	7	5	6
UPI Number	28	29	25	28	27	20	25	31	24	27
UPI IPO	2	2	2	2	2	3	0	1	2	1
UPI Help	5	5	5	5	4	2	0	7	4	4
Credit Line on UPI	1	1	2	1	1	3	0	1	2	1
RuPay Credit Card on UPI	4	4	4	4	3	8	3	3	6	3
eRUPI	1	1	1	1	1	0	0	1	1	1
UPI Auto top up	2	1	2	1	1	3	3	1	2	1
Hello! UPI	2	2	2	1	2	1	0	1	2	2

Annexure II –

Consumers (RuPay Debit Card Users)

Table 1: Reasons for preferring RuPay card by sub-groups

	All India	Gender		Town Class				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**505**	**222**	**283**	**215**	**257**	**18**	**15**	**122**	**300**	**83**
Widely accepted in rural areas	29	36	23	29	27	33	47	24	22	59
Exclusive deals and cashback offers	24	23	24	22	23	33	47	20	21	40
More convenient	43	43	43	44	39	72	60	44	35	70
Familiarity	31	32	30	33	28	33	53	23	27	58
Secure transaction	45	48	43	44	45	44	67	44	39	71
Offline use (without internet)	25	28	23	25	23	33	53	20	21	49
No cash dependency	29	29	29	34	25	28	40	28	25	46
Seamless transactions	34	36	31	33	32	39	53	26	29	60

Table 2: Benefits of using digital payments by sub-groups

	All India	Gender		Town Class				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**1240**	**691**	**549**	**643**	**531**	**46**	**20**	**310**	**581**	**349**
It is convenient and easy to use	51	56	44	55	46	46	50	43	45	67
Quick payments	56	62	48	64	45	63	65	49	53	67
I can make transactions from anywhere (no need to be physically present)	35	38	32	42	27	39	35	29	26	56
I don't need to carry cash	56	60	51	59	51	63	50	59	50	63
Enhanced security	46	48	43	48	43	43	40	49	43	47
I get cashback, discounts, or reward points	24	25	22	26	22	26	20	32	21	23
I can easily track and manage my transactions	33	33	32	35	30	30	25	32	23	50
I get digital proof or confirmation of the transaction	27	27	27	28	26	30	30	29	17	42
It helps build my financial history or improve access to credit	18	18	19	21	15	17	20	21	14	24
More diverse payment options	26	27	23	29	23	17	15	22	25	31
Integration with more retailers and small shops now accept UPI QR	26	27	24	26	25	26	35	20	20	40
Customization options for notifications and alerts	20	22	17	23	14	26	30	19	17	25
Widespread use of digital payments improves the payment ecosystem	16	18	15	20	13	17	5	18	13	21
Accepting digital payments benefits both merchants and customers	23	23	23	25	20	28	15	21	17	35
Increased digital payment usage drives aggregate societal digitalization	17	19	15	20	15	13	15	15	13	27
Digital payment adoption boosts the national economy	20	21	18	22	16	24	20	19	15	29
Digital payments reduce financial inequality by increasing accessibility	15	17	13	16	14	15	20	17	13	17

Table 3: Triggers for using digital payments by sub-groups

	All India	Gender		Town Class				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**1240**	**691**	**549**	**643**	**531**	**46**	**20**	**310**	**581**	**349**
Better security features	42	43	42	42	41	59	40	49	33	51
More user-friendly interfaces	27	27	27	27	26	39	50	26	25	32
Improved internet access	37	40	33	39	34	41	40	39	29	49
Incentives like discounts or rewards	25	27	23	27	22	33	40	26	19	35
Clearer regulatory framework	23	27	19	25	21	11	60	19	19	34
Cashback	40	43	35	41	38	43	40	43	33	48
Reward Points	29	30	27	31	27	30	15	33	23	35
Interface in vernacular languages	23	24	21	23	22	28	20	17	23	27

Table 4: Mode of payment preference for Groceries and daily essentials (foodgrains, vegetables, etc) by sub-groups

	All India	Gender		Town Class				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**1240**	**691**	**549**	**643**	**531**	**46**	**20**	**310**	**581**	**349**
Cash	41	41	40	38	42	59	75	30	34	62
UPI	30	34	24	34	24	35	20	38	24	32
Credit Card	4	3	4	4	4	0	0	3	6	1
Net Banking	2	3	2	2	2	0	0	3	3	1
RuPay Debit Card	6	5	7	5	7	2	0	7	8	1
Wallet	4	3	5	4	4	2	0	6	5	1
Debit Card	5	5	5	5	7	2	5	5	7	3
RuPay Credit Card	9	6	12	9	10	0	0	7	14	0

Table 4.1: Mode of payment preference for transportation (bus, train, metro, auto, taxi, etc) by sub-groups

	All India	Gender		Town Class				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**1240**	**691**	**549**	**643**	**531**	**46**	**20**	**310**	**581**	**349**
Cash	46	46	46	42	48	67	80	38	39	64
UPI	25	30	20	31	19	28	15	31	19	31
Credit Card	4	4	3	4	4	0	0	4	5	2
Net Banking	2	2	1	2	2	0	0	2	3	1
RuPay Debit Card	6	5	7	5	8	0	5	8	8	1
Wallet	2	2	3	2	3	2	0	2	4	0
Debit Card	6	5	6	5	7	2	0	7	7	1
RuPay Credit Card	9	5	13	9	10	0	0	8	14	0

Table 4.2: Mode of payment preference for food & entertainment (food delivery, movies/events) by sub-groups

	All India	Gender		Town Class				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**1240**	**691**	**549**	**643**	**531**	**46**	**20**	**310**	**581**	**349**
Cash	37	36	38	29	42	67	80	23	32	56
UPI	34	39	27	42	25	26	15	43	26	38
Credit Card	4	4	4	4	4	0	5	5	5	1
Net Banking	2	2	2	2	1	2	0	3	2	1
RuPay Debit Card	6	4	7	4	8	2	0	6	8	1
Wallet	3	3	2	4	2	0	0	2	5	1
Debit Card	7	5	8	5	9	2	0	9	8	2
RuPay Credit Card	9	7	12	9	9	0	0	9	14	0

Table 4.3: Mode of payment preference for subscriptions (OTT, music, apps) by sub-groups

	All India	Gender		Town Class				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**1240**	**691**	**549**	**643**	**531**	**46**	**20**	**310**	**581**	**349**
Cash	32	30	35	28	35	46	65	19	27	54
UPI	37	42	30	42	30	46	20	48	30	38
Credit Card	3	4	3	3	3	2	0	3	5	1
Net Banking	2	3	1	2	2	0	0	2	3	1
RuPay Debit Card	5	5	6	4	8	2	5	6	8	1
Wallet	4	3	5	5	3	0	0	5	5	1
Debit Card	7	7	7	5	9	2	10	10	8	3
RuPay Credit Card	9	7	12	10	9	2	0	9	14	1

Table 4.4: Mode of payment preference for bill payments (electricity, water, gas, etc) by sub-groups

	All India	Gender		Town Class				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**1240**	**691**	**549**	**643**	**531**	**46**	**20**	**310**	**581**	**349**
Cash	34	30	38	28	38	50	70	21	29	53
UPI	36	43	28	42	29	35	20	46	28	41
Credit Card	4	4	4	4	4	4	5	5	5	1
Net Banking	2	2	2	2	2	0	0	3	2	1
RuPay Debit Card	6	6	7	6	8	2	0	9	8	2
Wallet	3	2	3	3	3	0	0	3	4	1
Debit Card	7	7	7	7	8	7	5	8	10	2
RuPay Credit Card	8	5	11	8	8	2	0	6	14	0

Table 4.5: Mode of payment preference for health expenses (doctor visits, medicines, etc) by sub-groups

