

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA
UNSTARRED QUESTION NO. 1593

ANSWERED ON MONDAY, 09 FEBRUARY 2026/MAGHA 20, 1947 (SAKA)

Digital Payment Ecosystem

1593. SHRI E T MOHAMMED BASHEER:

Will the Minister of FINANCE be pleased to state:

- a) the manner in which the Government is enhancing the digital payment ecosystem to promote greater financial inclusion across all sections of society;
- b) the recent initiatives that have been introduced to expand digital payment infrastructure and ensure easier access for citizens in rural and semi-urban areas of the country; and
- c) the manner in which policymakers and regulatory bodies ensure that the rapid growth of digital transactions contributes to long-term financial empowerment and inclusive economic growth in the country?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) & (b) The Government, Reserve Bank of India (RBI) and National Payment Corporation of India (NPCI) have been taking up various initiatives for strengthening digital payment ecosystem in the country including rural and semi-urban areas. These, inter-alia, include incentive scheme for promotion of RuPay Debit Cards and low-value BHIM-UPI transactions (P2M) to incentivize banks/fintechs, and Payments Infrastructure Development Fund (PIDFs) to facilitate deployment of digital payment infrastructure (such as QR code and POS Terminals) in Tier – III to VI centers. During the last four years i.e. FY 2021-22 to FY 2024-25, the Government has extended the incentive support of approximately ₹ 8730 Crores to the banks/fintechs. Further, as of December 31, 2025, approximately 5.80 crore digital touch points have been deployed through PIDF throughout the country to ensure the seamless digital payment transactions.

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