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# Viksit Bharat @2047 Role of Digital Payments

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**Abstract:**
The growth in cashless payments and digitalisation of the Indian currency is indeed leading India's growth. Moving towards digital payments actually transforms the transactions made by individuals, business and institutions thus rendering them more convenient, more accessible, more transparent and more systematic. As the country is moving towards building a Viksit Bharat@2047, the significance of digital payments will be the same, as the instruments to drive the sustainable and inclusive economic growth, technological development and also digitalise the economy. The study makes uses of the existing data and studies in the field of the digital payments market in India, and looks at the whole range of aspects from policy and infrastructure, to usage trends of digital payments. The paper refers to not only the technological improvement but also digital payments being a key to connect, transparent and a strong economy. But it's important to note here that there are few challenges like low digital literacy; cyber security, infrastructure and accessibility to many areas which could be an obstacle in building an inclusive digital economy. For digital payments to be a club of India's journey from Bharat to Viksit Bharat by 2047 there needs to be an ongoing regulatory and infrastructure support for digital payments, improved user awareness and security in digital payments.

**Keywords:** Viksit Bharat@2047,Digital Payments, Government Initiative, PMJDY, Startup India.

## 1.Introduction

Government initiatives play a crucial role in India, given the nation's wide-ranging socioeconomic disparities and complex development needs. Many people across the country still struggle with poverty, joblessness, and limited access to essential services. These initiatives are vital for addressing such challenges and ensuring inclusive growth for all sections of society. Government schemes like MGNREGA, PMAY, and PDS aim to ensure social welfare and financial inclusion, while initiatives like Skill India and Startup India promote employment and entrepreneurship among the youth. Programs targeted at rural development, such as PMKISAN and PMGSY, help bridge the urban-rural divide and support the agrarian economy.

Digital payments in India state to the seamless transfer of money through electronic modes, without the requirement for physical cash. Over the past decade, India has watched a rapid renovation in its payment ecosystem, driven by technological advancements, government initiatives, and growing smart phone and internet penetration. The launch of platforms like UPI, Aadhaar - enabled Payment Systems (AePS), BHIM, and mobile wallets has made digital transactions faster, safer, and more accessible to a large section of the population. With the government's push towards a cashless economy under the Digital India mission, digital payments have become a key driver of financial inclusion, transparency, and economic growth.

## 2. Literature Review:

Pathak et al. (2024) paper examines the transformative impact of digital payment gateways on healthcare access in India, highlighting the rapid growth of cashless transactions driven by government initiatives like UPI and RuPay. Overall, digital payments are seen as a key driver toward more equitable and efficient healthcare in India.

Mahesh A., et al. (2021) study analyzes the UPI and its transformative role in India's digital payment landscape, highlighting its rapid growth—contributing over 58% of digital transactions by May 2021. Using SWOT analysis, it identifies UPI's strengths in simplicity and inclusivity, weaknesses like technical issues, and both opportunities

and threats linked to digital adoption. The paper concludes that "UPI" has significantly advanced "financial inclusion" and recommends improving user awareness and grievance redressal to enhance its impact.

Baghla A (2018) paper explores the current trend of digital payment adoption in India, which gained momentum after the government's demonetization move on November 8, 2016. Aimed at promoting a cashless economy and curbing black money, digital payments were encouraged for transparent transactions and better credit flow through banks.

**3.Objectives:**

a. To discuss and analyse the key government initiatives.

b. To assess the role of flagship programs in promoting digital payments in India.

**4.Methodology:**

The study is purely centred on secondary data analysis, with a focus on examining government initiatives and programs using information primarily sourced from official government portals and program-specific websites (Ministry of Finance, NITI Ayog, RBI, NPCI, NIC etc.).

**5.Digital India Programme**

Launched on July 1, 2015, by Prime Minister Narendra Modi, the Digital India initiative seeks to reshape the country into a digitally empowered society and a knowledge-driven economy. Since its inception, the initiative has significantly improved the lives of citizens by enabling digital access to services, promoting digital governance, and expanding the digital economy. Key milestones include the development of broadband infrastructure, widespread mobile connectivity, and the establishment of public internet access points.

These efforts have contributed to a steady rise in digital service delivery and have formed new opportunities for employment and economic growth. Looking ahead, Digital India is positioned to lead transformative advancements by embracing emerging technologies such as artificial intelligence, quantum computing, and space technology. According to the 2024 State of India's Digital Economy

Report by ICRIER, India ranks third globally in digitalisation, largely due to its robust digital infrastructure.

The government's long-term vision, aligned with the "Viksit Bharat 2047" agenda, focuses on empowering citizens through education, skill development, and social welfare programs. These strategic measures aim to promote inclusive growth, boost innovation, and establish India as a worldwide spearhead in the digital and technological arena. India's Digital India Programme has significantly advanced the nation's digital infrastructure, with over 1.35 billion Aadhaar enrolments, 1.2 billion mobile connections, and more than 850 million internet users as of 2023.

**5.1.Pradhan Mantri Jan Dhan Yojana (PMJDY)**

PMJDY is a nationwide mission aimed at confirming "financial inclusion" by providing simple banking services like savings accounts, credit, and insurance, pension, and remittance facilities to low-income and excluded groups. It promotes universal access to banking through technology, RuPay cards, and Direct Benefit Transfers (DBT), while also enhancing financial literacy and involving youth in the mission.

**Benefits under PMJDY**

A basic savings account is opened for individuals without access to banking
services under the PMJDY scheme.

2.There is no requirement to maintain a minimum balance in these accounts.