	All India	Gender		Town Class				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**1240**	**691**	**549**	**643**	**531**	**46**	**20**	**310**	**581**	**349**
Cash	44	44	44	40	46	63	75	32	38	65
UPI	26	30	20	31	19	26	15	35	20	27
Credit Card	3	3	4	3	4	4	0	4	4	1
Net Banking	3	3	2	4	2	0	0	3	4	1
RuPay Debit Card	5	5	6	5	7	2	0	7	7	1
Wallet	4	2	5	4	3	2	0	4	5	1
Debit Card	7	7	7	5	9	2	10	7	8	4
RuPay Credit Card	9	6	12	8	10	0	0	8	13	1

Table 4.6: Mode of payment preference for travel (train tickets, hotels, domestic flights) by sub-groups

	All India	Gender		Town Class				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**1240**	**691**	**549**	**643**	**531**	**46**	**20**	**310**	**581**	**349**
Cash	41	40	42	36	44	57	75	28	34	62
UPI	29	34	22	34	23	37	20	38	22	32
Credit Card	4	3	5	5	3	0	0	5	5	1
Net Banking	3	4	2	2	3	0	0	4	3	1
RuPay Debit Card	6	5	7	6	6	0	5	6	8	1
Wallet	3	3	3	4	3	0	0	4	4	1
Debit Card	6	5	6	5	8	7	0	7	8	2
RuPay Credit Card	9	6	13	9	10	0	0	7	15	0

Table 4.7: Mode of payment preference for education expenses (School / college Fees, etc) by sub-groups

	All India	Gender		Town Class				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**1240**	**691**	**549**	**643**	**531**	**46**	**20**	**310**	**581**	**349**
Cash	44	44	44	39	48	59	60	27	38	68
UPI	25	30	20	33	17	28	0	39	20	22
Credit Card	3	2	4	3	3	0	0	3	4	1
Net Banking	3	3	2	3	2	0	0	3	3	1
RuPay Debit Card	6	5	6	5	6	4	25	6	7	3
Wallet	3	3	3	3	3	0	0	3	5	0
Debit Card	7	7	8	5	10	4	15	9	8	4
RuPay Credit Card	9	6	13	8	11	4	0	9	15	0

Table 4.8: Mode of payment preference for offline shopping (From malls, retail shops, etc) by sub-groups

	All India	Gender		Town Class				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**1240**	**691**	**549**	**643**	**531**	**46**	**20**	**310**	**581**	**349**
Cash	37	34	41	33	40	50	55	28	31	54
UPI	32	37	26	37	26	39	25	41	24	39
Credit Card	4	4	4	4	4	4	5	4	6	1
Net Banking	2	3	2	3	2	0	0	4	3	1
RuPay Debit Card	5	5	6	4	7	4	0	4	9	1
Wallet	3	3	4	4	3	0	0	3	5	0
Debit Card	7	8	7	7	8	0	15	9	9	3
RuPay Credit Card	8	6	11	9	9	2	0	7	14	1

Table 4.9: Mode of payment preference for online shopping (E-commerce platforms) by sub-groups

	All India	Gender		Town Class				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**1240**	**691**	**549**	**643**	**531**	**46**	**20**	**310**	**581**	**349**
Cash	29	26	32	24	33	41	65	19	28	39
UPI	40	46	31	47	31	48	20	49	26	54
Credit Card	4	5	4	5	4	2	5	4	7	1
Net Banking	2	2	2	2	3	0	0	3	3	1
RuPay Debit Card	6	5	7	7	6	2	0	8	8	1
Wallet	2	2	3	2	3	0	0	3	3	1
Debit Card	8	7	8	6	9	7	10	9	10	3
RuPay Credit Card	8	6	12	8	10	0	0	5	15	1

Table 4.10: Mode of payment preference for govt. services (taxes, fines, etc) by sub-groups

	All India	Gender		Town Class				Town Class		
		Male	Female	18-30 Years	31-50 Years	51-60 Years	60+ Years	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**1240**	**691**	**549**	**643**	**531**	**46**	**20**	**310**	**581**	**349**
Cash	44	42	45	40	44	72	85	31	37	66
UPI	26	31	20	31	21	22	5	35	19	29
Credit Card	3	4	3	4	4	0	0	4	4	1
Net Banking	3	3	3	4	2	0	0	4	3	1
RuPay Debit Card	6	6	7	5	8	2	10	7	9	0
Wallet	3	2	3	3	2	2	0	3	4	1
Debit Card	7	6	7	5	8	2	0	8	8	3
RuPay Credit Card	9	6	12	9	10	0	0	7	15	0

Annexure III –

Service Providers

Table 1: User interface improvements for UPI by sub-groups

	All India	Role in Digital Payment					Town Class		
		Fintech employee	Payment aggregator	Bank employee	Onboarding UPI Customer	UPI Grievances Redressal dept	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**2012**	**273**	**699**	**498**	**236**	**306**	**1309**	**278**	**425**
Simpler navigation	46	41	47	44	55	43	46	52	40
Clearer transaction history	39	45	42	33	44	36	44	35	29
Customizable language options	37	36	37	31	41	45	40	42	24
Enhanced accessibility features	38	37	39	36	39	40	41	41	28
Scheduled payments	41	33	44	38	41	45	43	47	30
International transfers	43	34	47	39	48	46	47	48	29
Split bill feature	37	32	39	35	39	40	38	44	30
Better fraud detection	49	48	50	44	53	51	52	53	36
Customizable spending alerts	36	34	38	34	36	38	39	38	28
Detailed spending analytics	37	35	38	34	41	40	39	46	24

Table 2: Methods to educate consumer about UPI by sub-groups

	All India (Service Provider)	Role in Digital Payment					Town Class		
		Fintech employee	Payment aggregator	Bank employee	Onboarding UPI Customer	UPI Grievances Redressal department	Tier 1+2	Tier 3+4	Tier 5+6
Base:All Respondent	**2012**	**273**	**699**	**498**	**236**	**306**	**1309**	**278**	**425**
In-person training	47	50	60	41	37	32	44	62	45
WhatsApp tutorials	53	44	51	48	60	67	56	59	39
Posters or leaflets	32	29	35	32	39	26	32	33	33
Voice calls	59	48	54	53	74	80	61	77	42
Online training/webinars	35	36	33	36	46	32	39	40	23
On-ground activities (seminars, awareness camps, booths)	42	39	40	46	53	38	45	51	30
Social media campaigns	44	39	41	39	61	47	48	49	28
SMS/email alerts	26	22	20	20	34	49	30	25	14

Annexure IV –

Merchants

Table 1: Card network wise usage

	Merchant Classification						Town Class		
	All India	Micro Merchants	Very Small Merchants	Small Merchants	Midsized Merchants	Large Merchants	Tier 1+2	Tier 3+4	Tier 5+6
Base:ASK IF CODED 5 or 8 in Q14	**406**	**81**	**238**	**72**	**10**	**5**	**130**	**145**	**131**
ICS 1	26	20	30	17	50	0	21	32	24
ICS 2	15	10	18	8	10	40	19	10	15
RuPay	58	70	50	74	40	60	59	54	62
ICS 3 (Amex)	1	0	2	1	0	0	1	3	0
Diners Club	0	0	0	0	0	0	0	0	0
Other (Please specify)	0	0	0	0	0	0	0	0	0
Sigma	100	100	100	100	100	100	100	100	100

