

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA
UNSTARRED QUESTION NO. 2620
ANSWERED ON MONDAY, 9 MARCH, 2026/PHALGUNA 18, 1947 (SAKA)

Enhancement of UPI Limits

2620. SHRI MUKESHKUMAR CHANDRAKAANT DALAL:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Reserve Bank of India (RBI) has announced significant enhancements to the Unified Payments Interface (UPI) transaction limits in its December 2025 Monetary Policy statement, if so, the details thereof;
- (b) the details of the decision to hike the transaction limit for payments to hospitals and educational institutions from Rs. 1 Lakh to Rs. 5 lakhs per transaction;
- (c) whether the limit for e-mandates on recurring payments for mutual fund subscriptions and insurance premiums without Additional Factor Authentication (AFA) has been raised to Rs. 1 Lakh, if so, the rationale for this relaxation;
- (d) the safeguards introduced to prevent unauthorized high-value transactions given the relaxation of OTP requirements for recurring debits; and
- (e) the manner in which these measures promote the 'Digital India' vision by facilitating high-value transactions in critical sectors like healthcare and financial savings?

Answer

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

(a) & (b) Reserve Bank of India (RBI) has informed that there was no announcement with regard to enhancements of transaction limit of Unified Payments Interface (UPI) in the Monetary Policy statement of December 2025. However, in line with the Monetary Policy statement of December 2023, National Payments Corporation of India (NPCI) vide circular dated 24.08.2024 had enhanced the limit for payment to hospital and educational institution from Rs ₹1 lakh to ₹5 lakh per transaction to encourage the use of UPI for medical and educational services.

(c) & (d) The limit for e-mandates for recurring payments without Additional Factor Authentication (AFA/OTP) was increased from ₹15,000 to ₹1 lakh per transaction in respect of mutual fund subscriptions and insurance premiums. Further, In these categories, the average transaction size was more than ₹15,000 which created certain friction in undertaking these transactions and resulted in customers not creating mandates for such transactions. Therefore, there was a need to enhance the transaction limit for select categories.

Despite the relaxation of Additional Factor of Authentication (AFA) for certain recurring payments up to ₹1 lakh, the Reserve Bank of India has implemented several safeguards to ensure the security of such transactions. These include:

- Pre-debit notification: Banks must send a notification to the customer at least 24 hours before the debit, giving the customer the option to cancel or modify the mandate.
- Device binding: Additional security is ensured through device-level binding, which helps prevent unauthorized use.
- Verified merchants: The higher limits apply only to verified merchants in designated sectors such as hospitals, educational institutions, and other permitted categories.

(e) RBI and NPCI have been taking up several measures to promote the 'Digital India' vision, such as enabling high-value digital payments in key sectors. By raising the cap to ₹5 lakh for critical sectors, UPI transitions from a retail-only tool to a comprehensive, high-value payment infrastructure that facilitates instant, seamless payments for large medical or educational bills, reducing the need for cash or physical payment methods. It also encourages a shift towards digital modes for regular, large-value investments (Mutual Funds/Insurance).
