



# RBI 2025 report: From UPI to RTGS, India's digital payments are leading the way

BFSI / By Lavanya Iyengar / October 24, 2025



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## The next leap in financial innovation

India's digital payments revolution isn't slowing down, it's powering ahead with remarkable momentum. The **Reserve Bank of India's (RBI) Payment Systems Report for the Half-Year Ended June 2025** tells a story of scale, speed, and transformation, one where *billions of small taps and transfers are quietly reshaping the economy*.

This half-yearly report captures how far India's payment ecosystem has come from the growth of UPI and RTGS to new regulatory guardrails and the country's rising global footprint in fintech.

Over the past decade, India has seen nothing short of a payments revolution. Between 2014 and 2024, digital transactions grew 38 times in volume and over three times in value. In the last five years alone, volumes jumped 6.6 times, backed by a 46% annual growth rate.



protecting consumers.

The ecosystem now spans everything , from UPI, IMPS, NEFT, and RTGS to cards, digital wallets, and QR codes Which are all part of India's modern financial fabric.

A major governance milestone this year was the creation of the *Payments Regulatory Board (PRB)*, which replaces the earlier BPSS. Headed by the RBI Governor, the PRB will now oversee and regulate all payment systems under the amended Payments and Settlement Systems Act, 2007.

### India's Payments Snapshot – June 2025

latest data reveals how India's payments ecosystem has gone truly digital:

Total transactions: 12,549 crore in H1 2025

Total value: ₹1,572 lakh crore

Digital payments share: 99.8% of all transactions

It's the interesting contrast:

- *UPI made up 85% of all transactions by volume, but only 9% by value – showing its dominance in small-ticket, everyday use.*
- *RTGS, designed for large-value payments, accounted for 69% of the total value, despite just 0.1% of transaction count.*

Even as paper-based payments (cheques) continue to fade, the infrastructure behind digital payments is thriving:

- Credit cards: 11.1 crore
- Debit cards: 100 crore+
- POS terminals: 1.18 crore
- UPI QR codes: 6.8 crore

The RBI's approach this year focused on "regulated innovation", expanding access while tightening safety nets. Here are some of the standout measures:



with digital "tokens." It also gave users the right to choose their preferred card network, preventing banks from locking customers into specific arrangements.

### ***Expanding the Payments Infrastructure***

The Payments Infrastructure Development Fund (PIDF) was extended till December 2025. It's already financed over 14 lakh PoS devices, 4 crore QR codes, and 6.7 million soundboxes, especially in smaller towns.

#### ***Enhancing UPI Payments***

To make UPI work even without internet access, RBI raised the UPI Lite transaction limit to ₹50 (up to ₹5,000 total) — enabling small, seamless, offline payments in low-connectivity areas.

#### ***Credit on UPI***

A key shift in 2025: RBI allowed Small Finance Banks to offer pre-approved credit lines via UPI. This opens doors for affordable, instant credit — especially for micro-entrepreneurs and small businesses.

### ***Strengthening AePS***

The Aadhaar-enabled Payment System (AePS), used for rural and biometric transactions, now comes under stricter due diligence norms to prevent misuse and strengthen identity verification.

#### ***Dynamic UPI Limits***

For the first time, the NPCI (not RBI) can set transaction limits for merchant payments on UPI — a move aimed at flexibility and faster response to market needs.

#### ***Boosting MSME Finance***

RBI also activated a Credit Guarantee Fund Scheme for Factoring via the TReDS platform, helping MSMEs get paid faster through invoice discounting and credit insurance.

### ***RTGS: India's Financial Backbone***

While UPI is the star of retail payments, RTGS (Real Time Gross Settlement) remains the foundation of India's large-value financial system.



- RTGS transactions: 16.1 crore in H1 2025
- Transaction value: ₹1,079 lakh crore
- Share in total value: ~69%

Over time, RTGS has become a model of reliability and modernization. It's now available 24x7x365, follows ISO 20022 messaging standards, and includes advanced security features like account name verification and intraday liquidity facilities.

### ***Going Global: India's Payment Systems Without Borders***

India isn't just digitising domestic payments — it's exporting its expertise. The report highlights RBI's efforts to connect UPI and RuPay globally, advancing both convenience and India's financial diplomacy.

That's what's already live:

- UPI-PayNow linkage with Singapore, enabling real-time cross-border payments.
- UPI QR codes accepted in Bhutan, Nepal, Mauritius, Singapore, UAE, France, and Qatar.
- Participation in Project Nexus, linking fast payment systems across Asia.

On the global front, the G20 Roadmap led by the FSB and BIS continues to push for faster, cheaper, and more transparent cross-border transactions — an area where India's progress stands out.

### ***The Remittance Edge***

India remains the world's largest recipient of remittances, with \$137.7 billion in 2024 — almost double that of Mexico, the next largest.

Even better, the cost of sending money to India is among the lowest globally. The Kuwait-India corridor averaged just 2.1% per \$200 transaction, far below the UN Sustainable Development Goal target of 3%.

This reflects both RBI's efficiency push and India's growing role as a remittance-friendly destination powered by digital rails.

The *Payment Systems Report (June 2025)* cements India's position as a global benchmark in digital finance, a country where innovation meets regulation, and inclusion meets technology.



- *RTGS ensures financial system stability at the top end of the value chain.*

*Regulatory clarity and tech expansion are ensuring both trust and growth.*

**BI's Executive Director Vivek Deep** notes in the report's foreword, the goal is clear: to build a payment ecosystem that's "*efficient, resilient, and accessible*", one that supports India's digital transformation and economic growth story.

India's payments journey has moved from cash to QR, from branches to apps, and from domestic to global, all in under a decade.

The numbers are staggering, but the story behind them is even more powerful: a nation of a billion people, steadily moving towards a seamless, inclusive, and borderless digital future.

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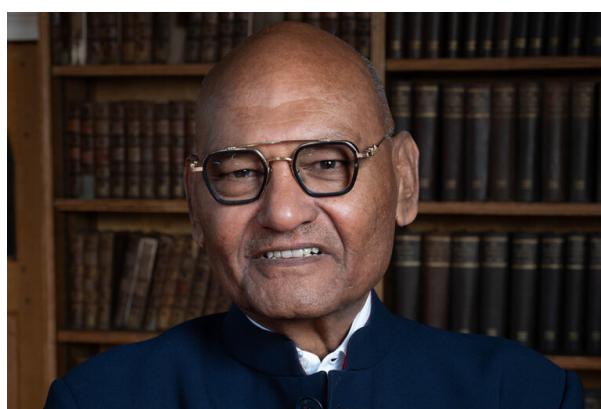
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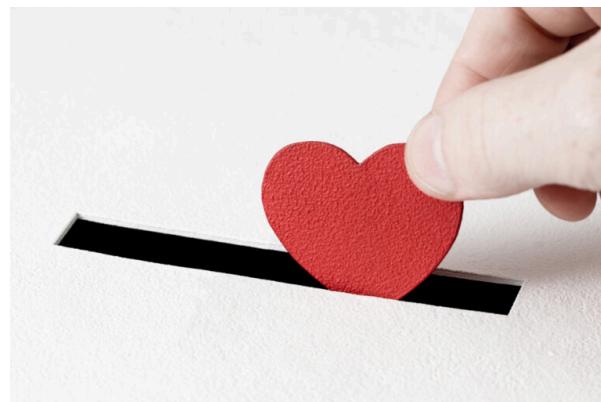
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