Table 2: Preferred mode of transaction

	Merchant Classification						Town Class		
	All India	Micro Merchants	Very Small Merchants	Small Merchants	Midsized Merchants	Large Merchants	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**2199**	**568**	**1265**	**317**	**40**	**9**	**790**	**644**	**765**
Cash	35	42	36	22	13	11	30	34	40
Cheque	1	0	2	1	5	0	0	2	1
Demand Draft (DD)	0	0	0	0	0	0	0	0	0
UPI (e.g., PhonePe, Google Pay, BHIM)	60	55	58	73	65	89	65	57	56
Debit Card	1	1	1	1	3	0	1	1	0
RuPay Debit Card	1	0	0	1	5	0	1	1	0
Digital Wallets (e.g., Paytm, Amazon Pay, Mobikwik)	1	1	1	0	0	0	1	1	1
Credit Card	0	0	0	0	0	0	0	0	0
Prepaid Card (e.g., gift card, metro card, Sodexo etc.)	0	0	0	0	0	0	0	0	0
Buy Now Pay Later (BNPL) (e.g., LazyPay, Simpl)	0	0	0	0	0	0	0	0	0
Internet Banking (NEFT/IMPS/RTGS)	1	0	1	1	10	0	0	2	0
Mobile Banking (bank apps)	1	0	1	1	0	0	1	1	0
Aadhaar Enabled Payment System (AePS)	0	0	0	0	0	0	0	0	0
E-Rupee (Digital Rupee/CBDC - Central Bank Digital Currency)	0	0	0	0	0	0	0	0	0
Cryptocurrency (e.g., Bitcoin)	0	0	0	0	0	0	0	0	0
Contactless Payments (Near field communication/ tap-to-pay)	0	0	0	0	0	0	0	0	0
RuPay Credit Card	0	0	0	0	0	0	0	0	0

Table 3: Reasons for RuPay as preferred mode of payment

	Merchant Classification						Town Class		
	All India	Micro Merchants	Very Small Merchants	Small Merchants	Midsized Merchants	Large Merchants	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**154**	**44**	**67**	**40**	**3**	**0**	**57**	**65**	**32**
Widely accepted in rural areas	29	32	24	38	0	0	26	25	44
Exclusive deals and cashback offers	24	27	24	20	33	0	30	20	22
More convenient	52	55	54	50	0	0	53	45	66
Familiarity	34	27	37	40	0	0	28	34	47
Secure transaction	59	64	72	35	33	0	56	62	59
Offline use (without internet)	30	36	30	23	33	0	25	23	53
No cash dependency	30	30	33	28	0	0	35	29	22
Seamless transactions	34	34	34	35	0	0	30	34	41
Others Please specify	0	0	0	0	0	0	0	0	0

Table 4: Reasons for UPI as preferred mode of payment

	Merchant Classification						Town Class		
	All India	Micro Merchants	Very Small Merchants	Small Merchants	Midsized Merchants	Large Merchants	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**2045**	**524**	**1198**	**277**	**37**	**9**	**733**	**579**	**733**
Ease of use	61	59	61	65	51	78	58	68	59
Instant transfer	59	45	64	60	59	78	64	53	58
Convenient 24/7 accessibility	48	44	49	53	57	78	39	49	58
Offers/discounts	27	23	27	32	43	33	23	31	28
No transaction costs/charges	32	25	32	42	49	22	26	34	36
Secure transactions	52	41	55	54	65	89	50	53	52
No need to carry physical card	38	27	40	46	54	44	32	42	41
Multiple bank account linking	34	21	36	42	62	56	26	37	38
Others (Please specify)	0	0	0	0	0	0	0	0	0

Table 5: Most used digital payments, either for receiving or making payment

	Merchant Classification						Town Class		
	All India	Micro Merchants	Very Small Merchants	Small Merchants	Midsized Merchants	Large Merchants	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**2199**	**568**	**1265**	**317**	**40**	**9**	**790**	**644**	**765**
Daily (Multiple times a day)	80	78	80	83	98	100	86	70	84
Weekly (A few times a week)	13	14	14	12	3	0	11	18	12
Monthly (A few times a month)	4	4	5	4	0	0	2	10	2
Occasionally (Once in a few months)	2	2	2	0	0	0	1	2	2
Rarely/Never (Almost no digital payments)	1	1	0	1	0	0	0	1	1

Table 6: Benefits of using digital payments

	Merchant Classification						Town Class		
	All India	Micro Merchants	Very Small Merchants	Small Merchants	Midsized Merchants	Large Merchants	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**2199**	**568**	**1265**	**317**	**40**	**9**	**790**	**644**	**765**
It is convenient and easy to use	46	41	50	41	30	67	43	43	53
Quick payments	68	68	70	58	70	100	69	64	70
I can make transactions from anywhere	33	26	37	27	25	44	29	34	35
I dont need to carry cash	48	41	51	49	40	56	50	52	42
Enhanced security	43	38	45	46	55	56	40	43	47
I get cashback, discounts, or reward points	19	14	21	21	20	33	22	17	18
I can easily track and manage my transactions	28	17	33	28	33	33	27	25	33
I get digital proof or confirmation of the transaction	21	14	23	22	25	44	22	16	23
It helps build financial history	13	11	14	15	23	11	12	14	14
More diverse payment options	18	14	18	24	23	33	16	17	21
Integration with more retailers/small shops now accept QR	17	11	19	20	15	22	14	18	21
Customization options for notifications and alerts	14	10	16	12	15	22	10	13	19
Customer demand and preference	38	37	39	36	43	44	36	35	44
Required for business growth and expansion	25	18	28	25	20	44	26	24	25
Tax benefits (easier GST tracking with digital records)	11	6	12	13	15	22	8	12	12
Access to credit	13	10	12	17	25	22	12	13	12
Widespread use of digital payments improves the payment ecosystem	14	11	16	16	5	22	14	14	16
Accepting digital payments benefits both merchants and customers	19	12	22	20	25	11	16	20	22
Increased digital payment usage drives aggregate societal digitalization	16	12	17	19	15	22	14	15	19
Digital payment adoption boosts the national economy	16	10	19	16	8	33	14	15	21
Digital payments reduce financial inequality by increasing accessibility	11	9	12	13	15	22	12	10	12
Others (Please specify)	0	0	0	0	0	0	0	0	0

Table 7: Challenges in promoting digital literacy

	Merchant Classification						Town Class		
	All India	Micro Merchants	Very Small Merchants	Small Merchants	Midsized Merchants	Large Merchants	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**2199**	**568**	**1265**	**317**	**40**	**9**	**790**	**644**	**765**
Lack of understanding of digital tools	27	21	27	36	43	11	22	27	33
Limited internet access	38	35	38	41	35	56	36	36	41
Fear of cyber threats	47	51	45	49	35	56	43	54	45
High costs of technology	34	27	36	37	38	33	33	32	36
Lack of confidence in using technology	27	21	27	36	40	44	23	25	32
Resistance to technology adoption	26	18	27	33	33	11	20	28	29

Table 8: Rate factors with regards to UPI-Acceptance of UPI across merchants and service providers

	Merchant Classification						Town Class		
	All India	Micro Merchants	Very Small Merchants	Small Merchants	Midsized Merchants	Large Merchants	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**2199**	**568**	**1265**	**317**	**40**	**9**	**790**	**644**	**765**
Very Poor	2	6	1	2	0	0	1	5	2
Poor	5	4	6	3	0	0	9	3	3
Average	17	20	17	11	18	11	13	20	19
Good	46	43	48	44	40	78	50	40	47
Excellent	30	28	27	41	43	11	27	32	30

Table 9: Rate factors with regards to UPI-Accessibility
[the ease with which you can access UPI through your preferred device(s)

	Merchant Classification						Town Class		
	All India	Micro Merchants	Very Small Merchants	Small Merchants	Midsized Merchants	Large Merchants	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**2199**	**568**	**1265**	**317**	**40**	**9**	**790**	**644**	**765**
Very Poor	2	5	1	1	0	0	1	5	1
Poor	5	4	6	3	0	0	8	4	3
Average	18	21	18	11	20	22	14	21	21
Good	46	42	49	45	35	67	52	38	47
Excellent	28	27	25	40	45	11	25	33	28

Table 10: Rate factors with regards to UPI-Affordability (cost-effectiveness of using UPI for transactions)

	Merchant Classification						Town Class		
	All India	Micro Merchants	Very Small Merchants	Small Merchants	Midsized Merchants	Large Merchants	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**2199**	**568**	**1265**	**317**	**40**	**9**	**790**	**644**	**765**
Very Poor	2	5	2	1	0	0	2	4	2
Poor	6	6	7	3	3	11	8	6	4
Average	17	20	17	12	8	33	14	20	19
Good	46	42	49	42	38	33	52	38	46
Excellent	29	28	25	42	53	22	24	33	30