3.Deposits in PMJDY accounts earn interest.

4. Account holders receive a RuPay Debit Card.

5.An accident insurance cover of Rs.1 lakh is included with the RuPaycard, which increases to Rs.2 lac for accounts opened on or after August 28, 2018.

**5.2.Unified Payments Interface (UPI)**

UPI is a digital payment platform that lets users connect several bank accounts to one mobile application, making it easy to send money, pay merchants, and carry out person-to-person transactions seamlessly. It simplifies banking by integrating various services

facilities into one platform. UPI was initially launched as a pilot by NPCI with 21 banks on April 11, 2016, and UPI-enabled apps began appearing on the "Google Play Store" from August 25, 2016.

The UPI ecosystem has witnessed explosive growth in recent years: in May 2025 alone, it processed a record 18.68 billion transactions worth Rs.25.14 trillion, reflecting a 33% yearover-year increase .As of May 2025, 673 banks are integrated with UPI, collectively handling 18.68 billion transactions and a volume of Rs.25.14 trillion . The system saw an annual leap from approximately 11,768 crore transactions in 2023 to 17,220 crore transactions in 2024, and by October 2024, UPI recorded 16.58 billion transactions totalingRs.23.49 lakh crore. In 2024, UPI's share of India's digital payments rose to an impressive 83%, underscoring its dominance in the nation's cashless transactions landscape.

**5.3.BHIM (Bharat Interface for Money)**

The BHIM app, launched by Prime Minister Modijion December 30, 2016, is a user-friendly mobile payment application advanced by the NPCI. It facilitates fast, protected and secure transactions using the UPI, allowing users to send or get money directly through UPI IDs or Shodh Samarth- Research Journal of Commerce, Management & Economics 38 QR codes. Designed to encourage financial inclusion and support the Digital India initiative, BHIM plays a noteworthy part in making digital payments accessible to all.

**5.4.Aadhaar Enabled Payment System (AePS)**

To speed up "financial inclusion" in India, the RBI formed two operational groups focused on setting MicroATM standards and strengthening Aadhaar - based infrastructure. These groups included fellows from RBI, UIDAI, NPCI, and banking research bodies. A successful proof of concept was conducted to test Aadhaar - based Micro ATM transactions. Based on this, the AePS was developed as a bank-led model that allows operators to execute six basic banking transactions using only their bank name, Aadhaar number, and biometric data. AePS supports services like cash deposit/withdrawal, balance inquiry, mini statement, and Aadhaar – to Aadhaar fund transfers via business correspondents. It aims to promote digital

payments, enable direct benefit transfers, support interoperability, and expand access to Aadhaar - based banking, aligning with the financial inclusion goals of RBI and the Government of India.

**6.Impotance of Digital Payments in Viksit Bharat 2047**

- **Financial Inclusion and Rural Empowerment:** Systems like the Unified Payments Interface (UPI) bring formal banking services to rural and unbanked populations, reducing economic inequality and integrating micro-entrepreneurs into the mainstream economy.

- **Economic Contribution and GDP Growth:** The digital economy currently accounts for roughly 12% to 14% of India's GDP and is projected to expand to around one-fifth of the total GDP over the coming decade.

- **Credit Access for MSMEs and Informal Workers:** Digital payment trails and transactional footprints replace traditional, rigid collateral requirements. Alternative credit scoring uses UPI, GST filings, and bank histories to extend loans to small businesses and street vendors.

- **Transparency and Good Governance:** Real-time digital ledgers eliminate cash-based leakages, curb corruption, and streamline direct benefit transfers (DBT) so government welfare reaches citizens efficiently.

- **Global Leadership and Interoperability:** India handles a massive share of global real-time digital transactions. Expanding UPI links internationally, alongside the Digital Rupee (CBDC) and Open Network for Digital Commerce (ONDC), positions India as a worldwide fintech innovator.

**7. Challenges of Digital Payments in India**

- **UPI Sustainability:** The zero-MDR regime limits investment; the Standing Committee on Finance (2026) found government incentives cover only 11% of industry costs.

- **Digital Divide: NFHS-6 (2023–24)** shows **64.3%** of women have used the internet, yet significant rural, elderly, and regional digital gaps continue to hinder digital payment adoption.

- **Infrastructure Gaps:** Poor internet and electricity disrupt transactions. E.g, North-Eastern and Himalayan regions often face connectivity-related payment failures.

- **Market Concentration:** Around 90% of UPI transactions are routed through PhonePe and Google Pay, raising concerns over competition and systemic risks.

- **Cyber security Threats:** Rising UPI phishing and QR-code scams. E.g., fake customer-care fraud**s** frequently target first-time users.

**8.Conclusion**

India's Digital India Programme has emerged as a transformative initiative, revolutionizing the country's digital landscape and strengthening the foundation for inclusive development. Through platforms like UPI, BHIM, DigiLocker, and AePS, it has facilitated seamless access to government services, empowered citizens with secure and efficient digital payment systems, and fostered a robust digital infrastructure.

In synergy with the goals of Digital India, targeted financial inclusion schemes like the Pradhan Mantri Jan-DhanYojana (PMJDY) and PM SVANidhi have provided unbanked populations with vital access to banking, credit, insurance, and livelihood support. These efforts, alongside the promotion of QR-based payments and innovations like UPI and AePS, have helped bring formal financial systems to millions. As India embraces emerging technologies and scales its digital ecosystem further, the combined impact of these programmes will continue to fuel inclusive economic growth, deepen citizen engagement, and position India as a global leader in digital governance and financial innovation.

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