Digital Payments Index

Prelims: *Current events of national and international importance| Economic & Social development*

Why in News?

Recently, the Digital Payments Index revealed that Digital payments in India saw a 10.7% growth during Sept, 2024 to March, 2025.

- **Aim –** It is designed to ***track the extent of digitalisation in payments*** across the country.
- **Introduced in –** 2021.
- **Base year –** March, 2018 as the base period.
- **DPI score - *Set at 100*** in 2018.
- **Released by -** Reserve Bank of India (RBI).
- **Oversight –** Biannually (twice a year).
- **Parameters**
  - Payment Enablers (25%),
  - Payment infrastructure Demand-side (10%) & supply-side (15%),
  - Payment performance (45%),
  - Consumer centricity (5%).
- **Key findings**
  - The current level in March 2025 marks a more than *fourfold increase* in digital payment activity since 2018.
  - The latest increase is primarily driven by improvements in Payment Infrastructure Supply-side factors and Payment Performance includes
    - An expanded merchant acceptance network,
    - Wider adoption of QR code-based payments,
    - Robust growth in Unified Payments Interface (UPI) transactions, and
    - Improved availability of digital banking services nationwide.
  - It highlights a broader transformation in the country's payments ecosystem, supported by government initiatives such as Digital India, growing smartphone penetration, and active fintech innovation.
- **Significance –** It plays a crucial role in policy formulation and benchmarking progress.

Reference

DD NEWS| RBI – Digital Payment Index



SHANKAR
IAS PARLIAMENT
Information is Empowering