Table 10A: Rate factors with regards to UPI-Integration with several banks

	Merchant Classification						Town Class		
	All India	Micro Merchants	Very Small Merchants	Small Merchants	Midsized Merchants	Large Merchants	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**2199**	**568**	**1265**	**317**	**40**	**9**	**790**	**644**	**765**
Very Poor	2	5	2	1	0	0	2	4	1
Poor	5	5	6	2	0	0	7	4	4
Average	14	14	15	11	8	11	11	17	15
Good	47	42	50	45	45	33	51	41	48
Excellent	32	35	27	40	48	56	29	34	32

Table 11: Rate factors with regards to UPI-Scheduled bill payments/ Auto-payments

	Merchant Classification						Town Class		
	All India	Micro Merchants	Very Small Merchants	Small Merchants	Midsized Merchants	Large Merchants	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**2199**	**568**	**1265**	**317**	**40**	**9**	**790**	**644**	**765**
Very Poor	3	5	2	2	3	11	2	5	2
Poor	6	5	7	3	0	0	8	5	3
Average	16	20	16	11	8	11	14	19	16
Good	46	43	48	42	35	56	51	37	47
Excellent	30	27	27	43	55	22	25	34	31

Table 12: Rate factors with regards to UPI-Faster payments

	Merchant Classification						Town Class		
	All India	Micro Merchants	Very Small Merchants	Small Merchants	Midsized Merchants	Large Merchants	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**2199**	**568**	**1265**	**317**	**40**	**9**	**790**	**644**	**765**
Very Poor	2	4	1	1	0	0	1	3	1
Poor	5	5	6	3	0	0	8	5	2
Average	12	12	13	11	5	11	9	15	13
Good	45	44	47	40	50	56	50	40	44
Excellent	36	35	33	44	45	33	31	37	39

Table 13: Rate factors with regards to UPI-Ease of tracking payments

	Merchant Classification						Town Class		
	All India	Micro Merchants	Very Small Merchants	Small Merchants	Midsized Merchants	Large Merchants	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**2199**	**568**	**1265**	**317**	**40**	**9**	**790**	**644**	**765**
Very Poor	2	5	2	1	0	0	1	4	2
Poor	5	5	6	3	0	0	8	5	3
Average	15	17	15	11	5	22	12	20	14
Good	46	44	48	40	45	56	50	36	50
Excellent	31	28	29	46	50	22	29	35	32

Table 14: Rate the below factors with regards to UPI-Compatibility with smart phone

	Merchant Classification						Town Class		
	All India	Micro Merchants	Very Small Merchants	Small Merchants	Midsized Merchants	Large Merchants	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**2199**	**568**	**1265**	**317**	**40**	**9**	**790**	**644**	**765**
Very Poor	2	5	1	1	0	11	1	4	2
Poor	5	4	6	2	0	0	8	4	2
Average	13	13	14	11	3	33	11	16	13
Good	48	46	50	46	53	56	52	39	52
Excellent	32	32	29	41	45	0	28	37	31

Table 15: Rate the below factors with regards to UPI-Split expenses feature

	Merchant Classification						Town Class		
	All India	Micro Merchants	Very Small Merchants	Small Merchants	Midsized Merchants	Large Merchants	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**2199**	**568**	**1265**	**317**	**40**	**9**	**790**	**644**	**765**
Very Poor	3	6	2	2	0	0	2	4	2
Poor	5	4	6	4	0	0	8	5	3
Average	19	20	20	15	8	22	15	23	19
Good	45	43	47	40	43	67	46	40	48
Excellent	28	27	24	40	50	11	28	28	27

Table 16: Rate the below factors with regards to UPI-Trustworthy payment mode

	Merchant Classification						Town Class		
	All India	Micro Merchants	Very Small Merchants	Small Merchants	Midsized Merchants	Large Merchants	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**2199**	**568**	**1265**	**317**	**40**	**9**	**790**	**644**	**765**
Very Poor	2	5	1	1	0	0	1	4	2
Poor	4	3	6	1	3	11	8	2	3
Average	15	16	16	11	13	11	12	19	15
Good	47	43	49	43	38	67	49	39	51
Excellent	31	33	27	44	48	11	31	35	29

Table 17: Confidence in using digital payments due to UPI or card transactions (debit and credit)

	Merchant Classification						Town Class		
	All India	Micro Merchants	Very Small Merchants	Small Merchants	Midsized Merchants	Large Merchants	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**2199**	**568**	**1265**	**317**	**40**	**9**	**790**	**644**	**765**
Much more confident	64	67	61	72	73	56	67	71	56
Slightly more confident	23	20	26	19	18	22	20	19	30
No Change	9	9	9	8	8	22	10	7	9
Less confident	4	5	4	1	3	0	3	3	5

Table 18: Experience downtime or service unavailability with UPI

	Merchant Classification						Town Class		
	All India	Micro Merchants	Very Small Merchants	Small Merchants	Midsized Merchants	Large Merchants	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**2199**	**568**	**1265**	**317**	**40**	**9**	**790**	**644**	**765**
No issues at all transactions go through smoothly-Never	41	49	38	41	48	44	42	48	36
Issues in 1-2 out of every 10 transactions-Rarely	49	43	52	48	38	33	49	38	58
Issues in 3-5 out of every 10 transactions-Sometimes	8	5	9	10	10	11	7	12	5
Issues in 6-8 out of every 10 transactions-Often	1	1	1	1	3	11	1	2	1
Issues in almost all transactions 9 or more out of 10-Always	1	1	1	0	3	0	0	1	1

Table 19: Experience issues where a transaction fails or a payment is deducted but not received by the recipient when using UPI

	Merchant Classification						Town Class		
	All India	Micro Merchants	Very Small Merchants	Small Merchants	Midsized Merchants	Large Merchants	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**2199**	**568**	**1265**	**317**	**40**	**9**	**790**	**644**	**765**
0% (Never)	45	57	41	38	65	33	46	50	41
1-20% (Occasionally)	44	37	48	44	25	44	44	35	51
21-50% (Sometimes)	9	5	10	12	8	11	8	12	6
51-80% (Frequently)	2	2	1	5	3	11	2	2	2
81-100% (Almost always)	0	0	0	0	0	0	0	0	0

Table 20: Increase in the number of transactions from last year

	Merchant Classification						Town Class		
	All India	Micro Merchants	Very Small Merchants	Small Merchants	Midsized Merchants	Large Merchants	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**2199**	**568**	**1265**	**317**	**40**	**9**	**790**	**644**	**765**
Increased	78	77	79	77	75	100	79	74	81
Decreased	7	7	6	14	18	0	5	11	7
No significant change	14	16	15	9	8	0	16	15	12

Table 59: Increase in the number of transactions from last year (in%)

	Merchant Classification						Town Class		
	All India	Micro Merchants	Very Small Merchants	Small Merchants	Midsized Merchants	Large Merchants	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**1884**	**478**	**1071**	**289**	**37**	**9**	**660**	**548**	**676**
0-20%	26	43	22	17	22	0	27	26	27
21-40%	38	31	42	31	49	67	42	35	36
41-60%	24	16	25	36	22	0	20	27	26
61-80%	10	9	10	14	8	33	10	11	10
81-100%	1	1	1	2	0	0	2	1	1

Table 21: Impact on Cash transaction post using UPI by sub-groups

	Merchant Classification						Town Class		
	All India	Micro Merchants	Very Small Merchants	Small Merchants	Midsized Merchants	Large Merchants	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**2199**	**568**	**1265**	**317**	**40**	**9**	**790**	**644**	**765**
Increased	18	19	19	17	8	11	18	20	17
No Impact	25	24	22	32	48	11	24	25	25
Decreased	57	57	59	50	45	78	58	55	57

Table 22: Impact on ATM withdrawals post using UPI by sub-groups

	Merchant Classification						Town Class		
	All India	Micro Merchants	Very Small Merchants	Small Merchants	Midsized Merchants	Large Merchants	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**2199**	**568**	**1265**	**317**	**40**	**9**	**790**	**644**	**765**
Increased	14	17	13	14	10	0	11	17	14
No Impact	25	28	22	34	40	22	25	23	28
Decreased	61	56	66	52	50	78	64	60	58

Table 23: Impact on Visits to Bank post using UPI by sub-groups

	Merchant Classification						Town Class		
	All India	Micro Merchants	Very Small Merchants	Small Merchants	Midsized Merchants	Large Merchants	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**2199**	**568**	**1265**	**317**	**40**	**9**	**790**	**644**	**765**
Increased	12	14	12	12	10	0	10	15	13
No Impact	22	25	19	25	38	33	20	23	23
Decreased	66	61	69	64	53	67	70	63	64

Table 24: Impact on debit / credit card usage post using UPI by sub-groups

	Merchant Classification						Town Class		
	All India	Micro Merchants	Very Small Merchants	Small Merchants	Midsized Merchants	Large Merchants	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**2199**	**568**	**1265**	**317**	**40**	**9**	**790**	**644**	**765**
Increased	14	16	12	16	0	22	12	15	14
No Impact	28	29	26	32	50	11	26	30	29
Decreased	58	55	62	52	50	67	62	55	58

Table 24A: Impact on RTGS/IMPS/NEFT transfers post using UPI by sub-groups

	Merchant Classification						Town Class		
	All India	Micro Merchants	Very Small Merchants	Small Merchants	Midsized Merchants	Large Merchants	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**2199**	**568**	**1265**	**317**	**40**	**9**	**790**	**644**	**765**
Increased	13	13	12	17	20	22	10	17	13
No Impact	30	30	29	32	43	44	33	28	28
Decreased	57	56	59	51	38	33	57	55	59

Table 25: Impact on demand drafts/cheque usage post using UPI by sub-groups

	Merchant Classification						Town Class		
	All India	Micro Merchants	Very Small Merchants	Small Merchants	Midsized Merchants	Large Merchants	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**2199**	**568**	**1265**	**317**	**40**	**9**	**790**	**644**	**765**
Increased	12	11	11	15	8	22	10	13	13
No Impact	29	30	27	32	50	33	30	30	27
Decreased	59	58	62	53	43	44	60	57	61

Table 26: Spending through digital payments

	Merchant Classification						Town Class		
	All India	Micro Merchants	Very Small Merchants	Small Merchants	Midsized Merchants	Large Merchants	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**2199**	**568**	**1265**	**317**	**40**	**9**	**790**	**644**	**765**
Spending more	59	58	59	59	48	67	60	62	54
Spending less	16	14	16	18	33	0	15	15	18
No change	22	25	23	18	15	33	21	22	24
Don't know	3	4	2	4	5	0	4	1	4

Table 27: Using the POS machine to accept payments

	Merchant Classification						Town Class		
	All India	Micro Merchants	Very Small Merchants	Small Merchants	Midsized Merchants	Large Merchants	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**2199**	**568**	**1265**	**317**	**40**	**9**	**790**	**644**	**765**
Yes	36	41	34	36	43	33	37	31	39
No	64	59	66	64	58	67	63	69	61

Table 28: Adoption of digital payments influenced the way business operates

	Merchant Classification						Town Class		
	All India	Micro Merchants	Very Small Merchants	Small Merchants	Midsized Merchants	Large Merchants	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**2199**	**568**	**1265**	**317**	**40**	**9**	**790**	**644**	**765**
Enhanced efficiency	37	29	39	44	48	56	37	39	36
Sales has increased	57	58	58	53	60	78	61	58	52
Decreased reliance on cash handling	30	25	30	41	48	33	23	37	33
Simplified operational processes	28	25	26	36	48	22	17	34	33
No noticeable effect	10	9	11	8	13	0	11	7	12

Table 29: Transaction ranges customers typically use - UPI

	Merchant Classification						Town Class		
	All India	Micro Merchants	Very Small Merchants	Small Merchants	Midsized Merchants	Large Merchants	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**2199**	**568**	**1265**	**317**	**40**	**9**	**790**	**644**	**765**
Small (<₹500)	41	51	38	37	20	44	34	42	48
Medium (₹500-₹2000)	27	22	31	21	18	44	32	30	20
Large (>₹2000)	32	27	31	42	63	11	35	28	32

Table 30: Transaction ranges customers typically use - Card (Debit/ Credit)

	Merchant Classification						Town Class		
	All India	Micro Merchants	Very Small Merchants	Small Merchants	Midsized Merchants	Large Merchants	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**2199**	**568**	**1265**	**317**	**40**	**9**	**790**	**644**	**765**
Small (<₹500)	34	34	34	32	25	22	38	31	31
Medium (₹500-₹2000)	41	42	40	45	65	33	30	41	53
Large (>₹2000)	25	24	26	22	10	44	31	28	16

Table 31: Transaction ranges customers typically use - Cash

	Merchant Classification						Town Class		
	All India	Micro Merchants	Very Small Merchants	Small Merchants	Midsized Merchants	Large Merchants	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**2199**	**568**	**1265**	**317**	**40**	**9**	**790**	**644**	**765**
Small (<₹500)	36	37	38	31	28	67	43	38	28
Medium (₹500-₹2000)	34	30	34	40	48	0	36	27	39
Large (>₹2000)	29	33	28	29	25	33	21	35	33

Table 32: If UPI wasn't available, would you still be making digital transactions as frequently as you do now? - Low-value transactions (<₹1,000)

	Merchant Classification						Town Class		
	All India	Micro Merchants	Very Small Merchants	Small Merchants	Midsized Merchants	Large Merchants	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**2059**	**527**	**1183**	**303**	**37**	**9**	**758**	**588**	**713**
Yes	68	63	69	74	84	67	64	71	71
No	32	37	31	26	16	33	36	29	29

Table 33: If UPI wasn't available, would you still be making digital transactions as frequently as you do now? High-value transactions (1,000+)

	Merchant Classification						Town Class		
	All India	Micro Merchants	Very Small Merchants	Small Merchants	Midsized Merchants	Large Merchants	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**2059**	**527**	**1183**	**303**	**37**	**9**	**758**	**588**	**713**
Yes	46	42	48	49	49	56	46	46	47
No	54	58	52	51	51	44	54	54	53

Table 34: Most likely alternatives to be opted instead of UPI

	Merchant Classification						Town Class		
	All India	Micro Merchants	Very Small Merchants	Small Merchants	Midsized Merchants	Large Merchants	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**1593**	**394**	**900**	**260**	**32**	**7**	**529**	**480**	**584**
Net Banking (NEFT/IMPS)	10	4	10	15	28	14	7	15	8
Debit Card	5	5	5	6	6	29	6	5	4
Credit Card	2	2	1	2	0	0	2	1	1
RuPay Debit Card	4	4	2	6	9	14	4	5	2
RuPay Credit Card	3	2	2	9	3	0	4	5	1
Cash	77	84	79	62	53	43	77	69	84

Table 35: How often is the UPI used - P2M (Person-to-Merchant)- eg: mobile payments for shopping

	Merchant Classification						Town Class		
	All India	Micro Merchants	Very Small Merchants	Small Merchants	Midsized Merchants	Large Merchants	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**2059**	**527**	**1183**	**303**	**37**	**9**	**758**	**588**	**713**
Daily	67	61	68	68	70	78	75	58	65
Weekly	18	24	15	18	16	22	12	25	18
Rarely	15	14	17	14	14	0	13	17	17

Table 36: How often is the UPI used - P2P (Person-to-Person)- eg: sending money to friends/family/ relatives

	Merchant Classification						Town Class		
	All India	Micro Merchants	Very Small Merchants	Small Merchants	Midsized Merchants	Large Merchants	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**2059**	**527**	**1183**	**303**	**37**	**9**	**758**	**588**	**713**
Daily	42	39	44	42	41	56	52	35	38
Weekly	31	26	32	36	22	33	30	31	33
Rarely	27	35	24	22	38	11	19	35	29

Table 37: Rate level of awareness with the following UPI features - RCC on UPI (Recurring payments via UPI (e.g., subscriptions, EMIs)

	Merchant Classification						Town Class		
	All India	Micro Merchants	Very Small Merchants	Small Merchants	Midsized Merchants	Large Merchants	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**2199**	**568**	**1265**	**317**	**40**	**9**	**790**	**644**	**765**
Yes	38	41	33	51	43	56	32	34	46
No	62	59	67	49	58	44	68	66	54

Table 38: Rate level of awareness with the following UPI features -UPI credit line (Pre-approved credit limit)

	Merchant Classification						Town Class		
	All India	Micro Merchants	Very Small Merchants	Small Merchants	Midsized Merchants	Large Merchants	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**2199**	**568**	**1265**	**317**	**40**	**9**	**790**	**644**	**765**
Yes	39	41	34	52	48	78	33	30	52
No	61	59	66	48	53	22	67	70	48

Table 39: Rate level of awareness with the following UPI features - UPI circle (Group payments feature)

	Merchant Classification						Town Class		
	All India	Micro Merchants	Very Small Merchants	Small Merchants	Midsized Merchants	Large Merchants	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**2199**	**568**	**1265**	**317**	**40**	**9**	**790**	**644**	**765**
Yes	40	42	34	53	53	67	32	36	50
No	60	58	66	47	48	33	68	64	50

Table 40: Rate level of awareness with the following UPI features -123Pay (PI for feature phones (no internet needed)

	Merchant Classification						Town Class		
	All India	Micro Merchants	Very Small Merchants	Small Merchants	Midsized Merchants	Large Merchants	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**2199**	**568**	**1265**	**317**	**40**	**9**	**790**	**644**	**765**
Yes	33	36	28	46	48	78	29	27	43
No	67	64	72	54	53	22	71	73	57

Table 41: Rate level of awareness with the following UPI features -Interoperability (enables transactions between different banks and apps)

	Merchant Classification						Town Class		
	All India	Micro Merchants	Very Small Merchants	Small Merchants	Midsized Merchants	Large Merchants	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**2199**	**568**	**1265**	**317**	**40**	**9**	**790**	**644**	**765**
Yes	39	39	35	53	53	78	34	33	49
No	61	61	65	47	48	22	66	67	51

Table 42: Rate level of awareness with the following UPI features - UPI Lite (Allows quick, PIN-less transactions up to 500)

	Merchant Classification						Town Class		
	All India	Micro Merchants	Very Small Merchants	Small Merchants	Midsized Merchants	Large Merchants	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**2199**	**568**	**1265**	**317**	**40**	**9**	**790**	**644**	**765**
Yes	41	43	36	55	40	78	35	32	53
No	59	57	64	45	60	22	65	68	47

Table 43: Rate level of awareness with the following UPI features - UPI AutoPay (Sets up automatic recurring payments for subscriptions and bills)

	Merchant Classification						Town Class		
	All India	Micro Merchants	Very Small Merchants	Small Merchants	Midsized Merchants	Large Merchants	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**2199**	**568**	**1265**	**317**	**40**	**9**	**790**	**644**	**765**
Yes	44	45	41	53	48	33	39	35	55
No	56	55	59	47	53	67	61	65	45

Table 44: Rate level of awareness with the following UPI features - UPI number (Unique virtual address linked to a bank account.)

	Merchant Classification						Town Class		
	All India	Micro Merchants	Very Small Merchants	Small Merchants	Midsized Merchants	Large Merchants	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**2199**	**568**	**1265**	**317**	**40**	**9**	**790**	**644**	**765**
Yes	59	53	59	67	53	89	55	47	72
No	41	47	41	33	48	11	45	53	28

Table 45: Rate level of awareness with the following UPI features - UPI IPO (Apply for IPOs through UPI. Simplifies application process and fund blocking)

	Merchant Classification						Town Class		
	All India	Micro Merchants	Very Small Merchants	Small Merchants	Midsized Merchants	Large Merchants	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**2199**	**568**	**1265**	**317**	**40**	**9**	**790**	**644**	**765**
Yes	35	39	30	50	43	44	30	28	47
No	65	61	70	50	58	56	70	72	53

Table 46: Rate level of awareness with the following UPI features - UPI help (Available in all UPI apps to report and resolve transaction issues)

	Merchant Classification						Town Class		
	All India	Micro Merchants	Very Small Merchants	Small Merchants	Midsized Merchants	Large Merchants	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**2199**	**568**	**1265**	**317**	**40**	**9**	**790**	**644**	**765**
Yes	46	46	43	58	45	44	43	36	58
No	54	54	57	42	55	56	57	64	42

Table 47: Rate level of awareness with the following UPI features - credit line on UPI (Access pre-approved credit via UPI)

	Merchant Classification						Town Class		
	All India	Micro Merchants	Very Small Merchants	Small Merchants	Midsized Merchants	Large Merchants	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**2199**	**568**	**1265**	**317**	**40**	**9**	**790**	**644**	**765**
Yes	38	40	33	52	48	44	34	31	49
No	62	60	67	48	53	56	66	69	51

Table 48: Rate level of awareness with the following UPI features - RuPay credit card on UPI (Link RuPay credit card to UPI)

	Merchant Classification						Town Class		
	All India	Micro Merchants	Very Small Merchants	Small Merchants	Midsized Merchants	Large Merchants	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**2199**	**568**	**1265**	**317**	**40**	**9**	**790**	**644**	**765**
Yes	43	43	39	57	48	100	40	37	52
No	57	57	61	43	53	0	60	63	48

Table 49: Rate level of awareness with the following UPI features - eRUPI (Digital voucher for specific-purpose payments)

	Merchant Classification						Town Class		
	All India	Micro Merchants	Very Small Merchants	Small Merchants	Midsized Merchants	Large Merchants	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**2199**	**568**	**1265**	**317**	**40**	**9**	**790**	**644**	**765**
Yes	34	36	30	49	38	44	29	26	47
No	66	64	70	51	63	56	71	74	53

Table 50: Rate level of awareness with the following UPI features - UPI auto top up (UPI Lite Autopay allows you to automatically)

	Merchant Classification						Town Class		
	All India	Micro Merchants	Very Small Merchants	Small Merchants	Midsized Merchants	Large Merchants	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**2199**	**568**	**1265**	**317**	**40**	**9**	**790**	**644**	**765**
Yes	39	42	35	53	43	44	34	31	52
No	61	58	65	47	58	56	66	69	48

Table 51: Rate level of awareness with the following UPI features - Hello! UPI (It refers to a conversational payment)

	Merchant Classification						Town Class		
	All India	Micro Merchants	Very Small Merchants	Small Merchants	Midsized Merchants	Large Merchants	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**2199**	**568**	**1265**	**317**	**40**	**9**	**790**	**644**	**765**
Yes	36	41	30	50	48	67	31	28	48
No	64	59	70	50	53	33	69	72	52

Table 52: Rate level of familiarity with the following UPI features - RCC on UPI (Recurring payments via UPI (e.g., subscriptions, EMIs)

	Merchant Classification						Town Class		
	All India	Micro Merchants	Very Small Merchants	Small Merchants	Midsized Merchants	Large Merchants	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**829**	**232**	**414**	**161**	**17**	**5**	**255**	**220**	**354**
Very familiar	35	39	33	33	29	60	31	49	29
Familiar	49	44	50	53	65	0	47	34	61
Neutral	7	9	7	5	0	0	10	7	5
Unfamiliar	5	3	5	7	6	20	5	7	3
Very unfamiliar	4	6	4	2	0	20	7	4	3

Table 53: Rate level of familiarity with the following UPI features - UPI Credit Line (Pre-approved credit limit)

	Merchant Classification						Town Class		
	All India	Micro Merchants	Very Small Merchants	Small Merchants	Midsized Merchants	Large Merchants	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**849**	**233**	**424**	**166**	**19**	**7**	**259**	**195**	**395**
Very familiar	29	32	28	25	42	29	32	40	21
Familiar	54	54	52	60	47	57	51	40	64
Neutral	9	9	10	8	5	0	11	8	9
Unfamiliar	5	3	6	4	0	14	5	6	4
Very unfamiliar	3	3	3	2	5	0	1	6	2

Table 54: Rate level of familiarity with the following UPI features - UPI circle (Group payments feature)

	Merchant Classification						Town Class		
	All India	Micro Merchants	Very Small Merchants	Small Merchants	Midsized Merchants	Large Merchants	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**871**	**241**	**435**	**168**	**21**	**6**	**255**	**235**	**381**
Very familiar	36	33	36	39	33	50	29	45	35
Familiar	48	49	47	50	62	17	52	34	54
Neutral	9	12	9	3	0	17	13	9	6
Unfamiliar	5	4	5	5	5	17	4	8	4
Very unfamiliar	3	2	2	4	0	0	2	5	2

Table 55: Rate level of familiarity with the following UPI features - 123Pay (PI for feature phones (no internet needed)

	Merchant Classification						Town Class		
	All India	Micro Merchants	Very Small Merchants	Small Merchants	Midsized Merchants	Large Merchants	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**730**	**204**	**354**	**146**	**19**	**7**	**228**	**171**	**331**
Very familiar	28	35	27	22	32	43	29	43	20
Familiar	50	44	49	60	58	29	49	33	59
Neutral	12	14	13	11	0	0	14	9	13
Unfamiliar	6	3	8	5	0	29	5	8	6
Very unfamiliar	3	3	4	1	11	0	3	7	2

Table 56: Rate your level of familiarity with the following UPI features - Interoperability (enables transactions between different banks and apps)

	Merchant Classification						Town Class		
	All India	Micro Merchants	Very Small Merchants	Small Merchants	Midsized Merchants	Large Merchants	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**858**	**223**	**439**	**168**	**21**	**7**	**272**	**214**	**372**
Very familiar	30	37	27	27	38	29	26	42	26
Familiar	50	43	53	51	43	57	54	33	56
Neutral	10	10	11	9	5	0	11	8	10
Unfamiliar	7	4	7	10	10	14	5	10	6
Very unfamiliar	4	5	3	4	5	0	4	7	2

Table 57: Rate level of familiarity with the following UPI features - UPI Lite (Allows quick, PIN-less transactions up to 500)

	Merchant Classification						Town Class		
	All India	Micro Merchants	Very Small Merchants	Small Merchants	Midsized Merchants	Large Merchants	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**896**	**243**	**455**	**175**	**16**	**7**	**280**	**208**	**408**
Very familiar	27	27	27	26	13	57	24	36	25
Familiar	50	47	50	50	81	43	52	31	58
Neutral	12	14	11	14	0	0	15	15	9
Unfamiliar	7	7	7	7	6	0	5	11	7
Very unfamiliar	4	5	4	3	0	0	4	8	2

Table 58: Rate level of familiarity with the following UPI features - UPI AutoPay (Sets up automatic recurring payments for subscriptions and bills)

	Merchant Classification						Town Class		
	All India	Micro Merchants	Very Small Merchants	Small Merchants	Midsized Merchants	Large Merchants	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**960**	**254**	**515**	**169**	**19**	**3**	**311**	**226**	**423**
Very familiar	29	32	29	25	26	33	31	35	25
Familiar	52	43	53	61	58	33	50	39	60
Neutral	10	15	10	6	11	33	13	13	7
Unfamiliar	6	7	6	5	0	0	4	7	7
Very unfamiliar	3	3	2	3	5	0	3	6	1

Table 59: Rate level of familiarity with the following UPI features - UPI number (Unique virtual address linked to a bank account)

	Merchant Classification						Town Class		
	All India	Micro Merchants	Very Small Merchants	Small Merchants	Midsized Merchants	Large Merchants	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**1287**	**299**	**747**	**212**	**21**	**8**	**435**	**305**	**547**
Very familiar	36	31	37	35	48	25	35	39	34
Familiar	49	48	48	52	38	75	50	39	53
Neutral	8	13	7	6	5	0	9	11	6
Unfamiliar	5	4	5	5	5	0	3	8	4
Very unfamiliar	3	4	2	2	5	0	3	3	2

Table 60: Rate level of familiarity with the following UPI features - UPI IPO (Apply for IPOs through UPI. Simplifies application process and fund blocking)

	Merchant Classification						Town Class		
	All India	Micro Merchants	Very Small Merchants	Small Merchants	Midsized Merchants	Large Merchants	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**776**	**220**	**378**	**157**	**17**	**4**	**239**	**179**	**358**
Very familiar	28	25	31	25	18	75	30	34	24
Familiar	52	52	49	55	76	25	49	38	60
Neutral	10	12	10	10	0	0	13	11	8
Unfamiliar	6	6	6	6	0	0	5	9	6
Very unfamiliar	4	4	3	4	6	0	3	8	2

Table 61: Rate level of familiarity with the following UPI features - UPI help (Available in all UPI Apps to Report and resolve transaction issues)

	Merchant Classification						Town Class		
	All India	Micro Merchants	Very Small Merchants	Small Merchants	Midsized Merchants	Large Merchants	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**1015**	**263**	**546**	**184**	**18**	**4**	**338**	**233**	**444**
Very familiar	30	30	31	29	28	25	36	33	25
Familiar	52	49	52	55	61	75	49	42	59
Neutral	9	10	9	8	6	0	10	9	9
Unfamiliar	6	7	5	5	0	0	3	9	6
Very unfamiliar	3	5	3	2	6	0	3	7	1

Table 62: Rate level of familiarity with the following UPI features - credit line on UPI (Access pre-approved credit via UPI)

	Merchant Classification						Town Class		
	All India	Micro Merchants	Very Small Merchants	Small Merchants	Midsized Merchants	Large Merchants	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**840**	**230**	**422**	**165**	**19**	**4**	**267**	**200**	**373**
Very familiar	28	27	30	24	26	75	28	36	23
Familiar	49	45	49	54	63	25	48	32	58
Neutral	12	12	11	15	5	0	17	11	9
Unfamiliar	7	8	7	6	0	0	4	11	7
Very unfamiliar	5	9	3	2	5	0	3	11	3

Table 63: Rate level of familiarity with the following UPI features - RuPay credit card on UPI (Link RuPay credit card to UPI)

	Merchant Classification						Town Class		
	All India	Micro Merchants	Very Small Merchants	Small Merchants	Midsized Merchants	Large Merchants	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**949**	**246**	**495**	**180**	**19**	**9**	**313**	**241**	**395**
Very familiar	27	28	27	27	21	33	26	34	24
Familiar	53	46	53	58	74	56	55	37	61
Neutral	12	17	11	8	0	0	13	13	9
Unfamiliar	5	5	6	4	0	11	4	8	5
Very unfamiliar	3	4	3	3	5	0	2	7	2

Table 64: Rate level of familiarity with the following UPI features - eRUPI (Digital voucher for specific-purpose payments)

	Merchant Classification						Town Class		
	All India	Micro Merchants	Very Small Merchants	Small Merchants	Midsized Merchants	Large Merchants	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**756**	**206**	**377**	**154**	**15**	**4**	**227**	**167**	**362**
Very familiar	25	29	25	21	20	50	26	32	22
Familiar	54	46	56	60	73	25	52	41	62
Neutral	10	12	10	8	0	0	16	8	7
Unfamiliar	7	8	7	6	0	25	4	9	8
Very unfamiliar	3	5	2	5	7	0	2	10	1

Table 65: Rate level of familiarity with the following UPI features - UPI auto top up (UPI Lite Autopay allows you to automatically)

	Merchant Classification						Town Class		
	All India	Micro Merchants	Very Small Merchants	Small Merchants	Midsized Merchants	Large Merchants	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**866**	**236**	**441**	**168**	**17**	**4**	**269**	**197**	**400**
Very familiar	25	27	25	21	29	50	24	29	24
Familiar	54	51	54	57	65	50	53	39	62
Neutral	10	11	10	9	0	0	14	10	7
Unfamiliar	7	7	7	9	0	0	6	11	7
Very unfamiliar	4	4	4	4	6	0	3	11	1

Table 66: Rate level of familiarity with the following UPI features - Hello! UPI (It refers to a conversational payment)

	Merchant Classification						Town Class		
	All India	Micro Merchants	Very Small Merchants	Small Merchants	Midsized Merchants	Large Merchants	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**795**	**231**	**380**	**159**	**19**	**6**	**245**	**181**	**369**
Very familiar	27	30	27	21	37	17	25	40	21
Familiar	52	43	54	60	58	50	54	34	60
Neutral	10	13	8	11	0	0	15	8	8
Unfamiliar	7	8	6	6	0	33	4	7	8
Very unfamiliar	4	6	4	3	5	0	2	11	2

Table 67: Most used UPI features in the last 3 months

	Merchant Classification						Town Class		
	All India	Micro Merchants	Very Small Merchants	Small Merchants	Midsized Merchants	Large Merchants	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**1718**	**417**	**992**	**267**	**33**	**9**	**586**	**456**	**676**
RCC on UPI (Recurring payments via UPI (e.g., subscriptions, EMIs) with auto-debit from a linked account.)	26	34	23	25	27	44	21	30	28
UPI Credit Line (Pre-approved credit limit through UPI, allowing users to pay now and repay later.)	22	22	20	27	33	33	20	18	26
UPI Circle (Group payments feature for splitting bills or collecting money among friends/family via UPI.)	24	24	22	31	30	22	20	26	27
123Pay (PI for feature phones (no internet needed), enabling transactions via IVR or SMS.)	15	16	12	21	30	11	13	13	18
Interoperability (enables transactions between different banks and apps. Users can send money to any UPI ID regardless of the bank or app.	18	17	17	25	27	33	16	18	20
UPI Lite (Allows quick, PIN-less transactions up to â‚¹ 500. Uses a pre-loaded wallet for instant, low- value payments. Designed for faster small value transactions)	18	19	16	21	15	33	13	16	23
UPI AutoPay (Sets up automatic recurring payments for subscriptions and bills. One-time mandate for regular transactions.	15	12	15	20	18	11	15	13	16
UPI Number (Unique virtual address linked to a bank account. Receive payments without sharing bank details. Uses easy-to-remember ID for simplified transactions.)	34	20	40	31	33	56	37	31	33
UPI IPO (Apply for IPOs through UPI. Simplifies application process and fund blocking. Integrated with brokers and banks for streamlined investing.)	7	7	6	11	9	11	6	6	9
UPI Help (Available in all UPI Apps to Report and resolve transaction issues. Assists with failed or disputed UPI payments.	12	10	12	15	12	0	12	10	14
Credit Line on UPI (Access pre-approved credit via UPI. Make payments using credit limits from banks. Combines UPI convenience with credit facilities.)	6	7	5	9	6	11	5	7	6
RuPay Credit Card on UPI (Link RuPay credit card to UPI. Use credit card through UPI apps and QR codes. Integrates credit card functionality into UPI ecosystem.)	8	8	7	12	15	11	5	11	9
eRUPI (Digital voucher for specific-purpose payments. Used for welfare services and corporate benefits. Ensures targeted, leak-proof delivery without card or apps)	4	3	3	9	3	0	1	4	6
UPI Auto top up (UPI Lite Autopay allows you to automatically top-up your UPI Lite balance when it falls below a certain amount.	7	4	6	11	9	22	5	7	8
Hello! UPI (It refers to a conversational payment solution that allows users to make UPI	5	3	5	5	15	11	3	6	4

Table 68: Most preferred UPI feature

	Merchant Classification						Town Class		
	All India	Micro Merchants	Very Small Merchants	Small Merchants	Midsized Merchants	Large Merchants	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**1718**	**417**	**992**	**267**	**33**	**9**	**586**	**456**	**676**
RCC on UPI (Recurring payments via UPI (e.g., subscriptions, EMIs) with auto-debit from a linked account.)	15	22	13	15	12	33	11	18	17
UPI Credit Line (Pre-approved credit limit through UPI, allowing users to pay now and repay later.)	9	9	9	10	12	11	9	5	12
UPI Circle (Group payments feature for splitting bills or collecting money among friends/family via UPI.)	11	10	11	13	18	22	10	15	10
123Pay (PI for feature phones (no internet needed), enabling transactions via IVR or SMS.)	5	6	4	7	3	0	6	4	4
Interoperability (enables transactions between different banks and apps. Users can send money to any UPI ID regardless of the bank or app.	7	9	6	9	12	0	7	7	8
UPI Lite (Allows quick, PIN-less transactions up to â‚¹ 500. Uses a pre-loaded wallet for instant,low-value payments. Designed for faster small value transactions)	8	9	8	7	9	11	7	6	10
UPI AutoPay (Sets up automatic recurring payments for subscriptions and bills. One-time mandate forregular transactions.	6	6	6	4	3	0	6	5	5
UPI Number (Unique virtual address linked to a bank account. Receive payments without sharing bankdetails. Uses easy-to-remember ID for simplified transactions.)	23	13	30	16	18	22	29	21	20
UPI IPO (Apply for IPOs through UPI. Simplifies application process and fund blocking. Integrated with brokers and banks for streamlined investing.)	1	1	1	2	3	0	2	1	1
UPI Help (Available in all UPI Apps to Report and resolve transaction issues. Assists with failed or disputed UPI payments.	5	4	6	4	0	0	6	5	4
Credit Line on UPI (Access pre-approved credit via UPI. Make payments using credit limits from banks. Combines UPI convenience with credit facilities.)	2	3	2	1	3	0	2	3	2
RuPay Credit Card on UPI (Link RuPay credit card to UPI. Use credit card through UPI apps and QR codes. Integrates credit card functionality	3	3	3	3	3	0	1	5	2
eRUPI (Digital voucher for specific-purpose payments. Used for welfare services and corporate benefits. Ensures targeted,	1	1	0	2	0	0	0	1	1
UPI Auto top up (UPI Lite Autopay allows you to automatically top-up your UPI Lite balance when it falls below a certain amount.	2	2	2	3	0	0	2	2	2
Hello! UPI (It refers to a conversational payment solution that allows users to make UPI	1	1	2	2	3	0	1	2	1

Table 69: Educational programs or resources would benefit to improve the digital literacy

	Merchant Classification						Town Class		
	All India	Micro Merchants	Very Small Merchants	Small Merchants	Midsized Merchants	Large Merchants	Tier 1+2	Tier 3+4	Tier 5+6
Base: All Respondent	**2199**	**568**	**1265**	**317**	**40**	**9**	**790**	**644**	**765**
Online courses or webinars	28	33	24	31	35	22	20	37	27
In-person workshops or seminars	21	18	20	29	30	33	16	26	23
Certified college/university courses	18	14	17	29	23	11	13	18	23
Training sessions provided by employers	23	23	22	28	40	0	19	24	27
Self-guided study materials	25	24	22	32	30	67	20	24	30
Access to tech-support and advisory lines	25	21	24	29	53	44	29	22	23
Online communities (Reddit, WhatsApp/ Telegram groups)	22	16	21	33	30	44	19	23	24
Apprenticeships	24	20	26	24	15	44	21	23	28
Friends/family/colleagues	52	52	54	47	40	33	56	48	52
Internships (at banks, fintech companies, etc.)	20	16	19	26	28	22	15	24	21

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